



Memorandum

TO: Mayor and City Council Members

FROM: Crystal Postell, Finance Director

CC: Stevie Cox, City Manager
Robert Wilhoit, City Attorney
Rodney Johnson, Public Works Director

DATE: November 11, 2024

REF: Overcharged and Undercharged Utility Customer Procedure.

Summary:

It is important for the City of Trinity to establish a procedure for both overcharged and undercharged customer accounts. This procedure will assist in the City maintaining accurate and effective utility billing accounts. City staff has completed the utility audit and there has been an overcharge due to a North Carolina General Statue revision which has affected a total of 69 customers since 2021. It is highly important for the City to maintain accurate reporting for both our residents and the financial health of the City of Trinity. Due to the overcharging of customers' accounts, we have established a guideline for the issuance of Refunds and Collections of payments.

Background:

The overcharged and undercharged utility customer procedure guidelines will be as follows:

Overcharged Accounts

If a customer has been overcharged, the Finance Department will refund the excess amount without interest to the customer by crediting the customer's account. If the time period of the overcharged can be determined, the Finance Department shall credit the customer account for that entire interval, up to three years (36 months).

If the overcharged customer owes a past due balance for services, the Finance Department shall deduct that past due balance from the any refund or credit due to the customer. If the customer

has a past due balance on another active account, then their refund shall be applied to that account without notice.

Undercharged Accounts

If a customer has been undercharged, the Finance Department shall collect over the same amount of time as the undercharged. The Finance Department shall limit the collection period to three years (36 months). If the undercharged account cannot be determined, the Finance Department will estimate the amount due. The estimate shall be determined at the sole discretion of the Finance Director. No penalties or interest will be applied to the undercharged billing adjustment.

Refund Method

The method of refund shall be issued in the form of a refund check or credit on the account by the customer but only if at the time of the refund the account is current and active. If the account is current and active, then the City of Trinity shall issue a refund in the form of a refund check.

Recommendation:

Staff recommends that the Trinity City Council approves and adopts the Overcharged and Undercharged Utility Customer Procedure allowing the customers, if current and/or active, to receive their refund in the form of a refund check.

Attachment:

No Attachments