

BOARD OF WATER SUPPLY of the COUNTY OF KAUA'I

**RULES COMMITTEE MEETING**

Second Floor, Microbiology Lab Bldg  
Kaua'i County Department of Water  
4398 Pua Loke Street, Lihu'e, Kaua'i, Hawai'i 96766

**THURSDAY, NOVEMBER 29, 2012**

**9:00 a.m.**

or soon thereafter

**AGENDA**

1. ROLL CALL
2. ACCEPTANCE OF AGENDA
3. MEETING MINUTES:  
November 5, 2012
4. OLD BUSINESS:
  - a. Water System Development and FRC Proposed Rules
    - i. Part V Water System Development Fee
  - b. *Manager's Report No. 13 – 7-* Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
    - i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules
5. ADJOURNMENT

**NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kauai, at 245-5408 or drop by at 4398 Pua Loke Street, Lihue, Kauai. Our mailing address is PO Box 1706, Lihue, HI 96766.**

# Rules Committee Meeting

November 5, 2012  
10:30 a.m.

Committee Members Present: Michael Dahilig, *Chair*, Randall Nishimura, Raymond McCormick

Board Members Present: None

Staff Present: David Craddick, William Eddy, Dustin Moises, Anne Parrott, Aaron Zambo, Keith Aoki, Mary-jane Garasi, Deputy County Attorney Andrea Suzuki

Chair Dahilig called the Rules Committee Meeting to order at 10:30 a.m., quorum was achieved.

## **AGENDA**

Mr. Nishimura moved to accept the amended agenda Item 4a as circulated and noted the correction for the Fee Sections I-XII (not I-X); seconded by Mr. McCormick; by a unanimous vote, motion was carried.

## **Re: Review and Acceptance of Minutes – May 15, 2012**

Mr. McCormick moved to accept the minutes from May 15, 2012; seconded by Mr. Nishimura; with no objections, motion was carried with 3 Ayes.

## **OLD BUSINESS**

**RE: a. Impact Fees and FRC Proposed Rules, i. Part V Water System Development Fee Sections I-XII**

## **BACKGROUND**

Manager Craddick read the proposal on the Impact Fees and FRC Proposed Rules, i. Part V Water System Development Fee Sections I-XII which is based on the current practices for meter sizing and credit application. If the Board accepts this proposal, it should be with the understanding that the Board and Manager Craddick meet in an accelerated basis to get a rational industry standard foundation to use the AWWA (American Water Works Association) Sizing Water Service and Meter Manual M-22 for determining meter size and accessing a development fee that should meet all objectives. The issue regarding the current situation where any developer could take all available water needs to be addressed.

Manager Craddick requested the Board's action to be transmitted to the Finance Committee before going to the full Board for an understanding of the rule change. The relevant proposal from the consultant will be used by the Finance Committee for the work to be completed.

Chair Dahilig recommended to refer the Impact Fees & FRC (Federal Reserve Charge) Proposed Rules to the Deputy County Attorney Andrea Suzuki for final clean up and to schedule a meeting on the same

## Rules Committee Meeting November 5, 2012

date of the Special Meeting on November 19<sup>th</sup> based on the proposed rules for review and to provide suggested changes.

Chair Dahilig clarified that the fixture counts will be considered by the Rules Committee. There is still a lot of research to be done and to continue potential implementation. The Manager's recommendation is this from acceptable industry standards with respect to capturing usage and understanding how it impacts the DOW's system. The Finance Committee and the full Board need to move forward with implementation on the FRC fund and to address the fixture count issues.

Manager Craddick stated there are some things that are in conflict with Section 2 and Section 3 of the Rules which are written in both places. Manager Craddick clarified the term "phasing out." If an individual pays the fee, it is paid forever. This proposal allows an allotted time for payment. If an individual has not put their meter in but paid the fee; their fee can increase.

Mr. Nishimura inquired if an individual paid the fee to put the meter in and the Department did not put the infrastructure in, is the fee adjusted in this proposal. Manager Craddick stated he did not believe any of the meters are waiting for infrastructure. Fees have been paid for many meters for a second dwelling unit. Individuals avoid putting in the service lateral due to the expense.

If individuals paid a \$600 fee and have their approved building permit plus use their existing meter, they may decide not put in a \$1,400 service lateral. The \$1,400 is a large percentage of the \$4,600 fee for individuals who paid it. The Department may have already collected a fee if the individual never put in a service lateral. At a later date, the owners may want to subdivide or sell the second dwelling lot. With the existing Rules, this can be done because they already paid the fee. This proposal will phase out from the existing Rules.

