

# Utility Billing Adjustment Policy

## I. DEFINITIONS

As used in this policy, the following terms shall have the meanings specified below:

- a. "Customer" means the person or entity under whose name a water account is created and who is ultimately responsible for payment of all charges incurred on the account (Municipal Code 13.04.01).
- b. "Property-side leak" means any loss of water due to deterioration of pipes, fittings, or equipment, the existence of which is known or unknown to the property owner or tenant (customer), and said loss emanates from the coupling on the customer's side of the water or recycled water meter or beyond, serving the customer's property.
- c. "Committee" means the Utility Billing Adjustment Committee

## II. BACKGROUND

The City Council through Resolution 8032 (1992 Series) created the Utility Billing Adjustment Committee and gave the committee the authority to resolve customer billing concerns, including the reduction of any amounts billed, as the Committee deems appropriate. The Committee is composed of one management representative each from the Finance, Utilities, and Administration departments. The Committee has the authority to establish the policies necessary for performing its duties.

## III. PURPOSE

The purpose of this document is to establish a written policy for extending billing adjustments to water and sewer customers in the City of San Luis Obispo. The policy includes the requirements to request an adjustment; the standard billing adjustment that will be granted if all the requirements are met; sewer cap reevaluation requests; waiver of restore service fees; and variances to this policy.

## IV. POLICY

### A. Property Side Leaks

Customers are responsible for the service and fittings attached to the Water Utility system beginning at the coupling on the customer's side of the meter. Any leaks in the line-which are the responsibility of the customer-must be maintained and repaired by the customer solely and at his/her expense per the City's Municipal Code Chapter 13.04.

The customer's service line, including the fittings on the customer's side of the meter, is to be maintained in a state of repair sufficient to allow the removal and replacement of the meter for maintenance. No adjustment or credits will be given for leaks which develop because of changing or maintaining the water or recycled water meter, unless it can be shown that the Utility was negligent in performing the meter change or maintenance.

The customer is responsible for monitoring higher than expected usage as reflected on the customer's bill. Customers must investigate higher than expected usage to determine if the usage was caused by a property-side leak. A customer who has observed or has actual knowledge of a property-side leak is in violation of the City's Water Conservation Regulations as defined in the City's Municipal Code Chapter 13.07.010 and is required to promptly repair the leak.

No adjustment or credit will be applied to the utility bill for the property-side leaks, damage, deterioration or other factors beyond the control of the City, except as defined under Section A.1 – Property-Side Leaks – Billing Adjustments.

1. Customer Adjustment Request Requirements:

The Committee, or a designee of the Committee delegated the responsibility for adjusting utility billings, may adjust the water or recycled water usage portion (excluding service charges) and any resulting sewer usage portion (excluding service charges) on a customer's bill when all the following requirements are met:

- a. WITHIN 60 DAYS OF LEAK: Customer shall notify City, in writing, of water or recycled water loss and repair of a property-side leak within 60 days from the bill issuance date for the period in which the loss occurred.
- b. ONE ADJUSTMENT EVERY 24 MONTHS: The customer has not received a property-side leak billing adjustment at any one service address in the past 24 months. The 24-month period begins the first month of the billing period following the last billing period for which a property-side leak billing adjustment was received.
- c. PAYMENT OF BILL: The City shall not extend the due date of a water, recycled water, or wastewater bill because of the customer submitting a request for an adjustment of a bill for a property-side leak. Customer shall pay at least the uncontested portion of the bill to prevent discontinuation of service.
- d. NEGLIGENT ACTS: There must be evidence that excessive use of water or recycled water was not due to the customer, his/her agents, or tenants' willful or neglectful acts.
- e. LEAK MUST BE REPAIRED OR RESOLVED: If the excess usage is due to a property-side leak, the City must be satisfied that the problem that resulted in a request for a billing adjustment has been properly repaired or resolved.
- f. EVIDENCE OF REPAIR OR RESOLUTION: The City shall require repair bills or other appropriate documentation substantiating the repair of the property-side leak prior to approving a claim for adjustment. The written request shall be accompanied by either a plumber or landscaper's invoice including a description of the repair work performed or a letter from the customer certifying:
  - a. The name, address, and telephone number of the person discovering the leak;
  - b. The date the leak was discovered;
  - c. The nature and location of the leak;
  - d. The date the leak was repaired;
  - e. The name, address, and telephone number of the person repairing the leak;
- g. EXCESS WATER USE THAT WILL NOT BE ADJUSTED: The City will NOT extend any adjustments for excess water use due to left-on hoses, excessive irrigation (in time or frequency), or the neglect of wear-and-tear items such as toilet flappers, leaking faucets, water softening systems, and any water distributing devices attached to the aforementioned items.

