City of Carroll

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MEMO TO: Mike Pogge-Weaver, City Manager

FROM: Laura A. Schaefer, Finance Director/City Clerk

DATE: November 5, 2018

SUBJECT: New Policy 0316 – Utility Account Adjustments

City Code 92.01 states that "each customer shall pay for water service provided by the City based upon use of water as determined by meters…" Chapter 99 of City Code states "Each customer shall pay sanitary sewer charges in accordance with" the current rates. On occasion there have been requests to adjust utility accounts for various reasons. The City currently does not have a policy to adjust utility accounts.

The attached proposed policy addresses the cases where an adjustment may be appropriate. An example would be in the case of a water leak where substantial evidence exists that the water did not go into the city sewer system (for example, the leak occurred in a crawl space with a dirt floor). The policy would allow for city staff to investigate to prove where the leak occurred and determine if an adjustment to sewer charges is appropriate. If city staff determined there was an error in the billing process, staff could adjust the water portion and penalties of the bill.

The new policy also addresses how staff is able to work with customers on a repayment plan if a large bill has occurred due to a water leak.

As a way to encourage the use of the Automated Clearing House (ACH) process, we propose to remove a penalty if an account holder signs up for ACH.

Staff believes the attached proposed policy will give guidance on how to deal with some rare, yet unfortunate, situations.

RECOMMENDATION: Council consideration and approval of the attached resolution establishing new Policy 0316 – Utility Account Adjustments.

RESOLUTION NO. _____

A RESOLUTION APPROVING NEW POLICY NO. 0316 –
UTILITY ACCOUNT ADJUSTMENTS

WHEREAS, City staff has prepared the attached new Policy No. 0316 – Utility Account Adjustments, and

WHEREAS, the City Council of the City of Carroll, Iowa, finds that new Policy No. 0316 - Utility Account Adjustments is acceptable and should, therefore, be approved.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carroll, Iowa, that the attached Policy No. 0316 – Utility Account Adjustments is approved.

PASSED AND APPROVED this 13th day of November, 2018.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

_____
Eric P. Jensen, Mayor

Attest:

_____
Laura A. Schaefer, City Clerk

CITY OF CARROLL

POLICIES AND PROCEDURES MANUAL

Subject	Policy No.
Utility Account Adjustments	0316
Responsible Division(s), Office(s)	**Related Policies & Procedures**
All	
Effective/Revision Date	**Approval(s)**
	Mike Pogge-Weaver

Purpose: The purpose of the policy is to establish the guidelines City staff can utilize when adjusting a utility bill.

Policy: A utility bill adjustment requested due to a water leak may be made by City staff if substantial evidence exists for the adjustment. Any decisions made by the City Manager related to adjustments are final and not subject to appeal to City Council.

An adjustment to sewer service charges may occur if there is substantial evidence that the water from a leak did not go into the sanitary sewer system. If substantial evidence does exist, one adjustment in a 24-month period may be granted by the City Manager to reduce the sewer service charges for the month of the leak to the average sewer service charge for the past twelve months.

As a general rule, any water that runs through the water meter will be billed at the current rates. Rare occasions may exist where an adjustment for water usage may be granted by the City Manager when substantial proof exists that there was an error in the billing process.

If a water leak occurs that results in a bill up to three times (3x) the average of the previous twelve months bills, a payment arrangement may be allowed for payment within the next twelve months. A bill greater than three times the average previous twelve months bills due to a water leak may be allowed a different payment arrangement at the discretion of the City Manager. During the time of an agreed upon payment arrangement, the City will not charge a late payment penalty ("penalty") if the agreed upon payments are timely made. If the agreed upon payments are not received timely, penalties will be charged and any waived penalties will be charged back to the utility account.

A penalty may be waived for the current month if the utility account customer signs up to pay for the utility account via Automated Clearing House (ACH). Penalties may be waived when substantial proof exists that there was an error in the billing process.