



**THE CORPORATION OF THE
TOWNSHIP OF
ADJALA – TOSORONTIO**

COLLECTION OF WATER/SEWER ACCOUNTS POLICY

ENACTED BY COUNCIL: July 12, 2023

MOTION NUMBER: 2023-231

REVISED BY COUNCIL:

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1 PURPOSE

To provide a formal collection policy that would increase transparency between residents and the municipality. The purpose of the collection policy is to provide a formal procedure in the process of collecting past due water and sewer use charges, accrued interest and other allowable fees on behalf of the municipality. The policy will help to manage water/sewer aging and keep administrative costs low.

The policy will provide a clear process to staff eliminating a need for interpretation or differential treatment. This policy will establish fair and equitable processes for the collection of overdue water/sewer accounts.

2 SCOPE

Finance will be responsible for ensuring that outstanding Water and Sewer collection processes are performed in accordance with this policy and all applicable legislation.

In addition, the Finance Clerk or delegate is responsible to:

- Provide adequate notice of delinquency.
- Provide opportunity to bring water/sewer account current before attempting transferring arrears to associated tax roll.

3 DEFINITIONS

“First Notice” shall mean arrears notice issued after the due date has passed.

“Penalties and Interest” shall mean amounts applied by the Municipality to unpaid Water/sewer accounts, in accordance with current Fees and Charges Bylaw.

“Water/Sewer Invoice” shall mean quarterly invoice issued and mailed/emailed at least 15 days before due date.

“Water/Sewer Arrears” shall mean any portion of Water/Sewer account that remains unpaid after the date on which they are due.

“Certified Funds” shall mean payments such as Debit/Cash/Money Orders/Certified Cheques that are guaranteed funds.

“High Water Bill” shall mean two times the normal consumption for the same period in the previous year based upon average daily consumption.

“Leak” shall mean an unintentional water loss that is caused by circumstances beyond the control of the property owner (failure in the plumbing system).

4 PENALTIES AND INTEREST

Any amount unpaid on an account upon the due date which the accounts are rendered shall be subject to a late payment charge equal to 5.00 % and is applied the first day of default, following the quarterly due date.

5 METHODS OF PAYMENT

Payment of Water/Sewer accounts must be received in the Municipality’s administrative office, on or before the due date. Payments not received on time are subject to Penalties and Interest.

1. The following are the modes of payments available for the property owner’s use:
 - a) Telephone, Internet Banking or Credit Card Payments (Paymentus) – using the ten-digit customer number as the account number (please note: property owners must allow at least 2-3 business days for the payment to reach the Township’s financial institution)
 - b) The Municipality’s Preauthorized Payment Plan (due date).
 - c) Post Dated Cheque(s).
 - d) In Person - at the counter by cash, cheque, debit, or money order.
 - e) Payments by mail will be processed on the day they are received.
 - f) In the secure drop box located at the front entrance door & which is accessible after hours.
 - g) Where a payment is made by mail, online, telephone banking the payment will be deemed to be made on the date payment is received by the Town.
2. Receipts will be provided for all cash payments and upon request by the registered owner for all other methods of payment.

Payments shall be applied as follows:

- a) The oldest quarter including penalty and interest related to that billing quarter.
 - b) Then to other charges that have been added to the utility account.
3. Invoices are due on the last business day of the months January, April, July and October.
 4. Erroneous payment made to a wrong account requires a written or emailed request to correct the payment. Payment errors will be corrected in the current year only.

6 RETURNED PAYMENTS

Payments that are returned by the bank for denied funds marked “insufficient funds or non-sufficient funds or any other reason” will be subject to an NSF fee as set out in the Township’s User Fees and Charges By-Law. A notice will be mailed to advise the resident. If the payment was made through the Preauthorized Payment Plan, a letter will advise that after two “2” payments have been returned the resident will be removed from the plan.

7 BILLING ERRORS

1. Where billing errors have resulted in over-billing, the Resident shall be credited with the amount erroneously billed for the relevant period, inclusive of any interest accrued, but not exceeding two (2) years.
2. Where billing errors have resulted in under-billing, the Resident shall be charged the amount erroneously not billed for a period of not exceeding two (2) years.

8 COLLECTION OF PAST DUE ACCOUNTS

All fees charged under the current Fees and Charges Bylaw, are deemed to represent the cost of providing water and wastewater services. Public utilities fees and charges imposed by a municipality are considered priority lien status on the land, regardless of who consumed or wasted the water, as per Ontario Regulation 582/06. All collection actions are in accordance with The Municipal Act 2001 C25 Section 81 (1) (2) (3) (4).

