

<b>Name of policy:</b>	<b>Concealed Water Leak Allowance</b>		
<b>Adoption by Council:</b>	<b>9 March 2022</b>	<b>Minute number:</b>	<b>87/2022</b>
<b>Last review date:</b>	<b>16 August 2016</b>		
<b>Review timeframe:</b>	<b>4 years</b>		
<b>Next scheduled review date:</b>	<b>March 2026</b>		
<b>Related legislation:</b>	<b><i>Local Government Act 1993</i></b>		
<b>Associated policies/documents:</b>	<b><i>Industry NSW: Best Practice Management of Water Supply &amp; Sewerage Guidelines</i></b>		
<b>Responsible division:</b>	<b>Corporate Services</b>		

## Policy objective

To allow MidCoast Council to provide a Water Leak Allowance for concealed water leaks that meet set criteria. The policy aims to outline the responsibilities of water consumption and necessity of early detection of water leaks.

## Policy statement

The Concealed Water Leak Allowance is a concession and applies to all customer types and will be property based. Only one application will be accepted as a result of a concealed leak at the same property and by the same owner regardless of whether it is a related event or separate concealed leak within a 10-year period other than for a declared emergency. If a customer moves to another property or owns more than one property, the allowance will be given once on each property within a 10-year period.

The customer is responsible for the maintenance and repair of their private water service.

MidCoast Council grants an allowance for water lost through a concealed or hidden leak in the private water service of customers. The allowance will be granted subject to criteria set out in the Policy Content section below.

## Coverage of the policy

This policy applies to all elected members of Council, all personnel employed by Council, any person or organisation contracted to or acting on behalf of Council in the implementation and administration of its requirements.

The Policy also applies to all members of the public when interacting with Council in respect of this matter.

## Strategic Plan link

Values: This Policy supports the Community Strategic Plan – ‘Strong Leadership and Shared Vision’ through the ‘provision of strong corporate and financial management that is ethical, fair transparent and accountable’.

## **Policy content**

### ***Criteria***

A Concealed Water Leak Allowance will only be available if all of the following criteria are met:

1. The defect causing the high read must be such that it was not readily visible or apparent, and involved leakages which were undetected.
2. Undetected leakage is defined as occurring within pipeline breaks or connections in the ground or under slabs which are not clearly visible to the owner/occupier, (It does not include leaks from internal service lines, appliances, fixtures, water pumps, hot water systems or the like. Lush grass, overgrown vegetation or damp soil areas do not constitute being concealed from view).
3. Water consumption, excluding the quarter claimed, must be less than 500kls per annum, per equivalent tenement.
4. The quarterly consumption is more than double the average consumption for the corresponding period of the past two years.
5. The customer must be the owner, part owner or the person liable for the water charges for which the application applies and there must not have been a previous concealed leak claim made by that customer for the subject property within the previous 10-year period.
6. The application for adjustment of the affected account must be received within 90 days of the issue date of the water and sewerage account.
7. The leak must occur within the customer's property boundary.
8. All outstanding charges, prior to the current account, must be paid in full.
9. Documentary evidence must be provided to confirm there has been immediate and effective action taken to make repairs. This includes a copy of a licensed plumber's invoice and / or report or, if the repairs were not undertaken by a licensed plumber, a statutory declaration stating:
  - The location and cause of the leak
  - Who has repaired the leak
  - The address where the work was carried out
  - The date, nature and location of the repairs
  - A statement that the leak was not readily visible or apparent
10. The amount claimed is greater than \$200.

### ***Relief***

The allowance provided will be the equivalent of 50% of the difference between the usage on one quarterly affected invoice and the average consumption for the corresponding period for the past two years.

Where the customer has held the property for less than six months, Council will defer consideration of the application for the following two quarters to establish an average consumption amount for the purposes of criteria 3 and 4.

Applicants who are liable for sewer volumetric charges and conform to the coverage of this policy are entitled to have this charge reduced by the amount of the consumption deemed attributed to the leak.

While applications for relief are being determined Council will not raise interest on the current outstanding amount or pursue recovery of the current outstanding amount. All applications will be given a further 30 days from the determination date to pay the outstanding balance.

