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Purpose

The purpose of this policy is to provide a framework for back billing of water and sewer consumption and service charges to account holders when there has been a lapse in billing, a billing error or has never been billed.

Procedure

This policy includes all back billing adjustments for water and sewer charges.

The City, on a majority of occasions, limits bills for services rendered to no more than twenty-four (24) months before the date of discovery, error or condition that caused the under billing. At the discretion of the Director of Finance (or designated delegate), this limitation may not apply in the following situations where there is evidence of:

- fraud and/or theft of service situations;
- that, despite notification from the City of a problem causing potential under billing, the account holder refuses access to the property to allow for maintenance to metering equipment; and
- The account holder was aware of the cause of the under billing and knowingly failed to notify the City of the problem.


For residential account holders, the back-bill may also be limited if there has been a change in property ownership to reflect when the current owner took over the account. In some instances, the City may seek to recover monies owed from a prior owner.

Calculation of the Back-Bill

The calculation will be based on a reasonable estimate of the under-billed volumetric and service charges for water and sewer for the two year period from the date of discovery as well from the date of discovery to current date.

1. A reasonable estimate of volumetric charges will be calculated as follows:
 - a. If applicable, calculate the consumption through an accurate mathematical calculation using meter readings taken before and after the billing error occurred

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- i. If the billing error occurred for longer than the two year limitation period the correction will be calculated based on an average consumption throughout the entire period and multiplied over two (2) years
 - b. If a meter reading is not available the account holders average daily consumption billed over one or more past billing periods will be used
 - c. In the absence of the above methods, the average consumption of account holders from a similar account holder group will be used
2. Deduct the volumetric charges billed from the estimated volumetric charges as calculated above to determine the under-billed volumetric charges
3. Calculate the under-billed service charges based on the period of time the back bill applies to.
4. Apply the appropriate historic water/sewer rates

Notification of Account Holder of the Back Billing Amount

The account holder will be notified by registered mail the reason for the back bill, including the calculation of the total back billed amount.

Payment Period for Back Bill

At the account holders request the City will offer an optional payment arrangement to pay a back bill.

- If requested by the account holder, the repayment term will be equivalent, in length, to the back-billing period.
- The repayment will be interest free and in equal instalments corresponding to the normal billing cycle.
- Delinquency in payment of such instalments will be subject to the usual late payment charges and collections procedures.

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