



# City of Reedley

## Municipal Utility Billing & Collection Policy

*Adopted by City Council Resolution 2020-099 on December 15, 2020*

## TABLE OF CONTENTS

Section 1: Utility Service .....	2
Section 2: Establishing New Service .....	2
Section 3: Utility Billing Cycle, Due Dates & Rates .....	3
Section 4: Limits of Responsibility .....	4
Section 5: Base Rate Fees, Volumetric Charges, Prorations, and Closing Bills .....	4
Section 6: Payment Methods .....	4
Section 7: Returned Payments .....	5
Section 8: Disconnection and Late Fees .....	5
Section 9: Procedure for Petitioning a Review of the Bill .....	6
Section 9: Procedure for Contesting or Appealing the Amount of the Bill .....	6
Section 10: Deferred Payment Plan Agreement for Delinquent Residential Balances .....	6
Section 11: Discontinuation of Water, Sewer and Solid Waste Services for Non Payment .....	7
Section 12: Reinstatement of Services Following Shut-Off for Non Payment .....	7
Section 13: Voluntary Termination of Service .....	8
Section 14: Transfer of Service Deposit .....	8
Section 15: Unpaid Balances .....	8
Section 16: Account Holder and Occupant Privacy .....	8
Section 17: Access to Utility Account Information .....	8
Section 18: Public Works - Work Order Hours .....	9
Section 19: Water Conservation Restrictions .....	9
Section 20: Water Violations .....	9
Section 21: Average Winter Water Usage for Commercial/Industrial/Institutional Accounts .....	9
Section 22: Construction Water .....	9
Section 23: State or Federal Public Health Order.....	10

This written policy consolidates and summarizes various City of Reedley Ordinances, Resolutions and practices into a single document designed to advise municipal utility customers about current regulations. It is intended to provide as much information as possible on existing practice, but should not be considered as inclusive of all municipal service regulations as governed by Reedley Municipal Code and the State of California. Municipal utility services include water, wastewater (sewer) and solid waste (trash, recycle and green waste). The City's Administrative Services Department is responsible for customer accounts and is located at City Hall, 845 "G" Street, Reedley, CA 93654. Normal business hours for this office are Monday through Friday, 8:00 am through 4:45 pm. Offices are closed on Saturday, Sunday and designated holidays. Customer service representatives may be reached by calling (559) 637-4200 extension 218 during normal hours. Voicemail messages left during non-operating hours will be addressed by a customer service representative on the first available normal business day. E-mail correspondence may be sent to **MyCityHall@Reedley.ca.gov** and will be addressed by a customer service representative on the first available normal business day.

### **Section 1: Utility Service**

Water and Sewer service shall be dependent upon connectivity status to municipal services (private water well and / or septic tank vs city connections). Solid Waste disposal service provided by the City or the City's authorized contractor is mandatory for each resident and business except for those industrial businesses who receive an exemption from the City and for governmental agencies who choose to exercise their exempt status from local government regulation. (RMC 4-1-3)

### **Section 2: Establishing New Service**

Before utility service shall begin, a signed application along with supporting documents as identified on the utility application, must be presented by the person(s) who will be financially responsible and any associated fees (as approved by the City's Master Fee Resolution) and account deposit, if applicable, must be paid. Tenants requesting utility service shall pay a deposit equal to three (3) times the estimated average total monthly bill. Property owners requesting utility service may also be required to pay a deposit if the City deems their creditworthiness to be a financial risk, which may include prior bankruptcy activity. The City reserves the right to request and require proof of property ownership or residency documentation, such as a Deed of Trust/Escrow Closing Statement for owners, and a rental agreement/lease for tenants.

The deposit shall be retained by the City until the applicant has terminated the utility account. All outstanding fees and charges will be deducted from the deposit and the remaining deposit balance, if any, will be refunded to the applicant. A good faith effort will be made to collect any outstanding charges from the applicant, up to and including transferring of unpaid balance(s) from closed accounts to active utility accounts, credit collection firms and legal action. (RMC 8-1-4)

Any person may apply to establish new service at any location in the City, provided they meet all other requirements established by this policy.

