

Utility Bill Deferral Update**Report Purpose**

To request that Council reinstate enforcement actions for non-payment of utility accounts that are allowed in current County bylaws.

Recommendation

THAT, effective November 2, 2020, enforcement actions for non-payment of residential and small business utility accounts be reinstated in accordance with County bylaws.

Our Prioritized Strategic Goals

Goal 2 - Manage, invest and plan for sustainable municipal infrastructure
Governance Requirement

Report

The provincial announcement of deferring electrical and natural gas bills for three months prompted other utility providers to do the same. As of August 31, 2020, Utilities has 151 accounts (19 commercial and 132 residential) on this deferral program. The current total deferred value is approximately \$57,000. In addition to the deferral program participants, there are utility accounts in arrears past 90 days who have not applied for the program.

As we continue to monitor the current situation, we are noticing more utility accounts in 90-day arrears than what we have experienced in the past. This is not totally unexpected as we had suspended any interest charge and enforcement actions. These established practices do provide an incentive for customers to make appropriate payment arrangements.

Recognizing that financial challenges will still exist while the pandemic is ongoing, it is recommended to align the repayment options to match the provincial approach. This would mean offering accounts up to one year for repayment instead of the six-month repayment plan originally proposed.

Utilities will be reaching out to all customers who are in arrears that did not sign up for the deferral plan. The County would provide these account holders 30 days from notification to agree upon a payment plan. It is recommended that total amounts outstanding, including amounts before the COVID-19 billing deferral and amounts up to the date of the customer arranging a payment agreement, be applicable to the payment plan. These payment plans would ensure no penalties would be charged or disconnection of service would occur while the account holder was making the payments outlined in the plan. Utilities will work with other departments and external agencies to aid these account holders in meeting the obligations of the payment plans.

Currently, the full financial impact of deferred and delinquent accounts is still unknown. We are observing a significant increase in the trend of accounts over 90 days. Potentially we could use the unemployment rate as a proxy to determine a potential outcome; however, the variability and risk will still remain.

Authority to make these payment plans is granted to the Chief Commissioner, as outlined in our related bylaws; Legislative and Legal Services has confirmed that flexibility exists to make these changes.

Utilities would ask Council to reinstate enforcement actions starting November 2, 2020. Municipalities such as Fort Saskatchewan and Edmonton (through EPCOR) have started to bring back enforcement actions such as penalties and disconnection of service.

Starting November 2, 2020, if the account was unable to agree upon payment plan or abide by the payment plan, Utilities would proceed to use enforcement actions as outlined in the following bylaws:

- Water System Bylaw 16-2016
- Sewer and Wastewater System Bylaw 38-2017
- Waste Management Bylaw 39-2014

Depending on the outcome of the repayment approach, the utility may need to write off a loss due to delinquent accounts in accordance with appropriate accounting practices and in consultation with Corporate Finance and the Chief Financial Officer.

Council and Committee History

March 26, 2020 THAT administration provide residential and small business utility customers that receive a bill from the County with an option to defer utility bill payments for up to three months with no penalties or interest charges.

Other Impacts

Policy: N/A

Legislative/Legal: Water System Bylaw 16-2016, Sewer and Wastewater System Bylaw 38-2017, Waste Management Bylaw 39-2014

Interdepartmental: Corporate Finance, Assessment and Taxation

Master Plan/Framework: N/A

Communication Plan

Communicate through the County website, social media channels and a media release. Utilities will be contacting customers directly if their account is overdue.