



CITY OF SAINT PAUL
OFFICE OF THE CITY COUNCIL
310 CITY HALL
15 WEST KELLOGG BOULEVARD
SAINT PAUL, MN 55102-1615
Marcia Moermond, Legislative Hearing Officer
EMAIL: legislativehearings@ci.stpaul.mn.us
PHONE: (651) 266-8585 FAX: (651) 266-8574

February 10, 2020

Kurt and Samantha Chenier
3475 Deephaven Avenue
Wayzata MN 55391-3012

Re: Water Appeal for Property at 118 George Street West

Dear Kurt & Samantha Chenier:

At the Legislative Hearing on December 10, 2019, you appealed the bill for water consumed at 118 George Street West between July 2016 and September 2019. During this time period there was no water service to the property recorded by the meter. Investigation of this lack of water use revealed that the meter was not functioning. When this problem was identified, an estimated bill was developed. The bill and payment schedule dated October 28, 2019 shows amount due for this time period is \$4,161.05. You indicated the basis for your appeal was the fact that for over 3 years you were not contacted to correct the problem. I will address the following issues in turn:

- Legal basis for billing
- Estimated water use
- Billing and payment schedule
- Communications with Saint Paul Regional Water Services

Legal basis for billing

If Saint Paul Regional Water Services (SPRWS) is unable to obtain a meter reading for billing purposes, Chapter 85 of the Saint Paul Legislative Code has the following provisions:

Sec. 85.05. - Failure to read meter.

If for any reason a meter is not read during the designated billing period, an estimated bill for the water charge may be made, and corrections or adjustments in the estimated bill shall be made at the time of the next regular meter reading.

Sec. 85.07. - Flat rates.

Rates for water delivered for domestic purposes without being measured by a meter shall be based on the water rates in effect at the time the water billing is made. The water charge shall be computed on an estimate by the water utility of the quantity of water used based on operational information and the size of the service connection.

Estimated water use

In cases where a bill needs to be estimated because there is no meter reading, there are two basic methods which can be used.



1. Estimate a quarterly bill based on past use – where these are the calculations:
 - a. In your case, there was only a 30-day reading on the meter at the time the bill was calculated – as the non-functioning meter replaced September 24, 2019. At the Legislative Hearing, Derek Olson, Senior Customer Service Representative at SPRWS indicated he thought this may be fair to you because it was such a short period of time. The meter reading from August 6, 2019, the day the meter was first viewed to September 6, 2019 showed 62 units of water having been used. This translates to a quarterly bill of over 180 units, which Mr. Olson thought was likely not representative of usage and shouldn't be the basis for estimating.
 - b. The other way to estimate the quarterly bills in your case was to use refer to the first 2 full quarter readings after you purchased the property. They showed one quarter with 34 units of water consumed and the other with 50 units. **He took the average, 42 units, as the basis of the bill.**
2. The other method which could be used to calculate use is to look at the occupants of the property. Mr. Olson reported adults use an average of 9 units per adult per quarter and children under age 12 use 5 units in that time. Your property is a duplex with multiple adults and children. A quarterly use estimate for 5 adults and 1 child living at the property would be 46 units. *This confirms the above methodology is reasonable and calculates use in your favor.*

In summary, SPRWS estimates there was a total of 549 units of water used from July 2016 to September 2019.

Billing rates and payment schedule

The rates at which these units were billed is as follows:

	Summer Water	Winter Water	Sewer*
2016	\$2.62	\$2.52	\$3.90
2017	\$2.74	\$2.64	\$4.04
2018	\$2.87	\$2.77	\$4.18
2019	\$2.96	\$2.86	\$4.33

* Sewer rates for 2016 charged for first 21 units. In subsequent years, sewer charges were for 42 units.

The total cost of water provision was calculated to be \$4,161.05. The payment plan for this amount provides the following schedule with 0% interest accruing over the life of the repayment:

*Payments starting 10/31/19 of \$100.00 keeping current bills paid in full ending 12/15/2023.
Payments will increase to \$125.00 on 3/15/2023 with a final payment of \$142.18 12/15/2023.*

Communications with Saint Paul Regional Water Services

The crux of your argument of why your bill should be reduced or eliminated is that you think you did not receive notice from SPRWS of the meter reading zero consumption and; therefore, should not be held responsible for the use. SPRWS produced 4 letters and notes of several phone calls to you about there being no water usage recorded by the meter. They were a part of the legislative hearing packet sent to you by Mai Vang of my staff in a letter dated December 2, 2019. These communications are as follows:

1. October 10, 2016 – Letter indicating there is little or no water being used per the meter reading and requesting you call to let SPRWS know if the “no use” reading is accurate, or if a meter repair is needed.

2. October 24, 2016 – Follow-up letter requesting response October 10, 2016 Letter on SPRWS need to look into why there was no water use.
3. October 27, 2016 – SPRWS records indicate they received a call from the customer indicating the property was vacant. *I note that you said in the hearing you do not recall making this phone call and also that the property was not vacant at the time, although one of the units may have been turning over.*
4. April 6, 2018 – SPRWS have a note in the file indicating they called Samantha (612-850-0206) who said the building was not occupied and the water was shut off at the valve. *I note that you said in the hearing you do not recall making this phone call.*
5. July 12, 2019 – Letter indicating there is little or no water being used per the meter reading and requesting you call to let SPRWS know if the “no use” reading is accurate, or if a meter repair is needed.
6. July 26, 2019 – Follow-up letter requesting response July 12, 2019 letter on SPRWS need to look into why there was no water use.
7. September 10, 2019 – Letter indicating water use for the property will be estimated and a bill developed.
8. September 10, 2019 – Letter providing estimated water usage information.

In spite of you having no recollection of the calls with SPRWS on this matter, it is plain that there was written outreach to you on SPRWS concern for the lack of water being metered at the property.

Recommendation to SPRWS Board

In reviewing your written appeal, testimony, SPRWS records and the relevant codes, I have come to these conclusions on the water bill –

- There is a legal obligation on your part to pay for water services, even if estimates need to be used to develop the bill;
- The bill was estimated in a fair manner;
- The payment plan used the rates in effect over the relevant time period, provides for payments over time, and the balance does not accrue interest;
- There was more than reasonable outreach to you to discuss the matter during the time period of no water service being recorded.

For these reasons, I am recommending the SPRWS Board deny your appeal. Should you wish to appeal this matter further, it will be scheduled for consideration by the SPRWS Board of Commissioners on **March 10, 2020, 2019 at 5:00 p.m. in Room 330 City Hall**. Please contact Mai Vang at 651-266-8563 or mai.vang@ci.stpaul.mn.us if you plan on attending this meeting.

Sincerely,

Marcia Moermond

Marcia Moermond

Legislative Hearing Officer

c: Steve Schneider, SPRWS General Manager
Dolly Ludden, SPRWS Business Manager
Derek Olson, Senior Customer Service Representative
Patrick Shea, SPRWS