

Memo

To: Mr. John R. Pick, City Administrator
From: J. H. Cawley
Date: February 23, 2005
Re: Resolution – Non -Beneficial Use of Water

Attached is the Resolution to approve the policy for granting a credit to ratepayers who experience high bills due to leaks or other non-beneficial use of water. This credit has been discussed with City Council at their February 7th work-session.

This new policy will replace the current policy of only granting a sewer credit, and only granting this sewer credit if the water did not enter the sewer system. The only situations typically covered were a leak on the service between the meter at the curb and the building, or a leak underneath a building. No corresponding credit was available for the water consumed. For the predominant reason for the high bills, a running toilet, this credit was not available, since the water did enter the sewer system.

The new policy is much more generous; it addresses all leaks, plumbing malfunctions, and unexplained high water bills. It provides a 60% credit for both the water and sewer portions of the bill. We are recommending this policy to alleviate some of the hardship experienced by our ratepayers when they get an extremely high water and sewer bill. Even with this credit though, the ratepayer is paying for 40% of the lost water and 40% of the high sewer bill.

Unless you, or the Mayor, have further questions, please forward this Resolution to City Council.

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 ____ day of _____, 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.