Mr. Nishimura questioned if there are water restrictions and what happens if the Department cannot collect the FRC. Manager Craddick stated the Department is still giving out meters even though the system is not adequate to individuals varying from system to system. Mr. Nishimura would like to address cases where infrastructures are not allowable and what happens if the infrastructure is not allowed. He does not feel it is fair in those situations to be at a higher fee.

Deputy County Attorney, Andrea Suzuki stated the proposal is worded with a grace period that Chair Dahilig added where an individual will have six months to drop the meter or they will lose the allocation. An individual can be refunded the money within a year which is in compliance with the current law. The Rules were set before the impact fees statues were in place. If the Department does not use the funds within six years, the Department has to refund the fees. The Department would give a credit (refund) for what the individual already paid. If the individual paid more when they put the meter in and if the fee went up, this needs to come up after a change in the Hawai'i Revised Statues. The statues currently states a "building permit issuance" which the DOW does not necessarily mean a meter is being put in. Mr. Nishimura requested the Hawai'i Revised Statues be addressed in the meeting.

Deputy County Attorney, Andrea Suzuki recommended the full Board have a Public Hearing regarding benefits zoned or not identifying benefit zones.

Rules Committee Meeting  
November 5, 2012

Mr. McCormick moved to refer *Part V Water System Development Fee Sections I-XII* for further review of the draft dated November 2, 2012 at 20:12 p.m. to Deputy County Attorney, Andrea Suzuki; seconded by Mr. Nishimura; with no objections, motion carried with 3 Ayes.

**Re: 4b. Manager's Report No. 13-7 – Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages, i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules**

Manager Craddick recommended the Board take no action in eliminating Part 2 Section IX of the Rules at this time.

**BACKGROUND**

Manager Craddick read the revised proposal to the Board and division heads.

Manager Craddick stated there was concern with fires or explosions and leaks being stopped within 24 hours unless a service holder has passed away. The proposal states that the consumer will be given one week to address the DOW in order for the Department to provide services. The concern for this issue is still being addressed by our staff.

Mr. Nishimura noted that Manager's Report No. 13-7 was dated September 20, 2012. Manager Craddick indicated based on a discussion at a previous meeting he submitted a revised draft which is not before the Board.

Mr. Nishimura moved to defer Manager's Report 13-7 Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages, i. DOW Revised Proposed Changes on Part Section IX of the Rules to the next Rules Committee meeting; seconded by Mr. McCormick; with no objections, motion carried with 3 Ayes.

Chair Dahilig acknowledged Mr. Nishimura and Mr. McCormick will be present for a Rules Committee Meeting set on the same day as the Special Board Meeting on Monday, November 19th at 9:01 am.

With no further business, Chair Dahilig adjourned the Rules Committee Meeting at 10:50 a.m.

ein

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

Report to the Rules Committee:

November 29, 2012

**Re: Water System Development and FRC Proposed Rules**  
**i. Part V Water System Development Fee** (*originally Mgr's Report No. 11-28 Request Board Approval of Facilities Reserve Charge Changes*)

RECOMMENDATION:

Committee approval is requested for addition of Part V Rules for the application of Water System Development Fee and approval impact fee proposal from R.W. Beck.

FUNDING: N/A

BACKGROUND:

Due to a number of changes in the FRC and in the amount these proposed Part V rules have a new name called Water System Development Fee.

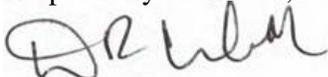
The FRC are currently paid to the DOW prior to the DOW granting final subdivision approval and from that time there is a guarantee of the developer paying the fee water whether a meter is installed in a timely fashion or not. This proposal phases that out over six months. In the future if developers do not install a meter in a timely fashion the difference between the estimated payment and the fee in place at the time the building permit is approved would be charged.

The current off set methodology is continuing with a change in percentage to the new percentage that totals 100%. There is also no additional charge if a developer builds a system to standard at lower cost than DOW is able to do. There is no indication of what will happen if the developer does not build to standard.

The charging of "units" is dropped from these proposed Part V rules. The previous rule charged hotels, condos and additional lots for subdivisions based on "units" which were charged according to meter size or units of 5/8" meters which ever generated more revenue. This did not appear to be based on water use or even the 5/8" meter 750 gallons per day peak use number used in our standards. This has been changed so the meter size is used to determine impact fee amount.

