



Village of Fayette Information on the Switch to Monthly Utility Billing



General Information About The Change

By now you have received a notice with a previous bill with brief information about the village's plan to begin billing for water/sewer services monthly rather than quarterly.

Currently the village bills quarterly. That bill is for water and sewer usage that took place in the three month period prior to the bill being sent. For example: the bill received on July 1, 2016 was for water/sewer usage during the months of April, May and June of 2016. Currently, we do not require that you pay the quarterly bill all at once – while it is technically due, we have allowed customers to spread your payments over three months, and provided coupons to make that easier. So as in the example above, when you received your bill on July 1, only one-third of the bill was due on July 15, with the second one-third being due August 15, and the final third being due September 15. If you have used these coupons to spread your payments monthly then you are actually paying three months in arrears.

The change that is planned will bill you one month at a time for usage during the previous month. Each month beginning February 2017 you will receive a bill and the entire balance will be due on the 15th. The change to monthly billing will mean that we are now only billing one month in arrears.

What this means is that the change from billing three months in arrears to billing 1 month in arrears will require you to “catch up” those two months of payments when the transition is made. We wanted to inform you early so that you could make whatever plans you feel are appropriate in order to make that “catching up” during the transition as smooth for you as possible. We encourage you to visit the village website at www.villageoffayette.com for further updates.

Why Are We Making This Change Now?

1. The timing of the change is due in large part to the installation of our new radio-read meters. The radio reading of meters and computerized downloading of those readings to billing software is a dramatic savings in time over performing them manually. The village has wanted to go to monthly billing for some time but the new equipment makes that possibility a reality.
2. Monthly billing will reduce past due balances. If we are able to begin collection action earlier, with only one month's balance outstanding instead of three, it reduces the village's exposure, and the potential of the village having to absorb a large uncollectible bill.
3. Monthly billing is more desirable for landlord/tenant situations, and has been requested by several local landlords. It reduces the exposure to large bills which landlords may have to cover. It will also reduce the amount of the deposit that the village will require from tenants, and make it easier for tenants to move in.
4. Detection of system leaks will be made easier. More frequent reading of meters will provide more data and increase our ability to identify and detect leaks. Especially leaks inside customer's homes can be addressed more quickly – rather than getting a high bill for three months, you can see increased usage after just one month and address any in-home leaks that you might have.
5. Monthly payments are more conducive to customers being willing to sign up for automatic payments. The amount billed is smaller and more consistent so customer's willingness to use ACH debits to pay increases. ACH payments are quicker and cheaper for us to process, so they save money for both the utility system and its customer base.

Examples of Payments While You Transition

Most customers fall into two categories; they either pay the entirely quarterly bill all at once, or they use the coupons and make a payment each month for one-third of the bill's total. An example is provided for each.

Example 1 - Customers who pay the full quarterly balance at once.

1. You receive a quarterly bill for \$150 dollars in January 2017 for usage during the months of October-December 2016.
2. On or before January 15 you pay the whole balance of \$150.00.
3. In February you will receive your first monthly bill for usage during the month of January in the amount of \$60. You have completed the transition and will continue to receive monthly bills.

If you are already used to paying your full balance in one payment the adjustment will be minimal for you, but you will need to be able to turn around and make a monthly payment just one month after paying your final quarterly bill rather than having three months with no payment.

Example 2 – Customers who pay each month using the coupons provided.

1. You receive a quarterly bill for \$150 dollars in January 2017 for usage during the months of Oct-Dec 2016.
2. On January 15, a minimum of \$50 will be due (1/3 as always before) on that quarterly bill.
3. In February you will receive your first monthly bill for usage during January in the amount of \$60.
4. On February 15 you will have two payments due. One third of the January quarterly bill will be due in the

amount of \$50 plus the monthly bill you received in February for \$60 will also be due.

5. In March you receive a monthly bill in the amount of \$60 for usage during the month of February.

6. On March 15 you will have two payments due. One third of the January quarterly bill will be due in the amount of \$50 plus the monthly bill you received in March for \$60 will also be due.

This will completely payoff your last quarterly bill and from here forward you will receive a monthly bill which is due the 15th of that month.

Customers who are accustomed to paying one-third of the quarterly bill each month may have a rougher time to “catch up” during the transition. If you have been accustomed to paying each month using coupons, and paying both a part of a quarterly billing and a monthly billing at once for two consecutive months concerns you, you may want to consider paying the entire amount of the quarterly bill that you receive at once in January.

In order to make either paying the January quarterly billing in full, or paying two billings at once for two months easier for you, you may wish to (1) save up in general the over next few months; or (2) pay your October coupons early so that you can save up to pay all at once in January; or (3) pay your October bill early and then pay ahead to grow a credit balance with us after paying your October bill; or (3) file early and use an income tax refund to help with double payments on utility bills in February and March.

We will continue to update you with information as we become aware of new questions for customers!