

Water Bill Delinquency in Philadelphia

The City bills over 575,000 accounts in water, sewer, and storm water charges monthly. The Department of Revenue handles the billing and payment process, totaling \$620 million last year. The City collected \$550 million from FY 2017 bills, a collection rate of nearly 90%. More than a third of all delinquent accounts owe less than \$75, the minimum amount owed before service

may be shut off for non-payment. The biggest challenge to Water Revenue collection is slow payers, not non-payers. The City is committed to reducing delinquency and improving customer service by offering assistance programs for low-income Philadelphians, expanding payment methods, and using technology to better reach water customers.

How much do we collect?

Collected in FY17 **\$550.3 million**
 Total Billed in FY17 **\$619.6 million** = **89%**
 FY17 Collection Rate

The collection rate for fiscal year billing has consistently been between 88—90% and about 93% of billing is collected within 2—3 years. Two-thirds of water customers pay on time. Of the \$200 million that becomes delinquent each year, most is paid 31-60 days after the initial billing.

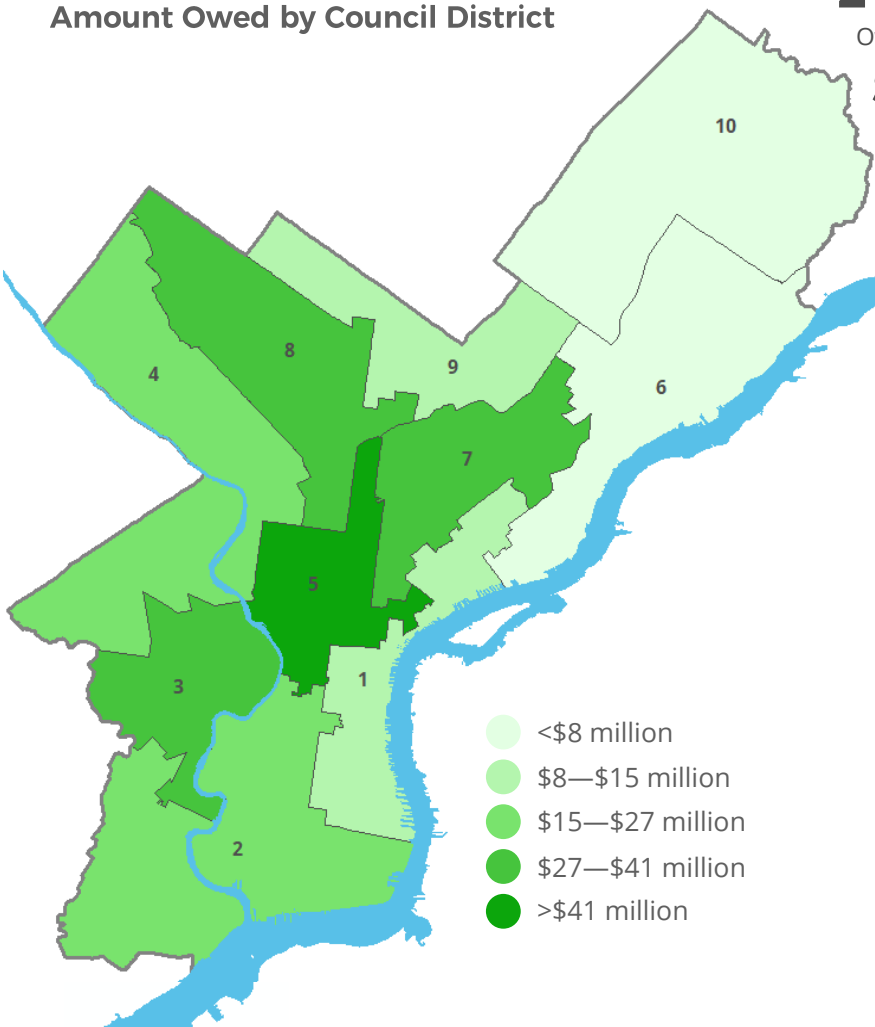
The numbers by City Council District

216,270 delinquent accounts

Owe the City

\$261.4 million*

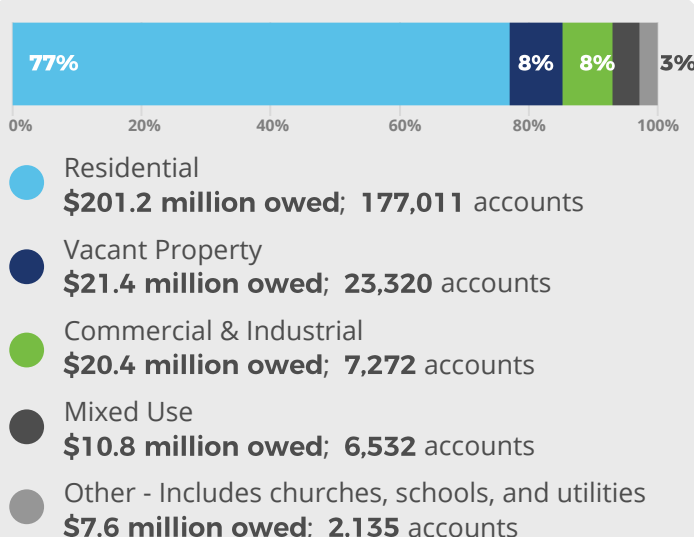
Amount Owed by Council District



Council District	Number of Delinquent Accounts	Total Principal Due	Percentage of Principal Delinquency
1	16,049	\$10,948,751	5.4%
2	20,260	\$17,667,426	8.6%
3	26,120	\$30,848,310	15.1%
4	21,920	\$21,055,683	10.3%
5	31,269	\$37,452,520	18.3%
6	15,006	\$6,785,880	3.3%
7	29,511	\$29,241,407	14.3%
8	28,068	\$32,230,463	15.8%
9	18,428	\$12,723,567	6.2%
10	8,419	\$3,775,950	1.8%
N/A	1,220	\$1,820,745	0.9%

*Includes all delinquent accounts and amount does not reflect other receivables

What is delinquent and how much is owed?



