



WATER DISTRICT No. 7 JOHNSON COUNTY, KANSAS

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LEAK ADJUSTMENT POLICY

When a Benefit Unit owner (customer) advises the Water District that a leak has occurred through a particular Benefit Unit, the following policy and procedure for adjustment of the billing shall be followed:

1. The Water District will first determine if the leak meets certain criteria and will require documentation from the customer regarding the leak:

- a) The leak was undetectable by the customer (usually underground) and was not the result of a readily detectable leak (usually above ground problem) i.e. leaking faucets, toilets, hydrants, etc. that should be detected quickly by the customer.
- b) There has been no adjustment for a leak for this Benefit Unit in the past 2 year period; or from the inception of this policy as directed by the Water District Board of Directors on April 13, 1999.
- c) The customer shall provide repair receipts from a plumber/contractor or copies of bills for plumbing materials used to repair the leak to show that the repair work has been completed, and/or the Water District is able to inspect the leak area at the time repair is made.
- d) The Water District agrees that a leak adjustment is appropriate considering the facts and information known to the District, and that the leak was not caused by reckless actions or gross neglect by the customer. All leak adjustments are in the sole discretion of the District, based upon this Policy, the reasonable application of District By-Laws and Regulations, and the cost to the District.

2. If the above criteria is met and proper documentation is received by the Water District to the satisfaction of the Water District that a leak was indeed suffered by the customer, the customer shall make written request for adjustment of the account billing as follows:

- a) The owner of the *Benefit Unit Certificate of Title* (customer) shall give written request, on their own behalf or on behalf of the current user (renter) of the Benefit Unit, for the adjustment of the leak by completing and signing a copy of the Water District's *Leak Adjustment Agreement* form. The customer shall, by signing the *Leak Adjustment Agreement* form, agree that no additional claim for adjustment for this Benefit Unit shall be made for this occurrence, and shall not request adjustment for any subsequent occurrences within the 2 year period following the adjustment.

3. If all of the above criteria is approved by the Water District, the following procedures for account adjustment shall apply:

- a) A maximum of 2 billing cycles will be approved for adjustment. The Water District shall review the account to determine the probable time that the leak occurred in order to decide whether one (or two) billing cycles qualify for the adjustment. If the leak has been ongoing for a long period, the most recent month(s) will apply to the adjustment.
- b) The Water District shall determine the average usage of the service in question. Average usage is determined by reviewing the 3-month period prior to the leak event or averaging a 3-month period during the same seasonal period in the previous year using the highest average calculated.
- c) After the Water District determines the average usage, the chart that follows shall be used to determine the minimum billing amount to be paid above the average *normal usage*.

Average Usage	Minimum Billing	
0 – 5,000 gallons	15,000 gallons	Remaining Gallons to be billed at a Reduced rate Equal to the highest Wholesale source Cost plus 15%
5,001 – 10,000 gallons	20,000 gallons	
10,001 – 15,000 gallons	25,000 gallons	
15,001 – 20,000 gallons	30,000 gallons	
20,001 – 25,000 gallons	35,000 gallons	
25,001 – remaining	10,000 gallons > avg. usage	

Example 1: Customer “A” receives a bill that reflects a usage of 50,000 gallons. Upon request executed by Customer “A”, the Water District will review the matter. The Water District decides that an adjustment is pertinent. The Water District determines the average water usage by Customer “A” is 7,000 gallons. According to the above table Customer “A” would pay the first 20,000 gallons of usage at the regular cost, thereby leaving 30,000 gallons remaining that would be charged at the reduced cost.

Example 2: Customer “B” receives a bill that reflects a usage of 30,000 gallons. Upon request executed by Customer “B”, the Water District will review the matter. The Water District determines that the average water usage by Customer “B” is 16,000 gallons. The Water District decides that an adjustment is not pertinent since according to the above table Customer “B” would pay the first 30,000 gallons at the regular cost. Because the amount of the leak fell within the minimum billing range, no adjustment would be made.