



## Water and Wastewater/Storm

### 2015 Service Activity Report to The City Of Hamilton

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## Overview

Horizon Utilities Corporation (“Horizon Utilities”) has been providing water and wastewater/storm account management and billing services to the City of Hamilton (“City”) since December 2001.

The goal “Easy to do Business With” sets the tone for the customer experience at Horizon Utilities. This goal is easy for employees to understand and it keeps us focused on the review and refinement of key customer business processes that deliver cost effective customer service. While respecting the role that Horizon Utilities has as the City’s billing agent, our Customer Service Department views every customer as a “Horizon Utilities customer”, taking pride in the provision of customer service excellence.

Under a contractual relationship that extends to December 31, 2019, Horizon Utilities provides the City with a comprehensive package of services to support all functions related to customer information and billing operations for approximately 147,000 water and wastewater/storm customers. The suite of services includes:

- Meter reading
- Bill calculation, printing, mailing and electronic bill presentment options (e-billing)
- Customer notifications
- Full customer call support, responses to inquiries and liaison between the customer and the City for escalated concerns
- Oversight and administration of City procedures and programs relating to water and wastewater/storm services such as the Leak Adjustment Policy
- Payment processing
- Account collections including the administration of payment arrangements
- Customer web access to account information including account status and consumption information
- Monthly statistical reporting
- Ad-hoc reporting upon request
- Completion of work orders
- Issuing service orders to Hamilton Water
- Transfers of water and wastewater/storm arrears to property tax roll
- Billing/invoicing/collection/management of Sewer Discharge Permits

In addition to the operational functions provided by Horizon Utilities to the City, Horizon Utilities also strives to bring value-added expertise and partnership through the support and delivery of new initiatives. This has been demonstrated throughout the year.

A Billing Process Audit was completed by the City’s Internal Audit Division earlier this year. The audit confirmed that all aspects of the City – Horizon Utilities agreement are being followed and align with City Policies (see City Report AUD15021).

Horizon Utilities worked with the City to support customers through another unusually cold winter. The City identified impacted customers, provided a communication to run their water to prevent frozen water service lines and subsequently provided financial assistance for the additional water consumption through billing adjustments. This extraordinary accommodation was managed over a three month period. Horizon Utilities managed all customer communications as well as the billing adjustment process.

At the City’s request, a unique weekly meter reading program for Carlisle area homes was initiated from May to October in order to gather consumption information for these homes serviced by the City’s communal well system.

The recent Hamilton Water newsletter bill insert was issued to approximately 5,000 property owners where the account has been re-directed to a tenant, to make landlords aware of the availability of the service line warranty program.

### **Meter Reading and Billing**

The customer experience offered by Horizon Utilities begins with the customers’ receipt of accurate and timely invoicing. Horizon Utilities manages meter reading and meter read schedules on a daily basis to ensure that water meter reads are available to support monthly and bi-monthly water and wastewater/storm billing for residential, institutional, commercial and industrial customers.

The billing of electricity and water and wastewater/storm charges on a converged invoice results in a convenient one-bill solution for most customers. Approximately 24,000 customers receive a stand-alone water/wastewater/storm invoice primarily due to locations located within the City of Hamilton, but not within the Horizon Utilities electric service territory.

Where an actual water meter read cannot be obtained (for example, access to the meter is not available or the touch pad is not reading) a notification card is left at the property by the meter reader to advise the customer that a reading was not obtained. The customer has the option of providing their own meter read by calling the Horizon Utilities Customer Service department, utilizing our automated Interactive Voice Response (“IVR”) telephone system, sending a digital picture of their read with an email, or completing a form on the Horizon Utilities website. If a meter read is not provided through one of these methods, the meter read is estimated by evaluating the customer’s usage for the same period last year as well as the average of the last three bills. Estimated reads are clearly identified on the customer’s bill. A separate notification letter for the estimated account is sent to each customer after the third consecutive estimate has occurred. The owner of a tenant-billed account is also issued a separate estimate notification letter to ensure they are also aware of the estimation issue. The utilization of IVR outbound calls is also being completed after the third estimated reading. Currently there are approximately 1,300 accounts that have been estimated more than twice. Resolving estimated accounts is a focus and priority every day. This focus is forecasted to reduce the number of “Estimated Account” letters issued to 11,500 this year. This is a decrease of 2% over the average of the last 3 years.

