

COUNCIL ACTION FORM

SUBJECT: WILLOW CREEK HOMEOWNERS ASSOCIATION REQUEST FOR ONE-TIME EXCEPTION FROM SEWER RATE ORDINANCE

BACKGROUND:

Joan Marquardt, representing the Willow Creek Homeowners Association, submitted the attached letter to the City's Utility Accounts Supervisor requesting a one-time exception to section 28.304.9 of the sewer rate ordinance. This section limits exemptions from the sewer charges to 5,000 cubic feet per calendar year, with the entire exemption granted over no more than two consecutive billing cycles.

A pipe broke in the crawl space under Willow Creek's unit 902 during the January 2009 billing cycle. The water soaked into the ground and eventually flowed into a sump pump. The sump pump is not connected to the sanitary sewer system. The break was repaired during the April billing period. An estimated 94,450 cubic feet of water flowed from the leak during the four billing periods, resulting in \$1,586.76 in additional sewer charges. If you apply the current two consecutive billing period requirement, an estimated 61,900 cubic feet flowed from the leak during this time period, resulting in \$1,039.92 in additional sewer charges.

The sewer rate allows for an exemption of up to 5,000 cubic feet of water usage in a calendar year if, in any billing period, more than 2,000 cubic feet of water is used in such a way that the water does not reach the sanitary sewer system. The exemption is based on the premise that the water does not reach the sanitary sewer system, so the Sewer Utility does not incur any costs. The entire exemption must be granted for no more than two consecutive billing periods. The purpose of limiting the exemption to two consecutive billing periods is to encourage the prompt repair of leaks.

ALTERNATIVES:

1. Direct staff to submit a rate ordinance revision removing the 5,000 cubic foot total calendar year exemption. This alternative will give the customer a credit on 61,900 cubic feet of water usage totaling \$1,039.92. The customer request will be held in abeyance until the final adoption of the rate ordinance revision.
2. Approve a one-time exception to the rate ordinance regarding the 5,000 cubic foot calendar year total, and direct staff to credit the customer's account for the sewer charges on 61,900 cubic feet of water usage totaling \$1,039.92. This option retains the two consecutive billing period requirement.

3. Approve a one-time exception to the rate ordinance regarding the 5,000 cubic foot total calendar year exemption and the two consecutive billing period requirement, and direct staff to credit the customer's account for the sewer charges on 94,450 cubic feet of water usage totaling \$1,586.76.
4. Deny the customer request for a credit on the customer's sewer bill above what is currently prescribed in the existing rate ordinance. Under this option, the customer will receive a \$84 credit to the homeowners association sewer bill.

MANAGER'S RECOMMENDED ACTION:

The Sewer Utility does not incur any costs for water used in such a way that the water does not reach the sanitary sewer system. The purpose of the current ordinance provision is to provide customers with relief from sewer charges for one-time events where water is used in such a way that the water does not reach the sanitary sewer system. The purpose can still be achieved by limiting the exemption to no more than two consecutive billing periods within a 12-month period without limiting the total exemption to 5,000 cubic feet.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to prepare a rate ordinance revision removing the 5,000 cubic foot total calendar year exemption. The customer request will be held in abeyance until the modified rate ordinance has been presented to City Council for adoption. This option will result in a \$1,039.92 credit to the homeowners association sewer bill.

Willow Creek Estates Homeowners Association

May 29, 2009

Mr. Michael Wheelock
Utility Account Supervisor
City of Ames
515 Clark Avenue
Ames, IA 50010

Dear Mr. Wheelock:

Thank you for the time you spent with Sandy and myself a few weeks ago to discuss the means of appealing the excessive water and sewer bills we encountered for the service periods 12/21/2008 through 4/14/2009.

As of September 21, 2008, we had a complete change in board members for the Willow Creek Homeowners Association. At our January 10, 2009 board meeting, I made the recommendation that bills to be paid for the association be approved at each meeting. Prior to this our manager, Kevon Jones, had been paying the bills as they came in. Our payment for the City of Ames utilities is automatically paid around the 10th of each month and prior to our March 8 board meeting, Kevon handled the bill payments for us until he resigned from managing our three buildings at the end of February 2009. Upon reviewing the bills at our March board meeting, we were astounded at the large utility bill for building B compared to buildings C and D. Being we didn't have any prior month's bills to compare it to, another board member, Sandy Sandfort, said she would call the utility department to check into it. It was at that time that we were first made aware of the possibility of a break in a water pipe or a toilet running constantly in building B. She then called our maintenance man and told him of the urgency to check out the situation that same day. According to your records, Kevon was listed as a contact on your records and had been notified but to his recollection he doesn't recall being notified and has called your office and discussed this matter with a staff member. Needless to say, if he was notified the message was never passed on to our maintenance man or any of the board members.

Scott, our maintenance man, was able to pinpoint the problem the day we were made aware of it and correct it. His statement is included as you requested. We have also changed the contact information with the City of Ames should you need to contact us in the future.

The broken pipe was in the crawl space of unit 902. The crawl space has a dirt floor so the water was not going into the sewer but rather into the ground. As you pointed out, Michael, the electric portion of the bill for building B for the same service periods is also way up which substantiates the fact that the sump pump ran constantly to take care of the excess water due to the break in the pipe. We spoke with the homeowner just the other day and he stated he was unaware of the water leak or the sump pump running during that time though he is out of town on business quite often.

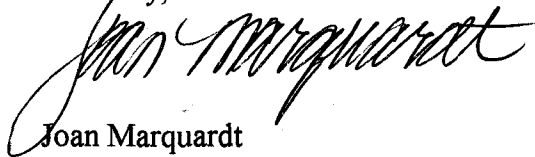
May 29, 2009

Page 2

Therefore, we would like to proceed at this time with appealing the sewer portion of the bills for the service periods listed above and if at all possible any portion of the water bills for the same periods. If this requires us to address the matter with the City Council, just let us know the time and date of the meeting.

Thank you, Michael, for your help in this matter. As Sandy will be out of town during the month of June, please contact me with any additional information. I can be reached at 319-331-0351 or 2097 Timber Lane, Coralville, IA 52241.

Sincerely,

A handwritten signature in cursive script that reads "Joan Marquardt". The signature is written in black ink and is positioned above the printed name.

Joan Marquardt

Enclosure

Cheryl Rogers (515) 292-5894 Frank Poduska (515) 292-2346
Sandy Sandfort (515) 292-0090 Joan Marquardt (319) 354-4639

May 29, 2009

Statement from Scott Saffly who does maintenance for Willow Creek Homeowners Association Buildings B, C, and D

I located a broken water pipe in the crawl space of Unit 902 in Building B at 900 South Dakota Avenue. It appears it broke due to freezing just a couple of feet in from the outside faucet. I turned off the water at the main shutoff valve for the building and repaired the break by replacing a fitting.

A handwritten signature in black ink, appearing to read "Scott Saffly". The signature is stylized and cursive, with a horizontal line extending from the end of the name.