



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

To: City Council

From: Ken McDonald, Finance Director

Subject: Amendments to Article VII, Chapter 1 of the City Municipal Code and Adoption of Resolution re Utility Billing Policy and Procedures in accordance with SB998

Date: April 6, 2020

Recommendation:

1. Introduce for first reading, waiving full reading of text, and consider adoption of **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, AMENDING ARTICLE VII, CHAPTER 1, SECTIONS 7102.5, 7102.10, 7102.15, 7102.25, 7103, AND 7108 OF THE CITY OF PORT HUENEME MUNICIPAL CODE TO ACHIEVE COMPLIANCE WITH SENATE BILL 998 RELATING TO RESIDENTIAL WATER POLICIES.**
2. Adopt **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, ADOPTING A NEW UTILITY BILLING POLICY AND PROCEDURES IN ACCORDANCE WITH SENATE BILL 998.**

Background/Analysis:

On September 28, 2018, Governor Brown signed into law Senate Bill 998 (SB998), which adds a new Chapter 6 commencing with Section 116900 of the Health & Safety Code relating to residential water. SB998 requires a community water system to adopt a written policy for residential water termination due to non-payment, which provides a plan for reduced or deferred payments, alternative payment schedules, and formal billing appeal procedures. SB998 additionally prohibits a community water system from terminating or disconnecting service for non-payment until 60 days of nonpayment have elapsed, requires that a residential customer receive at least 7-day notice prior to termination, and provides for alternatives to water termination for those facing defined financial hardships – i.e. inability to disconnect residential water service if: (1) the City receives a letter from a primary care health provider stating that termination would be life threatening or pose a serious threat to the health and safety of the resident at that location; (2) the resident demonstrates that he or she is financially unable to pay for residential water service within the normal billing cycle; and (3) the resident is willing to enter into an amortization or alternative payment schedule for delinquent charges. Furthermore, SB998 requires the City to waive interest on delinquent charges and to

institute caps on reconnection fees for customers whose household income is below 200 percent of the federal poverty line.

SB998 also requires the community water system to individually bill residents of multi-family dwellings if the dwellings are individually-metered and there are physical and legal means of selectively disconnecting service to those residents who are delinquent for more than 60 days. This would mean that residents of multi-family dwellings would not experience service disruption for their landlord's failure to pay for residential water service provided that the individual residents are willing to cover the costs and/or the individual units are metered for residential water service.

The proposed Ordinance makes changes to bring the City's municipal code into compliance with SB998. Specifically, this Ordinance adds subdivision (b) to Section 7102.5 incorporating the disconnection restrictions of SB998 to residential water customers and states that all restrictions on termination or disconnection shall follow the City's Utility Billing Policy and Procedures, which is the Resolution attached to this Staff Report. In addition, the proposed Ordinance incorporates SB998's requirement that interest charges must be waived once every twelve months for those residential water customers whose household income is below 200 percent of the federal poverty line and provides for the required alternative payment schedules and amortization of delinquent charges, as required by SB998. Finally, the proposed Ordinance converts commercial and residential water service from bi-monthly to monthly billing effective May 1, 2020, which will allow for better utility tracking within the City's Finance Department.

The proposed Resolution approves the revised Utility Billing Policy and Procedure (the "Policy") for all utility accounts serviced by the City, including, residential and commercial water, sewer, solid waste, hydrant meters, and temporary dumpsters. This Policy provides the framework for all City-administered utility services, which are now billed on a monthly basis. In addition, this Policy clearly indicates when bills are deemed delinquent, provides a timeframe for notification actions and termination procedures for all utilities, provides disconnection and reconnection fees in compliance with SB998, provides for alternative payment schedules and amortization of delinquent residential water amounts, and provides a mechanism for billing disputes and appeals of contested billing to gain compliance with SB998.

Fiscal Impact:

Fiscal impacts will be minimal. The only potential impact is increased utility payment collection risks caused by delayed service disconnections. However, customers who receive alternative payment schedules or amortization of delinquent amounts will still be required to pay those amounts in full over a longer period of time.

