City of Biggs

Agenda Item Staff Report
For the Regular City Council Meeting:
January 14, 2014

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Utility Late Fees

Council Member Thompson requested review and consideration of the assessment of Utility Late Fees.

Background:
Please find attached the section of the Muni-Code (sections 10.30.050 and 10.30.060) which sets forth the late fee policy. In brief, the muni code states the following:

1) The Payment due date is the 10th of the month.
2) In effect there is a 10-day grace period, as Late Fees are assessed on balances over $20 not paid by the 20th of the month.
3) Staff may waive the late fee if the customer has had no late payments in the previous 12-calendar months.

In a recent situation which generated the review:

1) According to the bank, the payment was set by the customer to generate a payment on the 17th. Note that this is 7 days after the due date, and 3 days prior the end of the 10-day grace period.
2) According to the bank, a check was generated and mailed on or about the 17th.
3) The City received the check in the US mail picked up on Monday December 30th.
4) The customer had a previous late in September which prevented staff from being able to waive the late fee in this instance.

Recommendation:
Review the City's Utility Late Fee policy, including staff's ability to waive late fees, and direct staff regarding any desired changes to the Municipal Code.

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Mark Sorensen, City Administrator

of a property if approved by the owner(s) of said property and by the city. [Ord. 390 § 1 (Att. A), 2011; Ord. 318 § 4, 1998]

10.30.050 Payment – Due date and where made.

(1) Except as otherwise provided elsewhere in this chapter, all utility service and use charges are due and payable upon presentation.

(2) Except as otherwise provided elsewhere in this chapter, all utility services and use charges shall be payable at City Hall or as noted on the billing. [Ord. 318 § 5, 1998]

10.30.060 Payment – Delinquent when/charges assessed.

(1) All utility service and use charges are due on the tenth day of each month and become delinquent after midnight on the twentieth day of each month, and a penalty, in accordance with the current city fee schedule, shall be assessed against the current amount due. If the twentieth day is on a Saturday, Sunday or holiday, payment is due on the next business day following the twentieth. Any balance more than $20.00 shall be charged a penalty, in accordance with the current city fee schedule, for the preparation and delivery of a final notice. Interest, in accordance with the current city fee schedule, shall be charged on all accounts reaching 60-day delinquent status on the last working day of each month.

(2) If 12 consecutive months have resulted in timely payments with no late charges or waivers, a courtesy to waive late penalties and/or interest will be extended to all such utility customers who are faced with extenuating circumstances. This courtesy shall require a formal request on public document to be completed by the utility customer and approved by the city administrator/city clerk or designee.

(3) If a utility customer's account has reached 90-day delinquent status, and if such utility customer has made no attempt to remedy the delinquency, city staff shall begin collection proceedings against the utility customer. A $200.00 administrative fee shall be added to all accounts that are filed by the city of Biggs in small claims court or with collection agencies.

(4) The city administrator/city clerk or designee by the city council may enter into repayment agreements for delinquent utility service charges with utility customers who no longer receive utility services from the city. Upon entering into a repayment agreement, the city administrator/city clerk, at their sole discretion, may waive any penalties, charges, and interest. Agreements may not exceed 36 months. If at any time payments are not received on a monthly basis, the agreement is void. In the event the utility customer does not meet the requirements of the repayment agreement, a $200.00 administrative fee will be added to the amount due and filed for collection with small claims or other collection agencies.

(5) In conjunction with a utility service repayment agreement entered into by and between the utility customer and the city, the city administrator/city clerk or designee may also require a stipulated utility service repayment lien and notice of intent for satisfaction of lien through sale of proceeds to be entered into by and between the utility customer and the city. The city shall file the stipulated utility service repayment lien and notice of intent for satisfaction of lien through sale of proceeds directly with the Butte County recorder.

(6) Utility meters must be accessible at all times. If a meter is found to be inaccessible a fee in accordance with the current city fee schedule may be charged to the utility customer's account for each occurrence. Inaccessible includes, but is not limited to, locked gates, fences and buildings, animals, and overgrown landscape. [Ord. 318 § 6, 1998]

10.30.070 Municipal service liens.

(1) Delinquent charges and all penalties thereon for municipal sewer, water, garbage and electrical services provided by the city of Biggs, when recorded in accordance with Government Code Section 54355, shall constitute a municipal service lien upon the real property served. A municipal service lien shall continue until the charges and all penalties thereon are paid in full or the property is sold. However, no municipal service lien shall be created against any publicly owned property.

(2) The municipal service lien for delinquent charges and penalties thereon shall attach when the city administrator, or other officer whose duty it is to collect the charge records, lists such delinquent unpaid charges and penalties thereon with the county recorder. The lists must state:

(a) Such amount of each charge and the penalties thereon;

Biggs Municipal Utilities

Office Location: 465 C Street, Biggs, CA 95917
Mailing Address: P.O. Box 307, Biggs, CA 95917-0307
Website: www.biggs-ca.gov
Phone: (530) 868-5493

CONSOLIDATED UTILITY BILL

SERVICE ADDRESS	BILLING DATE	DUE DATE	TOTAL AMOUNT DUE
	12/23/13	01/10/14	

TO AVOID PENALTY, PAYMENT MUST BE RECEIVED ON OR BEFORE THE 20TH OF THE MONTH

ACCOUNT NUMBER	AMOUNT PAID

Biggs CA 95917

Detach and return above portion with your payment. Retain lower portion for your records.

SERVICE ADDRESS	ACCOUNT NO.	FROM	TO	DAYS
		11/15/13	12/16/13	0031

METER READ

Prior Water Read	175308
Current Water Read	176393
Prior Electric Read	72107
Current Electric Read	72695

CONSUMPTION

Electric Usage (kWh)	588
Water Usage (cu. ft.)	1085

MESSAGE FROM THE CITY OF BIGGS

HAPPY NEW YEAR! We wish you a happy, safe & prosperous 2014.

Ave. Electric Usage: 596 kWh
Ave. Water Usage: 1188 c.f.

CHARGES

LAST PAYMENT RECEIVED 12/20/13	-238.25	
Electrical Charges - Res. Electric		103.16
Consumption 400 kWh x 0.1533	61.32	
Consumption 188 kWh x 0.2065	38.82	
State Surcharge	.17	
Public Benefits Surcharge	2.85	
Water Charges - Res. Water Metered		55.00
Base Charge (up to 7000 cu. ft.)	41.85	
Water Improvement Fund	13.15	
Sewer Charges - Res. Sewer		58.74
Base Charge	50.44	
Sewer Improvement Fund	8.30	
Garbage Collection Service		31.76
Utility Users Tax		.00
Previous Balance		.00
TOTAL NOW DUE		248.66

If not paid within 10 days of "Due Date", a penalty of 10% will be added and this total will appear at line: Previous Balance.
INTEREST is charged on any unpaid balance.