



# **SWPCA BILLING / COLLECTIONS POLICY MANUAL**

Revised August 17, 2020

# TABLES OF CONTENTS

## BILLING POLICIES

Sewer User Class Rates -----	3
Consumption Calculation -----	3
Billing Schedule -----	3
Minimum Charge -----	3
Residential Well Accounts -----	3
Condominium Association Billing -----	4
Authorized Debits -----	4
Authorized Adjustments -----	4
Lien Placement-----	5
Collections -----	5
Payment Arrangements -----	5
Property Owner Appeal Procedure -----	6
New Property Owners-----	6
Refunds and Credits-----	7
Prorated Balances for Real Estate Closings -----	7
Lien Releases / Returned Check Fees -----	7
Permit Sign-Off -----	7
Forms of Payment -----	7
Rate Discounts -----	8
Annual Review and Approval of Procedures -----	8

## BILLING VENDOR OPERATIONS

Data Collection -----	9
Metered Wells -----	9
Billing -----	9
Payments -----	9
Authorized Adjustments & Refunds-----	10
Late Notices / Liens -----	10
Monthly Reporting-----	10
Permit Approval -----	11
Delinquent Collections -----	11
Annual Review of Policy and Procedures-----	12
Consumption Adjustment -----	12-13
SWPCA Billing Vendor Calendar -----	14

# **BILLING POLICIES**

## **Sewer User Class Rates:**

All property owners including commercial, residential, industrial, government and non-profit agencies will be charged the same sewer user rate. The rate is set by the SWPCA Board once a year at the August meeting. The SWPCA is required by state law to hold a Public Hearing at this meeting.

## **Consumption Calculation:**

All property owners, including commercial, residential, industrial, government and non-profit agencies will be charged on the basis of the actual volume of water used as reported by the local water supply company (Aquarion), measured as Hundred Cubic Feet (CCF). The consumption will be based on the monthly meter records of each property that reflect usage for a six month period between November of the previous year and April of the current year. Any exception will be identified and documented as set forth in the “Special Cases” paragraph.

## **Billing Schedule:**

The six (6) month water usage is annualized and billed in 2 installments, the first in October and the second in April.

## **Minimum Charge:**

A minimum charge of \$30.00 will be applied to an account in each billing period if the sewer user charge is less than \$30.00. This charge will also apply to newly sewerer properties that have received a sewer assessment but have not yet connected to the sewer system after a six—month period. The WPCA Board of Directors may adjust this charge when it sets the sewer use charge each year.

## **Residential Well Accounts:**

Residential well accounts will be charged based upon the average consumption for that billing period for all residential single family SWPCA users. Any well account property owner has the right to install a meter on the incoming flow from their well at their own expense.

The property owner must submit to the SWPCA two meter readings per year. Notifications will be sent to the property owner requesting the meter readings as of November 1 and April 30. Readings will be checked by SWPCA personnel periodically. If the SWPCA does not receive the property owner’s meter readings, the account will be charged based upon the average residential consumption.

## **Condominium Association Billing:**

Condominium Associations that provide water for the entire complex will receive one utility bill for each meter from the SWPCA. A combined bill for all meters can be provided upon written request from the Association. In condominium complexes where individual water meters are connected to units, the property owners will be billed directly. This does not include sub-meters.

## **Authorized Debits:**

- a. Rate: Approved rate per CCF with a minimum charge of \$30.00.
- b. Interest: 1.5% monthly (18% annually) to be applied on the first day of each month on unpaid principle balance excluding any prior interest charges
- c. Late Penalty: A penalty interest charge is placed on the unpaid October bill in December and the unpaid April bill in June
- d. Return Check Fee: Current City of Stamford Rate per check
- e. Lien Fee: Current lien placement and release fee

