

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Mandy Cartrette, Finance Officer

SUBJECT: Leak Adjustment Policies

DATE: February 11, 2013

Per a request from the Board, I have researched other municipalities' water and sewer adjustment policies when a water user has a leak. Attached, please find the water and sewer adjustment policies for other authorities and municipalities in the state, including the Orange Water and Sewer Authority, the South Granville Water and Sewer Authority, the Town of Apex, the City of Archdale, and the Town of Siler City.

The Town of Pittsboro's policy is to provide an adjustment for a portion of the sewer when there is a water leak. To figure this adjustment, the customer's average sewer bill over the past twelve months is calculated and the amount of the average bill is deducted from the high bill. This difference is then multiplied by ten percent and added to the customer's average bill. The number that is calculated is deducted from the sewer charges on the high bill. For an adjustment to be made, a customer must bring in a copy of a repair bill showing that a water leak was fixed. Adjustments are not made for water leaks involving toilets because the water that leaks in a toilet eventually goes back into the sewer system and the Town has to pay to treat that water. In addition, if a customer only is connected to Town water and is not connected to Town sewer, no adjustments are made to the bill. However, we do work with customers that have very high bills to set up payment arrangements, and we do waive late fees during the period of re-payment.

If the Board has questions about the Town of Pittsboro's policy, please let me know and I will be happy to answer them. Otherwise, the information on leak adjustment policies has been provided for your information. If further action is needed, please provide direction to Mr. Gruesbeck and me.



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Adjustments to Your Account after a Leak Has Been Repaired

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Subject to certain limits and conditions, OWASA can issue a credit adjustment to the water and/or sewer account of a customer who has experienced the loss of metered water beyond the customer's normal and reasonable control.

The customer is responsible for promptly discovering and making any necessary repairs to stop the loss of water. Although there is no obligation for OWASA to adjust accounts when the water has been metered properly, we want to encourage customers to make prompt and permanent repairs. We also want to give consideration for the unusual circumstances and repair expenses by adjusting the customer's billing charges.

To request an account adjustment after you have fixed the leak, please read the information below and contact us if you have any questions.

To make an adjustment, we will need information:

When the leak was discovered;

Who made repairs, where and when; and

A copy of the plumber's bill, or receipts for materials purchased if you made the repairs.

The amount of the bill adjustment depends in part on whether the water from the leak returned to the sanitary sewer system or leaked elsewhere on your property.

For situations where the lost water did not return to the sewer system, the adjustments are:

For non-irrigation water service, we may adjust charges for water use over the customer's previous 12 months' average billings for water, excluding the month(s) of excessive consumption for which the adjustment is requested, down to our lowest retail rate (\$2.63 per 1,000 gallons as of October, 2011). For customers who pay seasonal water rates (such as commercial customers), the adjustment will be based on a comparison to the corresponding month(s) from the immediately preceding year. **(Please see additional information below about potential adjustments when an irrigation system leak is fixed.)**

For sewer service, we may adjust the customer's account by 100% of the amount exceeding the previous 12 months' average monthly bill, excluding the month(s) of excessive water use for which an adjustment is requested.

Situations where lost water does not return to the sewer system may include:

Irrigation leaks,

Leaks that occur underground or in walls,

Leaks in outdoor spigots, and

Faulty water heaters or pressure reducing valves where such appliances and devices are not easily accessible or visible.

For situations where the lost water returned to the sewer system, the adjustments are:

For non-irrigation water service, we may adjust charges for water use over the customer's previous 12 months' average billings for water, excluding the month(s) of excessive consumption for which the adjustment is requested, down to our lowest retail rate (\$2.63 per 1,000 gallons as of October 1, 2011).



