

**CITY OF BOULDER PUBLIC WORKS
UTILITY BILLING (WATER, WASTEWATER, STORMWATER/FLOOD)
COLLECTIONS & BILL ADJUSTMENTS POLICY**

Effective Date: Jan. 6, 2020

I. POLICY

The City of Boulder Public Works Department / Utility Billing Office desires to provide guidance on Utility Billing collections and bill adjustments for use by City employees, which helps to provide consistency and transparency for Utility Billing customers. This “Collections and Bill Adjustments Policy” documents processes and procedures used for collecting on unpaid accounts and for determining when and how bill adjustments are permitted and calculated.

II. PURPOSE

The purpose of the Collections and Bill Adjustments Policy is to guide the Utility Billing staff and to inform its customers in situations where collection and adjustment billing actions are warranted. This policy is intended to outline the formal processes for:

1. Notifying customers with past-due utility accounts of their options;
2. Collecting on unpaid accounts; and
3. Determining when bill adjustments are appropriate and how those adjustments are calculated.

This policy does not apply to situations where customers may have a claim of damages related to suspected or alleged financial or property damages unrelated to a utility bill. All customer claims for damages unrelated to a utility bill will be directed to the City’s Risk Management Office.

III. DEFINITIONS AND ABBREVIATIONS

The following terms are used in this policy:

Account Holder – The person whose name is on the Utility Billing account. This can be an owner, an agent for the owner such as a property manager, or a tenant. The account holder receives the bills for utility services.

Adjustment – Changing the amount due on a utility bill or changing the way a bill is calculated.

Agent – A person who is domiciled within Boulder County, Colorado, to serve as the local agent of the property owner. This person or entity could be the property owner, a tenant, a property management company, or someone who lives locally and is appointed by the property owner to receive notifications about the account. The agent does not need to be the account holder.

AWC – Average Winter Consumption. The average amount of water billed on the December, January, February, and March bills. AWC is considered the baseline indoor water use needed by an account because it is the average amount of water used each month during the winter months.

Bill – The monthly paper or electronic notification to account holders of the amount due for services received.

Consumption – The amount of water that is run through the water meter during a billing cycle; the amount of water used by that account.

Customer – Any person receiving services from Utility Billing, including property owners, account holders, and agents.

Final Notice – A notice mailed to customers notifying them of a 60-day past due amount.

Leak – When fixtures or plumbing allows water to seep out due to poor sealing, cracks, or breaks in the lines. This causes more water to be used and billed.

Past Due/Past-Due Account – A billed amount that was not paid by the payment deadline.

Service Address – The address on the account that receives the services.

Property Owner – A person or company that owns the property where services are received. This person or entity is ultimately responsible for the account. The owner may assign an agent to manage the account and/or a tenant to be the account holder, but the property owner remains responsible for any unpaid bills.

Tenant – The person(s) renting a service address from a property owner.

Utility Account - An account established with the City of Boulder Utility Billing Office to receive water, wastewater and/or stormwater/flood-management services.

IV. PROPERTY OWNER RESPONSIBILITIES AND ASSIGNING LOCAL AGENTS

Utility Billing encourages property owners who live outside of Boulder County to appoint an agent who lives in Boulder County to act on the utility account. The ultimate responsibility for unpaid past-due amounts on the account will be the property owner's, even if another person was named account holder or agent for the account, per Section 11-1-47, "Water Charges Are Lien On Property and Liability of Owner" B.R.C. 1981.

If the property owner's residence is different than the service address, Utility Billing will request the owner to provide their current mailing address so that communication about the billing account can be sent to the owner as well as account holders.

V. BILLING AND COLLECTIONS PROCEDURES

The City of Boulder water, wastewater, and stormwater/flood-management utilities are billed on a monthly billing cycle. Account holders receive one bill per month, due 10 days after the bill date. The following procedures outline the steps to take if a bill remains unpaid by the time the next bill is produced:

1) 30 Days Past Due:

- a) Bills will continue to be mailed and will include the previous month's billed amounts added to the bill total.

2) 60 Days Past Due:

- a) Bills will continue to be mailed and will include the previous month's billed amounts added to the bill total.
- b) A Final Notice Fee will be added to the bill total, per Section 4-20-24, "Water Service Fees," B.R.C., 1981, as the fee: "To deliver water service termination notice."
- c) A final notice will be mailed in a separate envelope marked: "Urgent Final Notice," notifying the account holder that if the bill is not paid within 10 calendar days, the water service may be discontinued pursuant to Section 11-1-45, "Water to be Shut Off for Failure to Pay", B.R.C. (1981).
- d) A copy of the final notice will be mailed to the owner or the owner's agent, if applicable.
- e) Account holders, and property owners if not also the account holders, will have an opportunity to file a written request for a hearing with the Utility Billing Office within 10 days of the mailing date of the final notice, per Section 1-3-3(b), "Notice of Agency Action," B.R.C., 1981.
- f) If a hearing is requested, water shut-off will be delayed pending the outcome of the hearing.