## **Authorized Adjustments:**

- a. Consumption Adjustment:
  - i. Faulty Meter: If the local water supply company adjusts the consumption for the time period used to calculate the user fee due to a faulty meter, Billing vendor has the authority to use this new, revised consumption to adjust the account accordingly. Also, see pages 11-12 for SWPCA Consumption Adjustment Procedure.
  - ii. Demolitions: If a property is demolished within the period for which the owner is being billed, Billing vendor has the authority to issue a pro-rated bill, which will be calculated upon presentation of a "Demolition Permit" or other proof of demolition. The property will continue to receive a bill for the minimum charge until a new structure is built. If the water meter is disconnected by the local water company, the property owner must submit proof of the disconnection to the SWPCA so that no charges will apply for the period.
  - iii. Remodeling: If a property is being remodeled and consumption is zero within the period for which the owner is being billed, the minimum charge will apply.
- b. Incorrect Posting: If a check is posted to the wrong account, Billing vendor will make the necessary adjustment/posting to each account affected by the incorrect posting.
- c. Interest Adjustment: If a consumption adjustment or incorrect posting occurs after interest has been applied to the account, the corresponding amount of interest will be credited against the next bill.
- d. There will be no adjustment on a bill with a date older than one year.

## **Lien Placement:**

Delinquent Notices will be mailed to all property owners with unpaid accounts 30 and 60 days after the invoice date on a bill. A "Notice of Intent to Lien" will be mailed to property owners with accounts 90 days past due and with a balance of \$30.00 or more. Lien fees will be charged and liens will be placed on the outstanding principle balance in accordance with State Statute.

## **Collections:**

Sewer user charges shall be collected in accordance with the procedures established by the SWPCA and the General Statutes of the State of Connecticut. Interest shall be applied monthly as set forth in the General Statutes of the State of Connecticut. Liens will be applied twice a year in February and August. After 120 days of non-payment, at the discretion of the Executive Director or designee, one of the following courses of action could occur:

- a. Account may be placed with a collection agency
- b. Property owner may be taken to small claims court
- c. A Tax Warrant may be issued
- d. Report to credit agency may be filed
- e. Foreclosure for non-payment may only be undertaken in accordance with the Board's adopted collection policy.

## **Payment Arrangements:**

**For Balance under \$500:** If the property owner is delinquent (illness, loss of job, etc.) and the account is not yet with the Collection Attorney vendor, the customer may make the following in-house payment arrangement. The customer **must** agree to pay the newly issued user charge bills (October and April). In addition, the customer **must** agree to pay the monthly interest charge or at least \$50.00, whichever is greater. The customer can pay a higher monthly amount however, the agreed upon payment must be consistent and cannot fluctuate / change. Customers cannot miss monthly payments. The agreement will be considered null and void for any customer who misses more than three (3) payments in any six-month period. The customer who misses consistent monthly payments and does not pay the allotted amount agreed upon, where there is an account balance of \$500 or more, the account will immediately be sent to the Administration Manager for review before sending to the Attorney for further collection. In-house accounts with payment arrangements will continue to accrue interest until the principal balance is paid in full. Liens filed on delinquent balances will not be released until all charges related to the lien are paid in full.

**For Balances of \$500 or more:** For these accounts, the Billing vendor will do its due diligence to collect delinquent balances. When the delinquent account reaches \$500 or more and payments are not being made, the billing vendor will send the account to the Collection attorney. The Collection attorney may suggest an official payment arrangement agreement. Payment arrangements must satisfy the debt within a reasonable amount of time and must be approved by the Executive Director, or his/her designee. Property owners are required to pay all newly issued user charge bills. All payments will go towards Attorney fees associated with collection for the delinquent account first. Afterwards, payment will go to the oldest arrears. If the property owner is consistent with his payment plan (no

missed payments), and the Attorney fees are paid in full, he/she can request their account be placed in-house for continued collection to avoid further attorney fees. Accounts with payment arrangements will continue to accrue interest until the principle balance is paid in full. Liens filed on delinquent balances will not be released until all charges related to the lien are paid in full. If payment terms are not met, further action may result. Collection Attorney vendor will routinely provide the SWPCA Board with a report of all accounts having payment arrangements and their status, as well as all eligible and active Foreclosure accounts.

