

# Staff Report

Presented By: Matt Prentice, Director, Operations  
Daniel Waechter, Chief Financial Officer/Treasurer

Meeting Date: January 26, 2026

Subject: Water and Wastewater By-law Update

Attachment(s): Draft Water and Wastewater By-law  
Proposed Fees and Charges Amendments

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## **Recommendation**

That Council receive the Water and Wastewater By-law Update report for information; and

That Council endorse Option 1 as the method for handling overdue tenant water accounts.

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## **Report Summary**

The Water and Wastewater By-law is an all-encompassing document governing the administration of the water and wastewater assets of the Town. The proposed By-law replaces three existing by-laws (By-laws 117-99, 89-2001, and 52-2004) to modernize and formalize practices related to water and wastewater systems and users. The Water and Wastewater By-law and related Fees and Charges By-law will be presented at a future Council meeting after feedback is incorporated.

## **Background/Analysis**

There are three existing by-laws which currently form the basis for the administration of water and wastewater services in the Town:

- By-law 117-99, being a By-law to Authorize the Installation of Water Meters in all buildings serviced by the Town of Saugeen Shores' Water Works System;
- By-law 89-2001, being a By-law respecting the supply of water, the establishment, construction, maintenance, operation, improvement and extension of waterworks systems of the Town of Saugeen Shores; and
- By-law 52-2004, being a By-law to enact rules and regulations for access to water meters and to set water and wastewater rates in the Town of Saugeen Shores. This by-law has seen a number of amendments for the purpose of updating rates.

The new By-law aims to replace all three existing By-laws.

## Overview of the Water and Wastewater By-law

The framework (Part 3) of the By-law clearly divides the responsibilities for water and wastewater related functions between the Director of Operations, Director of Development Services, and the Treasurer.

The By-law affirms the Town's right to site access water and wastewater infrastructure and formalizes procedures relating to billing, ensuring that the Town is able to administer the By-law effectively.

The following areas are some of the key highlights of the new By-law and come from a modernization since the original By-laws were passed, as well as addressing issues with the current framework creating clarity for both users and administration:

- Formalizes a Municipal Service Connections Application (Section 3.4.2.(a)) as a means for connecting to the Town's system.
- Clarifies practices related to Additional Residential Units (ARUs) (Section 3.4.3(f)).
- Clarifies procedure for demolition of buildings to ensure safe and appropriate decommissioning of services. (Section 3.6).
- Adds a flat charge of \$250 for use of construction water (Section 3.7.1). This charge is to recoup the cost of water used on a site prior to the installation of a water meter and is proposed to be charged at the time of a building permit.
- Regulates that all water usage is intended to be metered (Section 3.9).
- Clarifies homeowner's/occupiers' responsibilities for water meters (Section 3.10).
- Clarifies homeowner's/occupiers' general responsibilities (Section 3.17).
- Clarifies a dispute resolution procedure for instances when the location of a leak is under dispute (Section 3.5.3).
- Formally authorizes the Treasurer to grant one-time high consumption credits (Section 3.21.1) and to waive interest on accounts (Section 3.20.7), aligning the By-law with past Council practice.
- Includes an updated Backflow Prevention section in the By-law, consistent with the Building Code and other current standards for backflow prevention in new construction. (Section 3.14).
- Formalizes existing practice of allowing lawn watering for odd numbered addresses on odd numbered days and even numbered addresses on even numbered days, maintaining the existing practice as the default conditions under normal circumstances (Section 3.19).
- Implements standardized connection charges and associated rules for properties when connecting to municipal water and sewer lines (Section 3.20.1).
- Connection charges have been added to the draft Fees and Charges By-law amendment at the actual cost incurred by the Town to provide the works.
- Maintains the existing practice of capping wastewater consumption at 70 cubic meters per billing cycle (Section 3.20.5(p)).
- Repeals existing 2x volumetric water charge for customers outside of the municipal boundary, removing contradiction where individual customers have negotiated rates.

- Maintains existing practice of offering no charge shut-offs and turn-ons to promote seasonal shutoffs done by qualified personnel that contribute to maintaining infrastructure and equipment.
- Clarifies the Town's right of access to water and wastewater infrastructure located on private property for inspection, maintenance and enforcement purposes, subject to applicable notice requirements.
- Outlines penalties associated with contravention of the By-law along with enforcement mechanisms available to the Town.

The attached Proposed Fees and Charges Amendments lists the Fees and Charges related to water and wastewater systems that are specified in the By-law, as well as the Equivalent Household Units of different property types for the purpose of fixed capital charges.

### **Outstanding/Delinquent Water Accounts**

In November 2023, an [Information Report](#) was presented to Council that made three recommendations for changes to existing water collection policies. These recommendations are intended to be implemented with the By-law: Recommendation #1 has had a change to the recommended implementation date, and Recommendation #2 has been amended to state that only tenant accounts that are in good standing will be grandfathered.