**Commercial Businesses.** Businesses requesting utility services in the business name must have an active City of Reedley Business License. Business owners that are not the property owner requesting utility service shall pay a deposit equal to three (3) times the estimated average total monthly bill.

**Individual Real Estate Agents & Property Management Companies** will be permitted to obtain services in their own personal name with a government-issued identification/driver's license, and social security card, application fee and deposit.

**Real Estate Investors.** Companies or individuals engaged in real estate investment activities (ie purchasing, renovating and selling) requesting services must have an active City of Reedley business license. Such companies and individuals are eligible for a deposit waiver when they present required ownership documentation that matches the Business license on file (or being filed).

**Credit Risk/Insufficient Identification.** Businesses or individual customers who are deemed to be a credit risk to the City or do not furnish adequate identification documentation will be required to pay a deposit equal to four (4) times the estimated average total monthly bill. A prior bankruptcy filing that resulted in uncollectible revenue to the City may be used as a factor to determine credit risk.

Depending upon the specific circumstances at the service address and availability of City staff, the City cannot guaranty immediate access to all utilities. Typically, access to new services occurs within 48 hours of a completed application process.

### **Section 3: Utility Billing Cycle, Due Dates & Rates**

Rates and fees for water, sewer and solid waste services are established by the City Council and are referenced in the City's Master Fee Schedule which is posted on the City's website at [www.reedley.ca.gov](http://www.reedley.ca.gov). Customers utilizing City water service will have a water meter at their residence or place of business. The water meter consumption, or usage, is typically obtained on the 12<sup>th</sup> of the month and reflects an average 30-day cycle of use. Some consumption cycles may reflect fewer days due to short months, holidays and staffing levels. The monthly water consumption amount will also be used for customers who have a metered sewer rate charge.

Utilities are billed on a monthly basis at the first of each month with current base rate flat charges being assessed for the billing period, and consumption charges reflecting the actual cost for a prior timeframe. As an example, the billing period for June 1<sup>st</sup> through June 30<sup>th</sup> will be created, dated and mailed or e-mailed on or before June 1<sup>st</sup>. The current period charges will reflect base rate fees for the month of June and consumption charges for the approximate period of April 15<sup>th</sup> through May 15<sup>th</sup>.

Account aging will be reflected as Current Charges, 30 Day Past Due Charges, 60 Day Past Due Charges and 90+ Day Past Due Charges. This equates to Current Month Billing Cycle, Prior Month Billing Cycle, two (2) Months Prior Billing Cycle and three (3) or more Months Prior Billing Cycle.

Utility accounts are expected to be paid in full no later than six (6) days from the billing date to be considered in good standing (RMC 8-1-10 A). **The published due date shall be the 6<sup>th</sup> day of each month by midnight PST. Online payments must be received and posted on the utility record by this deadline. Late fees will not apply until an account is more than 60 days past due from the billing date.**

#### **Section 4: Limits of Responsibility**

The City of Reedley makes every effort to mail, e-mail, deliver and post all monthly billings, reminder notices, delinquent notices, and shut-off notices to the account holder and occupant in accordance with Reedley Municipal Code and California legislation. The City of Reedley is not responsible for lost, undeliverable or stolen bills and notices resulting from the United States Postal Service, invalid e-mail addresses, spam filter settings, issues from Internet Service Providers or interference from the general public. Prompt postal and e-mail address updates are the responsibility of the account holder. The account holder is also responsible for insuring that payment is received and posted to the account by the due date and time deadline regardless of whether a bill or notice has been received or not. Time sensitive payments should be made in person or over the phone prior to any cutoff date and time, or by using the City of Reedley's online payment portal which posts payments in real-time to the utility account.

