

Department of Public Utilities Policies and Procedures

NUMBER: 10.07
EFFECTIVE DATE: 4/1/2017
SUPERCEDES: October, 1996; July, 1991; October 10, 1989
SUBJECT: Water Bill Leak Adjustment Policy

I. Purpose and Application

The purpose of this policy is to establish a consistent framework for processing customer leak adjustments that is reasonable and fair to all customers.

II. Authority

Section 78-89(a) of the City Code states "*The director of public utilities is authorized, by and with the consent of the city manager, to adjust and settle claims against the department of public utilities for abnormal utility bills, due to leakage, as will, in the judgment of the director, work an injustice to the consumer unless corrected.*"

This authority is limited by Code of Virginia § 15.2-2119.1. Credit for excessive water or sewer charges, which states "*A locality may provide a partial credit for excessive water and sewer charges where high water usage is caused by damaged pipes, leaks, accidents or other unintentional causes.*"

III. Leak Adjustment. For purposes of this policy, leak adjustment means a credit to a water and/or sewer bill in response to a request by a customer justifying the adjustment based on having had a leak in their private plumbing or water using facilities. The City of Chesapeake may give the types of leak adjustments identified below. The frequency of adjustments allowed is outlined in Section X.

A. Repaired leak adjustments. Customers must provide thorough documentation of repair.

B. Unidentified water loss adjustments. These are used when the leak has resolved itself with no specific repair. Unidentified water loss adjustments are made only for customers in detached single family, attached two family, and townhouse dwellings. Commercial and multi-family residential units (other than described above) do not qualify for unidentified water loss adjustments.

C. Pool liner failure (sewer adjustment only) for pools designed to hold water deeper than two feet. Note: neither the initial filling of a pool nor intermittent adding water to a pool, shall qualify for an adjustment pursuant to the specific language of Code of Virginia. No adjustments shall be made for the following: pools with a design depth of less than two feet; hot tubs; spas; ponds; aquarium or fish ponds; or commercial pools.

D. Leaks that occur after the water passes through the meter but before the outside edge of the meter box. These are generally a leak at the meter or meter coupling. However, this type of adjustment shall not apply if any individual other than a member of the Department of Public Utilities makes any adjustments, changes, modifications or any action that contributes to such a leak to City facilities within the meter box.

IV. Background. There are times when customers experience a leak or a failure of their plumbing or water system such that a leak adjustment is appropriate and complies with State code. For example, in cases where the leaking water does not enter the sewer system, it is appropriate to adjust the customer's sewer bill to reflect the volume of water that did not enter the sewer system.

V. Guiding Principles. It is a property owner's responsibility to ensure that pipes, plumbing, and water using fixtures on their side of the meter box are properly maintained. While there are times when it is appropriate to adjust a customer's bill due to circumstances on their private plumbing, it is inappropriate for an adjustment of this nature to place an unfair financial burden on other water customers. It is unfair to those customers who experience no leaks or plumbing problems to pay for those problems incurred by another's private plumbing. It is equally inappropriate, and a violation of the Utility's bond covenants, for the Utility to provide water or service at no charge. This policy is written to allow adjustments under appropriate circumstances. However, this policy is not intended to allow one individual's private issues to have an unfair rate impact on other customers or to violate the city's bond covenants or Virginia Code.

VI. Procedures.

A. Customer shall request a leak adjustment from Public Utilities. The Leak Adjustment Form is attached to the policy and available on line at <http://www.cityofchesapeake.net/government/City-Departments/Departments/Public-Utilities-Department.htm>. Copies are available in the Department of Public Utilities.

B. For repaired leak adjustments, the customer shall provide documentation that the leak or system failure was repaired. Please see the requirements for documentation as set out in Section VII below.

C. Adjustments may be made using the consumption from a non-leak period based either on past history or post-leak repair usage. No rereads will be required.

i) When using past history method, the customer must have at least seven billing periods of continuous history at the service address in question. If a customer has less than seven billing periods of history, a combination of past history and post-leak repair usage must be used. If insufficient history exists, two rereads shall be scheduled. This method will be used whenever possible.

ii) When using the post-repair consumption method, the customer must have at least one full billing period of continuous consumption at the service address where the leak occurred.

D. Adjustments shall be calculated based on a per-day consumption from the identified non-leak period.

E. Customers shall remain responsible for paying their bill even if there appears to be a leak and a customer has filed a leak adjustment request. The amount may be adjusted to approximately the average bill amount while the leak adjustment request is being evaluated.

VII. Documentation. Acceptable forms of documentation are:

A. A copy of a bill or invoice from a plumber or other service professional. The bill or invoice must include the name, address and phone number of the plumber or other service professional, or

B. A copy of receipts indicating the parts that the customer or service provider purchased to make the repair, or

C. Original written and signed request form submitted by the customer for repairs made, fully stating the date and nature of the repair, and who performed the repair, or

D. Photographs of actual leak, leaking parts, etc., may be provided in addition to one or more of the documentation items A – C above.

VIII. Duration of Leak/Facility Failure. No leak adjustment shall be considered for any time period to exceed three billing periods, either (approximately) 90 days for monthly read accounts or 180 days for bi-monthly read accounts. Customers that do not repair their leak within this time period will only be considered for an adjustment of the bill for a maximum of two billing periods.

IX. Approval Authority.

A. Customer Service Lead Supervisors shall have authority to approve a leak adjustment of up to two billing periods or \$500, whichever is lower.