Electronic “smart” water meters have been installed in hard-to-reach locations and are read through the Horizon Utilities wireless telecommunications. These reads are managed through an Advanced Metering Infrastructure (“AMI”) and then updated into the Horizon Utilities Customer Information System (“CIS”) each day. Currently 188 electronically read water meters have been installed to date and an additional 91 water meters have a remote radio head installed for electronic reading.

The Horizon Utilities CIS supports the range of fees and charges required by the City including: metered rates, various non-metered rates and fixed charges based on meter size. More complex billing scenarios such as water haulers, master/satellites, seasonal meters, compound meters and electronic read water meters are all also managed within the CIS. Invoicing of the City’s Wastewater Abatement Program, Private Fire Line user fees, Sewer Discharge Permit fees, back-billings and various Hamilton Water service charges are also handled by Horizon Utilities as required.

**Meter Reading and Billing Information**

	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Actual	Forecast
Water/Wastewater Number of Invoices Water	897,068	918,170	923,270	934,052	951,062	976,478
Water/Wastewater/Storm Revenue	\$140.7 MM	\$148.5 MM	\$154.2 MM	\$156.5 MM	\$169.2MM	\$178.9MM
Meter Reads	890,954	912,679	898,225	912,467	912,405	919,514
Meter Read Success Rate	95%	94%	96%	96%	95%	96%
New Accounts Created	1,561	1,535	2,080	1,908	1,827	1,330
“Estimated Account” Letters	9,205	11,529	17,034	11,385	15,080	11,780
Touchpad “not working” Service Orders	161	185	140	100	125	104
Service Orders to relocate remote touchpad	84	105	80	184	175	238

As a part of ongoing revenue assurance initiatives, a new billing report was generated to identify compound meters having no usage registered on the low end which will trigger a service order to the City for investigation. A second report has now been created to identify these same meters where no usage registers on the high end of the meter.

**Customer Satisfaction**

Horizon Utilities engages an independent consulting firm to measure customer satisfaction on an annual basis. The methodology is to randomly select residential and general service customers to complete a telephone interview of standard questions.

Satisfaction with local electricity utility that supplies the electricity you use	2015	2014	2013	2012	2011
Horizon Utilities	92%	87%	95%	93%	90%
Ontario	83%	80%	90%	88%	86%
National	88%	87%	91%	89%	90%
Provides consistent, reliable energy	88%	88%	91%	92%	92%
Is proactive in communicating changes and issues that may affect customers	86%	77%	81%	80%	78%

**Customer Management**

The Horizon Utilities’ Call Centre is forecasted to answer more than 326,000 telephone inquiries regarding electric and water accounts in 2015; meeting or exceeding its target of answering 80% of in-bound calls within 30 seconds. An additional 45,000 customer transaction requests and queries are received and responded to annually through self-serve options, electronic channels including email and the Horizon Utilities after-hours voice mail box. Extended hours commenced in October 2014 to extend the hours of customer service beyond 4:30 p.m. to be 8:30 a.m.to 6:30 p.m. Monday to Friday. The extended hours has been valued by customers, providing additional accessibility and assistance beyond the traditional hours of service.

Customer calls received after the close of the Call Centre, including those related to water emergencies, are answered by the Horizon Utilities Operating Department. Where necessary, customers are transferred directly to the City for further follow-up. Notifications and information regarding wide-spread or significant events, such as water main breaks, are added to the Horizon

Utilities telephone messaging system to inform customers of the event and advise of whom to contact for additional information.

To date, almost 3,800 customers with water have registered for Canada Post’s epost™ paperless bill presentment and no longer receive a paper invoice. Another 10,000 customers have selected to receive their invoice via email from Horizon Utilities.