### **Property Owner Appeal Procedure:**

A property owner who disputes a user charge bill must first attempt to resolve the issue with an SWPCA Billing vendor. If the Billing vendor is unable to resolve the issue, the property owner must file a Stamford WPCA Appeals form within 60 days of the invoice date. If the 60 day filing period has expired, no appeal will be accepted without approval of the Executive Director. Appeals in amounts of \$1,000 or less will automatically be forwarded to the Executive Director or designee for final decisions. Any property owner with an appeal in an amount greater than \$1,000, shall have the right to present his case to a SWPCA Board designated Hearing Officer at a Billing Hearing. Two Billing Hearings will be scheduled per year, one in May and one in December. Following the hearing, the Hearing Officer will present the cases to the Board at their next scheduled meeting along with recommended actions. The decisions of the SWPCA Board shall be the final administrative appeal. Property owners will have 30 days from the decision date to pay the amount due without interest.

### **New Property Owners:**

**IN ALL CASES THE BILL GOES WITH THE PROPERTY AND SHALL NOT BE SUBJECT TO APPEAL.**

New Property Owners who receive a Certificate of Occupancy (CO), purchase and/or move into a dwelling after the October cycle bill has been issued will be responsible for the following April cycle bill, which will be based on the prior winter usage. New Property owners who receive a Certificate of Occupancy (CO), purchase and/or move into a dwelling after the April cycle bill has been issued will be responsible for October and the following April cycle bill, which will be based on the prior winter usage. There will be no exceptions.

When a property changes owners, the parties involved **must** contact the Billing vendor (888-263-5047) to initiate a Closing and to complete the Closing Form. The New Property Owners will be responsible for their proportionate share of the October cycle bill when the property changes owners between July 1 and December 31 OR for the April cycle bill when the property changes owners between January 1 and June 30. There will be no exceptions.

## **Refunds and Credits:**

Property Owners can apply for a refund when an overpayment exists. The request must be made within three years of making the payment. The SWPCA may grant a one-time extension of the deadline for good cause however, the refunds will only be for the prior three (3) years of the date that the overpayment was determined to exist.

On a case by case base most credit corrections/adjustments in amounts of **\$200** or less will be applied in the form of a credit to the account. Amounts greater than **\$200** will be refunded within 30 days. For credit corrections/adjustments greater than **\$200**, a Refund Request Form will be sent to the Administration Office within 30 days of the date that the overpayment was determined to exist. Refund Requests must be approved by the Administration Manager.

## **Prorated Balances for Real Estate Closings:**

The SWPCA will provide prorated amounts for real estate closing transactions. Any payment in arrears must be paid by the seller at the time of closing. The current bill is to be pro-rated to the end of the six-month period in which it occurs. There are 182.5 days on average in a six-month billing period; 182 days will be used for all calculations. The seller pays the amount to the date of the closing and the buyer pays the balance. Partial payments will not be accepted. Payments duplicated by Attorneys and sellers/buyers over **\$200** will be refunded (see Refunds); amounts of **\$200** or less will be credited to the buyer's account. Buyer is responsible for all amounts due that the Seller fails to pay at the time of closing.

## **Lien Releases / Returned Check Fees:**

Payments for immediate lien releases or payments to cover returned check fees and associated sewer user fees may be paid by currently accepted credit cards, money order, attorney's trustee check, certified check, or bank check. If an immediate lien release is not requested, personal checks and business checks are acceptable. Liens paid by personal check or business check will be released within 30 days after the check clears. All fees associated with the account must be paid in full before a lien can be released.

## **Permit Sign-Off:**

Current and past due balances greater than \$5.00 for an immediate permit or lien release must be paid by debit / currently accepted credit card, money order, attorney's trustee check, certified check, or bank check **in full** in order for the SWPCA to provide approval to the Building Department to continue the Permitting Process.

