

From: Steve Gleason
To: Veith, Lisa
Date: 2/11/11 6:54 AM
Subject: Re: Billing/Refund Policy

CC: Jarvis, Linda; Weinhandl, Marie
Lisa

Thanks a million for this clear guidance. It is very helpful.

Steve

>>> Lisa Veith 2/10/2011 6:12 PM >>>
Steve:

We are not legally obligated to refund money if we were not notified of an ownership change, and the customer furthermore did not notify the back to stop the automatic payments. The water bill was being paid, and we are not obligated to correct the customer's own oversight. We are entitled to retain the money for water consumption at the property, unless someone else pays us for it - and then we can return the amount to the prior owners.

We absolutely don't have to refund the money and then try to back-bill the current owners - for all we know, part of the purchase agreement may have been that the water bills would be paid for a year or two. Unlikely, of course, but stranger things have happened. Your internal policy is certainly a good one.

For the sake of customer service I suppose we could go the extra mile and offer to bill the new owner - but I think it's risky to get in the middle of it because then it will appear Water made the mistake. I think we should refund the money if the new owner prefers to pay us - but the customer who neglected to change the records should have to approach the new owner for a mea culpa and a plea for payment. Water shouldn't have to do that because it wasn't our mistake.

I'd recommend you follow the policy and say, no refund - unless the new owner for some reason refuses to write a check to them and would prefer to pay Water. Do indicate you are willing to send a record of the payments since the sale so that they have "proof" before they make the plea - that's certainly fair. But you most certainly do not have to search property records. You billed just as you were told to until they indicated otherwise. That's the right thing to do.

Lisa

>>> Steve Gleason 2/10/2011 4:11 PM >>>
Lisa

I am seeking your advise arising from two recent requests for refunds.

At both of the accounts, the customer paid the water bill through ACH. They provided us their checking account number and each quarter the amount due was electronically extracted as payment.

Both customers called/wrote this February to report they sold property some time ago and yet they continued to pay the water bill through ACH. In one case, the property sale date was June 2008. The other July 2010. In both these cases, we were not notified by either the seller or buyer of a change in ownership. Accordingly, we continued to bill the customer we had on the account.

It has been our internal policy to continue billing a customer until we are notified of a move and change of ownership etc. For example, if a customer claims they moved out 40 days ago or 3 months ago, we do not offer a refund, we just change the ownership on the account that day and correct the bill going forward.

We do not know anything about the arrangements made at the time of sale. However, we can view the tax records to identify when the ownership changed.

Options:

1. Follow our internal policy. We were not notified. No refund. Customer must pursue payment from new owner.
 2. Make refund conditional. Offer to bill new owner ... if new owner pays the requested refund amount, then refund.
 - 3.*** Research date of sale of property. Assume new owner is responsible for bill from date of sale. Re-issue bills. Issue refund.
- *** This cannot be done in our Billing system and would require manual handling. That is one of the reasons our policy is not to go back in time.

Are we legally bound to bill under one of the options above?

Steve