


Policy Title:		Water, Sewer and Drainage Charges	
	OFFICE OF THE CHIEF FINANCIAL OFFICER	Category	Billing
		Administrative Policy #	
		Revision #	
		Review Frequency	As Needed – no less frequently than triennially
Division	Billing	Reviewed By	Billing Manager; Deputy CFO, General Counsel
BOWC Approval		Last Reviewed/Update Date	5/15/19
Implementation Date			

1. AUTHORITY

- 1.1. The City of Detroit is expressly authorized to operate a water and sewer system and to bill for services rendered under numerous laws, ordinances, and charter provisions (e.g., Michigan Constitution, Article VII, Section 24; MCL 117.4a (4)(j); MCL 117.4b(2); MCL 117.4e; MCL 117.4f; MCL 117.5e; MCL 117.35; Chapter 35, Section 7-1501, et seq of the 1997 Detroit Home Rule Charter, and Chapter 56 of the Detroit City Code).
- 1.2. Under Michigan Act 178 of 1939, *Municipal Water Liens* (MCL 123.161, *et seq.*) “the Water Lien Act”) and Chapter 56, *Utilities*, of the Detroit City Code (“City Code”), Detroit Water and Sewerage (“DWSD”) provides water and sewerage service to customers and under certain conditions, has a lien that becomes effective immediately upon the distribution of water or provision of water and sewerage system service on the premises or property supplied. Further, water and sewerage service may be discontinued for nonpayment of charges and/or civil collection action may be filed.

2. OBJECTIVES

- 2.1. To ensure that Detroit Water & Sewerage Department’s process for developing customer bills for water, sewerage, and drainage services are handled and processed with proper internal controls.
- 2.2. To outline certain requirements pertaining to developing customer bills for water, sewerage, and drainage services in a timely and accurate manner.

3. PURPOSE

- 3.1. The purpose of this policy and procedure is to ensure accurate billing for water, sewerage, and drainage services. DWSD has a responsibility to develop customer bills based on BOWC-approved rates for water services based on meter reads and meter service charges, sewerage services based on metered water usage and sewer service charges, and drainage services based on impervious acreage.

4. DEFINITIONS

“AMR” is an acronym short for Automated Meter Reading, which refers to the meter technology that automatically collects water consumption data from water meters and transfers that data to DWSD’s CIS billing system.

“Customer” means an Owner, Landlord or Tenant that establishes an account for DWSD services and is responsible for payment of DWSD services.

“CIS” is an acronym for the customer information system, which is the software technology utilized by DWSD for customer billing, field meter services work management, and other customer service related functions.

“CBMS” is an acronym short for the Customer Billing Management System, which refers to the name of an IT Department support group at DWSD.

“DAH” is an acronym short for the City of Detroit’s Department of Administrative Hearings, which is where any delinquent accounts may be referred to for settlement hearings.

"Owner" means the person that holds legal title to a property.

"Parcel" means a plot of land identified by the City of Detroit Assessor with a unique identification number or "parcel number."

“PPA” is an acronym short for Payment Plan Agreement, which refers to a formal payment plan option that DWSD offers to customers for paying off past due balances and current charges over a period of several months.

"Person" means an individual, business, partnership or corporate entity, or a governmental agency.

“Premise” refers to the physical location for water or sewer services (e.g., a single family dwelling or a commercial building).

"Property" means a parcel or group of parcels treated as one unit for purposes of obtaining water and sewerage service.

“Service period” means the dates to be billed for services provided. The begin read date is the beginning of the period, and the end read date is the end of the period.

“Sewerage” means a combination of the water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be present.

“WO” is an acronym short for Work Order, which refers to activities that require corrective or remediation action related to meters or other customer account issues.

5. SCOPE

- 5.1. This policy applies to the generation and distribution of water, sewerage, and drainage bills to all DWSD customers. This policy does not apply to customers who are served directly by GLWA.

6. RESPONSIBILITIES

6.1. Billing Division

- 6.1.1. DWSD’s Billing Division is responsible for administration and oversight of this policy.

7. POLICY

7.1. Bills and Mailings

7.1.1. Bills may include:

- Water Volume Rates
- Meter Charges
- Detroit Disposal Rates
- Sewerage Service Charges
- Drainage Charges
- Industrial Waste Control Meter Charges (as applicable)
- Private Fire Line Charges (as applicable)

7.1.2. When applicable, bills may also include other charges as identified in the approved fee schedule.

7.1.3. Billings should adhere to the following general guidelines:

7.1.3.1 All customers will be billed on a monthly basis. Note that certain sewer-only customers are billed every other month.

7.1.3.2 All customer accounts will be billed by customer name, if known, and service address which may vary from billing address.