1. That the option for new accounts for residential tenant water and wastewater billing be eliminated and that all new accounts must be held by the property owner (Section 3.30.8(b));
2. That any existing residential tenant customer accounts in good standing are grandfathered, remaining active until tenants vacate; and
3. That the Town shall discontinue the use of water service disconnections as a collection tool for water accounts and instead utilize the transfer of unpaid water and wastewater charges to the property tax roll in June and December of each year for all amounts that are more than 90 days overdue (Section 3.15.1(h)).

The above recommendations are being made due to the difficulty of collecting amounts owed from tenants, the difficulty of administering tenant water accounts, and the increased risk of the town being involved in landlord-tenant disputes.

Approximately 20% of the Town's over 8,000 water accounts belong to tenants. Although one out of five accounts are tenant accounts, they consume a disproportionate amount of administrative time and represent the more contentious concerns from property owners. The proposed changes will result in substantial savings in time and improve the experience of the property owner(s) in managing their properties water accounts.

The elimination of residential tenant water accounts is estimated to save a minimum of 200 hours per year in administrative time. The majority of this time is dispute management and therefore, these 200 hours also represent an improvement in quality of service to the property owner(s). The changes to the shut-off procedures is estimated save an additional 180 hours per year for operations staff.

There are several factors which contribute to these situations:

1. High account turnover. Tenants tend to move more frequently than owner occupied dwellings. Every time new occupants takes possession of a property, a staff member needs to physically visit the property to read the meter. Administration then issues a manual “final” bill and follow up on collection. In 2022, the Town issued 497 final water bills, 36% of those bills related to rental properties. The Town is often not notified until well after a tenant has vacated / taken occupancy, which results in administratively burdensome billing adjustments.
2. Increased collection efforts. Once a tenant moves out of a property, contact with that individual can become more difficult. It is not uncommon for tenants to move out without informing the Town, in which case there is no address to send the final bill. In contrast, when a property owner moves out, staff work with the buyer’s or seller’s lawyer to ensure collection.
3. Landlords are sometimes forced to pay their former tenant’s bill. As noted above, the Town’s current billing practice often results in unpaid charges being applied to the tax roll of the property owner. Landlords are often frustrated when this occurs, resulting in challenging discussions over the Town’s use of its legislative authority. The elimination of the tenant billing option makes the water / wastewater account visible to the landlord, and they are better able to proactively manage tenant situations without the Town’s involvement.
4. Tenant - Landlord disputes. It is not uncommon for the Town to be caught in disputes between tenants and landlords when it comes to responsibility for bill payments. This is especially difficult when leaks are present and each party believes the other is at fault. In some cases, the landlord has failed to address a plumbing issue and the tenant is expected to pay a significant water bill. In other cases, the tenant has failed to report leaks, resulting in large unpaid balances to be assumed by the landlord.

Primarily due to the complexities and administrative burden associated with residential tenant water accounts, many municipalities no longer offer this service. A few examples include the City of Cambridge, Durham Region, Town of the Blue Mountains, Town of LaSalle, Municipality of Lakeshore, Town of Amherstburg, and Town of Kingsville.

While the above changes establish how water and wastewater accounts will be administered on a go-forward basis, the Town must also determine how to address the existing backlog of overdue water and wastewater accounts, many of which are held by tenants. To manage this backlog, the following options are presented for Council consideration:

#### Option 1 For Overdue Tenant Accounts (Recommended):

To avoid an immediate financial impact on property owners, any overdue balances on active and inactive tenant accounts will remain with the tenant-held account and be subject to the Town’s standard collection efforts, including a referral to a collection agency where appropriate. As these accounts are aged and largely uncollectable, this option is likely to result in a one-time write off of outstanding water and wastewater revenue, estimated to be up to \$100,000. On a

go-forward basis, new tenant accounts will no longer be permitted, making this a one-time transition action and associated cost.

#### Option 2 For Overdue Tenant Accounts:

Include all tenant accounts with arrears in the regular transfer to the associated property tax account for all amounts that are more than 90 days overdue, beginning with the June 2026 transfer. Under this option, unpaid tenant arrears would become a lien against the property, regardless of who incurred the charges or when they were incurred. This approach would allow the Town to rely on the transfer to the tax roll as the primary recovery mechanism; however, it would shift the financial burden of tenant arrears to property owners, including in cases where the charges relate to tenants of a previous owner of the property. Property owners would be responsible for pursuing any recovery action against tenants to attempt collection of these amounts through private civil litigation.

While administratively efficient from a collection standpoint, this option may create financial hardship for some property owners and could result in disputes related to legacy tenant accounts, particularly where properties have changed ownership or where sustained collection efforts were not feasible due to staffing constraints. Therefore, Option 1 is being recommended.

#### **Linkages**

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Corporate Services Division Highlight

#### **Financial Impacts/Source of Funding**

The cost associated with these recommendations is contained within the water and wastewater operating budgets.

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