

**CITY OF MERCER ISLAND  
RESOLUTION NO. 1675**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCER ISLAND,  
WASHINGTON, ADOPTING UPDATED POLICIES AND PROCEDURES FOR  
UTILITY BILLING AS DETAILED IN THE UTILITY BILLING MANUAL**

WHEREAS, the City of Mercer Island provides essential water, sewer, storm water, and emergency medical utility services to its residents and businesses; and

WHEREAS, the policies and procedures governing the billing and collection of charges for these utility services are crucial for the efficient and equitable operation of the City's utility systems; and

WHEREAS, City staff has prepared an updated Utility Billing Manual, attached hereto as Attachment A and incorporated herein by this reference, which outlines the revised policies and procedures for customer account management, billing cycles, rate application, payment processing, adjustments, and other related matters; and

WHEREAS, the City Council has reviewed the proposed updated Utility Billing Manual and finds that its adoption is in the best interest of the City and its utility customers, promoting clarity, efficiency, and fairness in utility billing practices.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
MERCER ISLAND, WASHINGTON, AS FOLLOWS:**

Section 1: The City Council hereby adopts the Utility Billing Manual, attached hereto as Attachment A, which shall supersede all previous policies and procedures related to utility billing to the extent of any inconsistency.

Section 2: The City Manager, or their designee, is hereby authorized and directed to implement the policies and procedures outlined in the updated Utility Billing Manual with the discretion to take all necessary actions to ensure its effective administration and to update the Manual as required.

Section 3. Should any section, paragraph, sentence, clause or phrase of this Resolution and Attachment A, or their application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Resolution and Attachment A be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Resolution and Attachment A or their application to other persons or circumstances.

**PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND,  
WASHINGTON, AT ITS REGULAR MEETING ON MAY 6, 2025.**

CITY OF MERCER ISLAND

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Salim Nice, Mayor

ATTEST:

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Andrea Larson, City Clerk

## **Attachment A – Utility Billing Manual**





# Utility Billing Manual

Updated: May 6, 2025





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## 1. Introduction

This document summarizes various City of Mercer Island (“the City”) utility billing procedures to advise utility customers about current billing practices. It should not be considered inclusive of all municipal service regulations governed by the Mercer Island Municipal Code and Washington State.

Municipal utility services include water, sewer, stormwater, and emergency medical services. The City’s Finance Department is responsible for customer accounts and utility billing.

For additional information, please contact the Finance Department, Utility Billing Division at 206-275-7602 Monday through Friday, 8:30 AM to 4:00 PM, or email [mifinance@mercerisland.gov](mailto:mifinance@mercerisland.gov). For questions outside of regular business hours, or for an after-hour emergency, please call the non-emergency police number 425-577-5656.

## 2. Utility Services

Utility service is defined by a connection to the municipal water system that measures all water conveyed through the service, regardless of whether the use is for domestic, irrigation, or fire suppression.

This established connection for residents, businesses, and multi-family units results in utility services that include drinking water, sewer conveyance, storm and surface water management, and emergency medical service charges that are billed on a bi-monthly basis.

### Drinking Water

Charges for water are based on the size of the meter and the amount of water used. The meter charge and water consumption charge are shown separately on the utility bill. The meter charge is a fixed amount based on the size of the water meter and supports services such as meter repairs, meter reading, and customer service.

Water use, or consumption, is the amount of actual water used within a billing period. Consumption is measured by a bi-monthly meter reading and is billed in units of 100 cubic feet (ccf). One cubic foot of water is equal to about 7.5 gallons.

Single-family customers also pay a conservation surcharge for bi-monthly use above 20 ccf in the four summer months of June through September. While residential rates increase with higher use, commercial rates are determined by season and are higher in summer peak months.

### **Sewer Conveyance**

Sewer charges include a sewer treatment charge set by King County Wastewater Treatment and a local charge based on the volume of water used during a billing period. The City contracts with King County Wastewater Treatment for the transport and treatment of sewage waste. The cost for this service is passed through to the utility customer.

For single family customers, the King County rate is a fixed amount. The local portion of the sewer bill is based on the customers' average water use during the previous winter months of December through March or January through April, depending on the billing cycle. Multi-family and Commercial customers pay both the King County Sewage Treatment charge, and the local rate based on actual water consumption during a billing period.