Two-thirds Of water customers pay on time;
 Of the ones that do not -

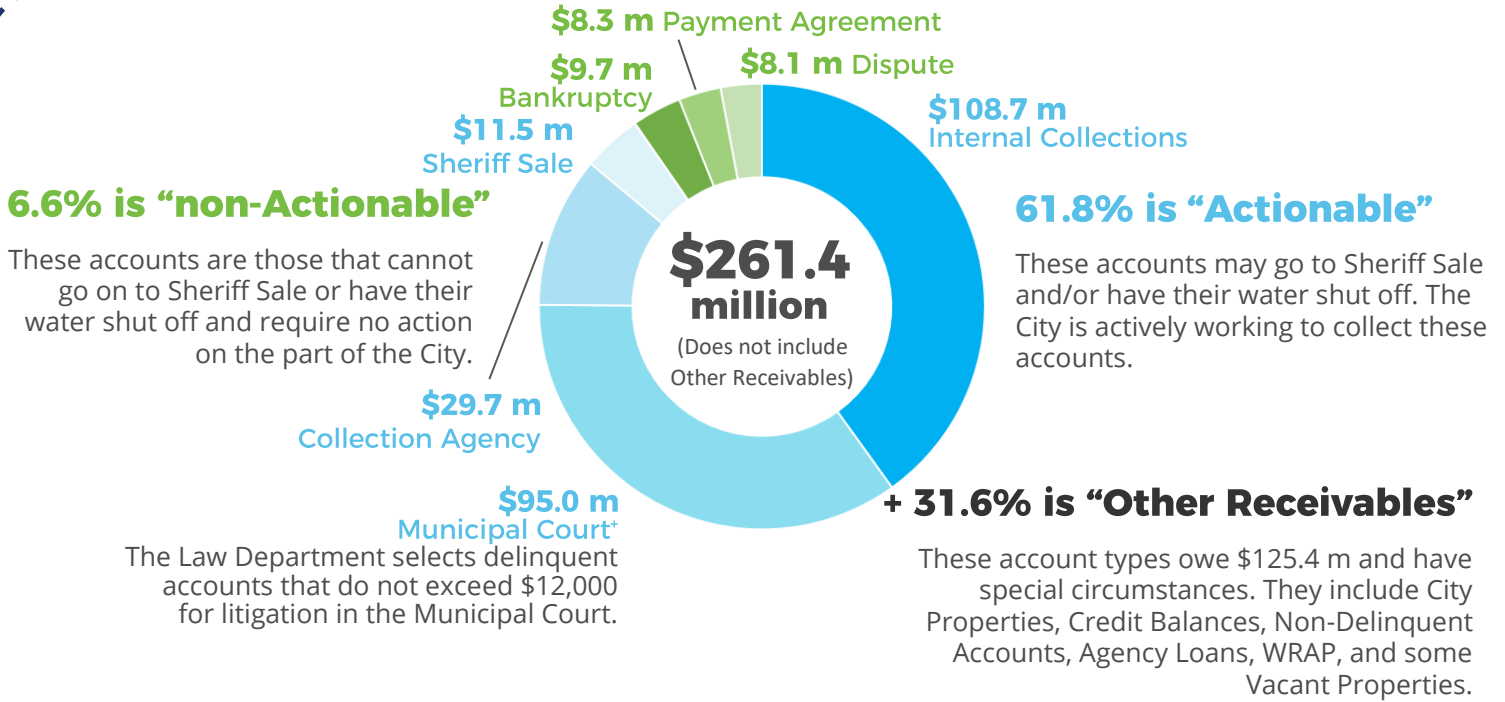


45% Of accounts are delinquent for 3 months or less



48% Of delinquent accounts owe 3 bills or less;
 Average debt of **\$152**

How do we collect the debt?



About **45%** delinquent accounts; **73%** of debt due are in the shut off process

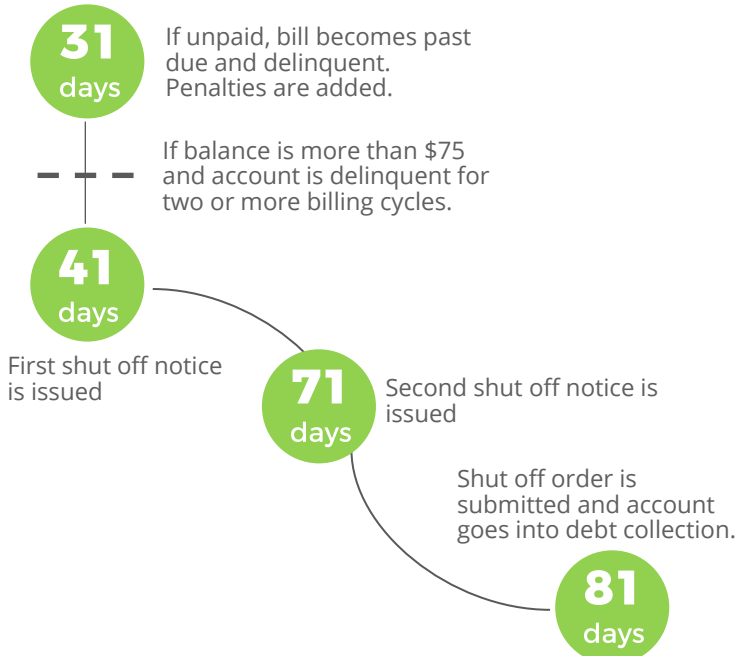


Did you know?

The Tiered Assistance Program (TAP) offers an affordable bill to low-income customers and those with special hardships. About 60,000 customers are eligible and monthly bills are based on income. Water customers do not need to be delinquent to apply for the program.

How have we improved enforcement?

Collection Process for Residential Customers



Using the **Data Warehouse** to identify and prioritize accounts that have the highest probability of payment for phone calls.



Launching a water assistance program, **TAP** to provide affordable bills to low-income water customers.



Scaling up the successful pilot of taking properties to **Sheriff Sale** for water debts through IT upgrades.



With IT upgrades, returning the number of **Municipal Court cases** that can be filed to 240 cases per week.



Offering an **informal hearing process** within the Department of Revenue to quickly resolve disputes when possible.

What are Revenue's next collection strategies?

Data analysis and expanded capacity will continue positive trends without requiring new funding

In Fiscal Year 2018, the City will continue to:

- Increase the on-time collection rate through e-billing and focused call campaigns
- Improve delinquent collections by expanding Sheriff Sale and using all available slots in the Municipal Court



Notes about this data

This report uses data current through June 2017. Amounts in this report refer to total delinquent amount due. Accounts may have multiple periods of delinquency and may have debt that is both being pursued internally and externally. Therefore, the accounts may be counted more than once. Older debts, interest and penalties are much less likely to be collected and are sometimes reduced or waived when payment does occur.

Icon Credit: Creative stall; Vaibhav Radhakrishnan, Mello, Icon Depot, Chinnaking, Andreas Wikstrom, Luis Prado, Kick, Gregor Cresnar, Benjamin Harlow from the Noun Project.

