
Sec. 26-128. Adjustments in bills for losses from water leaks.

(a) For the purposes of this policy, the following terms shall be defined as follows:

Adjustment means the application of a Leak Adjustment Rate to a Customer's Adjusted Usage, if their Billed Usage is the result of a Qualifying Leak.

Adjusted Usage means the difference between a Customer's Billed Usage and a Customer's Normal Expected Usage. Adjusted Usage may not exceed 100,000 gallons.

AMI Meter means a water meter discontinued, in-use, or approved by the City that has the ability to or is capable of collecting instantaneous, on-demand water use data and transmitting the data to the City's water utility.

Billed Usage means the amount of water metered and billed to a Customer's water account during the billing period(s) for which the Adjustment is requested.

City means the City of Denton, Texas.

Customer means any person who is listed on a utility account with the City. To be considered a Customer under this section, a person must provide documentation verifying their identity to the satisfaction of the City Manager or their designee means any party with charge authorization listed on a billed utility account.

Customer service means the department responsible for the creation and maintenance of billed customer accounts.

Excess usage means the difference between the greatest normal usage of water at a service location and the actual amount of water metered and billed in the billing month for which the adjustment is requested at the service location.

Greatest normal usage means the calculation of a customer's normal water as defined within the program.

Leak means a break or defect in a water line, system, fixture, or appliance that causes a loss of metered, potable water. A Leak may be the result of a break or defect within an irrigation or swimming pool system means any loss of billed water due to failure of a plumbed line or fixture. Water loss due to theft, vandalism, negligence or any unidentified source is not covered.

Leak Adjustment Rate means 50% of a Customer's Adjusted Usage.

Normal Expected Usage means the water usage expected at a service location based on the Customer's available account history, as determined by the City Manager or their designee using the tables below:

<u>Non-AMI Meters</u>	
<u>Customer Account History Available</u>	<u>Normal Expected Usage Calculation</u>
<u>2+ Years</u>	<u>Customer's average water usage for the same month the previous two years</u>
<u>1-2 Years</u>	<u>Customer's water usage for the same month the previous year</u>
<u>6-11 Months</u>	<u>Customer's average usage for the most recent 6 leak-free months</u>
<u>Less Than 6 Months (Leak Free)</u>	<u>Request for a Leak Adjustment will be held until 6 months of usage data is available</u>

<u>AMI Meters</u>

Usage shall be limited to similar periods of continuous water flow data which is verified through review of AMI interval usage data. In absence of comparable interval usage data, the calculation of Normal Expected Usage applicable to Non-AMI Meters applies.
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Qualifying Leak means a Leak that meets all the requirements of this section and causes an increase in water usage that is 50% higher than a Customer's Normal Expected Usage. Leaks due to theft, vandalism, negligence, or any unidentified source are not a Qualifying Leak. Detectable Leaks or Leaks caused by structural issues associated with a swimming pool or by the filling of a swimming pool are not a Qualifying Leak.

Program administrator means the customer service manager or designee responsible for the program.

Service means a billed customer water account.

- (b) This section shall be administered by the City Manager, or their designee, in accordance with this section.
- (c) Customers who meet the requirements of this section may receive an Adjustment that reduces the amount owed to the City for water service due to a Qualifying Leak. Specifically, to receive an Adjustment under this section, a Customer must:
- (1) Submit a complete application in accordance with this section using a form and submission method required by the City Manager or their designee;
 - (2) Meet all the requirements of this section;
 - (3) Not have received Adjustment under this section within the preceding twelve (12) months;
 - (4) Except as provided in subsection (k), repair the Qualifying Leak within thirty (30) days of the date of detection. The date of detection may be assumed by the City Manager, or their designee, to be prior to the date an application is submitted or on a date established by Billed Usage;
 - (5) Submit evidence demonstrating to the satisfaction of the City Manager, or their designee, that the Qualifying Leak has been repaired in accordance with all applicable City ordinances, codes, rules, and regulations;
 - (6) Except as provided in subsection (j), obtain any permits required by any applicable City ordinances, codes, and regulations;
 - (7) Pass any inspections of the repair required by any applicable City ordinances, codes, and regulations; and
 - (8) Not have received a citation for a violation of any provision of Sections 26-233, 26-234, or 28-446 within the ninety (90) days prior to repair of the Qualifying Leak.
- (d) Repairs under subsection (c)(4) requiring permitting and inspection may be made by the property owner or by a licensed professional.
- (e) Except as provided in subsection (k), an application for an Adjustment must be submitted within sixty (60) days of repair of a Qualifying Leak. The Customer must submit all documentation requested by the City Manager or their designee. Requested documentation may include, without limitation, any or all of the following items:
- (1) a repair invoice;
 - (2) a parts receipt;
 - (3) a letter from a licensed professional certifying the repair is completed; and
 - (4) any other information documenting the repair deemed sufficient by the City Manager or their designee.

The method required for submission of evidence of repair under this section will be determined by the City Manager or their designee. The application form shall contain a statement setting forth an understanding that the application

is a government record subject to criminal prosecution for false statements under Chapter 37 of the Texas Penal Code, and the Customer must state that the application and attached evidence contains no false statements.

(f) Qualifying Leaks meeting all the requirements of this section shall receive an Adjustment for up to two consecutive billing periods at the Leak Adjustment Rate for up to 100,000 gallons. The City Manager, or their designee, shall calculate an Adjustment by:

- (1) Determining the Customer's Billed Usage;
- (2) Determining the Customer's Normal Expected Usage;
- (3) Determining the Customer's Adjusted Usage by calculating the difference between their Billed Usage and their Normal Expected Usage; and
- (4) Multiplying the Customer's Adjusted Usage by the Leak Adjustment Rate.

