

# Staff Report

for the Board of Directors' Meeting of April 11, 2018

**TO:** Board of Directors

**FROM:** Chip Close, Water Operations Manager  
Aurora Tipton, Customer Service Administrator

**DATE:** April 3, 2018

**SUBJECT:** Revisions to District Rules and Regulations Section 4.10 -  
Adjustment for Lost Water, and Elimination of Administrative  
Policy Number 3180 - Adjustments for Lost Water (Consent)

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## ***OPERATIONS***

### **RECOMMENDATION:**

Approve revisions to Section 4.10 (Adjustment for Lost Water) of the Districts Rules and Regulations, and Adopt Resolution 2018-07 – Rescinding Administrative Policy Number 3180, as recommended by the Administrative Practices Committee.

### **BACKGROUND:**

The District allows for a reduction of fees when a treated water customer experiences an excessive bill due to a leak during the billing cycle. The intent of the regulation is to provide an opportunity for customers to repair their system and receive a one-time reduction on their bill. While the regulation is successful, some minor modifications are needed to improve upon the current regulation and to better reflect current practices.

The first modification includes a change of title from “Adjustment for Lost Water” to “Leak Adjustment”. The proposed title better reflects the intent of the regulation and is more in line with the standard in the water industry.

The second modification is an adjustment to the once every 10 year limitation. Under the current regulation, the District allows for one adjustment per parcel, per owner every 10 years. Staff has experienced a number of frustrated customers who believe this timeframe is too long. Investigations of other water agencies have shown that most leak adjustments exercise a shorter renewal limitation. Staff is recommending an adjustment from once every ten years to once every five years per parcel, per owner.

The last modification includes establishing a monetary threshold for which the leak adjustment applicant will qualify. This change is necessary, as a number of

customers have utilized the adjustment for amounts as small as \$20. Small adjustments are not cost effective, and end up as an expense to the District due to staff time. Additionally, many customers who take these very small adjustments experience a larger leak within the 10 year time period, and cannot partake in an additional adjustment because they used their allowance on a small leak. To eliminate the frivolous adjustments, staff is recommending the qualifying adjustment be established at a minimum of \$200.

The Adjustment for Lost Water Regulation is located in both the District's Policy Manual (Policy Number 3180) and the District's Rules and Regulations. Staff is recommending that the regulation be located only in the Rules and Regulations, and be removed from the Policy Manual, as there is no need to have it in both.

**BUDGETARY IMPACT:**

In 2017, the District granted 182 adjustments resulting in a total credit of roughly \$89,000. The proposed modifications have the potential to cause minor changes to the number of qualifying adjustments. Therefore, budget impacts are not quantifiable at this time.

/ac

Attachments (1):     Redlined Rules and Regulations  
                              Resolution 2018-07 – Rescinding Administrative Policy

(b) Customer requested relocation of a meter assembly involving a meter size of 3/4-inch or less, requiring a new tap on the water main, the installation of no more than 15 feet of new service lateral between the water main and the new location of the meter, and not requiring any other extra ordinary effort will be accomplished for the fee as indicated on Schedule 4A for installation charges, which pertains to the size of each meter involved in the relocation.

eff. 12/12/90; rev. 6/11/03; rev. 1/26/05

#### **4.8 WATER RATES**

All water rates are determined on a cost of service basis and are normally adjusted once a year. Water Rate Schedules 4-E through 4-L have been developed based on such factors as use of water, type of customer, treatment level and location of user.

eff. 7/11/90; rev. 3/26/04

#### **4.9 OFF RATE**

All customers who have their services shut off are subject to the off-rate charges shown in Schedule 4-I.

eff. 7/11/90; rev. 1/26/05

#### **4.10 LEAK ADJUSTMENT FOR LOST WATER**

An adjustment for treated water loss may be granted by the District per parcel, per owner, if:

1. The usage during the period is at least 2.5 times the usage for a comparable period of normal use and;
2. Adjusting the bill would result in a reduction of \$200 or more and;
- ~~3.~~ Not more than one leak adjustment event, based on this section, shall be allowed to the same owner within a ~~ten~~ five-year period.

Adjustments can be granted for up to two consecutive billing periods per leak adjustment event.

Request for adjustment must be made in writing by the property owner. Form 4-E is used to calculate the adjustment.

The Operations Manager shall have the authority to make adjustments up to \$2,000.

The General Manager shall have the authority to make adjustments between \$2,000 and \$5,000.

The Board of Directors shall have the authority to make adjustments of greater than \$5,000.



**RESOLUTION No.** 2018-07

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

**RESCINDING ADMINISTRATIVE POLICY**

**WHEREAS**, the Nevada Irrigation District (the "District") intends to establish, and revise from time to time, administrative policies to guide the operations and management of the District; and

**WHEREAS**, the District's insurance carrier provided sample guidelines for personnel and administrative policies for consideration by the District; and

**WHEREAS**, over the past few years, the District has adopted several administrative policies using the sample guidelines, in an effort to assemble a comprehensive policy manual; and

**WHEREAS**, certain District policies are outdated, and other policies no longer apply.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors of the Nevada Irrigation District hereby rescinds the following policies that were contained in the District Board and Management Policy Manual:

#3180 – Adjustment for Lost Water

**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 11<sup>th</sup> day of April, 2018, by the following vote:

|                  |            |
|------------------|------------|
| <b>AYES:</b>     | Directors: |
| <b>NOES:</b>     | Directors: |
| <b>ABSENT:</b>   | Directors: |
| <b>ABSTAINS:</b> | Directors: |

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President of the Board of Directors

**Attest:**

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Secretary to the Board of Directors