

**Town of Nags Head**  
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**Andy Garman**  
Town Manager

Administrative Policy  
**Water Billing/Water Service**

**Application for Service**

The property owner will make application for water service in writing on the proper forms prior to the start of water service. Required water deposits will be added to the first water bill. If a meter has been pulled, the required drop-in fee, per the consolidated fee schedule, will need to be paid prior to reinstallation of the meter.

Water accounts and deposits shall be in the name of the property owner. The property owner shall be responsible for payment of all bills incurred in connection with the service furnished.

The property owner may request in writing that the bills be mailed in care of a tenant with a long-term lease (at least one year). However, the owner remains responsible for all outstanding amounts owed.

It is the responsibility of the property owner to notify the Town of changes in billing address.

Failure to receive bills or notices shall not prevent such bills from becoming delinquent or relieve the property owner from payment obligation.

Deposits are required for each piece of property owned by the property owner pursuant to the Town's Consolidated Fee Schedule. The deposit will be held in escrow for the duration of property ownership to be applied or refunded when all amounts owed the Town are satisfied.

The Town may reject any application for service if the applicant has any delinquent water accounts at any location within the Town.

Should an old account without a deposit become delinquent, the full deposit (per the fee schedule) will be added to the account balance and due with the next payment due date. Should an account without a deposit be cut off, the service will not be re-started without the full deposit being made in addition to the delinquent amount and reconnection fee.

**Discontinuation of Service**

Not less than three days' notice must be given, in person or in writing, at Town Hall for discontinuing service or a change in ownership. The responsible party of record shall be responsible for all water consumed up to and including the closing date of the sale, or the departure of the outgoing party, or the proper notification of new ownership, whichever period is longer.

## **Responsibilities/Liabilities of Property Owners**

Customer will be responsible for the repair or replacement cost of damage done by tampering with Town of Nags Head water meters. Criminal and/or civil charges can be filed under G.S. 14-151.

### **Returned Checks**

The Town charges a fee for each returned check in accordance with the established fee schedule. The payee has five business days from the date the returned check is received by the Town to pay by cash, cashier's check, money order or credit card, the balance of the account, the returned check fee, deposit when applicable and any other required charges. The Town may attempt to redeposit the check if the customer bank advises sufficient funds are present. Should the check be successfully re-deposited, the returned check fee remains due. Two returned checks within an eighteen-month period (nine billing cycles) will require the account to be paid by cash, cashier's check, money order or credit card for a period of twenty-four months.

### **Leak Adjustments**

Requests for an adjustment to a bill due to a leak must be made in person or in writing within 60 days from the date the bill was mailed. The Town will grant no more than 2 leak adjustments per year for undetected water loss due to a broken or damaged water line, valve, or water heater; a toilet flapper valve is not applicable. Requests for leak adjustments require proof that the leak has been repaired. Proof of the repair will be required in the form of a receipt for a paid plumber's invoice. The customer shall pay their average bill at the existing commodity rate for average gallons used using the same billing period over the prior three years, but no less than the full minimum. In the case that a leak occurred in one of the prior billing periods, that billing period will not be included, and the next further year out will be included in the prior three-year average. The remaining quantity shall be considered lost water and will be payable by the customer at 50% of the commodity rate for the lost gallons. If service has been in place for less than a three-year period, the average will be calculated using the same billing periods available. For new service, the customer shall pay the full bill, and the leak adjustment will be calculated when at least one available prior billing period is available. The customer's account shall then be credited. To be granted the adjustment, your excess bill must be either twice your average consumption for the same time period or \$1,000 more than your average consumption for the same time period, and greater than \$50.

Application for a leak adjustment does not excuse the timely payment of the bill. Upon written request, a payment plan may be available for a water leak adjustment bill in excess of \$500. The payment schedule will be determined at the discretion of the Deputy Town Manager. No more than two leak adjustments will be permitted in any twelve-month period.

