

"Placerville, a Unique Historical Past Forging into a Golden Future "



City Manager's Report
March 24, 2015 City Council Meeting
Prepared By: M. Cleve Morris
Item#: 8.8

Subject: Adopt a Resolution approving a Suspended Account Reinstatement Fee in the amount of \$25.00 by El Dorado Disposal for customers who have discontinued service due to lack of payment.

Background: The City of Placerville contracts with El Dorado Disposal by way of a Franchise Agreement, for solid waste, recycling and composting collection. The Agreement includes all aspects of waste collection, including collection of fees for the service. Included in the Agreement is a provision for a fee for reinstatement of service after a service has been stopped due to lack of payment. Paragraph 16 H 1), Delinquent Accounts, of the First Amendment to the Franchise Agreement, states:

"Grantee shall be entitled to a reinstatement fee in an amount approved by the City for reinstating service after such customer bills are brought current."

Attached is a letter from El Dorado Disposal requesting that a fee be established for Suspended Account Reinstatement. Staff requested documentation justifying the amount of the fee, which documentation is attached to the letter.

Discussion: El Dorado Disposal is requesting a Suspended Account Reinstatement Fee in the amount of \$25.00. Staff has reviewed the justification and is in agreement with the cost. Most utility companies charge a similar fee based on the cost of restoring service. For the City's utility service, a fee of \$80 is charged when a service is shut off and needs to be restarted.

Based on this analysis staff feels the fee is appropriate.

Options:

1. Approve the fee as recommended by staff.
2. Approve a fee in a different amount.
3. Do not approve the fee and/or request additional information.

Cost: No cost is anticipated at this time.

Budget Impact: None.

Recommendation: Adopt a Resolution approving a Suspended Account Reinstatement fee in the amount of \$25.00 by El Dorado Disposal for customers who have discontinued service due to lack of payment.



M. Cleve Morris, City Manager

Attachments:

- *El Dorado Disposal's Letter dated September 18, 2014*
- *Resolution*



P.O. Box 1270
Diamond Springs, CA 95667
530-626-4141

RECEIVED
SEP 23 2014
CITY OF PLACERVILLE
ADMINISTRATION DEPT.

September 18, 2014

City of Placerville
Cleve Morris, City Manager
3101 Center Street
Placerville, CA 95667

Re: Suspended account reinstatement fee

Dear Cleve,

Pursuant to Section 18 H. regarding delinquent accounts, of that certain Collection Franchise Agreement we are formally requesting that the City allow implementation of a reinstatement fee by El Dorado Disposal for delinquent accounts which have been suspended from service for non-payment of provided services and subsequently had their service reinstated. The proposed service reinstatement fee is \$25.00.

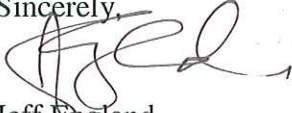
The Collections process employed by El Dorado Disposal does and will continue to include the following steps prior to customer's service being suspended.

- Within 15 days of an account becoming delinquent, that is, no payment received by the due date, a letter from El Dorado Disposal is sent to the customer.
- Between 16 and 30 days past due, two phone calls are made by El Dorado Disposal to the customer.
- Between 31 and 45 days past due a 3rd and 4th call is made by El Dorado Disposal to the customer.
- For a commercial customer, service may be suspended after the 2nd call to customer after 31 days past due. Removal of bin(s) may occur after 46 days past due.
- For a Roll-off customer, service may be suspended after the 2nd call and debris box removed after 46 days past due.
- For a residential customer, service may be suspended after the 2nd call and carts may be removed.

- Within 15 days of an account being suspended, another letter of notice is sent by EDD to the customer.

If you have any questions or need further information, please contact me at (530) 295-2854.

Sincerely,



Jeff England
District Manager
Waste Connections, Inc. d/b/a
El Dorado Disposal Services

Cc: Sue Vandelinder

E. Recyclable Revenues. As further compensation to Grantee for its services under this Agreement, Grantee shall be entitled to receive and retain all revenues from the sale of Recyclable Materials received by Grantee from its customers.

