



CITY OF SHAVANO PARK
900 Saddletree Court
Shavano Park, TX 78231

CITY POLICY NO. 9

SUBJECT: Water Bill Leak Adjustment Policy

22 March 2021

1. References.

- a) March 8, 2021 Water Advisory Meeting Minutes
- b) March 22, 2021 City Council Minutes

2. Purpose. The purpose of this policy is to define how and when the City of Shavano Park Water Utility will adjust a water bill for a leak.

3. Background.

The City of Shavano Park has invested a large sum of its water revenues to provide accurate meters to record water usage by residents who use the Shavano Park Water System. These meters are 99% accurate in accounting for water running through the meter for all uses, to include household use, pools, and irrigation. It is the Public Works' responsibility to account for all metered water in our system, to be in compliance with TCEQ and EAA rules and regulations.

In 2020, the City of Shavano Park began conversion of all water meters from the "drive-by read" Classic Endpoint (CE) meters to the "Cellular- read" meters. The new cellular technology constantly transmits data via cellular and allows residents using an application "APP" to create a user profile through an 'Eye on Water' APP. This APP allows residents to track their water usage and set alerts for when there is a leak detected. These new meters should help increase awareness of leaks and water usage. Nevertheless, leaks will occur and this policy will address how adjustments are made.

The justification for having the adjustment policy is that unexpected leaks often create very large water bills and at the same time the cost to provide that water is relatively low compared to the standard usage cost.

4. Policy.

a. **Leak verification.** If a resident has a leak in a service line or an irrigation line, the City may consider a one-time adjustment per calendar year to the water bill. The circumstances must be explained, the leak repaired by the customer (or contractor) with documentation provided to Water Utility staff and a review completed by the responsible City official.

b. **Leak notification.** Leak notifications will occur in three methods.

1) For customers using the cellular with the “Eye on Water” APP, they will receive a notification on their APP.

2) Once the Water Utility Office Manager is notified of an account leak, the resident will be notified during the next billing cycle.

3) After three months of continued leak, the Water Utility Officer Manager will personally contact the resident to ensure the leak is acknowledged. Leaks that continue after the third month may not be considered for bill adjustment.

c. If an adjustment is warranted, the following procedure will be followed. If the current resident was in the home in prior years, average usage during the last two or three years will be used to establish a baseline usage amount. To establish a typical base amount of usage without a leak, the average usage during the past three (3) years in the same month will be used to establish a base amount. It will be assumed that usage over the average base amount can be attributed to the leak. The resident and the City will essentially split the water usage cost attributed to the leak. The resident will be responsible for the normal debt service fee and the water service fee, which are set amounts. The resident will also be responsible for the full amount of the Edwards Aquifer Authority (EAA) Fee, which is a pass through expense owed to the EAA.

To calculate the leak amount, combine the usage for the same month for each of the previous 3 years and calculate an average consumption baseline for the month(s) in question. From the current month’s usage, subtract the 3 year average, divide that amount by 2. Once you have that number, add it to the 3 year average and this consumption amount is what the customer will be required to pay along with all the EAA fees, Debt Service Fee, and the Water Service Fee. The City would absorb the cost of the customer’s adjusted bill.

d. If there are not three established years to calculate the base amount, either two years or the seasonal average will be used. The seasonal average is defined as the average usage during the current year’s seasonal use similar to the month in question as determined by the Public Works Director.

e. Swimming pools that are required to be drained for maintenance and/or repairs will not qualify for any credit / discounted price.

f. The City Manager may authorize a second leak adjustment during a calendar year for extraordinary circumstances.

5. EXAMPLES.

a. Adjustments for customers residing in Shavano Park for 3 years or more, shall be based on the following example. A customer’s June 2021 usage in question is 40,000 gallons and a leak has been verified.

Year / Month	Gallons		
2018 June	24,000		40,000
2019 June	15,000		- 18,000
2020 June	16,000	18,000	22,000
	55,000	/ 3 = 18,333	

Round down
or up - billing
is by
thousand
gallons

usage in question minus 3 year
average

22,000 / 2 = 11,000 gals.

Then add 3 year average to this
figure to get new bill.

18,000 + 11,000 gals. = 29,000
gals.

The customer’s new June 2021 water usage would equal 29,000 gallons (18,000 gal base line + 11,000 cost sharing from leak). To calculate the total bill, add the adjusted water usage with the unadjusted Edwards Aquifer Authority Fee (40,000 gals), the Debt Service, and Water Service fees. The City would absorb the cost of the 11,000 gallons taken off the customer’s adjusted bill.

b. If there is not enough data for two or three years of yearly averages from the same month, the base amount will be calculated using a seasonal average for the same year. For example, a leak in July may use an average of 1) May and June; or 2) May, June, and August.