

BEFORE THE COMMON COUNCIL OF THE CITY OF CANNON BEACH

FOR THE PURPOSE OF AMENDING THE MUNICIPAL) ORDINANCE 20-17
CODE CHAPTER 13.18 BILLING AND COLLECTION OF)
UTILITY CHARGES)

WHEREAS, the City of Cannon Beach has begun to undertake complete review of the Municipal Code; and

WHEREAS, it is advisable to update the City Code to reflect consistency within the Utility Code and reflect changes in practices since it was first adopted; and

WHEREAS, City staff and the Public Works Committee utilized a consultant to develop a utility billing rate methodologies that are consistent with common industry practice and treats all customers (residential, commercial, duplexes, multi-unit residential and mixed-use) consistently; and

WHEREAS, City staff and the Public Works Committee presented utility rate options in a series of meetings on 2/12/2019, 9/3/2019 and 11/5/2019. Five rate options were analyzed and presented with Council selecting one of the scenarios; and

WHEREAS, Council reviewed the proposed language revision 3/10/20 and 6/23/20.

NOW THEREFORE, THE CITY OF CANNON BEACH COUNCIL ORDAINS AS FOLLOWS:

1. The Cannon Beach City Council Amends Chapter 13.18 of the Cannon Beach Municipal Code as described in Exhibit A to this ordinance, which is attached and incorporated by reference.
2. Ordinance 04-03 is repealed when this ordinance becomes effective.
3. This ordinance is effective on September 1, 2020.

ADOPTED by the Common Council of the City of Cannon Beach this 7th day of July 2020, by the following roll call vote:

YEAS: Councilors Benefield, McCarthy, Ogilvie, Risley and Mayor Steidel

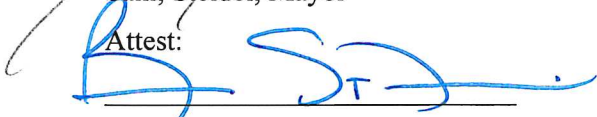
NAYS: None

EXCUSED: None



Sam, Steidel, Mayor

Attest:



Bruce St. Denis, City Manager

Approved as to Form



Ashley Driscoll, City Attorney

EXHIBIT A

Chapter 13.18 BILLING AND COLLECTION OF UTILITY CHARGES

13.18.010 Utility fund management.

A. The city utilities will carry out the city council's goals, objectives, and policies through a service delivery system financed through the operating and capital budgets. The relationship between the operating and capital budgets will be explicitly recognized and incorporated into the budget process in a manner consistent with sound accounting and management practices. Funding for these budgets shall be sufficient to provide municipal operating services and maintenance or enhancement of fixed assets needed to support public demand for city utilities. The city will establish all user charges fees at a level related to the full costs (operating, direct, indirect and capital) of providing the service. The city will review fees/charges at least every two years. As the need arises the city council may adjust the rates by resolution. The city will maintain adequate records to document compliance with the user charge requirements, including records of the biennial review, and such records will be available to the users.

B. The city utility user charge shall consist of the following three component charges: the water utility user charge, the sewer utility user charge, and the surface water management utility user charge. The city manager shall establish a fund or account within the city budget for each of the component utility charges. Moneys received as a result of the city utility user charge shall be allocated to the respective funds or accounts in the amounts established in the utility charge resolution of the city council. Except as otherwise provided or allowed by state law, the utility funds or accounts shall be used solely for the purposes of the respective utility. (Ord. 04-3 § 1)

13.18.020 Application for service.

A. Application for utility connections shall be made either in conjunction with a building permit application or for an existing structure. Application shall be made to the city upon forms provided by the city. The applicant agrees to conform to the rules and regulations of the city of Cannon Beach concerning use of the utility as a condition of such use.

B. The city manager shall require a deposit in the sum of not less than an amount equal to an estimated three months utility bill except as provided in subsection C of this section. A refund of the utility service deposit shall occur when a customer shows a satisfactory credit performance for one year.

A refund of the deposit shall occur upon the customer requesting discontinuance of service provided that all outstanding bills are paid in full. The deposit may be applied to the final bill. If an account is shut off for nonpayment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance when the account is closed and no further utility service is required by the customer. The remaining balance of the deposit used to pay outstanding bills will be refunded to the customer. The city manager may allow the deposit to be paid in installments in order to avoid undue hardship, provided the period does not exceed three months and there are no violations within the grace period.

C. The city manager may waive the deposit requirement of existing utility users that can demonstrate a satisfactory payment record.

