



Board of Aldermen Request for Action

MEETING DATE: 2/7/2023

DEPARTMENT: Finance

AGENDA ITEM: Resolution 1082, A Resolution Approving A Water Leak Adjustment Request

REQUESTED BOARD ACTION:

Motion to approve Resolution 1082, approving a water and wastewater leak adjustment request.

SUMMARY:

Utility customer, Tracy Tebbs (Acct #: 10-000130-00), has a current account balance of \$4,355.54 for 428,400 gallons of water used in the October 2022 billing cycle. The original bill for this usage of 428,400 gallons was \$3,628.75. However, the bill also accrued late charges (10% of the account balance) for the November 2022 billing cycle and December 2022 billing cycle.

On March 2022, utilities staff responded to a work order submitted by the Finance Team to investigate higher than normal water usage experienced by Mr. Tebbs. Unusually high usage started around the March 2022 billing cycle with 7,200 gallons used. On May 18, 2022, utilities staff responded to another work order and noted that Mr. Tebb's leak detector (located on the meter) was spinning. Utilities staff informed Mr. Tebbs about the spinning leak detector at this time.

By the August 2022 billing cycle, usage had peaked to 9,900 gallons. Following the month of the October 2022 billing cycle, Tracy Tebbs had started the cycle with a meter read of 2,351 and finished the October cycle with a meter read of 6,635, which resulted in consumption of 428,400 gallons. This amount was well over twice the monthly average usage for Mr. Tebbs. On October 28, 2022, staff responded again to Mr. Tebbs to check for leaks and the meter read was noted at 6,647 with the leak detector actively spinning. At this time, Mr. Tebbs requested the water to be turned off and utilities staff turned the water off.

Shortly thereafter, Mr. Tebbs completed repairs on the home water service line, with a repair date of November 2, 2022 (as indicated on the ESCO Management LLC repair bill provided by Mr. Tebbs). On that day, after repairs to the service line were completed, utilities staff received a work order to turn the water back on, and the meter read was recorded at 6,650. Since this time, Mr. Tebbs usage has returned to water consumption levels comparable to his previously established monthly average.

In regards to the leak, Mr. Tebbs is working with AT&T to determine if they caused the leak during work in the yard and whether the company is willing to reimburse him for the expenses incurred due to the leak.

Starting in November 2022, staff repeatedly tried to contact Mr. Tebbs regarding the utility bill. On December 19, 2022, Mr. Tebbs, along with relatives, came to City Hall to discuss the utility bill. Staff explained the leak adjustment process to Mr. Tebbs. Mr. Tebbs took the leak adjustment calculation form and the adjustment request form, but let staff know that they would be working with an attorney to review the information. Mr. Tebbs expressed concern that if he signed the leak adjustment, he would be restricted in only receiving the amount provided by the adjustment. Therefore, he indicated interest in speaking at the January 17, 2023, Board meeting to put forth a request to have a larger financial adjustment to the utility bill. Mr. Tebbs' daughter did make that request at the January 17 Board of Aldermen meeting.

During the January 17, 2023 Board of Aldermen meeting, the signed leak adjustment and documentation of the home water service line being repaired were both formally submitted. On the following day (January 18, 2023), Mr. Tebbs paid the current usage charge due for the December 2022 billing cycle (due in January 2023). All shutoffs on this account have been suspended until resolution of this issue, so long as Mr. Tebbs continues to pay current utility charges.

Ordinance 2989-18 outlines the leak adjustment calculation and process. Staff have calculated a leak adjustment for the October 2022 billing cycle.

Per Section 705.110 of the City of Smithville Code of Ordinances, an adjusted bill shall charge the normal water rate on all water volume used up to two (2) times the average monthly water use for the property. The adjusted bill shall also charge the City's wholesale water purchase rate as listed in the Schedule of Fees on all water volumes greater than two (2) times the average monthly water use for this property. The original bill for 428,400 gallons of water (at \$8.33 per 1,000 gallons, the effective rate in October 2022), is \$3,568.57. 10,800 gallons of this bill (which is twice the monthly average) is included in the adjusted bill, which is \$89.96. 417,600 gallons, which is the amount beyond 10,800 gallons, is charged at the wholesale rate (at \$4.98 per 1,000 gallons, the effective rate in October 2022) and comes to a total of \$2,079.65. Therefore, the credit of \$1,398.96 is the difference between \$3,568.57 (the original bill) and \$2,079.65 (the adjusted bill/payment by the customer).

