



Florida River Estates Water Company Leak Forgiveness Policy

Policy Effective Date: 1/2/2026

Approved By: FRE Water Company Board of Directors

1. Purpose

The purpose of this Leak Forgiveness Policy is to provide limited billing relief to customers who experience an unusually high water usage caused by a major, unintentional leak, while maintaining fairness, conservation incentives, and financial responsibility across the Florida River Estates Water Company service area.

2. Scope

This policy applies to all residential and non-residential lots receiving water service from the Florida River Estates Water Company. The contents of this policy have been informally applied by this and previous boards but was most recently discussed and agreed to by the current board requesting a written policy in August 2024 and discussed publicly and entered into minutes in our October 2024 annual meeting. As such, leaks will be tracked formally from that month forward.

3. Definition of a Major Leak

For the purposes of this policy, a **major leak** is defined as an unintentional and abnormal loss of water occurring on the customer's side of the meter that results in a significant increase in water usage compared to the lot's historical average consumption. Examples may include, but are not limited to:

- Underground service line breaks
- Slab leaks
- Failed plumbing fixtures resulting in continuous flow

Leaks caused by negligence, intentional misuse, irrigation mismanagement, or seasonal overwatering do not qualify.

4. One-Time Lifetime Forgiveness Per Lot

The Florida River Estates Water Company will forgive billing charges associated with a qualifying major leak **one (1) time only** during the **lifetime of any given lot** receiving water service.

- Leak forgiveness is tied to the **lot**, not the owner or account holder.
- Once leak forgiveness has been granted for a lot, no future requests for leak forgiveness will be approved for that lot, regardless of changes in ownership.



As such, the Florida River Estates Water Company will keep a log of leaks for which bill forgiveness was requested, regardless of whether it was granted. The company will not keep a log of any known leaks where forgiveness was NOT requested.

5. Customer Responsibility and Required Evidence

To be eligible for leak forgiveness, the customer must demonstrate **prompt and complete handling of the leak**. At a minimum, the customer must provide:

1. **Proof of repair**, such as a paid invoice, receipt, or work order from a licensed plumber or qualified repair professional, or verifiable documentation for owner-performed repairs.
2. **Timeliness**, showing that the leak was repaired promptly after discovery or notification, generally within a reasonable time frame as determined by the Water Company.
3. **Completion**, confirming that the leak was fully repaired and that no ongoing abnormal water usage remains.

Failure to provide sufficient documentation or evidence of timely and complete repair will result in denial of the forgiveness request.

6. Forgiveness Adjustment Method

If approved, leak forgiveness will be applied as follows:

- The customer will be billed for water usage based on the lot's average historical consumption for the three-month average of the applicable billing period(s)/season(s).
- Charges above the adjusted usage level attributable to the qualifying leak may be forgiven or discounted to the most appropriate water usage rate tier for the given lot, excluding charges unrelated to usage, such as but not limited to capital fees and loan servicing fees.

The specific adjustment methodology will be determined by the Florida River Estates Water Company in its reasonable discretion.

7. Exclusions

Leak forgiveness will not be granted for:

- Repeated leaks after a prior forgiveness has been issued for the lot
- Leaks caused by willful neglect or failure to maintain plumbing
- Leaks that remain unrepaired or partially repaired
- Water loss occurring on the utility side of the meter (which will be handled separately under company maintenance policies)

8. Administration and Final Authority

The Florida River Estates Water Company retains sole authority to:

- Determine whether a leak qualifies as a major leak
- Evaluate the adequacy of repair documentation
- Approve or deny leak forgiveness requests