**POLICY NAME:** Collection of Utility Outstanding Accounts

**POLICY NO.:** 300-1

**DATE ADOPTED:** \_\_\_\_\_\_\_\_\_\_\_, resolution 2022-

**DATE AMENDED/REVIEWED:**

1. **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 Water service under this policy may be subject to and superseded by any bylaw such as the Water & Sewer Rate, Building or Zoning bylaws.

1. **REGULATIONS:**
2. Account deposit(s) must be collected, and water service application form signed and completed prior to any services being rendered.
3. All properties are billed monthly.
4. **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;

	1. 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.
5. **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.
6. **PROCEDURES:**
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 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)
	1. **SHUTOFF DAYS NOTE**: When scheduling the shutoff date, it shall not be scheduled on a Friday, on a statutory holiday or day in lieu, or any day where the office is not open to accept payment on accounts.
	2. **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 November 31 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.

	1. For commercial properties/businesses, the 24 hour notice is to be delivered during business hours.
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.

	1. 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.
	2. At a minimum, regardless of arrangements to pay the amount in arrears after disconnection, the disconnect,reconnect and deposit fees must be paid in full in order to resume service once service has been turned off.
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, semi-monthly, 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.

	1. If service has been disconnected before arrangements were made, the disconnect, reconnect fees, and deposit must be paid in full in order to resume service regardless of any other arrangement to pay the arrears.
	2. 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
	3. 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.