

Water & Sewer Utility Account Deposit Policy



Section	Date	By-Law Number	Page	Of
Administration & Finance	June 18, 2019	92-2019	3	3
Subsection	Repeals By-Law Number		Policy Number	
Utilities	N/A		AF-5-2	

Purpose

In accordance with the City of Kenora Water and Wastewater bylaw Terms of Service and Conditions of Service are outlined for residential and commercial accounts.

In accordance with the Municipal Act, 2001, as amended, Section 83 provides that as a condition of supply, the Municipality may require reasonable security for the payment of fees and charges.

There may be a need for a new customer or an existing customer to provide a security deposit for water and sewer services.

1. Policy

Any customer who does not have good payment history with the City of Kenora will be required to pay a security deposit. Good payment history is defined in Section 6 below.

All customers with a history of defaulted accounts as defined in Section 6 below will be required to pay a security deposit after three (3) defaults of payment.

Any customer who has had an account with the City of Kenora that has been sent to the Credit Bureau in the past will require a deposit.

2. Administration of Security Deposits

Customer security deposits shall be reviewed by City staff at least once in a calendar year from date of service to determine if an adjustment is required. If the security deposit is to be adjusted upward, the additional amount is required when the customer's next bill comes due.

Security deposits may be refunded upon request, after one year, providing the customer has established a good payment history in accordance with Section 6.

All amounts held on deposit will be:

- a) applied to the final bill on termination of services
- b) Should the customer be moving to a new location and it is deemed that a deposit is required at the new location, transferred to the new address
- c) once suitable payment history is established of consistent payments paid on or before the monthly due date for a period of one year, the security deposit may be refunded to the customer in the form of a credit on their account.

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Security deposit refunds outside the above criteria shall be requested in writing by the customer advising of the amount they seek refund of and specific reasons for requiring the security deposit refund. The supervisor/manager of the water accounts department will review and respond to the request within 15 days from receipt.

In the case of a commercial customer with high consumption in excess of 100 m³ per month where a security deposit has been secured, a refund of 50% would only be considered in special circumstances.

Acceptable forms of deposit payment are cash, cheque, debit card, money order.

Security deposits may be collected in up to four equal monthly installments, upon arrangement with the City of Kenora.

Security deposits will be subject to normal collection procedures including disconnection/termination of service.

3. Amount of Deposit:

Residential deposits will be established at \$200.00.

Commercial deposits will be based on two and a half times the average monthly bill for the location of service during the most recent twelve consecutive months within the past two years. If twelve consecutive months history is not available, it will be based on a reasonable estimate by City of Kenora staff, based on the type of commercial service.

When a customer has a payment history which discloses more than one final notice, or disconnection of service in a relevant twelve month period, the highest actual usage will be used.

Customers who join the pre-authorized payment plans offered by the City of Kenora, may have their security deposit reduced by 1/3 of the requested amount.

4. Interest on Deposits

Interest is based on the Bank of Canada prime rate less 2.0% and will accrue monthly. The interest rate will be updated at least quarterly and apply only to cash or cheque security deposits upon receive of total security deposit. The calculated interest will be refunded annually and credited to the first billing of the year.

5. Exemptions from Policy

Federal, Provincial and Municipal Governments shall be exempt from the security deposit requirement.

Customers who have previously established a good payment history with the City of Kenora will be exempt from the security deposit requirement.

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A letter of reference of a good payment history for customers will be acceptable from other Canadian municipalities, telephone companies, hydro electric companies, or gas suppliers.

Proof of satisfactory credit history from an Ontario based credit agency. This will be arranged through the City of Kenora at the Customer's cost. Credit scores are required to be over 700 to use as an exemption under this policy.

A co-signer with excellent credit history with the City of Kenora who assumes responsibility for payment of the defaulted account should the account holder not meet the expected payment terms and conditions.

6. Good Payment History

A customer is deemed to have good payment history unless:

- a) More than one preauthorized payment has been returned
- b) More than one returned cheque for insufficient funds
- c) They had a disconnection/termination trip
- d) More than one disconnection notice has been issued

The time period for determining a good payment history is:

- One year (twelve months) from the time of service

Conditions of Service

Each customer shall sign both the Terms of Service form along with a customer contract form. Each customer will be provided a copy of the Terms of Service by City of Kenora staff.

**Terms of Service – Water and Sanitary Sewage (“the Services”)
Terms and Conditions - General**

1. The Applicant agrees that the supply of the Services by the Corporation of the City of Kenora (“the City”) is subject to these terms and conditions.
2. The terms and conditions may be amended and supplemented or replaced by the City from time to time in the City's discretion.
3. The Applicant acknowledges that the supply of the services hereunder is subject to the provisions of the By-laws of the City governing the Municipal Water Supply and the provision of Sanitary Sewage Services as the same may be amended from time to time and the Applicant agrees to comply with the requirements of all such By-laws as a condition of the provision and continuation of the supply of the Services. The By-laws may be inspected at City Hall.
4. The Applicant further acknowledges that, as a Municipal Public Utility, the supply of the Services is subject to the provisions of the Municipal Act which authorize and governs, among other things, entry on property, reduction or shut off of supply, recovery of fees and charges, exemption of Municipality from liability, security for payment of fees and charges, supply of the utility, easements, prohibitions against interference with the utilities, and other matters, and the Applicant acknowledges that such provisions are binding on the Applicant and agrees to comply therewith as a condition of the supply of the Services.
5. The Applicant shall pay as the same come due all fees, charges, interest and other amounts imposed by the City from time to time for the supply of the Services.

Security Deposit/Co-Signer

6. The City may, in its discretion require a security deposit for payment of fees and charges.
7. Should a security deposit be required, the Applicant agrees to pay the same as calculated, and agrees to all terms and conditions imposed by the City with respect thereto. The Applicant acknowledges and agrees that the payment of the aforesaid security deposit is a condition precedent to the City's acceptance of the Applicant's application and the City's supply of the Services.
8. The City may require a Co-signer for the account in lieu of or in addition to a Security Deposit.
9. A Co-signer is a guarantor of all obligations of the Applicant under this Agreement. The Co-signer may be discharged from further obligations hereunder only when a substitute Co-signer has been approved in writing by the City or the City has, in its discretion, determined that a Co-signer is no longer required for the Applicant's account.

Binding Effect

10. This Agreement shall not be binding upon the City until the application is accepted, as evidenced by the signature of an authorized City representative, such acceptance being conditional upon the information provided in the application form being correct in all respects and this Agreement shall not be modified or affected by any promise, agreement or representation by any agent or employee of the City unless the same is in writing and is made part hereof.
11. Upon acceptance by the City, it is agreed that these Terms of Service shall be binding upon the Parties and their successors and assigns and that the sale or vacating of the service address herein named shall not release the Applicant from this Agreement without the written consent of the City.

Applicant

Co-Signer

City Approval

Applicant

Dated at the City of Kenora this ____ day of _____, _____.