Exhibits:

- A. Ordinance
- B. Resolution

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, AMENDING ARTICLE VII, CHAPTER 1, SECTIONS 7102.5, 7102.10, 7102.15, 7102.25, 7103, AND 7108 OF THE CITY OF PORT HUENEME MUNICIPAL CODE TO ACHIEVE COMPLIANCE WITH SENATE BILL 998 RELATING TO RESIDENTIAL WATER POLICIES

Whereas, on September 28, 2018, Governor Brown signed into law Senate Bill 998 (SB998), which adds a new Chapter 6 commencing with Section 116900 of the Health & Safety Code relating to residential water;

Whereas, among other things, SB998 requires a community water system to adopt a written policy for residential water termination due to non-payment, which provides a plan for reduced or deferred payments, alternative payment schedules, and formal billing appeal procedures;

Whereas, SB998 additionally prohibits a community water system from terminating or disconnecting service for non-payment until 60 days of nonpayment have elapsed, requires that a residential customer receive at least 7-day notice prior to termination, and provides for alternatives to water termination for those facing defined financial hardships; and

Whereas, SB998 also requires the community water system to individually bill residents of multi-family dwellings if the dwellings are individually-metered and there are physical and legal means of selectively disconnecting service to those residents who are delinquent for more than 60 days.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT HUENEME DOES HEREBY ORDAIN AS FOLLOWS:

Section 1: RECITALS AND FINDINGS. The above recitals are all true and correct:

Section 2: Article VII, Chapter 1, Section 7102.5 of the municipal code is amended to read as follows:

7102.5 – Water Charges – Manner of Collection.

(a) Commercial Water Users:

- (1) As to each service location served with commercial water by the City, the customer must pay the water charges imposed pursuant to this code on a bi-monthly basis. Water charges will be billed on a monthly basis effective May 1, 2020.
- (2) If, for any reason, the customer fails to pay the water charges due for such service on or before the date due following billing of such water charges, as of that date the water charges are deemed delinquent.
- (3) Upon the water charges becoming delinquent, the City Manager, or designee, will cause a notice of delinquency and intent to discontinue service to be mailed to the customer of record.

(4) If payment is not received within fifteen (15) days after mailing of the notice of delinquency and impending termination, a shut-off notice must be delivered to the service address and posted in a conspicuous location at the premises. When the shut-off notice is delivered and posted, a fee will be applied to the customer's account in accordance with the water charges. Failure to make payment within two (2) business days of notice will result in shut off of the meter and assessment of a reconnect fee in accordance with the water charges.

(b) Residential Water Users:

- (1) As to each service location served with residential water by the City, the customer must pay the water charges imposed pursuant to this Code on a bi-monthly basis. Water charges will be billed on a monthly basis effective May 1, 2020.
- (2) If, for any reason, the customer fails to pay the water charges due for such service on or before the date due following billing of such water charges, as of that date the water charges are deemed delinquent.
- (3) Upon residential water charges becoming delinquent, the City Manager, or designee, will follow the Utility Billing Policy and Procedures, which are established pursuant to a Resolution of the City Council, and a notice of delinquency will be mailed to the customer of record stating that residential water service may be disconnected after sixty (60) days of nonpayment.
- (4) Residential water customers may request an alternative payment arrangement in accordance with the City's Utility Billing Policy and Procedures if unable to pay delinquent accounts.
- (5) The restrictions on termination of service, as set forth in the City's Utility Billing Policy and Procedures, Public Resources Code sections 10010, 10010.1, and Health & Safety Code sections 116900 *et seq.* are applicable to any residential water shut-off proceedings.

Section 3: Article VII, Chapter 1, Section 7102.10 of the municipal code is amended to read as follows:

7102.10 – Penalties.

