

BMR METROPOLITAN DISTRICT  
BILL ADJUSTMENT POLICY

March 6, 2010

**I. POLICY**

When requested to do so by a customer, it shall be the Policy of the BMR Metropolitan District (“District”) to adjust a customer’s water service bill in those limited instances where it is necessary to do so: (1) to correct errors in the bill; or (2) provide relief when the bill for the licensed premises is 50% or more greater than the average bill for the licensed premises for the preceding two year period and the increase is the result of a sudden and unforeseen leak in the customer’s service line or elsewhere on the customer’s side of the meter; or (3) to avoid an undue hardship on a customer when justified under the circumstances.

Water service bill adjustments shall be the exception to the general rule and shall be made only in the rare circumstances that the criteria set forth in this Policy is satisfied.

**II. SCOPE**

This Billing Adjustment Policy governs the adjustment of all bills prepared and delivered to customers by the District. All bill adjustments made by the District shall be performed in accordance with this Bill Adjustment Policy.

**III. OBJECTIVES**

The objectives of the District’s Bill Adjustment Policy in order of priority are:

1. Correction of Errors. To correct all errors that have occurred with respect to a bill.
2. Service Line Leaks. To permit the Board to adjust unusually large water bills caused by leaks or breaks in the customer’s service line that are sudden and beyond the customer’s control.
3. Avoidance of Undue Hardship. To avoid imposing upon a customer an undue hardship.

**IV. AUTHORITY TO MAKE ADJUSTMENTS**

The authority to make adjustments to water bills shall at all times be vested in the District’s Board of Directors; provided, however, that the Board may from time to time and hereby does delegate authority to the District’s Manager to make adjustments in accordance with the terms and provisions of this Policy without prior approval of the

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District's Board under those circumstances set forth in items 1 and 2 of Section I above. The Manager shall have not authority to make adjustments for item 3 of Section I above. The Manager shall provide to the District's Board of Directors on a monthly basis a summary of all bill adjustments made during the previous month.

## **V. BILL ADJUSTMENT PARAMETERS**

1. Correction of Errors. The customer's water service bill will be adjusted any time it is demonstrated to the reasonable satisfaction of the District's Manger, that a bill is erroneous and based on inaccurate information. An example would be when one customer's water use is erroneously attributed to another customer, or when the wrong rate is applied to a particular customer's water sewer service bill.

2. Leaks. A customer's water service bill can be abnormally high if during the time when the customer's water usage was being metered for water billing purposes, there was a leak or break in the customer's water service line or internal plumbing, so that the metered volume of water usage attributable to the customer is significantly greater than the actual volume of water usage the customer would have used under normal circumstances. If demonstrated to the Manger's reasonable satisfaction that such a break or leak has occurred and been corrected so that water use will return to normal and customary levels, the Manager may make an adjustment to the customer's bill. The adjustment will be based upon the customer's average water consumption during the applicable measuring period for the preceding two or three years, or such other period of time as the Board determines appropriate under the circumstances.

3. Adjustments for Hardships. In those rare instances where the Manager believes that a water service bill may be inaccurate, but has not been demonstrated so as to allow for an adjustment under items 1 and 2 of Section I above, the Manager shall refer the matter to the District's Board of Directors to consider an adjustment if, in the Manager's determination, the failure to make an adjustment would produce an undue hardship on the Customer under the circumstances. Undue hardship situations will be decided by the Board of Directors on a case-by-case basis.

3.1 Definition. Undue hardship means that under the circumstances as determined by the District's Board of Directors, including the consideration as to the customer's financial situation, the amount of the alleged over billing, and the impact on the District's revenue situation of an adjustment, the Board determines that it would be both fair and equitable to make an adjustment, and that failure to make an adjustment would impose an undue economic hardship on the customer. Adjustments for bills based on undue hardship will be the exception rather than the rule. In most cases involving an alleged undue hardship, the Board may, in lieu of reducing the customer's bill, allow the customer to pay the bill over time without interest.

## **VI. INTERNAL CONTROL**

To the extent necessary, the District's Manager, with the approval of the Board of Directors, shall establish and maintain such additional bill adjustment procedures as the Manager determines necessary, and may further establish an internal control structure designed to ensure that the District's water service bills are not adjusted or modified in any way except in accordance with the terms and provisions of this Policy.

## **VII. REPORTING**

All water service bill adjustments made by the Manager shall be reported on a monthly basis to the District's Board of Directors.

## **VIII. APPEALS**

Any customer that contests the decision of the District's Manager with respect to bill adjustment requests under items 1 and 2 of Section I of this Policy may appeal the Manager's decision directly to the District's Board of Directors. Said appeal shall be filed with the District's Board of Directors within sixty (60) days of the date of the Manager's decision. In the event an appeal is not so filed the decision of the District's Manager shall be deemed final. Decisions made by the District's Board of Directors with on the basis of undue hardship shall be final and shall not be subject to reconsideration by the Board.