### ***Extenuating Circumstances***

*Concealed leak application where the leak occurred outside of the applicant's property boundary.*

Historically (prior to 2011), Council (through the former MidCoast Water) provided permission to landowners on rural properties to connect to its water mains, including circumstances where the property was not adjacent to the water main. Access to the water main was provided without the requirement of a development application fee, as the property was not within 225 metres of the water main.

As with all water connections, the landowners are liable for all water that passes through the water meter. The landowners were aware of and accepted the risk associated with water loss through leaks occurring from the use of polyurethane pipe.

While there were specifications on the installation and type of polyurethane pipe that should have been used, Council was not responsible for enforcing or checking on the installation process.

The benefits of allowing access to the water main included the provision of water to as many residents as possible, while not imposing significant development costs through extending water mains or the public reticulation network.

The practice of allowing these rural connections ceased in 2011 and further connections are only allowed in full compliance with development standards for the reticulation network together with payment of applicable infrastructure charges.

As the historic rural connections were installed in a manner determined by the property owner and with the property owner making their own arrangements for accessing neighbouring property, the connections were purely at their own risk.

Notwithstanding that the policy consciously limits Council's exposure to the risk of water loss from these connections, the General Manager may (at his discretion) authorise financial relief to an individual serviced by an historic rural property connection where:

1. Extraordinary circumstances apply
2. The application is otherwise consistent with this policy, and
3. Risk mitigation measures are taken to prevent future water leaks, including the property owner entering into a deed of agreement with Council requiring the replacement of the water line to current standards (mains pressure grade materials), if deemed necessary by Council.

### *Declared Emergency Situations*

Residential properties affected by a declared emergency situation are eligible for a water leak allowance under this policy for water use that was reasonably necessary to defend a property during a fire emergency or where damage to a private water service (above or below ground) occurred as a direct result of and during a declared emergency situation, provided that non-metallic components (i.e. polyethylene, polyurethane etc) were not involved.

### *Multiple Leaks within the 10-year period*

Council will give consideration to providing a concealed water leak allowance in instances where a property owner is subject to further leaks after receiving an initial concession. For this to occur the second or subsequent leak will need to be larger than the initial leak in terms of water consumption. Concealed water leaks that are the result of a declared emergency (above) do will not have the 10-year period restriction.

The value of the concession granted will be reduced by the value of the initial concession i.e. 50% of the difference between the initial concession and a subsequent concession.

### *Unexplained High Water Usage*

In instances where an unexplained high water usage occurs in a single quarter i.e. not attributable to a concealed or non-concealed water leak, Council will give consideration to providing a level of concession. This will be subject to the following conditions:

- Property owner has engaged a licenced plumber to investigate the high recorded usage and has provided a report outlining the investigative actions taken and the results of that investigation and any other actions taken to determine the cause of the high usage.
- Property owner has applied and paid for the testing of the water meter to confirm the accuracy of the recording of the meter.

In these instances, criteria 3 – 10 above will apply and the allowance provided will be the equivalent of 25% of the difference between the usage on one quarterly affected invoice and the average consumption for the corresponding period for the past two years.

### *Staff Discretion*

The General Manager may delegate authority to staff to determine applications for a Concealed Water Leak allowance. Staff may exercise discretion and consider applications where criteria 6 and/or 7 (where this relates to a rural water line) are not met. Documentation of the exercise of this discretion is required to be provided.

### **Definitions**

**Concealed Leak** - water escaping from a private water service that is hidden from view and defined as occurring within pipeline breaks or connections in the ground under slabs which are clearly not visible to the owner. (It does not include leakage from internal service lines, appliances, fixtures, water pumps, hot water systems or the like). Lush grass, overgrown vegetation or damp soil does not constitute being concealed from view.

**Private Water Service** - relates to all water service pipes, including recycled water service pipes, fixtures and fittings on the customer's side of the meter (outlet side).

**Customer** - the owner/ratepayer of the property or an applicant on behalf of the owner who has previously given proof to Council of their agency agreement or power of attorney, etc.

**Residential Customer** - the category for rating purposes is residential and the residential water consumption tariff applies.

**Responsible officer**

Manager Finance