



## Municipality of North Middlesex Utility Collection and Billing Policy

<b>Subject:</b>	<b>Utility Collection and Billing Policy</b>
<b>Policy Number:</b>	<b>FP.09.V2 – Utility Collection and Billing Policy</b>
<b>Version:</b>	<b>V2</b>
<b>Review Frequency:</b>	<b>Every 5 years and/or as required</b>
<b>Approved by:</b>	<b>Council</b>
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Legislative Authority: Section 270 of the Municipal Act, 2001, S.O. 2001, c. 25

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### 1. Purpose:

The purpose of this policy is to establish clear, consistent and equitable guidelines for the collection, billing and management of water and wastewater services provided by the Municipality. This policy aims to ensure reliable service delivery and financial accountability through efficient billing practices and proactive customer service. By defining procedures for accurate metering, timely billing, and fair collection processes, the policy supports sustainable infrastructure management, enhances operational transparency, and promotes the responsible use of water resources within the community.

### 2. Scope:

The Utility Collection and Billing policy applies to all Customers who purchase or receive water and/or wastewater services from the Municipality.

### 3. Definitions:

In this policy the following definitions are used:

- a) **“Authorized Employee”** means the Director of Finance/Treasurer, CAO, Director of Infrastructure and Operations or designated employee of the Municipality

- b) **“Average Consumption”** means a calculation done taking the average water consumption for a service address over the most recent consequent 12-month period.
- c) **“Business Days”** means Monday to Friday, 8:30 a.m. to 4:30 p.m., excluding statutory holidays.
- d) **“Customer”** means any owner, occupant, lessee, tenant or any other person purchasing or receiving services from the Municipality
- e) **“Council”** means the Council of the Municipality of North Middlesex.
- f) **“Due Date”** means the last date by which an invoice must be paid by a customer in accordance with the terms of payment on the Municipal invoice.
- g) **“Fee & Charges By-Law”** means the current schedule of applicable fees, rates and other charges for services, which may be amended by Council from time to time.
- h) **“Invoice”** means a bill issued by the Municipality to a customer indicating the amount owing over a single billing period for the delivery of water, sewer and meter service charges.
- i) **“Meter”** means an apparatus for measuring the quantity of water used.
- j) **“Municipality”** means the Municipality of North Middlesex.
- k) **“Owner”** means an owner of a building or of lands.
- l) **“Payment Plan”** means a written and signed payment arrangement authorized by the Municipality.
- m) **“Receivables”** means any monies owed to the Municipality of North Middlesex for goods and/or services rendered other than property tax.
- n) **“Services”** means all water and wastewater services supplied by the Municipality.

#### 4. Roles & Responsibilities:

Municipal staff assigned to the administration and collection of utility accounts shall adhere to the policy and shall have roles and responsibilities as outlined below:

The **CAO** has the responsibility to ensure staff comply with this Policy.

The **Director of Finance/Treasurer** is the overall responsible staff person to ensure that this policy is appropriately administered by staff. The Director of Finance/Treasurer has the authority to make decisions as laid out in the Policy.

The **Revenue & Taxation Coordinator** has the responsibility to administer this policy and is the lead staff person for executing utility billing processes.

The **Director of Infrastructure and Operations** shall support the Director of Finance/Treasurer and the Revenue & Taxation Coordinator with technical matters relating to water and wastewater infrastructure and plumbing matters as required.

