

Staff Report

GAIL GOODWIN'S REQUEST FOR AN ADJUSTMENT TO HER UTILITY ACCOUNT

October 11, 2016

On August 23, 2016, the City Council referred to staff a letter from Gail Goodwin (1101 Carroll Avenue) requesting an adjustment to her utility account balance. Ms. Goodwin was billed \$4,089.76 for water and sewer charges on 48,960 cubic feet of water usage. The water usage occurred between June 24, 2016 and July 25, 2016.

City staff contacted Ms. Goodwin on July 26, 2016 to inform her of the large amount of water usage. Ms. Goodwin was already aware of the water usage when staff contacted her. Ms. Goodwin informed staff that she had been out of town from June 20, 2016 to July 14, 2016. When she returned home she found water running and several inches of water in her basement. She discovered a pipe had separated from her water heater and had run for several days while she was away from her home. The water flowed down a floor drain connected to the sanitary sewer system.

The sewer rate ordinance allows the City Manager or the Manager's designee to approve an adjustment to a customer's bill when 2,000 cubic feet or more of water is used in such a way that the water does not reach the sanitary sewer system. However in this instance, Ms. Goodwin is not eligible for an adjustment to her sewer charges since the water flowed into a floor drain which is connected to the sanitary sewer system. There is no provision in the water rate ordinance which allows for an adjustment to her water charges.

The 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 a malfunction of an appliance or plumbing fixture are charged significantly more than if the malfunction would have occurred during the winter billing period. Ms. Goodwin's situation is an example of this unintended consequence. Ms. Goodwin would have been billed \$1,063.62 for water charges instead of \$2,737.55 if this incident would have occurred a month earlier.

OPTION 1

The City Council can deny the request from Gail Goodwin to adjust her water and sewer bills.

Under this option Ms. Goodwin would owe the City \$4,089.76. The rationale for this action would be that there is a cost for the treated water that flowed into the house and

the Water Treatment Plant had to incur costs to treat this clean water because it was dispensed into the sanitary sewer system. The staff will work with her to develop a payment schedule for this outstanding balance.

OPTION 2

The City Council can waive the total amount of the outstanding bill of \$4,089.76.

The rationale for this action would be that the malfunctioning of the property owner's water system was beyond her control and, therefore, she should not be financially responsible for this obligation. The staff would be caution the Council about taking this approach since in the past customers with similar situations have been required to pay their outstanding bill.

OPTION 3

The City Council can reduce the outstanding financial obligation for the water portion of the bill from \$2,737.55 to \$1,063.62.

The rationale for this option is to charge the winter rate for water consumption rather than the higher summer rate. The staff will work with her to develop a payment schedule for this outstanding balance.

OPTION 4

The City Council can reduce the outstanding financial obligation by some other amount it deems appropriate.

The rationale for this action is that the Council believes the outstanding amount is too onerous and the property owner deserves some sort of relief from the financial burden.

While incidents such as the one Ms. Goodwin's experienced are rare, there are a few problems with unintended water usage that occur every summer. The number of these incidents typically range between 5 and 10 per summer. Therefore, the Council should be cautious in determining a direction with this request. It would be preferred that a policy be established so that similar requests in the future can be handled in the same way, based on the same rationale.

STAFF COMMENTS:

In the past, 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 we could enhance the service we provide to our customers 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.

Staff would recommend that the City Council approve a new policy that would grant the City Manager, or the Manager's designee, the 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 this new policy, the customer will be required to provide documentation from the person who repaired the malfunction (e.g. plumber, maintenance worker) which describes the cause of the malfunction and the action taken to correct the malfunction. **Furthermore, the amount of the adjustment shall 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 staff's recommendation, then the City Manager, or the Manager's designee, would be able to approve any future requests that meet the requirements for an adjustment.

Ms. Goodwin's request meets the requirements outlined in staff's recommendation. Therefore, the staff would prefer that the City Council pursue Option 3.