Penalties are imposed on all delinquent water charges as follows:

- (a) Basic Penalty. A basic penalty of ten percent (10%) of total delinquent charges applicable to each service location is imposed as of the date of such delinquency; and
- (b) Additional Penalties. An additional penalty of ten percent (10%) is imposed on delinquent charges, not including previously imposed late fees, on each billing date upon which the charges remain unpaid.
- (c) Limit of Penalty. The total penalty imposed cannot exceed one hundred percent of the total of any such delinquent account.

- (d) For residential water customers who demonstrate to the City that household income is below 200 percent of the federal poverty line, the City shall waive interest charges on delinquent bills once every twelve (12) months in accordance with Health & Safety Code section 116914.

Section 4: Article VII, Chapter 1, Section 7102.15 of the municipal code is amended to read as follows:

7102.15 – Interruption in water service – Penalties.

- (a) Service will be discontinued if payment is not received or arrangements made to pay any delinquent bill. If payment is not made within the time specified in this Chapter, or for any other reason relating to nonpayment of an outstanding bill or charge, including, without limitation, checks returned for insufficient funds, credit card denial, or other, similar type of payment problem, a service charge, in an amount determined by the water charges will be imposed and be due and payable each time service is discontinued.
- (b) Except as provided in Public Utilities Code Section 10009 and Health & Safety Code section 116916, where water is shut off, service will not be restored until all required payments (including, without limitation, arrearage, penalties, deposits and service charges) are paid in full.

Section 5: Article VII, Chapter 1, Section 7102.25 of the municipal code is amended to read as follows:

7102.25 – Billing disputes.

- (a) The Finance Director, or designee, will review the accounts of customers who dispute water charges within thirty (30) days after receiving a written request for review. If an error is found after such review, the City will promptly correct the error and, if required, either charge or credit, at the City's sole discretion, the customer account or issue the customer a refund.
- (b) The review conducted by the Finance Director, or designee, will include consideration of whether to establish a payment plan for the customer to pay any unpaid balance of delinquent account over a reasonable time not to exceed twelve (12) months. Unless otherwise required by this Code, the City will not terminate service for customer fully complying with such a payment plan.
- (c) If a commercial water customer fails to comply with a payment plan established pursuant to this section, the City must give the customer a forty-eight (48) hour notice to comply in order to avoid termination of service. If a residential water customer fails to comply with a payment plan established pursuant to this Code and the Utility Billing Policy and Procedures for a period of more than sixty (60) days, the City must give the residential water customer at least five (5) business days' notice of termination. Such notice does not entitle the customer to further investigation or review by the City.
- (d) Water bills must contain information regarding dispute resolution procedures set forth in this Chapter and the City's Utility Billing Policy and Procedures, which are established by Resolution of the City Council.

Section 6: Article VII, Chapter 1, Section 7103 of the municipal code is amended to read as follows:

7103 – Interest on delinquent accounts.

The city finance director may impose interest upon delinquent accounts at a rate not to exceed one percent (1%) per month. If imposed interest may compound monthly. The imposition of interest is limited by Section 7102.10 of this Code and California Health & Safety Code section 116914.

Section 7: Article VII, Chapter 1, Section 7108 of the municipal code is amended to read as follows:

7108 – Shut-off for non-payment.

If any owner shall fail to pay the amount due for water or sewage service, the City may shut off the water or sewage service to such property in accordance with the City's Utility Billing Policy and Procedures, which are adopted by Resolution of the City Council, and such service may not be restored until such indebtedness has been paid.

Section 8: ENVIRONMENTAL REVIEW. The Council exercises its independent judgment and finds that the proposed ordinance is not subject to California Environmental Quality Act (CEQA) pursuant to Section 16060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), and Section 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA guidelines, California Code of Regulations, Title 14, Chapter 3, because the proposed ordinance has no potential for resulting in any significant physical change to the environment, either directly or indirectly.

