

Town of Munster Water Department

UTILITY BILLING POLICIES, RULES & REGULATIONS

The Town of Munster Water Utility (“Utility”) provides residential and commercial water service to the property and business owners as well as tenants of rental units (“Customers”) in the Town of Munster (“Town”). This policy document is designed to formalize the billing procedures and to provide clarification and guidance for both the employees and the Customers of the Town and the Utility.

The policies, rules and regulations presented in this document are based on State of Indiana statutes, Indiana Administrative Code, Town of Munster Municipal Code (2001 Edition), Town of Munster Ordinances, Town of Munster Resolutions, and existing Town of Munster policies. The Town of Munster policies are updated from time to time based on the adoption of amended or additional ordinances of the Town. This document serves to fulfill the requirements of 170 IAC 6-1-18.

CONTENTS:

Section 1: Consumer Water Deposits
Section 2: Water Utility Bill
Section 3: Delinquencies and Bad Debts
Section 4: Termination of Service
Section 5: Billing Adjustments
Section 6: Repealed
Section 7: Sprinkler Meters

Section 1: Consumer Water Deposits

Section 1.1 – Required Deposits

The Utility will collect a deposit from all Customers. The deposit amount is based on water meter size and is designed to cover two (2) months of service to include the current minimum charges for water consumption, hydrant maintenance, Hammond Sanitary District administrative and flow charges, sewer maintenance and refuse collection fees. A separate deposit is required for sprinkler meters. The current deposit amounts are as follows:

Meter Size	Primary Meter Deposit Amount	Sprinkler Meter Deposit Amount
5/8” – 3/4”	\$ 170.00	\$ 50.00
1”	\$ 270.00	\$ 130.00
1.5”	\$ 625.00	\$ 430.00
2”	\$ 970.00	\$ 760.00
3”	\$ 1,875.00	\$ 1,645.00
4”	\$ 3,400.00	\$ 3,150.00
6”	\$ 7,200.00	\$ 6,900.00
8”	\$12,000.00	\$ 11,600.00

Section 1.2 – Refund of Deposit

Utility deposits shall be credited to the regular bill after twelve (12) months of timely payments. If the deposit has not been refunded, the deposit will be applied to the final utility bill. If the deposit has been refunded due to timely payment and the Customer moves from a Munster location to a different location within the Town of Munster, no deposit will be charged at the new location. The credit or refund is issued to the person who made the original deposit.

Section 1.3 – Service Agreement

At the time of deposit and before service will begin, the Customer and Utility will sign an agreement for services.

If a dwelling is owned by more than one person, all owners may be required to sign the Agreement. If only one owner signs, it shall be irrebuttably understood that the person who signs has signed for and on behalf of all owners with their implied authority. All owners shall be jointly and severally liable for the service charges.

Section 2: Water Billing

Section 2.1 – General Billing Information

Bills are issued on a monthly basis in arrears. Billing periods run from the 16th of one month to the 15th of the next month. Each bill shows the period covered and itemizes the charges being collected. The utility bill encompasses more than just the cost of water service as outlined in Section 2.4. Most charges are based on water consumption or a flat fee.

After making the required deposit, the Customer shall have water service turned on and shall be billed continually until a request to discontinue service is received by the Utility. The water service must be shut off by the Utility for billing to cease on a temporary basis; connection/reconnection fees to restart the service will apply in these situations.

The various rates and charges are explained in Section 2.3.

Section 2.2 – Payment Options

The Utility offers a number of payment options including cash, money order, certified check, credit card, Automated Clearing House (“ACH”) and online bill payment. Late payments are subject to late fees which are addressed in Section 3.2 of this document.

