



## Billing Adjustment Policy

Updated: March 23, 2023

The following policy provides six (6) billing adjustments and a payment plan option impacting a customer's account. The Water Billing & Collection Manager, or the designee has the right of flexible implementation for each billing adjustment and payment plan. All appeals must be submitted in writing within ten (10) days of application of the adjustment or payment plan to the account.

### **Adjustment #1 – If City overcharges a customer's account – Credit Adjustment**

1. The City shall refund the overcharged amount to the customer or credit the customer's account based on the customer's preference. If no preference is provided, the account will be credited by the overcharged amount.  
\*Caveat: If the number of accounts is significant, all accounts will be credited the overcharged amount by account, not refunded.
2. The credit adjustment rate will be based on the City Council's approved rate at time of the original billing.
3. If any account is found to be billed an incorrect rate, the rate on the account shall be corrected. Any refund or credit pursuant to this policy shall be limited to a maximum period of three (3) years to the date of the City learned of the incorrect rate charge.
4. If the overcharge rate date cannot be determined, any refund or credit pursuant to this policy shall be limited to the twelve (12) month period prior to the date the City learned of the overcharge rate charge.
5. Any past due amounts owed by the customer to the City shall be deducted from any refund or credit.
6. The remaining credit balance if any will be reflected on the account.

### **Adjustment #2 – If the City determines any account is undercharged – Debit Adjustment**

1. The City shall back bill the customer for the entire undercharged amount.
2. The debit adjustment rate will be based on the City Council's approved rate at time of original billing.
3. The debit amount will be reflected on the account upon posting.
4. If the City determines the undercharged amount is a result from meter tampering, bypassing, use of an unmetered connection, damage to the City's meter apparatuses, or any diversion, all applicable fees and charges will be assessed.
5. If the date of an undercharged rate cannot be determined, the back-billing shall be limited to a twelve (12) month period prior to the date the City identifies the undercharged rate.
6. Payment plans will be offered based on the discretion of the Water Billing & Collection Manager or designee.

### **Adjustment #3 - Leak Repair – Regular Credit Adjustment**

City offers two credit adjustments for customer leak repairs: Regular and High Volume. Leak repair credit adjustments reduces a customer's bill, up to two bills within the same fiscal year (October 1<sup>st</sup> to September 30<sup>th</sup>). Should the request impact two fiscal year bills, it will be at the discretion of the Water Billing & Collection Manager or designee.

#### **Qualifications:**

1. Completion of City's Leak Adjustment Request form online or in person.
2. The completed form must include a repair receipt of specified leak impacting the requested bill for adjustment. Should the repair receipt not be available, it is the responsibility of the customer to provide proof of the repair and the discretion of the Water Billing & Collection Manager or designee of acceptance of the proof.
3. The impacted bill(s) usage must be at least three times the customer's average usage in the recent twelve billed months prior to the impacted bill(s).
4. If applicable, Staff will provide both leak repair adjustment totals (Regular and High Volume) for the customer's decision. Should the customer not choose seven (7) days of the communication, Staff will process the regular credit adjustment. Staff will not process the High Volume adjustment, unless approved by the Water Billing & Collection Manager or designee.

#### **Calculation:**

1. Impacted billed services (water and sewer) shall be adjusted 40% on the impacted bill(s).
2. Residential sewer services shall NOT be adjusted, as their seasonal sewer average/Winter Quarter Average is billed and not impacted by the higher usage due to the leak.
3. Credit adjustment will reflect on the account upon posting.

#### **Caveat:**

1. Upon application of this regular adjustment, no other adjustments may be applied to the account for twelve (12) months. First eligible bill for adjustment shall be the thirteen (13<sup>th</sup>) billed month proceeding the last adjusted bill.
2. Example: City adjust January and February 2023 bills. First eligible bill for adjustment would be March 2024.

### **Adjustment #4 – Leak Repair – High Volume Credit Adjustment**

The second credit adjustment for customer leak repairs is the high volume adjustment. Like the Regular Credit Adjustment, Leak repair credit adjustments reduces a customer's bill, up to two bills within the same fiscal year (October 1<sup>st</sup> to September 30<sup>th</sup>). Should the request impact two fiscal year bills, it will be at the discretion of the Water Billing & Collection Manager or designee.

Same qualifications as stated above with the Regular Credit Adjustment, plus impacted leak usage per bill must be more than 20,000 gallons.

#### **Calculation:**

1. Impacted billed services (water and sewer) shall be adjusted to the services' twelve (12) month average usage for the impacted bill(s).
2. Residential sewer services shall NOT be adjusted, as their seasonal sewer average/Winter Quarter Average is billed and not impacted by the higher usage due to the leak.

3. Credit adjustment will reflect on the account upon posting.

Caveat:

1. Upon application of this regular adjustment, no other adjustments may be applied for (24) months. First eligible bill for adjustment shall be the (23<sup>rd</sup>) billed month proceeding the last adjusted bill.
2. Example: City adjust January and February 2023 bills. First eligible bill for adjustment would be March 2025.

**Adjustment #5 – Seasonal Sewer Average/Winter Quarter Average Adjustment**

The City calculates the annual residential seasonal sewer average (aka Winter Quarter Average, WQA) based on the billed usage for the months of November to March, based on the reading periods for each billing cycle. Should a residential account with sewer service request an adjustment that would impact their upcoming WQA calculation, it is the customer's responsibility to inform the City upon requesting the adjustment. The Leak Adjustment Request form has a check box for the customer to inform Staff to adjust the upcoming WQA calculations.

Should the City bill the new WQA, and the customer applies for a leak adjustment that would impact the new WQA, it is the responsibility of the customer to apply prior to the next bill for an adjustment on their new WQA. If the customer applies after the first bill is posted with the new WQA, the WQA will ONLY be adjusted for future bills.

**Adjustment #6 – Outside of the AWWA Accuracy Limits – Credit Adjustment**

Meter testing is based on the current American Water Works Association standards for Electromagnetic and Ultrasonic Meters for Revenue Applications. The City adjust the impacted bills due to outside of the AWWA accuracy limits of the weighted average meter test results. Currently, outside of the AWWA accuracy limits weighted average is 101.6% and higher.

The City calculates the difference between 101.5% AWWA accuracy and the meter tested weighted accuracy and applies the percentage difference to each impacted bill. An impacted bill is a bill with billed usage more than the base charges. The total credit adjustment is applied to the account. As a City adjustment, the customer is eligible for future adjustments.

**Payment Plan**

A payment plan provides the customer a monthly installment of the deferred total amount to be paid along with their monthly bill. The City is not required to offer or entered into a payment plan with a customer. Payment plans are based on the total amount due, customer's payment history, length of the outstanding debt, and the customer's ability to pay. All decisions are final by the Water Billing & Collection Manager or designee.

City offers payment plans for utility billing customers with active service, not shut off for non-payment. This option does include closed accounts with final balance for customers to start new service.

This option does not include accounts to which were back billed resulting from diversion of service, tampering or damage to City's meter apparatuses to ascertain service. Payment plans shall not be granted for deposits, City fees including, but not limited to processing fees, damage fees, and application fees.

Should an installment failed to be paid on time, the payment plan is null and void. The account is eligible for shut off for non-payment. Should the account be shut off for non-payment, the full delinquent amount plus processing fee, and if applicable, an additional deposit is due to resume service. Any deviations must be approved by the Water Billing & Collection Manager or designee.