

TOWN OF WADENA

POLICY: Utility Collection Policy		COUNCIL RESOLUTION: Resolution # 063-18, # 0459-18 Effective: February 12, 2018
DEPARTMENT: Administration	POLICY NUMBER: # P2018-002	Amended Date: November 20, 2018

PURPOSE

To provide guidance to front line staff in the collection of outstanding utility bills. Good collection techniques protect the Town of Wadena from encountering high rates of uncollectible accounts and minimize the actual number of water turnoffs. Water service under this policy may be subject to and superseded by any bylaw such as the Water & Sewer Rate, Building or Zoning bylaws.

REGULATIONS

1. Deposit(s) must be collected and water service application form signed and completed prior to any services being rendered.
2. All properties are billed quarterly.
3. LANDLORDS and TENANTS: Whereas *The Municipalities Act* provides for the amount of a tenant's unpaid water and sewer account to be transferred to the property owner's tax account for the parcel of land which is/was occupied by the tenant; And whereas *The Local Authority Freedom of Information and Protection of Privacy Act* prevents the municipality from releasing information relating to a resident's financial account with respect to the provision of routine services by a municipality;
 - a. Property owners that are Landlords shall be added by default to accounts where property is leased or rented and receive copies of all bills and notices. Property owners are held responsible for all billings connected to their property and will be held responsible for the arrears in cases of non-payment by tenants. Property owners must hold their own account and account deposits on rented/leased properties in addition to any deposit paid by the tenant. By signing up for an account, Tenants authorize releasing account information to the Property Owner or authorized agent thereof. Failure to sign the authorization will result in inability to open a Tenant account and billings will remain in the Property Owner's name. A Property Owner's Deposit may not be refunded unless all related Tenant accounts have been paid in full. The Property Owner's Deposit will not be applied to a Tenant's final bill during the initial final billing process for a Tenant's account.
4. INTEREST: The bills clearly state a due date. Monthly interest is to be charged on overdue accounts not paid by the due date as per the Water & Sewer Rates Bylaw. Statements will be sent monthly to past due accounts where interest has been applied.
5. SOCIAL SERVICES: Ministry of Social Services accounts are to be contacted directly

for overdue bills and are not subject to interest charges. Social services is to receive copies of past due notices, final bills, and shutoff notices for those accounts paid by the Ministry.

6. HOUSING: If such a policy exists, a Housing Authority Utility Billing Policy shall be referred to for units billed under the Housing Authority. Collections under this policy still apply to accounts linked to Housing Units.

PROCEDURE

7. FINAL NOTICE: A final notice will be sent to overdue accounts that are 60 days or more past due. After 60 days, the final notice should detail that the water will be disconnected if the balance of the account is not paid within 10 days of the date of the letter. (See example to ensure proper time is allotted)

SHUTOFF DAYS NOTE: When scheduling the shutoff date, it is not to be scheduled on a Friday, on a stat holiday or day in lieu, or any day where the office is not open to accept payment on accounts.

FALL NOTICES: When preparing final notices in September, they need to be sent by registered mail with a forewarning that any unpaid amounts as of December 31st of that year may be transferred to the tax roll for the property. Final notices at other times of the year shall be sent by regular mail and are not required to contain the warning.

8. 24 HOUR SHUTOFF NOTICE: Once the time period references in the final notices has expired, the public works employee is to leave a 24 hour disconnection notice on the door of the residential property stating that the service will be discontinued within 24 hours if payment is not made in full or acceptable arrangements for payment have not been made. Once posted, a notice is considered to have been delivered.

b. *For commercial properties/businesses*, the 24 hour notice is to be delivered during business hours to the owner or manager or other employee if the owner or manager is not present or unavailable at the time the notice is being delivered. If the business is closed on the day of posting, the notice will be posted at the main entrance to the business. A delivery receipt form will be required to be signed by the person accepting the notice with their printed name and signature. Once accepted or posted, a notice is considered to have been delivered.