1. Cash payments should be made in person at the Clerk-Treasurer's Office in the Town Hall. The Utility does not advocate sending cash through the mail or placing cash in the drop box in the Town Hall parking lot.
2. Checks, money orders, and certified checks can be delivered in person to the Clerk-Treasurer's Office in the Town Hall, sent through the mail, or placed in the red drop box in the parking lot of the Town Hall. For accurate posting of the payment, the Utility strongly recommends putting any of these payment types in an envelope with the remittance stub before placing in a USPS mailbox or the red drop box in the Town Hall parking lot.
3. Credit card payments must be made in person at the Clerk-Treasurer's Office in the Town Hall or by accessing the Town's website (www.munster.org/utilitybill). Online payments through Invoice Cloud are subject to fees.
4. Automated Clearing House ("ACH") payments require a one-time set-up process. An authorization agreement form must be submitted with a voided check. The next bill may need to be paid by another payment method while the set-up process is completed with the bank. After all transit and account numbers are verified, the regular monthly payment will be automatically debited from the authorized checking account on the payment due date. There is no charge for this service.
5. Bank payments initiated through the customer's bank bill pay are accepted. Payment is credited to the customer account on the day the check is received from the bank, not the day the customer set up the payment with the bank. Late fees will apply to payments made via online banking that are received by the Utility after the due date.

Section 2.2.1 – Application of Payments

Payments will be applied to accounts in the following order: All sales tax paid first. The remaining payment amount will be prorated across all other billing items with delinquent balances paid first.

Section 2.3: Water Rates

Section 2.3.1 – Water Consumption Rates

Water rates are based on consumption. Following are the current rates as of the bill due March 20, 2025; these rates can also be found in Schedule A, 2.A:

RESIDENTIAL/SPRINKLER

Monthly	Rate per
<u>Metered Consumption</u>	<u>1,000 Gallons</u>
First 5,000 gallons	\$ 7.51
Next 10,000 gallons	\$ 7.10
Next 20,000 gallons	\$ 6.66
Next 40,000 gallons	\$ 6.25
Next 75,000 gallons	\$ 5.90
Next 150,000 gallons	\$ 5.50

BUSINESS

Monthly	Rate per
<u>Metered Consumption</u>	<u>1,000 Gallons</u>
First 5,000 gallons	\$ 8.56
Next 10,000 gallons	\$ 8.09
Next 20,000 gallons	\$ 7.58
Next 40,000 gallons	\$ 7.11
Next 75,000 gallons	\$ 6.72
Next 150,000 gallons	\$ 6.25

Section 2.3.2 – Minimum Charges

There is a cost to the Utility to provide service to each customer regardless of whether or not water is consumed in a given billing period. In recognition of this cost, there is a minimum amount charged to users each month. A "minimum bill" will include these water charges plus all other charges outlined in Section 2.4. There will be no abatement or pro-ration of charges by reason of the extended absence of the Customer unless the Utility has turned off the water. The Connection / Reconnection Charges in Section 2.4.5 will apply to these situations. The minimum water amount is based on meter size and the current rates are as follows:

RESIDENTIAL/SPRINKLER	Monthly	Monthly
<u>Meter Size</u>	<u>Minimum Gallons</u>	<u>Minimum Charge</u>
5/8 - 3/4 inch meter	2,967	\$ 22.29
1 inch meter	7,983	\$ 58.75
1.5 inch meter	16,456	\$ 118.31
2 inch meter	30,048	\$ 208.81
3 inch meter	68,844	\$ 453.39
4 inch meter	138,566	\$ 867.40
6 inch meter	323,380	\$ 1,892.29
8 inch meter	557,060	\$ 3,182.60

BUSINESS

	Monthly	Monthly
Meter Size	Minimum Gallons	Minimum Charge
5/8 - 3/4 inch meter	2,967	\$ 25.39
1 inch meter	7,983	\$ 66.92
1.5 inch meter	16,456	\$ 134.77
2 inch meter	30,048	\$ 237.85
3 inch meter	68,844	\$ 516.43
4 inch meter	138,566	\$ 987.99
6 inch meter	323,380	\$ 2,155.37
8 inch meter	557,060	\$ 3,625.08

Section 2.3.3 – Water Meters and Meter Readings

Except in cases of customer negligence, water meters are supplied, installed, and repaired at the expense of the Utility; the size of the meter is determined by the Utility. Initial meters installed in new construction are purchased by the customer and are non-refundable. The meters are the property of the Utility and are not to be tampered with or removed by the Customer. The meters are read monthly by employees of the Utility.

