

CORPORATE POLICY



Policy Title: **Collections Policy - Water, Sanitary Sewer and Storm Water Receivables**
Policy Category: Financial Controls Policies
Policy No.: FC-008
Department: Corporate Services – Finance Division & Integrated Planning & Public Works – Water Services
Approval Date: November 18, 2013
Revision Date: April 10, 2017
Author: Mary Ellen Weatherhead, Manager of Revenue
Attachments: N/A
Related Documents/Legislation: Supply of Water, Sewage and Stormwater Services and the Stormwater Utility and Credit Program By-Laws
Key Word(s): Collections, Water, Sanitary Sewer, Receivables

POLICY STATEMENT:

The City of Waterloo is committed to formalizing a well-defined, equitable and transparent process in the follow up and collection of water, sanitary sewer, and stormwater receivables.

PURPOSE:

The intent of this policy is to effectively and equitably manage the City of Waterloo water and sanitary sewer, and stormwater receivables, work with customers to meet their payment obligations in a timely manner, rectify issues where payment remains outstanding, and account for the receipt of payments.

DEFINITIONS:

In this Corporate Policy:

- a. **“Authorized Employees”** means any Commissioner, Director of Revenue & Accounting, Director of Water Services, Chief Financial Officer & Treasurer, or designated employee of the City;
- b. **“Average Consumption”** means a calculation done taking the average water consumption for a service address over the most recent consequent 12 month period;
- c. **“Billing Designate”** means a person or entity authorized by the owner of the property to be the “Primary Account Holder”.
- d. **“Billing Designate Application”** means the form utilized by the owner of the property to appoint a tenant to be the “Primary Account Holder”.

Mandatory Policy, Municipal Act: No

Policy Administration Team, Review Date: March 30, 2017

Corporate Management Team, Review Date: March 29, 2017

- e. **“Business Days”** means Monday to Friday, 8.30am to 4.30pm, excluding statutory holidays
- f. **“City”** means The Corporation of the City of Waterloo;
- g. **“Collection Agency”** means an accredited collection company appointed by the City to collect debts owing to the City from delinquent customers;
- h. **“Customer”** means any owner, occupant, lessee, tenant or any other person purchasing or receiving services from the City;
- i. **“Council”** means the Council of the City of Waterloo;
- j. **“Due Date”** means the last date by which an invoice must be paid by a customer in accordance with the terms of payment on the City’s Invoice;
- k. **“Fee & Charges By-Law”** means the current schedule of applicable fees, rates or other charges for the Services, which may be amended by Council from time to time;
- l. **“Invoice”** means a bill issued by the City to a customer indicating the amount owing over a single billing period for the delivery of water and sanitary sewer, meter service charges, fees, and stormwater;
- m. **“Meter”** means an apparatus for measuring the quantity of water used;
- n. **“Owner”** means an owner of a Building or of lands, or their agent/designate;
- o. **“Primary Account Holder”** is an individual(s) whose name(s) are listed on the “Billing Designate Application”, the account and on the water utility invoice. The Primary Account Holder(s) is the main point of contact for the City and the Payee(s) of any refund cheques issued unless otherwise instructed in writing by all the tenants listed on the “Billing Designate Application”;
- p. **“Payment Plan”** means a verbal and/or written and signed payment arrangement authorized by appropriate City staff negotiated with a customer for repayment of a past due amount;
- q. **“Receivables”** means any monies owed to the City of Waterloo for goods and/or services rendered other than property tax;
- r. **“Services”** means all water, sanitary sewer and the stormwater services supplied by the City.

SCOPE:

This policy applies to all customers who purchase or receive water, sanitary sewer and stormwater services in City of Waterloo, all property owners whose property is being supplied water, sanitary sewer and stormwater services and all staff.

POLICY COMMUNICATION:

This policy will be posted on the City Website, the City Intranet and staff will be advised of the new policy via distribution to the Operational Leadership Team and Corporate Management Team.

POLICY:**1. RATES**

Water, sanitary sewer, and stormwater fees will be billed bi-monthly (once every two months) at the rates adopted by Council. Commercial accounts with high water consumption may be billed on a monthly basis. Rates will be reviewed on an annual basis.

