

CITY OF STANWOOD
Stanwood, Washington

ORDINANCE NO. 1295

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING SECTION 3.30.150 AND CHAPTER 12.20 OF THE STANWOOD MUNICIPAL CODE ADJUSTING RATES TO BE CHARGED FOR NON-SUFFICIENT FUNDS AND SERVICE RESTORATION, REVISING THE UTILITY BILLING POLICY; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City Council has the authority to establish utility rates and billing policy by ordinance, and

WHEREAS, the City's utilities are expected to be financially self sufficient, and

WHEREAS, the City, by and through a qualified consultant, FCS Group, conducted a study and analysis of the City's cost of miscellaneous fees as part of the Water/Sewer Rates and Charges Study. A copy of said study dated January 19, 2011 is attached hereto and is incorporated by this reference as if fully contained herein, and

WHEREAS, on June 9, 2011, the Stanwood City Council held a public hearing to accept public comment concerning the proposed miscellaneous fees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. SMC Section 3.30.150 entitled "Finance and utility fees" is hereby amended to read as follows:

3.30.150 Finance and utility fees.

Non-sufficient funds (NSF) fee \$40.00 ~~20.00~~

Water disconnection charges:

<u>Voluntary</u>	<u>\$ 5.00</u>
<u>Involuntary</u>	<u>\$15.00</u>
<u>Special trip</u>	<u>\$20.00</u>
<u>After hours</u>	<u>\$75.00</u>

Water reconnection charges:

<u>Voluntary</u>	\$ 5.00
<u>Involuntary</u>	\$15.00
<u>Special trip</u>	\$20.00
<u>After hours</u>	\$75.00

Meter read outside read cycle \$15.00

Utility billing web search fee \$25.00

Section 2. SMC Chapter 12.20 entitled “Utility Billing Regulations” is hereby amended to read as follows:

**Chapter 12.20
UTILITY BILLING REGULATIONS**

Sections:

12.20.010 Billing and payment policy.

12.20.020 Assessing fees and penalties for nonpayment and delinquency.

12.20.030 Termination of service.

12.20.040 Payment required before service restoration.

12.20.050 Lien rights.

12.20.060 Adjustment to bills.

12.20.010 Billing and payment policy.

- (1) ~~Bi-monthly~~ Billing statements ~~billings~~ shall be mailed to the address of the owner of the property being served by the utilities, as the address appears in the records of the city utility department. Upon written request of the owner, billing statements may be sent directly to the occupant of the property being served; however, in such cases the owner shall remain liable for payment of the bill, and the property shall remain subject to a lien for delinquent account.
- (2) All payments on utility bills shall be applied first to the sewer balance, second to the drainage balance, and third to the water balance. Penalties and other charges are allocated proportionately to each utility.
- (3) All utility customers who are billed on a bi-monthly basis shall have not less than 30 days to make payment for all fees or charges assessed for such services. Such fees and charges shall be deemed delinquent if not paid in full within 40 days of issuance of the billing by the City.

For monthly billings:

All utility customers who are billed on a monthly basis shall have not less than 20 days to make payment for all fees or charges assessed for such services. Such fees and charges shall be deemed delinquent if not paid in full within 30 days of issuance of the billing by the City.

Such delinquent accounts shall automatically constitute a lien against the property to which the services were rendered. Such a lien, for up to four months of charges, shall encumber the property, and shall be the obligation of the owner of the property, its heirs, successors and assigns, until the same is paid in full. The city may enforce the lien by shutting off water and sewer service until all delinquent and unpaid charges are paid in full; provided that discontinuance of service shall be subject to the provisions SMC 12.20.030.

12.20.020 Assessing fees charges and penalties for nonpayment, disconnection and reconnection and delinquency.

(1) Delinquency.

A utility account is considered delinquent when the customer or occupant receiving the service fails to pay the utility charges within the date set forth on the billing for such services, 40-calendar days after the billing date.

Termination of service does not relieve customer of the obligation to pay delinquent accounts and charges.

(2) Disconnection and reconnection charges. Service restoration charge.

(a) There shall be a shutoff charge assessed for each voluntary or involuntary discontinuance of service; provided, that the shutoff charges shall be more if the utility department is required to make a special trip for a single account. The disconnection charges are set forth in SMC 3.30.150.

(b) There shall be a reconnection charge assessed for each reconnection; provided, that the reconnection charge shall be more if the utility department is required to make a special trip for one account. The reconnection charges are set forth in SMC 3.30.150. If a customer insists upon a reconnection after 4:30 p.m. on weekdays, weekends or holidays, the fee for such after-hours reconnection is set forth in SMC 3.30.150.

(c) If service is shut off by reason of an account being delinquent at a single premises more than once within a 12 month period, the shutoff and reconnection charges after the first time during the 12 month period shall be doubled.

(d) If service has been terminated for delinquent and unpaid charges, temporary restoration will be allowed for inspection related to a potential sale. The fee for such service is set forth in SMC 3.30.150.

~~—A turn-on charge of \$25.00 shall be assessed to the property owner account at the time of request for restoration of water service.~~

(3) Late Penalty.

For each notice sent to a utility customer advising the customer that an account is delinquent or the utility service will be discontinued by reason of the delinquency, there shall be a late penalty charge added to the account of five percent of the unpaid balances.