#### **Section 5: Base Rate Fees, Volumetric Charges, Prorations, and Closing Bills**

Base rate (flat rate) charges for water, sewer and solid waste are billed on the 1<sup>st</sup> of the month for services that will be rendered during that month. As an example, the billing dated July 1<sup>st</sup> is for the period of July 1 through July 31<sup>st</sup> and will reflect current base rate charges for water, sewer and solid waste that are for the month of July. Consumption, or volumetric use charges, that are also included on the July 1<sup>st</sup> bill would be in arrears and would be based upon the amount of water used during the consumption cycle of approximately May 12<sup>th</sup> through June 12<sup>th</sup>. New accounts will be prorated on a 30-day standard calculation, and will be charged accordingly from the effective date referenced on the application for service. Terminated accounts will receive a closing bill that will include all consumption charges up to the date of scheduled termination, prorated base rate charges using the standard 30-day calculation, and a credit for any deposit that is being held. Closing bills that reflect a final status of money owed to the account holder will result in a refund check being issued, typically within 2-3 weeks, and mailed to the last known forwarding address associated with the utility account.

#### **Section 6: Payment Methods**

Payment of utility bills may be made in a variety of ways, outlined below:

- Mailed in the return envelope provided with the monthly bill. The mailing address is City of Reedley, 845 "G" Street, Reedley, CA 93654. Payment type should be a personal check made payable to "City of Reedley" or money order if using this method.
- In Person at City Hall, 845 "G" Street, Reedley, CA 93654. Payment type may be cash, personal check made payable to "City of Reedley", debit card, Visa, Mastercard, Discover card or American Express. Office hours are Monday through Friday, 8:00 am through 4:45 pm, closed Saturday, Sunday and designated Holidays.
- Drop Box located on the outside of the building at City Hall, 845 "G" Street, Reedley, CA 93654. Payment type should be a personal check made payable to "City of Reedley" or money order if using this method. The drop box is accessible to customers 24-hours every day. The City of Reedley is not responsible for cash payments left in the drop box.

- Online Payment from the City’s website at **www.reedley.ca.gov**. Payment type may be e-check, debit or credit card and requires pre-registration that will provide the user with a secure login and password for access to the utility account.
- Bill Pay functions from the Customer’s Online Banking Institution. Most major banking institutions offer a form of online bill pay. If this method is being used, please make sure that you set the payee information to be City of Reedley, 845 “G” Street, Reedley, CA 93654. **The utility account number must be referenced for proper and timely processing** which typically consists of three alphabetical characters followed by four numerical characters. Payment made with this method does not post immediately and customers should be aware that it could take up to five (5) business days before payment is received. Using this payment method is discouraged for accounts that are in a past-due status and may be subject to late fees and / or interruption of service for non-payment.
- Phone Payment. Customers may call (559) 637-4200 ext. 218 and pay by credit card. A convenience fee applies. The amount of this charge can be found in the City’s Master Fee Schedule.

**E-Billing and Auto Payment.** The City offers convenient e-billing as well as automatic payment each month. These services are offered at no additional cost and are independent of each other. One-time payment(s) can also be made through the same website portal which can be located at **www.reedley.ca.gov**. There is a pre-registration that must be done by the account holder before services can be activated. Automatic payments are processed on the 6<sup>th</sup> calendar day of each month, and it is the account holder’s responsibility to maintain accurate data of the account e-mail address and financial information which is securely encrypted.

### **Section 7: Returned Payments**

There is an additional fee that will be added to the utility bill account due if any method of payment is not honored (i.e. insufficient funds, customer initiated online banking return, closed account, or denied transaction). The amount of this charge can be found in the City’s Master Fee Schedule. The City reserves the right to demand cash or money order only as the method of ongoing payment if the account holder demonstrates a history of financial risk. Returned payments that were originally accepted by the City in good faith to forestall late fees and / or termination from non-payment shall be subject to the returned payment fee. The account will also be subject to immediate posting of late fees and all other actions that would have otherwise been applied to the account as if the returned payment had never been received and posted. As the City has already provided all necessary and required service termination notices under law, no further noticing will be required for the City to immediately terminate services.

