

City of Mercer Island

Utility Account Adjustment Guidelines

The City has rate resolutions which define rates and special service charges to be applied to customer accounts. A variety of circumstances result in the need to make adjustments to utility billing accounts. Some examples include: refunds of overpayments, leak adjustments, service charges (applied or reversed), reversal of a final bill, adjustment of charges for a misread meter, reversal of misapplied charges, and write-off of small balances on closed accounts. The City strives to make account adjustments in an equitable manner, while also providing a high level of customer service with our utility billing customers.

Overpayments

The City will refund overpayments (a credit balance) on an account at the customer's request and when a credit balance results on a closed out account.

Leak Adjustments

The City allows for a credit adjustment on a customer's utility bill due to a leak for which the homeowner is responsible. The specific requirements for a leak adjustment are covered in a separate Leak Adjustment Policy.

Service Charges

Service Charges are applied to accounts according to the table of service charges included in the Water Rate Resolution (**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON ESTABLISHING CLASSIFICATIONS OF WATER USERS AND A SCHEDULE OF CHARGES FOR WATER USAGE, ESTABLISHING A SCHEDULE OF RATES FOR FIRE SERVICE, ESTABLISHING A SCHEDULE OF SPECIAL SERVICE CHARGES, ESTABLISHING METER AND SERVICE INSTALLATION CHARGES, and ESTABLISHING CONNECTION CHARGES**). Since a new resolution is passed each time rates or fees are changed, the current resolution should be referred to.

Service Charges may be reversed under the following circumstances: (1) an error on the part of City staff (ex: a payment arrangement was not documented properly, a door hanger was improperly placed, etc.), (2) a first time receipt of a door hanger and the customer calls for this one-time exception, (3) NSF fees may be reversed when a customer experienced fraud on their account or their bank made an error, (4) landlord-tenant issues, and (5) as approved by the Finance Director or Deputy Finance Director. The reason for reversing a service charge is to be documented.

Note: For NSF checks, the payment is also reversed from the account.

Reversal of a Final Bill

When a house changes ownership, a final bill is calculated according to the closing date for the home, and a final bill is produced and a new account is set up for the new owner with their portion of the current charges. When a house does not close as scheduled, the charges generated on the new account need to be adjusted back to the original account. These adjustments are made upon notification from the homeowner or escrow company.

Adjustment of Charges for a misread Meter

Occasionally a meter is misread, resulting in a high bill. The City may make a credit adjustment to the account for the excess charges, once the correct meter reading is verified.

*Note: A recently discovered feature of the Utility Billing system allows for these adjustments to be made in a more automated way, and should reduce the number of **hand processed** adjustments required for this situation.*

Reversal of misapplied Charges

Occasionally an account is set up with a wrong rate code (ex: a single family customer is set up with a commercial water rate). Once this is discovered, it must be corrected.

Write off of small balances

Occasionally closed accounts will result in a balance too small to bill for, or a final payment is slightly less or more than the final amount billed. Small balances on closed accounts may be written off. Write offs must be approved by the Finance Director or Deputy Finance Director before they are processed.

Misapplied Payments

When a misapplied payment is identified, a payment adjustment is processed in the Utility Billing System, reversing the payment from the wrong account and applying it to the correct account. **These must be documented.**

Other

Other unique circumstances may result in the need to make an adjustment to an account. Those must be approved by the Finance Director or Deputy Finance Director before they are processed.

Review and Auditing

All adjustments **and payment reversals** are to be reviewed monthly by the Deputy Finance Director. An annual audit of adjustments may also be conducted.