Horizon Utilities website has a section dedicated to water and wastewater/storm services and customer education including:

- Water and wastewater/storm billing explanations
- Understanding your water bill
- Water and wastewater/storm rates
- How to read a water meter
- Things you need to know before buying a home or going away
- Information about the City’s Water Leak Adjustment Policy
- Information detailing who is responsible for water and wastewater/storm charges
- Information regarding Private Fire Line Charges and Sewer Discharge Permit Charges
- Water and wastewater/storm service user fees
- Frequently asked questions
- Water saving tips

Customers can access their secure online account to view their bills, understand historical water consumption and utilize account management features such as a paperless billing option.

Customer queries arriving via letter, fax, email, or the website are answered promptly and professionally. The Customer Care team are knowledgeable about the billing and payment services that Horizon Utilities provides, including particulars regarding water and wastewater/storm account management. The Call Centre responds to queries such as:

- Notification of a change of address
- Requests to discuss payment options
  - Pre-authorized payments
  - Equal payment plans
- Queries about how rates and charges are calculated
- Payment arrangement options
- The City’s Water Leak Adjustment Policy and procedure
- Application of water/wastewater/storm arrears to the property tax roll
- Meter reading access issues
- Inquiries about high usage (including the provision of leak identification education) and meter accuracy inquiries

The CIS provides variance reporting to ensure that bills are within a normal tolerance that supports the administration of the High Water Read Notification Program. Residential customers are contacted by telephone before receiving their bill to be advised that their bill has been calculated to be more than 175% greater than their norm (this notification trigger is lowered to 150% during the months of November to April). This timely notification allows customers to identify abnormally high water use, which assists with the identification of leaks and allows for corrective actions.

As part of the City’s ongoing audit of property connections to its water/wastewater/storm systems, back billings for water and/or wastewater accounts not previously invoiced are calculated and billed upon request. Further inspections of non-residential premises by City staff also result in revenue recoveries related to meter bypass valves that have been found to be opened.

Timely customer communication supports positive customer relations. City bill inserts are included with invoices to advise customers of rate schedule changes or policy modifications. Additionally, special mail-outs are coordinated for the City as requested.

**Customer Management Information**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>Forecast</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Incoming Calls answered within 30 seconds	<b>81%</b>	81%	81%	80%	75%	82%
First Call Resolution	<b>89%</b>	90%	89%	89%	N/A	N/A

Customers who contact the Horizon Utilities Call Centre each week are randomly selected to participate in an automated telephone survey. The survey provides the customer with an opportunity to rate the professionalism, knowledge, and level of overall service received. The survey is also used to measure First Call Resolution by asking customers if their question or concern was resolved with this single call.

**Payment Options and Collections**

Horizon Utilities offers a variety of payment options tailored to each customer’s unique needs. Customer payment options include:

- Automatic pre-authorized payment plans
- Equal monthly payment plans (for pre-authorized payment plan customers)
- In person by cash, cheque or money order at 55 John Street North in Hamilton or at any Municipal Service Centre
- By mail
- Cheque, money order, or bank withdrawal from most financial institutions
- Telephone banking
- Internet banking
- Credit Card Payment (with a Convenience Fee)

On occasions where significant water/wastewater/storm related charges occur, Horizon Utilities will manage deferred payment arrangements in accordance with the City’s Water and Wastewater/storm Deferred Payment Policy. This Policy permits deferred payment arrangements to address financial hardship while balancing prudent collections activities. Arrangements under \$5,000 for up to 24-months are wholly administered by Horizon Utilities. Deferred payment arrangements exceeding \$5,000 or 24-months in duration are managed by Horizon Utilities based on prior direction and approval from the City.

The *Municipal Act, 2001*, allows unpaid water and wastewater fees and charges to be placed on the City of Hamilton tax roll for the property to which the public utility was supplied, irrespective of who the consumer or account holder may be or have been.

In accordance with the City's Water/Wastewater Arrears Policy and in order to assist property owners who direct water and wastewater/storm billings to a tenant, Horizon Utilities endeavors to notify property owners of tenant/account holder arrears at 30 and 60 calendar days beyond the due date. If the account remains unpaid, the water/wastewater/storm arrears will be added to the property's tax roll when the account is 90 calendar days beyond the due date. Horizon Utilities manages the process of electronically transferring the outstanding fees and charges related to active and final billed accounts to the property tax roll.