9. SHUTOFF and FINAL BILLING: If payment (or suitable arrangements to pay) are not made after 24 hours of posting or delivering the notice, water service will be disconnected without further notice until bill is paid in full or suitable arrangements are made.

c. A final meter read, the disconnect fee will be applied to the account, and a final billing will be issued. The account deposit will be applied against the arrears in the Final Billing.

d. At a minimum, regardless of arrangements to pay the amount in arrears after disconnection, the disconnect *and* reconnect fees must be paid in full in order to resume service once service has been turned off.

e. Once a final billing has been completed, the account holder must open a new account including new completed and signed forms and a deposit if theirs was refunded during the final billing process.

10. PAYMENT ARRANGEMENTS: During the period between the due date and disconnection date, a payment plan may be established. The goal of the payment plan is to ensure the client will be current by the end of the next billing period at the latest. To determine the payment plan amount, take the arrears balance and add to it an estimate for the next bill. The Town will accept weekly, bi-weekly or lump sum payment plans that ensure that the customer is current by the next billing cycle's due date. If the agreed payment plan is not adhered to, water service will be immediately discontinued *without further notice*. It is recommended that payment arrangements are made such that adequate time is allowed for processing of online payments, etc.

- f. If service has been disconnected before arrangements were made, the disconnect and reconnect fees must be paid in full in order to resume service regardless of any other arrangement to pay the arrears.
 - g. If payment plan is not adhered to, water service will be *immediately* disconnected without further notice. When shut off due to failure to adhere to a payment plan, the SHUTOFF DAYS NOTE under section 7 still applies.
11. Payments are registered to the account when the Town receives the payment in hand. Customers are to be advised to allow sufficient time for mailing as the Town does not process payments as of the date of posting, but rather the date received. Customers are also to be advised to allow sufficient time for online payment processing of at least 5-7 business days from the time payment is made through their banking institution, as the Town does not process payments as of the date made by the consumer, but the date the payment is received in our account.
12. At any time during the collection process the Town reserves the right to use the services of a collection agency or bailiff, pursuant to the powers outlined in *The Distress Act*. If there is an existing tax account, unpaid balance owing on the utility account may be added to the property tax account pursuant to *Section 369 of The Municipalities Act*.
13. After an account is 120 days past due and once all reasonable efforts to obtain payment have been made under this policy, and the account has been deemed uncollectable and/or it has been sent to a collection agency under section 12 above, it shall be written off as an uncollectable account.

See EXAMPLE below for calculating payment arrangements.

Example:

1. August bills are due October 15th, 20XX.
2. Final notices are mailed between November 20th stating that balances are due by December 5th or service will be discontinued. (this allows for time for the notices to be mailed. Notices can be prepared and mailed earlier than the 20th but should still be dated for the 20th.) Also note, that interest is applied as of November 1st and December 1st and continues on the 1st of each month.

3. On the morning of December 6th, any accounts not paid by the end of the previous day will receive a 24 Hour disconnection/shutoff notice.
4. The customer calls in December 1st to make payment arrangements (interest will continue to accrue until account is paid in full). All past due account should be cleared before the end of the next billing period. Their bill still owing is \$214.00 and it has not yet been disconnected.

a. Example of Payment Options:

- i. Weekly payments of \$61.14 (Arrears of \$214+ Estimate of \$214 divided by 7 weeks with the first payment starting the following week so that customer is current by January 15th, 20XX).
- ii. Bi-weekly payments of \$107.00 (Arrears of \$214 + Estimate of \$214 divided by 4 bi-weekly payments so customer is current by January 15th, 20XX).
- iii. Lump sum payment(s) of \$100 made today, and the remaining \$114 paid on December 9th, so that total arrears of \$214.00 is paid in full before the next billing is sent out on December 15th.

NOTE: Be sure to take into account any interest that will become due and payable during this period. The final payment in the plan should include any interest that became payable during the payment period.