



## Report to Council

Department: Corporate Services  
Division: Corporate Services  
Date: October 7, 2024  
Prepared by: Kate Giurissevich, CPA,CA, Director, Corporate Services/Treasurer  
Report Number: Corporate Services-2024-06  
Subject: Water/Wastewater Billing and Collection Policy Revisions  
Number of Pages: 6

### Recommendation(s)

**That** Corporate Services Report-2024-06 entitled "Water/Wastewater Billing and Collection Policy Revisions" prepared by Kate Giurissevich, Director, Corporate Services/Treasurer dated October 7, 2024 be received; and

**That Council** approve the attached revised Water/Wastewater Billing and Collection Policy, which including the elimination of tenants as primary account holders effective April 1, 2025.

### Purpose

Council approval is required for changes to approved policies.

### Background and Discussion

On March 20<sup>th</sup>, 2023, Council resolved to issue notice to discontinue the use of ELK Energy Inc. as the subcontractor for water/wastewater billing. This transition was completed as of January

1, 2024. Prior to the billing transition the Town became aware of an Ombudsman complaint on billing practices. The Town has now been issued a formal response by the Ombudsman which is attached to this report **and herein referred to as the “letter”**. By their letters, the Ombudsman provides recommendations on best practices and ways to improve administrative fairness. Prior to receiving the letter, the Town was aware of a lack of authority for billing cited in the letter. As such, Administration began taking steps to address the concerns raised.

On January 15<sup>th</sup>, 2024, Council adopted the Water/Wastewater Billing and Collection Policy to ensure proper authority and guidance for billing procedures.

The Town has now issued bills for 8 billing cycles and throughout this has become aware of several potential efficiencies and improvements that would be beneficial to both administration and the ratepayer. These are detailed below

TABLE A: Proposed Policy Revisions		
Current Issue	Description	Proposed Policy Change
Excessive amount of Arrears notices being mailed/added to tax account	<p>The monthly arrears process currently has over 400 accounts being transferred to taxes each month. The estimated average annual cost of this is \$4,980</p> <p>Reducing the addition of arrears to the tax account to twice annually, with the same level of predicted overdue accounts would mean an estimated annual cost of \$830,</p>	Eliminate Step 1 of the Arrears Collection Process (being a past due notice only 3 days after the due date and adjust frequency from 12 times a year to 2 times a year for addition to the tax account.

	<p>meaning a savings of \$4,150 on top of the significant staff time being allocated to this monthly.</p> <p>Introducing an administrative fee would further encourage property owners to pay on time and act as cost recovery for the mailing and staffing costs being incurred to add the delinquent accounts to taxes.</p>	<p>Implement an administration fee for the addition of an overdue account to the tax account.</p>
Final accounts not remitting payment	<p>Often those that do not remit payment on a Final Bill are difficult to locate and typically result in being added to the tax roll. Adding them immediately advises the new property owner or existing landlord of the issue and they can seek collection in a timely manner as well.</p>	<p><b>Add all "final" accounts to taxes immediately after bill due date regardless of threshold.</b></p>

Table B: Tenant Accounts		
Issue	Description	Proposed Policy Change
Arrears Balances	Currently, tenant accounts represent over 25% of accounts in arrears. While	Eliminate all existing tenant (approx. 1000) accounts as of

	<p>the Town can add these arrears to property taxes, the Property owner (in most cases the landlord) is often surprised and frustrated. They also do not have permission to view the bills or accounts as per Privacy Law. There have been instances they are not able to collect from the tenant entirely. Having the owner as a primary account holder allows them to view the account and ensure in good standing. It allows a landlord to pursue collection in a timely manner.</p>	<p>April 1, 2025. Allow tenant to be a secondary account holder and make payment on the account. Allow landowner to forward the bill to the <b>tenant's address.</b></p>
<p>Higher Account Turnover</p>	<p>Tenants tend to move more frequently and each time a new account is created, administrative time is required. Staff must complete a final meter read, issue a final bill, and then work with the new tenant to create the new account. Staff time will be reduced as result of the proposed change.</p>	

The below chart represents municipalities within the County who allow a tenant account for utilities in a rented premise and those municipalities who do not.

Municipality	Allows Residential Tenant Accounts?
Lakeshore	NO
Lasalle	NO
Kingsville	NO
Tecumseh	YES
Amherstburg	NO
Town of Essex	YES (current)
Leamington	YES

Eliminating tenant accounts would be considered a common practice, as demonstrated above in that most neighboring municipalities have already adopted this policy.

### Media Campaign

A strategic communication plan will be developed and released well in advance of the April 1, 2025 deadline. It would aim to provide education to residents and stakeholders impacted by the change to tenant accounts.

To communicate these changes effectively, the plan includes various communication channels such as bill inserts, direct mailouts, a targeted social media campaign, print ads, a write-up on the dedicated water and wastewater web page, and media relations efforts. The project aims to inform tenants and property owners of the transition and provide necessary resources to ensure a smooth transition.

## Water Disconnects

Within the letter is reference to another municipal policy allowing disconnection of water supply at the request of the landlord. Town staff evaluated this and determined the best course of action is to instead eliminate tenant accounts.

Allowing a landlord to instruct on disconnects could put the Town in a landlord/tenant dispute and lead to potential legal issues. Disconnects also take significant staff time in an already resource constrained department.

Eliminating the tenant account addresses the issues raised in the letter including lack of visibility on the account and consumption, lack of knowledge of the account balance, and lack of control over the account in general.

Avoiding landlord directed disconnects is common practice across the County of Essex as currently the only municipality performing frequent disconnects is Leamington and that is for any arrears balance, not just at the discretion of the landlord.

## **Financial Impact**

It is estimated that should the policy changes be approved it could result in a cost savings to rate payers. This cost savings is estimated at approximately \$4,150 per year. The estimated costs for the media campaign would be up to \$3,000, including direct mailouts and this will be within the current approved operating budget of the Water/Wastewater cost centers.

## **Consultations**

Heather MacDonald, Assistant Manager, Finance

Marc Tortola, Manager, Communications

Rob Mackie, Manager, Environmental Services

Kevin Girard, Director, Infrastructure Services

Joe Malandrucolo, Director, Legislative Services

## Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.**
- Take care of our natural environment and strengthen the sense of belonging to everyone **who makes Essex "home"**.
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

## Report Approval Details

Document Title:	Water Collection Policy Revisions - Corporate Services-2024-06.docx
Attachments:	- Ontario Ombudsman Letter to Town of Essex Council 08.30.2024 on Water Billing.pdf - Water Billing and Collection Policy.docx
Final Approval Date:	Oct 1, 2024

This report and all of its attachments were approved and signed as outlined below:

**No Signature - Task assigned to Doug Sweet, Chief Administrative Officer was completed by delegate Jake Morassut, Director, Community Services**

**Doug Sweet, Chief Administrative Officer - Oct 1, 2024 - 2:02 PM**