



# City of Goldsboro

<b>Subject:</b> Utility Customer Adjustment Policy	<b>Section:</b> Utility Billing and Revenue Collections			<b>Department:</b> Finance	
	<b>Policy #:</b> FINP-019.0	<b>Effective Date:</b> 2/12/2024	<b>Rev. #:</b> 0	<b>Revision Date:</b> -	<b>Page:</b> 1
	<b>Supersedes:</b> -	<b>Prepared by:</b> <i>Catherine Gwynn</i> Catherine Gwynn, Finance Director		<b>Adopted:</b> Res. 2024-25	

## 1.1 Purpose.

To provide staff and customers with Council approved guidance on acceptable adjustments made against a utility customer account. Utility adjustments may take the form of a credit (reducing the customer’s balance) or a charge (increasing the customer’s balance). Sound management practices indicate that the governing body should set the parameters for acceptable adjustments related to accounting records due to susceptibility for misuse, abuse, and unintentional errors. This policy should be used in conjunction with the Utility Customer Service Policy and Procedure Manual (FINP-017.0).

## 2.1 Definitions.

**Charge** – This is an adjustment that increases the balance owed on a customer’s account. Charges can be levied only for authorized reasons, such as non-pay reconnect fees, non-sufficient funds fee, metering tampering, MXU equipment damage, etc...

**Credit** – This is an adjustment that reduces the balance owed on a customer’s account. Credits can be issued only for authorized purposes, such as leaks, pool filling, billing errors, etc...

**Consumption or usage** – The amount of water or wastewater volumetric use during a billing period.

**Excessive water bill** – A water bill in which the amount of water usage exceeds by at least double the average water usage by the customer at that location during the twelve-month period immediately preceding the complaint.

**Leak Adjustment** – Leak adjustments are courtesy financial adjustments to water or wastewater usage charges on a customer’s utility bill caused by a leak on the customer’s side of the meter.

**MXU unit** – Meter transceiver unit (MXU) is a radio signal device which permits off-site meter reading via radio signals. The MXU unit is the primary means of communication to read water consumption from the customer’s water meter to the City’s utility billing system.

**Monthly Average** – The customer's average is calculated by adding the 12-month usage prior to the high bill and dividing the total by 12. If the customer has not resided at the location for 12 months, the customer average will be based on the next full billing period.

**Non-accessible leaks** – Examples of non-accessible leaks include but are not limited to underground lines, pipes within walls, water heaters, etc.

**Pool adjustment** – Adjustment for increased usage due to filling of a customer’s pool.

**Preventable/accessible leaks** – Examples of readily available water pipes or hoses include but are not limited to; toilet leak, leaking faucet, leaking hose, etc.



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### 3.1 Divisions and Individuals Affected.

- Customer Service Representatives
- Customer Service Supervisor
- Customer Service Manager
- Billing Technician
- Meter Reader Technicians
- Utility Customers

### 4.1 Elements.

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### 5.1 Leak Adjustment Credit.

- When a customer notifies the City of Goldsboro about a higher than usual water bill that may be related to a leak, the City policy is to provide consideration for leak adjustments for water and/or wastewater usage caused by a leak that occurred on the customer’s side of the meter.
- Customers are encouraged to contact a licensed professional plumber, contractor, leak detection crew, at their own cost, to locate and repair the leak and provide detailed documentation indicating the type of leak, and date repaired. A copy of this documentation should be provided to Customer Service staff.



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- C. To be eligible for the relief provided by this policy, the customer's water usage, in a single billing cycle, must exceed the monthly average by at least two (2) times. Leak adjustment will be based on the type of leak and all additional requirements of this policy must be met.
- D. If a leak occurs on a preventable/accessible water pipe (toilet leak, leaking faucet, leaking hose etc.) the standard adjustment is fifty percent (50%) of the cost of the above-normal water and sewer consumption.
- E. If a leak occurs in a non-accessible area (underground lines, pipes within walls, water heaters, etc.) then the adjustment is fifty percent (50%) of the cost of the above-normal water and one hundred percent (100%) of the cost of the above-normal sewer consumption.
- F. Water Leak Calculation.
- A. All adjustment amounts are based on the difference between consumption during the leak period and the average consumption, based either on past history or post-leak repair usage.
- B. The standard adjustment is fifty percent (50%) of the cost of the above-normal water and sewer consumption.
- C. If it is determined that none of the leaked water entered the sewer system, then the adjustment is fifty percent (50%) of the cost of the above-normal water and one hundred percent (100%) of the cost of the above-normal sewer consumption.
- G. If a leak was caused by a third party, and is reimbursable or is covered by insurance, then no adjustment will be made by the City of Goldsboro.
- H. Financial adjustments associated with billed usage will be allowed two (2) times per year for the two (2) highest consecutive billing cycles per customer's account.
- I. Should a customer have more than two (2) leaks within a one (1) year period, they may elect to have the greater of the two (2) adjustments applied to their account.
- J. Leak adjustments will not exceed \$500.00 without the written approval of the Customer Service Manager.
- K. No adjustments will be granted where the following situations exist:
- Usage above the customer's monthly average is due but not limited to the following:
    - watering of sod
    - gardening
    - washing vehicles
    - power washing



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2. Meter tampering.
3. City of Goldsboro staff has notified customer of high-water usage by tagging the door and repair is not made within two (2) billing cycles. Leaks within this time period will only be considered for an adjustment of the bill for a maximum of one (1) billing period.

