

**ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 5/7/14**

ISSUE NO. 21

Request for approval of revisions to Policy No. 4.0.0 in the Utility Billing Manual – Utility Billing Special Fee and Penalty Policy. (Kathy Valdez)

Public Utilities Committee – 5/7/14
Finance Committee – 5/19/14
City Council – 5/28/14

PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 5/19/14 Finance Committee.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	X		
COUNCILOR MAESTAS	X		
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS	X		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

memo

Date: April 22, 2014
To: Public Utilities Committee
Via: Nicholas Schiavo, Public Utilities Department and Water Division Director
From: Kathy Valdez, Collection Manager *KV*
RE: Revisions to Utility Billing Special Fee and Penalty Policy

*RC
for Nick Schiavo*

Item and Issue:

Revisions to Policy No. 4.0.0 in Utility Billing Administrative Manual – Utility Billing Special Fee and Penalty Policy

Background

The current policy states that staff shall charge residential accounts (all meter sizes) a \$100.00 deposit and commercial accounts a deposit based on the meter size. Staff believes that these deposits are too low and have been a major contributor to the Utility Billing Division's high unpaid debt balance associated with tenants. Collection of debt from owner occupied property has not been a concern, as staff is able to place liens against the property.

The revised policy will allow staff to charge residential customers a deposit equal to one and one-half (1½) times the highest 30 day bill from the previous 12 months of service at the meter location. Commercial and multifamily customers will be charged a deposit equal to of one (1) times the highest 30 day bill from the previous 12 months of service at the meter location. After six (6) months of service a commercial customer can request that the deposit be reevaluated based on their usage.

Staff has contacted the City of Rio Rancho, City of Las Cruces, Public Service Co. of NM, and the NM Gas Co. to compare their deposit requirements. This review showed that the proposed administrative changes are equal to, or less stringent than, the other utilities within the state.

Staff proposes increasing the dispute hearing fee from \$50.00 to \$100.00. This change is recommended as the City's current contract with the hearing officer, Mr. Gould is \$125.00 per

hour. It should be noted that there is additional time associated with city staff researching the protest prior to the hearing.

Recommend Action

For your review and approval

19503

Profile Data Text Inquiry

Entity 1

Type of Data CC Customer Calls

Account ID 00028151

LANDAVAZO MICHAEL L

O	Date		Amount	Y/N	Y/N	Date
P	From	Code		1	2	Thru
	04/15/14					04/17/14
		DLVR 2DAY	\$147.09	EFF		04/28/2014
	03/13/14	03	14,709			04/17/14
	01/23/14	02	14,304			03/13/14
	04/18/13	02	14,892			06/20/13
	03/13/13					06/20/13
		MICHAEL CAME IN FOR 2012 PRINTOUT OF PAY				
		MENTS.*CG*				
	01/24/13	02	13,839			02/21/13
	10/11/12					02/21/13
		Daniel L. attempted to service refuse bu				
		t noting was out to svcs at 9:53 a.m. CPW				
		O# 21402 CLOSED *ER*				
	09/27/12					02/21/13
		SUBMITTED WO 21402 TO SVS REFUSE THAT				

Opt: 2=Last Changed F17=Toggle Dates F24=More



CITY OF SANTA FE

UTILITY BILLING ADMINISTRATIVE MANUAL

SUBJECT:

Utility Billing Special Fee and Penalty Policy and Procedures	Policy Number 4.0.0	# Pages
	Effective Date 09-30-2003	Revision Date 04-22-2014

1.0 PURPOSE:

1.1 To define fees, penalties and charges for services rendered to utility customers.

2.0 APPLICABLE TO:

2.1 Water, Wastewater, Environment Services, Storm Water and Utility Billing Division Staff.

3.0 REFERENCES:

3.1 Utility Billing Administrative Policy 3.0.0-Utility Billing Appeals Procedure

3.2 Meter Install Form

4.0 DEFINITIONS:

4.1 Delinquency Risk:

4.1.1 Any Customer who has an unpaid balance on a past or current City of Santa Fe utility account.

4.1.2 Any customer that has missed one or more payments during the prior 12 months of service.

4.1.3 Any customer that has presented one or more non-sufficient fund or returned check during the history of the account.

4.1.4 Any customer that has made two or more late payments during the prior 12 months of service.

5.0 GENERAL POLICY:

- 5.1** The charges, fees and penalties defined in this procedure are applicable to all utility accounts, depending on services rendered.
- 5.2** The charges, fees and penalties defined in this procedure may be waived due to extenuating circumstances by the City Manager, Finance Director, Water Division Director or the Utility Billing Division Director with supporting documentation to be placed in the customer's file.

6.0 CHARGES, FEES AND PENALTIES

6.1 Deposits:

- 6.1.1** All tenants of residential rentals are required to pay a deposit to begin any utility service.
- 6.1.2** All businesses are required to pay a deposit to begin any utility service.
- 6.1.3** Residential property owners will not be required to pay a deposit unless they are considered to be, or become, a delinquency risk.
- 6.1.4** Any account which has had service terminated due to non-payment may be required to pay an additional deposit.
- 6.1.5** Interest will not be paid on deposits.
- 6.1.6** Deposits will be charged on the customer's first bill, but must be paid at the time of application.
- 6.1.7** The requirement for a deposit may be waived for a new account upon receipt of a "letter of credit" from a former utility account (water, gas, electric, landline phone or cell/mobile) showing the account for the customer is in good standing.

