
Haldimand County

Report FIN-14-2025 Water and Wastewater Electronic Billing For Consideration by Council in Committee on June 17, 2025



Objective:

To obtain Council authority to procure and implement electronic/paperless billing, customer portal, and embedded payment processing solutions for water and wastewater customers.

Recommendations:

1. THAT Report FIN-14-2025 Water and Wastewater Electronic Billing be received;
2. AND THAT the revised budget, as outlined in Report FIN-14-2025, be approved;
3. AND THAT the General Manager, Financial & Data Services be authorized to execute any agreements required to procure and implement the electronic billing, customer portal, and embedded payment processing solutions as outlined in Report FIN-14-2025;
4. AND THAT a by-law authorizing service fees for on-line card payment processing services be brought forward and approved at a future Council meeting.

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Executive Summary:

Billing & collection, call centre, software, and meter reading services are currently performed through an external vendor, Util-Assist Inc., for all Haldimand County serviced water and wastewater customers. Since the agreement was signed in 2015, there have been minimal meaningful changes in the service delivery model. In response to evolving customer expectations, complaints, a month-long postal strike and another looming postal disruption, staff have been actively engaged with Util-Assist in a proposal to bring a customer portal, electronic billing, and embedded payment processing solution to customers. Similar to the on-line Property Tax portal, this solution would bring numerous tangible and intangible benefits to Haldimand County and, upon Council approval, is recommended to begin as soon as possible.

Background:

In 2015, after the sale of Haldimand County Energy Inc. (HCEI) to Hydro One Networks Inc. (HONI), HONI ceased water and wastewater (WWW) billing and collection services for Haldimand County. This termination necessitated a quick pivot of these services to a new third party vendor, Util-Assist Inc. They were contracted by HONI to convert Haldimand County's electricity data to a new billing platform and as a result, were familiar with the local customer database. A User Agreement was signed on December 16th, 2015 with Util-Assist and Haldimand County WWW billing and collection services have

been operated by them since. Within this contract, bills are generated monthly and mailed out to all customers via Canada Post. Util-Assist also provides all customer-support related to WWW billing, collection and processing of payments, maintains the software necessary to do so, and subcontracts the meter reading for all customers.

Haldimand County staff had also brought forward memo *CS-FI-M06-2016 Status Update on Water and Wastewater Billing and Cycle Consolidation* to Council in Committee on October 12th, 2016, providing an update on the consolidation from 17 billing cycles (which was aligned with the hydro billing provided by HCEI) to 4 billing cycles. Since that time, Haldimand County has not undergone any significant service changes related to WWW billing and collection.

Fast forwarding to today, the world is more online and connected with customers now expecting services to be provided digitally and at their own convenience rather than being seen as optional enhancements. Further to this, on November 15th, 2024 the Canadian Union of Postal Workers (CUPW) began a legal strike and all Canada Post services were halted until December 17th, 2024. During that time, WWW customers were unable to receive their mailed bills and, with no alternative option in place, were forced to rely on an automated call system, IVR – Interactive Voice Response, if they provided a phone number when submitting their move-in form, to make payment. By far, the number one complaint heard by the Util-Assist Call Centre and by Haldimand County staff during the strike was not about the strike itself or the usefulness of the automated calling, but rather about the lack of an ability to sign up online to receive their bills electronically and/or to view their current account balance like customers can on myHC for their property taxes. When asked, Util-Assist indicated that Haldimand County is their only client without this in place today.

As a result, staff immediately reached out to Util-Assist to discuss amending the existing contract to include electronic/paperless billing (as an option), a customer portal, and online, embedded payment processing (credit/debit card payments within the portal). This amendment would bring the service levels in line with myHC. Haldimand County received a formal proposal in February 2025 and have exchanged several rounds of feedback with the vendor since then. This feedback has now culminated into a proposal fully supported by staff and is the subject of this report.

Analysis:

Details of Proposal

The proposal outlines the solution and services required to implement an online customer utility portal that will provide paperless billing (e-billing) and embedded payment processing functionality for customers of Haldimand County.

Customers, in this proposal, are those on municipal servicing and do not include bulk water customers, or those using cisterns, private wells, private treatment systems, septic/holding tanks, etc. Bulk water customers however can already elect to receive their invoices electronically, but cannot view their current balance online as of today. Since there are a large number of these customers across Haldimand (536 active), staff have been evaluating options to improve this billing process such as exploring pay-at-the-pump technologies.

