

To: City Council
RE: Leak Adjustments Authority

John Walsh, City Administrator
Gloria Butsch, Finance Director



BACKGROUND

Over the past 6 months there has been 9 leak adjustments exceeding \$1,000. Potential leak adjustments under \$1,000 are within the City Administrator's authority to approve; anything over \$1,000 currently must go for City Council approval.

At the August 21, 2024 Council Work session, Council requested information and averages for leak adjustments over \$1,000 for the last 6 months (2024).

DISCUSSION

Data:

1623.87

1577.06

1935.20

1084.22

2680.15

6011.18

3435.40

2250.26

1141.08

21738.42

Of the 9 adjustments that the Council approved, 2 were under \$1,500, 3 were between \$1,500 and \$2,000, and 4 were over \$2,000, of which 3 were over \$2,500. Averaged together, the average leak adjustment for the past 6 months was \$2,415.38.

Following further research, the City has no acting legislation requiring the Council to review and approve leak adjustments. Leak adjustment rules are covered in the "Utility Billing Administrative Rules" that are revised whenever there are changes to the utility rates.

The only time, according to the rules, that the City Council would be involved is if a customer was denied an adjustment and they choose to appeal to the Council, otherwise the City Administrator or Finance Director approves leak adjustments.

RECOMMENDATION

Staff recommends that leak adjustment decisions are made under the administrative rules and deferred to Council only under extenuating circumstances or by customer appeal.