7.1.3.3 It is the customer's responsibility to advise DWSD of any changes to mailing address.

7.1.3.4 Failure to receive a bill is not a reason for failure to pay the bill. Refer to the Undeliverable Mail policy.

7.1.3.5 A sample customer bill and delinquent bill containing these parameters is provided as an exhibit to this policy.

7.2. Actual Meter Reads

7.2.1. DWSD water customers must have AMR technology installed at their premises.

7.2.2. DWSD should utilize actual meter reads for billing purposes, unless the AMR meter is not yet installed or the AMR meter is not functioning properly. If actual AMR meter reads are not available, then estimated meter reads may be used as per Section 7.3.

7.2.3. Final Real Estate Closing Bills are based on actual meter reads. Refer to the Real Estate Closing Policy for further details. If an AMR read is not possible, DWSD will charge a fee to perform a physical read.

7.3. Estimated Meter Reads

7.3.1. When AMR meter data cannot be obtained, an estimated meter read may be used.

7.3.2. Estimated meter reads may be based on the CIS consumption estimation feature, which examines the historical consumption from that premise over the last 12 months.

7.3.3. If historical consumption data is lacking, the CIS consumption estimation feature will take the average of the available monthly meter consumption reads.

- 7.3.4. When there is no historical consumption data, and if AMR technology is not available at the premise and thus a meter read is not able to be obtained, the CIS will estimate the average AMR meter consumption based on a weighted average calculations across all accounts with the same meter size.
- 7.3.5. If a customer's previous bill(s) was based upon an estimated meter read, water consumed (but not already billed) may be billed when the next actual meter read is obtained.
- 7.3.6. After three consecutive consumption estimates, DWSD may initiate a work order for Meter Operations to perform a physical read. If the customer does not allow DWSD to access the meter for meter reading or testing, the customer's water may be interrupted for non-compliance.

7.4. Bill Schedule Set-up

- 7.4.1. The Billing Manager establishes a monthly billing cycle schedule that contains a group of accounts based on geographical proximity.
- 7.4.2. Each billing period covers approximately 28 – 32 calendar days.

7.5. Review of Billing Edits

- 7.5.1. The Billing Manager assigns a group of accounts from each billing cycle to the Billing Editors for quality assurance review. The Billing Manager will occasionally rotate the assigned group of accounts every few months to ensure independence of the reviews.
- 7.5.2. Billing Editors may review all CIS meter reads for the following occurrences, but not limited:
 - 7.5.2.1 High Usage – when the estimated usage far exceeds the historical monthly consumption at the premise (e.g., can be 200% more water consumption).
 - 7.5.2.2 No Read – when there is no estimated water consumption (i.e., a blank or null value).
 - 7.5.2.3 Minimum Days/ Maximum Days – when the number of calendar days within the billing cycle falls outside the minimum/maximum window.
 - 7.5.2.4 Negative reads – when stated water consumption is negative.

7.6. Reasonable and Necessary Accommodations

- 7.6.1. Management may take reasonable and necessary actions to accomplish the intent of this policy.

8. PROCEDURE

8.1. Utility Bill Creation

- 8.1.1. The Billing Team Leads upload the AMR consumption reads into the CIS, which assigns each meter read to the appropriate accounts and perform any necessary estimation reads.
- 8.1.2. After all reads have been uploaded, the Billing Editors start their Quality Assurance (QA) review.

- 8.1.3. Editors review all potential errors (e.g., spike in consumption, missing reads, negative reads) and validate or correct the reads.
- 8.1.4. Once edits are complete, Editors “lock” the bill cycles so no further changes can be made.
- 8.1.5. The Billing Team Lead (or Billing Manager in the absence of the Billing Team Leads) review all edits made by the Billing Editors. If there are no other exceptions, the Billing Team Lead will notify the CBMS Support Group for initiating the physical bill creation.
- 8.1.6. Prior to the CBMS Support Group performing the bill creation from the IT side, the group performs standard IT testing routines. Once the standard IT tests have been completed, the Billing Team Lead selects the bill date and other parameters (e.g., bill date, due date, etc.).
- 8.1.7. The file is automatically uploaded by the CIS to the third party bill creation vendor’s system for creation of physical customer bills. The system subsequently sends a bill validation file to DWSD’s Billing division for review.
- 8.1.8. The Billing Team Leads then review the sample invoices to ensure that due dates, billing periods, proper rates, and standard format appear correct.
- 8.1.9. The Billing Team Leads review system-generated reports to ensure that all cycles were included, analyzes any major discrepancies. The Billing Manager performs this function in the absence of the Billing Team Lead.
- 8.1.10. Billing Summary Report – review to ensure proper accounts are included within cycle and correct due dates.
- 8.1.11. Once all other information is reviewed and appears correct, DWSD’s Billing Team Lead approves that billing cycle batch directly through the third party bill creation system portal.
- 8.1.12. The third party bill creation system processes the bill file for mailing for the same or following business day.

8.2. Final Billing

- 8.2.1. Final bills are to be generated when an account becomes closed.
- 8.2.2. The Customer Service Division’s Customer Service Specialist (CSS) initiates the final billing process in the system.
- 8.2.3. The Billing Team initiates a WO to move the account to a “History” status.
- 8.2.4. The Billing Team Lead adds these accounts to the next upcoming billing cycle.