

Memorandum

To: Mayor and Council
From: Tom Baker and Melody Harrison
Date: December 6, 2016
Re: Water Billing Policy Regarding System Leaks

Purpose: The purpose of this item is to brainstorm possible adjustments to the Town's policy regarding how to bill our customers when an accidental water leak occurs in the customer's system.

Background and Discussion: Primarily we are speaking of irrigation leaks where the leak can go undetected until the next water billing cycle and thousands of gallons can be lost (and billed to the customer) before the problem is realized.

Before monthly bills are mailed, staff runs a "high usage" report to identify overly high bills. Staff then contacts the customer and alerts them to high usage and asks them to look for irrigation leaks. However, staff is not aware of high usage until Utility staff reads the meter (again on a monthly basis). While the high usage alert is given to customers it is only days before the bills are sent. Typical residential water systems have no leak detection or over usage warnings built into the system.

In staff's mind we have a customer service concern. While we can justify that the water went through the customer's meter and therefore they should pay for it, the equity seems off. The code allows for a 10% reduction in the bill, but many times that is only a token and staff feels constrained from doing more.

The problem can be exacerbated when a customer has automatic bill pay and too late realizes that a fee/bill is taken from a bank account or applied to a credit card. The problem is also exacerbated due to our tiered billing system – the more you use the higher the billing rate.

Staff would like to discuss the following ideas and others that may come to mind at the meeting.

- For customers that respond and fix the leak as soon as possible (provide proof of repair) – forgive the over usage and look at historic usage and estimate a normal bill.
- For customers that respond and fix the leak as soon as possible (provide proof of repair) – bill for usage at lower tier 1 rate.
- For customers that respond and fix the leak as soon as possible (provide proof of repair) – allow staff a higher percentage for bill reduction (currently code allows staff to forgive 10%).

The question will arise that if we change the policy now what about the people who paid more 2 or 3 months ago. If Council changes the policy, then staff can look back for some period of time understanding that someone will always just miss the cut-off date. If Council choose to "look back" for some period of time, staff suggests a credit and not a refund.

We would like Council's thoughts.