

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS; REPEALING SEC. 26-128 “ADJUSTMENTS IN BILLS FOR LOSSES FROM WATER LEAKS” OF THE CODE OF THE CITY OF DENTON, TEXAS; CODIFYING A NEW SEC. 26-128 TO ADD AND CLARIFY WATER AND SEWER BILLING LEAK ADJUSTMENT PROGRAM REQUIREMENTS AND ADMINISTRATIVE PROCEDURES; PROVIDING FOR A REPEALER; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on March 22, 2005, by Ordinance No. 2005-092, the City Council amended Sec. 26-128 of the Code of the City of Denton, Texas to clarify the procedures and to define qualifications for water and sewer billing adjustments due to hidden water loss (the “Leak Adjustment Program”); and

WHEREAS, on March 22, 2022, by Ordinance No. 22-319, the City Council adopted amendments to Sec. 26-128 of the Code of the City of Denton, Texas to provide broad program guidance, expectations, and accountability; to authorize administration details to be maintained through a documented City program; and to change the section title to more accurately reflect broader leak acceptance; and

WHEREAS the City Council now desires to further revise and refine the Leak Adjustment Program guidelines to provide improved procedures governing program eligibility, restrictions, and administration; and

WHEREAS, the City Council hereby finds and determines that the Leak Adjustment Program provided in the new Sec. 26-128 is necessary and in the public interest.

NOW THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. Sec. 26-128 of the Code of the City of Denton, Texas, last amended by the City Council pursuant to Ordinance 22-319 on March 22, 2022, is hereby repealed in its entirety.

SECTION 3. The Code of the City of Denton, Texas is hereby amended to codify a revised Sec. 26-128 entitled “Adjustments in bills for losses from water leaks”, attached hereto as Exhibit “A” and incorporated herein as if fully set forth herein.

SECTION 4. All provisions of the Code of the City of Denton, Texas codified or uncoded, in direct conflict with the provisions of this ordinance are hereby repealed, and all other provisions of the Code of the City of Denton, codified or uncoded, not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 5. To the extent not otherwise provided, this ordinance shall repeal every prior ordinance in conflict herewith, but only insofar as the portion of such ordinance shall be in conflict; and as to all other sections of the ordinance not in direct conflict herewith, this ordinance

shall be and is hereby made cumulative except as to such prior ordinances or portions thereof as are expressly repealed hereby.

SECTION 6. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, or section of this ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any other remaining phrase, clause, sentence, paragraph, or section of this ordinance.

SECTION 7. The City Secretary is hereby directed to record and publish the regulations attached hereto as Exhibit “A” in the City's Code of Ordinances.

SECTION 8. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander

EXHIBIT “A”

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.

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.

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:

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

AMI Meters
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.

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

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structural issues associated with a swimming pool or by the filling of a swimming pool are not a Qualifying Leak.

- (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 an 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;

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(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:

Adjusted Usage Calculation		Adjustment Calculation	
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;

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- (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.

(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)