With the credit amount granted through the leak adjustment being \$1,398.96, a Board approved leak adjustment would result in an amount owed (including the two late fees) of \$2,956.58 (\$4,355.54 - \$1,398.96).

The City's utility billing policy manual allows the City to offer a payment plan (contract) to a utility customer who needs cashflow assistance. A payment plan allows a customer to pay a larger balance over the course of time on a set schedule signed off by both the customer and the Finance Director. If Mr. Tebbs wishes to sign a payment contract to pay off this balance, the utility billing policy allows this to occur so a utility customer can adequately make these payments and not be disconnected. Below is a table showcasing



Board of Aldermen Request for Action

some contract payoff scenarios for a balance of \$2,956.58 (following the leak adjustment credit):

Due Date	8 Month	12 Month	16 Month	24 Month
#1 - February 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#2- March 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#3 - April 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#4 - May 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#5 - June 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#6 - July 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#7 - August 16, 2023	\$369.57	\$246.38	\$184.78	\$123.19
#8 - September 16, 2023	\$369.59	\$246.38	\$184.78	\$123.19
#9 - October 16, 2023	-	\$246.38	\$184.78	\$123.19
#10 - November 16, 2023	-	\$246.38	\$184.78	\$123.19
#11 - December 16, 2023	-	\$246.38	\$184.78	\$123.19
#12 - January 16, 2024	-	\$246.40	\$184.78	\$123.19
#13 - February 16, 2024	-	-	\$184.78	\$123.19
#14 - March 16, 2024	-	-	\$184.78	\$123.19
#15 - April 16, 2024	-	-	\$184.78	\$123.19
#16 - May 16, 2024	-	-	\$184.88	\$123.19
#17 - June 16, 2024	-	-	-	\$123.19
#18 - July 16, 2024	-	-	-	\$123.19
#19 - August 16, 2024	-	-	-	\$123.19
#20 - September 16, 2024	-	-	-	\$123.19
#21 - October 16, 2024	-	-	-	\$123.19
#22 - November 16, 2024	-	-	-	\$123.19
#23 - December 16, 2024	-	-	-	\$123.19
#24 - January 16, 2025	-	-	-	\$123.21

Because Mr. Tebbs has requested a further adjustment to his utility bill, staff is seeking Board direction as to the amount of adjustment and direction for the possibility of a payment contract to accomplish such an arrangement.

PREVIOUS ACTION:

The Board has approved previous leak adjustments in this fiscal year when conditions have been met.

POLICY OBJECTIVE:

Click or tap here to enter text.

FINANCIAL CONSIDERATIONS:

Utility rates would be reduced by the adjustment amount.

ATTACHMENTS:

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input checked="" type="checkbox"/> Other: Repair Documentation
Leak Adjustment Agreement | |

RESOLUTION 1182

A RESOLUTION APPROVING A WATER AND WASTEWATER LEAK ADJUSTMENT REQUEST

WHEREAS, the City approved Ordinance No. 2989-18 amending Section 705.110 of the Code of Ordinances on February 6, 2018; and,

WHEREAS, Tracy Tebbs, a residential utility billing customer with utility account 10-000130-00, has notified the City of a water leak and is requesting a leak adjustment; and,

WHEREAS, the conditions set forth in Section 705.110 of the Code of Ordinances as amended have been met; and,

WHEREAS, the adjustment calculation set forth in 705.110 of the Code of Ordinances as amended has been determined to be \$1,398.96.

WHEREAS, due to the significant amount of the outstanding bill, Mr. Tebbs has requested further adjustment.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF
THE CITY OF SMITHVILLE, MISSOURI, AS FOLLOWS:**

A water and wastewater leak adjustment in the amount of \$_____ shall be credited to account 10-000130-00 of residential utility billing customer Tracy Tebbs.

PASSED AND ADOPTED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Smithville, Missouri, the 7th day of February 2023.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk



Water and Wastewater Leak Adjustment Request

Utility Customer Name: Tracy Tebbs

Utility Service Address: 600 NE 180th St. Smithville, MO 64089

Utility Account Number: _____

The residential utility billing customer referenced above has notified City staff of a water leak and is requesting a leak adjustment. City staff has verified the water consumption of the month(s) in question is more than two (2) times the monthly average for this property, no other leak adjustment has occurred in the previous thirty-six (36) month period, covers a single event and repair receipts have been provided.

