

## **Adopted by the Board October 2020**

For many years the Palomino Lakes Mutual Water Company has granted credits to a property owner's or renter's water bill as a result of water leaks on individual properties. We have revised the existing policy so that PLMWC will have a more useful and understandable water leak adjustment procedure. In revising the policy the Board relied heavily on the City of Cloverdale water leak adjustment policy announced in November 2005. The primary difference is that Cloverdale allows only one adjustment during the life of the account while PLMWC will permit one leak adjustment in a five year period for a given property (even if ownership changes).

When, on a rare occasion, a water leak occurs as a result of a crack, breach, or flaw in the property owner's system, the PLMWC may grant a limited leak credit only if all of the following conditions are met:

1. The property owner or renter must make a written request for a leak credit and explain what leaked, where, plus all relevant factors. Proof that the leak was fixed is required (specifically, copies of a contractor's bill or supply receipts, photos of the leak and repair, and photos of the water meter after the repair is complete). Requests for bill adjustment must be made within 45 days of repair.
2. The property owner's or renter's PLMWC account must have been current at the time the leak occurred. Credits will not be considered for accounts with past due balances.
3. The water leak must not have occurred as a result of a willful or negligent act on the part of the property owner or renter.
4. The water usage must be at least double the normal usage over the same billing period of the previous year.
5. The period of the leakage for which credit is granted is one or two billing periods.

**There are now two types of leak credits: a nice one that is available every two years and a very generous one that is available once every five years.**

**To receive either credit, the property must have a Flume remote sensing unit installed: these sensors cost about \$200 and can be purchased/installed by the homeowner (upon request, the water company may procure the unit and bill the customer for it).**

**Once every 2 years, water leak credits may be granted by recalculating all the water usage during the leak interval that is at or above the Tier-2 rate, and charging only the Tier-2 rate (the base and Tier-1 usage remain the same). The credit may be in the form of a re-issued bill or a credit to the homeowner's account. If the request for leak credit is initially made before the bill is delinquent (i.e., within 30 days of original issuance), any applicable delinquency charge will be calculated based on the total adjusted bill; otherwise, that charge will be based on the original billed amount (i.e., the original delinquency charge(s) will not be adjusted). Only one of these types of credit will be granted to a property during any two-year period, irrespective of change of ownership or**

tenancy.

**Once every 5 years, water leak credits may be granted by recalculating all the water usage during the leak interval at the Tier-1 rate, and are either in the form of a re-issued bill or a credit to the homeowner's account. If the request for leak credit is initially made before the bill is delinquent (i.e., within 30 days of original issuance), any applicable delinquency charge will be calculated based on the total adjusted bill; otherwise, that charge will be based on the original billed amount (i.e., the original delinquency charge(s) will not be adjusted). Only one credit will be granted to a property during any five-year period, irrespective of change of ownership or tenancy.**

To determine normal usage, consumption will be compared to the same period of the previous year. If the account is new and does not have a previous year history the PLMWC board will estimate the consumption baseline.

The decision to grant leak credits rests solely with the PLMWC board.