

RESOLUTION NO. 2741

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND REPEALING RESOLUTION NO 1205 AND TO APPROVE AN UPDATED CITY POLICY TO GRANT A PARTIAL CREDIT TO WATER ACCOUNT HOLDERS WHEN THEY HAVE EXPERIENCED AN UNUSUALLY HIGH UTILITY BILL DUE TO A LEAK OR OTHER NON-BENEFICIAL USE OF WATER.

WHEREAS, the City of Salisbury maintains water and sewer utility service in the greater Salisbury area; and

WHEREAS, the City reads water meter on a quarterly basis; and

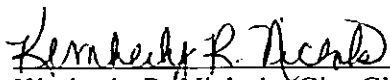
WHEREAS; the homeowners and businesses may experience a major usage of water due to a leak, broken pipes, plumbing malfunctions or other non-beneficial use of water, and not be aware of the problem until the next meter reading.

NOW, THEREFORE, BE IT RESOLVED THAT CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, approves the attached revised policy governing the extension of a partial credit to mitigate the extreme hardship often caused families and businesses by offsetting the full cost of the water consumed but from which they did not receive any benefit.

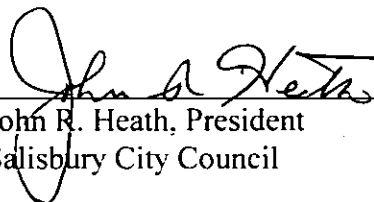
AND, BE IT FURTHER RESOLVED, that this policy will apply to all non-beneficial use of water cases that come to the attention of the Finance Department after the effective date of this resolution.

This resolution was introduced, read and passed at the regular meeting of the Salisbury City Council held on the 10 day of April 2017 and is to become effective immediately upon adoption.

ATTEST:



Kimberly R. Nichols, City Clerk



John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 11 day of APRIL, 2017.



Jacob R. Day, Mayor

INTER

OFFICE

MEMO

Internal Services

To: Julia Glanz, City Administrator
From: Keith Cordrey, Director of Internal Services *KAC*
Subject: Non Beneficial Use Resolution
Date: March 8, 2017

Resolution 1205 approved in 2005 established a policy for providing relief to those who incurred large non-beneficial use of water. Over time we have discovered that the policy approved in 2005 could be clearer so the attached resolution is being forwarded to replace the previous policy with a new one that is clearer. A summary of the updates follows:

- The primary change is to clearly define what is a Beneficial Use. This was critical since we are getting more requests for credits due to lawn irrigation, which is a Beneficial Use.
- Instead of referring to "rate payer" we have changed the language to "account holder" so that the responsible person is who is receiving our invoices. Invoices may be paid by someone other than the account holder (example – rentals).
- Our practice has been that the account holder has to submit evidence that the problem is fixed and then DPW confirms. We added language so that this is a requirement, not just standard practice.
- We are recommending that credits older than 6 months not be allowed. This is also a recurring problem. We recommend this to help provide motivation to address and resolve leaks quickly.
- Refunds vs. bill adjustments are made to clearly outline what is currently done in practice.

Please forward this resolution for Council's consideration.

RESOLUTION NO. 1205

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, APPROVING A NEW CITY POLICY TO GRANT A PARTIAL CREDIT TO WATER RATE PAYERS WHEN THEY HAVE EXPERIENCED AN UNUSUALLY HIGH UTILITY BILL DUE TO A LEAK OR OTHER NON-BENEFICIAL USE OF WATER

WHEREAS, the City of Salisbury, maintains water and sewer utility service in the greater Salisbury area, and

WHEREAS, the City reads water meters on a quarterly basis and,

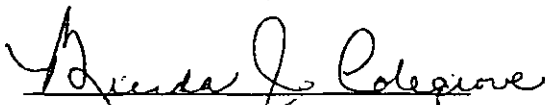
WHEREAS, the homeowners and businesses may experience a major usage of water due to a leak, broken pipes, plumbing malfunctions or other non-beneficial use of water, and not be aware of the problem until the next meter reading,


NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council approves the attached policy governing the extension of a partial credit to mitigate the extreme hardship often caused families and businesses who are now required to pay the full cost of water consumed but from which they did not receive any benefit.

