



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.