

## Freeze Ups:

As of March 1<sup>st</sup>, there are 68 current water service freeze ups. Information distributed to council members indicates 5 crews (3 welders, 1 excavating, and 1 jet deicer) are working and have been working through the weekend. The lack of insulating snow cover (like was experienced last year) has resulted in colder temperatures at the 3 – 6 foot depth than last year, even though the temperatures this year have not been as severe (actually colder but not for the extended period of time as last year). Crews have been out 12 of the past 14 days and will continue this trend.

Another concern is the amount of water processed at the Waste Treatment facility – currently 1.5 million gallons per day (mpd). The plant is officially rated for 1.3 mpd. If water exceeds 1.6 mpd, a sewer system overrun could occur. The Waste Water Treatment Plant is not intended to accommodate an extended run water notice. By-the-way, only 30% of households actually ran water last year through the city wide run water notice period, assuming responsibility for line freeze ups if they did occur and making the water mains more prone to freeze ups with reduced water flow.

As early as the January 6<sup>th</sup> City Council meeting I've inquired about a city wide run water notice (notice for freeze prone households issued at that date) and have continued to advance the issue through the City Manager and Public Works Director since that date. We've personally been running water since mid-January as our older home has plumbing on the outside walls and is heated with hot water, no water also means "no heat" for our home, so we're willing to bear the expense rather than the inconvenience and potential issues with water damage, plus I'm sure it will cost less than several days in a motel waiting for water lines to be thawed. As late as February 25<sup>th</sup> the Public Works Director completed an interview with the Manistee News Advocate explaining why a city wide run water notice was unnecessary – and within 24 hours the number of frozen lines prompted the notice to be issued. I've shared my disappointment with the City Manager on the issue impacting so many households and the delay of issuing a run water notice that could have prevented a lot of freeze ups.

## Water Meter Discrepancies:

A situation has come to light on 2" water line meters being incorrectly billed for water use (and sewer in some instances). The meters on these lines are larger than the ¾" line meters typically serving individual households and have 5 digits instead of 4 digits on the household meters. The 5<sup>th</sup> digit was not being read on some meters, resulting in billing for only 10% of the use on these meters. The meter for Manistee High School irrigation of playing fields was the first identified and had been in service for more than 6 years. A second meter for Harbor Village used for irrigation was also found to have the same incorrect billing, then a 3<sup>rd</sup> meter at the Laundry/Car Wash on 1<sup>st</sup> Street (behind the Manistee Visitor Center). These three meters have been corrected and additional instances are being identified (there are 93 of these meters in the city) and resolved. The exact nature of the problem has not been identified as the meters are electronically read and fed into a billing program. The electronic reads allow meters to read in one day, where in the past it took 14 days to complete this process with manual meter reads.

The Capital Improvement Plan has identified a three year period of replacing all meters in the city, as meter function deteriorates over a period of time. This is especially true of meters where well water is used (minerals from the well water and chemicals used to treat the water for consumption). There has been lost revenue, but the vast majority of the incorrectly billed users were unaware (no bypasses or

significant changes in billing or usage) of the error. I'm sure you can appreciate users suddenly receiving billing for 10 times more than they were receiving (from \$140.00 to \$1,400 a month for example).

There are several opinions on how this should be addressed. I certainly believe the users should pay the correct use charges going forward (if they were unaware or did bypass the meter) knowing this will impact business profitability (and result in some irrigation reductions). I'm not in favor of imposing "back charges" for a situation where the city was in error for billing the incorrect amount. The extent of the issue and total estimate of lost revenue has not yet been determined – but I'll post the numbers when they are available. Another Utility Committee member suggested billing for 30% of the lost revenue for a 12 month period prior to the identified billing error, which would result in a "back charge" of \$3,600 based a \$1,000 a month lost revenue example. I personally would not want to be charged for a billing error – and can well imagine the financial impact of those who thought they were paying the correct amount each month for service. I'm sure some residents will disagree with me on this position, as did a fellow Council member who advanced the 30%/12 month proposal.

I inquired as to if we (the city) knew how much water was provided each billing period (pumped and treated) and was told that data is available. I don't understand how we could have that number, and when compared to the amount billed, not notice a discrepancy. It would seem to me some sort of audit would be periodically conducted to identify disparities in production versus billing for service.