### **Storm and Surface Water**

Storm and surface water fees cover the costs associated with controlling surface water runoff, maintaining and improving the public drainage system, and protecting water quality in Lake Washington.

Stormwater service charges are based on the size of the property and the percentage of impervious surface on that property. Impervious surfaces, such as roofs, driveways and decks, are those which do not absorb water and therefore contribute to stormwater runoff.

All single-family residences pay a rate based on an average of 3,471 square feet of impervious surface per property. The rate for all other property (commercial, multi-family, etc.) is based on the actual measured impervious surface, with 3,471 square feet considered to be 1 equivalent service unit.

### **Emergency Medical Services**

Utility customers pay a fixed charge to help provide fire and emergency medical services on Mercer Island. This utility charge provides additional funding support for emergency medical aid response on Mercer Island. Beginning January 1, 2024, the City of Mercer Island contracts with Eastside Fire and Rescue for fire and emergency medical services.

## **3. Definitions**

**Conservation Surcharge** – A fee based on water consumption of single-family residences for bi-monthly use above 20 ccf in the four summer months of June through September. The fee is designed to support initiatives that encourage responsible water use.

**King County Sewage Treatment** – A direct cost for the treatment and transport of sewage waste from Mercer Island to a King County Wastewater Treatment Facility. This is a fixed charge for single family residences and a consumption-based charge for multi-family and commercial accounts.

**Meter Charge** – A fixed charge based on the size of the water meter. This charge supports services such as reading the water meter, meter repair, utility billing and collection, and overall customer service.

**Sewer Line Maintenance** – A charge based on cubic feet (CCF) of water used to support current and future maintenance of sewer infrastructure on Mercer Island.

**Service Charge** – A specific fee charged to recover operating costs incurred in establishing a new account, changes in occupancy, special customer service requests, and delinquent account collections, among others. Service charges are set forth and updated annually by the City Council in the City's Fee Schedule.

**Storm Drain** – A fixed charge covering the cost of controlling surface water, maintaining, and improving the City's storm drainage infrastructure.

**Water Consumption** – The amount of actual water usage, based on a bi-monthly meter reading. Consumption is billed in increments of 100 cubic feet (CCF). One CCF is equal to 748 gallons.

#### **4. Limits of Responsibility**

The City makes every effort to mail, e-mail, deliver, and post all monthly billings, reminder notices, delinquent notices, and shut-off notices to the account holder in accordance with Mercer Island's Municipal Code and Washington state legislation.

The City is not responsible for lost, undeliverable, or stolen bills and notices resulting from the United States Postal Service, invalid e-mail addresses, spam filter settings, issues from Internet Service Providers or interference from the public.

The account holder is responsible for prompt postal and e-mail address updates. The account holder is also responsible for ensuring payment is received and posted to the account by the due date and deadline regardless of whether a bill or notice has been received or not.



## **5. Establishing New Service**

Before utility service begins, notification from the seller's Escrow company in writing is required to transfer ownership of the property. If Escrow is not withholding funds to pay for all current and final utility charges, the seller is required to notify Utility Billing at 206-275-7602 and provide a forwarding address.

The city is unable to facilitate seller/buyer rent-backs. The exact date of closing is required to accurately and efficiently transfer utility accounts in the case of a property sale.

Property owners requesting new utility service must provide proof of property ownership. The City reserves the right to request and require proof of property ownership or residency documentation, such as a Deed of Trust/Escrow Closing Statement. Any person may apply to establish new service at any location in the City, provided they meet all other requirements established by this policy.

Businesses requesting utility services in the business name must have an active City of Mercer Island business license endorsement on their Washington State business license.

Depending upon the specific circumstances regarding the service address and availability of City staff, the City cannot guarantee immediate access to all utilities. Typically, access to new services occurs within 48 hours of a completed application process.

## **6. Property Owner/Tenant Responsibilities**

All accounts for water will be kept solely in the name of the owner of the premises for which service was installed. The property owner is responsible for all fees, rates, and charges on the utility account.

