

Ordinance snafu forces utility bill refunds

Written by STEVE OSTERMANN
Wednesday, 17 October 2012 16:46

Board's failure to rescind law means 3,000 village residents will receive sewer credits totaling \$150,000

Thousands of Grafton residents will be reimbursed for the loss of summer sewer credits on their utility bills because the Village Board failed to rescind an ordinance, officials said this week.

Village Administrator Darrell Hofland told the board on Monday that the reimbursement — which is expected to cost the village more than \$150,000 — is needed because of an oversight last fall.

In November, the board agreed to eliminate the summer sewer credit, also known as a sprinkling credit, that had traditionally been given to residents on their second and third-quarter water bills.

That decision was made to conserve water during summer months, generate more revenue for the water and wastewater utility and avoid a rate increase, Village President Jim Brunnquell said.

The change went into effect this year. Although dropping the credit was expected to save the utility about \$75,000 annually, that amount doubled because summer drought conditions prompted many residents to use more water than usual, Hofland said.

He said that the village staff discovered Monday that the board failed to remove an ordinance providing the summer credit.

"In order to change the policy, the ordinance had to be considered and acted on by the Village Board," Hofland said. "As a result of this not being done, the village will notify all affected customers and recalculate their bills."

In allowing the summer sewer credit, the utility did not charge residents more than they paid on the winter sewer bills. Hofland said all customers were sent notices that the credit would be eliminated, and the change was also publicized in local newspapers and other media.

Hofland said about 3,000 of the village's 4,500 residential customers were affected by eliminating the summer sewer credit and received third-quarter bills that averaged \$150.

About 10 customers received bills of more than \$1,000, he added.

"Some residents continued to water their lawns throughout the summer despite the change. A few residents experienced significantly higher bills," Hofland said.

In response, the village "received many calls from residents complaining about their bills," he added.

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Reimbursing customers will create considerable paperwork for village staff. Hofland said Tuesday that within a week, the village will recalculate all bills and send corrected statements to residents. The deadline for third-quarter payments will be extended to Oct. 31.

Residents are being asked to not pay their bills until they receive a corrected version.

In concurring with Hofland's recommendation to reimburse customers, the board on Monday decided that residents who have already paid their bills and are due a refund of more than \$100 will be sent a check. For lesser refunds, residents will receive credit on their next utility bill.

Hofland said about 1,100, or 25%, of all customers have already paid.

"The village staff will put in whatever time is needed to rectify the situation," he said.

The summer sewer credit was referred to the Public Works Board for discussion at its Nov. 12 meeting. Pending a recommendation from that committee, the

Village Board could consider removing the credit on Nov. 19.

If trustees approve the ordinance change, it would go into effect with the next full quarter, Hofland said. How the utility will offset the loss of \$150,000 in revenue will also to be determined, he added.

Trustee Jim Grant told the board his third-quarter utility bill nearly doubled and he also mistakenly received a letter stating his payment was delinquent even though he paid on time.

"This is offensive. It's sloppy paperwork," Grant said.

Village Public Works Director Dave Murphy said more than 400 letters were sent out for delinquent payments, and about 20 were in error. He said the utility is working to correct the problem as quickly as possible.