## **Forms of Payment**

Debit / currently accepted credit cards, personal checks, money order, attorney's trustee check, certified check, or bank check are currently accepted methods for any payment transaction.

**Rate Discounts:**

Upon the date of request and shall not be retroactive discounts shall be provided to all qualifying Laundromats and Car Washes at the following rates:

Laundromat – 10% Car Wash – 5%

**Annual Review and Approval of Procedures:**

Periodically, the SWPCA Billing and Collection Policies in this manual shall be presented to the SWPCA Board for approval. The approved rules may be amended at any time as per the SWPCA Board's request.





## **BILLING SERVICES OPERATIONS**

### **Data Collection:**

Annually during the first week of June, SWPCA Billing Services is responsible for obtaining a data file from the local water company for all reads from November 1 through April 30. Once the file is received, the Billing Services Account Analyst will review and edit the complete file and prepare it for uploading into the billing system. An annual consumption billing estimate will be provided to the Executive Director by July 15. The final, complete file, which will be used as the source of water consumption data for the October and April billing cycles, must be submitted to the Executive Director by August 1.

### **Metered Wells:**

Billing vendor is responsible for sending property owners with metered wells letters during the first week of both March and September requesting that meter readings be sent to the SWPCA Billing vendor. The readings should be taken on or about March 31 and October 1.

### **Billing:**

Billing vendor is responsible for calculating, producing and mailing all sewer user bills around October 1 and April 1. Preceding each billing, the Executive Director or designee must review 1% of the bills and send the Billing vendor written approval to finalize the mailing. All bills will be mailed to the property owners. Property owners must submit a change of address notification in writing if the bill is to be sent to an address other than the billed location.

### **Payments:**

The Billing vendor and the Administration Offices are exclusively responsible for processing all user charge payments. Any user charge payments sent to SWPCA or City offices are to be forwarded to the Customer Services Specialist for immediate processing. All deposits for user charges are to be made through the Billing vendor and the Administration Office. The Billing vendor and the Administration Office can accept walk-in payments.

#### **Authorized Adjustments and Refunds:**

The Billing vendor is responsible for making adjustments to accounts based on consumption errors and proof of demolitions and for adjusting accounts for interest penalties and fees.

The Billing vendor is responsible for sending refund request forms to the Administration Office within 10 business days of the date that overpayments greater than \$200 are determined to exist. Upon receipt of completed refund request, the Administration Office is responsible for forwarding the forms to the Executive Director or designee for approval and upon final completion, the Administration Office provides proof of payment to the Billing vendor.

#### **Closings / Proration:**

The Billing vendor is responsible for providing prorated amounts to attorneys for closing statements.

#### **Late Notices/Liens:**

The Billing vendor is responsible for sending Delinquent Notices and a “Notice of Intent to Lien” to property owners according to SWPCA policy and for applying lien fees to accounts. The SWPCA Billing vendor is responsible for filing the liens at the Town Clerk’s office. The Billing vendor will provide a report of all new liens placed and a list of paid liens to the SWPCA Executive Director or designee. Lien releases are the responsibility of the City of Stamford Town Clerk.

All fees associated with the account must be paid in full before a lien can be released.

#### **Monthly Reporting:**

The billing vendor is responsible for preparing daily Monthly Reports for the SPWCA Board and Controllers Office containing the following information:

- daily billing cash deposits
- accounts receivable analysis
- review of all billing revenue accounts
- review of balance sheet account schedules of all billing adjustments made during the month to verify discrepancies between actual collections and billing system inputs
- new liens filed report
- liens released report
- payment arrangements report, including status of payments

The Billing vendor is responsible for providing a monthly report to the SWPCA Board on issues including, but not limited to;

- software
- customer service
- payment processing
- delinquent accounts (including condo associations)
- Billing vendor department staffing
- and any other outstanding items

### **Permit Approval:**

The SWPCA Administration Manager or designee (Customer Services Specialist) is responsible for providing approval documentation to sign off on simple building permits associated with construction or renovation of a single family house, minor residential plumbing or other permits associated with single family units.

