



TOWNSHIP OF WELLINGTON NORTH

TO: Mayor and Council

DATE: 2025-02-24

MEETING TYPE: Open

SUBMITTED BY: Brooke Lambert, Chief Administrative Officer

REPORT #: CAO 2025-003

REPORT TITLE: Wellington North Power Inc. Water and Sewer Billing & Collections Implementation Update

RECOMMENDED MOTION

THAT Council of the Corporation of the Township of Wellington North receive report CAO 2025-001 Wellington North Power Inc. Water and Sewer Billing & Collections Implementation Update;

AND THAT Council direct staff to continue the implementation of the phased transition of Water and Sewer Billing and Collections to property owners;

AND FURTHER THAT Council direct staff to review the use of "House Accounts" for Water and Sewer and bring back recommendations at a future date of Council;

AND FURTHER THAT Council direct staff to apply 2024 arrears in the amount of \$14,356.16 to the property tax bills of the property owners for the 2025 period and that any future year-end water and sewer arrears be applied to the first property tax bill in the calendar year, going forward;

AND FURTHER THAT the 2025/2026 Service Agreement with Wellington North Power Inc for the Provision of Sewer and Collection Services be approved, effective March 1, 2025;

AND FURTHER THAT the Mayor and Clerk be authorized to sign the by-law 013-2025 to enter into the Service Agreement.

PREVIOUS REPORTS/BY-LAWS/RESOLUTIONS

CAO 2024-011 Wellington North Power Inc. Water and Sewer Billing & Collections Implementation Update.

CAO 2024-007 Wellington North Power Inc. Water and Sewer Billing & Collections Administration Update.

CAO 2022-007 Service Level Agreement with Wellington North Power Inc for the Provision of Water and Sewer and Collection Services.

BACKGROUND

Wellington North Power Inc. (WNP) has provided the service of billing and collection of water and sewer user fees on behalf of the Township for many years. In 2017, this arrangement was formalized by the “Service Level Agreement with Wellington North Power Inc for the Provision of Water and Sewer Billing and Collection Services”. There have been four consecutive renewed agreements since that time.

In May 2024, Council approved the direction to move towards a policy whereby all water and sewer services are to remain the responsibility of property owners and landlords. Under this policy, these services cannot be transferred to tenants and the property owner/landlord is responsible for receiving monthly user fee invoices and payment for these services. (In the past, property owners/landlords have been allowed to transfer the water and sewer services to the tenants residing at the property.)

By implementing this policy, it was recognized that this approach would need to be phased in as there are several different landlord/tenant scenarios to be considered. Consequently, staff for both the Township and WNP have developed a schedule for implementation that allows landlords to assume ownership of the water and sewer services in a manner that addresses their specific circumstances. This includes scenarios for:

- New builds (singles or multi-use complex)
- Single dwellings
- Multi-unit complexes

All known property owners/landlords impacted by this change were mailed a letter communicating next steps. Information about this transition is also available on the Township’s website at: wellington-north.com. Further, an open house for interested landowners was held on October 10, 2 – 4 pm at the Township of Wellington North Municipal Office in Kenilworth (with approx. 20 participants). At this open house and in the weeks that followed, several questions were posed to Township and WNP staff (frequently asked questions). Attachment A provides a response to these questions.

ANALYSIS

Based on the initial direction received by Council the following steps have been taken by WNP and the Township:

- Services in the name of the Tenant with arrears on November 1, 2024, were transferred to the Landlord/Property Owner by WNP. Letters were sent to both the Tenant and Landlord on October 22, 2024.
- Homeowners with arrears were e-mailed/sent a letter on October 31, 2024 advising arrears as at November 30, will be applied to their Property Tax. WNP provided a list of these accounts to the Township on December 10, 2024.
- Progressing with data clean-up of property owners/landlord names using information provided by the Township.

Landlord/Property Owner Feedback

Staff had the opportunity to review feedback provided at the open house as well as individual submissions provided in the subsequent months. Overall, there was concerns regarding the implementation of the change and the increased administration of the landlords. During the open house several options and resources for landlords were discussed, specifically regarding the options for landlord/tenant leases that can include water and wastewater charges (more information can be found at the Federation of Rental Housing Providers of Ontario - <https://frpo.org>).

Staff heard the need to provide clear deadlines and as much notice as possible to any changes to both the administration of these accounts and the rates that will be charged (as there are mandatory notice periods they must provide their tenants with).

Staff also heard questions regarding the need for “House Accounts” that are billed to the Landlord/Property Owner in addition to the individual unit accounts (to account for water usage in common areas). At this time, it is recommended that Council direct staff to do a more formal review of this type of account and bring back recommendations to a future meeting of Council. This would include the rationale and criteria for these accounts as well as the potential financial implications of any modifications that may be recommended.

Next Steps

The Township has completed a review of the final 2024 water and sewer arrears amount and administration regarding adding arrears to the tax bills in 2025. Based on the information provided from WNP there are:

- 30 accounts that have been “finalized” with a total of \$10,923 that will not be collectable (due to the sale of the property during 2024).
- 22 property owner accounts still active with a total of \$14,356.16 in water and sewer arrears.

