



## ST. MARY'S COUNTY METROPOLITAN COMMISSION

### STANDARD PROCEDURES & POLICIES

SP Number:  <b>FIN-19-03</b>	Approval Date: 04/25/19  Approved by: MetCom Board	Effective Date: 04/25/19
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SUBJECT: **WATER USE BILLING ADJUSTMENT POLICY**

#### **Background**

Prior Policy FIN-16-01 Water Leak Billing Adjustment Policy, as approved on May 1, 2016, was rescinded by the Board on May 1, 2018. Because the property owner owns and maintains the service lines between the main service connection and the structure to be served, water leaks which occur on these service connection lines within a customer's property are the responsibility of the customer. Likewise, leaks and excessive use resulting from failures of interior plumbing are the responsibility of the customer. However, the Board realizes that the unexpectedly high water bills which can result from such water leaks until detected can create a difficult financial burden for some of our customers. Although most utilities do not allow for the reduction in billing based on use under any circumstances, the MetCom Board desires to have a policy to assist customers with unusually high monthly water bill(s) resulting from excessive water usage. The MetCom Board also desires to encourage individuals to implement preventative measures (*i.e. securing exterior hose bibs*), to review their homeowners insurance policies, and to take advantage of warranty programs such as the established Service Line Warranty program designed to provide coverage for leaks and repairs. **This Policy is not intended to address excessive use that is not related to water leaks, such as vandalism, broken sprinkler systems, accidental water left**

**flowing, construction damage, filling of pools, washing cars, irrigation, theft that should be brought to the attention of the Office of the Sheriff (*i.e. claims of neighbors using their water*), claims that could otherwise be covered under homeowner insurance policies, etc.**

### **Establishment of Water Leak**

For purposes of this Policy, a “Water Leak” shall be found to have occurred when there is an unintentional water loss caused by broken or damaged plumbing fixtures, pipes or irrigation equipment, located upon a customer’s property between the main service connection and the structure to be served. This would also include water loss from interior plumbing fixtures such as malfunctioning toilets (*3-5 gpm*), etc. The Water Leak must be determined to result in water usage charges which are substantially higher than normal for the affected customer, based on historical account history, as determined at the sole discretion of Commission staff.

In determining if a Water Leak has occurred, MetCom shall consider:

- Data Logging Reports, historical use, visual inspection(s) by MetCom, results of dye tablet leak detector testing, etc.
- Whether the Water Leak occurred between the main service connection and the structure to be served or has occurred within the home /business; and
- Any available documentation to evidence that the Water Leak has been repaired (*i.e. a receipt from a plumber, MetCom meter reads showing a return to normal use, etc.*).

### **Application Process**

To be eligible for the Water Use Adjustment Program, customers must submit a Water Use Billing Adjustment Form (*Attached*) along with justification and any supporting documentation. The request must be made within 90 days of the customer’s receipt of the first water usage billing indicating excessive charges believed to be attributable to the Water Leak.

After all documentation is received by the Billing Department, a determination will be made if the excessive water usage billing is the result of a Water Leak or not and the customer will be notified whether the request for adjustment has been approved or disapproved. The determination will be placed in the customer account record along with the details relating to the determination.

If an alternative payment arrangement is not entered into, the customer is subject to all current and applicable collection and service termination policies and procedures for delinquent accounts. No penalties or cut-off of services will be applied until the billing adjustment request determination has been made.

## Water Leak Billing Adjustment

If it is determined that the excessive water usage billing is the result of a Water Leak, staff is authorized to offer the customer a relief related to the Water Leak from the customer's billing statement with the following conditions:

- Only one (1) Water Leak adjustment will be allowed, per property, in a three (3) year period; and
- Water Leak billing adjustments will cover no more than two (2) consecutive months; and
- Water consumption should exceed at least twice the previous year's same month usage or at least twice the average monthly usage over the previous 12 month period, whichever is higher; and
- Adjustments will be made based on the rates of the next lowest Tier (**see Example of Adjustment below**); and
- The customer shall be required to pay the full amount of the water/sewer ready to serve charges, water/sewer system improvement charges, and State Bay Restoration Fund charges regardless of usage, while a Water Use Billing Adjustment request is being processed; and
- In no case should an adjustment in billing be less than 50% of the original bill amount.
- No bill adjustments < \$50 under this Policy will be authorized; and
- Requests for individual adjustments >\$500 will be deferred to the Board for action; and
- Fiscal staff shall track and report the cumulative impacts of all water leak adjustments in their monthly report to the Board.

**Example of Adjustment:** The charges for the property are as follows:

Fixed Charge: System Improvement Charges Water/Sewer	} \$ 26.80	
Fixed Charge: Ready to Serve Water/Sewer	} \$ 26.38	
Total Fixed charges = \$58.60	Fixed Charge: Bay Restoration Fee	} \$ 5.00
Usage Charges: October Water/Sewer	\$829.37	(see **NOTE)

\*\*NOTE: During the period 09/11/18-10/09/18, there was **129,662** gallons of water used which would result in billing of Tier 1 rates of \$1.66 / 1,000 gallons (0-5,000 gallons) @ \$8.30 and Tier 2 rates of \$3.30 / 1,000 gallons (5,001-20,000 gallons) @ \$49.50 and Tier 3 rates of \$6.61 / 1,000 gallons (20,000 + gallons) @ 724.87 for a total cumulative water usage of \$782.67 for October. Sewer usage was charged @ \$4.67 for 10,000 gallons (max) resulting in a \$46.70 charge. Total usage charges for October was \$829.37.

**Option 1:** pay full amount owed under a payment plan **\$887.55** (\$829.37 + \$58.60) for October bill

**Option 2:** pay full amount of water use, but no higher than Tier 2 at **\$419.68** plus sewer use and fixed charges, resulting in a total bill of **\$524.56** (\$419.68 + \$46.70 + \$58.60) for October (but not less than 50% of the original bill, which is \$443.78 for October).