

City of Carlos

Utility Billing Adjustment Policy

1. Policy and Purpose. It is the policy of the City of Carlos to authorize the City Clerk-Treasurer, or designee, to approve administrative adjustments to utility bills when necessary to:

- correct billing errors;
- correct errors resulting from equipment failure or malfunction; and
- ensure the City's utility rates and regulations are fairly and consistently applied.

The purpose of this policy is to provide timely and consistent customer service by allowing staff to resolve eligible billing adjustments without requiring City Council action, while clearly identifying circumstances in which adjustments will and will not be considered.

2. Responsibility. The City Clerk-Treasurer, or their designee, is authorized to approve utility bill adjustments in accordance with this policy. The City Clerk-Treasurer shall determine the amount, if any, of the adjustment to be made, receive adjustment requests, and notify the customer of the determination.

3. Adjustments allowed. Utility bills are presumed accurate unless the customer provides information, or the City otherwise determines that a billing error or equipment malfunction occurred. Staff is authorized to make adjustments to City utility bills, without City Council action, in the following cases:

Billing Errors: Where an error has occurred that results in an inaccurate City utility bill being sent to a customer, staff shall correct the error as soon as discovered, whether by the customer or by staff. These adjustments include data recording or data entry errors, billing calculation errors, and meter failures or malfunctions when the City determines, through testing or other verification, that the meter was operating inaccurately.

When an adjustment is approved, the customer's utility account shall be credited for the amount of the adjustment, including any applicable taxes or fees that were incorrectly charged.

When a written adjustment request is submitted, the disputed portion of the bill shall not be due until the City has made a determination. All undisputed charges shall remain due in accordance with City utility billing requirements.

Any approved adjustment shall be applied as credit to the customer's utility account. Cash refunds will only be issued after the utility account has been closed and a remaining credit balance exists.

4. Adjustments Not Allowed. The City will not adjust water charges resulting from leaks, broken pipes, irrigation systems, water softeners, toilets, or other customer-owned plumbing, fixtures, or equipment.

Water: However, when a customer experiences extraordinary water consumption during a billing period as a result of a break, leak, or equipment malfunction involving customer-owned plumbing or equipment, the City may provide a limited rate

adjustment for the portion of water usage exceeding fifty thousand (50,000) gallons during that billing period.

Water usage of fifty thousand (50,000) gallons or less shall be billed at the applicable City water rate. For verified extraordinary usage exceeding fifty thousand (50,000) gallons during a billing period, the portion exceeding fifty thousand (50,000) gallons may be billed at a rate of \$3.50 per 1,000 gallons.

The adjustment described above is discretionary and does not apply to base charges, sewer charges, or the first fifty thousand (50,000) gallons of water usage.

The customer may be required to provide documentation demonstrating that the leak, break, or equipment malfunction has been repaired or corrected.

The City may require inspection, testing, or other verification before approving any adjustment request. The City Clerk-Treasurer may consult with the Public Works Department or other appropriate City staff to verify the circumstances and amount of extraordinary water usage.

Unauthorized Use or Meter Tampering: No adjustment shall be granted for utility charges resulting from unauthorized use of City utilities, meter tampering, bypassing or interfering with utility equipment, theft of utility service, or any violation of the City Code or applicable law.

Late Fees: Requests to waive late payment penalties shall be considered only by the City Council, except when the penalty resulted from a City billing error.

Sewer Fees: Requests for discretionary adjustments or waivers of sewer charges shall be considered only by the City Council. Unless otherwise provided by ordinance, all properties connected to the municipal water system shall pay the applicable base sewer service charge regardless of occupancy.

5. Requests for Adjustments: Requests for utility bill adjustments shall be submitted within **60 days** after the customer discovers the billing issue.

The City Clerk-Treasurer may require that a request be submitted in writing. Written requests shall include the name of the account holder, the service address, current contact information, and a description of the reason for the requested adjustment. The customer shall provide any additional information reasonably requested by the City that is necessary to evaluate and determine the request.

6. Response: The City shall provide a written determination within thirty (30) business days after receiving all information necessary to evaluate the request.

7. Reporting: The City Clerk-Treasurer shall provide a quarterly report to the City Council on adjustments made under this policy exceeding one hundred dollars (\$100). The report shall identify the utility account number or service address, the amount adjusted, the reason for the adjustment, and the authority under this policy.

8. Compliance with City Code. This policy shall be interpreted and administered in a manner consistent with the City of Carlos Code of Ordinances and applicable Minnesota law. If a conflict exists between this policy and the City Code or state law, the City Code or state law shall govern.

9. No Precedent. Approval of a utility bill adjustment under this policy is based upon the specific facts and circumstances of each individual request. Approval of any adjustment shall not establish a precedent or create an obligation for the City to approve similar requests in the future. Each request shall be evaluated independently and in accordance with this policy, the City Code, and other applicable laws.

10. Appeals: Customers who disagree with the determination of the City Clerk-Treasurer or designee regarding a requested adjustment may appeal the decision to the City Council.

Appeals shall be submitted in writing **within thirty (30) days of the determination** and will be scheduled for consideration at the next regularly scheduled City Council meeting for which agenda deadlines can be met.

Effective Date: This policy shall become effective immediately upon approval of the City Council.

Originally adopted by the City of Carlos City Council this 13th day of June 2019.

Revised by the City of Carlos City Council on August 13, 2026.

Ronna Berghoff, Mayor

Date

ATTEST:

Donna Eveslage, Clerk-Treasurer

Date