I. **Purpose, Overview and Scope of this Policy**

In November 2016, City Council affirmed a new water and wastewater rate structure in accordance with Proposition 218. These rates became effective in the February 2017 billing cycle and the increase to the wastewater component of the new rates has created concern of their impact on the continued financial viability of a segment of the business community.

On March 14, 2017, via resolution 2017-31, the City Council formed an Ad Hoc Committee to review the rates set by Resolution 2016-162.

Under City Council direction, this policy is established to provide a temporary subsidy to restaurant/food/beverage businesses and laundry facilities located in St. Helena to assist with their wastewater utility bills until the current rate study is evaluated by the Ad Hoc Committee formed via Resolution 2017-31 and any recommendations are adopted by City Council.

This program has a limited term and will only be valid until the conclusion of the Utility Rate Ad Hoc Committee, the presentation of the recommendations to the City Council, and the adoption of a new rate structure. If a new rate structure is not adopted, the businesses which applied for the hardship will be required to pay the entirety of the balance due. Please note that adoption of a new rate structure will likely require a new Proposition 218 ballot proceeding amongst property owners.

II. **Authority**

The City Council has authority to update this policy.

III. **Policy**

A. **Term of the Program**
1. This program has a limited term and will only be valid until the conclusion of the Utility Rate Ad Hoc Committee, the presentation of the recommendations to the City Council, and the adoption of a new rate structure. If a new rate structure is not adopted, the businesses which applied for the hardship will be required to pay the entirety of the balance due. Please note that adoption of a new rate structure will likely require a new Proposition 218 ballot proceeding amongst property owners.

B. Eligible Businesses
1. This program is available to all restaurant/food/beverage businesses and laundry/cleaning facilities which had a greater than 100% increase in their wastewater base fee prescribed by the rate increase adopted by City Council on November 29, 2016.
2. Further, with respect to restaurant/food/beverage businesses, said businesses must have generated $1.5 million or less in gross receipts per year based on a three-year average during calendar years 2014, 2015 and 2016.

C. Program Components
The City of St. Helena is offering a Modified Hardship Extension Agreement to restaurant/food/beverage and laundry/cleaner businesses which experienced a greater than 100% increase in their wastewater base fee due to the adoption of the utility rates on November 29, 2016; further, restaurant/food/beverage businesses must have generated $1.5 million or less in gross receipts per year based on a three-year average during calendar years 2014, 2015 and 2016 in order to be eligible. This program is intended to be a stop gap measure only in effect until additional rate analysis is completed by the Utility Rate Ad Hoc Committee and the City Council. The following are key components to this program:
1. All participants must complete a Modified Hardship Extension Agreement (Exhibit 1).
2. The Modified Hardship Extension Agreement is only available for eligible businesses as defined in Section B.
3. The Modified Hardship Extension Agreement applies only to the wastewater base rate.
4. Any business wishing to apply for this program must do so by June 30, 2017.
5. The full amount of the utility billing will be reflected on the monthly bill; however, the customer is only required to pay the following:
   a. Water Base and Water Use at the current rate structure adopted on November 29, 2016; and
   b. Wastewater Use at the current rate structure adopted on November 29, 2016; and
c. Wastewater Base fee at the previous rate structure prior to the adoption of the new rates on November 29, 2016.

6. If new utility rates are adopted by the City Council in which a customer under the Modified Hardship Extension Agreement would be paying a lower base fee for wastewater than what was adopted on November 29, 2016; the customer will only be responsible for paying the difference between the amount paid and the new rate for wastewater base fees based on the effective date of the new rates.
   a. This includes any amounts paid under the rate structure adopted on November 29, 2016 and in effect for the February 2017 billing cycle.
   b. Any difference between the new rate and the rate approved on November 29, 2016 will be covered through a transfer from the General Fund to the wastewater fund as a subsidy.
   c. If it is determined a customer has paid more than what the new rates require, a refund will be given to the customer in the form of a bill credit.

7. If new rates are not adopted by City Council, customers under the Modified Hardship Extension Agreement will be responsible for paying the total amount due under the rates adopted on November 29, 2016.

8. All final calculations will be done as a true-up after City Council has made a determination on utility rates. Customers under this Agreement will be notified via email and in writing the final balance owed to the City, if any.

9. No penalties or interests will accrue as long as the payment terms (amounts) agreed upon are met.

10. Failure to meet the terms of the agreement:
   a. Could result in disconnection of the premises from the water system for nonpayment of water bills with proper notice as set forth in the California Public Utilities Code; if disconnection is made, additional fees will be charged for reconnection to the water.
   b. Could cause an action at law to be brought on behalf of the City against the person responsible for payment of such bill to recover the amount of such bill and the cost of such action including reasonable attorney fees incurred in an amount fixed by the court.

