

**98 East 31<sup>st</sup> Street Hamilton**  
**Water Billing Dispute**  
**Delegation to Audit, Finance & Administration Committee**

Summary

On July 1, 2018, the water account for 98 East 31st Street, Hamilton reverted to the owner/landlord's name from a previous tenant held water account in accordance with the Council approved change to City water and wastewater/storm billing policy regarding tenant accounts. All residential accounts established on or after June 1, 2018, must be opened and billed in the name of the registered owner(s) of the property, and not the name of any tenant(s). In May 2018, all landlords with residential tenants were advised of the billing policy change via a notification letter (see pages 4-5), as well as, newspaper advertisements.

Table 1 on page two provides the rental property's water and wastewater/storm billings under the owner. The crux of the landlord's water billing issue lies with the high consumption bills reflecting meter readings taken in September and October 2018 for a significant amount of water consumption following actual water meter readings.

The City's water billing agent Alectra Utilities Corporation (AUC) left a voice mail message for the landlord regarding the initial high water bill on September 18, 2018, advising to check for potential plumbing leakage and to verify the meter reading AUC had read on September 14, 2018 of 2,552m<sup>3</sup>. The landlord did not return call and once AUC had reread the meter issued the September bill for a total water and wastewater/storm amount of \$1,100.67. Following an October 13<sup>th</sup> meter reading of 2,739m<sup>3</sup>, AUC issued the October water bill for a total amount of \$584.95.

Landlord contacted AUC on November 22, 2018 regarding the high water bills and in turn, AUC advised the meter reading have been verified as accurate. In accordance, with the City's Arrears Policy, several arrears notices were issued by AUC in November 2018 regarding the September water bill that remained unpaid resulting in a tax roll transfer of arrears on November 30<sup>th</sup> in the amount of \$1,100.67. An administrative fee is applied by Taxation for each tax roll transfer of water and wastewater/storm arrears (2018 fee \$32.95, 2019 fee \$34.25).

On December 28<sup>th</sup> the landlord contacted AUC advising that the tenants may have left water running outdoors continuously questioning City policy of charging wastewater/storm based on metered water consumption. AUC advised that City policy is to charge wastewater/storm based on metered usage with no exceptions and customers wishing to dispute City policy may appeal directly to Committee by contacting Clerks. AUC further advised that unpaid arrears would lead to further transfers of arrears to the property tax roll.

Several arrears notices have been issued by AUC in December regarding unpaid October and November water bills. On January 4, 2019, \$584.95 of arrears has been transferred to the property tax roll.

### Wastewater Rate Structure

Generally sanitary utilities base their charge for wastewater services upon the volume of water consumed recognizing that there is a strong correlation between the volume of water consumed and the volume of wastewater discharged and that it is not practical to install effluent metering. Another common wastewater billing practice is for utilities to assess their wastewater charge on 100% of water consumption.

In 2013, Council reaffirmed Hamilton's long-standing practice of charging wastewater/storm fees based on 100% of metered water consumption (refer to Report FCS11025(e)).

This practice does cause some dispute from those consumers with increased seasonal water use arguing that not all of their water consumption is discharged into the sanitary system. Despite this criticism, most utilities base wastewater charges on 100% water consumption due to a number of reasons:

- Declining water consumption trend has been observed in Hamilton, across Ontario and Canada with the decline reflected in non-essential water usage (lawn watering, car washing, etc) so that in effect the vast majority of consumers do not have much seasonal usage if any
- Most sanitary utilities determine their wastewater rates by basing it on their total wastewater costs, so any method of discounting summer wastewater charges would require an overall rate increase to balance the loss of revenue so in effect the majority of users would simply subsidize the minority of customers who still have significant seasonal water usage
- Having a 100% metered water volume-based wastewater charge can magnify conservation promotion, simply because customers will realize that they will save on both water and wastewater bills if they use less

### **TABLE 1**

## 8.1(a)

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Read Date	Total Bill (\$)	Consumption (m3)	Read Estimated	Read From (m3)	Read To (m3)	Avg Daily (m3)	Billing Days
8/10/18	35.80	5	No	2195	2200	0.125	40
9/14/18	1,100.67	352	No	2200	2552	10.057	35
10/13/18	584.95	187	No	2552	2739	6.448	29
11/12/18	116.40	31	No	2739	2770	1.033	30
12/12/18	62.51	15	No	2770	2785	0.5	30

### Alectra Utilities Customer Contact Timeline

9/18/18 – left voice mail message regarding high water bill, advising to check for potential plumbing leakage and to verify the meter reading AUC obtained on September 14, 2018 of 2,552m3

10/10/18 – following meter reread, AUC issues September water bill for a total water and wastewater/storm amount of \$1,100.67

11/2/18 – AUC issues arrears notice regarding unpaid water bill. Additional notices are issued on 11/9 and 11/19

11/22/18 - landlord contacted AUC regarding the high water bills and in turn, AUC advised the meter reading have been verified as accurate.

