



MEETING DATE: December 10, 2025

AGENDA ITEM: 8. Water Leak Billing Adjustment Policy & Resolution 2633

FROM: Ryan Bonk

RE: Water Leak Billing Adjustment Policy

EXECUTIVE SUMMARY:

Staff has prepared the attached Resolution and Water Leak Billing Adjustment Policy. This policy includes the following:

- Requirements for a billing adjustment due to a water leak that occurred through no fault of the customer
- Customer eligibility requirements
- Customer leak repair requirements
- Details for staff on how to calculate any appropriate billing credits

End user staff have reviewed the policy as well as an example credit to confirm feasibility. The City Attorney and Finance Officer have also reviewed the proposed policy.

Please see the attached Resolution, policy, and calculation form for full details.

RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2633.

FISCAL IMPACT:

There is no financial impact to adoption of this resolution.

ATTACHMENTS:

- A. RESOLUTION 2633

RESOLUTION NO. 2633

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA
ADOPTING THE WATER LEAK BILLING ADJUSTMENT POLICY**

WHEREAS, the City Council desires to adopt a formal policy authorizing staff to make adjustments to a residential customer’s water bill when the customer promptly repairs a discovered leak; and

WHEREAS, the intent of such a policy is to help mitigate the financial burden to the customer caused by a significant leak that occurred through no fault of the customer; and

WHEREAS, the City has developed guidelines for making adjustments to a residential customer’s water bill in the Water Leak Billing Adjustment Policy, a copy of which is attached hereto as Exhibit 1 and incorporated herein, that addresses eligibility for leak adjustment, leak repairs, bill credit calculation, and includes a standard calculation form.

NOW THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Portola does hereby:

1. Adopt the Water Leak Billing Adjustment Policy attached hereto as Exhibit 1.
2. Resolution becomes effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 10th day of December 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

,Mayor

ATTEST:

Kristen Schiavone, Deputy City Clerk

I, Kristen Schiavone, Deputy City Clerk of the City of Portola, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the City Council of the City of Portola at a regular meeting thereof held on December 10th, 2025.

Kristen Schiavone, Deputy City Clerk


	Document Name		<i>Water Leak Billing Adjustment Policy</i>	
	Document Number	P-002	Revision Letter	A
	Document Location	SharePoint	Revision Date	11/21/2025
	Document Type	Policy	Council Adoption Date	TBD
			Resolution No.	TBD


Exhibit 1

Water Leak Billing Adjustment Policy

The purpose of this policy is to provide the City of Portola with a written policy regarding residential billing adjustments due to water leaks on the customer and/or property side of the meter. To help mitigate the financial burden of a significant leak through no fault of the customer the City of Portola has developed the following guidelines for adjustments.

I. Eligibility for Leak Adjustment

- A. Customers must submit an official City leak adjustment request form, to the City of Portola within 30 days from the billing date in which the leak occurred. Leak adjustment eligibility is based on the following conditions below.
 1. Water loss from a suspected leak must result in a monthly water bill for which an adjustment is requested of at least (4) times the average total consumption usage of the customer's twelve(12) preceding water bills. If there is not twelve months of consumption usage use the average of available months consumption use.
 2. Only one bill, or two consecutive bills if the leak affects two billing cycles, will be adjusted in any consecutive twelve-month period. The leak adjustment will be made in the billing cycle(s) in which the leak is repaired.
 3. Water leak adjustments will be limited to one adjustment every twelve months, and will be in the form of a bill credit. No Adjustments will be made to the base rate and no cash or electronic payment refund will be provided.
 4. Customers may not receive an adjustment unless the customer has paid all outstanding utility bills owed prior to the unusually high water bill and the account is in good standing.
- B. All leaks must be beyond the control of the owner, agents, tenants, contractors or anyone occupying the property.
 1. The leak cannot be the result of negligent, willful nor neglectful behavior.

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2. No Leak adjustment will be made for hoses and other water outlets left running.

II. Leak Repairs

- A. The customer retains control over the use of water on the customer's premises, and as such, the customer is responsible for all the water passing through the meter, including water which may be lost or wasted through leaking pipes or fixtures on the premises. The customer is responsible for monitoring unusually high water usage as reflected on the customer's bill. A customer is required to repair any water leak within 15 calendar days of notice provided to the City or by the City to the customer, and is responsible for all repair costs.
- B. If the customer must request the water to be shut off by the City of Portola in order to repair any leaks that have occurred a shut off fee will be administered. Please refer to our fee schedule for current water on/off fees.
- C. The customer must submit proof to the City of Portola that the leak has been located and repaired. Examples include a copy of the plumber's invoice and/or receipts showing items purchased for the repair. The leak repairs will be confirmed by City inspection.

III. Billing Credit Calculation


If a customer qualifies for a leak credit, utilize associated spreadsheet "*QP-002A_Water Leak Adjustment Calculation*" to follow these steps to calculate it:

Step 1: Find the Average Monthly Consumption

- Add up the customer's total water consumption for the past 12 months prior to the leak
- Divide that number by 12

Formula:

Total Consumption (12 months) ÷ 12 = Average Monthly Consumption

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Step 2: Compare It to Leak Month Consumption

- Multiply the average monthly consumption by 4
- Check that this result is greater than the water use shown on the bill for the leak month

If:

Average Monthly Consumption \times 4 > Leak Month Consumption

Then the customer qualifies to proceed

Step 3: Round the Average Consumption

- Round the Average Monthly Consumption to the nearest thousand (e.g., 3,470 \rightarrow 3,000 | 6,550 \rightarrow 7,000)
- Note: If average consumption is less than or equal to 500 use the actual figure for average consumption.

Step 4: Calculate the Average Monthly Water Charge

- Multiply the rounded average consumption by the current water consumption rate

Formula:

Rounded Average Consumption \times Consumption Rate = Average Monthly Water Charge

Step 5: Add the Base Rate

- Add the Meter Size Base Rate to the monthly water charge.

Formula:

Average Water Charge Per Month + Base Rate = Total Average Monthly Water Charge

Step 6: Final Revised Total Utility Bill

Formula:

Revised Water Charge- Current Bill Water Charge= Credit to Bill

Total Utility Bill= Original Total- Credit

STEP 1		
Monthly Consumption		Does Field Need to be Edited?
Month 1		Y
Month 2		Y
Month 3		Y
Month 4		Y
Month 5		Y
Month 6		Y
Month 7		Y
Month 8		Y
Month 9		Y
Month 10		Y
Month 11		Y
Month 12		Y
12 Month Total Consumption	0	N
Average Consumption/month	#DIV/0!	N
STEP 2		
4 x Average Consumption/Month	#DIV/0!	N
Leak Month Consumption		Y
STEP 3		
Average consumption/month rounded to nearest thousand		Y
STEP 4		
Consumption Rate/1000 (from bill)	\$ 3.86	N
Average water only charge per month	\$ -	N
STEP 5		
Meter Size Base Rate		Y
Total Average Monthly Water Charge	\$ -	N
STEP 6		
Total Utility Billed Amount		Y
Current Bill Water & Meter Charge	\$ -	Y
Revised Average Water Charge	\$ -	N
Bill Credit	\$ -	N
Revised Final Total Utility Bill	\$ -	N