

Jason Quehl

Dear Audit, Finance and Administration Committee,

First, I would like to thank you in advance for your time in reading my presentation and request with regards to the Water Leak Adjustment Policy. Apologies that I could not attend in person.

It is with great honour that I present this paper to you today and ask for your consideration. As a long time and faithful taxpayer in the City of Hamilton I recognize that you have many different complex issues to consider and I appreciate you keeping an open mind with respect to the issues I will raise.

Background

Myself and my wife purchased [redacted] in February of 2013. The house was in pretty rough condition and it is in a difficult part of the city. That being said my wife and I were up for a challenge and we wanted to provide a suitable home to less fortunate residents of Hamilton. Upon purchasing and since that time we have invest over \$30,000 in improving the condition and quality of the property including upgrading the water line to the house.

Sometime in January 2017 the water consumption of [redacted] started to spike significantly. At the time, no notification was sent and there was no way for me to know since I do not reside at the property. On April 5, 2017, I received a voicemail from Horizon indicating that there was a high-water bill. As soon as I received this voicemail I diagnosed the problem and had it fixed immediately.

When we finally reviewed the bills after all the repairs were made the total cost of the water for that time period was over \$3,500. The house had consumed more water during this time period than it did in the previous two years. As you can imagine these costs are excessive and very difficult to pay for especially given the nature of the house and the tenants.

That being said the tenants knew about the problems and did not report them in a timely manner. In their lease and the rental tenancy act it is clear that they would be responsible for these costs. The problem is that these costs would be extremely difficult for these tenants to cover. Each tenant pays \$800 per month and these costs would be the equivalent of two months' rent for both of them.

What forgiveness am I asking for?

I am asking for you to do today is to consider my situation under the current Water Leak Adjustment program. This would be asking you to forgive 50% of the \$3,500 of water expense caused by this situation. If you can extend this forgiveness to this situation I will cover the other half of the expense so that it does not impact my tenants who cannot afford to pay for these bills without impacting their lives significantly.

Why am I asking for forgiveness?

When the Water Leak Adjustment policy was last changed the council decided to exclude commercial enterprises. That being said a rental property is not a commercial property it is where many of the residents of Hamilton live.

In this situation, there are a number of reasons why I am asking you to consider this situation for forgiveness.

- 1) **Fairness and Discrimination** – The current policy gives preferential treatment to City of Hamilton residents who own their own homes. My tenants who now have to try and figure out how to pay these expenses are being discriminated against because they don't own their own home. Why should somebody's residential status for financial status mean that they cannot qualify for this policy?
- 2) **Unintended Consequences** – As you know the City of Hamilton has a very tight rental market especially for units that lower income residents can afford. By excluding small rental buildings from the policy this will in effect drive rents up and reduce availability even further
- 3) **Opportunity Costs** – If we need to cover these expenses in full this will divert money away from other improvement projects on the property that could improve the lives of the tenants.
- 4) **Notification** – Although I recognize it is an added feature if the notification could have come much earlier we could have significantly reduced the expenses.
- 5) **Real Costs** - Although it is true that we used this water and it did go down the drain – the costs being charged are not real costs they are allocated costs across the entire City of Hamilton network. Charging these in full is basically a high margin sale for Horizon since they are allocated.

Overall, I would recommend that you include the opportunity for all renters and their landlords to participate in this policy and I would also recommend that we find a way to have much better notifications.

Thank you for your consideration and I really appreciate your time in this matter.

Kind regards,

Jason Quehl