



COBURG CITY COUNCIL ACTION/ISSUE ITEM

TOPIC: RESOLUTION 2020-20, A RESOLUTION PROVIDING A PROCEDURE FOR WATER BILLING LEAK ADJUSTMENTS

Meeting Date: December 8, 2020

Staff Contact: Sammy Egbert, City Recorder

Contact: 541-682-7852, sammy.egbert@ci.coburg.or.us

REQUESTED COUNCIL ACTION

Recommended Motions:

I move to adopt resolution 2020-20, a resolution providing a procedure for water billing leak adjustments.

BACKGROUND

Leak adjustment procedures are not included in Water Ordinance A-224-A. When customers request a leak adjustment it has to come to Council for a decision. Last year Council directed staff to look into options to allow leak adjustments to be processed administratively.

We reached out to other Cities to see what they offer. We received samples from City of Albany, Banks, Cottage Grove, Falls City, Halsey, Sweet Home, Toledo, Veneta and more. Each City's process was unique.

I met with Public Works Director to get his thoughts and to discuss the things that were important to his department. The Utility Billing Clerk and I used the history on how the Council has handled requests in the past, Public Works input, and the current water policies, to draft the procedures for the draft resolution. We wanted to make sure that the policy encourages customers to make prompt and permanent repairs while showing consideration for unusual circumstance.

The formula that we are recommending to calculate the adjustment is based off the actual water charges. It takes the 12-month average water charge including the month(s) the leak occurred and multiplies it by 1.5. The 12-month average rate multiplied by 1.5 is subtracted

from the bill with the leak. The difference is what would be eligible for a credit adjustment.

Example

Customer has a water leak in front sprinkler system and uses 4,178 cubic feet of water. The water bill was \$176.47 and average bill is \$70.59.

\$ 70.59	12-month average water bill
\$105.89	Average bill x's 1.5 = Calculated base for Adjustment
\$176.47	Customers water charge with leak
(\$105.89)	Average bill calculation
\$70.58	Adjustment Amount

Example

Customer has a tree root that broke water line and didn't know it, the bill was for 9,950 cubic feet of water in September and 4,200 cubic feet in October. The water bill in September was \$381.38 and October water bill was \$177.25. This request would be eligible for adjustments on 2 months of billing.

September

\$ 93.57	12-month average water bill
\$140.36	Average bill x's 1.5 = Calculated base for Adjustment
\$381.38	Customers water charge with leak
(\$140.36)	Average bill calculation
\$241.02	Adjustment Amount (September Bill)

October

\$ 91.70	12-month average water bill
\$137.55	Average bill x's 1.5 = Calculated base for Adjustment
\$177.25	Customers water charge with leak
(\$137.55)	Average bill calculation
\$ 39.70	Adjustment Amount (October Bill)

RECOMMENDATION AND ALTERNATIVES

1. Staff recommends that Council approve a leak adjustment procedure that will allow leak adjustments to be processed administratively using the procedure in Resolution 2020-20, instead of requesting City Council approval for individual leak adjustments.
 2. Choose not to adopt Resolution 2020-20 and continue to have leak adjustments brought to Council.
 3. Council can change the formula for how the adjustments are calculated to be more or less aggressive.
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BUDGET / FINANCIAL IMPACT

The adjustments will decrease the revenue collected for water usage.

PUBLIC INVOLVEMENT

None

NEXT STEPS

Applications and an information handout will be created. Information will be posted under Utility Billing on the website. Printed copies will be available in the front office and provided to customers upon request.

ATTACHMENTS

- A. Resolution 2020-20 DRAFT
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REVIEWED THROUGH

Anne Heath, City Administrator
Brian Harmon, Public Works Director
Gary Darnielle, City Attorney
Erin Brown, Utility Billing

RESOLUTION 2020-20

A RESOLUTION PROVIDING A PROCEDURE FOR WATER BILLING LEAK ADJUSTMENTS

WHEREAS, Ordinance A-224-A Water Service does not offer a procedure for adjustment for water leaks, and;

WHEREAS, City Council desires to establish procedure for adjusting water billings in case of documented water leaks.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Coburg

The following procedure is in regards to adjusting water billing on utility accounts when account holder experiences a “excess in water usage” due to water supply break, failure, and/or leak on the customer (private) side of the water meter. Utility bills **MAY** be adjusted, **AFTER** proof that the leak has been repaired.

Section 1. Customer may request leak adjustment by submitting a “Leak Adjustment Request” form to the City within three (3) months of the occurrence. Request for adjustments beyond three (3) months will not be considered.

Section 2. Customer must describe the nature and location of the leak, date leak was discovered, provide proof of repair within 30 days from the date the “Leak Adjustment Request” form is submitted to the City. Proof of repair can include receipts for parts, plumbing invoice, and photos of the repair or written testimony to how the leak was repaired.

Section 3. No adjustments will be considered for unusually high water bills, leaking toilets, dripping faucets, hoses or sprinkler systems being left on.

Section 4. One adjustment per utility account will be allotted per calendar year. (Rolling 12-month year from last occurrence)

Section 5. When Leak Adjustment Request has been processed and signed off by Utility Billing and Public Works the adjustment will be calculated.

Section 6. Leak adjustment will be determined by calculating 1.5 times the average water charge over a 12-month period including the month(s) the leak occurred. Subtract the sum from the actual water charge for the month(s) the leak occurred to arrive at the leak adjustment amount.

Section 7. The adjustment period for leaks cannot exceed one regular meter reading period unless the leak affected two consecutive bills. Adjustment rate will be calculated based on the last affected billing.

Section 8. A leak adjustment request does not constitute a waiver or extension of payment of your utility bill. If you are unable to pay the bill in full you will be assessed a late fee monthly until paid in full. Eligible accounts may apply for a payment plan but will still be charged a late fee.

Section 9. Adjustments will be applied to customer's utility account as a credit. No cash or check refunds will be given.

Section 10. Water leak adjustments will be retained in accordance with ORS 166-200-0200 City Records Retention Schedule.

Section 11. This resolution is effective immediately upon passage.

Adopted by the **City Council** of the **City of Coburg**, Oregon, by a vote of ___ for and ___ against, this 8th day of December, 2020.

Mayor, Ray Smith

ATTEST:

Sammy L. Egbert, City Recorder