If the Utility is unable to electronically capture a reading, the monthly bill will be created using estimated usage based on the 12 month average of previous consumption (when possible). The first billing made after the meter is read will be adjusted according to the actual reading. After the 2nd month of estimating the usage, the home will be tagged to contact the Water Department to arrange a maintenance call. If there is no contact and a 3rd month must be estimated, the estimate will be double the 12 month average and another tag delivered to the property. The 4th and each subsequent month with no reading captured and no response to the tags, the estimate will continue at double the 12 month average and a non-refundable \$50 fee will be assessed.

All water passing through the meter shall be charged to the customer whether the water was used, wasted or lost through leakage.

Section 2.3.4 – Reserved

Section 2.4: Non-water charges on bill

Section 2.4.1- Sewer Maintenance

A Sewer Maintenance Fee is collected to cover the cost of maintaining and operating the Town's sanitary sewers and storm water collection system. The rate is based on the Assessed STormwater Run Off area ("ASTRO"). The ASTRO is a property-specific calculation of the surface area covered by

asphalt, building, grass, and dirt. Paved areas cause rainwater to flow through the sewer system. Unpaved areas absorb rainwater and do not create usage of the sewer system. The current charges are as follows:

Storm Rate I: \$23.29 per month
Storm Rate II/III: \$0.02840 x ASTRO;
\$11.65 minimum

Section 2.4.2 – Hammond Sanitary District Charges

The Town of Munster is part of the Hammond Sanitary District ("HSD") which provides sewage treatment services. The Utility acts as a billing agent for the HSD. The HSD assesses two charges to users of the sanitary sewer system. The *Administrative Charge* is a flat rate to cover the fixed and administrative costs of the HSD. The current charge is \$8.40 per month for residential, commercial, and industrial users. The *Flow Charge* is to cover the cost of treating sewage which enters the sanitary sewer system through sinks, floor drains, toilets, etc. The *Flow Charge* is based on the volume of water used as measured by the water meter. The current charges were confirmed in July 2017 and are as follows.

User Type	Rate	Unit
Residential	\$ 2.31	1,000 gallons of water consumed
Commercial	\$ 4.90	1,000 gallons of water consumed
Industrial	\$.19	pound of COD
Industrial	\$.31	pound of TSS
Industrial	\$ 1.00	total TKN

It is assumed that during the summer months, a portion of water consumption does not enter the sanitary sewer system and is not treated by the HSD. Therefore, a discount on the Residential Flow Charge is provided beginning with reading in May and ending with the reading in September (bills due July through November) of each year. There is no discount on the Commercial Flow Charge or the Administrative Charge.

Adjustments to the *Flow Charge* will be made only in cases of an incorrect meter reading. Adjustments will not be made to the *Administrative Charge*. Relief from these charges due to financial inability to pay must be addressed directly to the HSD. The Utility may turn off water service, assess a lien against the property or request court action for failure to pay the *Flow* or *Administrative Charges*. If court action is taken to effect collection, the Utility has the right to collect delinquent charges, a one-time penalty of ten percent (10%) assessed against the total outstanding balance and reasonable attorney fees.

The *Flow* and *Administrative Charges* are included on the monthly utility bill and receipted into

an escrow account. The actual dollars collected for the month are remitted to the HSD on a demand check on the third Thursday of the month following the collection.

Section 2.4.3 – Solid Waste Collection and Disposal Fee:

The Solid Waste fee is a flat rate charged by the Town for the collection and disposal of household waste, recyclables, yard waste and leaves. The Town contracts with a private hauler to provide this service. The current charges are as follows.

