



Date: July 7, 2015

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Correction of Water and Sewer Rate Fee Schedule for FY 2015 - 2016

Executive Summary

The City ordinance section 70-54 prescribes a method for billing customers connected to the sewer without a water meter. The fee schedule establishes assumptions of consumption rates based on the number of persons in the households. Section 15-104(b)(3) of the Fee Schedule establishes that households with two members may pay a fixed consumption fee based on 500 cubic feet. The amount in the approved FY 2016 fee schedule has a typographical error as multiplying the \$3.99 rate per 5 CCF results in \$19.95, not the \$19.55 appearing in the text.

Recommendation

The administration recommends the fee schedule be corrected effective upon passage.

Background

The City ordinance section 70-54 prescribes a method for billing customers connected to the sewer without a water meter. The fee schedule establishes assumptions of consumption rates based on the number of persons in the households. The rate is determined by multiplying the adopted sewer consumption rate by the number of cubic feet assumed for that household. In this instance, there was a typographical error in the amount calculated using the adopted rate and consumption assumptions which therefore should be corrected for clarity of the correct amount to be billed.

Issues and Analysis

This is correction of a typographical error to eliminate any confusion about the proper rate a customer should be charged. Sewer-only customers are billed late in the month, so the correction will not impact any amounts previously billed.

Alternatives

Alternative 1: Do not correct typographical error. This could cause confusion for customers as they might question either why they were not charged the rate as typed or the rate as calculated. Also, as outside city rates are double inside rates, half of the \$39.90 rate is \$19.95, not \$19.55 so customers outside the city could question their rates.

Financial Impact

There would be no direct financial impact on the City provided rates are charged based on the calculation formula in the fee schedule. However, there could be additional demand on staff resources to respond to customer inquiries.

SDBE Summary

The Ordinance to Promote Equal Opportunity in City Contracting is not applicable to this item.

Attachments

Ordinance to Correct Fee Schedule for Water and Sewer Service