ADMINISTRATIVE PROCEDURE

South Granville Water and Sewer Authority

Procedure Title: <i>Customer Adjustment for Water Leak</i>	Effective Date: Feb 2009 Version: 2 <input type="checkbox"/> Original Version (water rules) <input checked="" type="checkbox"/> Replaces Version 1	Issued by : R.Balmer Approved by: L.Mize
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PURPOSE

The purpose of this policy is to provide a credit adjustment of the water and/or sewer account of a customer who has experienced an emergency situation involving the loss of metered water.

SCOPE

1. The excess water metered will have occurred as a result of conditions beyond normal and reasonable control of the customer or other parties responsible for the use, care, and maintenance of fixtures and devices that are a part of the customer's water service system.
2. It is the customer's responsibility to promptly discover and stop the loss of water. In addition, the customer is responsible for making arrangements to repair or have repaired the fixture or device causing the water loss.
3. Although there is no obligation for SGWASA to adjust accounts when the water has been metered properly, it is SGWASA's desire to encourage customers to make prompt and permanent repairs and to show consideration for the unusual circumstances by sharing the cost of the excessive billing charges.
4. The customer must provide information describing the emergency situation or circumstances that resulted in the loss of water. Emails and phone calls are an acceptable form of notification. This should include the cause of the water loss, when the problem was discovered, what action was taken to stop the loss of water, and the arrangements made for repairs.
5. If a repair is completed, the customer must provide a copy of the plumber's bill or a statement of materials purchased if the repair was performed by the customer. In the case that no materials were required, a statement by the customer in writing is acceptable stating what they did to make the repair as long as this statement appears reasonable.

PROCEDURE

1. Upon receipt of the customer's verbal or written statement describing the water loss and copies of invoices or receipts documenting repair, the SGWASA Billing Clerk will evaluate the circumstances surrounding the water loss.
2. The Billing Clerk, upon determination that an adjustment is appropriate under the policy, will calculate the adjustment under the following guidelines.
 - a. The adjustment shall be 100% of the amount in excess of the previous twelve (12) months average billings for wastewater, excluding the month(s) of excessive consumption for which the adjustment is requested, for the following conditions or similar situations where the water has not returned to the sewer system:
 - Leaks underground not associated with irrigation systems, or in walls
 - Frozen and burst pipes not associated with irrigation systems
 - Outdoor spigot and hose leaks
 - Faulty water heaters or pressure reducing valves where such appliances and devices are not easily accessible or visible
 - Vandalism to plumbing that is documented with a police report
 - b. No adjustment shall be made for the following:
 - Any portion or component of an irrigation system
 - Losses that occurred within one (1) year of construction
 - Unoccupied dwellings listed as "vacant" in SGWASA's billing system
 - c. If a twelve-month average is not available (new customer), the average will be based on the maximum number of months available for analysis. If the event that no previous months are available for average, 2000 gallons of usage per person in the household, or the rate of consumption after repairs, whichever is greater is allowed at the discretion of the Billing Clerk, Finance Officer, and/or Executive Director.
3. No adjustment shall be made for an amount that exceeds \$3000.00, or a period in excess of three (3) billing periods. Adjustments shall be limited to \$1000 for single-family individually metered residential locations. The billing period adjustment shall be limited to one (1) month in cases of adjustments for malfunctioning toilets, indoor faucets and other visible, easily accessible fixtures. With the exception of the annual sewer adjustment for pool filling, not more than one (1) such adjustment for any given twelve (12) month period per location.
4. No adjustment shall be made when the request for the adjustment is received more than ninety (90) days after the billing date of the bill to be adjusted in the case of an active customer, or thirty (30) days after the billing date of a final bill. Exceptions will only be made if there is proof for extraordinary mitigating circumstances.
5. Adjustments will not normally be allowed for water loss arising from carelessness, negligence or lack of due diligence on the part of the customer, as it is the customer's responsibility to promptly discover and stop the loss of water.

6. All emergency water loss calculations shall be documented by Billing personnel, and shall include a complete and adequate description of the problem and justification for the adjustment.
7. All proposed adjustments will be reviewed and approved or denied by the Finance Officer before a credit adjustment is made to the customer's account.
8. Once the adjustment has been made to the customer's account, the Billing Clerk or a SGWASA Representative will notify the customer in writing or by telephone that the adjustment has been made.