An example calculation for a Customer who qualifies for an Adjustment is as follows:

<u>Adjusted Usage Calculation</u>		<u>Adjustment Calculation</u>	
Billed Usage	\$75.00	Adjusted Usage	\$50.00
Normal Expected Usage	- \$25.00	Leak Adjustment Rate	x .50
Adjustment	\$50.00	Adjustment	\$25.00

(g) Water usage not subject to this section will be billed according to the applicable rates established by the City Council and amended from time to time.

(h) All Adjustments will be issued as a credit to the Customer's account. Adjustments will not be applied to a Customer's account until one full, leak-free month of service has been billed. To avoid penalties, interest, or interruption during the Adjustment process, a Customer must follow standard payment processes including, without limitation, payment of billed charges or entering into a payment arrangement.

(i) Adjustments are provided as a courtesy to Customers and are not an entitlement. Customers are responsible for all usage and billed amounts not adjusted under this section. Denton City Charter, Sec. 12.02 prohibits the provision of free service.

(j) Customers who rent a service location and who do not have the legal authority to obtain permits required by the City may qualify for an Adjustment without obtaining the permits, if the following conditions are met:

- (1) The Customer must provide written documentation evidencing, to the satisfaction of the City Manager, or their designee, their efforts to inform the property owner of the Qualifying Leak;
- (2) The Customer must provide written documentation evidencing to the satisfaction of the City Manager, or their designee, their efforts to inform the property owner that repair of the Qualifying Leak requires permit(s); and
- (3) The Customer must comply with all other requirements of this section.

(k) An extension of the application deadline in subsection (e) of up to fourteen (14) days may be granted under the authority of the City Manager, or their designee. Requests for an extension of the repair deadline in subsection (c) or requests for an extension greater than fourteen days for the application deadline in subsection (e) may be granted under the authority of the City Manager, or their designee, if the Customer submits evidence establishing good cause for the extension. Examples of good cause include, but are not limited to:

- (1) Force majeure due to natural causes with no human intervention contributing to its occurrence;
- (2) Excessive residential repair costs; and
- (3) Critical illness.

(l) Notwithstanding any conflicting provision of this section, any Billed Usage in excess of ten (10) times the Normal Expected Usage may be Adjusted by up to \$2,000. To receive this credit, the following criteria must be met:

- (1) The Leak associated with the Billed Usage must be a Qualifying Leak;
- (2) The Qualifying Leak must not exceed two billing periods;
- (3) The Customer must meet all other applicable requirements of this section;
- (4) The Customer may not have received a previous Adjustment under this subsection (m) for the affected account;
- (5) The City Manager, or their designee, must conduct an investigation and obtain evidence establishing that the increased usage was not the result of the Customer's failure to take reasonable action(s) to correct or address the Qualifying Leak. If the initial investigation reveals a billing or meter error, the Customer's account may be adjusted under the authorization of Section 26-23(3)(a);
- (6) The City Manager must review and approve the Adjustment; and
- (7) City Council must receive a timely report of uses of this subsection (l).

(m) If a Customer's Normal Expected Usage under this section would reduce their wastewater volume, as calculated under the City's then-applicable rate book, then a separate wastewater adjustment may occur as authorized by Section 26-23(3)(c).

(n) Notwithstanding any deadlines provided in this section, a Customer may receive an Adjustment under subsection (l) for a Qualifying Leak that occurred in the twenty-four (24) months prior to January 1, 2026.

(o) Submitting an application does not remove a Customer's responsibility to pay for water service. To avoid penalties, interest, and/or interruption during the Adjustment process, a Customer must follow standard payment processes including, without limitation, payment of billed charges or entering into a payment arrangement.

(p) This section does not create any rights to an appeal of the City's decision whether to apply an Adjustment and the initial determination by City Manager or their designee shall be considered final and non-appealable.

~~(b) Any program administered by the city is provided as a courtesy to customers and is not an entitlement. Customers are responsible for any billed charges which are not covered under the program or do not qualify for bill adjustments as set forth in Denton City Charter, Section 12.02 which prohibits the provision of free service. Application for a leak adjustment under the program does not remove a customer's financial responsibility for service. To avoid penalties, interest, and/or interruption during the adjustment process, customers must follow standard payment processes which may include payment of billed charges or entering a payment arrangement.~~

~~(c) The city shall provide a program which provides bill credit for charges incurred due to a leak. The program shall:~~

- ~~(1) Provide criteria that must be met for issuance of an adjustment under the program;~~
- ~~(2) Define program restrictions;~~
- ~~(3) Define method(s) excess usage calculation and provide an adjustment rate; and~~
- ~~(4) Define actions, steps, methods, and timelines related to processing and issuing adjustments.~~

~~(d) The program administrator shall ensure any revision of the written program document be:~~

- ~~(1) Approved by the city manager;~~
- ~~(2) On file with the city;~~
- ~~(3) Publicly available on the city website; and~~

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- ~~(4) — Provided to the city council prior to implementation.~~
- ~~(e) — As a measure of protection for the safety and security of the potable water supply, a leak shall, at minimum, meet the following criteria in order to qualify for the program:~~
- ~~(1) — Corrective repairs shall be completed and documented as required by the program;~~
 - ~~(2) — Any required permits shall be obtained;~~
 - ~~(3) — All repairs shall pass any inspection as required by state or local law;~~
- ~~(f) — On an annual basis, the city council shall receive a report on program performance.~~

(Code 1966, § 25-36; Ord. No. 2001-200, § 1, 5-15-01; Ord. No. 2005-092, § 1, 3-22-05; Ord. No. 22-319, § 1, 3-22-22)