

# **Water and Wastewater Charges Undetected Leak Policy 2023**

**POL014**



<b>Policy No:</b>	<b>POL014</b>
<b>Policy Title:</b>	<b>Water and Wastewater Charges – Undetected Leak Policy</b>
<b>Section Responsible:</b>	<b>Finance</b>
<b>Minute No:</b>	<b>23/043</b>
<b>Doc ID:</b>	<b>532239</b>

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### **1. INTENT**

This policy aims to provide a fair, equitable and accountable framework that meets the needs of ratepayers and Council in the event of an undetected water leak.

### **2. SCOPE**

Narrandera Shire Council (NSC) provides potable water to the boundary of a property and is not responsible for leaking internal property pipes beyond the water meter. Water that has subsequently passed through a metered service connection becomes the responsibility of that property owner and any repairs will need to be arranged and payable by the property owner.

This policy is not intended to provide full compensation to customers for water consumption charges because of an undetected water leak on their property. However, as an act of good faith and in the interest of good public relations, Council provides a means by which some assistance for higher consumption and treatment charges can be obtained, subject to the provisions of this policy being met.

Council utilises smart meter technology to record water consumption usage, including alert notifications for suspected water leaks. The technology includes a customer access interface and can be used as a control method to monitor use.

### **3. OBJECTIVE**

To provide clear guidelines and procedures for assessing significantly high water charges resulting from undetected water leaks. In particular, the policy aims to:

- Provide some form of financial relief to property owners when water is lost due to an undetected leak, whilst demonstrating to property owners that they have a responsibility for maintaining their private water infrastructure and services; and
- Provide a consistent and fair approach in dealing with requests for financial relief when water is lost due to an undetected leak.

## 4. POLICY STATEMENT

Undetected water leaks result in higher than normal water consumption notices being issued to ratepayers. Given the nature of the undetected leak and unanticipated high-water consumption notice this can be distressing to ratepayers and place a strain on Council resources. Whilst Council is not legally or morally responsible for these leaks it does receive requests from ratepayers for assistance or consideration on these matters. This policy is designed to be a fair, equitable and accountable framework in the event of an undetected water leak.

## 5. PROVISIONS

### 5.1 APPLICATION

Claims for assistance under this policy must be made by application. Applications must include:

- A statutory declaration indicating that the abnormally high-water consumption was attributable to an undetected water leak, how they became aware of the leak and the date it was first identified.
- Supporting documentation that the water leak was repaired immediately (within 30 days of the notice being issued or after the customer learnt of its existence), including an invoice from a licensed plumber indicating the cause and location of the water leak, a full check of internal plumbing has been made to ensure no other leak exists, that the repair is in accordance with the Australian Standard AS/NZS 3500 and that internal plumbing is not defective and requiring replacement.
- Acknowledgement that subsequent claims within five years under this policy will not be accepted

### 5.2 ELIGIBILITY

#### 5.2.1 Eligible claims

A complying claim must meet the following criteria:

- The claimant must be the owner/s of the property for which the application applies.
- Council must receive the claim within 30 days of the issue of the water notice.
- The claim must involve a **significant leak** at the property.
- The application must involve an **undetected leak** in a pipeline.

#### 5.2.2 Ineligible claims

The following claims will not be eligible for assistance.

- Claims that are the result of a second occurrence at the same property and by the same owner, regardless of whether it is a related event or separate undetected leak within five years of the first leak occurrence being determined by Council. Sewer treatment and trade waste treatment charges where the leak has not been discharged to the sewer network are exempted from the five-year period.

- Claims that are the result of a leak from an appliance, pump, hot water system, pressure release or float valves, solar panels or pool heater, pool or pond lines or liners, taps, cisterns and other water fittings, etc where the leak would have been reasonably detectable.
- Claims that involve a leak caused directly by way of accidental or wilful damage.
- Claims that are due to a change in consumption pattern by the occupier of the property.
- Claims that do not contain the documentation or meet the terms of a complying claim.

Applications deemed ineligible will be liable for all consumption charges recorded through the water meter.

### **5.3 ASSESSMENT**

#### **5.3.1 Authority to assess and approve claims**

The Revenue Officer will initially assess for eligibility claims received under this Council. The Revenue Officer will then make a recommendation to the General Manager, who will approve the claim or otherwise.

Council will advise applicants in writing of the decision within 30 days of receipt of the application.

#### **5.3.2 Eligible periods**

Council will only consider adjustment to water notices issued for the billing periods immediately before and/or immediately after the leak has been detected and repaired.

It is at the discretion of the Revenue Officer to determine if an account warrants adjustment to more than one billing period where the applicant is unable to demonstrate definitively that a leak has occurred over more than one billing period.

### **5.4 ASSISTANCE**

Council will consider adjustments to water consumption charges for both residential and non-residential customers. Adjustments to sewer treatment and trade waste treatment charges are applicable to non-residential customers only.

Council will not waive interest charges accrued on unpaid water accounts that are subject to a claim under this policy.

#### **5.4.1 Water consumption charges**

The limit to which Council will provide assistance:

- A 50% reduction of the volume of the estimated leak. This is calculated as the difference between the mean water consumption for the previous three equivalent billing periods and the consumption recorded on the water notice issued immediately after the repairs being completed for complying claims.

- The maximum reduction that can be offered for water consumption charges, both for residential and non-residential is \$2,000.