Persons other than the account holder may be granted limited or full access to a utility account only if the account holder completes a Utility Account Authorization Form submitted in person, via email, or postal mail. The Utility Account Authorization Form is available on the City's website and informs the City of the need to send duplicate electronic billing information to a tenant for informational purposes in addition to the billing information sent to the property owner.

Utility accounts in good standing that are currently in a tenant's name may remain as such. These 'grandfathered' accounts will specify on all invoices the account number, tenant name, the property owner, and associated property address. Once there is a change in tenants, the property owner will default as the point of contact on the utility account.

## 7. Utility Billing Cycle, Due Dates, and Rates

Residents, businesses, and multi-family units are billed on a bi-monthly basis (60-day increment) for drinking water, sewer, storm and surface water, and emergency medical services. The island is divided into ten separate billing groups with different staggered billing schedules throughout the calendar year.

A due date is printed on each invoice, which is typically 20 days from the invoice date. The utility bill is considered past due (late) if payment has not been received by the due date shown on the bill.

The City's Utility Board reviews utility rates on an annual basis and provides the City Council with a rate adjustment recommendation. The City Council reviews and adopts utility rates each year. Current utility rates are posted in the City's Fee Schedule, which is available on the City website.

By law, utility rate revenues may only be spent on costs to operate, maintain, and reinvest in the water, sewer, and stormwater systems. EMS utility rate revenues are obligated to help pay for fire and emergency medical services on Mercer Island.

## 8. Payment Methods

The City offers multiple options for payment of a utility bill.

- A. **Pay online** with a credit card or via ACH e-check using the City's payment [portal](#). The portal includes options to make a one-time payment, set up an online profile to view your bill, and the ability to set up automatic payments.
- B. Secure **Pay by Phone** using a credit card or e-check by calling 855-844-0085.
- C. Pay by **Mail** by mailing a check, payable to the City of Mercer Island, in the envelope provided with your bill to 9611 SE 36<sup>th</sup> Street, Mercer Island, 98040. Be sure to include the "Return" portion of the bill and the account number on the check to ensure proper credit to your account.

For customer convenience, a payment dropbox is located in the parking lot of 9611 SE 36<sup>th</sup> Street.

## 9. Non-Payment and Discontinuation of Service

As a municipal utility provider, the City is required to enforce payment for service impartially for all customer accounts. When an invoice is past due, the City follows the schedule outlined in Figure 1 for notifying the customer named on the utility account of

amounts due. If the amounts invoiced remain unpaid for 70 days, the City will shut off water service to the property.

