



REPORT

To: Mayor and Council
From: Director of Corporate Services
Subject: For Your Decision: Water and Wastewater Policy Revisions
Date: June 23, 2025

Issue

Implementation of revised Water and Wastewater Billing & Collection Policy and Water Meter Installation, Maintenance and Replacement Policies.

Facts

- At the November 12, 2024 Council meeting, staff were directed to develop a new Water and Sewer Billing and Collection Policy for approval by March 2025 including consideration of a new monthly billing process.
- Staff were also directed to incorporate a landlord-tenant billing process into a new Water and Sewer Billing and Collection Policy for approval by March 2025.
- Staff shortages, year end requirements and the potential Infrastructure Renewal Fee pushed the expected timeline off.

Utility Billing & Collection Processes

- This function manages and maintains approximately 1,833 water and 1,783 sewer accounts.
- Staff currently generate four monthly and 1,833 quarterly bills through the standard billing cycles. Approximately 7,400 standard utility bills are processed annually.
- More than 700 account statements for past due accounts are processed every year. These statements are issued monthly.
- Staff also process 269 monthly pre-authorized payment plans and 169 quarterly pre-authorized payment plans.
- Approximately 1,500 account maintenance transactions occur annually through information changes, ownership changes, and new accounts.

- Staff process approximately 1,250 work requests annually for Public Services staff relating to doorknob notices, water leaks, water meter reads, false meter reads, non-functioning meters, disconnections, new meters, final meter reads, seasonal shut-offs, etc.
- Staff also manage delinquent accounts and attempt to negotiate payment terms prior to disconnection.

Water Meter Allocations

- The Municipality currently bills 182 accounts with meters.
- Of the 182 accounts, over the past year (4 billing cycles) only 67 accounts, or 37%, consumed more water than the minimum charge as per the water and sewer rates by-law.
- Council passed the following resolution as part of SDR-22 Environmental Service;
 - That Council authorize the preparation of separate By-Laws to regulate Water Use and Sewer Use within Greenstone by a third party as a priority for enforcement by including the project in the 2025 Budget.
 - Further That Council direct Staff to review Greenstone's water metering practices for inclusion in the Water Use By-Law.
- After review of various options and other municipal policies, staff have determined that a revised stand-alone policy is needed.
- Both the existing Water Meter Maintenance and Replacement Policy 17-23 and the revised draft Water Meter Installation, Maintenance and Replacement Policy are attached.

Analysis

Change in Utility Billing from Quarterly to Monthly

- Residents receive a bill every quarter for a lump sum for \$582.71 (2025 rate) which can be a significant amount to pay at one-time. The current policy, and standard industry practice is to send out collections notices after two billing cycles in arrears and to initiate utility shut off after three cycles in arrears.
- The current quarterly cycle means that a standard residential account would be \$1,165 in arrears before collection notices are sent and more than \$1,748 before the third cycle threshold is met and disconnection occurs. By this stage, it becomes very difficult for most property owners or tenants to pay the full outstanding amount to avoid disconnection (even with a payment agreement in place).
- As well, the Municipality currently bills at the beginning of the quarterly cycle (start of 3rd month) with a due date at the end of the 3rd month. Any transactions that happen after the bills are sent then do not reflect billing amounts correctly and staff must reissue the bill and send out so that the billing is accurate (i.e. bill for quarter and then the property sells, an owner wants a connection or disconnection, etc. which result in adjustments). This causes changes to be made on customer accounts with adjustments and new bills issued. The

Municipality must then issue new due dates beyond the month end as the new bill does not give 21 days to pay. Staff must also flag and suspend the account for any penalties or interest for the following month.

- For metered account billings (multi-residents and commercial) who have high usage, the account holder does not become aware of high consumption possibly because of leaks. This means that there could be a water leak or break that is undetected for up to three months resulting in a significant water bill or a loss of water and revenue loss because of refunding for usage of water. This occurs through the relief policy which allows for a refund once every four years for any adverse usage.

The only advantage of the current system is that the Municipality saves on paper and postage and staff spend less time generating the bills, however the account maintenance between the three-month cycle is staff intensive.