IV. Definitions

V. Attachments

   Exhibit 1 – Modified Hardship Extension Agreement
## Modified Hardship Extension Agreement

### PROPERTY INFORMATION

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<td>Restaurant</td>
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### PLEASE SIGN THE FOLLOWING STATEMENTS AS ACKNOWLEDGED AND REQUIRED BY THIS AGREEMENT

1. This Agreement is only available for eligible businesses as defined in Administrative Policy P-FI-0008.
2. This Agreement applies only to the wastewater (sewer) base rate.
3. Any business wishing to apply for this program must do so by June 30, 2017.
4. This Agreement is for a limited term as defined in Administrative Policy P-FI-0008.
5. The full amount of the utility bill will be reflected on the monthly bill; however, customers under this Agreement are only required to pay the following per month:
   a. Water Base and Water Use at the current rate structure adopted on November 29, 2016; and
   b. Sewer Use at the current rate structure adopted on November 29, 2016; and
   c. Sewer Base fee at the previous rate structure prior to the adoption of the new rates on November 29, 2016.
6. Monthly City staff will provide an updated Payment Schedule to be paid per the parameters in Item 5. This schedule will be emailed to the customer by the 16th of each month. If the 16th falls on a weekend, the update will be received on the next business day.
7. If new utility rates are adopted by the City Council in which a customer under this Agreement will be paying a lower base fee for wastewater (sewer) than what was adopted on November 29, 2016; the customer will only be responsible for paying the difference between the amount paid and the amount of the newly adopted rate for sewer base fees. This will be based on the effective date of the new rates.
   a. This includes any amounts paid under the rate structure adopted on November 29, 2017 from the effective date of February 2017.
   b. If it is determined a customer has paid more than what the new rates require, a refund will be given to the customer who has completed this Agreement.
8. If new rates are adopted by City Council that are higher than the rates adopted on November 29, 2016 or if new rates are not adopted, customers under this Agreement will be responsible for paying the total amount due under the rates adopted on November 29, 2017.
9. Final billing calculations will be done as a true-up after City Council has made a determination on utility rates. Customers under this Agreement will be notified via email and in writing the final balance owed to the City, if any.
10. No penalties or interest will accrue as long as the payment terms defined above are met.
11. Failure to meet the terms of the agreement:
   - Could result in disconnection of the premises from the water system for nonpayment of water bills with proper notice as set forth in the California Public Utilities Code; if disconnection is made, additional fees will be charged for reconnection of the water.
   - Could cause an action at law to be brought on behalf of the City against the person responsible for payment of such bill to recover the amount of such bill and the cost of such action including reasonable attorney fees incurred in an amount fixed by the court.

Reconnection Fee. Whenever any premises have been disconnected from the system, such premises shall not be reconnected to the system until all delinquent charges, penalties and interest have been paid, together with a reconnection charge as may be set by resolution of the City Council.

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**Signature**  
**Print Name**  
**Date**
Please submit applications to:

City of St. Helena: Utility Billing
1480 Main Street
St. Helena, CA 95404

Questions?

Email: water@cityofsthelena.org
Website: www.cityofsthelena.org/water
Phone: 707-968-2745

Staff use only

Account & Agreement Information Verified by:  Date:

Modified Hardship Extension Agreement request is hereby: ☐ Approved  ☐ Rejected

Reason for Modified Hardship Extension Agreement rejection:

______________________________  ________________________________  ________________________________
Signature                      Print Name (Finance Director)  Date

Payment Schedule

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<th>BILL DATE</th>
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<th>SEWER BASE</th>
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CITY OF ST. HELENA

RESOLUTION NO. 2017-111

APPROVING ADMINISTRATIVE POLICY P-FI-0008 PROVIDING A LIMITED-TERM SUBSIDY NOT TO EXCEED $75,000 TO ASSIST BUSINESSES IN PAYING THEIR WATER/WASTEWATER BILLS IN THE CITY OF ST HELENA

RECITALS

A. The City Council of the City of St. Helena desires to implement a limited-term program to provide assistance to restaurants and laundry facilities within the City of St. Helena in paying their water/wastewater utility bills; and

B. City Council has made the determination this expenditure does provide a public purpose; and

C. The public purpose is served by preventing business failures and the adverse secondary impacts to the City that might result without the assistance of the City; and

D. City Council desires to adopt a Policy for providing a limited-term subsidy not to exceed $75,000 to assist certain business segments.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Administrative Policy P-FI-0008 – Subsidy to Assist Businesses in Paying their Water and Wastewater Bills in the City of St. Helena is hereby approved by the City Council.

I HEREBY CERTIFY that this Resolution was adopted at a regular meeting of the City Council held on June 13, 2017 by the following roll call vote:

Mayor Galbraith: Yes
Vice Mayor White: Yes
Councilmember Koberstein: Yes
Councilmember Dohring: Yes
Councilmember Ellsworth: Yes

APPROVED: 
Alan Galbraith, Mayor

ATTEST: 
Cindy Black, City Clerk