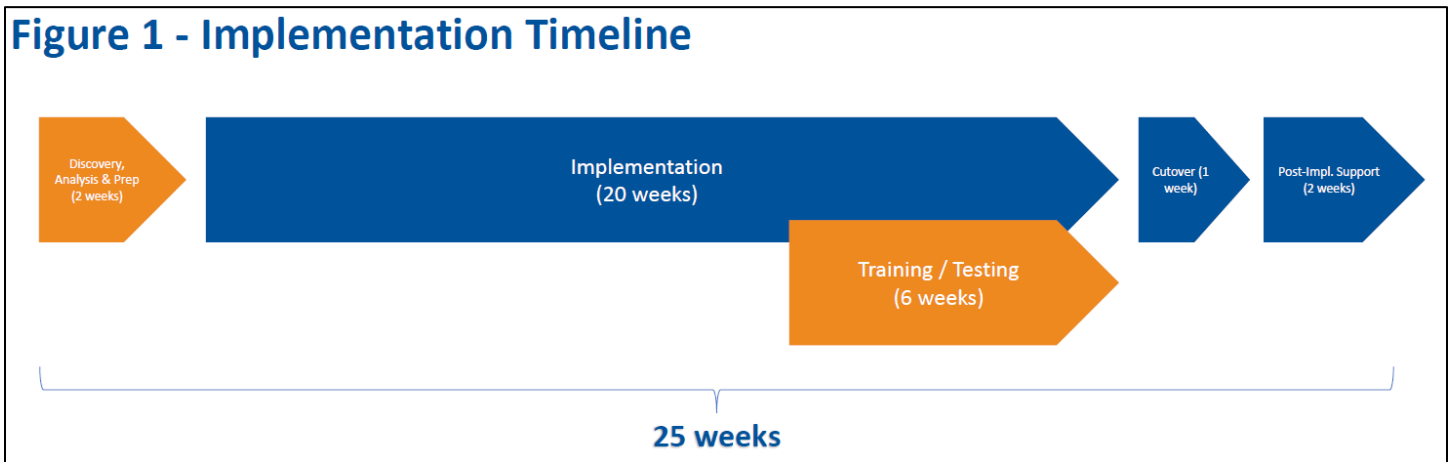
The proposed e-billing solution for customers on municipal servicing will:

- Seamlessly integrate with the Customer Information System (CIS) to enable efficient processing of transactions and display up-to-date account data.
- Offer customers a variety of account management features, including the convenient option of e-billing on an opt-in basis which will automatically notify customers when a new invoice is available on the portal.

- Have a modern user interface that is responsive to smaller screen formats and is AODA compliant.
- Allow customers to securely access up to 36 months of invoices.
- Have a customized look and feel to enable the portal to be aligned with existing Haldimand platforms (website and myHC).
- Include embedded payment functionality (debit/credit cards) that will:
 - Expand the payment options for WWW bills as this is not a service currently provided by Haldimand.
 - Add customer-absorbed fees, similar to property taxes and accounts receivable.
 - Include support for digital wallets (Google Pay, Apple Pay).

The proposal outlines a total capital cost of \$203,500 with an ongoing operating cost of \$0.36/month/account. It is important to note that this fee is charged on all customer accounts, not just those signed up for e-billing and that these fees also escalate by 5% annually through the end of 2030. Assuming 11,650 accounts, the forecasted amount for December 2025, Haldimand will incur \$4.1k/month in expenses (\$49.9k/year) using 2025 figures. However, for every account that enrolls in e-billing, postage costs in the amount of \$1.86/bill will be saved. Simply put, the more customers that sign up for e-billing, the more funds ratepayers will save. These figures will be utilized in the quantitative analysis section below. For comparison's sake, Haldimand incurs approximately \$10.4k in annual operating costs for myHC (property tax e-billing) but this figure is understandably lower with the solution on-premises and only 2 bills being sent per year.

If approved, it is anticipated that the total time for implementation will be 25 weeks, as outlined in Figure 1, which would place the go-live date in late 2025:



This proposal has been vetted and is pending approval, subject to funding, to proceed “out of cycle” by Haldimand’s internal IT Governance Committee given the urgency and the impact it would have on the community. The IT Governance process includes a review of projects involving technology, in consideration of customer benefit, resource availability and corporate prioritization.