- With the revised policy, billing would occur at the beginning of a month for the previous month's water as is industry standard for any utility. As an example, staff would bill the first week of February with it due February 28th for the month of January. In this process, everything is captured within the month including all adjustments, turn on/off, final billings from sale of property, arrears turn offs, etc. eliminating the need to reissue bills with a new due date and having to flag/suspend accounts.
- This would alleviate reminder billings being sent out (approx. 225 per month) as the formal bills would be sent monthly and would show any arrears. If the account is not paid after 60 days, staff would then send registered letters.
- Public Works staff allocate approximately 12 hours of time to completing meter reads each billing cycle. On a quarterly process, this amounts to +/- 50 hours annually. Moving to a monthly bill would increase that to 140-150 hours. It is expected however that this will be offset by the reduced need for disconnections for non-payment and no longer completing doorknob notices.

Water Shut-off Process

- Currently Greenstone physically shuts off the water if nonpayment occurs over three consecutive bills. There are issues with the process especially in the winter should the home use a boiler for heating.
- In many municipalities, the account is automatically transferred to the tax account after three bills in arrears with the service never being disconnected.
- The revised policy includes the provision to automatically transfer unpaid water bills to the tax account after three months in arrears.
- The Municipality will only disconnect services for non-payment if the subject property has been placed in Tax Registration and/or Tax Sale process.

Temporary Water Turn Off/On

- Currently property owners are allowed to request a water turn off at a nominal fee of \$88.30, which then suspends billing on the account. Many property owners that leave for the winter use this service resulting in reduced revenues for the Municipality.

- Staff have reviewed this in detail and recommend a change to the overall water and sewer usage fees starting in 2026, establishing a minimum bill equivalent to the infrastructure renewal fee (if approved).

Rental Properties & Tenant Accounts

- A significant component of the utility billing process involves the management of approximately 10% of the accounts. These accounts are set up for tenants of rental properties. The tenant accounts make up a significant portion of accounts that fall into arrears and require disconnection notices.
- Although the Municipality allows the property owner (landlord) to allocate the account to the tenant, in the event of non-payment after 180 days the service gets disconnected. If the Municipality is unable to obtain payment, the past due account eventually gets transferred to the property owners tax account to ensure payment is made.
- This process puts the Municipality between the tenant and landlord whereby some landlords want staff to complete disconnects so they do not have to go through a formal eviction process with the courts. As well, staff are continually requested to provide account updates to landlords on tenant non-payment even though this is not the Municipality's responsibility.
- Upon review, many municipalities in the Province, do not allow tenants to hold utility accounts specifically for the administrative problems noted above.
- The new policy has been developed for Council approval in an effort to adopt industry standards and best practices to ensure that all utility accounts must stay with the property owner much in the same way tax accounts work.
- This policy change will require a phase-in to allow landlords to work through any rent changes as legislated through the Landlord Tenant Act.

Water Meter Allocations

- Given that only 37% of the metered accounts consume more than the minimum amount, this creates an unnecessary workload for Public Services staff to read meters.
- Moreover, the vast majority of meters are nearing or at end of life (standard 15 years) and will require replacement in the next 1-2 years.
- The new policy lists those property types that will be allocated a meter based on MPAC property codes to ensure consistent applications.
- Using the revised property code listing, 88 properties would be required to have a meter. In some cases, although currently under the minimum bill threshold (i.e. schools, some restaurants and auto shops) these properties may benefit from having a meter which will assist in leak detection even though the majority of the billing is under the minimum threshold.
- Reducing the overall meter allocations by more than half from 182 to 88 will provide an offset in workload to read meters with the resulting proposed change from quarterly to monthly billing. The overall reduction in meters is a core part to ensuring the monthly meter reading workload for Public Services staff is manageable.