## 5. Utility Collection and Billing Procedure:

### Readings

- Water consumption for billing purposes shall be collected as registered on water meters.
- Where a meter is not in place prior to occupancy, charges will be applied on a flat rate per the Municipality's Fees and Charges By-law.
- Meters shall be read and billed on a quarterly basis.
- Meter reads shall generally be completed two weeks prior to the end of the month: March 15, June 15, Sep. 15, Dec. 10.
- If an actual meter reading cannot be obtained, an estimated reading will be used for billing purposes. The estimated reading shall be calculated as an average of the previous four actual readings. Any necessary billing adjustments will be made when an actual reading can be obtained.
- If a meter reading cannot be obtained after two attempts/cycles, then the Revenue & Taxation Coordinator or designate shall create a work order for staff to investigate the cause of the issue.
- Staff may investigate the issue in any of the following ways:
  - Contact the property owner and have them check the meter.
  - Arrange for an inspection of the meter (by municipal staff, contractor, etc.).
  - Issue a letter to the property owner to advise them of the issue and request they contact the Municipality to arrange an inspection or meter replacement.
  - Arrange for the old meter to be replaced with a new meter.
  - Any other method deemed appropriate by the Director of Infrastructure and Operations.

- A final meter reading will be completed on the date that someone moves out. The Municipality must be notified of a required final reading a minimum of five business days in advance. The Municipality must be notified of the correct forwarding mailing address for the final invoice.

## **Billing**

- All properties connected to the municipal drinking water system shall be metered.
- Every Customer connected to the drinking water system and wastewater system shall pay water and wastewater charges based on the metered water consumption as per the rates specified in the Municipal By-law(s).
- All water passing through the meter shall be charged for, whether used or lost/leaked/wasted.
- In the event of a dispute, the reading of the water meter register shall be the sole evidence of the quantity of water supplied to a Customer, unless the meter is proved to be defective through a meter test conducted by the Municipality at the sole direction of the Municipality.
- In instances where there is a discrepancy between the meter register and the remote reading device, the reading taken from the meter register will be deemed correct.
- Customers will be billed for municipal water and wastewater each quarter:
  - 1<sup>st</sup> quarter – January 1 to March 31
  - 2<sup>nd</sup> quarter – April 1 to June 30
  - 3<sup>rd</sup> quarter – July 1 to September 30
  - 4<sup>th</sup> quarter – October 1 to December 31
- Invoices will generally be mailed by the end of the last month of the billing quarter (March 31, June 30, September 30, December 31).
- Any billing sent by mail is considered delivered to and received by the addressee within three business days, unless an error in the mailing address is proven. Failure to notify the Municipality of an address change in writing will not be considered an error.
- Any billing sent by email is considered delivered to and received by the addressee immediately unless an error in the email address is proven. Failure to notify the Municipality of an email address change in writing will not be considered an error.
- For new water accounts, billing shall start from the time of building permit.

### **3-year Average Billing Structure**

- The Municipality currently (2024) utilizes a combination of fixed/base charges and volume charges for its water/wastewater billing. Approximately 80% of the charge is within the base charge and 20% is within the volume charge.
- The base charge is based on the average volume usage over the previous 3-year period. There are currently 17 categories of base charges, as follows:
  - 0-75
  - 76-250
  - 251-300
  - 301-400
  - 401-500
  - 501-600
  - 601-800
  - 801-1000
  - 1,000-1,500
  - 1,501-2,000
  - 2,001-3,000
  - 3,001-4,000
  - 4,001-5,000
  - 5,001-7,500
  - 7,501-10,000
  - 10,001-12,000
  - 12,001+
- On an annual basis, the Revenue & Taxation Coordinator or designate shall re-calculate all accounts' 3-year average and manually update the accounts to the proper base charge category.
- For new Customers with less than three years of consumption data, one-year and two-year average consumption shall be utilized for base charge categorization.
- All new residential Customers shall be started in the 75 to 250 m<sup>3</sup> per year base charge category.
- For all other property types, the Municipality shall categorize the Customer into the base charge category based on the estimated/anticipated annual water consumption. This estimate may be developed by:
  - Referring to consumption values of a similar property;
  - Completing a data log to analyze daily/hourly flow;
  - Consulting with the Customer and/or Building Department; and/or
  - Using expert judgement.

- Once the Customer's actual annual average consumption has been determined, they shall be credited or invoiced for any overbilled or underbilled amounts from the estimate noted above.