IMPLEMENTATION

The Executive Director, or his or her designee, shall be responsible for implementation and interpretation of this policy, and is authorized to exercise on behalf of SGWASA the discretionary determination as to the applicability of this policy in the various circumstances involving abnormal water usage or loss.

Town of Apex

Leaks And Water Line Breaks - Sewer Adjustment

1. When a water leak exists and the leak is such that the water from the leak does not go into our sewer system, that amount of sewer charges above normal sewer use may be released by Town Manager or his designate. Release of such charges is for significant leaks only. Fifty percent (50%) increase or more over normal use is considered a significant leak. No more than two months' bills may be adjusted per occurrence.
2. Normal Use to be determined by average monthly sewer use based on past twelve (12) months sewer usage. If twelve (12) month sewer use data is not available, fewer months' data may be used.
3. All water leaks or use of excess water that go into our sewer system and is in turn treated at our Wastewater Treatment Plant will be charged the cost of treatment plus 20 cents (\$.20) per 1,000 gallons of water.
4. Sewer charges may be released from those accounts where excess water is used that does not go into our sewer system (swimming pools and irrigation meters).

Town of Apex

Guidelines For Water Charge Releases

1. Release of charges for water from utility bills is for significant water leaks only.
Fifty percent (50%) increase or more over normal use is considered a basis for significant leak. No more than two months' bills may be adjusted per occurrence.
2. Release only the amount of charges for water that exceed the Town of Apex's cost of water plus 20 cents (\$.20) per 1,000 gallons of water.
3. Charges to be released will be released from that amount that are charges above normal use by the customer.
4. Normal use to be determined by average monthly water use based on the past twelve (12) months' water usage. If twelve (12) months' water use data is not available, fewer months' data may be used.
5. The Town Manager or his designate will consider all water charge release requests to determine amount to be released and approve all water charge releases.

City of Archdale
Utility Customer Service Policies and Procedures
Updated June 2011

11) Adjustments for Leaks or Plumbing Problems

- a) A customer's bill may be adjusted for unusually high water usage within 60 days from date billed if the customer can provide a plumber's invoice, receipt for repair parts, or other proof that a repair has been made. The adjustment will cover one month's bill. The customer will pay for all water as read from the meters and pay for sewer based on their average sewer bill over the previous six months. Upon written request, a payment schedule may be available for an unusually high water bill. Certain restrictions apply to leak adjustments. Leak adjustments are not provided for leaking faucets, toilets, air-conditioning cooling towers, ice-makers and faucets left on for an extended time. The items mentioned here are examples and do not represent a complete list of problems ineligible for a leak adjustment.
- b) The City does not reimburse customers for any plumbing bills, property damage, or related expenses associated with a water leak or a sewer problem.
- c) In an extreme case where a major undetected leak occurs, the customer may take the information to the City Council and request relief. If City personnel notice such a leak or other problem, they may notify the customer and disconnect service until a repair can be made. The customer is responsible for all leaks and problems at their residence and failure of City meter readers to notice a problem does not relieve the customer from this responsibility.

12) Filling of Swimming Pools

A customer may avoid paying sewer charges on water used to fill a swimming pool one time each calendar year. The customer must notify our Customer Service Department and provide the City with a meter reading prior to filling the pool and again after filling the pool. Failure to make notification of the meter reading prior to filling the pool will disqualify the customer from receiving this adjustment.

13) Payment Options

- a) By Mail. Please enclose the bottom portion of the bill with your check or money order making sure the address shows in the envelope provided. The address is City of Archdale, PO Box 14068, Archdale, NC 27263.
- b) At the Customer Service Department located at City Hall. City Hall is located at 307 Balfour Drive.
- c) At drive up utility drop box located in the island at rear of building, please include account number or bottom portion of bill.