#### **5.4.2 Sewer treatment and trade waste charges**

In respect of properties where the payment of sewer treatment and trade waste treatment charges are applicable, and an undetected leak has occurred and the water has not entered the sewerage system, the limit to which Council will provide assistance will be:

- A 100% reduction of the estimated leak volume for complying claims. For premises using Sewer Discharge Factors and Trade Waste Discharge Factors, the reduction is calculated according to the difference between the averaged water consumption for the previous three equivalent billing periods and the consumption recorded on the water account issued immediately after the repairs being completed, multiplied by the Sewer Discharge Factor or Trade Waste Discharge Factor (whichever is applicable) and then multiplied by the sewer treatment unit rate per kilolitre or trade waste unit rate per kilolitre (whichever is applicable) as adopted in Council's Annual Fees and Charges.

In respect of properties where the payment of sewer treatment and trade waste treatment charges are applicable, and an undetected leak has occurred and the water has entered the sewerage system, the limit to which Council will provide assistance will be:

- A 50% reduction of the estimated leak volume for complying claims. For premises using Sewer Discharge Factors and Trade Waste Discharge Factors, the reduction is calculated according to the difference between the averaged water consumption for the previous three equivalent billing periods and the consumption recorded on the water account issued immediately after the repairs being completed, multiplied by the Sewer Discharge Factor or Trade Waste Discharge Factor (whichever is applicable) as adopted in Council's Annual Fees and Charges.

In respect of properties where the payment of sewer treatment and trade waste treatment charges are applicable, using dedicated sewer discharge meter, and an undetected leak has occurred and the water has not entered the sewerage system, no reduction in sewer treatment or trade waste treatment charges are offered as the volume recorded is the volume discharged to the sewer.

In respect of properties where the payment of sewer treatment and trade waste treatment charges are applicable, using a dedicated sewer discharge meter, and an undetected leak has occurred and the water has entered the sewage system, the limit to which Council will provide assistance will be:

- A 50% reduction of the estimated leak volume for complying claims. For premises using a dedicated sewer discharge meter, the reduction is calculated according to the difference between the averaged sewer discharge for the previous three equivalent billing periods and the discharge recorded on the water account issued immediately after the repairs being completed, multiplied by the sewer treatment unit rate per kilolitre or trade waste unit rate per kilolitre (whichever is applicable) as adopted in Council's Annual Fees and Charges.

The maximum reduction that can be offered for sewer treatment and trade waste treatment charges for non-residential customers is \$2,000.

If the balance of the account payable is determined to be excessive and is likely to be a financial burden on the ratepayer that cannot be reconciled with payment arrangements or other such agreement, the matter will be referred to Council for determination of the write-off amount under the *Local Government Act 1993* and *Local Government (General) Regulation 2021*.

## **5.5 REPORTING**

Section 607 of the Local Government Act 1993 refers to the write-off of rates, charges or interest. Section 131 of the Local Government (General) Regulation 2021 determines that a write-off of rates or charges may be undertaken if there is an error in the assessment, if the amount is not lawfully recoverable, as a result of a decision of a court, or if the council or general manager believes on reasonable grounds that an attempt to recover the amount would not be cost effective.

Approved claims will be processed as credit supplementary levies rather than write-offs in the Council's rating and charging system. That is – they are deemed to be incorrectly charged rather than waived. Notwithstanding this, the Revenue Officer will report to the Council all revenue foregone as a result of this policy no less than annually.

## **6. DEFINITIONS**

- **Significant leak**

The water consumption on the water notice issued immediately prior to or immediately after the repair being completed is 1.5 times greater than the previous three equivalent billing periods average consumption

- **Undetected leak**

Occurring within pipeline breaks or connections in the ground, under slabs or within walls, etc. and are clearly not visible to the owner

## **7. ROLES AND RESPONSIBILITIES**

- The Revenue Officer will initially assess for eligibility the claims received under this policy.
- The Revenue Officer will then make a recommendation to the General Manager, who will approve the claim or otherwise.
- Council will advise applicants in writing of the decision within 30 days of receipt of the application.

## **8. RELATED LEGISLATION**

- AS/NZS 3500 Plumbing and Drainage Standards
- Local Government Act 1993
- Local Government (General) Regulations 2021

## 9. RELATED POLICIES AND DOCUMENTS

- NSC Debt Recovery Policy – POL017
- NSC Fraud & Corruption Prevention Policy – POL007
- NSC Financial Assistance Program – POL008
- NSC Liquid Trade Waste Policy – TS300
- NSC Water Supply – House Service Connections – TS100
- NSC Water Connection TS260
- NSC Rates and Charges Financial Hardship Policy – POL019
- NSC Revenue Policy
- Fees and Charges

## 10. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also make charges to this policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

## 11. PREVIOUS VERSIONS

Reference to a superseded policy number and/or name is also considered a reference to the new policy number. This policy was previously named:

- Not applicable.

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## POLICY HISTORY

<b>Responsible Officer</b>	<b>Finance Manager</b>		
<b>Approved by</b>	<b>General Manager</b>		
<b>Approval Date</b>	<b>2 May 2023</b>		
<b>GM Signature</b> <i>(Authorised staff to insert signature)</i>			
<b>Next Review</b>	<b>24 November 2024</b>		
<b>Version Number</b>	<b>Endorsed by ELT</b>	<b>Resolved by Council</b>	<b>Date signed by GM</b>
<b>1 Adopted</b>	24/11/2020	9/12/2020	13/01/2021
<b>2 Reviewed</b>	13/12/2022	21/03/2023	2/05/2023

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## 12. Acknowledgement of Training Received

I hereby acknowledge that I have received, read and understood a copy of Council's Water and Wastewater Charges – Undetected Leak Policy.	
Employee Name	
Position Title	
Signature	
Date	