H. Delinquent Accounts.

- 1) Grantee may discontinue service as set forth in this Section. Customers who have not remitted required payments within thirty (30) days after the date of billing shall be notified on forms approved by the City. Said forms shall contain a statement that services may be discontinued fifteen (15) days from the date of notice of payment if payment is not made before that time. Upon payment of the delinquent fees as set forth in Exhibit "B", Grantee shall resume collection on the next regularly scheduled collection day. Grantee shall be entitled to a reinstatement fee in an amount approved by the City for reinstating service after such customers bills are brought current. Prior to the date when the City requires Mandatory Service, customers whose service is being withheld shall not be responsible for rates charged during the period in which service is withheld. Following the date when the City requires Mandatory Service, customers whose service is being withheld shall nevertheless continue to be responsible for rates charged during the period in which service is withheld.
- 2) Grantee may require that a resident or commercial business complete a credit/service agreement application prior to receiving service as a means of acknowledging the rules and guidelines for Solid Waste collection, and/or establishing credit.
- 3) The fees levied for service by Grantee for Solid Waste collection shall constitute a civil debt and liability owing to the City and/or Grantee from the person using or chargeable for such services and shall be collectible in any manner provided by law, including, without limitation, the reporting of delinquent payers to collection bureaus.
- 4) This Section may be amended by Resolution of the City Council with the written consent of Grantee.
- 5) Grantee may collect a late payment penalty fee which shall not exceed the maximum interest rate permitted under California law on all payments not received by the twenty-fifth (25th) day of the following month. In addition, Grantee may include in such late payment penalty fee (a) all costs, fees and expenses incurred by Grantee in connection with the collection of any such late payment (including any fees and expenses charged to Grantee by any collection agencies or bureaus retained by Grantee), and (b) the reinstatement fee provided for in Section 19(H)1.

17. The second-to-last sentence of the first paragraph of Section 20.A. is hereby deleted in its entirety.

18. The following is hereby added as a new Section 20.C.:

March 2, 2015

To: Cleve Morris, City of Placerville

From: Jeff England

Re: Suspended Account Process and Costs

Hi Cleve, I've outlined our collections process for addressing delinquent accounts and provided related costing. We address approx. 350 suspended accounts each month (all customers).

30 Days Past Due- Minimum of 2 call blasts to those customers.

60 Days Past Due- Minimum of 2 call blast to those customers, a past due notice of impending suspension is mailed and 1 personal call is made by our Accounts Receivable Coordinator to the customer.

90 Days Past Due- A final demand letter is generated and mailed, another call blast to the 90 Day customers is sent and another personal call to those customers is made prior to the account being sent to collections.

Related Expense- Calls and Letters = \$1.89. Office Administrative and Driver/Truck Time = 23.38. Total Cost = \$25.27 per suspended account.

Thank you for your consideration of our proposal to set a \$25.00 fee to reestablish service for suspended accounts and create incentive for those customers to be timely with payment for service.

Thank you,

Jeff England

El Dorado Disposal

530 313-8305

jeffe@wcnx.org

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PLACERVILLE APPROVING A REQUEST BY EL DORADO DISPOSAL
FOR THE IMPLEMENTATION OF A SUSPENDED ACCOUNT
REINSTATEMENT FEE**

WHEREAS, the City and El Dorado Disposal are parties to a Collection Franchise Agreement for solid waste, recycling and composting collection; and

WHEREAS, pursuant to Paragraph 16 H 1) of the First Amendment to said Agreement, El Dorado Disposal has requested that the City allow the implementation of a Suspended Account Reinstatement Fee in the amount of 25.00 for delinquent account that have been suspended for non-payment,

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Placerville hereby approves a \$25.00 Suspended Account Reinstatement Fee to be charged by El Dorado Disposal on delinquent accounts that have been suspended from service for non-payment of provided services and have been subsequently reinstated.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on March 24, 2015, by Councilmember _____, who moved its adoption. The motion was seconded by Councilmember _____. A poll vote was taken which stood as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

Patty Borelli, Mayor

ATTEST:

Susan Zito, MMC, City Clerk