### Days from Original Invoice

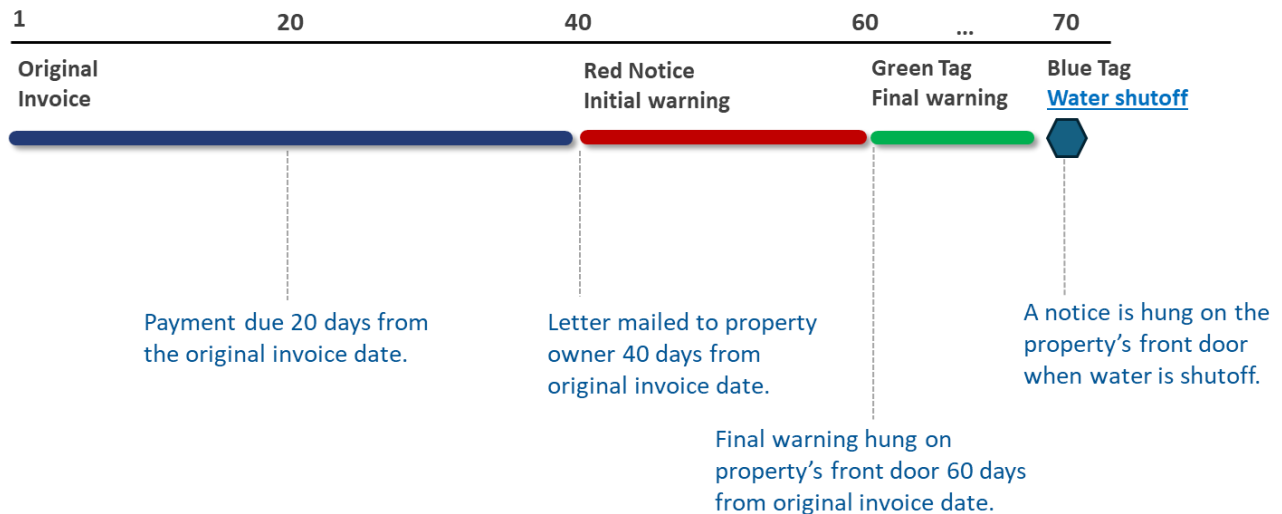


Figure 1

All charges on a utility account that are delinquent for at least 180 days from the original invoice due date will be deemed delinquent and may result in a lien against the property until such charges are paid in full.

## 10. Reinstatement of Services Following Shut-Off for Non-Payment

To reinstate the water service requires payment in full, which includes all past due payments and service charges accrued on the utility account. If payment cannot be made in full, the City offers payment arrangements. See [Section 12](#) Payment Arrangements.

## 11. Billing Dispute and Appeal Process

City staff is available to explain the balance of a bill, how fees are assessed, and provide the account holder with a history of charges and payments. If a customer disagrees with the consumption calculation on their current bill they should contact the Utility Billing Division in Finance by phone, in writing, or in-person. The customer should clearly state:

- The nature of the dispute.
- The amount or action being disputed.
- What corrective action is being sought.

Staff will verify the most recent water meter reading and working condition of the water meter. Billing clerks will investigate the dispute and discuss their findings with the Utility Billing Supervisor. The Supervisor will recommend a resolution dependent on the facts and circumstances of the dispute.

If a customer is still in disagreement over the amount(s) billed or action being disputed, they may request a formal meeting, either in person or by telephone, to appeal the outstanding issue. This process is only available to the customer before any invoices on the account are 60 days past due from the original invoice. If a customer gives first notice to contest any amount of the bill after an account has reached the 60-day aged status and has been slated for water shutoff due to non-payment, the appeals process will not be available to the customer until all past due invoices are paid in full.

During the investigation and appeal process, water will not be shut off for non-payment until all findings have been issued. If the appeal process results in favor of the customer, the City will issue a credit to the account. The outcome and decision by the Deputy Finance Director or Finance Director shall conclude the appeal.

## **12. Water Leak Adjustments**

The property owner is responsible for water leakage that occurs between a water meter and the respective property. The City allows for one leak adjustment credit every two years on a customer's utility bill due to a leak for which the property owner is responsible.<sup>1</sup>

In the case that a leak is discovered in an irrigation system during winter and the property owner is unable to find a company to repair a leak due to the time of year, the property owner must procure a notice of intent to complete the repair.

If the leak occurred on the City's side of the meter or was due to a malfunctioning water meter, the customer is not responsible for any excess water charges beyond the average consumption for the same billing period from the previous 3 years.

### **Identify the Leak**

If a property owner suspects a water leak, attempt to identify it. The leak could be as simple as a faucet dripping or a running toilet. Upon request the City can furnish leak-

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<sup>1</sup> Application of this policy does not change if the leak involves a rental property with an active tenant, whether a tenant handles the repair and requests a leak adjustment, or the property owner/landlord. The property owner is responsible for working with the tenant to repair the leak and apply for a leak adjustment.



detection tablets to check your home's toilet. If faucets and toilets are not the source of the leak, the leak may be in a supply line, a water feature, or an irrigation system.

Once the leak is identified, promptly fix the leak. Failure to do so may disqualify the property owner for a billing credit.

### **How to Qualify for an Adjustment**

A billing credit for a leak will be granted when **all** the following conditions are met:

- A. The leak must be repaired, and the repairs must be permanent.
- B. The leak adjustment request must be made by the property owner within 30 days of discovering the leak and notifying the City, or the date notice is sent from the City.<sup>2</sup>
- C. The customer informs Utility Billing staff that the leak has been repaired, shares a copy of the repair invoice, and a letter stating the type of leak and the date of the repair. Failure to provide repair receipts will result in an automatic denial of the leak adjustment request.<sup>3</sup>
- D. Water consumption for the billing period in question must be at least 120% of the average consumption for the same billing period during the prior three (3) years. The three years of usage is specific to the property for which the leak is being requested.
- E. All customers requesting a leak adjustment are required to pay at least 50% of the original bill as invoiced while a leak adjustment request is being processed.