**Payment Information Options**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>Forecast</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Water/Wastewater accounts on Pre-Authorized Payment	<b>59,826</b>	57,860	56,300	53,332	51,438	N/A
	<b>42%</b>	40%	39%	37%	36%	
Water/Wastewater on Equal Payment Plan	<b>8,464</b>	8,107	7,975	7,556	7,329	N/A
30 day/60 day Notification Letters sent	<b>36,357</b>	34,482	30,570	23,275	13,790	14,827
Number of Accounts Transferred to Tax Roll	<b>5,900</b>	5,747	5,145	4,760	4,280	4,017
Arrears Value	<b>\$2,200,000</b>	\$1,440,272	\$1,118,320	\$972,688	\$733,900	\$815,488

**Administration and Management of City of Hamilton Programs and Special Requests**

Arrears Certificates: Upon request from a solicitor, water and wastewater/storm arrears certificates are sent advising of any outstanding charges that remain at the time of closing for real estate transactions. Arrears certificate queries are answered daily; 100% are completed within ten business days by the Horizon Utilities Customer Service department.

Service Orders: Horizon Utilities processes a variety of service orders from Hamilton Water's Customer Service and Community Outreach section related to activities such as new meter installations, meter replacements and account transfers.

High Water Read Notification Program: On behalf of the City, Horizon Utilities provides notification to account holders who experience higher than average historical water consumption. This timely notification provides customers the opportunity to identify and repair any leaks or identify usage that would affect the amount of water consumed. The notification, which includes leak detection information, is mailed out to customers if usage increases by 175% over the previous year (150% during November – April).

Water Leak Adjustment Policy: The City of Hamilton's Water Leak Adjustment Policy as recently amended, provides residential, not-for-profits and institutional customers who utilize City of Hamilton water services with financial assistance under certain circumstances. The Policy provides a one-time opportunity for customers to request adjustments to water/wastewater/storm charges where repair(s) of water leaks within private property occurs, excluding any water leaks in the water service pipe.

Customers may request adjustments to water and wastewater/storm charges by completing a Water Leak Adjustment Request form (available on the Horizon Utilities website) and submitting it to the Horizon Utilities Customer Service department. Any adjustments greater than \$500 require City review and approval.

Billing of Seasonal Accounts: In order to accommodate the billing of accounts on a seasonal basis, such accounts are flagged in the Horizon Utilities CIS and yearly reads are gathered or estimated. These reads, and any related work orders, are completed by the City and forwarded to Horizon Utilities in November to reconcile these seasonal accounts.

Billing of Sewer Discharge Permits: On a quarterly basis, Horizon Utilities bills sewer discharge permits with the City’s annual budget for these revenues exceeding \$5.6M.

**Program Management Information**

	<b>2015 Forecast</b>	<b>2014 Actual</b>	<b>2013 Actual</b>	<b>2012 Actual</b>	<b>2011 Actual</b>	<b>2010 Actual</b>
Water/Wastewater Arrears Certificates	<b>4,630</b>	4,977	4,325	5,070	4,114	N/A
Service Orders Completed	<b>4,585</b>	5,231	3,821	4,569	6,300	9,315
High Water Notification Letters	<b>14,309</b>	9,102	12,039	7,860	10,090	5,789
Leak Adjustment Request Forms Received	<b>153</b>	211	137	197	300	241
Leak Adjustment Credits applied to accounts	<b>\$58,872</b>	\$72,882	\$45,100	\$64,750	\$160,029	\$65,915

**Reporting**

Horizon Utilities utilizes reporting to manage the water and wastewater/storm billing activities including exception handling. A variety of statistical and summary reports are sent to the City each month to enable analysis and program oversight, including:

- Monthly billing detail report
- Adjustments detail report
- Leak Adjustments summary
- Wastewater Abatement summary
- Non-metered account listing
- Large water user billing report
- Meter read accuracy report
- Rate types and meter size
- Sewer Discharge Permit billing report
- Fire Line Services
- Summary of aging arrears and current account receivables
- Revenue report by rate class
- Trail balance for all account receivable transactions
- Adjustments by type