Section 9: ENFORCEABILITY. Repeal of any provision of the Port Hueneme Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

Section 10: SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this Chapter is held to be invalid or unconstitutional by any court of competent jurisdiction for any reason, such decision shall not affect the validity of the remaining portions of this Chapter. The Council declares that it would have adopted each section, subsection, sentence, clause, phrase, or portion of this Chapter irrespective of whether one or more sections, subsections, sentences, clauses, phrases, or portions of this Chapter be declared invalid or unconstitutional.

Section 11: EFFECTIVE DATE. This Ordinance shall take effect 30 days after its final passage.

Section 12: REPEAL OF CONFLICTING PROVISIONS. All of the provisions of the City Municipal Code as heretofore adopted by the Council that are in conflict with the provisions of this Ordinance are hereby repealed.

Section 13: CERTIFICATION. The City Clerk of the City is hereby directed to certify to the passage and adoption of this Ordinance and to cause it to be published as required by law.

Passed and Adopted on this ____ day of _____ 2020.

Attest:

Laura Hernandez
Mayor

Kristy Buxkemper
City Clerk

STATE OF CALIFORNIA)
) ss
COUNTY OF VENTURA)

I, Kristy Buxkemper, City Clerk of the City of Port Hueneme, California, do hereby certify that the foregoing Ordinance was introduced at the Regular meeting of April 2, 2019, and duly adopted at the Regular meeting of _____, 2020, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Kristy Buxkemper
City Clerk

I further certify that said Synopsis was published as required by law in a newspaper of general circulation in the City of Port Hueneme, California on the ____day of _____, 2020, and on the ____day of _____, 2020.

Kristy Buxkemper
City Clerk

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME,
CALIFORNIA, ADOPTING A NEW UTILITY BILLING POLICY AND PROCEDURES IN
ACCORDANCE WITH SENATE BILL 998**

Whereas, on September 28, 2018, Governor Brown signed into law Senate Bill 998 (SB998), which adds a new Chapter 6 commencing with Section 116900 of the Health & Safety Code relating to residential water;

Whereas, among other things, SB998 requires a community water system to adopt a written policy for residential water termination due to non-payment, which provides a plan for reduced or deferred payments, alternative payment schedules, and formal billing appeal procedures;

Whereas, SB998 additionally prohibits a community water system from terminating or disconnecting service for non-payment until 60 days of nonpayment have elapsed, requires that a residential customer receive at least 7-day notice prior to termination, and provides for alternatives to water termination for those facing defined financial hardships; and

Whereas, SB998 also requires the community water system to individually bill residents of multi-family dwellings if the dwellings are individually-metered and there are physical and legal means of selectively disconnecting service to those residents who are delinquent for more than 60 days.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT HUENEME DOES HEREBY
RESOLVE:**

Section 1: The City Utility Billing Policy and Procedures attached hereto as "EXHIBIT A" id hereby adopted.

Section 2: This Resolution shall take effect immediately upon its passage.

Section 3: The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

Passed and Adopted on this ____ day of (month) (year).

Attest:

Laura Hernandez
Mayor

Kristy Buxkemper
City Clerk

EXHIBIT A



City of Port Hueneme

CITY OF PORT HUENEME FINANCE POLICIES AND PROCEDURES	
Policy #	Subject: UTILITY BILLING POLICY and PROCEDURES
Issued:	
Effective:	
Cancellation Date:	
Supersedes:	

Purpose

To establish uniform, fair, and effective policies and procedures to implement Port Hueneme Municipal Code and State law provisions, including, without limitation, SB 998, related to establishing a utilities account, billing for said account, collection of current and delinquent charges for utilities, and discontinuation of service for customers of the City of Port Hueneme.