Changes to Part II Water Services and Part III Subdivision are changed to not be in conflict with these proposed Part V rules.

Respectfully submitted,



David R. Craddick, P.E., C.E.M.  
Manager and Chief Engineer

DRC/mjg

Mgrrp/November 2012/Water System Development and FRC Proposed Rules (11-29-12):mjg

**PART V**  
**WATER SYSTEM DEVELOPMENT FEE**  
*within the County of Kauai*  
*and Providing Penalties for the Violations Thereof*

**Section I: General Provisions**

**A. Purpose and Authority**

The following rules shall govern the assessment of impact fees for Board of Water Supply (Board) capital water facilities expansion for source, storage and transmission pipeline capacity. Expansion of capital water facilities is needed in order to accommodate increased demand on the capacity of these facilities due to new development and/or additional demand of existing users. These rules are authorized pursuant to Hawaii Revised Statutes (H.R.S.) §46-142 and other applicable State law. New development and/or additional demand shall be assessed impact fees in proportion to its demand on capital water facilities and the impact fees assessed shall be expended for public capital water facilities projects. Prior to this amendment the term Facilities Reserve Charge was used by the Board in its rules and regulations [Eff.: Am] (Auth: HRS 54-33; HRS 46-142) (Imp: HRS 54-33).

**B. Findings**

In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate an excessive expenditure of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to require new development and/or additional demand to pay its proportional share of the capital costs necessary to accommodate such development. *Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.) §46 is not necessary as a reasonable benefit can be otherwise derived. (Needs to be done)*

## Section II: Definitions

"Additional Dwelling Unit (ADU)" is as defined in Kaua'i County Code Section 8-26.1 and means living quarters attached to a main dwelling or within an accessory building located on the same lot as the main dwelling for use as a separate dwelling.

"Additional water service" means the need/request for additional water source, storage or transmission resource.

"Allocation" means quantity and size of meter(s) identified as those required to serve the water needs of a premise for the purpose of reserving a quantity of water to meet the anticipated source, storage and transmission demand of that service.

"Applicant" means any person, individual, corporation, partnership, business, organization, association, or other entity whatsoever that applies for water service from the Department.

"Board" means the Board of Water Supply of the County of Kaua'i.

"Building permit" means the official document or certificate issued by the County authorizing the construction or alteration of any structure.

"Consumer" has the meaning prescribed to it under Part II section 1 of the Department of Water Rules and Regulations.

"County" means the County of Kaua'i, a political subdivision of the State of Hawaii.

"Dedicated water system improvements" means water system improvements that are accepted by the Board for operation and are privately designed and constructed.

"Distribution system" means the water pipelines used to bring water from the transmission system or storage tank to individual service laterals and hydrants.

"Developer" means any person(s) causing an increase in demand on the water system.

"Department of Water" (DOW) means the County of Kaua'i Department of Water.

"Facilities Reserve Charge" shall mean the name of the fee in effect prior to enactment of this rule.

"Manager" means the Manager and Chief Engineer, Department of Water of the County of Kaua'i.

“Offset” means a reduction in WSDF designed to fairly reflect the value of offsite related public facility capital improvements provided by a developer pursuant to an agreement with the Department of Water for source, storage or transmission capacity.

"Person" means an individual, firm, partnership, company, corporation, association, syndicate, governmental agency, or any legal entity, including but not limited to a trustee, receiver, assignee, or similar representative thereof.

"Premise" means a parcel of real property and any structures thereon which have water service will require water service or requires additional water service.

“Recoupment” means the proportionate share of the public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided by DOW in anticipation of the needs of a development.

“Schedule” means the Water System Development Fees as approved by the Board set out in Part IV section VII of these rules and regulations.

"Service lateral" means the connection to a distribution pipeline, pipes, fittings, valves, and other appurtenances up to and including the consumer shut-off valve and water-meter box, but not including the water meter.

"Source" means any structure used to capture and/or convey, potable waters; and any fee simple land required for the improvements.

"Storage tank" means an enclosed reservoir to store potable water as required in Water System Standards as amended, and any fee simple land required for the improvements.

“Subdivider” has the meaning ascribed to it under section I of Part III of the Department’s Rules and Regulations.

“Subdivision” has the meaning ascribed to it under section I of Part III of the Department’s Rules and Regulations.

