



Waynesboro City Council Agenda Briefing

Meeting Date:	January 27, 2020	Staff/Council Member(s): D. James Shaw II, Deputy City Manager/Cameron S. McCormick, CPA, Director of Finance/Brian K. McReynolds, PE/ Public Works Director
Agenda Item #	11	
Ordinance#		
Department:	City Manager/Finance/Public Works	
Subject:	Utility Bill Adjustments	

Background: It is common that suppliers of public water and sewer services establish guidelines for customer billing disputes and/or adjustments for excessive water consumption. The Code of Virginia provides guidance in this area stipulating that, "A locality or authority may provide a partial credit for excessive water and sewer charges where high water usage is caused by damaged pipes, leaks, accidents, or other intentional or unintentional causes."

It is the practice of the City of Waynesboro to provide leak adjustments on utility bills where the customer can demonstrate that a leak on the customer side of the water meter has been identified and repaired. The City also has established policies for re-reading and testing water meters. These practices, however, have not been codified.

It is the recommendation of staff that policies for billing disputes and bill adjustments should be codified by the City Council. This would help clarify procedures for billing adjustments and delineate authority for granting such adjustments. It should be noted that many of the provisions of the proposed ordinance mirror current City practices. The proposed ordinance prescribes guidance in key areas to include:

- 1) The ordinance provides a method for applying for an adjustment. A written application to the Public Works Director is required. It should be noted that the duty to make at least partial payment on the existing bill is not suspended and there is a limitation on the billing period for which an adjustment can be applied.
- 2) The ordinance describes qualifying events as leaks that have been identified and repaired or unexplained usage that exceeds the customer's peak monthly usage during the prior 24-month period by 200% and is also greater than 10,000 gallons of water.
- 3) The ordinance makes provision for re-reading and testing meters. Meters will be re-read at the request of customers once during any 12-month period at no charge but a \$35 charge for re-read would be assessed for additional re-reads. A charge for third party meter testing will be levied in the event that the meter is found to be functioning properly.
- 4) The ordinance provides that a credit of up to 75-percent of the excess water and wastewater usage amount.
- 5) The Ordinance outlines administrative authority and procedures for correcting billing errors and defines exceptions to the ordinance.

Recommendation: The draft ordinance is being provided for discussion and future consideration.

Attachments: An Ordinance Relating to the Adjustment of Utility Invoices

ORDINANCE NUMBER 2020-



**AN ORDINANCE ADOPTING A NEW SECTION 1 OF ARTICLE I, CHAPTER 86,
OF THE CITY CODE OF THE CITY OF WAYNESBORO, VIRGINIA,
RELATING TO THE ADJUSTMENT OF UTILITY INVOICES**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
WAYNESBORO, VIRGINIA THAT:**

1. A new Section 1 of Article I, Chapter 86 of the City Code of the City of Waynesboro, Virginia is adopted as follows:

Sec. 86-1. – Adjustments for Excessively High Consumption

(a) *Application for Adjustment.* When an unusually high increase occurs in a customer's water or wastewater bill and such increase resulted from a qualifying event in subsection (b) below, the customer may apply in writing to the Director of Public Works for an adjustment in accordance with this section.

(1) *Duty to Pay Not Suspended.* Neither a complaint nor a pending application for an adjustment, even if an adjustment is later granted in accordance with this section, shall excuse a customer (i) from timely paying a water or wastewater bill or (ii) from the imposition of penalties and interest on any delinquent bill. Notwithstanding the foregoing, in the event that a customer has applied for an adjustment under this section, or intends to so apply, a customer may avoid the imposition of penalties and interest upon an unpaid water or wastewater bill by making timely payment of an estimated amount due as determined by the Director of Public Works.

(2) *Limitation on Adjustments.* Adjustments shall not be for any period of high usage in excess of two billing cycles. No customer shall be allowed more than one adjustment at any one residence within a 12-month period.

(b) *Qualifying Events.* The occurrence of any of the following qualifying events, if established to the satisfaction of the Director of Public Works, shall be a prerequisite for any customer to qualify for an adjustment:

(1) Discovery and repair of a leak, provided that the leak has been repaired and the customer submits (i) the date the leak was discovered, (ii) the date the leak was repaired, (iii) the name, address, and telephone number of the person or company who made the repairs, and (iv) copies of receipts for materials and services documenting the repair.

(2) Usage that both (i) exceeds the customer's peak monthly usage during the prior 24-month period by 200%, and also (ii) is greater than 10,000 gallons.

(c) *Meter Testing and Re-Reading.*

(1) *Testing.* On the request of the customer, the City shall cause the water meter to be tested, and if the meter is found to be inaccurate, exceeding two percent, the meter shall be replaced at the expense of the City. If the meter is found to be accurate within two percent, the customer shall pay seventy-five dollars for this service for meters up to one inch in size. Meters larger than one inch will be charged at the actual cost or seventy-five dollars, whichever is greater.

(2) *Re-Reading.* On the request of the customer, the City will re-read the water meter. For the first such re-read within a 12-month period, there will be no charge. For subsequent

requests, the customer will pay a thirty-five dollar charge unless the meter is found to have been misread or malfunctioning.

- (3) In the event that a meter is found by the City to be inaccurate exceeding two percent, an adjustment shall be made for no more than two billing cycles in such amount as to reduce the usage of the subject bills by the percentage error of the meter, as determined by the Director of Public Works.
- (4) In the event that meter data is unable to be retrieved due to no fault of the customer, an estimated bill shall be issued for such billing cycles using a method deemed reasonable by the Director of Finance.

- (d) *Errors in Reading or Billing.* If at any time the Director of Finance determines that an error has occurred in the reading of a meter or that a clerical or computational error has been made with respect to a bill, the bill shall be adjusted based on the re-reading of the meter or to correct such clerical or computational error.
- (e) *Adjustments for Excess Usage.* After receipt of an application for an adjustment in writing pursuant to this section and approval by the Director of Public Works that a qualifying event has occurred, the Director of Finance shall make an adjustment to the customer's water or wastewater bills, or both, as follows:
 - (1) *Excess Usage.* The difference between the excessively high usage reading(s) and the average of the customer's three most recent bills will be calculated, and this difference will be considered the excess usage. When there is insufficient data available to establish previous consumption history, the customer's adjustment shall be delayed and the excess usage shall be subsequently calculated using 120 percent of the next complete bill cycle.
 - (2) *Partial Credit.* A credit in the amount of 75 percent of the charges for the excess usage shall be applied to the water and wastewater bills for such excess usage if the bills are unpaid or, if the bills have been paid, as a credit to future water and wastewater bills. If the customer's account is no longer active a refund will be issued.
- (f) *Exceptions.*
 - (1) Where in the determination of the Director of Public Works there are abnormal or atypical activities being performed and they are deemed to be conducive to increased water usage, the qualifications for an adjustment shall be forfeited.
 - (2) Where in the determination of the Director of Public Works increased water or wastewater usage is due to the failure of the customer to diligently repair a leak after such leak was discovered, or should have been discovered, the qualifications for an adjustment shall be forfeited.

2. The City Manager is hereby authorized to take all actions reasonably necessary, including executing such documents as are reasonably necessary, to effectuate and carry out the purposes of this Ordinance.

3. This Ordinance shall take effect immediately upon adoption by the City Council.

Introduced: _____, 2019
Adopted: _____, 2019
Effective: _____, 2019

[SEAL]

ATTEST: _____
Clerk, City Council
City of Waynesboro, Virginia

Mayor, City Council
City of Waynesboro, Virginia