Qualitative Benefits

The proposed solution brings numerous non-monetary benefits:

- Significant advancement in customer service:
 - Alignment with the Haldimand County Customer Service Strategy (2023-2026) through:
 - Focus Area 2: Enable Efficient Service Delivery
 - Leveraging new and existing technology to enable automated service processes.

- Focus Area 3: Provide Easy and Accessible Services
 - Explore opportunities to expand self-serve online service offerings and digital communication channels.
 - Review service and identify high volume customer service transactions for potential transfer to an online self-service delivery system.
- Addresses the frequent feedback provided in the Resident Satisfaction Surveys (2022 & 2024).
- Adds much needed convenience by providing customers the ability to access bills at any time 24/7, from anywhere.
- Improves reliability by eliminating the risk of postal disruptions to billing.
- Improves customer efficiency by receiving billing notifications instantly without waiting on postal delivery.
 - Currently, bills are due 21 days after the bill date. However, postal delivery timelines reduces that effective timeframe.
- Positive environmental impact.
 - E-billing signup will lower paper usage and Haldimand's overall carbon footprint.
- Improves staff efficiency with payments automatically applying to customer accounts.

Quantitative Analysis

Staff have reviewed the proposal and it's financial ramifications in depth. To do so, breakeven point, payback period, and net present value (NPV) analyses were completed. In order to complete these analyses, several assumptions were made:

- Discount Rate of 4.0% used. This rate is in alignment with the Hydro Legacy Fund rate of return. The discount rate reflects a reasonable and expected annual return that could be earned if the money were invested elsewhere. It represents the opportunity cost of using funds for this project instead of an alternative investment. The rate is used to adjust future cash flows into today's dollars, recognizing that money today is worth more than the same amount in the future.
- Future postage increases – set at 7.13% per year in alignment with the 5-year average annual increase.
- Uptake for e-billing:
 - Strong uptake for first 6 months to address pent-up demand.
 - Tapered uptake for medium and long-term.
 - Different assumptions for customers new to Haldimand County (coming from locations with e-billing already in place) vs. existing customers moving within Haldimand.
- Account growth, which is the basis for the monthly cost for the solution, is based on the current number of accounts plus the forecasted *urban* development from the Haldimand County Long-Term Population and Housing Forecast (Watson, 2024)
- NPV analysis done over a 5-year time horizon as the pricing provided is only guaranteed through the end of 2030. However, staff expect a solution to be in place in perpetuity and anticipate that the annual price escalations for a solution will continue to be similar long-term with offsetting economies of scale and inflation.

Break-Even Point Analysis

Break-Even Point for operating costs vs. operating postage savings: **19.1%**. In order for the monthly operating costs of this solution, which are fixed to the total number of accounts, irrespective of the adoption rate, to “pay for itself” with postage savings, 19.1% of customers would need to enroll in e-billing (2025 figures). Based on the analysis, it is anticipated to reach this number in Q4 2028. At this point, the portal solution will save ratepayer funds each year. Staff feel this number is very realistic considering the following combination of factors:

- a. Current myHC signup (20.1% as of the date of this report).
- b. Typical experience from other Util-Assist customers which range as high as 40%.
- c. Current societal trends towards online service delivery.

Payback Period Analysis

Payback Period for this solution: **8.1 years**. As outlined above, after 19.1% customer uptake, the savings from postage costs will begin to outweigh the operating costs of the solution. The cumulative surplus of these savings reach the total capital costs of \$203,500 shortly after the 8th year of implementation according to the analysis using undiscounted cash flows. While this payback period is longer than the term of the contract or the typical lifespan for a software solution, staff are viewing this project with a long-term vision that will extend beyond 5 years. Haldimand will be starting at zero customers on signup whereas in 5 years time, paperless signup is projected to hit over 25% and as such, any future capital or operating costs of similar solutions will have a much shorter payback period, resulting in net overall savings over the long-term.

Net Present Value Analysis

Net Present Value of this solution: **-\$241.1k** (5 years). Net present value analysis is a financial tool used to assess whether a project or investment is financially worthwhile. It compares the present value of expected future cash inflows to the initial and ongoing costs of the project. Because a dollar today is more valuable than a dollar in the future, all future amounts are discounted to reflect their value in today's terms. If the NPV is positive, it means the project is expected to generate more value than it costs, after accounting for both the time value of money and the opportunity cost of capital. Conversely, a negative value shows that the project is expected to cost money overall. Even though the analysis detracts from the business case, staff felt it was important to include it for a balanced perspective.

