

Town Council Agenda Communication



TO: Honorable Mayor and Council

FROM: Beth Abramovitz, Public Works Director
Heidi Lasham, Assistant Town Engineer

MEETING DATE: February 24, 2020

SUBJECT: Discussion of the Standard Operating Procedure for Wastewater Shut Off Services.

STRATEGIC PLAN



☐ Economic Expansion & Placemaking



☐ Outreach & Communication



☒ Infrastructure



☐ Highly Performing Organization



☐ Community Well-being

☐ Other

GOALS/OTHER:

FINANCIAL / BUDGET SUMMARY

STAFF RECOMMENDATION

None - information only.

SUGGESTED MOTION

None - information only.

DISCUSSION

The Town has been working on various avenues to collect on wastewater billing debt and wanted to provide some background and facts on the wastewater billing department. The Town was notified in mid-May, 2014 that Wastewater (WW) Billing was going to be turned over from the Rancho Sahuarita Water Company to the Town of Sahuarita at the end of June, 2014. The Town of Sahuarita was tasked with quickly finding a billing software package to produce a bill for the August, 2014 billing cycle. The Town utilized Caselle software to administer the WW Billings and then later transitioned to a more user friendly software, Munibilling, which we continue to use today.

WW collection efforts; Then and Now:

2015 – In August, the Town began extending payment plans to customers with delinquent accounts. For successfully executed contracts all late fees and collection efforts ceased. In December legal notices were sent, notifying customers of delinquent balances and collection efforts, and requesting the customer call to arrange payment plans.

2016 – January began the Arizona Department of Revenue (ADOR) Debt setoff program and the garnishing of taxes for delinquent accounts. The Department of Law sent out Notices of Delinquency for over a year which resulted in little to no response. In August the first batch of delinquent accounts was sent to Valley Collections, a third party debt collection service.

2017 - The WW Billing Department continued utilizing a collection agency and began filing in Small Claims court. This process allowed the placement of a lien on the delinquent account holder; however this process took significant time and effort from staff for little return.

2018 – Continuation of collection efforts and discussion of shutting off sewer service to delinquent accounts began.

2019/2020 - WW Billing moved from the Finance Department to the Public Works Department. Significant effort was put into researching procedures for termination of sewer service. Staff also spoke with other jurisdictions where termination of sewer services takes place, resulting in this Standard Operating Procedure along with supporting documentation.

WW Billing Facts:

The town currently has 5,781 wastewater accounts (residential and commercial customers).

15% of our current wastewater accounts are **delinquent**. The **total amount of outstanding balances** to date is **\$1,614,047.01**. Delinquent means a customer missed their due date on the bill and these accounts range from one month to over a year being past due.

The **largest outstanding balance** is **\$7,373.72**.

In 2019 the Town was able to collect **\$121,264.14 through ADOR and garnishing taxes**. This is successful but is extremely labor intensive requiring two full-time employees with others pitching in as time allows, over approximately 6 weeks, in order to compile the needed information to send to ADOR.

The Town has vetted various avenues to collect past due amounts, as noted above, and continues to have large amounts of delinquent customers.

Per the timeline attached with the procedure, from the time an account holder stops paying until service is terminated would be just over 4 months. Other utilities stop service much sooner. Other jurisdictions who terminate sewer service do so in less time. However, we felt this timeline would give account holders a reasonable length of time to arrange for payment plans or other avenues for payment.

Examples of other utility shutoffs:

City of Tucson Water Company: City of Tucson Water and Pima County Wastewater are tied together on one bill. Accounts 50 days and older and after two notices by mail, get a recorded message to pay within 5 days or water service is subject to termination.

Marana Water: Marana Water and Sewer are tied together on one bill. The month after a non-payment received month, the bill is Pink in color and if not paid will incur a \$15 late fee and if the oldest payment isn't received by the second bill due date then service is subject to disconnection.

ATTACHMENTS

1. SOP 100-19: Wastewater Delinquent Account Collections