### **How the Leak Adjustment is Calculated**

The Finance Department will calculate a leak adjustment once these conditions are met. The City does not reimburse for any parts or repair costs that were incurred because of the leak. Customers will be notified if additional information is required and the outcome of their leak adjustment request.

The average consumption will be calculated using the same billing period for the prior three (3) years for the specific property. If there is insufficient history, staff may establish a typical consumption amount for the period before an adjustment can be made.

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<sup>2</sup> In the event a leak is discovered in an irrigation system in winter and the property owner is unable to repair an irrigation leak due to the time of year, they must procure a notice of intent to complete the repair within 30 days of discovering the leak and notifying the City, or from the date notice of a potential leak is sent from the City.

<sup>3</sup> If a property owner completes a repair (e.g., repairing or replacing toilet parts), all new parts must be purchased, and proof of purchase must be included to qualify for a leak adjustment.

The customer will be billed for the average consumption at the current rate structure, the monthly meter fee, plus a 10 percent overhead fee based on the original invoice. The overhead fee covers a portion of the costs associated with water storage, treatment, and delivery as well as staff time to operate and maintain the water distribution system.

The lost water will be charged to the customer at the seasonal wholesale rate charged to the City of Mercer Island by the Seattle Public Utility. The difference between this lost water subtotal and the original invoice will be applied to the customer's account as a credit on the next billing cycle.

The credit will be calculated on no more than two consecutive billing periods for any one leak adjustment within the two-year eligibility period. The customer will be sent a corrected billing statement via email and in the mail and the credit will remain on the account.

In the event of a dispute over an adjustment, a utility customer may submit a dispute as outlined in [Section 9](#) Billing Dispute and Appeal Process.

### **Sewer Accounts**

Single family accounts which have a leak during the period when average winter water use is calculated (December-March or January-April) will also have their average winter water use adjusted, so that sewer line maintenance charges will not be skewed by the leak.<sup>4</sup>

If the 30-day timeline is not followed and a standard leak adjustment is not granted, the sewer line maintenance will not be adjusted separately at a later date. For example, a leak occurs in January and the City contacts a customer notifying them of high usage indicative of a leak, and the customer does not respond but reaches out after the 30-day timeline noting the sewer line maintenance has increased and requests an adjustment on the sewer line maintenance, an adjustment will not be granted.

Multi-family and Commercial/Public accounts may also qualify for an adjustment to City of Mercer Island sewer line maintenance and King County wastewater treatment charges because they are based on actual water consumption. An adjustment can only be made if the water did not enter the sewer system. For instance, a toilet leak would not be eligible for a sewer adjustment.

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<sup>4</sup> In the event a leak is discovered in an irrigation system in winter and the property owner is unable to repair an irrigation leak due to the time of year, they must procure a notice of intent to complete the repair within 30 days of discovering the leak and notifying the City, or from the date notice of a potential leak is sent from the City.

### 13. Payment Arrangements

The City offers a deferred payment arrangement agreement for residential accounts that have a past due balance and may be subject to discontinuation of services. The City does not offer subsidized rate plans, reduced rate plans, alternative payment schedules, or reduced payment schedules.

If a customer is in a situation where they are unable to pay their utility bill which has a balance owed that is in a past due state, only the account holder may enter into a payment arrangement if the agreement is requested, signed, and delivered no later than 65-days for the original invoice that is now past due. The payment arrangement agreement is available on the City's website or in person at City Hall.