6.2 Deposit Charges:

- 6.2.1** Residential customers will be charged a deposit equal to one and half (1½) times the highest 30 day bill from the previous 12 months of service at the location.
- 6.2.2** Commercial and multifamily customers will be charged a deposit equal to one (1) times the highest 30 day bill from the previous 12 months of service at the location. After six (6) months of service a commercial customer can request that the deposit be reevaluated based on their usage.

6.3 Deposit Refunds:

- 6.3.1** Deposits will be refunded only upon the closing of the customer's utility account.

6.4 Meter Service Fees

6.4.1 Meter Re-read Fee

- 6.4.1.1 Customers may request one meter re-read for any six month period free of charge.
- 6.4.1.2 On the first request for a re-read, if the original read proves to be higher than the subsequent read, the account will be adjusted accordingly. This re-read will not be counted in the limit specified in Section 6.4.1.1.
- 6.4.1.3 Additional re-reads will be charged at the rate of \$25.00 per read. If, on subsequent read, the original read proves to be higher, the meter re-read will not be charged to the account and the account will be adjusted accordingly.
- 6.4.1.4 It is the property owner or tenant's responsibility to ensure that the access to the water meter is clear of obstructions (gate locks, car, objects, vegetation, etc.). If a meter is obstructed, the meter reader will leave a door hanger on the property's door instructing that the object be removed immediately. If the object has not been removed by the next attempt to read the meter, the account will be charged a \$25.00 meter re-read fee.
- 6.4.1.5 If access is denied to a gated community, the community association will be immediately notified by phone or letter. If the association fails to provide access by the next attempt to read the meters, the association will be charged a fee of \$100.00.

6.4.2 Meter Testing and Replacement Fee

- 6.4.2.1 Customers may request one meter test for any five-year period free of charge. A request for additional meter tests within the five year period will be subject to a \$125.00 meter testing and replacement fee. The fee will be waived if the meter proves to be operating outside of the American Water Works Association (AWWA) standards (ANSI/AWWA C700-90) as follows:

Normal Flow Limits. The meter shall register not less than 98.5% and not more than 101.5% of the water that actually passes through it.

Minimum Flow Rate. The meter shall register not less than 95% and not more than 101% of the water that actually passes through it.

6.4.3 Meter Connection Fee

- 6.4.3.1 New customers will be charged a one-time fee of \$25.00 for the initial read and/or meter turn on for the account.

6.4.4 Meter Set Administrative Fee

6.4.4.1 Temporary or permanent new meter service requires that the following items are in place at the service site at the time of the completion of a Meter Installation form. These requirements are:

- Meter lid exposed
- Address clearly posted (At meter can)
- Hose bib or frost free hydrant tied in
- Pressure reducing valve (Existing homes only)
- Mark the meter yoke (If the can has multiple services)

If the customer completes the Meter Installation form and a subsequent inspection determines that one or more of the five items listed above are missing or incomplete, the customer will be charged a \$100.00 administrative fee which will appear on the account's first bill. The fee may be assessed each time an installation is requested and the requirements are not met.

6.4.5 Inactive Meter Service Charge

6.4.5.1 Customers requesting seasonal or temporary water meter disconnects will be charged a monthly fee of one half the service charge. If the customer chooses not to pay the monthly service charge the meter can be removed and a \$25.00 fee will be charged to reset the meter.

6.5 Collection Fees, Penalties and Interest

6.5.1 Two-Day Collection Notice Fee

6.5.1.1 Accounts requiring the delivery of a Two-Day Notice will be charged a fee of \$10.00.

6.5.2 Reconnection for Non-Payment Fee

6.5.2.1 Meters disconnected for non-payment will be charged a fee of \$25.00, if the meter is reconnected during normal business hours.

6.5.2.2 Meters disconnected for non-payment will be charged a fee of \$100.00, if the meter is reconnected after normal business hours. This fee must be paid prior to reconnect.

6.5.3 Tampering and Service Bypass Penalty (Theft of Services)

6.5.3.1 Customers that have illegally connected or reconnected water to their property will be charged \$200.00 for the first violation and \$400.00 for all subsequent occurrences. Additional charges for equipment, parts, meters and labor may be charged to the property owner.

6.5.3.2 Employees discovering the Theft of Services will contact the Water Division Director or the Utility Billing Division Director immediately to report the violation.

6.5.3.2.1 The Water Division may contact the police to investigate the theft of service and file a report.

6.5.3.2.2 If a police report has been filed, the City Attorney's Office will be notified of the report.

6.5.3.2.3 The City Attorney's Office, upon recommendation of the Water Division Director or Utility Billing Division Director, may bring action in Magistrate Court.

6.5.3.2.4 The division discovering the theft of service will also investigate thoroughly, providing a written report and photos (if possible) of the theft of service. This report and supporting documents will be placed in the customer's file and may be turned over to the police department for their investigation (if deemed necessary).

6.5.4 Finance Charge

6.5.4.1 A finance charge of 1.5% per month will be charged on all accounts for amounts delinquent in excess of 15 days from the due date on the bill.

6.5.5 Lien Filing Fees

6.5.5.1 If a lien is placed on an account for non-payment, a fee of \$30.00 per utility affected (water, refuse and sewer) will be charged to the account.

6.6 Dispute Hearing Fee

6.6.1 Customers requesting a Dispute Hearing will be charged a \$100.00, non-refundable, hearing fee.

7.0 APPENDIXES:

7.1 None

8.0 REVIEW AND APPROVALS:

8.1 Prepared By: _____
Kathy Valdez, Collection Manager DATE

8.2 Reviewed By: _____
Nicholas Schiavo, Public Utilities Dept. & Water Div. Director DATE

8.3 Reviewed By: _____
Kelly Brennan, City Attorney DATE

8.4 Approved By: _____
Brian Snyder, City Manager DATE