However, staff strongly feel that because Haldimand is starting with zero customers signed up for e-billing, this figure is not fully representative of a long-term investment - the actual intention of this project. For instance, if the time horizon was changed from 5 years to 10 years with the same forecast assumptions, the NPV flips to a positive figure (**\$115.7k**). This change does ignore any potential cost increases that are beyond the original timeframe provided in the proposal or any additional capital costs for upgrades/changes, which is the reason why the primary analysis utilizes 5 years. However, in those cases, because the number of customers signed up for e-billing would not be zero at that time, the NPV analyses would be far more favourable and are likely to result in positive figures in the vast majority of scenarios.

Embedded Payment Processing Solution & Customer-Absorbed Service Fees

The project includes an embedded and integrated payment processing solution within the customer portal. This feature would allow customers to pay their bill online via credit and/or debit card, a service which is not currently offered for customers. This enhancement is not required nor included as standard and as such, has a separate cost of approximately \$31,000 but is included in the total budget referenced elsewhere in this report. Staff feel that the option to pay within the portal is a significant service enhancement, that this option will drive customers to sign up which will continue to reduce postage costs long-term, and that it is vital that parity in services be maintained between property taxes and this new portal.

Customers paying by credit/debit card will incur customer-absorbed fees, similar to myHC. Staff have obtained a firm commitment that these fees will not exceed the current fees that exist for property tax payments and may be lowered through final negotiations. As outlined in *FIN-10-2024 Annual Tax Policy Report*, the latest analysis shows that debit card payments make up 1.49% of all property tax transactions whereas credit card payments comprise 3.75% of payments. Staff will be reviewing these

numbers and accounting for the differences in typical WWW payments (dollars and frequency) when negotiating the final customer-absorbed fees with the vendor.

Haldimand County is restricted under S.394(1) of the Municipal Act, 2001, SO 2001, c 25, from directly charging processing fees back to the card users. It is only possible to charge these fees through a third party processing agent that has been delegated authority through a municipal by-law. As such, when this service was established with Paymentus for property taxes and other select services, By-law 1548/15 was passed based on the rates in place at that time. Over the years, rates have been revised several times with the latest by-law being passed at the April 15th, 2024 Council meeting (By-law Number 2510/24). The current fees are set at 2.5% for credit card payments and 1.50% for debit card payments, both with a minimum fee of \$1.00.

The new fees for this embedded payment solution, once finalized, will require a similar by-law to be passed by Council and will be brought forward before the solution is launched to the public.

Conclusion

Staff recommend that this project be initiated as soon as possible due to the qualitative benefits, the expected long-term quantitative payback explained above, and another potential looming Canada Post service disruption. This solution is no longer felt to be an optional service enhancement but rather a necessity in modern society.

Financial/Legal Implications:

The 2025 Rate-Supported Capital Budget did not include a budget for purchasing and implementing an e-billing solution for water and wastewater. The following revisions to the 2025 Rate-Supported Capital Budget are required to fund the project:

	Current Approved Budget	Proposed Revised Budget
Capital Expenditures:		
Software Applications - New	\$0	\$203,500
Total Capital Expenditures:	\$0	\$203,500
Financing:		
CRRF - Water	\$0	\$101,750
CRRF - Sewer	\$0	\$101,750
Total Financing:	\$0	\$203,500

The revised budget outlined above includes non-rebateable HST, a contingency amount of 15% for unanticipated implementation costs, and is funded 50% from CRRF-Water and 50% from CRRF-Sewer as the e-billing solution will service both water and wastewater customers.

Once implemented, the portal will have substantial operating impacts as outlined previously - namely the monthly fees for the portal software and the mailing cost savings. Given the current estimated timeline of the project, staff anticipate seeing minimal operating impacts for 2025 and as such, any operating costs and savings incurred will form a part of the 2025 overall surplus/deficit. For the 2026

Rate-Supported Operating Budget however, the full operating impacts will be added as a Pre-approved Initiative.

Stakeholder Impacts:

Customer Experience & Communications division, all WWW customers.

Report Impacts:

Agreement: Yes

By-law: No

Budget Amendment: Yes

Policy: No

References:

None.

Attachments:

None.