

**COUNCIL ACTION FORM**

**SUBJECT: REIMBURSEMENT FOR 818 8<sup>TH</sup> STREET WATER SERVICE EXPENSES**

**BACKGROUND:**

During winter 2016, Public Works staff investigated running water behind the curb on 8<sup>th</sup> Street. Through the investigation, it was found that there was not a public water main break, but instead a private water service that was leaking. On February 23, 2016, the homeowner at 818 8<sup>th</sup> Street was notified that their water service was leaking between the curb stop and the main. Section 28.214 of the Municipal Code was referenced in the notification letter, stating that if the owner or consumer does not act to correct the defect within fourteen (14) calendar days after notice, water service may be discontinued. The water service was lead between the old 4" water main under the street and the curb box, with galvanized pipe running from the curb box to the house. This material required that a new copper line be installed from the newer 8" water main under the street into the house.

In March 2016, City Council adopted the FY 2016-17 budget that included funding for the 2016/17 Water System Improvements. **The Water System Improvements included the costs to transfer all water services along the 8<sup>th</sup> Street project corridor between Northwestern Avenue and Duff Avenue, which includes the subject property.**

**Upon being notified, the homeowner hired Benjamin Franklin Plumbing of Ames, Iowa to install a new water service on April 21, 2016. The work was completed for a total price of \$6,098.**

At the beginning of the 16/17 fiscal year, Public Works staff began the design of the 2016/17 Water System Improvements Program #1 – Water Service Transfer (8<sup>th</sup> Street, Hayward Ave, Little Street) project, as noted, to abandon the old 4" water main along 8<sup>th</sup> Street and transfer water services to the newer 8" water main from Northwestern Avenue to Duff Avenue. **The cost to transfer the water services are completely covered as part of the project. Had the homeowner not already installed a new service in April, replacement of her service would have been included in the project.**

On January 24, 2017, City Council awarded the project to Ames Trenching of Ames, Iowa. The contract unit price for a Type B water service, the same style of service as was previously installed at 818 8<sup>th</sup> Street, is \$3,500.

**Upon receiving notification of the upcoming project, the homeowner at 818 8<sup>th</sup> Street called staff to explain that she recently installed a new water service from the 8" water main and inquired if any reimbursement would be available for the water service expenses due to the unfortunate timing of the break and start of the project.**

**ALTERNATIVES:**

1. Reimburse the property owner for the 2016/17 Water System Improvements Program #1 – Water Service Transfer (8<sup>th</sup> Street, Hayward Ave, Little Street) project unit cost for a Type B water service, totaling \$3,500. This is the amount the City would have paid our contractor to replace her service line under our program.
2. Reimburse the property owner for all expenses incurred for the installation of a new water service, totaling \$6,098.
3. Do not reimburse property owner for water service expenses.

**MANAGER'S RECOMMENDED ACTION:**

The City Council approved the Water Service Transfer program in March 2016. Shortly thereafter, the homeowner replaced her leaking water service which would have been replaced by the City under our Water Service Transfer program. Because the program was already approved, although not yet under contract, it seems fair and reasonable to reimburse the property owner for the amount the City would have spent for replacing her water service line under our program. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.