

TITLE: UTILITY BILLING, PENALTIES, AND ARREARS POLICY

RESOLUTION NUMBER: 2024-06-16

POLICY #: CP-019

EFFECTIVE DATE: JUNE 25, 2024

SUPERSEDES: 230-001, 230-002 AND
230-003

UP FOR REVIEW: 2028

Purpose

To provide all Town of Magrath property owners with clarification of the processes the Town adheres to regarding utility billing, how penalties are applied, and how arrears are dealt with.

Definitions

Accessory Dwelling Unit – means a dwelling unit that is secondary to a single-detached dwelling located on the same lot. Accessory dwelling units are represented by two separate uses:

backyard suites – means an accessory dwelling unit that is physically detached from a single-detached dwelling on a residential lot. A backyard suite may be located above a garage, attached to a garage at-grade, or detached from any other building.

secondary suites – means an accessory dwelling unit that is enclosed within, but physically separate from, a single-detached dwelling. A secondary suite shall have an entrance separate from the entrance to the principal dwelling unit, either from a common indoor landing or directly from the side or rear of the building.

Arrears – means payments that are overdue.

Property Owner(s) – means a person(s) or company that has possession of title for the land, building, house or other items.

Unit – means each single-detached dwelling, accessory dwelling unit, commercial unit or industrial unit on a property.

Utility Billing

The Town of Magrath bills monthly for water, sewer, garbage, and irrigation services. A statement will be mailed after the end of each one-month period and will be due by the 28th of the month that the bill is rendered. All utility bills are sent to the property owner

whether they occupy the property or not. In the case where the property is occupied by a renter, the owner may also have a copy of the utility bill sent directly to the renter. The property owner is ultimately responsible to ensure the bill is paid.

If a property is vacant, the owner may contact the Town to request the utilities be shut off. Upon payment of the shut-off fee, all utilities will be suspended from further billing on the account. When the property is no longer vacant, the owner must contact the Town to request the utilities again be turned on. Again, a utility turn-on fee will be charged when the account is reactivated. If any water was consumed during the vacant period, it will be picked up by the meter read and be billed on the first bill upon account reactivation. (Water shut-off and turn-on fees are as stated in the current fees & rates bylaw.)

Water rates are based on two elements: a flat rate charge to cover fixed customer-related costs (routine maintenance, billing, accounting, fire protection [hydrant systems], and debt payments) and a consumption (variable) charge for each cubic meter of water used. The total rate covers the cost of supplying water service and improvements to the Town's water system. The water meters are read every month and are billed per unit. If the property is vacant, water will be billed unless the service is shut off by Town employees.

Sewer fees are comprised of a flat rate charge (80% of water flat rate) to cover maintenance, operation, debt payments and improvements to the sewer system. Residential, commercial, and institutional fees are billed per unit.

Garbage fees are charged a flat rate based on the number of garbage carts being collected. Where commercial garbage bins are utilized, flat rate fees are based on the number of scheduled pick-ups and bin size.

Irrigation fees are comprised of a per acre charge per property with a minimum rate charge to cover maintenance, operation, and improvements of the irrigation system and are only charged to those properties that have the service, whether it is utilized or not.

Utility Penalties

Payments for utilities are due by the 28th of the month following the billing period. Payments made by telephone or online banking must be processed through the bank by the 28th to avoid penalties.

Any unpaid balance will be charged a 3% per month penalty after the 28th of the month.

If the Town does not receive notification from a bank regarding the payment of utilities and as a result, late payment penalties are applied, upon confirmation from the bank of payment being made by the customer, penalties will be credited back to the customer's utility account.

Utility Arrears

In compliance with the *Water, Gas and Electrical Companies Act* Section 25, the Town procedure for dealing with arrears is as follows:

If a Property Owner is in three (3) months of arrears, they will receive written notice. The written notice will state that they have fifteen (15) days to pay off their arrears in full. If their utility account arrears have not been paid off in full within those fifteen (15) days; at the end of the fifteenth (15th) day, the Town of Magrath has the option to

- a) shut off the property's water until their account has been paid up to date; plus a fee for shut off as set out in the current Fees and Rates Bylaw;
- b) transfer outstanding water charges to taxes pursuant to the Municipal Government Act, R.S.A. 2000, Chapter M-26, Section 553(1)(b).

Where the water supply has been shut off because of default of payment, the water supply shall not be turned on until all fees and outstanding amounts are paid in full, including a water turn-on fee.

In the case of a water shut-off, the Property Owner has the option of appealing the decision to shut the water off to Council for further review. Council's decision is final. If there is financial hardship and utility account arrears cannot be paid in full, please contact the Town of Magrath administration, where alternative arrangements in some instances may be arranged. A presentation to Council may be necessary if payment arrangements cannot be agreed upon by this means.

Any arrears account that is uncollectable by the above means may be sent to a Collections Agency for further attempts to recover unpaid fees.