Policy

Guidelines for Establishing a Utilities Account

1. **A completed application for services must be submitted for all new utility accounts.** There are five applications for a variety of services, which include:
 - a. **Residential Utilities:** An applicant must complete a residential utilities application, show a valid picture identification, and provide the following:
 - i. If the applicant is a tenant, a copy of the lease agreement must be provided. If there is no lease agreement, the property owner must co-sign the application;
 - ii. If the applicant is a real estate agent, a copy of the property listing agreement must be provided and he or she must have a valid City business license; and
 - iii. If the applicant is the property owner, proof of ownership must be demonstrated in the form of a property tax bill, final closing statement, recorded deed, or other documentation deemed acceptable to the Finance Director or his or her designee. In the event the property is held in the name of a trust, the individual completing the application must demonstrate that he or she is a trustee, administrator, or otherwise authorized to transact business on behalf of the trust.
 - b. **Commercial Water/Refuse:** An applicant must complete a commercial water/refuse application, show a valid picture identification, lease agreement or other legal right to possession of the property, must possess a valid City business license, and provide documentation that the applicant is authorized to execute

- ii. The deposit will be applied to the customer's outstanding balance when the hydrant meter is removed, and the account is closed. Any credit balance remaining would then be refunded in the form of a check.
 - e. The City of Port Hueneme reserves the right to retain deposits indefinitely to assure payment of utility charges. No interest will be paid upon deposited amounts.
- 5. **When the application is approved and the deposit is collected from the customer, a new customer account is created in the Utility Billing system.**
- 6. **If required, a work order is generated to turn on service(s).**
 - a. Any residential utilities or commercial water applications processed and approved **BEFORE** 1:00 p.m. will have services turned on the same day before 5:00 p.m.
 - i. If the application is approved after 1:00 p.m. and the customer desires water service established on the same day, a surcharge of \$100.00 shall be required in addition to the deposit.
 - b. All commercial refuse, temporary dumpster, and hydrant meter services will be delivered the day following approval of the application unless instructed by the customer to deliver later.

Utility Billing Procedure

1. **Residential Utilities (excluding residential water service), Commercial Water, and Hydrant Meters are billed in arrears on a monthly basis.**
 - a. The date a customer gets billed is based on the service address, not based on when the customer opens his or her account.
 - b. Payment is due by 5:00 p.m. on the date indicated on the billing statement.
 - c. Any amount left unpaid 30 days after the billing date will be subject to a 10 percent late fee and the customer will receive a late notice by U.S. Mail.
 - d. If there is still a past due balance 50 days after the billing date, the customer will receive an additional \$25 notification fee and a cutoff notice will be sent to the service address.
 - e. If service is cut off for non-payment, an additional \$50.00 delinquency fee will be assessed. To restore services outside of normal business hours, an additional \$150.00 after hours fee shall apply. All amounts must be paid in full before service is restored.
2. **Commercial Refuse is billed in advance on a monthly basis.**
 - a. All bills are sent out during the first week of the month.
 - b. Payment is due by 5:00 p.m. on the date indicated on the billing statement.
 - c. Any amount left unpaid 30 days after the billing date will be subject to a 10 percent late fee and the customer will receive a late notice by U.S. Mail. This will be the only notice sent.
 - d. If there is still a past due balance 35 days after the billing date, services will be subject to immediate suspension until all past due balances are paid in full.
3. **Temporary Dumpster accounts are billed on a monthly basis for services rendered in the previous 30 days.**
 - a. All bills are sent out on or about the 1st of each month.
 - b. Payment is due by 5:00 p.m. on the date indicated on the billing statement.

Payment

- Payment for utility service is due on the date indicated on the billing statement. Payment may be made by check, money order, bank ACH draft, cash, or credit card.
- When a customer has paid by check that is returned for insufficient funds the third time within twelve months, the customer becomes ineligible to pay by check for a 24-month period. Payment in full is required in the form of cash, cashier's check, money order, or credit card.
- When the customer is paid by credit card and the payment is returned, the customer becomes ineligible to pay by credit card for 12-month period.

