

# Memo

To: Jeff Kobrock  
From: Deirdre Berglund  
Date: October 31, 2008  
Re: Sewer Liens

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In an effort to reduce additional costs incurred by customers, we will be changing our quarterly lien process to an annual lien process, similar to Real Estate Billing. The lien period will now cover four quarters instead of one quarter at a time. For the current year, the period covered will be for bills with outstanding balances from November 2007, February 2008, April 2008 and July 2008. Although the lien amount may be larger as a result (incorporating a whole year rather than one quarter), the customers will only incur the additional costs of processing a lien once.

The sewer billing cycle runs quarterly, followed up by a 30 day notification of lien and the filing of a lien. Currently, a lien is placed on the amount that was billed four quarters previously. For example—the lien placed in July 2008 was for a billing in July 2007. Customers that have outstanding balances are made aware of it on their regular quarterly bill. When a lien is placed, each account incurs additional costs other than the original billing rate plus interest. The additional costs include demand fees of \$13, certified mailing costs of \$12.14, recording and discharging of liens of \$26.00—all totaling \$51.14. This amount could vary depending on mailings to mortgage holders. Since the average resident sewer bill is approximately \$105, the additional lien costs can add up quite significantly over 4 quarters.

This new process will save ratepayers lien costs and is much more efficient for the City.