User Type	Monthly Amount	Container Size	Number of Weekly Pick-ups
Residential	\$31.71	N/A	1

Section 2.4.4 – Hydrant Maintenance Fees:

The Hydrant fee is used to cover the cost of providing water for firefighting through the installation and maintenance of fire hydrants as well as properly sized water lines. The rate varies based on the size of the water meter. The current rates are as follows:

Meter Size	Monthly Charge
5/8" – 3/4"	\$ 1.60
1"	\$ 4.00
1.5"	\$ 7.90
2"	\$ 12.50
3"	\$ 23.50
4"	\$ 39.10
6"	\$ 78.10

Private Hydrant Connection (monthly): \$22.90

Private Fire Sprinkler Connections	Monthly Charge
2"	\$ 5.80
3"	\$ 11.50
4"	\$ 22.90
6"	\$ 45.80
8"	\$ 84.00
10"	\$ 129.70
12"	\$ 190.70

Section 2.4.5 – Miscellaneous

Miscellaneous charges are extraordinary charges which usually apply to only a few households or businesses each billing period. These charges can include, but are not limited to the following.

- Charge Piles are the separate collection of large amounts of garbage, debris, or yard waste. The Town informs the resident of the

number of loads required to remove the pile prior to pick-up. The fee is \$130.00 per load with a \$130.00 minimum. These fees do not apply for debris as a result of storms, floods or fires.

- Connection/Reconnection Charge is the fee for turning water service on or off.
 - Voluntary turn on/off water during **regular hours** - \$28.00/occurrence.
 - Voluntary turn on/off water **after hours or weekend** - \$100.00.
 - Turn on/off water due to nonpayment: **regular hours** - \$45.00/occurrence.
 - Turn on/off water due to nonpayment **after hours or weekend** - \$155.00/occurrence.
- Bad check charge is the fee for any payment returned to the Town unpaid by the bank. The fee is \$27.50.
- Meter testing done at the request of the customer is based on the meter size. If the meter is found to be over-registering by more than two percent (2%), there will be no charge to the customer for the testing. Following are the current charges.

Meter Size	Cost
5/8" – 3/4"	\$40.00
1"	\$40.00
Over 1"	Actual Cost

- If repairs are needed to a service line, it is the responsibility of the customer. If the repairs are not made within two (2) days of notification by the Utility, the property owner will be charged \$40.00 per day until the leak is repaired.
- The Utility may charge for the time required by Town of Munster and Utility Staff in responding to calls initiated by the resident or by resident malfeasance. The Town may charge the entire hourly wage multiplied by 1.75. A minimum charge will include one hour plus the cost of equipment used during the response. Further time will be billed in additional fifteen (15) minute increments.

Section 2.4.6 – Indiana Sales Tax

Sales tax is collected on behalf of and remitted to the Indiana Department of Revenue. Sales tax is currently 7% of the water and hydrant maintenance charges.

Section 3: Delinquencies and Bad Debts

Section 3.1 – Due Date

All Utility payments are due on the 20th day of the month. If the 20th falls on a weekend or Town recognized holiday, payment is due on the next business day. The following are now recognized as Town holidays.

New Year's Eve	New Year's Day
Good Friday	Memorial Day
Independence Day	Labor Day
Veterans Day	Thanksgiving Day
Friday after Thanksgiving	
Christmas Eve	Christmas Day

Section 3.2 – Late Fees

Payments that are not received by the due date will be charged a late fee as set out in Schedule A, 2.A.12. A flat fee is charged for late payments based on meter size. The current late fees are as follows.

Meter Size	Late Fee
5/8"	\$10.00
1"	\$20.00
1 1/2" – 2"	\$30.00
All meters larger than 2"	5.00%

The late fee can be waived one time if the customer payment history shows no delinquencies for the previous twelve (12) months. The late fee can be waived one time if the customer signs up for Automated Clearing House ("ACH") payment of all future utility bills.

