

City of Sebastopol

COUNCIL POLICY



SUBJECT	RESO NO	POLICY NO	EFF DATE	PAGE
UTILITY BILLING COLLECTION POLICY/PROCEDURES	6497-2022	94	12/20/2022	1 of 4

I. PURPOSE

The purpose of this policy is to establish set parameters that are fair and equitable means of addressing the billing of municipal utility services for over and/or under collection of utility service charges due to billing errors or oversights provided by the City. On occasion, the City identifies circumstances in which users of the City's utility system have not been properly billed, or have been billed for services not received. In these instances, it is appropriate to back bill for services provided or refund service charges collected in excess. This policy also provides accurate and prompt services in accordance with City's Municipal Code, California Laws and City Fee Schedule.

II. 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 & Fees
3. Billing & Back Billing
4. Late and/or Returned Payments
5. Leak Credits

The adoption of this policy is in addition to the State of California Water Shutoff Protection Act, also referred to as Senate Bill No. 998: Discontinuation of Residential Water Service (see Policy No.93).
https://www.ci.sebastopol.ca.us/SebastopolSite/media/Documents/water_sewer_utility/Collection-Delinquent-Policy-93-pursuant-to-SB998.pdf?ext=.pdf

This Policy does not prevent staff from creating supplemental procedures to provide efficient, transparent and best practice services for daily operations.

Any questions about the Policy should be directed to City staff at (707) 823-7863 or via email customerservice@cityofsebastopol.org

1. NEW ACCOUNTS, TRANSFERS & DISCONTINUATION OF SERVICE

City staff will provide customers with an application to complete in order to establish utility services. This form can also be found on the City's website at the following weblink.

<https://www.ci.sebastopol.ca.us/SebastopolSite/media/Documents/Resolutions/UB-new-service-application-Fillable.pdf?ext=.pdf>. 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.

2. DEPOSITS & FEES

A one-time new water service fee will be billed to your new account, based on the City's current Master User Fee Schedule. This fee can be paid up front or when your first water and sewer bill is due.

Landlords and property managers requesting service in their name between renters may fill out a Read and Transfer Services form to waive the new service fee between tenants. This form can be found on the City's website at the following weblink.

https://www.ci.sebastopol.ca.us/SebastopolSite/media/Documents/water_swere_utility/Read-Transfer-Service-Form-Fillable.pdf?ext=.pdf

Utility deposits are not required when starting utility services.

- ❖ Deposits may be required from customers with delinquency disconnections. The amount of the deposit will be 2 times their average bi-monthly bill. This amount will be determined by using the average cost of 6 billing cycles. A deposit will be required at the discretion of the Administrative Services Director or designee.
- ❖ A deposit collected for delinquency may be refunded with customer retaining 1 year of good credit on account. Payments must be made on time to establish good credit.
- ❖ Deposits on closed accounts will be applied to the billing and any credit balances will be refunded to customer.

3. BILLING & BACK BILLING

City staff will prepare and generate bills on bi-monthly cycles. Bills will be mailed on or before the 5th day of each month and are due on the 5th of the following month. 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.

It is appropriate to bill for charges to customers that have not been billed for services, due to billing error or oversight. These unbilled charges are not to be treated as overdue unless there is evidence of intentional fraud.

- a. Time Frame - Absent fraudulent actions on the part of the customer, back billing shall be limited to two (2) years.
- b. Repayment Schedule - The standard repayment schedule in cases of back billing shall be equal to the duration of missed billings. For example, if a customer is back billed for 6 months of unbilled services, the standard repayment schedule is 6 months. Exceptions to this rule require approval of the Administrative Services Director or designee. Upon account closure, any outstanding back billed amount shall be due and payable with the final regular billing.

It is appropriate to issue refunds to customers that have paid for services not received. Most often this is the result of incorrectly billing a customer that is on well or septic and is therefore not using the City's utility system. Refunds for service charges collected for which no service has been provided must be made in accordance with § 53082 of the California Government Code.

- a. Time Frame – As established in California Government Code § 53082(e), all claims for fees paid for services not received must be filed within 180 days of the date of payment. This requirement effectively limits the refund period to a maximum of 180 days.
- b. Repayment Schedule - Refunds for fees paid in excess shall be made in full within 30 days of final determination of refund eligibility.

