

Policy No. 2009-01

Water Bill Adjustment Policy

1. Background and Purpose.

In general, a Water Authority of Dickson County (“the Authority”) customer is responsible for all water that passes through the customer’s meter. When a customer does not pay for all water metered, the cost of such water must be recovered from other customers. Because an unknown leak may cause an undue burden on individual customers, this policy balances these interests by allowing the customer a leak adjustment under approved circumstances.

The Authority operates for the benefit of its present and future customers. The Authority seeks to treat individual customers with consideration and understanding but the Authority cannot favor a customer in a way that compromises the interests of other current and future customers.

2. General Limitations.

The Authority is subject to various federal, state, and/or local statutes, rules, regulations, decrees, and policies which govern its operational and financial policies. The Authority has no discretion to make any adjustment to any customer’s bill which would violate any portion of the requirements to which it is subject. Additionally, the Authority cannot and does not favor any specific individual or business customer in any manner which would be fiscally irresponsible in respect either of the Authority’s resources or its customer base.

3. Record-Keeping.

Records of billing adjustments shall be kept for a minimum of seven years.

4. Exceptional Circumstances.

It is impossible to foresee all circumstances in which an adjustment to a customer’s bill may or may not be adjusted with propriety in light of the Authority’s obligations. In circumstances which are not specifically addressed by this policy, the Executive Director shall determine, in conformity with the Authority’s general policy objectives and business practices, whether or not to make a billing adjustment. It is the will of the Authority’s board of commissioners that the Executive Director shall make the final, binding decision in the disposition of billing disputes.

5. Policy.

- a. The passage of water through the water meter serving a customer’s service location

unconditionally obligates the customer and all other persons responsible for payment of charges with respect to that account to pay for such water, in full and within the period prescribed by the Authority's policies, as from time to time amended. Any adjustment in the bill for such water, including any agreement to accept payment on any schedule other than in full and within such period, is a discretionary decision of the Authority. No person has any legally enforceable right to an adjustment of such person's bill, nor any right to make payment in any amount or on any schedule other than in full and within the Authority's regularly scheduled billing and payment cycle.

b. Except as may be expressly established by the Authority's board of commissioners, no adjustment in the amount of a customer's bill shall be made for any reason other than a concealed water leak. The customer shall have the burden of demonstrating to the Authority that the cause of the customer's abnormally high water consumption was in fact a concealed water leak. A "concealed water leak," for purposes of this policy, shall mean only a leak which occurs beneath the surface of the earth (whether outside or within the foundation walls of a structure), or beneath a concrete slab or other impermeable surface, or within a concrete, masonry, or other impermeable wall. Notwithstanding the foregoing and any other provision hereof, "concealed water leak" shall not include any of the following:

i. a leak from any pipe or fixture, irrespective of where located, that produces any pooling of water on the surface of the earth which is visible to the naked eye;

ii. a leak from any pipe or fixture which is above the surface of the earth, unless from a pipe or fixture located within a concrete, masonry, or other impermeable wall;

iii. a leak from any faucet, toilet, dishwasher, clothes washing machine, or other piece of equipment located on, in, or about a customer's service location;

iv. a leak from any pipe or fixture associated with a swimming pool, whether above-ground or in-ground;

v. any leak which produces an aural indication that is or would be apparent to a person of normal auditory acuity occupying the service location for the purposes for which constructed; or,

vi. any use of water at or from a customer's service location by any person without the customer's permission, including but not limited to unauthorized taps and cross-connections, irrespective of whether the customer has actual or constructive notice or knowledge of such use, and irrespective of whether a service termination request has been submitted to the Authority by the customer.

b. It is the customer's obligation to keep and maintain all portions of the water and plumbing systems located at and serving the customer's service location in good condition and

repair, without leaks, breaks, or other compromises to the system's integrity. The Authority neither has nor assumes any obligation for any portion of such systems or their operation, except such as may arise by the direct action of the Authority's employees, agents, or contractors.