The Executive Director or designee (Supervising Engineer) is responsible for sign off on all other permits, including but not limited to, two family or greater residential units, any industrial, commercial, non-profit constructions and any condominiums or apartment buildings as well as simple construction or renovation.

### **Delinquent Collections:**

WPCA Billing vendor is responsible for determining which accounts to turn over to legal counsel for further action. The following criteria have been established and outline the steps that will occur subsequent to the liens being placed on the properties. Note that the account would be at least 120 days delinquent before legal demand is made. Generally the process will be as follows:

- Initial call made to customer
- 1<sup>st</sup> Collection letter
- Follow up call if no response within ten business days
- 2<sup>nd</sup> Collection letter
- Follow up call if no response within ten business days
- 3<sup>rd</sup> Collection letter
- Follow up call if no response within ten business days
- Demand Letter
- Follow up call if no response within ten business days
- Legal Demand

Accounts will be considered for further legal action if all previous steps have been exhausted, no payment has been received for at least 24 months and the balance of the account is greater than \$5,000.00.

## **Annual Review of Policies and Procedures:**

The Billing vendor is responsible for preparing and presenting proposed revisions to the Billing & Collections Policy Manual to the Administration Manager in order to submit to the SWPCA Board at or before the July meeting.

### **Consumption Adjustments**

#### **Leaks and Estimated Reads:**

A leak and/or estimated read causing a significant increase in water consumption typically also results in a very high SWPCA user charge bill. Per property owner, there will be a one-time adjustment in the life of an account. There will be no exceptions.

In accordance with the criteria below, the SWPCA will make the following adjustments.

#### **Leaks**

- 1) Under specific circumstances the SWPCA can adjust the April cycle bill only when water from a leak enters the sanitary sewer system. Also under specific circumstances, the SWPCA can adjust both the October and April cycle bills when the water does not enter the sanitary sewer system.
- 2) If a customer claims a high bill due to a leak, they must first contact Aquarion Water Company (AWC) for their “one time leak adjustment”. If Aquarion issues an adjustment for the consumption period used for billing, the SWPCA Billing vendor / Administration Office will review the account. If on review, the SWPCA Billing vendor / Administration Office deems the adjustment reasonable and fair, accordingly, the SWPCA Billing vendor will adjust the account, record the action into the billing system and no further adjustments will be made to the account.
- 3) If the Aquarian Water Company (AWC) adjustment is not approved or the adjustment is not for the consumption period used for billing, the customer must then provide documentation to the SWPCA Billing vendor / Administration Office to substantiate their claim, including but not limited to, plumbing bills, receipt for parts (if self-repaired), pictures or any other document(s) that will verify the leak and the repair. The documents will be uploaded into the Billing system for the SWPCA’s designee to review.
- 4) If no such documents exist, the customer must submit a written statement indicating when the leak occurred, the cause of the leak and when the leak was repaired. The customer can submit any corroborating document to help substantiate the claim. This information will be uploaded into the Billing system for the SWPCA’s designee to review.
- 5) After documents have been received, the SWPCA Billing Department / Administration Office will review and determined if the submitted information is appropriate requiring no further action on the part of the customer. If deemed additional action is required from the customer, the SWPCA Billing vendor /Administration Office will contact the customer to request needed

documentation and a service request is to be opened for the SWPCA designee's final review and determination.