### **Delinquent Accounts**

- I. Water accounts that are past due 90 days or more are considered delinquent. Water accounts that are past due at 120 days are classified as uncollectible. After 2 unpaid billing cycles, the water meter will be pulled and the past due balance, full deposit (per the fee schedule), and drop-in fee will need to be paid to reinstall the meter.
- II. At the time an account becomes uncollectible (reaches 120 days), a credit adjustment to the Water Receivables account should be made for the full amount of the past-due account, charging, or debiting a reserve account entitled Allowance for Bad Debt. This adjustment will ensure a more accurate and less inflated accounts receivable total.

The Town will continue to pursue collection of these accounts.

- III. Near the end of each fiscal year, the Finance Officer will present the Board of Commissioners with a list of uncollectible accounts in excess of \$50, requesting the Board's approval for a formal write-off of such accounts. Staff will have the authority to write off lesser amounts without Board approval.
- IV. The Town may report to the Credit Bureau or to the Debt Set Off Program uncollectible accounts.
- V. Staff will prepare an annual report for the Board summarizing total write-offs during a fiscal year and commenting on efforts to collect these accounts.

### **Payment of bills**

Water bills shall be mailed on the 10<sup>th</sup> and 25<sup>th</sup> of each month depending on the cycle to which your address corresponds. When Town Hall is closed, they will be mailed on the previous business day. Each cycle will receive a bill every other month. A calendar is established at the beginning of each fiscal year outlining dates for billing, due date, penalty date, late notices and cut-off dates for each cycle. Water services charges are immediately due and become past due on the 5<sup>th</sup> and the 20<sup>th</sup>, respectively, of the following month. After the expiration of the appropriate water billing past due date, there shall be levied a late payment fee in an amount equal to ten percent of the principal amount of the bill. The Town Manager has the discretion of waiving late payment fees in extreme circumstances beyond the Town's control. A non-payment fee will be added to the account per the consolidated fee schedule on the 20<sup>th</sup> and the 5<sup>th</sup>, respectively, following the billing past due date. Without further notice, water services will be cut off seven (7) days after the non-payment fee has been added to the account if the total amount due on the account has not been paid in full. If Town Hall is closed, bill due dates and non-payment water services cut offs will be the following business day. Water services cannot be disconnected on Fridays, weekends, Town holidays, the day before a Town holiday, or the day before Town Hall is closed. In this event, non-payment fees will still be applied on the date that corresponds with the respective billing cycle and water service will be disconnected the following business day. Even when service is cut off, water customers retain the liability for the minimum charge for each billing period the service is discontinued. Payment of water bills may be enforced as provided in G.S. 160A-314.

### **Penalties**

A late fee in the amount of 10% of the unpaid balance will be added to the account once the bill becomes past due. A late fee can only be removed once in a three-year time frame, and only on the condition that payment has never before been late in that time frame. The owner must request in writing why they think their penalty should be removed.

### **After-Hours Water Reconnections**

Water customers whose service is disconnected for non-payment of their water bills are encouraged to make payment at Town Hall during normal business hours. If, however, they are unable to do so, they can make arrangements to have their water restored by contacting the Town of Nags Head's Water Plant at 2110 Pond Avenue. They must call 252-441-1122 or 252-449-4210 to arrange a time to meet the Water Plant Operator at the front gate. Water Plant staff is only on duty until 12 midnight each day.

The Water Plant staff is provided a list of all disconnections, including the full amount due. This amount will include the actual billed amount, the non-payment fee, and any security deposit required to bring the account into compliance with current regulations. Water service will only be restored if the total amount is paid in full. Payment may be made by check, money order or charge. Phone payments can be made through Official Payments Corp at 1-800-272-9829. The Town's jurisdiction code is 4318. Official Payments accepts American Express, MasterCard, Visa and Discover. Customers may also pay on the town's website, [www.nagsheadnc.gov](http://www.nagsheadnc.gov). If Official Payments or the town website are used, the customer must provide the Water Plant staff with the confirmation number and the amount paid.