11/30/18 – tax roll transfer of arrears in the amount of \$1,100.67 plus administrative fee of \$32.95 is applied by Taxation

12/7/18 – AUC issues arrears notice regarding unpaid water bills. Additional notices are issued on 12/10 and 12/22

12/28/18 – landlord contacted AUC asking to speak with a customer service supervisor that the tenants may have left water running continuously. AUC advised that City policy is to charge wastewater/storm based on metered usage with no exceptions and customers wishing to dispute City policy may appeal directly to Committee by contacting Clerks. AUC further advised that unpaid arrears would lead to further transfers of arrears to the property tax roll.



Name & address

Attention: Owner of [insert service address]

**Re: Changes to Water and Wastewater/Storm Services Billing Policy**

Service Address:

Alectra Utilities (formerly Horizon Utilities) is sending you this letter on behalf of the City of Hamilton to outline recent changes to the water and wastewater/storm billing policy and to provide information relating to your water and wastewater/storm services.

**Billing Policy Change for Residential Tenant Water and Wastewater/Storm Accounts**

Hamilton City Council has approved a change to the water and wastewater/storm billing policy whereby all residential accounts established on or after **June 1, 2018**, must be opened and billed in the name of the registered owner(s) of the property, and not the name of any tenant(s) as was previously permitted. Tenant held residential accounts established prior to June 1, 2018, can continue to be billed to the tenant(s) until the end of their tenancy. Thereafter, pursuant to the revised billing policy, the account will revert to the property owner and all future billings will be sent to the owner's mailing address as listed on the property tax assessment role. To update this mailing address information, please contact the City of Hamilton's Taxation office in writing either by mail at 71 Main Street West, Hamilton Ontario, PO Box 2040 Stn LCD1, L8N 0A3, or by email to [taxsupport@hamilton.ca](mailto:taxsupport@hamilton.ca)

Alectra Utilities, as the City's water billing agent, will continue to accept payments from tenants/other non-owners (such as a property manager), however, it remains the property owner's responsibility to ensure bills are paid on time.

**Responsibility for Water and Wastewater/Storm Fees and Charges**

Property owners need to be aware that although billing and payment notifications for grandfathered accounts (opened by residential tenants prior to June 1, 2018), may be sent to a person other than the property owner, the *Municipal Act, 2001* allows unpaid water and

wastewater/storm fees and charges to be added to the tax roll of the property to which the public utility was supplied, regardless of who received the service. Alectra Utilities endeavours to provide a notification to property owners of tenant arrears in a direct and timely manner. Arrears notifications will be sent to property owners and account holders (if different from the property owner) when the bill remains unpaid for 30 calendar days following its due date. If the account remains unpaid for 60 calendar days following its due date, the water and wastewater/storm arrears, including any applicable interest, late fees and administration charges, will be added to the tax roll for the property.

If you have any questions regarding your account or water, wastewater/storm fees and charges, please contact Alectra Utilities' Customer Service department at 905-522-9200.

### **Water and Sewer Line Responsibilities**

Many homeowners are not aware that they, not the City, are responsible for the private portion of the water and sewer lines that run between their homes and the property line. The City has partnered with Service Line Warranties of Canada (SLWC) to provide affordable, optional protection plans available to homeowners and also to landlords for their rental properties. Participation is optional and voluntary for homeowners in City of Hamilton.

The Service Line Warranty program provides water and sewer service line warranties to cover repair costs to the private portion of the service lines. These warranty plans include:

- **Water line warranty** - Covers repair costs to restore flow to frozen, leaking or broken outside water lines
- **Sewer line warranty** - Covers repair costs to restore flow to frozen, leaking or clogged outside sewer lines
- **In-home plumbing & drainage warranty** - Covers the cost of repairs to clogged, frozen, leaking or broken water and sewer lines inside the house, including drain lines connected to the main sewer stack. This does not cover faucets or fixtures, venting issues or gas lines.

To learn more, visit [www.slwofc.ca](http://www.slwofc.ca) or call SLWC toll-free at 1-855-326-4730, available: Mon-Fri 9am-5pm.

Alectra Utilities Corporation  
Customer Service Department