

Staff Report

CAROL STASAK/HELEN RILEY REQUEST FOR UTILITY ACCOUNT ADJUSTMENT

August 8, 2017

On July 18, 2017, the City Council referred to staff a letter from Carol Stasak requesting an adjustment to her mother's (Helen Riley) utility account balance for her home at 1518 Meadowlane Avenue. Ms. Riley is 91 years old and is currently residing with Ms. Stasak in Merritt Island, Florida. Sometime between May 25, 2017 and June 26, 2017, the water heater began to leak, resulting in 40,530 cubic feet of usage.

City staff contacted Ms. Riley on June 26, 2017, to inform her of the large amount of water usage. Ms. Stasak contacted the individual who was taking care of Ms. Riley's home, and the water heater leak was subsequently discovered and corrected.

This situation is virtually identical to a request the City Council considered at its October 25, 2016 meeting. In both situations, the customers' homes were vacant and their water heaters malfunctioned, resulting in extraordinary amounts of water usage. Both instances occurred during the summer billing period.

The City's water, yard water, and irrigation rates are seasonal with higher rates during the summer billing period. The higher summer rates were intended to encourage voluntary conservation of outdoor water usage and have been successful in reducing voluntary usage. However, an unintended consequence of the seasonal rate is that customers who experience high water usage as the result of an appliance or plumbing fixture malfunction are charged significantly more than if the malfunction would have occurred during the winter billing period. In Ms. Riley's case, her water service charges would have been \$882.38 instead of \$2,257.04 if the malfunction had occurred during the winter season. The difference, including sales tax, is \$1,407.89.

At the October 25, 2016 meeting, the City Council considered the following four options:

1. Deny the customer's request for an adjustment.
2. Waive the water and sewer charges that were billed. In Ms. Riley's case, this would be \$3,378.27 (\$3,536.26 including sales tax).
3. Reduce the water charges by the difference between the winter and summer rate. In Ms. Riley's case, this would be \$1,374.66 (\$1,407.89 including sales tax).
4. Reduce the amount of the bill by some other amount the Council deems appropriate.

At that time staff recommended and the Council approved Option 3, which was to reduce the account balance by the difference between the winter and summer rates. **Since these situations are virtually identical, staff would recommend pursuing Option 3 again, as described above.**

OTHER STAFF COMMENTS:

In the past, some customers who have experienced unintended water use that resulted in large bills have chosen not to request relief from the City Council. The two most frequent reasons offered are not wanting to go through the process necessary to obtain City Council's approval, and not believing their request will be approved. Staff believes that the service provided to customers could be enhanced if the City Manager or the Manager's designee had the authority

to approve an adjustment to the customer's water bill when there has been unintended water usage billed during the summer season.

Later this year staff will bring forward proposed changes to Chapter 28 of the Municipal Code for Council's consideration. Included will be a proposal to grant the City Manager or the Manager's designee authority to approve an adjustment to a customer's water charges when the usage is the result of a malfunction of an appliance or a plumbing fixture (e.g. water heater, washing machine, toilet, or irrigation system) during the summer billing period and the customer's water, yard water or irrigation usage exceeds their average summer usage by at least 1,000 CF.

Under that proposed policy, the customer will be required to provide documentation from the person who repaired the malfunction (e.g. plumber, maintenance worker) that describes the cause of the malfunction and the action taken to correct the malfunction. Furthermore, the amount of the adjustment should not exceed the difference between the actual water charges billed and the water charges that would have been billed using the winter rate. If the City Council approves this upcoming ordinance change, then the City Manager or designee would be able to approve any future requests similar to this current situation.

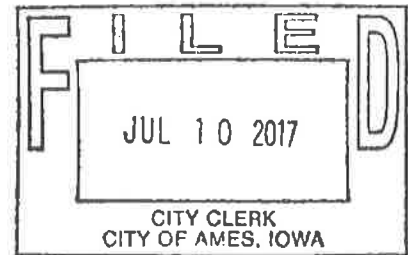
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MEMO



To: Ann Campbell, Mayor
From: Michael Wheelock, Utility Accounts Supervisor
Date: July 7, 2017
Subject: Request from a customer for an adjustment to their utility account

Attached is a letter from Carol A. Stasak requesting the City Council to consider a credit adjustment on her mother's (Helen E. Riley) utility account. Ms. Riley is 91 years old and is currently residing with Ms. Stasak in Merritt Island Florida. Sometime between May 25, 2017 and June 26, 2017, the water heater began to leak resulting in 40,530 cubic feet of usage.

This situation is virtually identical to a request the City Council considered at its October 25, 2016 meeting. In both situations, the customers' homes were vacant when their water heaters malfunctioned resulting in extraordinary amounts of water usage. Both instances occurred during the summer billing period.

The water rate is a seasonal rate with higher rates during the summer billing period. The higher rates were intended to encourage voluntary conservation of outdoor water usage. However, an unintended consequence of the seasonal rate is that customers who have extremely high water usage as a result of a malfunction of an appliance or plumbing fixed are charged significantly more than if the malfunction would have occurred during the winter billing period. In Ms. Riley's case, her water service charges would have been \$882.38 instead of \$2,257.04 if the malfunction would have occurred during the winter season. The difference, including sales tax, is \$1,407.89.

At the October 25, 2016 meeting, the City Council considered four options. Briefly, those options were:

1. Deny the customer's request for an adjustment.
2. Waive the water and sewer charges that were billed. In Ms. Riley's case this would be \$3,378.27 (\$3,536.26 including sales tax).
3. Reduce the water charges by the difference between the winter and summer rate. In Ms. Riley's case this would be \$1,374.66 (\$1,407.89 including sales tax).
4. Reduce the amount of the bill by some other amount that the Council deems appropriate.

The staff recommended and the City Council approved option 3 which was to reduce the customer's account balance by the difference between the winter and summer rate.

Helen E Riley
% Carol A Stasak
1500 Hannah Dr.
Merritt Island, FL 32952
July 6, 2017

Ms. Ann Campbell
Mayor, City of Ames
515 Clark Ave
Ames, Iowa 50010

RE: Riley, Helen E. - Address: 1518 Meadowlane Ave, Ames, IA 50010
Account # 000001411-000001666

Dear Madam:

This letter is being forwarded to you after my discussion with Michael Wheelock, Ames Municipal Utilities – Customer Service. Upon reading her meter on June 26, 2017 the Ames Municipal Utility Department notified us that there was a problem as her usage was showing 40,530 gallons or a billing of \$3,6331.31.

We immediately called her neighbors and the friend taking care of her house to resolve the problem. They found that the water heater and pipe were broken and the water was running constantly. Water was shut off in the basement where the items are located and arrangement made for repair and/or replacement. The City checked for any outside breakage or damage.

My Mother, Helen Riley, is 91 years old and currently staying with us in Florida until she recuperates. Someone goes to the home and mows the lawn and waters the plants, but never thought to go to the basement and check the water heater. Apparently last month her hot water heater broke and caused this outrageous water bill.

When I contacted Ames Municipal Utilities to discuss any options, Michael researched and found a very similar situation from last year where a portion of the water charge was reduced. He calculated that my mother's bill would be reduced by a total of \$1,470.89 if the City Council approved the same adjustment as they did for the other party last year.

I was advised that for any modification an approval would have to be granted by the Ames City Council. If you have any questions, please contact me as I have been handling my Mother's bills, etc. We want to thank you in advance for your consideration and cooperation.

Sincerely,



Carol A Stasak (for Helen E. Riley)
515-447-0675
Irishcas@icloud.com