The finance director, or his/her designee, is authorized to waive the late penalty charge, disconnection and reconnection charges under the following circumstances:

(a) Where a utility customer has made arrangements with the city, prior to the date the billing is due, for deferral of the payment of the bill, or

(b) Where a utility customer has not been delinquent in the previous 12 months. In such circumstances where, in the judgment of the finance director or his/her designee, the customer can demonstrate a bona fide economic hardship.

(c) If an emergency arises where the water service needs to be disconnected.

(4) Other fees and charges.

(a) If a utility account is dishonored by the drawer's bank by reason of insufficient funds, a surcharge, as specified in SMC 3.30.150, of \$20.00 shall be added to the utility account, and shall be paid in full.

(b) If a utility account is liened by reasons of nonpayment for up to four months, the customer shall be responsible for payment of all lien recording fees. These lien charges shall be assessed on utility account balances.

(c) If a utility customer requests a meter read outside the regular read cycle, a charge, as specified in SMC 3.30.150, shall be added to the utility account

12.20.030 Termination of Service.

(1) Water service may be discontinued by the city for any of the following reasons:

(a) For delinquent and unpaid charges as specified in SMC 12.20.020;

(b) For the use of water and sewer utilities for purposes or properties other than that specified in the application;

- (c) (a) For tampering with property of the city utility system;
- (d) In case of vacation of the premises by the customer;
- (e) For the use of the utility lines in a manner which adversely affects the city's service to its customers;
- (f) For fraudulent or improper obtaining or use of utility service.

(2) Except in the case of danger to life or property, fraudulent use, impairment of service, or violation of law, the city shall use its best efforts to comply with the following procedures prior to an involuntary discontinuance of service:

- (a) The city shall send the owner and occupant of the premises, using addresses shown in the city utility records, written notice that water service to the property will be shut off on a date not less than 10 days thereafter unless the delinquencies are paid in full. The notice shall state that the owner and occupant of the premises have a right to a hearing before the mayor for the purposes of resolving disputed accounts. A request for such a hearing must be made not less than five days prior to the shutoff date. At the hearing the mayor is authorized to compromise and settle disputes in the interest of justice; provided, the mayor shall not be authorized to waive or reduce bills which are legitimately due, or to lend the city's credit by allowing a deferred payment schedule.
- (b) If service is not discontinued within three days after the stated shutoff date, unless other mutually acceptable arrangements have been made, the shutoff notice shall become void and a new notice shall be required before the service can be disconnected thereafter.
- (c) In the event of a disputed account, at any time before the city shuts off service, the owner or occupant of the premises may tender the amount he claims to be due; provided, that the amount must be reasonably supported by document evidence. The right of the city to thereafter shut off service shall not accrue until the dispute has been administratively or judicially resolved.
- (d) Except in the case of danger to life or property, no disconnection shall be accomplished on Saturdays, Sundays, legal holidays or any day on which the city cannot reestablish service on the same or following day.

- (e) Where service is provided to a master meter, or where the city has reasonable grounds to believe that service is to other than the customer of record, the city shall undertake all reasonable efforts to inform the occupants of the service address of the impending disconnection. Upon request of one or more service users, where service is to other than the subscriber of record, an additional five days shall be allowed prior to shutoff to permit the service users to arrange for continued service.
- (f) Charges for disconnection and reconnection of water service, as specified in SMC 12.20.020, shall be added to the account, and shall be paid in full prior to reconnection.

12.20.040 Payment required before service restoration.

Water service may not be restored to the premises until all utility billing charges, as specified in SMC 12.20.020 due and owing have been satisfied.

12.20.050 Lien rights.

(1) Liens against the property for up to four months of unpaid charges, shall encumber the property, and shall be the obligation of the owner of the property, its heirs, successors, and assigns, until the same is paid in full. The city may enforce the lien by shutting off water services until all delinquent and unpaid charges are paid in full.

(2) Nothing in this chapter shall be construed as abridging the lien rights of the city of Stanwood, or other legally established sanctions.

12.20.060 Adjustments to bills.

(1) In the event a meter fails to register the correct amount of water used, the customer will be charged at the average rate of monthly consumption for the previous twelve months as shown by the meter when in working order.

(2) In the event a leak or failure of a private water system or private service between the meter and the structure located on private property results in excess consumption, the city may, through a determination of the city finance director, provide for a rate adjustment up to 50 percent of the volume consumed in any one billing period in excess of the bi-monthly average of water consumed over the previous twelve months at that service address.

(a) Customers shall be required to provide proof of repair to leak or failure prior to receiving any rate adjustment.

(b) Application for the credit or adjustment must be made in written form and approved by the city finance director or his/her designee.

(c) No more than one application for credit may be considered per service

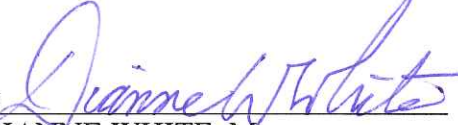
address in any twenty-four month period. Adjustments are final and requests for reversal will not be granted.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 4. Effective Date. This ordinance will become effective October 1, 2011.

PASSED by the City Council and APPROVED by the Mayor this 8th day of September, 2011.

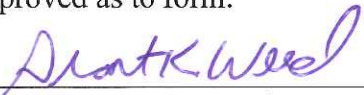
CITY OF STANWOOD

By 
DIANNE WHITE, Mayor

ATTEST:

By 
MELISSA COLLINS, City Clerk

Approved as to form:

By 
GRANT K. WEED, City Attorney

Date of Publication: 09/14/11