



City of Seattle City Light Department

DEPARTMENT POLICY & PROCEDURE

Subject	Number <u>DPP 500 P III-410</u>
RESIDENTIAL WATER HEATER DIVESTITURE	Effective 3/1/79 Supersedes N/A

Approved	Department City Light	Page 1 of 4
-----------------	--	--------------------

1.0 **PURPOSE**

To establish guidelines for the divestiture of leased/rented, residential water heaters including notifying owners, recording the completed transactions, purging accounts from the permanent records and removing tank values from the capital asset accounts.

2.0 **ORGANIZATION AFFECTED**

- 2.1 City Light Department
 - 2.1.1 Customer Service Division
 - 2.1.2 Finance Division

3.0 **REFERENCES**

- 3.1 City Council Resolution No. 25410 of January 3, 1977.
- 3.2 Memo, Gordon Vickery to Tomi H. Terao, City Purchasing Agent, Dated May 9, 1977; Re: Disposal of City-Owned Electric Water Heaters Installed in Individual Properties on Rental Basis.
- 3.3 Letter, dated May 31, 1977, Gordon Vickery to Tomi H. Terao,

City Purchasing Agent, Re: Divestiture Policy for Electric Water Heaters.

4.0 POLICY

4.1 City Light will terminate all residential water rentals to coincide with the expiration of the 10 year warranty on the equipment involved.

5.0 DEFINITIONS

5.1 City Light – City of Seattle City Light Department.

5.2 Leased Residential Water Heater – Those water heaters leased for the initial year and rented monthly thereafter to owners of private residences and individual living units.

5.3 Owner - The owner of the residence containing the leased water heater.

5.4 Tenth Anniversary – The date which represents the end of the 10th year after installation of a leased water heater and the termination of manufacturer’s warranty coverage.

5.5 Lease Termination - The discontinuance of lease/rental contract in which City Light’s responsibility to maintain leased water heaters is discussed.

5.6 Divestiture - The relinquishing of ownership and interest in leased water heaters.

5.7 Termination Date - The date ownership of the water heater is relinquished to the owner.

6.0 RESPONSIBILITIES

6.1 Project – Accounting Unit, Finance Division, shall:

6.1.1 Prepare the initial list of water heaters to be divested.

6.1.2 Remove divested water heaters values from capital asset account.

- 6.2 Appliance Service Section, Customer Service Division, shall:
 - 6.2.1 Maintain file of divested water heater repair records.
 - 6.2.2 Remove terminated agreement from active file.
 - 6.2.3 Place a warranty sticker on each divested water heater.
- 6.3 Customer Assistance Section, Customer Service Division shall:
 - 6.3.1 Process records and notify owner of divestiture.
 - 6.3.2 Maintain terminated lease records.
 - 6.3.3 Remove water heater rental charges from metered account or terminate water heater account.
 - 6.3.4 Review this procedure in August of each year.

7.0 PROCEDURES

- 7.1 Lists of leased water heaters will be prepared sixty (60) days prior to the tenth anniversary of installation.
- 7.2 A letter will be sent to all owners thirty (30) days prior to the termination date explaining the transfer of ownership and attendant responsibilities.
- 7.3 Effective as of the divestiture date.
 - 7.3.1 The rental account shall be removed from the CIS system.
 - 7.3.2 The water heater shall be removed from the capital asset account.

8.0 APPENDIX

- 8.1 General Distribution.
- 8.2 Sample Forms:

8.2.1 Lease Termination Letter.

8.3 Memo, Vickery to Terao of May 9, 1977.

8.4 Letter, Vickery to Terao of May 31, 1977.

paid at the rate