The Municipality will primarily use the following methods to collect Water/Sewer Arrears:

- Verbal communication.
- Notice of arrears (mailed): Reminder notice issued after due date.
- Severely aged accounts (outstanding four (4) billing quarters) will receive a follow-up letter along with the corresponding arrears letter, advising of the transfer of water or water/sewer arrears in 15 days' time to the associated Tax account.
- Water arrears will be added to the appropriate tax account in accordance with the Municipal Act 2001 Section 398, unless sufficient payment arrangements have been made. The arrears will be added as per the date advised in the follow-up letter. These additions will have priority lien status under Ontario Regulation 581/06.
- Payment arrangement agreements will need to be negotiated and approved by the property owner to avoid further collection action or transfer to the tax account.

9 PAYMENT AGREEMENTS

A written agreement signed by the property owner, approved by the Treasurer, may be made to avoid transfer of arrears. The payment agreement will clearly state that any payment arrangements missed void any payment arrangement made, without prior notice unless the signee can demonstrate extenuating circumstances to the Township's satisfaction. In the case of a tenant making payment arrangements to clear arrears, the owner(s) must provide written permission to engage in any payment arrangements with that tenant.

10 DISCONNECTION OF SERVICE

The Township will utilize the addition of arrears to taxes as the first option in collection of past due amounts and will only disconnect services where it is a last option. These arrears will be collected on the tax roll in the same manner as taxes. (O Reg 581/06) Priority Lien Status.

A hand delivered notice of disconnection will be provided to the property 48 hours in advance of the scheduled disconnection of service. Once the disconnection has occurred, Residents will be notified that service cannot be resumed unless all outstanding invoices, penalties and interest, and water disconnection/reconnection charges are paid by certified funds in full. Service will be returned within a four (4)-hour time slot (Monday-Friday 8:30 am-4:30 pm) during normal operation times.

If disconnection falls on a Friday, Saturday, Sunday or statutory holiday or one day prior to a holiday, the reconnection will occur on the next business day.

As per the Municipal Act, 2001 Section 81 (4), a municipality may recover all fees and charges payable despite shutting off the supply of the public utility.

11 TOWNSHIP RESPONSIBILITY

The Township of Adjala-Tosorontio has a responsibility to provide water/sewer services to its residents. If those accounts fall into arrears, they are to provide necessary notices as described in this policy. From time to time, a payment agreement schedule may be allowable to pay for the arrears. The Township will follow up with all payment arrangements and may take recourse by transferring arrears to taxes. Every resident will be treated with courtesy and respect.

12 LEAK PROTECTION PROGRAM

1. The Resident is responsible for water consumption, including consumption resulting from any leak after the meter. Please note that the Township does not have a leak detection system in place other than quarterly readings.

Courtesy notification from Township may include:

- a. Water billing with higher-than-average consumption.
- b. A written notice delivered to the owner or occupant.
- c. A courtesy phone call, email or hand delivered notice.

2. Where a high consumption bill occurs because of a leak, residents may apply in writing to be considered for a water bill adjustment. The request must be submitted within 90 days following the issue of the high consumption bill. High consumption due to filling a pool or spa, or irrigation system or any other similar use of water is not eligible for an adjustment.

3. The Treasurer will consider lowering the cubic meter consumption by 50% over a maximum six-month period (two billing cycles). Proof that the leak has been repaired will be required such as a paid invoice from a plumber/contractor. Maximum adjustment will be \$1,500.00 as a credit applied to the affected account and will be only granted to the resident as a one-time forgiveness.

4. Acts of vandalism are eligible for an adjustment of 50% of the cubic meters over a maximum of three (3) months (one billing cycle) to a maximum of \$1,500.00 and will be granted to the resident as a one-time forgiveness. Acts of vandalism are not considered a failure of the plumbing system and as such would be considered separately from section 3.

5. Property owners are responsible for ensuring that there is no repetition of this occurrence. As such, only one leak adjustment per property during the term of the applicant's ownership of the property shall be permitted.

13 VACANT PROPERTIES

Water/Sewer charges are not subject to refund or adjustment because of vacancy. Water or Sewer Base rate charges will continue to apply according to the number of units.

14 REFUSAL OF ACCESS TO METER

Customer refusal of meter or refusal of access to municipal meter will result in a Flat Rate per month as per the Township's current Fees and Charges Bylaw. Failure to arrange a meter appointment due to a faulty meter will result in a flat rate charge updated to the property's water account. The Township will send a request for a meter visit along with the estimated billing and follow up 15 days later with a 2nd notice. The 2nd notice will be a final notice before commencement of flat rate billing.