Kalamazoo Lake Sewer and Water Authority

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Collection Policy for Past Due Invoices

1. Purpose

This policy establishes a uniform, fair, and consistent procedure for the collection of past due water and sewer invoices owed to the Kalamazoo Lake Sewer and Water Authority (the "Authority"). It is intended to ensure the timely recovery of amounts owed, to protect the financial integrity of the Authority's enterprise funds, and to provide customers with clear notice and reasonable opportunity to resolve delinquent accounts before service interruption or other collection action occurs.

2. Scope

This policy applies to all customer accounts billed by the Authority for water and sewer services. All past due accounts shall be treated uniformly in accordance with the stages described in Section 4.

3. Definitions

- Due Date – The payment date printed on the customer's invoice.
- Past Due / Delinquent – Any balance that remains unpaid after the invoice due date.
- Days Delinquent – The number of calendar days elapsed since the original invoice due date.
- Tax Roll – The local property tax roll to which unpaid balances may be transferred for collection as a lien against the property pursuant to applicable Michigan law.

4. Collection Stages

Delinquent accounts shall progress through the following escalating stages. Each stage is measured from the original invoice due date.

Timing	Action	Description
10 days past due	Past Due Postcard	A postcard notifying the customer that their bill is past due is mailed physically to all customers with a past due balance.
40 days past due	Past Due Postcard	A postcard notifying the customer that their bill is past due is mailed physically to all customers with a past due balance.

Timing	Action	Description
Approximately 60 days delinquent	Door Tag	A door tag is placed at the service address advising the customer of the delinquency and granting an additional two weeks to pay the balance in full.
Approximately 74 days delinquent	Service Shut-Off	Water service is disconnected. The full delinquent balance must be paid in full before service is restored.
180+ days delinquent	Transfer to Tax Roll	Any balance delinquent 180 days or more is transferred to the next available tax roll for collection against the property.

4.1 Stage 1 – Past Due Postcard (10 Days)

Ten (10) days after an invoice due date has passed, the Authority shall mail a physical postcard to every customer carrying a past due balance. The postcard shall inform the customer that their account is past due and direct them to remit payment promptly to avoid further action.

4.2 Stage 2 – Past Due Postcard (40 Days)

Forty (40) days after an invoice due date has passed, the Authority shall mail a physical postcard to every customer carrying a past due balance. The postcard shall inform the customer that their account is past due and direct them to remit payment promptly to avoid further action.

4.3 Stage 3 – Door Tag (Approximately 60 Days)

When an account becomes approximately sixty (60) days delinquent and owes more than $100, the Authority shall place a door tag at the service address. The door tag shall state the delinquent amount and notify the customer that they have an additional two weeks to pay the balance in full before service is subject to disconnection. The hanging of a door tag shall incur a $25 fee.

4.4 Stage 4 – Service Shut-Off (Approximately 74 Days)

When an account reaches approximately seventy-four (74) days delinquent and owes more than $100, water service to the property shall be shut off. Service will not be restored until the delinquent balance is paid in full. The shutting off and turning on of the water shall incur a fee of $75.

4.5 Stage 5 – Transfer to Tax Roll (180+ Days)

Any balance that remains delinquent for one hundred eighty (180) days or more shall be certified and transferred to the next available tax roll for collection as a charge against the property in accordance with applicable Michigan law.

5. Payment and Account Resolution

Customers may resolve a delinquent account at any stage by paying the full past due balance. Payment received at or before a given stage halts further escalation. Once an account has reached the shut-off stage, service restoration requires payment of the full delinquent balance and any reconnection charges.

6. Administration

The Finance Department is responsible for administering this policy, generating and mailing notices, coordinating field actions, and certifying balances to the tax roll. The Authority shall maintain records of all notices issued and actions taken for each delinquent account.

7. Review

This policy shall be reviewed and amended as necessary to remain consistent with applicable law and Authority practice.