

# **City of American Canyon**

## **UTILITY BILLING COLLECTION POLICY**

### **Purpose**

To establish a policy related to billing for municipal utility services provided by the City of American Canyon, providing accurate and prompt services in accordance with the City's Municipal Code, California Laws, and City Fee Schedule.

### **Policy Explanation**

The City provides utility billing for water and sewer services. This Policy addresses how staff will handle:

1. New Accounts, Transfers, and Discontinuation of Service
2. Deposits
3. Fees
4. Billing
5. Late Payments
6. Delinquency, Disconnections due to Non-Payment & Collections
7. Disputes and Appeals
8. Alternative Payment Schedules
9. Leak Credits
10. Returned Payments, Illegal Use, Tampering, and Cross Connections

This Policy meets the requirements for the State of California Water Shutoff Protection Act, also referred to as Senate Bill No. 998: Discontinuation of Residential Water Service.

Any questions about the Policy should be directed to City staff at (707) 647-4364 or via email [waterpayments@cityofamericancanyon.org](mailto:waterpayments@cityofamericancanyon.org)

The adoption of this Policy will supersede all previous versions of the policies outlined above. This Policy does not prevent staff from creating supplemental procedures to provide efficient and transparent services for daily operations.

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### **NEW ACCOUNTS, TRANSFERS & DISCONTINUATION OF SERVICE**

City staff will provide customers with an application to complete in order to establish utility services. The form will clearly state the applicable fees and deposit requirements. Customers will be responsible for utility charges until the customer requests to discontinue service or until a new application is received for services at the address. The property owner of record will be held responsible for any utility use that occurs on an inactive account.

### **DEPOSITS**

All customer deposits will be maintained in a separate account and held as security for payment of the utility bills. Customer Deposits must be carried in the name of the person, firm, or corporation for whom the services are rendered. The City has the right to apply the customer deposit to any unpaid utility charges after an account is more than 90 days past due. The City reserves the right to retain the deposit indefinitely to assure payment of utility charges.

- A deposit will be required at the time of application for service from each customer unless they are the property owner.
- Individual residential services initial deposit: \$150
- Industrial or commercial services initial deposit: \$250
- Waivers will be at the discretion of the Finance Director or designee
- Deposits will only be transferred when the customer's account has no past-due balance
- Additional deposits can be required from customers with multiple delinquent disconnections, not to exceed \$600 for residential services and \$1,000 for industrial/commercial services at the discretion of the Finance Director or designee
- Deposit refunds will be at the discretion of the Finance Director or designee

### **FEES**

All fees are charged in accordance with the City's User Fee Schedule, except for late fees and those fees limited by the Water Shutoff Protection Act. All fees are subject to any future legislative changes, including but not limited to the Water Shutoff Protection Act.

### **BILLING**

City staff will prepare and generate bills on a monthly cycle. Bills will be mailed on or before the first working day of each month and are due on the 15<sup>th</sup> or next business day of each month. A grace period will allow for payments until the 24<sup>th</sup> or next business day of each month before a late fee is assessed. It is the customer's responsibility to contact the City if they do not receive a bill. Failure to receive the bill does not relieve the customer's responsibility for payment. Billing error corrections are subject to a three-year statute of limitations and must be approved by the Finance Director or designee.

### **LATE PAYMENTS**

If a utility bill becomes past due after the 24<sup>th</sup> of the month, or next business day, a late fee will be assessed in the amount of 10% of the unpaid charges and 0.5% interest on the total balance. Late fee waivers will be made in accordance with the Water Shutoff Protection Act. Staff may provide a one-time waiver of a late fee for an account in good standing at the request of the

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customer. Any additional waivers may be granted at the discretion of the Finance Director or designee on a case-by-case basis. Waivers that exceed \$10,000 cumulatively or individually will be at the discretion of the City Manager or designee.

### **DELINQUENCY & DISCONNECTIONS DUE TO NON-PAYMENT & COLLECTIONS**

A customer's account becomes delinquent after a bill is 60 days past due. Once the account has a delinquent balance, a notice of disconnection will be mailed no less than seven (7) business days before service can be terminated due to non-payment. All notices will be mailed to the customer of the location where services are provided. If the customer's mailing address is not the address of the property to which services are provided, the notice will also be mailed to the service addressed to "Occupant." The notice shall include the following information:

- Customer's Name and Address
- Amount of the Delinquency and Total Account Balance
- The date by which payment or arrangement for payment is required to avoid discontinuation of services
- A description of the process to apply for an extension of time to pay the delinquent charges
- A description of the procedure to dispute or appeal the bill
- A description of the procedure by which the customer may request an alternative payment schedule
- Reference of how to obtain a copy of the Utility Billing Policy

In the event the mailed Notice of Disconnection is returned through the mail as undeliverable, staff will attempt to contact the customer or an adult occupying the residence by telephone first. If unsuccessful in reaching the customer by phone, staff will deliver a copy of the mailed notice, attached to a door hanger, and leave in a conspicuous place.

