

**CITY OF SARATOGA SPRINGS
CITY COUNCIL WORK SESSION
AGENDA**

Tuesday, September 1, 2015
Meeting held at the City of Saratoga Springs City Offices
1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

Councilmembers may participate in this meeting electronically via video or telephonic conferencing

City Council Work Session

6:15 p.m.

1. Discussion of a Culinary Water Leak Forgiveness Program.
2. Open and Public Meetings Act Training.
3. Agenda Review:
 - a. Discussion of current City Council agenda staff questions.
 - b. Discussion of future City Council policy and work session agenda items.
4. Adjourn to Policy Session.

City Council Staff Report

Author: Spencer Kyle, Assistant City Manager
Subject: Culinary Water Leak Forgiveness Program
Date: September 1, 2015
Type of Item: Discussion



Staff has been asked to lead a discussion of a possible leak forgiveness program during the work session.

History

The City Council recently approved a leak forgiveness program for secondary water. Some members of the Council believed that the City had previously adopted a culinary leak forgiveness program as well; however, the City has never had such a program. Many years ago, the Utility Billing Supervisor would work out payment plans with residents who couldn't pay their whole bills; however, that program was stopped as most of the participants didn't follow through on the payment plan as they agreed. The only adjustments that staff is able to make today are for errors in the billing or to waive late fees if someone has not been late in 26 months.

Staff has reached out to the other cities to determine if they offer any kind of leak forgiveness program. The following is a summary of policies for each of the cities who we were able to contact or who called us back:

American Fork

- Leak must be verified.
- Resident must make a written request for forgiveness.
- Resident must provide receipts for repairs.
- Amount forgiven is the greater of their bill for the same month the previous year or 50% of the current bill. For example, if they used 50,000 gallons in July and used 10,000 gallons during the previous July, they would be charged for 25,000 gallons (half of the 50,000). If they used 30,000 gallons this July and used 20,000 the previous year, they would be charged for 20,000 gallons. It's always the greater of the two methods.
- American fork charges a flat sewer rate, so it's not affected.

Cedar Hills

- Leak must have been for at least a two month minimum. If the leak is caught during the first month, the resident does not qualify.
- The City will determine the overage amount and then split the difference with resident. For example, if they used 50,000 gallons in July and 10,000 the previous July, they would be charged for 30,000 gallons (10,000 gallons plus 50% of the remaining 40,000 gallons).
- Cedar Hills charges a flat sewer rate, so it's not affected.

Centerville

- Only available during winter months when meters aren't read.
- Only the mayor can approve an adjustment.

- Mayor may wave 50% of the overage amount (similar to Cedar Hills).

Clinton

- Does not offer a leak forgiveness program.

Eagle Mountain

- Offers the resident the lowest tiered rate for their usage (no penalty tiered rates apply).
- May appeal that decision to Treasurer or Administrator who can use their own judgement to determine a solution.

North Ogden

- Does not offer a leak forgiveness program.

North Salt Lake

- They have a penalty rate adjustment policy.
- Resident must request an adjustment in writing.
- Must show verification that leak has been fixed.
- Available once per year.
- The City will reduce the bill to the lowest tiered rate (no penalties apply).

Pleasant Grove

- Must show proof of repairs.
- City uses previous year's usage for the same month and then splits the difference.
- City splits the difference on sewer as well.

South Jordan

- Allowed one request every four years.
- They average the previous two year's months and charge that amount. For example, if a resident used 50,000 gallons in July, but used 10,000 gallons and 12,000 the previous two years in July, they would be charged for 11,000 gallons (average of 10,000 and 12,000 gallons from previous Julys).

South Ogden

- The City verifies the leak and the repair.
- City charges the previous year's amount for the same month plus the difference between the current month and the previous year's amount. For example, if they used 50,000 gallons in July and 10,000 the previous July, they would be charged for 30,000 gallons (10,000 gallons plus 50% of the remaining 40,000 gallons).
- The City also splits the difference for sewer.

South Salt Lake

- Does not offer a leak forgiveness program.

Syracuse

- City verifies the leak and the repair.
- City refunds half of the overage similar to South Ogden.
- Doesn't affect sewer as they charge a flat rate.

Washington

- Residents who have leak are charged the lowest tier for all of their usage.

Questions for City Council

1. Is the City Council Interested in creating a culinary water leak forgiveness program?
 - a. Staff Recommendation: Neutral, this is a policy decision.
2. Should this policy only apply to residential accounts or to all accounts?
 - a. Staff Recommendation: The Council can mirror the secondary leak forgiveness program and have it only apply to residential customers or the Council can have it apply the same to all customers.
3. Should the policy only apply to verified water leaks or can it apply to unexplained high usage months? For example, if a resident who normally uses 10,000 gallons per month but used 45,000 gallons in May. The usage has returned to normal amounts in June. They made no repairs to leaks. The City verified that the meter is working properly. Should someone in this situation be eligible for an adjustment or should it only apply when a leak is verified?
 - a. Staff Recommendation: The program should be available to anyone with a verified leak or an unexplained usage above 200% of their reading for the same month the previous year.
4. How often can a resident be eligible for this program?
 - a. Staff Recommendation: Once every 36 months (consistent with our policy to only waive late fees if someone hasn't made a late payment in 36 months).
5. Should this program be offered to anyone who is not current on their utility bill (with the exception of the month in question)?
 - a. Staff Recommendation: Customers must be current on their utility bill to qualify for this forgiveness program.
6. How should the adjustment be calculated?
 - a. Staff Recommendation: Choose one of the following options:
 - i. Charge the amount that was used during the same month in the previous year plus 50% of the difference between the previous year and current year for the same month. For example, if a resident used 30,000 gallons in July and 10,000 the previous July, they would be charged for 20,000 gallons (10,000 gallons plus 50% of the remaining 20,000 gallons). If the resident has lived at the residence for less than one year, the City should use the highest month of the previous readings in their account history.
 - ii. Only charge the lowest tiered rate for the amount used. Currently, the lowest rate is \$2.40 per 1,000 gallons and the highest rate is \$4.00 per 1,000 gallons. If someone had a leak the City would only charge them \$2.40 per 1,000 gallons for the whole amount used.
7. Should adjustments be made to sewer? The City must pay TSSD for all metered sewer flows. Should the sewer bill be adjusted as well as water?
 - a. Staff Recommendation: Choose one of the following options:
 - i. Follow the same policy as water; however, change the discount on the overage from 50% to 25%. The theory here would be to adjust the City's amount but not TSSD's. If they leak is verified to be in the yard or otherwise not affecting sewer,

adjust 100% of the overage (charge the previous year's usage for the same month).

- ii. Only charge the lowest tiered rate for the amount used. Currently, the lowest rate is \$3.70 per 1,000 gallons and the highest rate is \$409 per 1,000 gallons. If someone had a leak the City would only charge them \$3.70 per 1,000 gallons for the whole amount used.

- 8. Should the leak forgiveness program be retroactive? We have at least one resident who has requested this program due to an unexplained spike in usage. Should the program be retroactive and if so how far back should it go?

- a. Staff Recommendation: This is City Council policy decision. Staff would not recommend any retroactive waivers of fees.

Recommendation:

Staff recommends the Council provide direction to staff on the items and policies they are willing to consider in a future resolution.