REQUEST FOR COUNCIL ACTION

Title:	Request for Council Action – Bill Dispute for 1207 Long Street
Preferred Agenda:	August 11, 2026
Submitted By:	Cecily Hope Pretty, Deputy City Manager
Reviewed By:	Jason Ogden, City Manager / Police Chief Cindi Robeck, Financial Operations Manager
Type of Action:	Motion ☒ Resolution ☐ Reading ☐
Relevant Code/Policy:	Resolution No. 20 for 2017
Towards Council Goal:	Effective & Efficient Government, Essential Services
Attachments:	Formal Bill Dispute Letter from JNJJ, Inc. Payment & Contact History for 1207 Long Street Resolution No. 20 for 2017 Resolution No. 19 for 2017

Purpose of this RCA:
To seek City Council direction regarding a utility bill dispute for 1207 Long Street at the request of John Suh of JNJJ, Inc. d.b.a. Mr. Lucky's Deli.

Background/Context:
The City has an approved procedure to challenge a disputed water/sewer bill as established by Resolution No. 20 for 2017.

On May 22, 2025, Public Works notified the accountholder of 1207 Long Street, also known as Mr. Lucky's Deli, of high water consumption following a meter reading and an active leak code at the site. A leak in a drink machine was discovered and repaired at this time. However, water consumption remained high and staff communicated repeatedly with the accountholder and store manager that there continued to be an issue with a leak, which the store manager and accountholder have repeatedly disputed.

On September 11, 2025, the store manager provided a letter from Hamil Construction Group Inc which stated that they conducted a plumbing inspection and water leak verification and found no evidence of leaks, contrary to staff's evidence. City staff attempted to contact the contractor but did not receive a response, and staff could not find a current Construction Contractors Board license for the company, so they were unable to corroborate the report. Water consumption remained high and staff continued to communicate with the store manager regarding the issue and past due balances over the next several months.

The store manager submitted a request for a leak adjustment in February 2026, upon which it was noted that three toilet repairs were performed in November and December. A review of the consumption history shows that consumption (and therefore billing) normalized after this time. Though the drink machine and toilet leaks do not technically qualify for bill credit through the City's leak adjustment policy (Resolution No. 19 for 2017), staff granted a one-time exception and credited the accountholder $810.16 for the months of May and June 2025 (as two months is the maximum allowed under the policy).

The Challenge/Problem:
The accountholder has not kept current with payments on their account since June 2025. Staff attempted to work with the accountholder and did not shut off service for non-payment for several months while attempting to come to a resolution in good faith and not interrupt an active business, even though City policy allows interruption of service due to any delinquent payments.

On May 7, 2026, City staff contacted the store manager, who was communicating on behalf of Mr. Suh, to suggest setting up a payment plan to deal with the account balance by having the accountholder pay the current month's bill plus an additional minimum of $200 in order to continue to receive service. Staff received a letter of rejection of this plan from Mr. Suh dated 5/9.

Payments since the issue began have been inconsistent and in amounts far less than the balance as evidenced in the payment history dating back to January 2025. The water service to 1207 Long Street was finally shut off on July 8, 2026 and restored within 24 hours once a $500 payment was made. An additional payment in the amount of $160 was made on July 20th.

In accordance with the City's dispute policy, Mr. Suh escalated his dispute through the utility billing staff (8/13/25), at which point staff attempted to work with the property owner and manager for several months, then the Finance Director (5/12/26), and then the City Manager (6/1/26). All three disputes were denied. The next and final step is for the dispute to be placed on a City Council agenda for final determination by the City Council; Mr. Suh requested this via certified letter dated July 23, 2026 and received at City Hall on July 27, 2026. The disputed amount is listed as "approximately $5,000" which is in excess of the account balance, which totals $4,579.17 as of July 28th.

City Council needs to determine whether they agree with the dispute and if so, how the balance should be reduced. Since the toilet repairs were completed, the average monthly bill has been $158.75 (January 2026-July 2026). The City Council's decision regarding the dispute will be final.

Issues and Financial Impacts:
The current account balance of $4,579.17 is owed to the City based on the measured consumption at 1207 Long Street as well as late fees that have accrued ($1,037.37 in late fees). Should the City Council determine that this amount does not need to be paid, it will impact the Water Fund.

Elements of a Stable Solution:
Direction that supports a fair and consistent resolution in accordance with City policies.

Options:
1. *Move to deny the dispute and require payment in full in order to receive water service:* The account holder will remain responsible for the full amount of the disputed bill and will be subject to turnoff of water service until the bill is paid in full.
2. *Move to deny the dispute and require acceptance of staff's proposed payment plan:* The accountholder shall be required to pay, at minimum, the amount of the current month's bill plus $200; failure to pay this amount on time will result in interruption of service.
3. *Move to approve the dispute*: Direct staff to forgive the balance with an exact dollar amount that should be paid or the specific methodology staff should use to recalculate the bill.
4. *Provide other guidance to staff:* Move to approve a different resolution to the dispute; staff will need clear direction on any modifications to the dispute request.