2. Standard Billing Adjustment

- a. The property-side leak billing adjustment shall be limited to one adjustment per 24-month period. The 24-month period begins the first month of the billing period following the last billing period for which a property-side leak billing adjustment was received.
- b. The property-side leak billing adjustment shall be limited to two consecutive billing periods.
- c. The property-side leak billing adjustment will be calculated on the following criteria depending upon customer class:

i. Residential Accounts

Single Family Residential customers' water usage, because of a property-side leak, must exceed Tier 2 consumption and be at least 50% higher than usage compared to the previous billing cycle to qualify for a property-side leak billing adjustment. If the Committee or its designee grants a property-side leak adjustment, the amount of excess usage due to the property-side leak will be reduced by one-half the difference between the Tier 2 and Tier 3 rate.

Example		
A.	Leak Consumption	25 units
B.	Consumption > 12 units	13 units
C.	Tier 2 Rate	\$6.87
D.	Tier 3 Rate	\$12.59
E.	Difference between Tier 3 and Tier 2	\$5.72
F.	One-Half the Difference	\$2.86
G.	Row B x Row E = Adjustment	\$37.18

ii. Multifamily Accounts

Multifamily customers' water usage, because of a property-side leak, must be at least 50% higher than usage compared to the previous billing cycle to qualify for a property-side leak billing adjustment. If the Committee or its designee grants a property-side leak adjustment, the amount of water usage more than the average usage at the property will be reduced by 22%. This is the same percentage reduction applied to residential accounts.

Example		
A.	Leak Consumption	25 units
B.	Average Consumption	10 units
C.	Leak Cons – Avg Cons	15 units
D.	22% of Rate	\$1.48
E.	Row C x Row = Adjustment	\$22.20

iii. Dedicated Irrigation Accounts

Dedicated irrigation customers' water or recycled water usage, because of a property-side leak, must be at least 50% higher than usage compared to the previous billing cycle to qualify for a property-side leak adjustment. If the Committee or its designee grants a property-side leak adjustment, the amount of water usage more than the average usage at the property will be reduced by 22%. This is the same percentage reduction applied to residential accounts.

Example		
A.	Leak Consumption	25 units
B.	Average Consumption	10 units
C.	Leak Cons – Avg Cons	15 units
D.	22% of Rate	\$2.20
E.	Row C x Row = Adjustment	\$33.00

iv. Commercial Accounts

Commercial customers' water or recycled water usage, because of a property-side leak, must be at least 50% higher than usage compared to the previous billing cycle to qualify for a property-side leak billing adjustment. If the Committee or its designee grants a property-side leak adjustment, the amount of water usage more than the average usage at the property will be reduced by 22%. This is the same percentage reduction applied to residential accounts.

Example		
A.	Leak Consumption	25 units
B.	Average Consumption	10 units
C.	Leak Cons – Avg Cons	15 units
D.	22% of Rate	\$1.79
E.	Row C x Row = Adjustment	\$26.85

If the excess usage is due to an indoor leak (not irrigation), no sewer usage adjustment will be given. If the excess usage is due to an outdoor leak, a sewer usage adjustment may be considered. The sewer usage adjustment (based on the excess usage) shall be limited to two billing periods and to one adjustment every 24 months.

v. All Accounts – Unexplained Usage Billing Adjustment

Customers can apply for one “unexplained” usage billing adjustment per the life of the account. The “unexplained” usage must reach Tier 3 for residential accounts and be at least 50% higher than normal usage compared to the same billing period in previous years for all accounts to qualify for a billing adjustment. Only one “unexplained” usage billing adjustment will be processed for the life of the account. The billing adjustment will be calculated per customer class as described under Section A.2 above.

**B. Sewer Cap Re-Evaluations**

Sewer Cap re-evaluations will only be processed for customers who had excess water usage due to a property-side leak that occurred during the most current sewer cap setting period. The sewer cap re-evaluation request for excess water usage due to a property-side leak must be received no later than October 1<sup>st</sup>. Requests for sewer cap re-evaluations due to any reason other than a property-side leak will not be considered.

The re-evaluated sewer cap will be calculated by averaging the winter water consumption excluding the month that the leak occurred.

**C. Waiving Restore Fees**

The Utility Billing Adjustment Committee will not waive restore fees assessed when a customer's water is properly shut off for non-payment. The restore fee is intended to recover the cost to the City for Utility Billing preparing the shut off and Utilities Services turning the water off and then back on so, because the City staff work has already been completed, the fee will not be waived.

**D. Variance Procedures**

Variations will be granted, on a case-by-case basis, at the discretion of the Committee. The following conditions are among those that may be given consideration in the variance process:

- Granting a leak adjustment more often than once every 24 months;

- Granting a sewer cap re-evaluation for a circumstance other than a property-side leak;
- Granting a credit for more than two billing periods;
- Granting a credit that exceeds the standard billing adjustment.

The customer must request a variance in person, during a meeting with the Committee.

**E. Committee Decisions are Final**

With the Committee having been granted the authority to resolve utility billing concerns, their decision is final. Any customer who wished to appeal a committee decision may do so by bringing the City to court.