- 6) The SWPCA's designee will review the new consumption and associated calculations and approve or deny the request. If approved, the SWPCA's designee will instruct the Billing Department to make the adjustment.
- 7) Typically for adjustments, the SWPCA will average the three previous billed October consumption prior to the leak OR average the prior three years of the month in which the leak occurred; whichever is highest. For those accounts that do not have three years or more of consumption, the SWPCA will use the current consistent available consumption to determine the adjustment.
- 8) New property owners with a user charge based on the previous owner's consumption will follow the "*New Property Owners*" guidelines on page 6 of the Billing & Collection Policy Manual.
- 9) SWPCA adjustments are calculated on the basis of actual consumption (CCF) not on a dollar amount as used by Aquarion Water Company.

#### Estimated Reads

- 1) If a customer requests an adjustment due to estimated reads and have owned the property for at least three (3) years before the estimated reads occurred, they must provide documentation (prior Aquarion bills indicating estimated reads) to the SWPCA Billing vendor to substantiate their claim.
- 2) After documents have been received and deemed acceptable, the SWPCA Billing vendor will review and average the customer's consumption from three previous billing periods prior to the time the estimations began. The SWPCA's designee will review the new consumption and associated calculations and approve or deny the request. If approved, the SWPCA's designee will instruct the Billing Department to make the adjustment.
- 3) In the case of no prior consumption history—consumption data for the new property owner is not yet available—the billed amount will be based on the prior owner's usage.  
**The SWPCA will not make any exceptions.**

## **SWPCA BILLING SERVICES CALENDAR**

### **JANUARY**

1<sup>st</sup> - 15<sup>th</sup> Notice of Intent to Lien sent to customers delinquent on October bills

### **FEBRUARY**

1<sup>st</sup> - 5<sup>th</sup> Lien fee charged, liens recorded on all outstanding October bills

12<sup>th</sup> - 28 Corrections and adjustments to Aquarion file from previous cycle

### **MARCH**

1<sup>st</sup> - 7<sup>th</sup> April bills produced and sent to Executive Director for approval

11<sup>th</sup> - 24<sup>th</sup> Bill files sent to outside vendor for printing and mailing prior to April 1

### **APRIL**

1<sup>st</sup> - 30<sup>th</sup> Time period for Hearing Appeal forms to be filed

### **MAY**

1<sup>st</sup> - 5<sup>th</sup> 30 day late notice sent to open accounts

14<sup>th</sup> - 25<sup>th</sup> Customer Hearings scheduled

25<sup>th</sup> - 31<sup>st</sup> Cash posting for interdepartmental billing

### **JUNE**

1<sup>st</sup> - 5<sup>th</sup> 60 day late notice sent to open accounts

1<sup>st</sup> - 7<sup>th</sup> Obtain new reads from the local water company for reads from December thru May

7<sup>th</sup> - 28<sup>th</sup> Edit and correct data file from the local water company – prepare for upload to the billing system

Prepare annual consumption estimate for billing

### **JULY**

1<sup>st</sup> - 15<sup>th</sup> Notice of Intent to Lien sent to customers delinquent on April bills

July

25<sup>th</sup> - 31<sup>st</sup> Submit final complete consumption data file to Executive Director

### **AUGUST**

1<sup>st</sup> - 5<sup>th</sup> Lien fee charged, liens recorded on all outstanding April bills

### **SEPTEMBER**

1<sup>st</sup> - 10<sup>th</sup> New data file uploaded to the billing system and if applicable, new rate entered into system

October bills produced and sent to Executive Director for approval

Average Residential Consumption calculated for wells

11<sup>th</sup> - 24<sup>th</sup> Bill files sent to outside vendor for printing and mailing prior to Oct 1

### **OCTOBER**

1<sup>st</sup> - 30<sup>th</sup> Time period for Hearing Appeal forms to be filed

### **NOVEMBER**

1<sup>st</sup> - 5<sup>th</sup> 30 day late notice sent to open accounts

14<sup>th</sup> - 25<sup>th</sup> Customer Hearings scheduled

24<sup>th</sup> - 30<sup>th</sup> Cash posting for interdepartmental billing

### **DECEMBER**

1<sup>st</sup> – 5<sup>th</sup>

60 day late notice sent to open accounts