

NO: **R168**

COUNCIL DATE: **September 14, 2009**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 2, 2009**

FROM: **General Manager,
Finance & Technology**

FILE: **5600-80**

SUBJECT: **Changes to the Utility Meter Reading and Billing Process**

RECOMMENDATION

The Finance and Technology Department recommends that Council receive this report as information.

INTENT

The purpose of this report is to provide information to Council on a new approach that is being implemented in January 2010 in relation to the reading City utility meters and the related billing process.

BACKGROUND

In July 1998, the City introduced a Water Metering Implementation Strategy that included the installation of new meters in existing metered properties and a requirement that all new construction be metered. In July of 2000, the City introduced a voluntary metering program to introduce meters on non-metered residential properties.

There are now approximately 46,000 metered utility accounts (55% of the City's single family dwellings are metered). A utility bill is generated for each of these accounts three times a year based on the following cycle:

<u>Consumption Period</u>	<u>Invoices Mailed</u>	<u>Payment Due Date</u>
September 1 to December 31	end of January	March 2nd
January 1 to April 30	end of May	July 2nd
May 1 to August 31	end of September	November 2nd

Since 2001, the reading of utility meters has been accomplished using contractors. The meters are read over a four to six-week period, 3 times per year. This approach is creating challenges in relation to managing the reading of meters, the preparation of invoices and the related mailing of invoices to all of the metered accounts within a reasonable time period.

If property owners do not pay their meter invoice by the specified due date, a 10% penalty is levied. If the account remains unpaid at the end of the year, the outstanding balance is then transferred to the applicable property tax account.

Customers who own non-metered properties are billed on the flat rate basis in March of each year. If the payment has not been received by the City by the April 2nd due date a penalty of 5% is levied. If the balance remains outstanding after July 2nd a further 5% penalty is levied. If the amount remains unpaid at year end the balance is transferred to the property tax account.

DISCUSSION

Now that the City's utility metering program has grown to over 46,000 accounts, there is a need to update the City's reading and billing process to allow for improved management of the process. Under the new process, the City will be divided into four geographic areas, each containing a similar number of property accounts. Each geographic area will have its own four month billing cycle where the meters will be read, the property owners invoiced and the payments processed. However, the processes will be staggered by one month from area to area so that the workload of reading meters, preparing invoices and collecting payments is more uniformly distributed across all months of the year. *Appendix A* illustrates the boundaries of the geographic areas and the meter reading, invoicing and payment schedule. All utility customers will continue to be invoiced three times per year in 4 month increments, although the dates on which they receive their invoices may change as well as the related due date for payment of the invoices.

All utility customers will receive written notification of the pending changes with their upcoming utility invoice. The new process will also be advertised in the local newspapers and information will be placed on the City's website.

The advantages of the new process include:

- Improved customer service;
- Reduced telephone wait times related to customer inquiries;
- Faster responses time for customer requests and re-reads; and
- More timely identification of faulty meters.

The new process will expand the number of weeks during the year during which meters will be read. Rather than all of the meters being read in a six week period in each of 3 times per year, the new process will allow for on-going meter reading across the City in each week during the entire year. The meter reading contractor will be better able to retain a core of reliable meter readers who will become familiar with the meter locations and who will be more proficient at identifying faulty meters.