“Subdivision water system” shall mean the water system, within and adjacent to any subdivision, including distribution lines, valves, hydrants, laterals, and all appurtenances necessary to distribute water and provide for hydrant service for such subdivision in accordance with 2002 State of Hawaii Water Standards as amended.

"Temporary meter" means any meter connected to a hydrant or a service lateral used less than one year allowed by agreement with the Manager.

"Transmission pipeline" means a pipeline that delivers potable water from a source development to a storage tank or distribution system, including any booster

pump stations and appurtenances and any fee simple land required for the improvements.

"Water meter" means a device that measures the volume of water delivered to any premise.

"Water Meter Application" is the form filled out to request that a meter be placed in service.

"Water Service Request" means the form filled out inquiring into available water system service and requesting an allocation of source, storage and transmission capacity.

"Water system" means the system operated by the Board.

"Water System Development Fee (WSDF)" Is a charge designed to recover a portion of the investment required for water system facilities growth that is assessed by the Board of Water Supply on a developer, new customer, or existing customer who increases their demand for water service. The payment of the Water System Development Fee charge runs with the land not with the payor.

### **Section III: WSDF Fee Schedule**

- A. The WSDF imposed shall be as set forth in the WSDF Schedule, in Part IV of the Department Rules. The WSDF Schedule was created in accordance with a report prepared by an independent consultant as adopted by the Board for the purposes of WSDF assessment. The report calculated the costs associated with water development needs as laid out in the Department of Water facilities needs assessment study entitled "Water Plan 2020" as amended.

### **Section IV: Applicability**

- A. On and after the effective date of this Part V Rule, unless exempted pursuant to Section VI, all new developments requiring water supplies from the Department of Water or those requesting additional water supplies from existing water services will be subject to this Chapter of the rules.

1. The above includes but is not limited to, the following:

- a. Irrigation or agricultural use water services.
- b. Additional structures, ADUs or additions to structures.
- c. Requests for additional meters with no changes to the premise.
- d. Additional use on combined fire flow and potable flow meters.

- e. Connections to any DOW water system to provide private fire flow will be subject to a portion of the storage and transmission components of the WSDF.
- f. All accounts that have been inactive (meter removed) for more than one year are subject to the WSDF.
- g. Subdivisions of land and/or lots to be subdivided
- h. Existing lots of record that have no water service.

## **Section VI: Water System Development Fee Computation**

### **A. General Provisions**

- 1. Water System Development Fees will be assessed based on meter size as determined by the Department.
- 2. A minimum of a 5/8-inch meter shall be assigned for services requested with no existing meter.
- 3. WSDF shall be paid before completing any items required by the conditional approval of the Water Service Request. However, the applicable WSDF will be the WSDF that is in force and effect at the time a Water Meter Application is submitted and approved or at building permit time, whichever comes first.
  - a. Should the WSDF increase or decrease during the period between when the initial Water Service Request is approved and when the Water Meter Application is approved, the difference in WSDF costs must be paid by the applicant or reimbursed by DOW before DOW installs the meter, with the following exception:
    - i. When the period between the initial Water Service Request is approved and the Water Meter Application is approved is less than one year the Applicant does not need to pay the difference if any in the WSDF.
    - b. If any reimbursement is due from DOW the meter installation will not be delayed for reimbursement.
    - c. Upon approval of an Applicants Water Service Request, an Applicant shall have six (6) years to submit and obtain approval of the Water Meter Application.
- 4. The Department shall assess a non-refundable administrative charge as laid out in Part IV of the Rules and Regulations.

- B. No Available Water: If the Department DOES NOT have a sufficient water system developed for domestic use, and if required by the Department, a sufficient water system for fire protection and the developer is required to construct source, storage and transmission lines, then:
  - a. Upon completion and dedication of the required water system, and/or parts thereof, an Applicant shall have six (6) years to submit and obtain approval of the Water Meter Application. If Applicant fails to submit and obtain approval of the Water Meter Application within the above stated time, Applicant could be subject to paying the applicable WSDF fee minus credit applied as determined by the DOW.

**Section VI: Exemptions from WSDF payment.**

- A. A premise which was serviced by a meter that was removed within one (1) year of the current water meter application is exempt from the WSDF fee up to the current value of the prior meter size.
- B. Detector check meters or other private fire line services to be used solely for fire purposes are exempt from the source percentage as listed in Part IV of this rule.
- C. Temporary meters are exempt from the WSDF provided they are used one year or less.