Section 3.3 – Continued Delinquency

Accounts that have carried a balance for two months will be mailed a disconnect notice by the 25th of each month notifying the customer of the delinquent status and pending disconnection of the service. Accounts that are in a delinquent status will be subject to the following.

1. Within 4 days of the regular due date, a disconnect notice will be sent by regular mail with at least 7 days to pay.
2. A regular bill showing the new monthly charges and the delinquent charges will be delivered the first week of the month.
3. If no payment is received, the house will be tagged for shut-off with reference to Rule 16.2 [170IAC 6-1-18]. The water will be turned off in accordance with the regulations set forth in 170 IAC 6-1-16.

4. If service is shut off and the customer shows cause for his inability to pay the full amount due (financial hardship shall constitute cause), and said customer:

- a. Pays a reasonable portion (not to exceed \$10 or 1/10th of the bill, whichever is less, unless the customer agrees to a greater portion) of the bill; and
- b. Agrees to pay the remainder of the outstanding bill within three (3) months; and
- c. Agrees to pay all undisputed future bills for service as they become due; and
- d. Has not breached any similar agreement with the Utility made pursuant to this rule within the past twelve months plus \$40.00 disconnect/reconnect or after hour charges, if applicable is required. The Customer shall have the option of a longer payment period, of up to six months, by paying at least 1/6th of the outstanding balance plus (c) and (d). Failure to meet one payment on the payment plan results in immediate shut-off with service reinstated after all charges are paid in full. If shut off occurs due to default on a payment plan, Customer waives all rights to a hearing and service will be reinstated after all charges, including disconnect/reconnect, are paid in full.

5. All payments to avoid shut-off or to reinstate service must be made in cash, money order, certified check or VISA/Mastercard in the Office of the Clerk-Treasurer.

Except for emergency requirements, if after 120 days following a billing period the Town's collection efforts have failed, and a continuing schedule of periodic payments has not been achieved, the account may be turned over to a collection agency or the Town Attorney for further collection efforts. If court action is taken to effect collection, the Utility has the right to collect delinquent charges, a one-time penalty of ten percent (10%) assessed against the total outstanding balance and reasonable attorney fees.

At such time as the Clerk-Treasurer and Town Manager agree in writing that collection efforts with respect to utility bills should cease, then further collection efforts shall cease. At no time shall the

balance due be written or charged off except as allowed by law. The Clerk-Treasurer and Town Manager shall promptly notify the Town Council with respect to each account for which collection efforts have ceased.

All approvals and documentation concerning these matters shall be filed with the Clerk-Treasurer and retained until disposed of in accordance with law.

Section 3.4 – Returned Payments

Payments submitted to the Utility that are returned by the bank for any reason will be subject to a service charge of \$27.50. See Section 2.4.5, Bad Check Charge, for more information about the fees.

This payment, plus the amount of the original payment, must be made within ten (10) days of notification. Remittance must be in the form of cash, money order, credit card or certified check. If payment is not received within ten (10) days, the matter will be forwarded to the Lake County Prosecutor's Office for further action.

Upon the receipt of a third return item within one year, the Customer will be required to make all future payments by cash, money order, certified check, or credit card.

Under no circumstances will a personal or business check be accepted to avoid disconnection of service or to reinstate service.

Section 4: Termination of Service

Section 4.1 – Termination of Service by Customer

The Customer may initiate termination of water service by arranging for a final meter reading with the Utility. The Customer will continue to be responsible for all charges until the final reading is completed.

After the final reading is made, the Utility will provide a final bill for services rendered. Payment of this bill is subject to the rules, regulations, and procedures for regular monthly bills. If the account is delinquent and placed with an attorney for collection, the Customer is responsible for reasonable attorney fees and expenses of collection. When final water bills are established and a refund of less than one dollar (\$1.00) exists, that refund will be applied to the Water Cash Operating Fund. Refunds of less than one dollar (\$1.00) must be requested in person and the refund will be taken from petty cash.