### **Exceptions for 3-year Average**

- The Director of Finance/Treasurer or designate has the authority to adjust the 3-year average when a Customer has a major water leak or when a Customer's consumption shows a significant change, as follows:
  - For a Customer who has had a major leak that has been fixed: Staff may use a typical quarterly consumption volume in place of the leak amount when calculating the 3-year average. The Customer must still pay the water/wastewater volume (per m<sup>3</sup>) charges for the major leak. To be considered a major leak, the quarterly consumption must exceed three (3) times the Customer's average quarterly consumption and be greater than 120 cubic metres.
  - For a Customer who shows significant change in water usage (e.g., no longer has livestock): The Customer must submit in writing to the Municipality a description of the change of use at the property. The Municipality will allow two billing cycles to pass and then adjust the base charges category accordingly.
- The Director of Finance/Treasurer or designate shall have the authority to deal with unique situations for utility billings. If the Customer and Director of Finance/Treasurer are unable to reach an agreement, then the situation may be brought forth to the Policy Committee for review and decision.

### **Billing Errors**

- Where billing errors have resulted in overbilling, the customer shall be credited the amount erroneously billed, inclusive of interest accrued, up to a maximum period of two years.
- Where billing errors have resulted in underbilling, the Customer shall be charged the amount erroneously not billed for a maximum period of two years. No interest will be charged.

### **Fees**

- All fees shall be identified in the Municipality's Fees and Charges By-law.

- The Municipality shall pass a separate By-law to establish water and wastewater rates on an annual basis.

### **Payment of Bills**

- Invoices are due 21 days after the bill issue date.
- Where payment is made by mail, payment will be deemed to be made on the date the payment is received by the Municipality. Where payment is made online, through telebanking or at a financial institution, payment will be deemed to be made on the date payment is received by the Municipality.
- A partial payment will be applied to any outstanding arrears and interest before being applied to the current billing, unless the Municipality has made special considerations.
- Post-dated cheques will not be accepted by the Municipality.
- Pre-Authorized Payment Plan (PAP):
  - Payment may be paid by PAP if a Customer provides a completed PAP application form accompanied by a void cheque, copy of a void cheque or pre-authorized debit form from the bank for which the amount owing will be withdrawn on the due date for the amount due as indicated on the Customer's bill.
  - Active billing accounts with PAPs will be exempt from late penalties and will not accrue interest on outstanding balances, nor will interest accrue on credits.
  - A Customer must submit changes and/or cancellations to their PAP in writing a minimum of ten calendar days prior to the next due date.

### **Late Payment Charges**

A late payment charge of 5% per billing cycle, calculated on the outstanding amount, will be to the water account following the day after each due date.

### **Wastewater Charges Adjustments**

The Municipality recognizes that there may be situations where a Customer's water consumption volume may be significantly higher than the amount of wastewater discharged to the municipal sanitary collection system. The Municipality may consider, at its sole discretion, adjusting the wastewater charge to equitably account for these unique situations.

Wastewater charges are only eligible for adjustment when it can be demonstrated, to the satisfaction of the Municipality, that at least 60% of water consumption does not discharge to the municipal sanitary sewer system.

Ineligible situations for wastewater charge adjustments are:

- Lawn watering and garden irrigation: this is considered normal and is not eligible for adjustment.
- Swimming pools: the Municipality does not allow adjustments for swimming pools.
- Plumbing problems: unusual and dramatic increases in water consumption are sometimes traced to plumbing problems that may be within a dwelling, structure or water service. This type of appeal is not eligible for adjustment because it is very difficult to measure the volume of water lost and to prove that the leak did not reach the sanitary collection system.

### **High Water Usage/Leak Adjustments**

At the discretion of the Director of Finance/Treasurer, one-time billing adjustments may be made for high water usage or leaks as follows:

If a Customer believes that a leak after the meter has occurred, they can dispute the charges for one-time relief assistance through a written request to the Municipality.