2. READINGS

- a. All customers are required to grant authorized employees of the City access to the outside remote reader and water meter at the service address. Meters and remote readers must be accessible at all times.
- b. If a meter reading cannot be obtained a notice card will be left at the service address to contact Water Services.
- c. The City must be notified of a required final reading a minimum of five (5) business days prior to the date when a customer vacates or occupies the property and also when a property changes ownership.
- e. The City must be notified of the correct forwarding mailing address for the Final Bill.

3. RESIDENTIAL & COMMERCIAL TENANTS

- a. Residential and Commercial Tenants requesting services with the City will be required to:
 - i. Complete a Tenant Application and Owner Authorization Form (hereinafter referred to as "Billing Designate Application"). When completed, the Billing Designate Application forms a legal and binding contract for the supply of water, sanitary sewer and stormwater services that the customer, the owner and the City have accepted and have mutually agreed to the terms.

Under the terms the Billing Designate(s) will agree:

- To pay all water, sanitary sewer and stormwater charges when they are due for the period they are a tenant or occupant;
- acknowledge that the City of Waterloo will pursue all legal remedies to collect any unpaid balances;
- notify the City of Waterloo of all tenant(s), occupant(s), and/or any tenancy changes;
- provide access to the premises during regular business hours to allow authorized employees to read, repair, remove and replace meters; and
- agree to the City of Waterloo obtaining personal credit information, and disclosing personal credit information to and

from other lenders, credit bureaus or other credit reporting agencies.

- ii. Submit the Billing Designate Application a minimum five (5) business days prior to the occupancy date.
 - iii. Submit the Billing Designate Application in person, by mail, courier, facsimile, on-line or by an e-mail scanned copy.
 - iv. Provide appropriate identification.
 - v. Designate a Primary Account Holder. There may be no less than one and no more than two individuals designated as the Primary Account Holder.
 - vi. If a Billing Designate Application is not received by the City after an account has been final billed the new account will default to an owner held account.
- b. Owners of properties occupied by Residential and Commercial Tenants requesting services with the City will be asked to:
- i. Ensure the Billing Designate Application is completed in full and received by the City at least five (5) business days prior to the occupancy date
 - ii. Keep the City advised of any changes to the information listed on the Billing Designate Application.
 - iii. In the event that there is only one water meter for multiple rental units or that a meter is inaccessible at a property the billing account must be an owner held account.
 - iv. Property management companies cannot hold billing accounts, but can be designated by the owner(s) of the property to receive bills. Owners who wish to designate a Property Management company to receive bills shall:
 - Submit a completed Utility Bill Designate Request for Property Management Company Form.
 - Submit the Utility Bill Designate Request for Property Management Company Form in person, by mail, courier, facsimile, or email a scanned copy at least five (5) business days prior to the date they wish this change be made effective.

4. PAYMENT OF BILLS

- a. Invoices are due twenty one (21) days after the bill issue date.
- b. A customer may pay an invoice without the application of a late payment charge on the amounts paid on or before the due date.
- c. Where payment is made by mail, payment will be deemed to be made on the date payment is received by the City. Where payment is made on-line or by telephone banking the payment will be deemed to be made on the date payment is received by the City.
- d. A partial payment will be applied to any outstanding arrears, interest before being applied to the current billing, unless the City has made special considerations.
- e. Post-dated cheques may be accepted by the City if approved in advance by authorized employees.
- f. Pre-Authorized Payment Plan;
Payment may be made by Pre-Authorized Payment Plan if a customer provides completed Pre-Authorized Payment Plan Application and a void cheque encoded with the bank's transit number, bank number, and bank account number belonging to the bank account for which the amount owing is to be withdrawn 30 calendar days prior.
Pre-Authorized payments will be withdrawn on the due date, and for the amount due, as indicated on the customer's bill.
 - Active billing accounts with Pre-authorized Payment Plan will be exempt from late penalties and will not accrue interest on outstanding balances, nor will interest accrue on credits.
 - If there is no past consumption history, the monthly preauthorized amount will default to the average consumption for a family of four or 21 cubic meters per month.
 - A customer must submit changes and/or cancellations to their Pre-Authorized Application Plan in writing, a minimum of 30 calendar days prior to the next due date.