c. The existence of a water leak may be suggested by, among other things, (i) notification by the customer or a third party of a water leak, (ii) a sudden and otherwise unexplained substantial increase in water usage as shown by periodic or other meter readings, (iii) evidence of a water leak, such as, by way of example and not of limitation: pooling of water on the ground or noticeably verdant areas of vegetation during dry months.

d. When the Authority receives notice of such facts as suggest a water leak may have occurred or be occurring, the Authority will attempt to notify the customer by means of a "door hanger" on a door at the service location. This attempt at notification is a courtesy only and is not required by law. The failure of the Authority to give, or the failure of the customer to receive, any such notice shall not affect the Authority's right to be paid in full and within the period prescribed by the Authority's then-current policies and procedures.

e. Because degradation or failure of a water meter necessarily results in an erroneously low reading, and an erroneously high reading cannot be generated by a defective water meter, meter testing will not normally be scheduled in connection with a suspected water leak. If a customer requests a test of such customer's water meter, such testing shall occur, if appropriate, in conformity with the Authority's policies with respect to such testing.

f. A request for an adjustment to a customer's bill shall be initiated exclusively by the submission by the customer, in writing, under oath, and on a form to be prescribed by the Authority, of a notice of disputed bill, which shall set forth a complete statement of all facts which the customer believes render an adjustment to such customer's bill appropriate, together with a copy of the disputed bill(s). The notice shall be submitted in person, by the customer or the customer's agent, to the Authority during the Authority's normal working hours and shall be stamped by the person receiving the same with the date and time of receipt. Alternatively, such notice may be mailed to the Authority at the Authority's main office and principal place of business by United States certified mail, return receipt requested.

g. If the Authority determines that an adjustment to a customer's bill is appropriate, the amount of the bill, as adjusted, shall be based upon the actual amount of water consumed during the disputed period, as measured by the meter at the customer's service location. The adjustment may take the form of either or both a reduction in the amount due and payable and/or the period within which the customer is obliged to pay the same.

i. If an adjustment to the amount of the customer's bill is deemed by the Authority to be warranted, except as provided in paragraph 5.g.ii hereof, the least amount which the customer shall be authorized to pay under such adjustment shall in no event be less than the sum of –

A. an amount equal to such customer's average monthly water consumption over the twelve- (12)-month period (or, if the customer's account at such location has not been in effect for at least twelve full months next preceding the period for which an adjustment is granted, then the customer's water usage shall be averaged based upon all months of service completed prior to the period for which an adjustment is granted) ending immediately prior to the period with respect to which such adjustment is granted (the customer's "average monthly usage"), multiplied by the full amount of Authority's then-prevailing retail water service rate, together with

B. an amount equal to Three and No/100 Dollars (\$3.00) per one thousand (1,000) gallons of water consumed, as actually metered, during the period with respect to which such adjustment has been granted multiplied by the amount of water consumed during such period which is in excess of the customer's average monthly usage. In all events the customer shall be responsible for payment of all applicable taxes on the amount of the customer's bill, as adjusted.

ii. In the event that a water leak shall occur within the meter box servicing the customer's service location or outside such meter box but prior to the point at which the service connection's brass nipple connector actually connects to the service line serving such location, such that the customer is not permitted to undertake repairs or alterations thereof without consent of the Authority, then the customer's bill for such period shall be adjusted to an amount equal to such customer's average monthly usage multiplied by the Authority's then prevailing retail water service rate. Adjustments made pursuant to this paragraph 5.g.ii shall not be subject to the limitations of paragraph 5.j hereof.

iii. If the Authority determines to accept payment over a period of time of such customer's bill, whether or not the amount of such bill has been adjusted by the Authority, then the following guidelines shall apply:

A. If the amount of the disputed bill, as adjusted, is equal to or less than fifty (50) dollars, then the maximum deferment period shall not exceed four (4) months; that is, the customer shall pay the full amount of the adjusted bill over a period not exceeding such customer's next four (4) regular monthly billing cycles.