Delinquent Residential Water Utility Accounts

This Section of the City of Port Hueneme Finance Policies and Procedures applies only to residential water accounts. Delinquent accounts are identified as any residential water account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by 5:00 p.m. on the date indicated on the billing statement. The following rules apply to delinquent residential water utility accounts:

1. **Small Balance Accounts:** Any balance of \$10 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring any further collection action.
2. **Late Fee:** If payment for a bill is not received by 30 days after the billing date, a late fee of 10 percent will be assessed, and the customer will receive a late notice via U.S. Mail.
3. **Waiver of Late Fee:** At the request of the customer, the City may waive a late fee if there are extenuating circumstances and the customer has not been granted a late fee waiver within the preceding twelve (12) months.
4. **Alternative Payment Arrangements for Residential Water Accounts:**¹ Any customer who is unable to pay for residential water service within the normal payment period may request an alternative payment arrangement, including an amortization plan, to avoid disruption of residential water service. To qualify for an alternative payment arrangement, the customer must:
 - a. Submit a primary care provider certification, as defined in Welfare and Institutions Code section 14088(A)(1)(b), such as that discontinuation of service would be life-threatening to, or pose a serious threat to the health and safety of, a resident of the premises where the service is provided;

¹ Payment schedules that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer and Finance Director. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed twelve (12) months from the original billing date. The amortized payments will be combined with, and subject to the due date of, the customer's regular residential utility bill. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in a written discontinuation notice, which will be posted at the residence no later than 5 business days in advance of discontinuation of residential water service. The City may, in its discretion, offer any other payment schedule authorized by Health & Safety Code sections 116900 *et seq.* to customers who meet the qualifications described above.

- c. If the disconnection notice is being sent to tenants/occupants of a multi-unit residential complex served by a master water meter, the City will make a reasonable and good faith effort to inform the tenants/occupants, by means of posting at each unit, when the water service account is in arrears and subject to disconnection at least 10 days prior to disconnection of water services. The written disconnection notice will advise the occupants/tenants that they each have the right to become City water service customers without being required to pay the amount due on the delinquent account provided, however, that they are each willing to assume financial responsibility for subsequent charges for water service at their addresses served by the master meter. Should one or more of the tenants/occupants be able and willing to assume financial responsibility for the subsequent residential water service charges, or if there is a legal, physical means available to the City to terminate residential water service to those tenants/occupants not willing to establish individual accounts, the City will make residential water service available to the tenants/occupants who have met those requirements.
- d. **Seven (7) Day Notice of Termination:** The City will make a reasonable and good faith effort to notify customers seven (7) days in advance of residential water disconnection due to non-payment. The City will attempt to make this notification via telephone or email provided the customer has provided said information to City staff. In the event City staff are unable to provide such notification, a reasonable and good faith effort to post a 7-day notice at the customer's residence will be made.
- e. **Disconnection Deadline:** All delinquent water service charges and associated fees must be received by the City by 2:00 p.m. on the date specified in the written disconnection notice to avoid residential water service disconnection.
- f. **Means of Disconnection:** The City will disconnect water service by turning off, and in some cases locking off, the water meter. The customer will be charged a reconnection fee to restore water service in the City's billing system regardless of whether the meter has been physically disconnected.
- g. **Reconnection of Service:** In order to resume or continue service that has been disconnected for non-payment, the customer must pay a reconnection fee. In the event the household income is less than 200 percent of the federal poverty level, a reconnection fee during normal business hours is limited to the fifty (\$50) dollars but may not exceed the actual costs of reconnection. If service is to be reconnected for such households after hours, reconnection must not exceed the actual costs of reconnection and one hundred fifty (\$150) dollars. The City will endeavor to reconnect service as soon as practicable, but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount, delinquent fees attributable to the termination service, and a deposit for the reconnection of the account. Water service that is turned on by any person other than City personnel or without City authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of the unauthorized restoration of service are the responsibility of the customer.