Water Meter Replacement Program

- The vast majority of meters are nearing or at end of life (standard 15 years) and will require replacement in the next 1-2 years.
- Staff recommend including funds in the 2026/27 user pay budgets to begin the process of replacing meters for those properties that qualify under the new policy.
- The new meters will include the installation of a new Encoder Receiving Transmitter (ERT) that is a device which allows remote reading through an electronic reader therefore eliminating the need for staff to have internal access to the location to manually read the meter.
- The installation of ERT's will further reduce the staff time needed for reading as most systems can complete reading through a radio reader attached to a municipal truck while it is slowly driving by.

Communications Plan

- Staff will use all existing communications channels including website, social media and the news paper to provide details on the proposed changes.
- Radio advertising will also be used to attempt to reach as many Greenstone residents as possible.
- Outreach will occur through July with a final draft of the policy and any recommended changes as part of the community feedback at the August meeting.

Option #1 - Approve the Draft Policies for Public Feedback (Recommended)

- As noted, all other utility and telecom service providers bill on a monthly basis. Changing the billing from quarterly to monthly will provide a consistent approach and will allow for easier budgeting for users.
- Monthly billing will reduce account delinquency and also reduce the need for significant processing of reminder notices.
- The revised policy will also allow for unpaid balances to be transferred to the tax roll reducing the need for shut-offs and collections procedures.
- A revised water meter allocation policy will reduce the total meters by over half the current, reducing the staff time to read and maintain the meters.

Option #2 - Do not Implement Policy

- This would maintain the status-quo which would not reduce the administrative burdens that the current policies require.
- The need to complete significant past due account statements, reminder notices, collection efforts and disconnections would remain in place.
- The Municipality would not be following standard or best practices that have been established in the municipal or utility billing spheres.
- Staff would still be required to read meters which are consistently being billed the minimum fees. As well, meters would require replacing even if they fail on accounts which use less than the minimum.

What is the financial impact?

Change in Utility Billing from Quarterly to Monthly

- Implementing a monthly cycle should significantly reduce the number of residents in arrears as they will be receiving a monthly bill of approximately \$194.24 which is much more feasible for many. One of the most significant impacts will be the reduction in the number of hours on pursuing people for payment for arrears.
- Moving to a monthly billing cycle would also eliminate the option of quarterly payments when on Pre-Authorized Payment (PAP) and align currently with the tax PAP program, equal billing and monthly billing. Staff also believe this will increase the number of customers signing up for PAP with only the monthly option and removing quarterly.

Water Shut-off Process

- As noted, there are issues with the process especially in the winter should the home use a boiler for heating.
- This generally creates a water and sewer account that continues to be used yet unpaid resulting in a large account deficit and the need to take the account holder to collections and in some cases, the eventual write-off of the account for non-payment.
- Changing the policy to allow automatic transfer to the tax roll under Priority Lien Status will eliminate the need to account for write-offs or doubtful account allowances in the future.

Temporary Water Turn Off/On

- As noted, the draft policy will include the need for seasonal users to pay a minimum monthly fee similar to the proposed Infrastructure Renewal Fee
- This change will ensure that property owners pay an equal share in the long-term maintenance of the system.

Rental Properties & Tenant Accounts

- As noted, the tenant accounts make up a significant portion of accounts that fall into arrears and require disconnection notices.
- Removing tenant accounts will reduce administrative staff time, collections efforts and in some cases, the eventual write-off of the account for non-payment.

Water Meter Replacement Program

- The cost to decommission water meters that are no longer needed are expected to range between \$300-\$500 depending on location and plumbing sizing.
- The cost to install a new water meter with ERT is expected to range between \$1,500-\$4,000 depending on location and plumbing sizing.

How does this tie to the Strategic Plan?

Not applicable as this is legislated through the Municipal Act, 2001 in relation to setting Water and Sewer Rates and Fees & Charges.

Recommendation

THAT Council of the Municipality of Greenstone direct staff to move forward with public consultation based on the communications plan identified in the report; and

THAT Council direct staff to bring an updated report and policy forward for Council's consideration following public consultation in August 2025; and further

THAT Council direct staff to bring an updated Water Meter Installation, replacement and maintenance Policy forward for Council's consideration following public consultation in August 2025; and further

THAT Council direct staff to include a water meter replacement program in the draft 2026 user rate capital budget for further consideration.