5. LATE PAYMENT CHARGES

A late payment charge of 1.5% (9.0% per annum) calculated on the amount outstanding will be added to the invoice after the due date, and on each subsequent due date thereafter.

6. PAYMENT AGREEMENTS

A Payment Agreement may be reached if approved by an authorized employee.

7. BILLING ERRORS

- a. Where billing errors have resulted in over-billing, the Customer shall be credited with the amount erroneously billed for the relevant period, inclusive of any interest that has accrued, but not exceeding two (2) years.
- b. Where billing errors have resulted in under-billing, the Customer shall be charged the amount erroneously not billed for a period not exceeding two (2) years.

8. FEES

All fees are included in the City's Fees & Charges By-law. All fees are reviewed on an annual basis.

9. RETURNED PAYMENTS

- a. An administration fee set out in the City's Fees & Charges By-law will be charged to the Primary Account Holder's account for any payment returned by the account holder's financial institution. A letter will be mailed to the Primary Account Holder advising of the returned payment. The amount of the returned payment, the Returned Payment Fee (Non-Sufficient Funds (NSF) Charge) and any late payment charges will be added back to the Primary Account Holder's account.
- b. When a payment has been returned for a past due account the City will continue to collect the amount past due as if the payment was never made.
- c. When a payment has been returned on a Primary Account Holder's account that has received a Final Notice, the amount of the returned payment, the NSF Fee and any applicable late payment charges will be added back to the Primary Account Holder's account, and the City will continue to collect the amount past due in the usual manner.
- d. When a payment has been returned for a past due billing account, the Primary Account Holder has ten (10) days to pay the arrears, the NSF Charge and any late payment charges, failing which the City may terminate the Primary Account Holder's participation in the Pre-Authorized Payment Plan.
- e. If payment has been returned for the same billing account two times or more in a calendar year, the City reserves the right to cancel the Primary Account Holder's participation in the Pre-Authorized Payment Plan.
- f. The City may report returned payments to an accredited Collection Company.
- g. The City may transfer an amount past due to the property tax roll if a payment is returned by the Primary Account Holder's financial institution.

10. PAST DUE NOTICE & TRANSFER TO PROPERTY TAX ROLL

- a. Active accounts with a past due balance greater than \$200 will receive arrears notices from the City. The Primary Account Holder shall receive a Reminder Notice and Final Demand notice. The Owner of the property shall receive an Arrears Notice and Final Arrears Notice.
- b. A "Final Arrears Notice" shall be mailed to the Owner of the property advising that unpaid balances may be transferred to the tax roll if payment is not received within thirty (30) days.
- c. Billing arrears that are more than ninety (90) days past due may be transferred to the tax roll with an Administration Fee as set out in the City's Fee & Charges By-Law.
- d. Outstanding active accounts less than \$200 will not be considered for transferring to the tax roll.

11. FINAL BILLED ACCOUNTS

- a. A collection letter will be sent to the previous Primary Account Holder approximately five (5) days after the due date on the final bill.
- b. The City may add the arrears to the property tax roll after reasonable collection efforts have been made.
- d. A final billed Primary Account Holder with arrears may be reported to an accredited Collection Agency.
- e. A final Primary Account Holder who has a credit will be refunded. Any unclaimed credit will be held by the City for two years and then claimed as revenue. A written request may be required before the City will issue a replacement cheque.
- f. Credits or debits of \$10.00 or less for inactive accounts may be written off.

12. RECOVERY THROUGH MONIES OWED TO THE CUSTOMER

- a. If the City is holding any monies owing to the Customer, such as accounts payable cheques, these amounts will be applied to the Customer's billing arrears with notification to the Customer.

13. RESERVATION OF RIGHTS

- a. The City reserves any and all rights permitted by law to collect, enforce or realize upon any monies owed to or collectable by City in addition to any steps set out in this policy.

14. COMPLIANCE

- a. In cases of policy violation, the City may investigate and determine appropriate corrective action.