### **Section 8: Disconnection and Late Fees**

Late fee amounts are established by the City Council and are referenced in the City’s Master Fee Schedule which is posted on the City’s website at **www.reedley.ca.gov**. There is no late fee or penalty assessed for accounts that are current or in a 30-day aged status. Accounts with any balance in a 60-day aged status will be assessed a \$25.00 late fee and be subject to the disconnection process. Accounts that are being processed for

disconnection will be subject to a \$100.00 fee on the noticed date of termination if there remains any unpaid balance due.

### **Section 9: Procedure for Petitioning a Review of the Bill or Contesting or Appealing the Amount of the Bill**

City staff are available to explain the balance of a bill, how fees were assessed, and provide the account holder with a history of charges and payments. If a customer disagrees with the consumption calculation on their current bill they should contact this office and request that a Public Works Complaint Service order be sent to the Public Works water staff to verify the most recent water meter reading and working condition of the water meter. After this step, if a customer is still in disagreement over the amount(s) billed, they may request a formal meeting, either in person or by telephone, with appropriate City staff to contest and appeal the amount of the bill. This process is only available to the customer before the account has reached the 60 day aged status. The outcome and decision by the Public Works Director or the Assistant City Manager shall be the final conclusion on the appeal. During the investigation and appeal process, water will not be shut-off for non-payment until all findings have been issued. However, if a customer gives first notice to contest any amount of the bill after an account has reached the 60 day aged status, and has been slated for termination for non-payment, the appeals process will not be available to the customer until all past due charges have been paid. If the appeal process results in favor of the customer, the City shall immediately issue a credit to the account.

### **Section 10: Deferred Payment Plan Agreement for Delinquent Balances on Residential/Multi-Family Accounts**

The City offers a Deferred Payment Plan Agreement (Payment Plan) for residential accounts only that have a past due balance and may be subject to discontinuation of services. The City does not offer any subsidized rate plans, reduced rate plans, alternative payment schedules or reduced payment schedules. If a customer finds themselves in a situation where they are unable to pay their utility bill which has a balance owed that is in a past due aging state, the account holder only may enter into a Deferred Payment Plan Agreement as long as the agreement is requested and a Deferred Payment Agreement is signed, in person, no later than close of business on the 6<sup>th</sup> day of the month, or next available business day when the 6<sup>th</sup> falls on a Saturday, Sunday or designated City Holiday. Requests for a Deferred Payment Plan Agreement for Delinquent Balances received between the 7<sup>th</sup> and 31<sup>st</sup> day of the month will not be accommodated for accounts that were charged the \$25.00 late fee and/or \$100.00 disconnection fee.

The Payment Plan, at the time of inception, will amortize the entire account balance, without any penalties or interest, over a period of 3, 6, 9 or 12 months of equal installment payments required to pay in full the delinquent balance. The repayment period is the sole choice of the account holder, and the due date of the installment payments will be the same as all future current services. The account holder will be responsible for paying, in full, the Deferred Payment Plan monthly amount in addition to the current month charges. Missed payment dates or amounts that are not paid in full by the due date will negate the Deferred Payment Plan and the account will be subject to the process of termination for non-payment. Residential service shall be discontinued no sooner than five (5) business days after the City posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property.

Only one outstanding Payment Plan will be allowed for a utility account at any given time.

A copy of the signed Deferred Payment Plan Agreement will be provided to the account holder at the time of execution, and will clearly state all terms associated with the payment arrangements. Subsequent copies of the Deferred Payment Plan Agreement will be provided to the account holder upon verbal or written request.