D. The city manager may waive the deposit requirement of applicants upon receipt of a signed automatic payment agreement. (Ord. 04-3 § 2)

13.18.030 Connection charge.

A. All expenses for connections to the utility shall be borne solely by the property owner and shall not be part of the systems development charge. The connection fee shall be the actual cost to the city for material and labor to connect the customer to the utility. The city may require as an additional expense for connection, reimbursement fees for the installation of utility lines which benefit the affected property.

B. A deposit for connections to the utility shall be as follows:

Size of Service	Material and Labor
5/8" - 3/4"	\$ 750.00
1"	850.00
1" - 1-1/2"	950.00
2"	1,150.00
Fireline	500.00

If a service larger than two inches is required, the cost will be negotiated. The deposit charges shall be paid in cash at the time of application for connection.

C. Actual cost to the city for material and labor to connect the customer to the utility in excess of the deposit are due within thirty days of billing following completion of connection to the utility. In the event that such sum has not been paid, access to the utility will be revoked by removal of the meter or capping off of the utility. Access to the utility will not be allowed until the customer has paid the connection fee and costs associated with disconnection. (Ord. 04-3 § 3)

13.18.040 Utility user charge.

A. Except as otherwise provided by this chapter, a utility user charge shall be applied to all persons who use property in a manner which requires city utility facilities or services. If a customer does not put property to a use that requires one or more of the component utility facilities or services, the customer shall not be charged for such component utility service. Request for water service will automatically initiate appropriate billing for storm drainage services as established in this chapter. If development of a parcel does not require initiating water service, the creation of an impervious surface from which stormwater may be discharged into public drainage facilities shall initiate the obligation to pay the fees and charges established in this chapter.

B. The utility user charge shall be established by resolution of the city council in an amount reasonable and necessary to fund the administration, planning, design, construction, water quality programming, operation, maintenance and repair of the city's utility systems. The component utility charges shall be based on use of the component utility service, determined as follows:

1. Water Service charges shall include a fixed monthly charge (base rate) and a consumption charge (unit rate). All water customers - single-family residential, multi-family residential, commercial and mixed-use properties - will be billed based on their meter size (base rate) and their consumption (unit rate).

a. Base Rate. The base rate charged to all customers is a function of the meter size. The base rate for a 3/4" meter and a scaling factor based on the meter size will determine the base rate for each meter size. The 3/4" meter base rate is multiplied by the scaling factor to obtain the base rate for each meter size. The base rates are defined by resolution.

i. The base rate for special function meters is assessed based on function and is assigned an individual scaling factor.

ii. The base rate includes a consumption allowance of 400 cubic feet for all meter sizes.

iii.

Scaling Factors Table

Meter Size	Scaling Factor
3/4"	1
1"	2.5
1.5"	5
2"	8
3"	16
4"	25
6"	50
Irrigation Line	2

b. Unit Rate. The unit rate is charged for each 100 cubic feet consumed above the allowance established in 13.18.040(1)(a)(ii) and applies to each meter. The unit rate is defined by resolution.

2. Sewer Service charges shall include a fixed monthly charge (base rate) and a consumption charge (unit rate). All water customers - single-family residential, multi-family residential, commercial and mixed-use properties - will be billed based on their water meter size (base rate) and water consumption (unit rate). Irrigation and Fire Line customers are not billed for sewer service.

a. Base Rate. The base rate charged to all customers is a function of the meter size. The base rate for a 3/4" meter and a scaling factor based on the meter size will determine the base rate for each meter size. The 3/4" meter base rate is multiplied by the scaling factor to obtain the base rate for each meter size. The base rates are defined by resolution.

i. The base rate includes a consumption allowance of 400 cubic feet for all meter sizes.

ii.

Scaling Table

Meter Size	Scaling Factor
3/4"	1
1"	2.5

1.5"	5
2"	8
3"	16
4"	25
6"	50

- b. **Unit Rate.** The unit rate is charged for each 100 cubic feet consumed above the allowance established in 13.18.040(2)(a)(i) and applies to each meter. The unit rate is defined by resolution.

