

Subject: Waiver of Interest for the Wastewater Charge on Enwin Bills - City Wide

Reference:

Date to Council: April 1, 2020
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Clerk's File #: TBD

To: Mayor and Members of City Council

Recommendation:

THAT the City Council **APPROVE** the waiver of interest for wastewater charges on the Enwin Utilities bills starting as early as April 1, 2020 and lasting 90 days.

Executive Summary:

N/A.

Background:

Earlier this week the Boards of ENWIN Utilities Ltd. ("EWU") and Windsor Utilities Commission ("WUC") approved the waiver of interest charges during the period starting as early as April 1st and lasting for 90 days. The generality in the date is to allow their management to ensure that the system changes are working properly prior to rolling out the process.

Several other distributors within Southwestern Ontario recently announced relaxed measures to assist their customers as well, including Entegrus, Blue Water Hydro and Hydro One.

Enwin management has reached out to City Finance to confirm the city's approval of the change as it relates to wastewater (sewer surcharge) fees which Enwin collects on the City's behalf. This report seeks to obtain City Council approval to also waive the interest on the wastewater component of the Enwin bill that is collected on the City's behalf.

Discussion:

Enwin Utilities administers the collection of the wastewater charge for the City by including it on the Enwin bill. As part of their collection process, Enwin charges interest on overdue accounts.

The City does not receive the interest collected for these overdue accounts, but the net exposure of an overdue account remains with the City. Although the City is paid the amounts billed regardless of collection, when a write off or lien situation occurs, Enwin nets the outstanding balance that is uncollectible back against the wastewater revenue sent to the City.

Risk Analysis:

Given that the City does not receive the interest charges collected on overdue accounts, there is no risk of forgone interest revenue by approving this waiver. The risk is that by waiving interest charges on overdue accounts, more accounts may seek to defer payment and may ultimately become uncollectible in the future. This may reduce the amount of wastewater revenue collected.

Not providing relief from interest charges during this time may negatively affect residents that are experiencing financial pressures resulting from the COVID19 Pandemic.

Financial Matters:

There will be no immediate direct financial impact to the City as a result of forgone interest revenues as Enwin retains this revenue to administer the collection process.

There is the possibility however that wastewater revenue may be marginally impacted if more accounts become uncollectible as a result of interest not being charged over this period. Over the last couple of years, the average annual amount written off due to collectability was approximately \$225,000. This amount, representing 0.29% of the total wastewater revenue of \$76.8M including any unrecoverable interest was charged back against the wastewater revenue received by the City.

Consultations:

Enwin Utilities

Conclusion:

Administration recommends that City Council approve the waiver of interest on overdue wastewater charges over the recommended 90 day period consistent with Enwin in order to provide relief to residents experiencing financial hardship because of the COVID 19 Pandemic.

Planning Act Matters:

N/A

Approvals:

Name	Title
Tony Ardovini	Deputy Treasurer – Financial Planning
Joe Mancina	Chief Financial Officer & City Treasurer
Onorio Colucci	Chief Administrative Officer

Notifications:

Name	Address	Email

Appendices:

N/A