



Office of the City Manager

Committed to our Residents, Organizational Pride, Leading by Example, Excellent Customer Service,
Making a Difference, Accountable for our actions, Never settle for less – We are **COLEMAN**

PRESS RELEASE
CITY OF COLEMAN
March 8, 2021

City Council approves Resolution to provide economic relief from water leaks due to Winter Storm

The City Council has adopted a resolution to provide for economic relief to Utility Customers who may have increased water usage due to pipes that may have burst or water leaks due to the winter weather conditions.

City Manager Diana Lopez stated” After evaluation of the impact to Customers who are dealing with the unexpected financial costs associated with this storm, it is the intent of Council to provide to residents some economic relief. Staff has evaluated the best processes to present to the Council for their consideration and they have approved the following:

- No application of late fees assessed for the February billings cycles (service dates).
- Late fees will resume in April for the March billing cycles.
- Customers will be provided the ability to enter into payment arrangements to alleviate financial burdens upon reasonable terms and conditions as authorized by the City Manager.
- That the City Manager is authorized to manage disconnections for delinquent accounts.
- The City Manager is authorized to waive fees for plumbing permits if a customer experienced a water leak.
- Adoption of the City of Coleman Water Leak Forgiveness Policy”

The Water Leak Forgiveness Policy provides Residential, Non-Profit Organizations, and Religious Organizations the ability to apply for a utility billing adjustment for a water leak caused through no fault of the customer. The policy allows for a maximum credit of 50% of the high bill amount. Customers who qualify for the Program will need to contact the Utility Billing Office to initiate the process. A copy of the Resolution and the Water Leak Forgiveness Policy may be found on the City’s website at: www.cityofcoleman.tx.us.

If you are experiencing financial difficulties with your utility bill, you are encouraged to contact the Utility Billing Department at 325-625-4116. Individual circumstances will be evaluated to provide, to the greatest extent possible, a solution to assist in this process.



**City of Coleman
Water Leak Forgiveness Policy**

PURPOSE:

This policy is intended to provide for utility billing adjustments, as a courtesy, to utility customers who request an adjustment for a water leak because of an obvious or latent defect in the customer's water supply system.

Though it is the responsibility of every customer to keep their water service lines in a state of good repair, leaks do occur, and the city recognizes that an undetected leak can have a significant financial impact on a customer who experiences one. At the same time, the city has costs associated with the delivery of treated water to each customer. The costs of treating the water and maintaining the water infrastructure are recovered from customers through the assessment of certain set water rates. The city, weighing both the costs of supplying the water to each customer and the city's desire to assist customers with the financial burden caused by certain water leaks, has established this policy.

SCOPE OF POLICY:

- A. This policy is only applicable to residential customers, nonprofit organizations and religious organizations.
- B. Water leaks that qualify for adjustments through this policy typically happen in the line between the water meter and the customer's home.
- C. Unexpected Excessive Usage adjustments are allowed when high consumption is caused by an issue the customer was unaware of until they noticed the leak, damage caused by the leak, or received their water bill . A broken toilet flap that has produced no visible signs of damage is an example of an event that would qualify for an adjustment.
- D. Adjustments will not be allowed when high usage is caused by a customer's water usage habits. Swimming pools, hot tubs, and excessive watering of lawn or plants during dry weather are examples of water usage habits that can be expected to use a significant amount of water and do not qualify for an adjustment.
- E. At no time will the adjustment credit exceed 50% of the high bill amount.

POLICY DETAILS:

It is the responsibility of the customer to notify the utility billing department that they wish to initiate the process. To qualify for an adjustment, the leak must be identified and repaired within 30 days of discovery, notification, or utility bill reflecting the high usage and customer's water usage must have returned to normal levels.

Procedures

- A. A customer who incurs charges on their utility bill as a result of a water leak that was not reasonably detectable and that was caused through no fault of the customer may take advantage of this forgiveness policy only once during an eighteen (18) month period, as indicated in the city's billing records.
- B. The customer taking advantage of this policy must meet these requirements before staff can grant the forgiveness:
 1. An affidavit, sworn to by the customer and notarized, must be provided to city staff that details that the leak occurred, where the leak was, how it was detected, when it was detected, how it was caused (if able to be determined), how it was repaired and when it was repaired.

2. Along with the affidavit, if the leak was repaired by a licensed plumber, a copy of a detailed receipt must be supplied. Or, in the event the customer fixed the leak themselves, a copy of the receipt for any hardware/plumbing supplies must be attached.

Calculation of Usage Credit

A. Upon receipt for the required documents, the utility billing department will then take the average of both the water side of the customer bill for the twelve (12) previous months, added to the current month (13 months of usage history), and compute the bill as it is done below:

- The water leak forgiveness formula is based on an average of the previous twelve (12) months, including the leak month (13 months of usage history per the city's most currently adopted water rates).

Example Number 1:

* January: \$43.00	*December: \$45.00
* February: \$48.00	*January (leak month): \$100.00
* March: \$45.00	
* April: \$50.00	AVG: \$57.00
* May: \$55.00	Adjustment Usage Credit (AUC): (\$100.00
* June: \$60.00	– \$57.00) = \$43.00
* July: \$65.00	50% of High Bill Amount
* August: \$60.00	(\$100.00 * 0.50) = \$50.00
* September: \$60.00	Adjusted Bill Applying AUC: \$57.00
* October: \$60.00	Final Billing \$57.00
* November: \$50.00	

Example Number 2:

* January: \$43.00	*December: \$45.00
* February: \$48.00	*January (leak month): \$150.00
* March: \$45.00	
* April: \$50.00	AVG: \$60.85
* May: \$55.00	Adjustment Usage Credit (AUC): (\$150.00
* June: \$60.00	– \$60.85) = \$89.15
* July: \$65.00	50% of High Bill Amount
* August: \$60.00	(\$150.00 * 0.50) = \$75.00
* September: \$60.00	Adjusted Bill Applying AUC: \$60.85
* October: \$60.00	Final Billing \$75.00
* November: \$50.00	

The adjustment usage credit is calculated by subtracting the average water usage from actual billed usage for the month of the leak.

- Should the adjustment credit *exceed 50% of the high bill amount* for the month of the leak, the adjustment will be capped at 50% of the high bill amount. (See Example 2)

- At no time will the adjustment credit exceed 50% of the high bill amount.
 - Before applying the adjustment usage credit, the customer's water usage must have returned to normal levels.
- B. A customer who does not have twelve (12) previous months of water service will have all existing charges on their account as a customer, whatever length of time that may be, added to the current bill to establish their average.
- C. Adjustments will not be allowed when high usage is caused by a customer's water usage habits. Swimming pools, hot tubs, and excessive watering of lawn or plants during dry weather are examples of water usage habits that can be expected to use a significant amount of water and do not qualify for an adjustment.
- D. Adjustments will not be allowed for a leak caused by theft, vandalism, negligence of the property owner, construction damage, leaks occurring on unoccupied or vacant properties.
- E. A customer may appeal the decision of the adjustment by the Utility Billing Department to the City Manager by filing a written appeal request within 10 business days after receipt of the Utility Billing Department's decision. The City Manager will review the request and make a decision on the appeal. The City Manager's decision shall be final..

EFFECTIVE DATE

This policy shall be effective the 1st of February, 2021.

City Council Approval

By:


Tommy Sloan
Mayor

Administrative Approval

By:


Diana L Lopez
City Manager