**Section VII: Refund or Reimbursement of WSDF**

- A. An Applicant that is granted a reduction in the size of water meter shall not be entitled to any WSDF reimbursement.
- B. In the event the WSDF has been paid for a subdivision and subsequently the subdivision is reconsolidated reducing the number of buildable lots, the WSDF will be returned for the consolidated lots in the amount paid, provided the reconsolidation is completed within one (1) year following the prior subdivision approval.
  - 1) This shall not apply to a premise which has received approval for a building permit on the premise to be reconsolidated.
- C. Refund of the WSDF shall not be made with the termination of water service.

- D. If the WSDF is not expended or encumbered within six years, as stated above, a refund shall go to the Applicant or the Applicant's successor in title in the amount paid with any accrued interest.
  - 1) A WSDF refund request shall be submitted to the Department within one (1) year of the date on which the right to claim arises.
  - 2) Any unclaimed refund shall be retained in special trust fund or interest bearing account and shall be expended according to this Part V Rule.
- E. If the WSDF is ever terminated, all unexpended or unencumbered funds shall be refunded as provided in Section VII (D) of this rule.
  - 1) The Board shall give public notice of termination and availability of refunds at least two (2) times in a general circulation newspaper with daily distribution.
  - 2) All funds available for refund shall be retained for a period of one year at the end of which any remaining funds may be transferred to the Board's general fund and expended for any public purpose involving water supply or service as determined by the Board.
- F. Recoupment shall be exempt from this section.

#### **Section VIII: Facilities Reserve Charge Paid Prior to Enactment of Part V Rules**

- A. This Section applies to those Applicants that have paid what was known as a "Facilities Reserve Charge" prior to enactment of these Part V Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".
- B. Prior Applicants have 6 months from the date of enactment of these Part V Rules, to install a water meter, hereinafter referred to as the "Grace Period", at no additional cost.
- C. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the WSDF in effect at the time the meter is installed.

#### **Section IX: Offset**

- A. When an applicant consumer, or subdivider is required to construct and dedicate water source or water storage facilities, or water transmission mains, to the department, the following rules shall apply:
  - 1. The applicable WSDF liability of such applicants, consumers, or subdividers shall be offset according to the percent of source, storage or

transmission cost compared to the total WSDF shown in Part IV of these rules.

2. The Department, and not the applicant, consumer, or subdivider, shall calculate and determine the total amount of an applicant's, consumers, or subdividers WSDF offset in any given case. The Department may require the applicant, consumer, or subdivider to submit documentation verifying the actual cost of a source or storage improvement or transmission main.
3. The offsets described in this section shall not apply to water transmission mains constructed by a subdivider, applicant or consumer which are within or adjacent to a subdivision or lands either 1) owned by the applicant, subdivider, or consumer, or 2) developed by the applicant or consumer or subdivider for uses such as, but not limited to residential agricultural, commercial, resort, industrial, governmental, religious, or educational uses. Where water transmission mains are constructed within, adjacent to, or outside of such subdivisions or lands, the offsets shall apply only to mains constructed outside of and off-site from such subdivisions or lands.

## **Section X: Records, Accounts Contest Severability and rule changes**

### **A. COLLECTION AND EXPENDITURE of WSDF**

- a. Upon collection of WSDF, WSDFs shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.

### **B. Contesting the WSDF**

- a. Any person impacted by these rules pertaining to WSDF may contest the amount of the fees assessed by following the requirements of Part I of these rules and regulations.

### **C. Severability**

- a. If any of these regulations or the application thereof to any person or circumstance, is held invalid, such determination shall not affect other provisions or applications of these regulations which can give effect without the invalid provision or application, and to that end the provisions of these regulations are severable.

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

MANAGER'S REPORT NO. 13-7 revised from 9/20/12:

November 29, 2012

Re: Rules Committee Discussion on Part 2 Section IX of the Rules

**RECOMMENDATION:** It is recommended that the Rules Committee take a look at a revised proposal on Part 2 Section IX ADJUSTMENT OF BILLS FOR UNDETECTED LEAKS AND UNFORESEEN DAMAGES.

**BACKGROUND:** The leak elimination proposal was expected to be implemented with the rate changes as the changes eliminate lost revenue. It was expected that \$0.4 to \$0.5 million in annual leak rebate revenue would not be lost. It was also expected that this proposal be implemented the same time as the monthly billing, which has been delayed.