L. **Final Bill** - Leak adjustments shall not be considered when a customer is closing an account nor after an account is closed unless there is a determination made by the Customer Service Supervisor. Normally, a leak adjustment will only be considered if an account remains in service for at least one full billing period after the adjustment is applied.

## 6.1 Pool Adjustments Credit.

Swimming pools that are filled **one time** between April and August may receive an adjustment of their sewer consumption. There shall be no adjustment to water consumption. The amount is calculated by determining the three (3) month average of water consumption, and the amount above the three (3) month average will be credited back to sewer consumption.

Pool liner replacement or repair that requires refilling the pool may receive a one (1) time adjustment at one hundred (100%) of the cost of the above-normal sewer consumption. There shall be no adjustment to the water cost for this type of repair. One (1) pool adjustment per year is permitted.

## 7.1 Billing Error Credit.

A credit adjustment made in the event a customer account receives a billing error, the billing technician will verify the nature of the error (reading, new connect, leave service, meter fail) and correct it based on the findings.

## 8.1 Penalty Relief Adjustment Credit.

- A. A penalty relief credit adjustment will be granted at the request of the customer for a one (1) time \$5.00 penalty removal if customer's account shows no penalties in a twenty four (24) month payment history.
- B. A penalty relief credit adjustment may also be granted in the case of utility assistance payments that are pledged by a state or local agency or nonprofit on behalf of a customer. If a penalty is assessed due to the assistance payment not being received before the billing due date, the Customer Service Manager may authorize Customer Service staff to utilize the penalty relief adjustment credit.

## 9.1 Prior Usage Adjustment Credit.

A credit adjustment will be issued if it is determined by Customer Service that there is usage billed on a new account that is not related to the new account holder, the customer may receive a credit for the water and sewer consumption prior to the establishment of the new account. The Customer Service Manager or their designee shall review Sensus consumption records to make the determination of the credit amount.



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## 10.1 **Public Works Adjustment Credit.**

A credit adjustment issued for leaks on City-owned hardware that occur after the water passes through the meter but before the outside edge of the meter box shall be refunded at one hundred percent (100%) of the cost of the above-normal water and sewer consumption. This is generally a leak at the meter or meter coupling.

## 11.1 **Unexplained Usage Adjustment Credit.**

A credit adjustment for unidentified water loss will be issued at the request of the customer if water consumption is fifty percent (50%) or more of the cost of the above-normal water and sewer consumption. Unexplained adjustments will be granted once every sixty (60) months.

## 12.1 **Refuse Service Adjustment Credit.**

A credit adjustment for refuse will be made when an account is charged for a refuse service that has not been provided to the customer. Sanitation must verify the service was not rendered before credit may be issued by Customer Service.

## 13.1 **Posting Error Credit or Charge.**

A credit adjustment for a posting error will be made if it is determined a customers' payment is posted erroneously to the wrong account resulting in penalty charges. The payment will be entered on the customers account, and therefore decrease the customers account balance. Then, customer service staff will evaluate the account activity, and determine if penalties would have resulted had the payment been posted correctly. If so, a posting error credit adjustment will be made and reduce the customer account balance.

A charge adjustment for a posting error may be made on an account where a payment is posted erroneously, and later discovered. The payment will be reversed from the incorrect account, and therefore increase the customer account balance. Then, customer service staff will evaluate the account activity, and determine if penalties would have resulted without the erroneous payment posting. If so, a posting error charge adjustment will be made and increase the customer account balance.

## 14.1 **Meter Communication Failure Credit.**

A credit adjustment for meter communication failure will be made if it is determined a customer was overbilled due to meter communication issues.

## 15.1 **MXU Unit Damage Charge.**

A charge adjustment will be levied on the customer's account if it is determined by City staff that the customer damaged the MXU unit. The charge is based on the cost of the MXU unit and can be found in the current Manual of Fees and Charges.



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## 16.1 Non-Sufficient Funds Charge.

A charge adjustment added to a customer's account for a returned check or bank draft. When a customer has a check or bank draft returned, a returned check fee will be applied in addition to any other charges and fees. The City reserves the right to charge a returned check fee and shall be no more than the statutory maximum allowed by North Carolina law (G.S. §25-3-506).

## 17.1 Non-Pay Reconnect After 3:00 p.m. Charge.

A charge adjustment added to a customer's account at the customer's request in order to reconnect water service the same day. The fee is higher when paid after 3:00 p.m. due to scheduling and overtime costs for same day service. The fee will be based on the current rate in the Manual of Fees and Charges.