- h. **Reconnection of Service After Business Hours:** Service restored after 4:00 p.m. Monday through Friday, or on weekends or holidays, will be charged an after-hours reconnection fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours reconnection fee and has signed an agreement acknowledging the fee. The after-hours reconnection fee is in addition to the regular reconnection fee and the late charge for a past due account. City staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day.
 - i. If new water service is being restored after regular business hours because the customer has yet to establish residential water service, the customer must agree to contact the City's billing department to establish service the next business day and the after-hours reconnection fee will be applied.
- i. **Notification of Disposition of Returned Check:** Upon receipt of a returned check taken as payment for residential utility service or other charges, the City will consider the account unpaid. The City will make a reasonable and good faith effort to notify the customer by telephone or email, if practicable, of the returned check.
 - i. Disconnection of residential water service for nonpayment will follow the procedures contained within this Section 6. If a customer is making payments pursuant to an alternative payment arrangement in accordance with Section 4, failure to make payments pursuant to such arrangement for a period of sixty (60) days will result in a five business (5) day notice of disconnection. In addition, failure to pay regular invoices while making payments pursuant to an alternative payment arrangement for previously past due amounts for a period of sixty (60) days will result in disconnection of residential water service pursuant to this Policy.
- j. **Returned Checks for Previously Disconnected Residential Water Service:** In the event a customer tenders a non-negotiable check as payment to restore residential water service previously disconnected for non-payment and the City restores such service, the City may disconnect service in accordance with subparagraphs a through f of this Policy.
 - i. Any customer issuing a non-negotiable check as payment to restore residential water service turned off for non-payment will be required to pay cash, credit card, or certified funds to restore service disconnections for a period of twelve (12) months from the date of the returned payment.

Payment Arrangements for Commercial Water, Refuse, Hydrant Meter, and Temporary Dumpster Accounts:

1. City may allow a customer to enter into an agreement if the customer is unable to pay the full amount of the utility bill by the due date.
2. The payment arrangement must be in writing between the customer whose name appears as the account holder in the utility billing records and the City's Finance Director or Designee.
3. Customer must appear in person and provide proof of identity acceptable to City staff.
4. No payment arrangements granted to accounts with less than twelve (12) months history.

5. Payment arrangements are limited to a maximum of two (2) per calendar year. There must be at least a 60-day lapse between payment arrangements.
6. Services that have been disconnected for non-payment are not eligible for payment arrangements.
7. Payment arrangements are only for past due amounts of the account. Any current charges are due and payable by the customer as indicated on the bill.
8. A twelve (12) month moratorium is placed on future payment arrangements on accounts with a broken payment arrangement. A returned check for insufficient funds is considered a broken payment arrangement.
9. Customers who have been billed in error or who have been issued a corrected bill for previously billed services will be offered payment arrangements equal to the amount of time it took the utility to correct the bill.
10. The customer shall pay at least half of the past due amount upon execution of the payment agreement. The customer shall pay the remaining balance in accordance with the payment agreement.
11. The City will discontinue water service without further notice on the day after the customer does not pay on any of the payment dates specified in the payment agreement. In such event, the Finance Director or Designee shall deem the agreement terminated.
12. The Finance Director or Designee's decision is final on all matters related to the payment agreement

Disputed Bills: Customers may contest or appeal a bill in accordance with City of Port Hueneme Municipal Code section 7102.25. To contest a bill, the customer must follow the prescribed procedure:

1. A customer may contest a utility bill in writing delivered to the Financial Services Director, or his or her designee, who will review the account within thirty (30) days. If an error is found, the City will promptly correct the error and either charge or credit the account.
2. The review conducted by the Financial Services Director or his or her designee will include consideration of whether to establish an alternative payment plan in accordance with this Policy.
3. The decision of the Financial Services Director or his or her designee is final.

STATE OF CALIFORNIA)
) ss
COUNTY OF VENTURA)

I, Kristy Buxkemper, City Clerk of the City of Port Hueneme, California, do hereby certify that the foregoing Resolution was duly adopted at the Regular meeting of the City Council on the _____ day of (month) (year), by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Kristy Buxkemper
City Clerk