



City of Stevenson

Leana Kinley, City Administrator

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To: City Council
From: Leana Kinley, City Administrator
RE: Utility Billing Issues
Meeting Date: September 19, 2024

Executive Summary:

The council adopted a revised utility fee schedule and corresponding ordinances in May with an effective date of the June utility billing cycle. There have been issues with implementation outlined below.

Overview of Items:

The council adopted a revised utility fee schedule and corresponding ordinances in May with an effective date of the June utility billing cycle. This included no longer allowing for snowbirds or dormant accounts, those who “disconnect” service and pay a fee of five months water base fee to “reconnect.” Another change was also no longer having construction water, which only billed water usage for buildings under construction and did not bill water or sewer base fees until the final certificate of occupancy was issued.

There is a classification set up for construction water users within the city’s utility billing software. The construction water accounts were notified of the change, corrected in June as per the adopted rates and were somehow missed in August (bills sent end of August). This was caught, the issue troubleshot with the financial software company, and the impacted customers have been notified.

In the city’s billing system, there was no classification set up for dormant accounts and these were missed with the implementation of the changes. This was identified in August when a customer came in to request their water be turned on. Staff reviewed all inactive accounts, which includes former renters or property owners, to identify which accounts were dormant. Some properties were also verified by Public Works as either being vacant homes or empty lots as some dwellings have been demolished and would not be billed. After these properties were identified, notices were mailed to the property owners along with an adjustment to the account for the missed billings.

There are 10 construction water customers and 5 dormant account customers that were impacted by these issues. The total amount for the June-August billings on the dormant accounts adds up to \$535.02 for water and \$1,729.50 for sewer.

The City is required to bill according to the fee schedule established by the council. Any waiving of fees, or discounting, outside of the approved rates for low-income, are considered a gifting of public funds and against the state constitution. Also, according to state law (RCW 4.16.040(2)), the city has an obligation to go back no more than six years to collect on any misbilled accounts. Unlike a private company where the waiving of these fees or discounts would come out of a company’s profit, the public funds come out of the pockets of other rate payers.

Action Needed: None