3) 70 Days Past Due:

- (a) Notice to Service Address – if the account holder has not paid, made arrangements to pay with the Utility Billing Office, or requested a hearing, a door hanger will be delivered to the property notifying that water shut-off will occur in two business days.

4) 72 Days Past Due:

- a) Discontinued Service - if the account holder has not paid, made arrangements to pay with the Utility Billing Office, or requested a hearing, water service will be discontinued, and a Turn Off/Turn On fee will be applied to the account, per Section 4-20-24, "Water Service Fees," B.R.C., 1981 as the fees: "To terminate water service" and "To resume water service."
- b) Once water service is discontinued, full payment of the balance of the account will be required to restore water.
- c) If the account does not include water service, such as a sewer-only account, the account will be marked "Disconnected" in the billing system, and toward the end of the calendar year, the account holder will be sent a letter notifying them that the outstanding balance will be certified as a lien on the property if left unpaid (See Certification below).
- d) If water service is not restored within three calendar days, a City of Boulder building inspector will be notified to check the property for occupancy.
- e) If a restaurant requires shut off, then the Boulder County Health Department will be notified to accompany meter technicians to the property and close the establishment.

5) Health Risks:

- (a) A shut-off may be postponed for any account if the Boulder County Health Department has determined that there is a public health risk.

6) Certification to County Assessor:

- a) In September/October, letters will be sent to the property owners who own properties that have discontinued service and outstanding balances. The letters will notify the owner that the full balance, if not paid by the deadline provided, will be certified in December to the Boulder County Assessor for collection on the next year's property taxes.

VI. PAYMENT ARRANGEMENTS

At any time during the notification process, prior to water service being disconnected, the Utility Billing Office may arrange a payment plan with account holders for collecting payments on past due accounts through any of the following methods:

- 1) **Due Date Extension** - extending the due date of a bill two weeks past the due date. This request must be made in writing by the account holder. A copy of the request and extension will be sent to the agent, if applicable.
- 2) **Payment Arrangement** – the account holder and the Utility Billing Office may agree to a payment arrangement to pay off the balance over a period of no more than six months. A copy of this agreement will be kept on the account and sent to both the account holder and the agent, if applicable.
 - a) An account holder may only request one payment arrangement per year.
 - b) The details of the payment arrangement are subject to the approval of the Utility Billing Supervisor. Factors taken into consideration in any approval shall include but not be limited to account history, account holder circumstances, and approval of agent.
- 3) **Assistance Referral** – The Utility Billing Office may refer an account holder to the Emergency Family Assistance Association, Senior Services, or other human services agency for potential financial assistance.
- 4) **Other** – Any other payment arrangement outside of the above-listed methods must be done with consultation and approval of the Utilities Financial Manager or Public Works Administrative Services Manager.

All payment arrangements will be documented by the Utility Billing Office and a copy will be sent to the account holder and the agent, if applicable.

If the account holder defaults on the payment arrangement or fails to comply with the terms of the agreement, the collections process will begin again, and late fees will be issued.

VII. BILL ADJUSTMENTS

The intent of this bill adjustment policy is to assist account holders who have received a high bill either because of an unknown leak on their property or because of an error on their bill. Because meters are read and billed once a month, sometimes hidden leaks on the property are not detected until an unusually high water bill is received. This can result in an unexpected financial burden to the account holder due to unintentional water consumption. The city cannot provide free water, per Section 128, "Free Water," of the City of Boulder Charter, but a bill adjustment may be applied to the account holder's bill per the guidelines below. All adjustments will be considered by the Utility Billing Supervisor based on the following considerations. Account holders who violate any code provision, rule, or regulation pertaining to the water or wastewater utility may not be eligible for adjustments. For special cases, the Utilities Financial Manager or Public Works Administrative Services Manager will be consulted. Accordingly, the

following procedures outline the guidelines and considerations of applying bill adjustments to an account holder's bill:

1) Leak Adjustments

- a) Account holders must complete a Leak Adjustment Request Form to apply for a leak adjustment. The request for adjustment will be reviewed by the Utility Billing Office staff and may be approved by the Utility Billing Supervisor, if the request meets the requirements described herein for a leak adjustment.
- b) A water bill leak adjustment may be allowed, to a maximum of two consecutive bills, if:
 - i. The adjustment request was made within 90 days of the bill in question; **and**
 - ii. A leak has been identified and repaired, and proof of repair has been provided; or
 - iii. In cases where the account holder cannot provide proof of repair, water consumption has returned to normal the following month and proof of investigation is provided; or
 - iv. In cases where the account holder cannot provide receipts for repairs or investigations, a written statement from the account holder or agent attesting to steps taken is submitted.
 - v. If the leak occurs during the AWC period, the AWC may be adjusted so it does not reflect the high use due to the leak and months billed at the high AWC number may be adjusted.
- c) A water bill adjustment may not be allowed for the following situations:
 - i. Usage above the account holder's water budget is due to seasonal usage such as gardening, filling swimming pools, washing vehicles, etc.
 - ii. High use was caused by a third party from whom the account holder may be able to recover their costs. Examples include, but are not limited to, theft, vandalism, negligence by an occupant, construction damage, unoccupied properties, or lack of proper maintenance.
 - iii. When a leak continues for three or more months, there will be no adjustment for the third or subsequent months.
 - iv. The meter at said property has been accessed, tampered with, or turned on/off by anyone other than a City of Boulder employee and that action results in a loss of water, per Section 11-1-37, "Meter Maintenance," B.R.C., 1981.
 - v. A maximum of three adjustments have already been made for the same property and same account holder.
- d) Calculating Leak Adjustments – Water
 - i. An adjustment for a leak in an account holder's water system will be made by rebilling the water consumption that was billed in Blocks 3, 4 and 5 at the Block 2 rate.

- ii. An adjustment will not be made to more than two consecutive bills for the same leak.
 - iii. For extreme cases, where the adjusted bill exceeds 10 times the average of the current year's bills, the Utility Billing Supervisor may consult with the Utilities Financial Manager to determine if an additional adjustment may be permitted.
- e) Calculating Leak Adjustments – Wastewater
- i. No changes will be made to the wastewater portion of the bill, except for rare cases with Commercial or Industrial accounts.
 - ii. Commercial and Industrial accounts are billed wastewater charges on all water measured at the meter. In rare cases where water passed through the meter but bypassed the sanitary sewer system as a result of a leak, an adjustment may be made to the bill by the Utility Billing Supervisor. An example would be a break in the line from the meter to the building. In these cases, the Utility Billing Supervisor will determine whether the information provided proves the sanitary sewer did not receive the wastewater. If it does, the account holder will be billed a wastewater charge for the account's current AWC amount.

2) Billing Error Adjustments - Water

- a) A billing error may be the result of:
- i. A broken water meter as confirmed by a city meter technician;
 - ii. Damage to the account holder's property by the city, or a city contractor, that resulted in high water use, as confirmed by a city project manager or engineer; or
 - iii. Information entered incorrectly into the billing system such as incorrect meter size, test circle, meter read, irrigable area or stormwater area measurements.
- b) Billing errors do not include:
- i. changes in rates or rate structure; or
 - ii. damage to property as a result of a leak.
- c) The City may consider an adjustment for a suspected billing error where there is sufficient information available regarding the potential error, including how much may have been over-billed or under-billed to the account holder.
- d) Where an adjustment is appropriate:
- i. For errors in the current calendar year, bills may be canceled, and revised bills may be issued to the account holder, which may result in either an additional amount owed by the account holder or an amount to be refunded to the account holder.
 - ii. Account holders will not be back-billed for previous years' billing errors when the error would have caused them to owe more money.

- iii. Account holders may be credited for previous years' billing error, not to exceed six years, when the error caused them to pay more than they owed.
- iv. For billing error adjustments that involve consumption, the account holder's bills may be recalculated using the account holder's consumption measured in the most recent month prior to the problem, or by using the account holder's consumption in the same billing cycle(s) in a prior year.
- e) The City may enter into alternative adjustment arrangements for potential billing errors based on the specific circumstances and with consultation and approval of the Utilities Financial Manager or Public Works Administrative Services Manager.

3) Emergencies

The City Manager or her/his delegate may determine that an adjustment will be provided to account holders due to emergency events or other extenuating circumstances on a case by case basis.

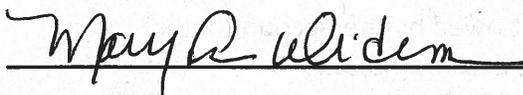
4) Suspended Charges

- a) All service charges may be suspended if:
 - i. the customer requests that the water meter be removed from the property; or
 - ii. a wastewater- or stormwater-only property is verified as demolished.
- a) Customers that have removed the water meter must reinstall the water meter within five years; otherwise, they may incur costs for a new Plant Investment Fee and a new water meter, per Section 11-1-52(f), "Water Plant Investment Fee," B.R.C., 1981.

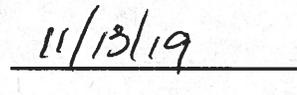
VIII. EXCEPTIONS/CHANGE

This policy supersedes all previous policies covering the same or similar topics. Any exception to this policy may be granted by the City Manager or her/his delegate. This policy may be reviewed and changed at any time.

This policy is approved by the Interim Director of Public Works.



Mary Ann Weideman
Interim Director of Public Works / Deputy City Manager



Date