City staff will calculate the amount due under the payment arrangement. The following terms and conditions apply:

- A. An initial minimum payment of \$100 or 10% of the balance due, whichever is more, is due upon receipt of the signed payment arrangement.
- B. Payment arrangement applications must be signed and submitted either via email to [mifinance@mercerisland.gov](mailto:mifinance@mercerisland.gov), or mailed to City of Mercer Island Utility Billing, 9611 SE 36<sup>th</sup> St, Mercer Island, WA, 98040.
- C. The payment arrangement is limited to a maximum of three months.
- D. Payments are due by the 20<sup>th</sup> of each month.
- E. Payments associated with the payment arrangement are in addition to the regularly accrued new/current charges for the utility account.
- F. Only one payment arrangement may be active at a time for a utility account.
- G. If the account holder defaults on the payment arrangement, the City may discontinue utility service. Service will not be restored until the balance is paid in full, including related connection and late fees.
- H. All subsequent billings for current utility service are payable when due.
- I. No additional payment arrangements may be made until the account is in good standing and prior billings are paid in full.

The City will respond to the applicant within 5 business days of receiving the application. Once a payment arrangement application is submitted, water will not be shut off for non-payment until City staff reviews and makes a determination on the submitted application.

### 14. Adjustment of Charges

A variety of circumstances result in the need to adjust utility billing accounts. Examples include crediting overpayments, service charges applied or reversed, reversal of a final bill, adjusting charges for a misread meter, reversal of misapplied charges, and write-off of small balances on closed accounts.

## **Over and underpayments**

Overcharged utility accounts are entitled to the amount overcharged in error going back three years from discovery of the error by the customer or from when the City notifies the customer of the error.

If the City discovers it has been undercharging a utility account, the City can require the customer to render the amount of any underpayment, which goes back three years from when the City discovers the error.

## **Service Charges**

A specific fee charged to a customer utility account to recover operating costs incurred in establishing new accounts, changes in occupancy, special service requests by customers, and delinquent account collections, among others. Service Charges are set forth and updated annually by the City Council in the City's Fee Schedule.

Service Charges may be reversed under the following circumstances:

- A. An error on the part of City staff (e.g., a payment arrangement was not documented properly, a door hanger was improperly placed, etc.).
- B. A Not Sufficient Funds (NSF) fee may be reversed when a customer experienced fraud on their account or their bank made an error.
- C. As approved by the Utility Billing Supervisor.

The reason for reversing a service charge must be documented and the utility account holder must be notified via email, phone, or mail of the service charge adjustment and resulting impact to the utility account.

## **Misread Meter**

Occasionally a meter is misread and may result in an atypical bill. The City may make an adjustment to the account once the correct meter reading is verified.

## **Misapplied Payments**

A "misapplied payment" refers to a situation where a payment is incorrectly allocated or credited. When a misapplied payment is identified, a payment adjustment is processed to reverse the payment from the wrong account and apply it to the correct account. Staff must document all misapplied payments and notify account holders of the errors and resulting adjustments.

## **Reversing Misapplied Charges**



A utility account may experience misapplied charges (e.g., a single-family home improperly classified as a commercial property). Once discovered, staff make appropriate adjustments and immediately notify the property owner.

### **Reversal of a Final Bill**

When a property changes ownership, a final bill is calculated according to the closing date for the home, and a new account is set up for the new property 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.

### **Other**

Other unique circumstances may result in the need to make an adjustment to an account. All adjustments must be approved by the Utility Billing Supervisor before they are processed.

### **Review and Auditing**

All adjustments and payment reversals are reviewed monthly by the Utility Billing Supervisor. An annual audit of adjustments may also be conducted, as appropriate.

## **15. Financial Assistance Program**

The City assists eligible low-income customers with paying for City water, sewer line maintenance, and storm water charges. Individuals receiving in-home care who are Medicaid eligible may also receive assistance with Emergency Medical Services (EMS) charges. To be eligible for this discount, an applicant must be a Mercer Island resident receiving in-home care and be Medicaid eligible.

Applicants must be responsible for the payment of utility bills, live at the address receiving services, or must reside in a rental unit served directly by the City of Mercer Island with a separate meter.

The low-income program discount is a 75% reduction in water consumption charges, sewer line maintenance, and storm and surface water charges. The discount does not apply to water meter, King County Sewer, or EMS charges. To be eligible for service discounts, applicants are required to meet **both** of the following criteria:

1. The applicant is a resident of Mercer Island who owns or rents a single-family home;  
**and**

2. The applicants' household income does not exceed 70% of the Washington State median income.

The application for discounted utility rates as well as the application for waived EMS charges can be found on the City's website. Applications may also be mailed by request.