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## **A/R Collection Plan and Water Shut-Off Program**

June 28, 2017

### **Current Situation**

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- CRW is commencing a collection and water shut-off effort aimed at collecting outstanding balances from customers.
- Over 8 million dollars is owed by customers with overdue accounts.



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## Customer A/R Data Analysis

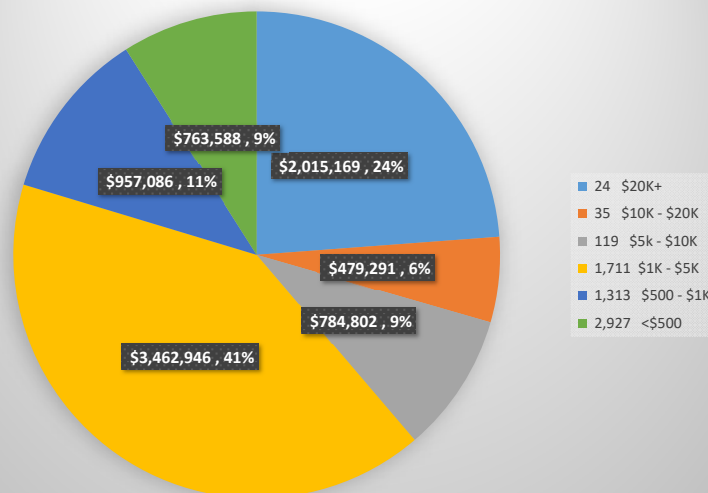
- CRW's customer base was analyzed in order to develop a collection plan for a varied group of customers.
- Customers were separated into groups/ranges based on total outstanding balances.
- 24% of CRW's overdue A/R balance (\$2,015,169) is attributed to 24 customers (Large Balance Accounts) who owe in excess of \$20,000 each.
- 9% of our overdue balance is due from customers owing less than \$500.



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A/R Balances by Balance Range



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## Multipronged Collection Approach

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- The Large Balance customers (>20K) have been made a priority and we have had enlisted counsel to assist us with this effort.
  - We have encountered resistance from several of these customers in supplying the required tenant information but our current counsel will be guiding us through the legal process with these accounts.
- Medium Balance customers (10K – 20K) are being handled via individual direct contact by our Collection Supervisor; these accounts will be referred to counsel as necessary.
- Lower Balance customers will initially be handled via system generated billing and collection notices, with the intention of payments being made without having to go through the costly and inefficient posting, shutting off and turning back on processes.



## Multipronged Collection Approach - cont.

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- Inform the customer base that we are implementing a more aggressive plan to shut off service for non-payment of outstanding balances. Traditional Media, Social Media, Website, etc.
- As necessary, water shut-off notices will be issued starting with the largest balance customers and systematically working down to the lower balance customers.
- The possibility of turning over accounts to an outside collection agency exists if the results of our internal efforts do not prove effective.



## Short-Term Tasks

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- Revise, update and formalize collection procedures.
- Work with legal counsel to update collection related notices.
- Work with MuniLink to streamline the process for making customer contact.
- Estimate capacity of internal resources to perform shut-offs.

## Short-term Plan - Cont.

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- Within 2 weeks of the Past Due Letters and/or direct customer contact, we will commence the posting and shut-off process. This will be based on magnitude of the outstanding A/R balance.

## Long-term Initiatives

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- DECREASE OUTSTANDING A/R.
- Decrease collection costs related to Shut-offs.
- Evaluate new technology, ex. Remote Shut-off meters, to increase efficiency in shutting off service.
- Large scale effort to update and maintain accurate customer contact information. Possible incentive for updating customer profile.



## Questions/Comments