B. If the amount of the disputed bill, as adjusted, is more than fifty (50) dollars but not more than one hundred (100) dollars, then the maximum deferment period shall not exceed nine (9) months.

C. If the amount of the disputed bill, as adjusted, is more than one hundred (100) dollars but not more than one hundred fifty (150) dollars, then the maximum deferment period shall not exceed twelve (12) months.

D. If the amount of the disputed bill, as adjusted, is more than one

hundred fifty (150) dollars but not more than two hundred (200) dollars, then the maximum deferment period shall not exceed fifteen (15) months.

E. If the amount of the disputed bill, as adjusted, is more than two hundred (200) dollars, then the maximum deferment period shall not exceed eighteen (18) months.

In all events, for each billing cycle of the deferment period and until the full amount of the disputed bill, as adjusted, is paid, the customer shall pay, in addition to all of such customer's regular charges for such billing cycle, an amount not less than a fractional proportion of the disputed bill, as adjusted, the numerator of which is one (1) and the denominator of which is equal to the total number of monthly billing cycles in the deferment period determined by the Authority.

iv. In all events, all remaining unpaid amounts payable with respect to an adjusted bill shall be due and payable no later than the date on which the Authority terminates the customer's water service with respect to the account with respect to which such bill was adjusted, and all such remaining balance shall be paid together with such customer's final payment with respect to such account; *provided*, however, that if the customer shall, contemporaneously with termination of the account with respect to which such customer has received an adjustment to a disputed bill, open a new service account with the Authority for water service at a different location, then such customer may continue to make periodic payments of such adjusted bill as previously determined.

h. An adjustment in the amount due shall be conditional only, and shall be specifically conditioned upon (i) the customer's payment in full of the disputed bill as adjusted within the period and in the manner prescribed by the Authority, and (ii) timely and full payment of all the customer's regular monthly bills for the period(s) during which payment of the adjusted bill is made. Should the customer fail to pay the disputed bill as adjusted within the period and in the minimum installments prescribed, or should the customer default in any other obligation to the Authority while any portion of such adjusted bill remains unpaid, then the customer shall be responsible for immediate payment in full of the entire remaining unpaid balance of the disputed bill prior to adjustment. Completion of payment of the customer's adjusted bill within the period(s) prescribed by the Authority, together with full and timely payment for all water service to such customer during the deferred payment period, shall operate as a release of liability for the amount by which such disputed water service charges were reduced.

i. No adjustment shall be made to a disputed bill unless and until the customer has presented evidence in a form satisfactory to the Authority that the cause of the leak has been promptly identified and remedied. The Authority reserves to itself the exclusive and binding discretion to determine what shall constitute such evidence. The customer's presentation of such evidence to the Authority shall constitute permission for the Authority's staff to communicate with any person to verify any matters set forth in such evidence.

j. The following bills shall not be adjusted:

i. Any bill with respect to any amount of water consumed, as measured by the meter serving such customer's service location, not in excess of twenty-five thousand (25,000) gallons during any single billing cycle;

ii. The bill of any customer whose bill (whether for the current or any prior service account) has been the subject of an adjustment during the twelve- (12)-month period immediately preceding the billing date of the disputed bill;

iii. Any bill for any period in excess of two (2) consecutive monthly billing cycles;

iv. Any bill not disputed within ninety (90) days from and after the billing date shown on such bill; or,

v. Any bill of any customer who is, as of the date the customer submits the notice of dispute described in paragraph f above, in breach of any obligation (whether with respect to the customer's present or any prior service account) to the Authority other than with respect to the presently disputed charges.

k. No dispute regarding any bill shall operate to reduce the amount due with respect to such customer's previous or subsequent charges, nor shall any such dispute operate to extend the date on which payment with respect to such charges is due.

l. A summary of this policy, as from time to time amended, shall be provided to every person who opens a water service account with the Authority. Should any provision of such summary conflict with any provision hereof, the conflicting provision hereof shall control, and such summary shall so state on the face thereof.

Adoption Date: 03/09/09

Effective Date: 03/10/09