



MEMO TO ALL EMPLOYEES

Subject: Leak Adjustment Policy
Effective July 1, 2015

The District will grant a Leak Adjustment for any service line leak, toilet leak, or irrigation leak (whether through faulty valves, sprinkler heads or timers) upon reasonable proof of its existence.

To be eligible for the adjustment, the customer must report the leak to the District within three (3) months of the billing period in which it occurred and establish proof of repair of the leak. At the District's discretion, the customer may be required to allow District staff to complete a water efficiency survey at the service address where the leak occurred.

The amount of the adjustment is determined by comparing the consumption during the period(s) of the leak to the same period(s) in the prior year. It is assumed that the difference in water use is attributable to the leak. In the event the data from the prior year is not definitive or the customer has no history from the prior year, the amount of water attributable to the leak shall be determined using data derived from the meter. Fifty percent of the water use caused by the leak is excused. The remaining fifty percent of water attributable to the leak is billed at the highest billing tier the customer attained in the same period(s) the prior year.

Single Family Residential Tier Thresholds

- Tier 1: 1 – 3 units
- Tier 2: 4 – 7 units
- Tier 3: 8 – 15 units
- Tier 4: 16+ units

The adjustment is calculated consistent with the following example:

A. Billed consumption (including leak)	50 units
B. Less: prior year's billed consumption	- 14 units
C. Water use attributable to leak (A – B = C)	36 units
D. Less: 50% of water use attributable to leak	- 18 units
E. Adjusted consumption (A – D)	32 units
F. Consumption charged at Tier 1 rate	3 units
G. Consumption charged at Tier 2 rate	4 units
H. Consumption charged at Tier 3 rate	25 units
I. Consumption charged at Tier 4 rate	0 units

(0 units because customer did not attain Tier 4 consumption the prior year)

Multi-Family Residential Tier Thresholds

Note: the tier threshold for multi-family residential customers shall be determined by multiplying the tier schedule below by the number of dwelling units served by the meter that recorded the leak.

- Tier 1: 1 – 2 units
- Tier 2: 3 – 5 units
- Tier 3: 6 – 10 units
- Tier 4: 11+ units

The adjustment is calculated consistent with the following example after adjusting the multi-family residential tier threshold by the number of dwelling units served by the meter (for the purposes of simplicity it is assumed for the calculation below that there is one dwelling unit):

A. Billed consumption (including leak)	50 units
B. Less: prior year's billed consumption	- 14 units
C. Water use attributable to leak (A – B = C)	36 units
D. Less: 50% of water use attributable to leak	- 18 units
E. Adjusted consumption (A – D)	32 units
F. Consumption charged at Tier 1 rate	2 units
G. Consumption charged at Tier 2 rate	3 units
H. Consumption charged at Tier 3 rate	5 units
I. Consumption charged at Tier 4 rate	22 units

Note: The calculations above were based on tier thresholds in effect on July 1, 2015, for a 30-day billing period. The adjustment for both single family and multi-family residential customers will be calculated at the prevailing rates charged for the tiers and will be credited to the customer's account. No cash refunds will be made unless the account in question has been closed.

A maximum of two (2) consecutive billing periods can be considered for this adjustment and the adjustment is limited to one time within the preceding three (3) year period.

The District retains the right to deny a Leak Adjustment request if the service line is in disrepair or if extenuating circumstances exist. In extraordinary cases, the General Manager and/or the Financial and Business Services Manager will have the discretion to adjust the amount of consumption attributable to a leak as circumstances warrant.

By _____
Leslie Strohm
Supervising Accountant