Staff have the following recommendations for moving forward:

- That staff identify a new finance process for ensuring that water and sewer accounts are cleared before properties are sold (ownership is transferred).
- That communication be sent to the property owners associated with the 22 active accounts and inform them that the arrears amount related to their property will be

added to their July 2025 tax bill. An option to settle the account before May 30th, 2025 will also be provided.

Further, transfer of accounts has already been initiated in the situation where services in the name of tenant were in arrears and remain unpaid despite a letter being sent from WNP to both the tenant and landlord. As per Council direction, all new accounts must also be with the landowner. Township and WNP staff continue to communicate with all parties and respond to inquiries.

The 2025/2026 Service Agreement Schedule A reflects all the changes and further recommendations that have been made in this report (See Draft By-Law 013-2025).

CONSULTATION

Township staff (CAO, Finance, Environmental Services) have consulted with WNP Inc and property owners/landlords throughout the process.

FINANCIAL CONSIDERATIONS

Operating. Improvement in the yearly rate of water and sewer related collections is anticipated. For 2024, the amount of \$14,356.16 will be collected through property tax bills issued in 2025.

ATTACHMENTS

Attachment A - Frequently Asked Questions

STRATEGIC PLAN 2024

- Shape and support sustainable growth
How:
- Deliver quality, efficient community services aligned with the Township's mandate and capacity
How:
- Enhance information sharing and participation in decision-making
How:
- N/A Core-Service

Approved by: Brooke Lambert, Chief Administrative Officer

Attachment A – Frequently Asked Questions

Background

The Township of Wellington North has a servicing agreement whereby Wellington North Power Inc. (WNP) manages the billing and collection of water and sewer services on behalf of the Township. WNP is the electricity distributor servicing the urban areas of Arthur, Mount Forest and Holstein. In 2024, Township Council directed staff to move to a more proactive account resolution process involving landlords/property directly.

1. Why is this change in policy being made and who approved it?

In May 2024, Council approved the direction to move towards a policy whereby all water and sewer services are to remain the responsibility of property owners and landlords. This change was made due to the increasing amount of arrears that the Township had to write off because of unpaid water and sewer bills. This represents a cost to the tax-payer and impact to the general tax levy.

2. How has this been communicated to property owners/landlords and tenants?

Starting in early 2024, WNP provided communication to both property owners and tenants to let them know of the change and that tenant accounts in arrears would be transferred to the property owner/landlord, so that they could address the arrears.

3. If my tenant does not pay their water and sewer bill, what happens?

WNP follow a diligent collections process with tenants receiving telephone calls, e-mails and letters when their account is in arrears. If the water/sewer services are still unpaid 28 days after the Payment Due Date, the account will be transferred to the property/owner for action. If the account is not paid at this time, the outstanding amount will be added to the property taxes in the following year.

4. Why can't the Township turn off the water?

The Township has consulted with Public Health, who have confirmed that water is considered a "vital service" and cannot be turned off by the Municipality because having no running water would be considered a "health hazard" (see Residential Tenancies Act and the Health Protection and Promotion Act). In addition, there are several logistical considerations that make turning off the water (especially in multi-unit situations) impractical or impossible (without impacting other water users in the building).

5. What if my tenant is in good standing?

Current tenants in good standing will not be affected.

6. I have a new tenant moving into my property – what happens now?

If a new tenant is moving into a unit, the water and sewer account must be set-up with the property owner/landlord. Alternatively, WNP will transfer the services when (if) the tenant notifies them that they are moving out of the unit.

7. How can I include the water and sewer bill amount in the lease with my tenant?

Landlords can include the water and sewer amounts in the monthly rent (as it is a fixed amount) or they may choose to reference this charge outside of the monthly lease/rental amount. For more information on how to include appropriate wording in lease agreements, please visit: the Federation of Rental Housing Providers of Ontario - <https://frpo.org>.

8. What if I have multiple rental properties or properties with multiple units?

Property owners can request to switch all units over at one time, that allows for a more convenient/streamlined administrative approach.

Please note, the Property Owner will only receive 1 bill per month from WNP billed at the number of units multiplied by the water and sewer rates (not one bill per unit).

9. What if my unit/building is vacant?

If a tenant vacates a unit/building and the unit/building is empty, WNP will pause water and sewer billing IF THE HYDRO IS ALSO DISCONNECTED.

10. How are water and sewer rates determined?

The Townships water and sewer rates are determined in the Township of Wellington North's Rates and Fees By-law. The Township completes a Rates and Charges Study for Water and Wastewater services every 5 years and this sets the base amount plus the expected increases for the term of the study. The next Rates and Charges Study will be completed by the Township in 2025.

11. Is the Township going to implement water meters?

The Township uses meters for Industrial, Commercial and Institutional (ICI) water users. Residential units are not metered (with some exceptions existing where ICI is attached).

12. What will happen to the “house accounts” that I had to pay for previously as a property owner?

With all accounts eventually transitioning to the property/landowner, staff are recommending a more detailed review of the “house accounts” with recommendations being brought back to Council for consideration in the future.