### **Section 11: Discontinuation of Water, Sewer and Solid Waste Services for Non Payment**

This is a summarized cycle of the City of Reedley's practice for accounts entering into a "Shut Off" status. The City reserves the right when a deadline date falls on a Saturday, Sunday or designated City Holiday to instead use the next available business day:

- Billing for current services are dated the first day of the month and distributed to the account holder
- Payment for current services are due by midnight PST on the 6<sup>th</sup> of the month
- Reminder billings for accounts with a 60+ day aged balance are distributed to the account holder and the occupant of the physical location on or about the 3<sup>rd</sup> day of the month
- Deferred Payment Plan requests are available only during the 1<sup>st</sup> through the 6<sup>th</sup> of the month for accounts that were charged the \$25.00 late fee and/or \$100.00 disconnection fee
- Accounts that have a 60+ day aged balance on the 6<sup>th</sup> of the month at 11:59 pm PST will receive a \$25.00 late fee and will be subject to the disconnection process and notice.
- For accounts that have a 60+ day aged balance, on the 7<sup>th</sup> of the month a disconnection notice will be posted at the physical location that will disclose the amount owed, pending termination date, additional service charges and reinstatement process.
- A five (5) business day grace period after disconnection notice posting will be given before the Shut-Off action will commence; Multi-Residential accounts will be provided with a ten (10) calendar day period which will include weekends and holidays.
- Accounts that remain unpaid as of 8:00am on the next business day following the grace period will be assessed a \$100.00 disconnection fee and will be shut off and terminated.
- Terminated accounts will receive a final billing for consumption used up through the date of termination. Any deposit on file will be applied to outstanding charges. Once a final billing has been processed, reinstatement of services may only be initiated through a new application process. All outstanding balances owed by the customer must be paid in full before new utility services will be provided.
- An annual report on the number of discontinuations of residential service for inability to pay will be posted on the City's website

### **Section 12: Reinstatement of Services Following Shut-Off for Non Payment**

Reinstatement of services may only be initiated through a new application process and a new account number will be assigned. Once a final closing bill has been issued it is not possible to re-open or reinstate that account. There will be no fee for reinstatement of services; however all outstanding balances owed by the customer must be paid in full. All other fees required by Reedley Municipal Code or by the Master Fee Schedule shall be applicable.



### **Section 13: Voluntary Termination of Service**

The established account holder or legally authorized person(s) must contact the City to initiate voluntary termination of service. The preferred method is either in person at City Hall, 845 "G" Street, Reedley, CA 93654 or by telephone (559) 637-4200 extension 218, however requests received by fax or email may be accepted if appropriate supporting documentation is submitted that will allow verification of the account holder. A forwarding postal address must be provided at the time of termination.

The City of Reedley will take a final reading of the water meter at the physical location and the City's water valve will be turned off on the requested date. The City of Reedley reserves the right to restrict available dates and times due to scheduling and staffing constraints. The customer will receive a final closing bill for the consumption used up through the day of termination, and all base rate charges will be prorated as of the termination date. Any deposit on file will be applied to the final closing bill. If there has been an overpayment of fees reflected on the final closing bill, the City will issue a refund to the account holder that is typically processed within 2-3 weeks.

### **Section 14: Transfer of Service Deposit**

For customers that are closing service at one location and opening at a new location, for which there is a deposit on file and a deposit required, the City will consider the transfer of deposit from the old account to the new account. Additional funds may be required from the customer to satisfy the current deposit requirement. Consideration will only take place if all of the following conditions are met: 1) the account holder's name is the same for both accounts, 2) the old utility account balance will be paid in full, and 3) the final closing bill will result in a credit balance with an overpayment refund owed to the customer.

### **Section 15: Unpaid Balances**

Outstanding balances owed from a terminated account will be assigned and charged to an active utility account if the same customer has an account at a different location with the City of Reedley. If there is no active account, the City of Reedley will pursue all legal collection methods available to ensure timely payment. The City of Reedley reserves the right to refuse to initiate new services in the customer's name if the customer has unpaid balances from prior accounts.