3. It is presumed that storm drainage services are used whenever there is an improved premise. Unless another person responsible has agreed in writing to pay and a copy of that writing is filed with the city, the person(s) paying the city's water utility charges shall pay the storm drainage fees set by council resolution. If there is no water service to the property or if water service is discontinued, the storm drainage fees shall be paid by the person(s) having the right to occupy the property. The monthly stormwater drainage fee shall be calculated as follows:

- a. For a single-family dwelling or duplex, the charge for one single-family unit (SFU); and
- b. For multiple-family units, the number of dwelling units multiplied by the charge for a single-family unit (SFU); and
- c. For all other uses, the lot area divided by three thousand one hundred twenty-five square feet with the resultant quotient multiplied by the charge for a single-family unit (SFU). (Example: an owner of a five thousand square foot lot will pay a fee of 1.6 times the charge for an SFU.)
- d. In the alternative, upon an application which includes verifiable site information, the city manager may approve a fee based on the lot's actual impervious surface. Under this methodology, the fee shall be determined as follows: For a lot with an impervious surface area of three thousand one hundred twenty-five square feet or less, the charge will be that of one single-family unit (SFU). For a lot with an impervious surface area of more than three thousand one hundred twenty-five square feet, the charge will be determined by dividing the impervious surface area by three thousand one hundred twenty-five with the resultant quotient multiplied by the charge for one single-family unit (SFU). (Example: an owner of a lot with seven thousand square feet of impervious surface area will pay a fee of 2.24 times the charge for an SFU.) (Ord. 04-3 § 4)

13.18.050 Delinquent collection procedures.

A. **Billing Cycle.** Utility charges will be billed to users every month or as water meters are read. Utility bills will be placed in the United States mail after the water meter is read. Such utility bills shall state the amounts and types of charges included in the bill and shall state the due date for the utility charges. All utility bills become delinquent if not paid within fifteen days of the established due dates.

B. **Reminder Notice.** For those utility charges not paid by the due date, a reminder notice will be sent to the customer. The notice shall state the amounts and types of charges past due and the date by which such charges

must be paid to avoid turn off procedures. The reminder notice shall be placed in the United States mail during the next billing cycle.

C. Shut-off Notice. For those utility charges not paid by the due date stated on the reminder notice, a shut-off notice shall be hung on the front door of the dwelling or place of business at least forty-eight hours prior to the scheduled actual shut-off. The city shall maintain a list of all shut-off notices indicating the time and location the notice was placed and by whom. The shut-off notice shall state the amounts and types of charges past due and the date and time such charges must be paid to avoid actual shut-off of services.

D. Shut-off Procedure. All accounts determined to be unpaid forty-eight hours after a shut-off notice has been placed on the premises shall be listed and scheduled for shut-off. The forty-eight hours shall be counted on business days only and shall not include holidays or weekends. On the day scheduled for shut-off, daily payments will be reviewed to determine if any applicable payments have been received. The list as amended will then be delivered to the appropriate crewmembers that will then shut off and lock those meters on the list.

E. Water Disconnection Charge for Nonpayment. A charge of fifty dollars will be added to each account that has not been paid prior to the time indicated on the shut-off notice. The charge covers all costs associated with the delinquent collection process. The charge shall apply even if actual shut-off is not performed due to the payment of the past due balance made in the office just prior to shut-off. Water service will be reconnected the same day as disconnection if the outstanding bill and related charges are paid in full by five p.m. If payment is not made prior to five p.m. the customer's water will not be reconnected until the next regular business day. No water will be reconnected after normal operating hours or on weekends.

F. Meter Disconnection Charge. A charge of one hundred fifty dollars shall be added to each account in which a meter is turned off and locked for nonpayment. If the customer or other party cuts the lock and turns the meter back on without prior approval of the city the meter will be removed from the ground and the water service capped off. Water service shall not be reconnected until the customer has paid the past due utility charges, water disconnection charge, and the meter disconnection charge.

G. In the event that a utility customer fails to pay the utility charge in full, credit shall be given first to the storm surface management utility user charge, second to the sewer services utility user charge, and lastly to the water services utility user charge. (Ord. 04-3 § 5)

13.18.060 Deposits.

A. The city manager may require a deposit not to exceed an estimated sixty-days bill for those accounts:

1. Which appear on the shut-off list two or more times within a twelve-month period; or
2. For which payment for services is made by a check which is not paid upon first presentation, twice within a twelve-month period; or
3. For which payment is made by check when the account has appeared on the shut-off list and the nonpaid check is tendered to avoid shut-off.

B. Deposits held for cause due to subsections (A)(1) through (3) of this section shall be returned to the customer when credit is established to the satisfaction of the city or at the termination of the service contract, less any sum which may be due for unpaid utility bills or other fees. (Ord. 04-3 § 6)

13.18.070 Utility charge adjustments and payment agreements.

A. Errors in billing or collection shall be corrected in a timely manner by the city. Resulting credits on accounts or refunds shall be made as expeditiously as possible. Disputed billings or other collection transactions shall be heard by the public works committee. Any appeals concerning utility rates or services, or interpretation or enforcement of this chapter are to be heard by the public works committee. Any applicant aggrieved by the public works committee's decision may appeal to the city council by filing with the city a written request for review no later than ten days after receiving the public works committee's decision. The city council's decision shall be final.

