



**CITY OF STANWOOD  
FINANCE COMMITTEE  
AGENDA STAFF REPORT**

<b>SUBJECT: Request for Water Bill Adjustment – Stanwood-Camano Community Fair</b>	<b>FOR AGENDA OF: July 25, 2013</b>  <b>DEPARTMENT OF ORIGIN: Finance</b>  <b>DATE SUBMITTED: July 11, 2013</b>
<b>ATTACHMENT(S):</b>  <b>Attachment A – Utility Account History for Stanwood-Camano Fair</b>  <b>Attachment B – Letter dated June 28, 2013 from Stanwood-Camano Community Fair requesting water bill leak adjustment</b>	<b>CLEARANCES: (check box)</b> <input type="checkbox"/> City Attorney _____ <input type="checkbox"/> City Clerk/HR _____ <input type="checkbox"/> Community Development _____ <input type="checkbox"/> Fire _____ <input type="checkbox"/> Finance _____ <input type="checkbox"/> Police _____ <input type="checkbox"/> Public Works _____  <b>APPROVED FOR SUBMITTAL BY THE CITY ADMINISTRATOR: _____</b>
<b>COST OF PROPOSAL: about \$1,000</b>	<b>AMOUNT BUDGETED: \$0</b>

**ISSUE**

Should the city amend Chapter 12.20.060 of the Stanwood Municipal Code to allow a water leak adjustment to the Stanwood-Camano Community Fair as per their current request, and future water customer requests that merit consideration?

**SUMMARY STATEMENT**

Currently, the Stanwood Municipal Code (SMC) allows the finance director to approve water leak credits; however, no more than one application for credit may be considered in any 24-month period.

The Stanwood-Camano Community Fair has suffered two back to back water leaks, resulting in large water bills. They were granted a water leak credit on March 4, 2013 for the first incident, and are requesting another water leak credit for a second apparent leak that showed up on their April 30, 2013 statement. The SMC, in its current form, does not allow the city to grant the fair another water leak credit as it falls within a 24-month period.

In order to consider the fair's current water leak credit request, council would need to amend the SMC to allow a second water leak credit within the 24 months.

## **DISCUSSION**

Chapter 12.20.060 of the SMC reads as follows:

### **12.20.060 Adjustments to bills.**

(1) In the event a meter fails to register the correct amount of water used, the customer will be charged at the average rate of monthly consumption for the previous 12 months as shown by the meter when in working order.

(2) In the event a leak or failure of a private water system or private service between the meter and the structure located on private property results in excess consumption, the city may, through a determination of the city finance director, provide for a rate adjustment up to 50 percent of the volume consumed in any one billing period in excess of the bi-monthly average of water consumed over the previous 12 months at that service address.

(a) Customers shall be required to provide proof of repair to leak or failure prior to receiving any rate adjustment.

(b) Application for the credit or adjustment must be made in written form and approved by the city finance director or his/her designee.

(c) ***No more than one application for credit may be considered per service address in any 24-month period (emphasis added).*** Adjustments are final and requests for reversal will not be granted. (Ord. 1295 § 2, 2011; Ord. 1189 § 4, 2006).

During the December 2012 billing cycle, the Stanwood-Camano Fair consumed 50,312 hundred cubic feet (ccf) of water, which was inordinately high, indicating a leak. The fair subsequently fixed the leak and applied for and received a water leak credit for 50% of the overage, or \$839.99. The details of the fair's consumption and billing is detailed in their utility account history (Attachment A).

Recently in the April the fair had another unusually high spike in consumption to 66,696 ccf, indicating another leak. The fair has requested yet another water leak credit, which would amount to about \$1,000. The city is prevented from considering more than one application for leak adjustment per service address in any 24-month period, so as the current SMC is written, their request must be denied.

The city currently has no flexibility in its water leak policy. If a customer suffers a second water leak within 24-months, the customer may not seek relief nor may the city grant it. The city has no way to help mitigate large water bills for customers such as the Stanwood-Camano Fair that suffer back to back water leaks.

Perhaps one way to help water customers in such circumstances would be to change the SMC to allow a second water leak credit **subject to council approval.** Such a change to the code might be written as follows:

(c) No more than one application for credit may be considered per service address in any 24-month period without city council approval. Adjustments are final and requests for reversal will not be granted. (Ord. 1295 § 2, 2011; Ord. 1189 § 4, 2006).

Under this proposed rule change, council would have the flexibility to review and approved a second water leak credit within a 24 month period, if it appeared appropriate and equitable to do so.

### **FISCAL IMPACT**

There may be some additional leak credits granted under a new, more flexible leak credit policy, but staff does not foresee a large increase in credit requests. Council would retain the ability to approve or deny such leak requests, and would thus be in full control of the fiscal impact.

### **FINANCE COMMITTEE OPTIONS**

1. Direct staff to bring prepare an ordinance to amend Chapter 12.20.060 of the Stanwood Municipal Code that would allow back to back water leak credits subject to council approval, as detailed above. Further, once the ordinance is approved, direct staff to calculate and bring forward the requested Stanwood-Camano Fair water leak for its approval.
2. Do not direct staff to prepare an ordinance to amend Chapter 12.20.060 of the Stanwood Municipal Code that would allow back to back water leak credits subject to council approval, as detailed above. Direct staff to contact Stanwood-Camano Fair that their water leak credit request will not be considered due the code provisions.

### **STAFF RECOMMENDATION**

1. Staff recommends Option 1, direct staff to bring prepare an ordinance to amend Chapter 12.20.060 of the Stanwood Municipal Code that would allow back to back water leak credits subject to council approval, as detailed above. Further, once the ordinance is approved, direct staff to calculate and bring forward the requested Stanwood-Camano Fair water leak for its approval.



**Stanwood-Camano Community Fair**  
P.O. Box 901, Stanwood, Washington 98292 - 360-629-4121

June 28, 2013

Deborah Knight  
City Administrator  
City of Stanwood  
10220-270<sup>th</sup> Street NW  
Stanwood, WA 98292

Dear Ms. Knight,

Thank you for the opportunity to discuss the water bill issue with our fair board member, Bruce Miller.

With the downturn in the economy, the fair has had to make some difficult decision because of reduced income from year to year. This year, so far, has been no exception.

The fair received back to back larger water bills. The first water bill, the city was able to reduce the bill by almost half. At that time, the leaks were fixed and we thought that the issue had been addressed. Needless to say, the fair received yet another large bill in the following months. Bruce addressed the second bill with the city and with yourself, he was told no protocol existed for a second offense of this nature. We are asking the City of Stanwood and the City Council to make a decision on this issue.

Since the last large water bill, the fair has implemented new policies to regulate and monitor water usage at the fair. We have started turning on water only to designated areas when necessary for rentals. The water usage is monitored on a consistent basis and a water manager, Bruce Miller, is on site when problems arise. The fair is better equipped to make repairs of water leaks sooner by implementing these policies.

The fair has had ongoing problems with excess pressure in the past. The pressure at the fairgrounds is consistently over 80 PSI and in most cases higher. And when the "flushing" occurred around the timing of these leaks, we feel the excess pressure fluctuations helped to contribute to our leaks. We feel the city should have notified the fair of the possibility of fluctuating excess pressures from the flushing.

The community organizations need to work together to support one another and find some common ground to mediate through issues like this. We are asking for some leniency with the second water bill and hope a protocol can be set for the future. Thank you for your consideration in this matter and look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Krista Cairus". The signature is fluid and cursive, with the first name "Krista" written in a larger, more prominent script than the last name "Cairus".

Krista Cairus  
Stanwood Camano Community Fair  
Interim Manager