Testimony was provided on the rule change proposal. Primarily it was directed toward reducing costs in other areas within the Department where funds were thought to be lost. These include overtime and unaccounted for water.

The concern over unaccounted for water is something the staff is working diligently on. Overtime is now primarily a result of construction connections that are done after hours to limit inconvenience from service disruption, SCADA system call outs, and accounting process changes being implemented. Construction related overtime is capitalized with the construction project and would not reduce operating costs by eliminating that activity. Elimination of night overtime may however disrupt customer water use during the day if connections were done during the day. I do not want to infer that connection overtime cannot be looked at as there is other activity related to the connections that are not capitalized, that is not providing any benefit to the system, and is also a drain on revenues.

Another testimony is from a repairman who benefits from our leak rebate. In the event a customer has a water line break in their property, the Department does not find nor fix leaks after the meter. Customers with leaks typically get plumbers of their choice to find and fix their underground leaks. In order for a leak adjustment request to be submitted to the Department, their underground leak must be substantiated with an invoice from their plumber indicating when the leak was fixed and the cost paid by the customer.

Our guess is that this activity would still go on whether the leak rebate was cancelled or not. There may be some concern customers may try to fix the leaks themselves if an invoice were not required by the department.

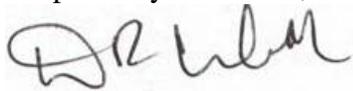
The issues raised do not address the issue that customers with non-leaking service lines are subsidizing leaks that are no cause of their own.

Attached is a revised proposal that was brought up with the full board on its September 20, 2012 board meeting and passed to the Rules Committee for review.

Our implementation in the upcoming CC&B project and has been pushed back to January 21, 2013. HBWS is not accepting any process changes until the new billing system goes live. After department changes are approved by the Board, it will still take some time to adjust the billing system to accept the changes.

Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'DR Craddick', written over a light blue horizontal line.

David R. Craddick, P.E., C.E.M.  
Manager and Chief Engineer

Attached: DOW Revised Proposed Changes on Part 2 Section IX of the Rules

Mgrp/Rules/October2012/13-7 Board Discussion & Possible Action on Part2 Section IX of the Rules(10-19-12):mjb

Administrative rule material to be repealed is bracketed. New material is underscored. Deleted material is ~~stricken through~~ or [bracketed.] In printing this rule amendment, the brackets, bracketed material, underscoring, strikes need not be included.

## **SECTION IX - ADJUSTMENT OF BILLS FOR UNDETECTED**

### **LEAKS AND UNFORESEEN DAMAGES**

1. The Department will reduce high water bills caused by undetected leaks in the consumer's supply pipe. by one half of the excess over the consumer's normal bill based on the previous six months' average. Adjustments will also be allowed where the high water bill was caused by some unforeseen circumstance such as underground leaks, storm damage, flood, explosion, fire and or others.
2. Before adjustment is made under this section, the owner shall first request an adjustment and submit substantiating data to warrant such an adjustment if required by the Department. The Department shall make their determination based on the data presented and any other evidence as collected by the Department, if necessary.
2. 3. Adjustment will be allowed only if the consumer exercises diligence in ~~repairing~~ stopping the leak within the period of one week after ~~knowledge~~ they knew or should have known of an underground leak age. Knowledge of the leak can come from a water bill, personal notification from the Department by attaching a notice to the door of the residence, phone or email message from the Department, neighbor notification or other means. For storms, explosions or fires the leak must be stopped within 24 hours unless the service holder is unavailable, then one week will be allowed.
3. 4. No adjustments will be made for leakage due to faulty plumbing fixtures and exposed waterlines within ~~his property~~ the premise.
4. 5. ~~Before adjustment is made under this section, the owner shall first request an adjustment and submit substantiating data to warrant such an adjustment if required by the Department. The Department shall make the determination based on the data presented and any other evidence as collected by the Department, if necessary.~~ The reduction in high water bill from leaks as noted above will be by charging the first block rate for the Departments best estimate of the excess over the consumer's normal bill based on the years monthly average.
6. In cases where the consumer has had the service for less than one year the Managers shall decide on the amount of the reduction.
7. Should the consumer decide they want to contest the Managers decision they must pay fifty percent of the reduced bill before the matter is put on the Boards agenda.
8. Reduction in water bills for underground leaks is allowed only once in ten years for the premise the leak is found on.
9. Payment of the leak amount may be made by monthly payment spread over one year but in no case shall it be less than twenty five percent of the average monthly bill per month of payment.