

ADMINISTRATIVE POLICY
HOT SPRINGS MUNICIPAL WATER SYSTEM
WATER LEAK ADJUSTMENTS

I. PURPOSE.

The purpose of this policy is to establish the practice and procedure for making adjustments to monthly water and wastewater usage charges due to excessive water consumption as defined in Section IV hereof.

II. PRACTICE.

The water and wastewater usage charges credit will be issued by the Finance Department on the customer's next regular municipal utility bill upon authorization by the Utilities Director or his/her designee. Such authorization will be granted in accordance with this policy. Provided, however, that any total adjustment of \$100.00 or less may be approved by the Finance Director or his/her designee, again in accordance with the following policy.

III. PROCEDURE.

Adjustments can be made on Hot Springs Municipal Water and Wastewater System charges due to a water leak that is reported to the Hot Springs Customer Service Division located at 517 Airport Road, Suite C, immediately upon discovery of a possible leak. The request for adjustment shall be made on a Water Leak Adjustment form provided by the Hot Springs Customer Service Division. The request for adjustment will be reviewed by a committee at a regularly scheduled weekly meeting. The Hot Springs Customer Service Division will prepare written customer notification of adjustment approval, denial or modification within 5 business days following adjustment review at this meeting. Any appeals must be made to the Hot Springs Board of Directors for consideration at the bimonthly Board Meetings.

An increase in the monthly bill, where the cause is identified, documented and repaired and the leakage is not deemed to be entering the wastewater system may be eligible for a credit on the amount over and above the average monthly charge. The amount for this type of leak will be a credit of 50% on the excessive monthly water usage amount and a credit of 100% on the excessive wastewater amount. An increase in the monthly bill, where the cause can not be identified is eligible for a 50% water and a 50% wastewater credit on the excessive amount. An increase in the monthly bill that is caused by a toilet leak may be eligible for a credit of 50% on the excessive monthly water usage amount and a 50% credit on the excessive wastewater amount.

All credits for wastewater adjustment related to the filling of a swimming pool will be considered with all other requests at the weekly meetings. The amount of credit will be calculated based on the average wastewater bill for the previous six (6) months. Any amount above the average usage will be credited on the billing following the approval of the wastewater adjustment request. The amount of this credit may be verified based on actual dimensions of the pool on a case by case basis. Any total adjustment of \$100.00 or less may be approved by the Finance Director or his/her designee. No water adjustment credit shall be given related to the filling of a swimming pool.

Credits will be allowed for a maximum 3 months of bills per individual occurrence. Any exceptions to this interval must be approved the Utilities Director, or his/her designee. All documentation is subject to verification.

IV. QUALIFYING ADJUSTMENTS AND ADJUSTMENT CALCULATION.

Adjustments may be made on an account when one of the following reasons occurs:

The reasons may include, but are not limited to the following:

- a. Outlet coupling leaking
- b. Outlet risers leaking
- c. Supply line leaking
- d. Pipe or fitting leaking
- e. Water heater malfunction may be considered depending on the nature of the problem.
- f. Abnormally high usage with no apparent cause

The completed Water Leak Adjustment Form must include a detailed description of the problem and method of repairs. Upon proof of a repair as documented by a receipt, work order or similar instrument, the water charges of the month in which the leak occurred (the leak month) may be reduced by the amount of water usage determined to be in excess of the customer's average monthly usage. Average monthly usage will be determined by the City utilizing data from 6 months' usage prior to the leak month. Should the account not have six months of history, the available history shall be used. The wastewater charge may be adjusted, provided that the leakage does not enter the wastewater system. This shall be determined by the City.

Billing adjustments related to misread meters or other errors will be addressed by the Meter Shop Supervisor and the Billing Supervisor. It would not be necessary to receive the Utilities Director's approval to adjust the bill for an error or misread.

EXAMPLE - EXCESSIVE CONSUMPTION CALCULATION

Average usage utilizing six (6) months data

Leak month usage	210,000 gallons
Usage 7 months ago	110,000 gallons
Usage 6 months ago	120,000 gallons
Usage 5 months ago	130,000 gallons
Usage 4 months ago	128,000 gallons
Usage 3 months ago	125,000 gallons
Usage 2 months ago	122,000 gallons
Average of a six months period of usage without a leak	122,500 gallons

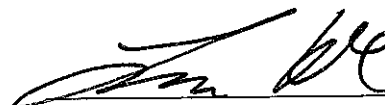
Upon proof of repair, the leak month charges would be reduced by 87,500 gallons - leak month (210,000 gallons) minus six months without leak average (122,500 gallons).

V. CROSS REFERENCES.

This policy shall be used in conjunction with the Uniform Municipal Utility Billing Procedure (Ordinance No. 4549, as amended [H.S.C. §9-5-1 et. seq.]).

VI. EFFECTIVE DATE.

This administrative policy shall be effective from and after December 1, 2008. The January 1, 2002, edition is hereby suspended. Revisions and amendments, if necessary, shall be issued by the City Manager.



Lance Hudnell, City Manager
Date: April 1, 2011 *

*Note: Policy approved in December 2008 but signature confirmed on April 1, 2011.