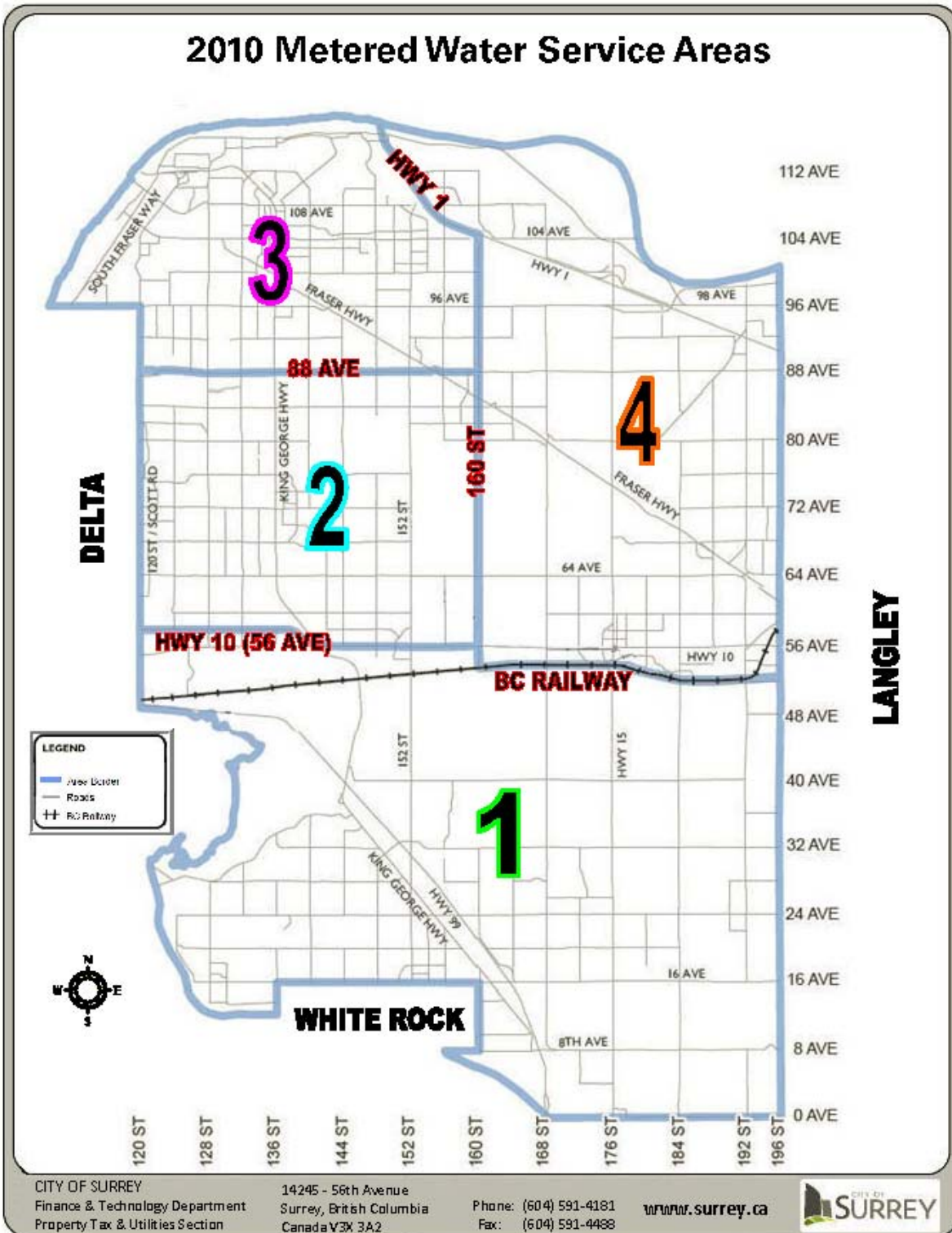
As part of the transition to the new reading and invoicing cycles, all metered utility customers will receive a transition invoice at the end of January 2010. This invoice will be payable by March 2nd. The timing of the next invoice will depend on the geographic area in which the customer lives.

In addition to the changes to the billing schedules, staff is also changing the late penalty from the current rate of 10% to a reduced rate of 5%, which is consistent with the penalty that is payable on late property tax payments. This penalty rate adjustment will be incorporated into the 2010 Utility Budget.

CONCLUSION

Commencing in January 2010, metered utility customers will receive invoices based on a new billing process that will see different areas of the City receive utility invoices in different months of each year. This will enhance City efficiencies in relation to the process of reading meters, invoicing customers and receiving payments. It will also enhance customer service response time and the quality of meter reading data that is used to generate invoices.

Vivienne Wilke, CGA
General Manager,
Finance & Technology



Metered Water Service Invoice Dates By Area

AREA 1

<u>Consumption Period</u>	<u>Invoices Mailed</u>	<u>Payment Due Date</u>
September 1 to December 31	end of January	March 2 nd
January 1 to April 30	end of May	July 2 nd
May 1 to August 31	end of September	November 2 nd

AREA 2

<u>Consumption Period</u>	<u>Invoices Mailed</u>	<u>Payment Due Date</u>
October 1 to January 31	end of February	April 2 nd
February 1 to May 31	end of June	August 2 nd
June 1 to September 30	end of October	December 2 nd

AREA 3

<u>Consumption Period</u>	<u>Invoices Mailed</u>	<u>Payment Due Date</u>
July 1 to October 31	end of November	January 2 nd
November 1 to February 28	end of March	May 2 nd
March 1 to June 30	end of July	September 2 nd

AREA 4

<u>Consumption Period</u>	<u>Invoices Mailed</u>	<u>Payment Due Date</u>
August 1 to November 30	end of December	February 2 nd
December 1 to March 31	end of April	June 2 nd
April 1 to July 31	end of August	October 2 nd