B. The city may enter into a payment agreement with a customer to facilitate the payment of delinquent utility charges. Such agreements shall not exceed the term of one year, current charges must be paid when due, and the agreement must be signed by both parties and must be a legally binding agreement. Breach of such an agreement by the customer shall result in further collection efforts. (Ord. 04-3 § 7)

13.18.080 Leakage.

A. Customers will keep all pipes and fixtures of the customer line in repair at their own expense and will be held liable for any leakage and all damages which may result from their failure to do so. When leaks are detected the customer will be notified and, if necessary repairs are not made in a reasonable time, the water may be shut off and not turned on again until the repairs are made.

B. Agents of the city are authorized to turn off water service and lock such service at the meter of unattended premises upon the discovery of water leaks from broken or defective pipes or fixtures. Water service shall not be turned back on until the property owner has installed a master water shut-off valve as close to the meter as practical.

C. A charge of thirty-five dollars shall be made to a property owner for turning the water off and on pursuant to subsection B of this section. (Ord. 04-3 § 8)

13.18.090 Special rate provisions and other fees and charges.

A. Returned Check Charge. A charge of fifteen dollars will be added to accounts for any checks returned from the bank unpaid for any reason.

B. Replacement of Water Meters and Services. Once installed, any costs associated with the repair or replacement of damaged or missing meters and services will be charged to the owner of the property. Such costs may include but are not limited to gaskets, meter boxes, lid inserts, meters, pressure regulator valves, related labor, equipment, vehicles, and materials. This does not include replacement of meters that are operating outside of tolerances.

C. Interest shall be charged for any city utility fee or charge which becomes delinquent. The interest rate shall be one percent per month. This interest charge shall

be billed on each regular billing as the charges become applicable.

D. For customers outside the city limits the utility rates shall be one and one-half times the rate established by council resolution.

E. Rates that may be needed for high-strength commercial users, industrial users or heavy users will be set by negotiation and will be in conformance with federal guidelines, and must cover their operation and maintenance costs.

F. A business premises in connection with the residential premises of the proprietor may be charged as separate premises. Any premises may be reclassified and rates adjusted to conform to the rate schedule at any time a change is made in consumption justifying such reclassification.

G. Upon request and payment of a turn-off fee in the sum of ten dollars by the customer, the city shall turn off the water at the meter. Upon request and payment of a turn-on fee in the sum of ten dollars by the customer, the city will turn on the water at the meter.

H. The city will, upon written request, test any customer's meter without cost to such customer unless such tests are requested more often than once every twelve months. If request for testing of meters is made by the customer more often than once every twelve months, the city may charge the customer for the cost of making such test. (Ord. 04-3 § 9)

I. A structure that combines residential and commercial uses serviced by the same meter will be classified as a commercial property.

J. A multi-unit property that that can offer residential units as transient rentals without obtaining a short-term rental license will be classified as a commercial property.

K. Irrigation accounts will not be charged for sewer service. The scaling factor for irrigation accounts will be defined based on function and not meter size. The base rate for irrigation accounts will be charged for each month; the service cannot be turned off for a portion of the year. The unit rate charge is applied for all use over the consumption allowance.

L. The city owned water fountain in front of the Cannon Beach Library is serviced by the library's water meter. Therefore, the library is charged a base rate only and not for consumption above the allowance.

13.18.100 Billing statements.

Billing statements for single-family residential shall only be made in the name of the property owner. Billing statements for multifamily residential shall be made in the name of the property owner, or pursuant to property owners written agreement with the city, to a management company or homeowners association. Billings made to persons other than the property owner shall not relieve the owner of the property from liability for payment of utility rates and charges, including, but not limited to, monthly charges, use charges, delinquency charges, lien fees, and court fees and shall not in any way affect the lien rights of the city against the property to which the services are furnished. (Ord. 19-2 § 1)

13.18.110 Conflicting provisions.

The user charge system set forth in this chapter shall take precedence over any terms or conditions of agreements or contracts, which are inconsistent with the requirements of this chapter. In

cases of conflict between any provision of any rate schedule and the general rules and regulations, the rate schedule shall apply. (Ord. 04-3 § 11)

13.18.120 Enforcement.

In addition to other lawful remedies, the city manager may enforce the collection of charges required by this chapter by withholding delivery of water to any premises where the utility charges are delinquent or unpaid. (Ord. 04-3 § 12)