### **Section 16: Account Holder and Occupant Privacy**

California Senate Bill 998 "Discontinuation of Residential Water Service known as the Water Shutoff Protection Act" requires that the occupant of a physical address be provided with the account balance and history of charges and payments by the account holder should the account become delinquent and potentially be subject to disconnection from non-payment.

### **Section 17: Access to Utility Account Information**

Persons other than the account holder(s) may be granted limited or full access to a utility account only if the account holder(s) completes a Utility Account Authorization Form. Information may be released in person or by phone.

## **Section 18: Public Works - Work Order Hours**

Public Works Department Work Orders include, but are not limited to, turning City water valves on, turning City water valves off, obtaining water meter reads, checking the operational status of meters, and delivering and removing trash receptacles.

Normal work order hours performed by the Public Works Department are Monday through Friday (excluding City designated holidays), from 8:00 am through 4:30 pm. The Master Fee Schedule will provide the additional tiered fee for work order services requested by customers to be performed between the hours of 4:30 pm and 5:00 pm, and after 5:00 pm. Response time is subject to staff availability.

## **Section 19: Water Conservation Restrictions**

Approved Water Conservation Restrictions Levels (RMA 8-1-12) that are in effect will be identified on the City's website at [www.reedley.ca.gov](http://www.reedley.ca.gov). These govern water waste, landscape irrigation, summer watering schedules and winter water schedules. Please refer to the Master Fee Schedule for specific rates associated with Level 1, Level 2, Level 3 and Level 4 Water Conservation Restrictions.

## **Section 20: Water Violations**

The City of Reedley has the right to immediately shut off water to any consumer or premises if the water is being wasted or carelessly used (RMC 8-1-10 (A)). Civil violations will be issued for instances that include, but are not limited to, water waste, tampering with the City's water system, failure to comply with watering schedules, cross connection, or causing risk or adverse sanitary health conditions to the public water system.

## **Section 21: Average Winter Water Usage for Commercial/Industrial/Institutional Accounts**

Calculation of the Average Winter Water Usage (AWWU) will be 125% of the average consumption of what is billed on the customer's December, January, February, March, and April sewer bill. Customer must have consumption history with the City of Reedley for the aforementioned months. If a history is not available, then the customer will be billed per their actual consumption until the next AWWU calculation period. If a customer has 0 or 1,000 gallons of usage in a given month during the AWWU calculation period, those readings will not be included into the AWWU calculation. AWWU calculations will be rounded down to the nearest 1,000 gallons.

The billing for May, June, July, August, September, October, and November will be the lesser of either the calculated AWWU number or the actual consumption. Bills processed on December 1, January 1, February 1, March 1, and April 1, are based on actual consumption amounts during those billing periods, and not per an AWWU calculation. For All Commercial, Industrial, and Institutional accounts: If a separate "irrigation only" meter exists, then the AWWU calculation would only apply to the domestic meter.

## **Section 22: Construction Water**

Construction water service is offered for customers with locations that do not have a certificate of occupancy and where there is an active building permit. Water use is billed based upon current rates, however sewer and solid waste services and charges are deferred until a certificate of occupancy is issued by the City. The construction water application process is initiated with the Community Development Department. The

customer application, along with associated meter information, is forwarded to the Administrative Services Department to initiate billing. Construction water accounts are considered temporary, and as such are closely monitored. Sewer and Solid Waste services and rates are added to the property and billed once the address is deemed habitable. The City reserves the right to require a security deposit and obtain other account holder documentation at any time as outlined in Section 2: Establishing New Service of this policy; failure to comply shall cause the account to be terminated due to an incomplete application process.

### **Section 23: State or Federal Public Health Order**

State or Federal Public Health Orders may arise from time to time superseding the City's governing policy for water, sewer and or solid waste services, billing and collections. During these period(s), the City shall continue to bill for municipal services, process and post required legal notices, assess adopted late fees, and collect amounts owed to the extent allowed by State or Federal mandates.