Services will not be disconnected if one of the following applies:

- The customer paid the delinquency before the deadline on the notice
- The customer entered into an agreement for a payment arrangement, extension or alternative payment schedule
- The customer has a pending dispute or appeal
- The residential customer meets all requirements under the Water Shutoff Protection Act

When services are disconnected for non-payment on a delinquent account, the customer will be provided with instructions on how to restore service. On the day of disconnection staff will deliver door hanger notices which specify the following information:

- Customer's Name and Address
- Amount of payment required to restore service
- Amount of fee charged to restore service
- How and where to make payment

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When an account is closed, a final bill is mailed to the customer of record at the last address provided. Staff will make reasonable efforts to collect on past due balances after the account is closed and provide options for payment arrangements. Closed accounts can be transferred to an outside collection agency. If the customer moves to a different service address within the City's service area the balance can be transferred to the active account.

### **DISPUTES & APPEALS**

Customers may exercise their right to dispute a decision, fee, bill or other function of the utility bill by completing a dispute form provided by staff. During a dispute or appeal process, utility services will not be disconnected for non-payment. If a customer is aggrieved by a decision in the dispute process, the customer will have ten (10) business days to file an appeal with the City to be heard by the City Manager. Decisions made by the City Manager in the appeal process are final.

### **ALTERNATIVE PAYMENT SCHEDULES**

Customers can request an executable agreement for one of the following alternative payment options:

- Payment Extension – An alternative date to make a single payment
- Payment Arrangement – Amortization of the unpaid balance over a 2-6-month period
- Waiver or Reduction of Fees – This includes late fees, disconnection fees, and other fees
- Other Requests – Not related to the disputes or appeal process

All considerations will be made in accordance with the Water Shutoff Protection Act.

When a customer fails to meet the terms of the Alternative Payment Plan or Agreement services can be immediately disconnected unless the customer qualified for an Alternative Payment Arrangement under the Water Shutoff Protection Act.

Qualified accounts may not be disconnected before 60 days past the date of the arrangement due date. Upon the 50<sup>th</sup> day past the arrangement due date, staff will send the customer a 10-day Door Hanger Disconnection Notice with the specific date and amount of the payment arrangement that must be paid to prevent disconnection. The 10-day Door Hanger will be posted in a prominent and conspicuous location at the property where services are provided. Upon the 61<sup>st</sup> day, if the customer has still not satisfied the requirements of the agreement services will be disconnected, and payment in full will be required to restore services.

### **LEAK CREDIT**

Customers who have experienced a significant and unexpected increase in their water consumption due to a leak, pipe break, vandalism, or other occurrences can apply for a leak credit. Leak credits are calculated at 60% of the excess water use over a maximum of two months per occurrence. The maximum credit(s) of \$500 is only available once every ten years for the same customer at the same location.

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### **RETURNED PAYMENTS, ILLEGAL USE, TAMPERING AND CROSS CONNECTIONS**

This Policy section is specifically related to the unauthorized actions of a customer and not subject to the limitations of the Water Shutoff Protection Act.

All returned payments are subject to returned check fees as outlined in the Master Fee Schedule. Payment for a returned check may not be made with another check. A second returned payment in 12 months will make the account ineligible to make check and electronic fund payments for 24 months. Returned payments on delinquent notices and alternative payment arrangements will result in immediate termination of service and require payment in full before restoration of service. Any returned payments, except for bank errors that exceed \$950 will be reviewed by the Finance Director or designee and may be referred to the City Attorney for investigation.

Any person or business that obtains or utilizes water or sewer services that they are not authorized to use, tampers with a City water meter, intentionally blocks access to a water meter or otherwise causes damage to City property could be subject to penalty under California Penal Code 594. Staff will contact the Police Department or Code Enforcement as necessary for enforcement. In addition to fines authorized under Municipal Code 9.12.030 the person or business will be responsible for all costs associated with the repair or replacement of city property and/or services and will be billed accordingly.

Fines for illegal use are authorized under section 9.12.030 of the Municipal Code:

- \$100 for the first violation
- \$200 for the second violation, within one year from the date of the first violation
- \$500 for each additional violation, within one year from the date of the first violation

Any appeals and remediation are subject to the process outlined under 9.12.070 of the Municipal Code. The disputes and appeals process outlined in section 7 of this policy is not applicable.

The City is responsible for the protection of the public potable water distribution system from possible contamination or pollution due to backflow or back-siphonage of contaminants or pollutants through the water service connection. Specifications related to the regulations of drinking water systems can be found in Title 17 and Title 22 of the California Code of Regulations.

*Any customer who is not satisfied with the above procedures may write a letter to the Finance Director addressed to City Hall.*

*This policy is available in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean languages as required under California Health & Safety Code 116922 and Civil Code 1632.*