

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	October 17, 2022
Action Required:	Approval of Resolution
Presenter:	Chris Cullinan, Director of Finance
Staff Contacts:	Chris Cullinan, Director of Finance Lauren Hildebrand, Director of Utilities
Title:	Approving Compromise of Claim: Wastewater Leak Credit \$31,516.31 for 525 Ridge Street - Management Services Corporation (1 reading)

Background

The multi-family property at 525 Ridge Street (owned by Management Services Corporation) experienced a leak in its main water line in July and August. The leak resulted in usage approximately 30x their normal consumption. Due to the location of the break, the water returned to the storm sewer and not the sanitary sewer. Per the City's leak credit procedures, MSC has requested a credit to their wastewater account for this location.

Discussion

Utility billing staff have calculated the wastewater credit to be \$31,516.31. Utilities staff has also investigated this leak and concur with UBO's analysis. Per the City's Leak Credit Policy, the credit waives 100% of the wastewater charges, as the water did not enter the sanitary sewer (note: MSC is paying the full water charges).

The amount of the credit is greater than \$10,000, thus City Code Section 11-132 (4) requires City Council authorization.

Alignment with City Council's Vision and Strategic Plan

The City's Leak Credit Policy aligns with "3.4 *Be responsible stewards of natural resources*" by encouraging residents and businesses to minimize water loss by making timely leak repairs and "5.1 *Integrate effective business practices and strong fiscal policies*" as such a policy is considered a best practice for utilities.

Community Engagement

None.

Budgetary Impact

The fiscal impact of the compromise of claim is \$31,516.31 reduction in revenues to the Wastewater Funds. However, since the water entered neither the City's nor Rivanna Water and Sewer Authority (RWSA) wastewater systems, no wastewater expenses were incurred. Thus, the credit is budget neutral to the Wastewater Fund.

Recommendation

Staff recommends approval for the compromise of the claim and granting of the leak credit.

Suggested Motion: "I move the RESOLUTION approving the compromise of claim in the form of a leak credit of \$31,516.31 for wastewater charges to the utility account of 525 Ridge Street – Management Services Corporation."

Alternatives

City Council could deny the compromise of claim and therefore the leak credit would not be granted.

Attachments

1. 10.17.22 Resolution Wastewater Credit for 525 Ridge Street MSC