

# City of Melfort Policy Manual

<i>POLICY TITLE:</i> <b>Utility Bill Collection Policy</b>	<i>POLICY NUMBER:</i> <b>1.3.80</b>	<i>EFFECTIVE DATE:</i> <b>January 1, 2005</b>
<i>ORIGIN:</i> <b>Administration</b>	<i>ADOPTED BY COUNCIL ON:</i> <b>November 15, 2004</b>	<i>AMENDED DATE:</i> <b>August 16, 2010 November 14, 2011 November 7, 2016</b>

## Purpose:

To provide guidance to front line staff in the collection of outstanding utility bills. Good collection techniques protect the City of Melfort from encountering high rates of uncollectible accounts and minimize the actual number of water turnoffs.

## Procedure for Collection:

1. Deposit must be collected prior to service being rendered.
2. Commercial properties are billed monthly. Residential properties are billed bi-monthly.
3. The bills clearly state a due date. Interest of 1.5% is to be charged on overdue accounts.
4. Five days after the due date, a reminder notice will be sent to overdue accounts. The reminder notice should detail that the water will be turned off if the balance of the account is not paid within 10 days. Balances under \$10.00 should not be acted upon.
5. Once 10 days have expired, the water meter repairman is to leave a disconnection notice on the door of the property stating that the service will be discontinued within 24 hours if payment is not made in full.
6. Discontinue water service until bill is paid in full, including the \$50.00 reconnect fee.
7. During the period between the due date and disconnection date, a payment plan may be established. The goal of the payment plan is to ensure the client will be current by the end of the next billing period. To determine the payment plan amount, take the arrears balance and add to it an estimate for the next bill. The city will accept weekly, bi-weekly or lump sum payment plans that ensure that the customer is current by the next billing cycle's due date. If the payment plan is not adhered to, water service will be discontinued without further notice.

### Example:

September billing is due September 30<sup>th</sup>, 20XX. Reminder notices are mailed Oct 6<sup>th</sup> stating that balances are due by October 15<sup>th</sup> or service will be discontinued. Between Oct 16<sup>th</sup>-18<sup>th</sup>, disconnection notices are put on the door. The September bill was \$100.00.

Example of Payment Options:

1. Weekly payments of \$33.00 (Arrears of \$100 + Estimate of \$100 divided by 6 weeks so that customer is current by November 30<sup>th</sup>, 20XX).
2. Bi-weekly payments of \$67.00 (Arrears of \$100 + Estimate of \$100 divided by 3 bi-weekly periods so customer is current by November 30<sup>th</sup>, 20XX).
3. Lump sum payment(s) by post-dated cheque(s) that total \$200.00 by November 30<sup>th</sup>, 20XX.

If payment plan is not adhered to, water service will be discontinued without further notice on December 1, 20XX

8. At any time during the collection process, the City of Melfort reserves the right to use the services of a collection agency or bailiff, pursuant to the powers outlined in *The Distress Act*.