The request must be made within 90 days of the invoice due date, for the invoice with the high-water usage/leak.

For the water usage to be deemed high, the consumption volume must be at least triple the average quarterly consumption and at least 120 cubic metres.

The Municipality reserves the right to inspect the property and infrastructure to verify the claim.

The potential adjustment will only be made for leaks, and no adjustments will be considered for theft, vandalism, construction damage, unattended/vacant dwellings/buildings, filling of pools/spas, irrigation systems or any similar cause.

If a water/wastewater bill adjustment is granted by the Director of Finance/Treasurer, a leak forgiveness credit will be applied to the Customer's water and/or wastewater billing account.

The credit will be calculated as 50% of the actual metered water consumption in excess of the Customer's average quarterly consumption. The credit will apply to both water and wastewater charges for the billing period, as applicable.

The maximum total credit amount for water and wastewater charges available is \$2,000.

If a credit is granted, the Customer will not be eligible for another credit for a period of ten (10) years.



Credits shall only be issued after plumbing system repairs have been completed and the Municipality has verified that water usage has returned to normal.

### **Payment Agreements**

A payment agreement may be reached if approved by an Authorized Employee.

### **Returned Payments**

- An administrative fee set out in the Municipality's Fees and Charges By-law will be charged to the account for any payment returned by the account holder's financial institution. A letter will be mailed to the account holder advising them of the returned payment. The amount of the returned payment, the non-sufficient funds (NSF) fee and any other payment charges will be added back to the account.
- When a payment has been returned on a past due account, the Municipality will continue to collect the amount past due as if the payment was never made.
- When a payment has been returned on an account that has received a final notice, the amount of the returned payment, the NSF fee and any applicable late payment charges will be added to the property tax account.
- When a payment has been returned for an account on the PAP, the account holder has ten days to pay arrears, the NSF fee and any late payment charges, failing which the Municipality may terminate the account holder from the PAP.
- If a PAP payment has been returned for the same billing account two times or more in a calendar year, the Municipality reserves the right to cancel the account holder's participation in the PAP.

### **Past Due Notice and Transfer to Property Tax Roll**

- After seven days, the overdue account will have penalties added to the account per the Municipality's Fees and Charges By-law added to the account.
- After 21 days, the account holder shall receive a reminder notice as well as an administrative fee based on the Municipality's Fees and Charges By-law.
- After 23 days, within the second billing period, a Final Arrears Notice shall be mailed to the account holder advising that balances six months in arrears will be transferred to the tax roll if payment is not received within 30 days.
- In the event that the account holder is a tenant, the outstanding balance will be transferred to the registered owner of the tenanted property.

- Billing arrears that are more than six months past due will be transferred to the tax roll with an administration fee as set out in the Municipality's Fees & Charges By-law.

### **Final Billed Accounts**

- A collection letter will be sent to the previous account holder approximately five days after the due date of the final bill.
- The Municipality may add the arrears to the property tax roll after reasonable collection efforts have been made.
- A final account holder who has a credit will be refunded. Any unclaimed credit will be held by the Municipality for two years and then claimed as revenue. A written request may be required before the issuance of a replacement cheque.
- Credits or debits of \$10.00 or less for inactive accounts will be written off.

### **Recovery of Arrears Through Monies Owed to Taxpayer**

If the Municipality of North Middlesex is holding any monies owing to the account holder, such as accounts payable cheques, these amounts will be applied to the account holder's arrears, with notification to the account holder.

### **Reservation of Rights**

The Municipality reserves any and all rights permitted by law to collect, enforce or realize upon any monies owed to or collectable by the Municipality in addition to any steps set out in this Policy.

### **Compliance**

In case of policy violation, the Municipality may investigate and determine appropriate corrective action.

## **6. Appendices:**

Pre-authorized Payment Plan Application