4. LATE AND/OR RETURNED PAYMENTS

If a utility bill becomes past due after the 5th of the following month of bill date, or next business day, a 5% late fee will be assessed on the unpaid 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 customer. Any additional waivers may be granted at the discretion of the Administrative Services Director or designee on a case-by-case basis.

If an account is delinquent more than 45 days an Issuance of 48-Hour Notice Fee will be charged in accordance with the City's current Master User Fee Schedule. If water is turned off for non-payment and service needs to be turned back on after payment of Non-Payment Shut-off, a fee will be charged in accordance with the City's current Master User Fee Schedule.

All returned payments are subject to returned check fees as outlined in the Master Fee Schedule. Payment for a returned check or electronic fund payment (ACH) 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 \$500 will be reviewed by the Administrative Services Director or designee and may be referred to the City Attorney for investigation.

5. LEAK CREDITS

The water service connection, including the meter and the meter box and all distribution lines, will be repaired and maintained by the City at its own expense. The City, however, shall not be responsible for the installation and maintenance of water lines beyond the end of its service connection.

On rare occasions, a leak may occur as a result of a crack, breach, or flaw in the property owner's system and in certain conditions, the City will grant a limited leak credit.

Important information to consider:

- ❖ The water leak must not have occurred as a result of a willful or negligent act on the part of the customer.
- ❖ Customers must make a written request for a leak adjustment using the attached form and explain the cause of the leak, where the leak occurred, and all other relevant factors.
- ❖ **Proof that the leak was fixed is required.** Normally, this will be copies of receipts from the repair person or company, or supply receipts. The customer must be able to demonstrate that the repair was made within a reasonable time.
- ❖ The water usage must be two hundred percent (200%) or more of the normal usage based on the last twelve (12) months.
- ❖ Water leak credits are limited to \$250.00 and only one (1) credit will be granted during the life of the account.
- ❖ To determine normal usage, consumption will be averaged using the previous twelve (12) months and one billing cycle of water consumption after the leak has been fixed. If the account is new and does not have a full year of history, the Administrative Services Department staff will estimate average consumption based on available history, usage of similar residences in the neighborhood, and any other relevant factors.
- ❖ The decision to grant a leak adjustment shall rest solely with the Administrative Services Director or designee whose decision is final.

The process:

- ❖ Once your leak is repaired and you believe you qualify for a leak adjustment, complete the Residential Leak Adjustment form that can be found on the City's website or you can request a form by calling (707) 823-7863 and mail or email form to the Utility Department at City Hall at customerservice@cityofsebastopol.org.
- ❖ Staff will review your request using your water use history. Your water history activities will be used to determine usage resulting from the leak.
- ❖ Staff will calculate the adjustment, and if eligible, will submit all required documentation to the Administrative Services Director for review. Leak adjustments will not be credited to accounts until water use analysis is complete.
- ❖ Once approved or denied, a copy of the Residential Leak Adjustment Request form will be mailed to you.
- ❖ Please submit the balance due by the due date on your bill to prevent the assessment of penalties.

RESOLUTION NO. 6497-2022

A RESOLUTION OF THE CITY COUNCIL APPROVING THE UTILITY COLLECITON POLICY/PROCEDURES

WHEREAS, the City of Sebastopol commits to make every effort to provide the highest level of customer service available to over 3,000 utility customer accounts; and

WHEREAS, City Staff is here to serve the citizens of the City of Sebastopol and will endeavor to treat every customer equally and fairly; and

WHEREAS, in an effort to provide City staff the tools to manage the billing of utility services its citizen accurately, promptly, effectively and in the best practice manner, this policy will help guide staff how to handle event that arise from billing such as:

1. New Accounts, Transfers, and Discontinuation of Service
2. Deposits & Fees
3. Billing & Backbilling
4. Late and/or Returned Payments
5. Leak Credits

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol does hereby approve the Utility Collection Policy/Procedures.

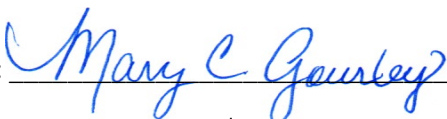
IN COUNCIL DULY PASSED, APPROVED and ADOPTED this 20th day of December 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes: Councilmembers Maurer, McLewis, Zollman, Vice Mayor Rich and Mayor Hinton
Noes: None
Absent: None
Abstain: None

APPROVED: 
Mayor Neysa Hinton

ATTEST: 
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: 
Larry McLaughlin, City Attorney