City of Archdale
Utility Customer Service Policies and Procedures
Updated June 2011

15) Returned Checks

- a. When a customer's check or automatic bank draft is returned by the bank on which it is drawn because the bank will not honor it, for any reason, the customer will be notified that the request for payment was not honored and service will be terminated on a specified date unless the payment is made good. A service charge for the returned check or automatic bank draft will apply, in addition to any other charges and fees.
- b. A returned check will not be considered as payment on an account until it has been settled. The late fee will be applied to all accounts not considered to be paid on the due date, regardless of when the original check was received by the City.
- c. The City reserves the right to require a customer to pay utility bills in cash, money order or cashier's check when a customer has had three items returned for nonpayment within the previous twelve months.

16) Payment Extension

A customer with extenuating circumstances may request additional time to pay a utility bill. The customer needs to call the Customer Service Department prior to the due date printed on the statement. The customer should explain the situation and make a statement as to when the bill is expected to be paid. The late fee will still apply to the account. However, notification received prior to the due date may avoid the discontinuation of services for nonpayment and avoid the nonpayment fee. If the customer fails to pay the account as promised, the service will be discontinued at that time and the nonpayment fee will apply. In no case may the extension of the time to pay extend beyond the next scheduled date for service disconnection due to nonpayment, this will disqualify customer for future extensions.

17) Special Needs

Please notify a Customer Service Representative if you are a customer with special physical needs or health conditions that you believe may be important for us to know. A customer may request that a third party be notified prior to involuntarily discontinuation of service. This voluntary program is helpful for those who are ill or elderly and live alone. The third party should be a friend, relative or community organization that will get in touch with the customer and help solve the problem. The customer, not the third party, remains responsible for the bill.

Non-English speaking customers should try to engage the help of an English speaking friend to communicate their service needs. We do have phone numbers of Spanish

Town of Siler City

WATER AND SEWER CHARGE ADJUSTMENT POLICY

The Town of Siler City will consider adjustments to water and sewer charges under the following conditions and circumstances:

Water Charges

1. Adjustments to abnormally large water charges may be made as a result of a leak and when such a leak is the responsibility of the Town. Normally, leaks on the property owner's side of the meter are the property owner's responsibility, and he will be required to assume the cost of all water which passes through the water meter unless the Town is in some way responsible.

a. Should it be determined that an adjustment is necessary, such adjustment will be computed by taking the average of the previous six months' water charges and adjusting the water charge in question to that average.

2. Adjustments to water charges may also be made when property owners are granted permission to flush their water lines as a result of "stirred" or "dirty" water in the Town's water system. No adjustment will be made unless specific permission is granted from the Utilities Director to flush water lines.

a. Should it be determined that an adjustment is necessary, such adjustment will be computed by taking meter readings immediately prior to and immediately after the flushing operation. The meter readings will be taken by a representative of the Town.

Sewer Charges

1. Adjustments to sewer charges may be made as a result of a leak regardless of whether or not the customer or the Town is responsible. Prior to computing any adjustments, the customer must (a) provide a statement from a licensed plumber which indicates the nature of the leak and that it has been repaired; (b) if a plumber was not used, an invoice of materials used and an explanation of the problem found may be substituted; (c) or other acceptable evidence describing the nature of the problem and the fact that repairs have been completed successfully. In any case, no adjustments will be made unless the Town is convinced all leaks have been repaired.

a. Should it be determined that an adjustment is necessary, such adjustment will be computed by taking the average of the previous six months' water charges and:

(1) if the leaking water did not enter the Town's sewer system, the charge will be adjusted to the average;

(2) if the leaking water entered the sewer system, the Town will bear one-half of the difference between the average and the sewer charge.

Requests for adjustments to water and sewer charges must be made to the Utilities Director by the tenth of each month.

This policy approved and adopted by the Board of Commissioners of the Town of Siler City this 16th day of January, 1984.