LAGUARDO UTILITY DISTRICT

LEAK ADJUSTMENT POLICY

The LaGuardo Utility District (the District) has an obligation to ensure the District's financial stability by charging customers for water which flows through the customer's meter. The District incurs the expense of producing substantially all the water it provides to its customers from the water treatment plant owned and operated by the District. The District recognizes, however, that there are circumstances when leaks occur on the customers side of the meter through no fault of the customer; therefore, the District has adopted this Leak Adjustment Policy.

A. All water which passes through a customer's water meter shall be purchased by the customer. Customers are responsible for keeping their plumbing repaired and in good working order. If a leak does occur, and the District has knowledge of the leak, the District will attempt to notify the customer; however, the District is neither responsible for nor obligated to detect leaks on the customer's side of the meter. The failure to make timely repairs may result in a customer not being eligible for a leak adjustment.

B. For non-residential customers, the customer may obtain an adjustment to its bill on account of a leak only by following the procedures set forth in this paragraph. Before the District will consider making a leak adjustment, the bill for which a loss is included must be at least two and one-half (2 ½) times the average of the customer's three preceding bills. If the customer has not received three preceding bills, no leak adjustment will be considered unless the customer's bill exceeds 2,250 gallons or 300 cubic feet per person, per household, per month. Provided the customer meets the threshold level for a leak adjustment, the customer must establish to the General Manager's satisfaction that the customer has located the leak and repaired the same. No adjustment will be made for filling of swimming pools, watering of lawns and gardens, washing cars, and other water use not related to a leak in the water distribution system. No adjustments will be allowed for leaks in a customer's irrigation system, nor are irrigation meters and taps eligible for leak adjustments.

C. For non-residential customers who meet the requirements in Paragraph B, an adjustment will be made as follows. The amount of the water bill will be reduced by subtracting the customer's average water bill for the three preceding months from the bill, producing an overage amount. One-half of this overage amount shall be added to the customer's average water bill for the three preceding months.

As set forth in Paragraph B, no adjustment will be made for swimming pools, watering of lawns and gardens, washing cars, and other water use not related to a leak in the customer's water distribution system. No adjustments will be allowed for leaks in a customer's irrigation system, nor are irrigation meters and taps for residential use eligible for leak adjustments.

D. Residential customers will not be responsible for the cost of a qualifying leak up to the amount of $2,500.00, and only once during any twelve month period. In order to determine if a leak is a qualified leak, the District may test the customer's meter, run a data log on the meter, and/or require proof, such as an invoice from a plumber, that a leak has been detected and repaired. If a customer has a qualifying leak that does not exceed the $2,500.00 threshold, the additional charges for the leak will be subtracted from the customer's bill, or bills if the leak is not detected and extends over two billing cycles. This benefit will be offered as part of the customer's regular charges. For residential customers who have a leak that exceeds the $2,500.00 threshold, the first $2,500.00 will be forgiven, and any amounts over $2,500.00 will be eligible for an adjustment as described for non-residential customers in Paragraphs B and C above.

E. Only one leak adjustment is available during any twelve month period. Leak adjustments will normally be made in the billing cycle in which the leak is repaired; however, the District recognizes that a leak may occur over two billing periods before it is detected. In such case, the adjustment will cover both billing periods. In addition, if the customer has a second leak within a twelve month period that is larger than the previously adjusted leak, then upon request the District may allow the customer to buy back the first leak by paying the full amount of that unadjusted bill, and then obtain an adjustment for the second leak.

G. In the event of unusual circumstances, the District reserves the right to modify or add to the requirements and procedures set forth herein. The determination of "unusual circumstances" will be made by the District in its sole discretion and on a case by case basis. The General Manager has been delegated the discretion to make the initial determination of whether unusual circumstances exist that would warrant a deviation from the general requirements of this policy. Should a customer disagree with the General Manager's determination or decision, the customer has the right to

appear before the Board of Commissioners and ask that the Commissioners make the determination. All decisions of the Board of Commissioners are final regarding leak adjustments.

Approved November 21, 2025:

CLARK SAMPSON – PRESIDENT

WILL OFENHEUSLE – VICE-PRESIDENT

TERRY GRAY – SECRETARY