The Customer must notify the Utility when vacating his or her premises. A minimum bill will be issued for billing periods with zero consumption. There will be no abatement or pro-ration of charges by reason of the extended absence of the Customer unless the Utility has been notified to turn off the water. The

Connection/Reconnection Charges in Section 2.4.5 will apply to these situations.

As of September 1, 2010, all water charges will follow the customer. If a bill is left unpaid by the Customer, the Utility may withhold water service at the new location until such bill is paid.

Section 4.2 – Termination of Service by Utility

The Utility may initiate termination of water service for reasons outlined in Town Code Sec. 58-49. These include, but are not limited to, unauthorized use, tampering with any service pipe, service stop, meter or meter seal, vacancy of premises, failure to pay any charges in connection with the Utility, failure to provide access to the premises and meter or violation of any Utility rules and regulations.

In most cases, the Utility will provide written notice of at least *seven* days. This notice will either be delivered certified via U.S. Mail or personally delivered by Utility employees on the premises. This payment must be remitted in the form of cash, money order, certified check, or credit card; no personal or business check will be accepted. *In most cases, the Customer will have the option of an administrative hearing as allowed under Town Code Section 58-49.*

Section 5: Billing Adjustments

Section 5.1 – Standard Billing Adjustments

From time to time, adjustments will need to be made to various water utility accounts. Utility bills may be adjusted by the Deputy Clerk responsible for water billing with the approval of the Controller in the following situations.

1. Billing amounts based on inaccurate meter readings, provided that a new meter reading has been made by appropriate personnel.
2. Errors created by the computer system.
3. Data entry errors.
4. Bills that were mailed on the fifth business day of the month or later may have the penalty amount adjusted.

All other adjustments shall be approved by the Town Manager. The *Utility Billing Account Adjustment Form* will be completed for all adjustments; this document is made a part of this policy. The completed forms shall be filed with the Clerk-Treasurer and retained until disposed of in accordance with law.

Section 5.2 – Billing Adjustments due to Leak

An adjustment can be made to accounts that have excessive usage due to a water leak under the following circumstances.

1. The leak is repaired.
2. Customer signs an affidavit stating the leak has been repaired.
3. Customer requests an adjustment of the Water Board.
4. The Water Board approves the adjustment.

Only one adjustment per twelve-month period will be allowed. The adjustment will be based on an average of the usage over the previous twelve-month period.

Section 2.4.2 of this document covers adjustments that will and will not be made for Hammond Sanitary District charges.

Section 6: REPEALED

Section 7: Sprinkler Meters

Section 7.1 – General Information

The Customer has the option to install a separate meter for lawn sprinkling. Customer is responsible for the cost of the meter and its installation by Utility employees if the Customer chooses to have the separate meter. A deposit will be made for each sprinkler meter in accordance with Section 1 of this document.

Section 7.2 – Sprinkler Season and Minimum Billing

The Utility defines the sprinkler season as May 15 through October 15. This time frame includes the bills due July through November. For seasonal only meters, the first bill of the season will include any consumption from the last meter reading of the previous season.

Sprinkler meters are charged for water consumption and sales tax as outlined in Section 2. Sprinkler meters are subject to the minimum billing amounts outlined in Section 2.3.2 of this document. A minimum bill will be issued each month during the sprinkler season unless the Customer has arranged for the Utility to remove the sprinkler meter. The customer is still required to meet the requirements of Section 7.3- Backflow Testing as outlined in these regulations.

Section 7.3 – Backflow Testing

The Indiana Department of Environmental Management has issued backflow testing requirements for sprinkler systems. The Utility has adopted a policy in compliance with these regulations. All sprinkler systems must have backflow testing performed on an annual basis with the results given to the Utility. Backflow testing is done at the Customer's expense.