



Council Report

Report Number: **CORP2021-008**

Meeting Date: March 23, 2021

Title: **High Water Bill Relief – 181 Kent St W, Lindsay**

Author and Title: Linda Liotti

Recommendation(s):

That Report CORP2021-008 **High Water Bill Relief – 181 Kent St W, Lindsay**, be received.

Department Head: _____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

At the Committee of the Whole Meeting of February 9, 2021 Council adopted the following resolution:

CW2021-026

That the deputation of APG Kent Street Properties, regarding the Water Bill for 181 Kent St W, Lindsay be received;

That the request for relief of penalties incurred for late payment of the water bill for 181 Kent St W, Lindsay be referred to Staff for review and report back by the end of Q1, 2021.

This report addresses that direction.

Rationale:

The High Bill Adjustment policy does not apply, however, this matter falls within By-Law 2018-039, A By-law to Regulate Water and Wastewater Services in the City of Kawartha Lakes.

Section 23.06 of the above noted by-law addresses billing and payment requirements. Specific to tenanted properties, the following subsections are relevant to this matter:

- (k) Where a tenant has been responsible for the payment of water and wastewater rates, upon vacating the premises, immediate notification shall be given by the owner to the City. Upon receipt of such notice, the meter will be read and the tenant deposit, where applicable, less the amount of the water and/or wastewater account, shall be returned by the City by mail to the tenant.
- (l) Where an amount remains owing on a tenant's account after the application of the deposit, and the final invoice remains unpaid for a period exceeding thirty (30) days, the property owner will be advised of the balance owing, and a request for payment will be made.
- (m) If the balance on a tenant's account remains outstanding for over sixty (60) days, the amount will be transferred to the property taxes for the property where the water and/or wastewater services were provided and collected in the same manner as taxes.
- (n) An administration fee will be added to the water and/or wastewater account prior to an outstanding amount being transferred to the municipal property taxes for the subject property, for collection as identified in the Consolidated Fees By-Law.
- (o) All water and wastewater rates and other charges shall be a lien and charge upon the owner, whether consumed by the owner of the land, or a tenant of the land.

Mr. Arbour, representative of the property owner, APG Kent Properties Corp, sent e-mail correspondence dated November 16, 2020, advising that they were not aware of any outstanding balance resulting from non-payment of water services consumed by their tenant, and consequently should not be held responsible for payment.

City staff issued a final bill to the tenant for water services covering the period of July 1 to August 31st, 2020. This final bill was sent on September 25, 2020 and due on October 20, 2020. As the balance remained outstanding after the due date, the property owner was sent a letter, dated November 3rd, seeking payment for the outstanding balance in the amount of \$11,075.43. This notification occurred within the required thirty-day period, as per directed by By-Law 2018-039, Section 23 Subsection 23.06, section (l).

On November 17, 2020, a discussion occurred between the property owner and Manager, Revenue & Taxation. The property owner was made aware that, in response to the pandemic, the City took financial relief measures to assist property/business owners. One such measure was no disconnections of water services for non-payment during this period. As a result, the water bill for this property had gone unpaid. The water bill outstanding of \$11,075.43 was for all of 2020. Further, during this discussion, the property owner referenced that the property had been sold effective October 5, 2020.

A review of this account confirms the property owner, in advance of the sale, requested no water certificate.

Section 398(1) of the Municipal Act, provides legislative authority for the City to transfer any outstanding amount resulting from utility charges to the property tax account. The liability of any unpaid charges for utility services is on the property and ownership is not relevant. Should the account have remained unpaid, the City would have transferred the balance owing to the property tax account. It would then have been a matter for the purchaser's lawyer to review with the lawyer acting on behalf of APG Kent Street Properties Corp in the sale transaction.

The former property owner made payment of \$11,075.43 on November 24, 2020, noting it was "under protest" and subject to the outcome of Council's decision of this deputation.

Other Alternatives Considered:

While this is an unfortunate situation, it is a matter to be resolved between the former owner of the property and the tenant. For this reason, no alternatives are being considered.

Alignment to Strategic Priorities

This report is in alignment with the 2020-2023 Kawartha Lakes Strategic Plan priority of good government.

Financial/Operation Impacts:

The Water and Wastewater rates are established to recover the cost of producing and delivering safe drinking water to property owners, and the collection and treatment of wastewater.

Providing relief to residents for water bills results in the City incurring a cost for which there isn't direct revenue for recovery. This cost is then borne by the remaining user rate contributors throughout the City.

Department Head email: jstover@kawarthalakes.ca

Department Head: Jennifer Stover, Director of Corporate Services