## 18.1 Non-Pay Reconnect Before 3:00 p.m. Charge.

A charge adjustment added to a customer's account at the customer's request in order to reconnect water service the same day. The fee will be based on the current rate in the Manual of Fees and Charges.

## 19.1 Meter Tampering and Water Theft Charge.

A charge adjustment added to a customer's account when City staff have determined that a customer has tampered with or damaged the City's water meter, equipment, or lines, or have bypassed the water meter and equipment. The fee will be based on the maximum allowed by law.

## 20.1 Security Deposits.

Water account deposits will be adjusted onto the water account and paid at the time of service being established. These adjustments have no effect on the billing charges on the account or the customer's account balance.

## 21.1 Approval Authority.

- A. The Customer Service Supervisor shall have authority to approve a water bill adjustment of up to two billing periods or \$200.00, whichever is lower. Adjustments above \$200.00 shall be reviewed and receive approval from the Customer Service Manager.
- B. The Customer Service Supervisor shall have authority to approve a wastewater bill adjustment of up to two billing periods or \$200.00, whichever is lower. Adjustments above \$200.00 shall be reviewed and receive approval from the Customer Service Manager.
- C. Generally, the Customer Service Supervisor shall not perform adjustments on customer accounts, unless there is a conflict of interest present or other mitigating circumstance. All adjustments performed by the Customer Service Supervisor must be reviewed and approved by the Customer Service Manager.



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- D. No member of City staff shall process water bill adjustments for themselves, family members, friends, co-workers, acquaintances, or for rental units they own or manage. All adjustments for these categories must be processed by another customer service or utility billing staff member or the supervisor.
- E. All adjustment requests for an individual property shall be processed by one employee and must be approved by a supervisor prior to being applied.
- F. Customer service or utility billing employees making an adjustment (credit or charge) on a customer’s account shall prepare a written adjustment form which should be signed by the employee and supervisor. The completed document shall be scanned into the City’s utility billing system (QS1) to the customer’s account.
- G. Customer service or utility billing employees making an adjustment (credit or charge) on a customer’s account shall be required to enter detailed notes in the City’s utility billing system (QS1) to the customer’s account.

## 22.1 Review and Compliance.

- A. Adjustments Reviewed by Customer Service Supervisor.

The Customer Service Supervisor shall review all adjustments made by Customer Service staff. This shall be done each day by the end of the day.

- B. Daily Report of Adjustments.

The Customer Service Supervisor shall produce a printed report from the City’s utility billing system (QS1) each day. The Supervisor shall sign and date the report indicating 100% review of all adjustments with notations indicating each adjustment has been reviewed. Any issues or missing information shall be noted, and indication that Supervisor has conducted proper follow up or training for employees. The report and the signed adjustment form(s) shall be delivered to the Customer Service Manager by the next morning.

The Customer Service Manager shall then conduct a compliance review to ensure the following:

- Detailed notes that sufficiently describe the reason or need for the adjustment exist on the customer’s account and include the name or initials of the employee performing the adjustment.
- Adjustment form has been completed and uploaded to the customer’s account in QS1.
- If calculations are involved, the adjustment has been calculated correctly.
- The adjustments sampled may be selected at random, by amount, or by employee.



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- The Customer Service Manager shall notate the report to indicate any errors or missing information discovered during the compliance review process. The corrective action taken shall also be noted. Upon completion of the review, the Customer Service Manager shall sign and date the adjustment report.
- The completed report and adjustment form(s) shall be scanned into the City's archives in Laserfische and the paper copy retained in Revenue Collections in accordance with the City's Record Retention Policy.

## 23.1 Noncompliance.

Failure of staff to follow the policies and procedures established may result in additional training, developmental plan, or disciplinary action up to and including termination.



RESOLUTION NO. 2024- 25

**RESOLUTION ADOPTING THE UTILITY CUSTOMER ADJUSTMENT POLICY FOR  
UTILITY BILLING AND REVENUE COLLECTION (FINP-019.0)**


**WHEREAS**, the City Council of the City of Goldsboro wishes to ensure that it manages its fiscal operations in accordance with state and local law and ordinance, and in harmony with principles of good governance; and

**WHEREAS**, good management and accounting principles dictate that policies and procedures are key in successful business operations; and

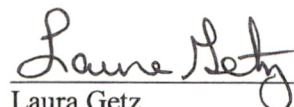
**WHEREAS**, the City does not have a utility customer adjustment policy, and Council wishes to resolve this control weakness to provide guidance for staff conducting the business of the City and to inform its customers of the City's business practices regarding accepted adjustments for utility customer accounts.

**NOW, THEREFORE, BE IT RESOLVED**, that the Mayor and City Council of the City of Goldsboro hereby adopts and enacts the following *Utility Customer Adjustment Policy for Utility Billing and Revenue Collection (FINP-019.0)* which shall apply to the City of Goldsboro.

This Resolution shall be in full force and effect from and after this 12<sup>th</sup> day of February, 2024.

  
Charles Gaylor, IV  
Mayor

ATTEST:

  
Laura Getz  
City Clerk