B. The Customer Service Supervisor shall have authority to approve a leak adjustment of up to \$4,999.

C. Leak adjustments \$5,000 or above shall be reviewed by the Utilities Director.

D. No member of City staff shall process leak adjustments for themselves, family members, friends, co-workers, acquaintances, or for rental units they own or manage. All adjustments for these categories must be processed by the next higher level of supervisor. The Utilities Business Administrator will approve adjustments for supervisors.

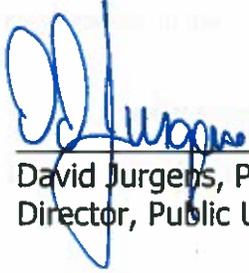
D. All adjustment requests for an individual property shall be processed by one employee and must be approved by a supervisor prior to being applied.

E. A monthly report of all adjustments shall be submitted to and reviewed by DPU Accounting staff.

X. Adjustment Frequency. The number and frequency of adjustment requests for a property shall be limited as follows:

- A. Repaired Leak Adjustments. No more than one repaired leak adjustment shall be granted for any customer in a given address in a three year period.
 - B. Unidentified Water Loss Adjustment. No more than one unidentified water loss adjustment shall be granted for any customer in a given address in a ten year period.
 - C. Pool liner replacement or repair. No more than one pool adjustment shall be granted for any customer in a given address in a ten year period.
- XI. Minimum Adjustment. No leak adjustment shall be granted if the total dollar amount of the adjustment is less than \$50.
- XII. Time Limitation for Adjustment Request. A leak adjustment request will be denied if the request for the leak adjustment is received by the City of Chesapeake Utilities Department more than 120 days after the leak or system failure was repaired.
- XIII. Fraudulent or Inaccurate Information. A leak adjustment request will be denied if the request contains any inaccurate or fraudulent information.
- XIV. Penalties and interest shall not be accrued on the amount being requested for adjustment during the time the Department of Public Utilities is reviewing the request for adjustment. Penalties and interest on any other past due amounts will continue to accrue.
- XV. Adjustment Amounts. All adjustment amounts are based on the difference between consumption during the leak period and the average consumption, based either on past history or post-leak repair usage.
- A. The standard adjustment is fifty percent (50%) of the cost of the above-normal water and sewer consumption.
 - B. If it is determined that none of the leaked water entered the sewer system, then the adjustment is fifty percent (50%) of the cost of the above-normal water and one hundred percent (100%) of the cost of the above-normal sewer consumption.
 - C. Adjustments for unidentified water loss is fifty percent (50%) of the cost of the above-normal water and sewer consumption.
 - D. Leaks on City-owned hardware that occur after the water passes through the meter but before the outside edge of the meter box shall be refunded at one hundred percent (100%) of the cost of the above-normal water and sewer consumption. This is generally a leak at the meter or meter coupling.
 - E. Pool liner replacement or repair shall be refunded at one hundred percent (100%) of the cost of the above-normal sewer consumption. There shall be no adjustment to the water cost for this type repair.
- XVI. Final Bill. Leak adjustments shall not be considered when a customer is closing an account nor after an account is closed unless there is a determination made by the Director, in his sole discretion, that an unusual and/or unique circumstances has

occurred and that a manifest injustice would apply otherwise. Normally, a leak adjustment will only be considered if an account remains in service for at least one full billing period after the adjustment is applied.



David Jurgens, P.E.
Director, Public Utilities

1 APRIL 2017
Date

Attachment: Leak Adjustment Form

LEAK ADJUSTMENT FORM

INSTRUCTIONS: Complete this form, clearly stating the reason for the leak adjustment request, please include all contact information, and attach appropriate documentation. An adjustment shall only be considered for consumption above average use. Additional sheets may be added. Failure to provide all information and fully substantiate your request will result in the request being denied. **Filing a request for a leak adjustment shall not imply approval by the City;** all requests shall be investigated before a decision is rendered. Requests received more than 120 days after the leak is repaired will be denied. Requests will be considered under the guidelines of § 15.2-2119.1 of the Code of Virginia and City of Chesapeake Code of Ordinances, §78-89(c). Requests containing inaccurate or fraudulent information will be denied. Please deliver all documents to:

Department of Public Utilities, Attn.: Business Office
306 Cedar Road, Chesapeake VA 23322
Phone: 757-382-6352; Fax: (757) 382-8546; Email: water@cityofchesapeake.net

CUSTOMER INFORMATION

(please print neatly)

Full Name: _____ **Email Address:** _____
Last Name, First Name, Middle Initial

Mailing Address: _____

City, State & Zip: _____

Daytime Phone Number: _____ **Alternate Phone Number:** _____

Service Address of Leak: _____

Account Number: _____ **Date All Leaks Were Repaired:** _____

The undersigned hereby requests a leak adjustment from the City of Chesapeake, Virginia, for the following reason(s) – please include a statement indicating what pipes or fixtures needed repair, how long they were leaking, date leak was identified and repaired, who repaired the leak, the number of people residing in the home, etc. (Attach additional sheets and documentation if necessary). If this is for an unidentified water loss, state “unidentified water loss” below. No more than one leak adjustment will be considered in a three year period for any account; no more than one unidentified water loss adjustment shall be granted in a ten year period for any account.

By signing below, I acknowledge that the above-provided information is true and correct to the best of my knowledge and belief.

Requestor's Signature _____
Date

**A leak adjustment shall only be considered for consumptions above average use.
Customers shall remain responsible for paying their bill while the adjustment is being reviewed, and until final determination is made.**