



Hamilton

INFORMATION UPDATE

TO:	Mayor and Members of City Council
DATE:	October 29, 2018
SUBJECT/REPORT NO:	Non-compliance Water Disconnections – HW.18.06
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Cindy Mercanti Acting Director, Financial Planning and Policy Corporate Services Department 
SIGNATURE:	Andrew Grice Director, Hamilton Water Public Works Departments 

This information update is to advise the Mayor and Members of Council that beginning Monday October 29th, and following the amended Water and Wastewater / Storm Consecutive Estimates Policy ("Policy") attached as approved by Council on August 17, 2018 (FCS18074), Hamilton Water will begin disconnecting (shutting off) the water supply for properties that are not compliant with the Policy. Between October 29th and November 1st, the water supply will be shut off for up to 33 properties.

Since the approval of the amended Policy in August, staff have developed processes and undertaken several actions to attempt to avoid water shut offs for non-compliance:

Sept 17, 2018 – 94 water service disconnection letters were issued for those properties on elevated estimated billings (an explanation of elevated billing is below) of 2 or 3m3/day for at least 12 months with most having been on such billing for 2 years and longer. 25% of the properties have responded since booked appointments for Hamilton Water to visit the property and install, inspect, maintain or repair the water meter, which will restore the accounts back to metered billings.

October 2018 – Hamilton Water staff began attending those properties that did not respond to the September 17th notification, to locate and inspect the property's shut off valve located at the property line. Approximately 22 properties were found with shut off valves that required repair, which is the City's responsibility. Related repairs will be scheduled over the coming months.

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October 22 to present: - Notices of pending non-compliance water shut off were sent to 48 properties via registered mail and an Alectra Utilities Corporation contractor posted non-compliance notifications at each property.

Since delivering the registered notices and posting the notifications 12 of the properties have booked appointments for Hamilton Water to visit the property and install, inspect, maintain or repair the water meter (which will restore the accounts back to metered billings) and 2 properties have outright refused access. It is expected that the City will continue to receive calls from at least some of the remaining 33 properties (approximately 1/3 are known to be vacant) to have the work completed before the water is shut off.

For any properties where the water is shut off, staff are ready to respond to address the metering concerns and have the water turned back on.

The following is a summary of the Water and Wastewater / Storm Consecutive Estimates Policy:

Billing for the supply of water in the City of Hamilton is, in part, based on the consumption registered on the water metering equipment for the property. The City's Waterworks By-law requires customers to provide access to the City to the water meter and related equipment for the purpose of meter reading, installation, inspection, maintenance or repair. Where access to the water meter and related equipment is not provided and actual water consumption readings cannot be obtained by the City, water consumption is billed by the City's billing agent, Alectra Utilities Corporation ("AUC"), based on estimated consumption amounts. This practice is reflected in the Water and Wastewater / Storm Consecutive Estimates Policy ("Policy"). Typically, the consumption estimate is based on the prior historical average usage for the account reflecting a similar period of time. Where no historical consumption exists for the account, estimated readings may be made using consumption of metered accounts of the same customer rate class. Where the failure or refusal to provide access to the metering equipment persists, consecutive or ongoing estimated accounts are rendered.

The City and AUC undertake several actions with the view of obtaining access to the metering equipment and addressing the issue of consecutively estimated accounts. The Policy provides for the option of invoicing on a "double-flat rate" billing (2m³/day) and "triple-flat rate" (3m³/day) billing basis as a staged progressive approach commencing after three consecutive estimated billings, until such time as access is granted to ensure ongoing actual water meter reads and billings based on those actual reads. This double and triple-flat rate billing provision has, in most cases, proven to provide an effective incentive for customers to allow access to the water metering equipment to obtain the required actual consumption readings. Additionally, increased/elevated estimated billings help to minimize "catch-up" billings that can result from a period of increased consumption following estimated billings. Historically the attempts of the City and AUC to address consecutively estimated accounts have achieved a measured level of success.

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However, and notwithstanding efforts made by the City and AUC to resolve the issues by obtaining access to the properties, there continues to be many properties for which flat rate or estimated billings remain in place for extended periods of time. As such, City Council at its meeting held on August 17, 2018 approved an amendment to the Policy (FCS18074) to address those situations where the staged progressive estimated billing provisions have not proven to be effective in securing access to the water metering equipment and resolving consecutively estimated billings.

The amended Policy incorporates the option of service disconnection as a last resort when the other means provided for by the Policy have failed to encourage the customers to provide access to the City for the purpose of obtaining actual water meter reads.

The Policy permits service disconnection (water shut off) to be considered for residential properties (except multi-residential) to address situations involving consecutive estimates where any of the following conditions exist:

1. Access, satisfactory to the General Manager of Public Works (or designate), is not provided to the premises or the water metering equipment for the purpose of meter reading, installation, inspection, maintenance or repair, for at least 12 consecutive calendar months;
2. Following notice from the City or its agents, an obstruction that prevents meter reading, installation, inspection, maintenance or repair was not removed by the customer to the satisfaction of the General Manager of Public Works, or its designate, for at least 12 consecutive calendar months;
3. Premise is determined to be vacant and at least three consecutive estimated invoices were issued;
4. At least two increased consecutive estimated invoices (either 2m³/day or 3m³/day) remained unpaid resulting in arrears transfer to the property tax roll.

Reasonable notice of the planned water shut off will be provided to the owners and occupants of the affected premises. The intent under the Policy is to issue a notice of pending non-compliance water shut off by registered mail and if there is no response a non-compliance notification will be posted at the property. These two notification measures exceed the minimum service disconnection notification requirements as prescribed by the *Municipal Act, 2001*. Except for known vacant properties, water shut off will be limited to occur between April 1st and October 31st each year.

Council further approved new user fees intended for cost recovery related to the administration and disconnection / restoration of water service associated with service disconnection under the Policy.

The water service would not be reactivated (turned on) until the customer permits the City or its agents, to install, inspect, maintain or repair the water meter. Where conditions are found that do not allow for the water meter work to be performed, the City, at its sole discretion, may turn on the water service where the customer makes arrangements within a specified timeframe to permit the work to be completed. The

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customer must adhere to these arrangements, failing which, the water service may again be disconnected and applicable fees will be applied.

Appendices and Schedules Attached

Appendix A - FCS18074 Water and Wastewater Consecutive Estimated Accounts Policy