AND, BE IT FURTHER RESOLVED, that this policy will apply to all non-beneficial use of water cases that come to the attention of the Finance Department after the effective date of this resolution.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on 28th day of February, 2005 and is to become effective immediately upon adoption.

ATTEST:


Brenda J. Colegrove
CITY CLERK


Michael P. Dunn
PRESIDENT, City Council


Barrie P. Tilghman
MAYOR, City of Salisbury

Water and Sewer Utility Directive - No. 1

Policy on Non-Beneficial Use of Water

It is the policy of the City of Salisbury to grant a credit to ratepayers who have experienced a major usage of water due to a leak, broken pipes, plumbing malfunction or other non-beneficial use of water. The following conditions must apply before the credit may be granted:

- The leak was such that it would not normally be detected.
- A City employee has determined that the ratepayer was not able to make any use of the water.
- The ratepayer has promptly determined the reason for the problem or has hired a plumber to ascertain the reason for the high consumption of water and the problem is now fixed.
- The amount of the increased consumption is at least three (3) times the average consumption, for accounts with an average of 500 tg (thousand gallons) or less per quarter, or two (2) times the average consumption for accounts with an average consumption of greater than 500 tg.
- This credit may apply to two or more quarterly bills if the problem occurred over that period of time.
- Ratepayers will be eligible for this credit for only one occurrence within a three year period.

The credit will amount to 60% of the increased consumption over the average consumption, or the consumption for the same period for the prior year, whichever is greater. The average may be determined differently if there is insufficient history or estimated readings.

The credit will be applied to both the water and sewer portions of the bill.

All credits to be granted under this policy must be approved by the Director of Finance.

Water and Sewer Utility Directive

Policy on Non-Beneficial Use of Water – Revised September 1, 2016

Per Resolution No. 1205, it is the policy of the City of Salisbury to grant a credit to account holders who have experienced a major usage of water due to a leak, broken pipes, plumbing malfunction or other non-beneficial use of water. The credit will amount to 60% of the increased consumption over the average consumption, or the consumption for the same period for the prior year, whichever is greater. The average may be determined differently if there is insufficient history or estimated readings. The credit will be applied to both the water and sewer portions of the bill. The following conditions must apply before the credit may be granted:

- The leak was such that it would not normally be detected by the account holder.
- A City employee has confirmed that the high bill was due to a non-beneficial use of water. Beneficial Use of water includes, but is not limited to, using water for lawn irrigation, landscaping irrigation, washing vehicles, filling pools or in fountains. Per City Code 13.08.060, outside underground irrigation systems shall not be connected to the city's water supply system, unless there is a variance. Beneficial Use of water is not eligible for a credit under this policy.
- The account holder has promptly determined the reason for the problem or has hired a plumber to ascertain the reason for the high consumption of water and has promptly resolved the problem. The account holder submits evidence that the problem is fixed. The Department of Public Works confirms that the leak has been repaired.
- The amount of the increased consumption is at least three (3) times the average consumption, for accounts with an average of 500 thousand gallons or less per quarter, or two (2) times the average consumption for accounts with an average consumption of greater than 500 thousand gallons.
- This credit may apply to no more than two quarterly bills that exceed three (3) times or two (2) times depending on the criteria of the average consumption if it occurred in if all of the requirements are met during that period of time.
- Account holders will be eligible for this credit for only one occurrence within a three year period. This will reset with a change in property ownership but not with a change in tenant.
- A credit/refund towards the account will only be considered for the past two billing cycles (including current bill) with proper repair verification. In other words, leaks over six (6) months old will not be considered for refunds/credits.
- Any adjustment made other than to the current bill will be left on the account as a credit towards the next bill. Refunds will be issued to whomever paid the invoice. If a refund would be issued within two (2) weeks of a new invoice, then it will be handled as a credit on the account.
- Late fees will not be adjusted for non-payment.

This policy allows flexibility for the Director of Finance to resolve issues. All credits to be granted under this policy must be recommended by the Public Works Department and approved by the Director of Finance.