In accordance with the Leak Adjustment Ordinance No. 705.110, the Board of Alderman may consider a leak adjustment calculated to be ^{late fees} \$1398.96 at the Board of Alderman meeting on ~~01/17/23~~ 11/17/23.

I, Tracy Tebbs, agree to attend the Board of Alderman meeting referenced above, and understand that my failure to be present is cause for the Board of Alderman to deny my request.

Upon resolution by the Board of Alderman, I, Tracy Tebbs, shall make payment in full or make formal payment arrangements with City staff no later than ten days (10) following the Board of Alderman consideration. I understand that failure to do so will result in imposition of late fees and/or disconnection of service.

Tracy Tebbs
Customer's Signature

12/23/2022
Date



Water and Wastewater Leak Adjustment Calculation

Utility Customer Name: **Tracy Tebbs**

Utility Service Address: **600 NE 180th St**

Utility Account Number: **10-000130-00**

Breaking down key figures in Ordinance 2989-18(C), Adjustment Calculations

1. The adjusted bill(s) shall charge the City's normal water rate on all water volume used up to two (2) times the average monthly water use for this property.

City's normal water rate (per 1,000 gallons): **\$8.33**
 Average monthly water usage for this property: **5,400** gallons

2. Adjusted bill(s) shall also charge the City's wholesale water rate on all water volume used greater than two (2) times the average monthly water use for this property.

City's wholesale water rate (per 1,000 gallons): **\$4.98**

3. If the leak is inside the home, the wastewater bill(s) shall not be adjusted because the water volume used will have drained into the sanitary system of the home.
 If the leak is outside the home, the wastewater bill(s) will be adjusted to reflect the average monthly wastewater usage for this property.

City's normal wastewater rate (per 1,000 gallons): **\$6.68**
 Average monthly wastewater usage for this property: **5,400** gallons
 Was the leak inside or outside the home: **outside**
 Was the wastewater billed winter average or actual usage: **winter average**

Calculating the adjustment amount using Ordinance 705.110(C), Adjustment Calculations

MONTH 1	
Original Water Bill Amount	
428,400 gallons @ 8.33 per 1,000 gallons =	\$3,568.57
Adjusted Water Bill Amount	
10,800 gallons @ 8.33 per 1,000 gallons =	\$89.96
+ 417,600 gallons @ 4.98 per 1,000 gallons =	\$2,079.65
	\$2,169.61
Water Discount =	
	\$1,398.96
Original Wastewater Bill Amount	
5,400 gallons @ 6.68 per 1,000 gallons =	36.07
Adjusted Wastewater Bill Amount	
5,400 gallons @ 6.68 per 1,000 gallons =	36.07
Wastewater Discount =	
	0.00

MONTH 2 (if applicable)	
Original Water Bill Amount	
0 gallons @ 8.33 per 1,000 gallons =	0.00
Adjusted Water Bill Amount	
0 gallons @ 8.33 per 1,000 gallons =	0.00
+ 0 gallons @ 4.98 per 1,000 gallons =	0.00
	0.00
Water Discount =	
	0.00
Original Wastewater Bill Amount	
0 gallons @ 6.68 per 1,000 gallons =	0.00
Adjusted Wastewater Bill Amount	
0 gallons @ 6.68 per 1,000 gallons =	0.00
Wastewater Discount =	
	0.00

Total Discount = \$1,398.96

ESCO Management LLC

38977 W 120th St

816-462-2643

Rtempleton15 @Gmail.com

Richmond, MO 64085

Bill To: TracyTebbs

Phone: 816-868-9030

Invoice #: 1

Address:

Invoice Date: 11/2/2022

600 NE 180th St, Smithville, MO 64089

Invoice For: Water Service Line Repair

Item #	Description	Qty	Unit Price	Unit	Price
1	Materials	1	\$ 45.15	Ea	\$ 45.15
2	Labor (Hand Dig)	124	\$ 44.80	Hr	\$ 5,555.20
3	Equipment	4	\$ 95.00	Hr	\$ 380.00
4	Management / O & P	4	\$ 85.00	Hr	\$ 340.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
	Deposit Received	11/1/2022	Check # 9280		\$ -
					\$ -
Invoice Subtotal					\$ 6,320.35
Other					
Deposit					\$ 3,000.00
TOTAL					\$ 3,320.35

Make all checks payable to ESCO Management LLC.
Total due in 30 days. Overdue accounts subject to a service charge of 12% per month.

Total due in 30 days. Overdue accounts subject to a service charge of 12% per month.