

Hamilton
Water Billing Dispute Delegation to Audit, Finance & Administration Committee

Summary

The current property owner purchased [REDACTED] Hamilton on May 1, 2018, with the owner/landlord as the account holder. Table 1 on page two provides the property's water and wastewater/storm billings under the current owner. The crux of the landlord's water billing issue lies with high water bills received in March and April 2019 for a significant amount of water consumption that was attributable to an external water pipe that had burst. Unfortunately, the water supply to the rear yard hose faucet/bib (more commonly known as an outside water tap) was not shut off last fall prior to freezing temperatures that typically are experienced during the winter months. When water freezes in a pipe, it expands and if it does so enough, the pipe bursts, water escapes possibly causing property damage and high water bills. A review of the temperatures experienced from January to March 2019, reflected there was a sustained cold snap in late January to early February with day time temperatures well below the freezing mark. Given the amount of water that was reflected on the March 2019 water bill, the water faucet likely burst in early February with water continuing to escape until the property owner had the water supply to the rear yard faucet shut off on March 28, 2019.

The property owner has sought to obtain financial assistance regarding the March and April water bills by submitting a Water Leak Adjustment Request Form for consideration under the City's Water Leak Adjustment Policy (Policy) to Alectra Utilities who administers the Policy on behalf of the City. However, the request was denied for two reasons as under the Policy:

1. Account holders who are landlords (apart from non-profit housing) are not eligible applicants. For further explanation of landlord ineligibility please refer to "City's Water Bill Adjustment Policies" on page two.
2. Water leaks associated with external taps are not eligible under the Policy. External plumbing has been a consistent exclusion under the Policy since its inception in 1997. Property owners are expected to prepare their outdoor water faucets (including those in unheated garages) for winter to prevent leakage. Disconnecting the hose, turning off the inside shut off-valve, and leaving the outside faucet in the "on" position for the winter will prevent any potential freezing/leaking issues.

It should be noted that the Water Leak Adjustment Request Form does outline the Policy and does identify the above exclusion conditions.

As part of ongoing community outreach efforts, Hamilton Water has reminded residents to shut off the water supply to outdoor faucets before each winter sets in. Bill inserts, brochures and print ads have been utilized with the following sample scripts:

Example 1: "Undrained water in pipes can freeze, which will cause pipes to burst as the ice expands. Disconnect all garden hoses and drain the water that remains in faucets. If you

don't have frost-proof faucets (homes more than ten to 15 years old typically do not), turn off the shut-off valve inside your home."

Example 2: "During the winter, inside shut-off valves should be closed to prevent freeze-ups. Frozen water taps can cause major damage and waste large volumes of water. Be sure to open the outside faucet after you have shut the inside valve, so that any water left in the pipe will drain out. These shut-off valves are usually in your basement."

City's Water Bill Adjustment Policies

City Council has approved water bill adjustment policies (Water Leak Adjustment Policy and the Extraordinary Circumstance Policy) that provide staff the authority to allow bill adjustments under specific circumstances, however, an "Income Producing Residential Rental Property" is excluded under these policies. The term "income property" should not be confused to mean that rental income exceeds the property's operating costs (mortgage, property taxes, utilities, maintenance, etc). Many landlords do not "profit" from the rent exceeding the aforementioned costs but recoup operating cost recovery shortfalls when selling the property by means of the capital appreciation of the property over time.

The *Municipal Act, 2001* does include an "anti-bonusing" clause whereby a municipality shall not assist directly or indirectly any commercial enterprise through the granting of bonuses that includes giving a total or partial exemption from any levy, charge or fee. This consideration is why landlords are excluded from being eligible under the bill adjustment policies that any Ontario municipality may offer. This is also why Hamilton may provide an adjustment to registered non-profit housing (social housing) providers. The City's Legal Services division have reviewed the existing water bill adjustment policies and continue to recommend that income producing properties be considered as commercial so that such policies be restricted to residential and non-profit customers to comply with the *Municipal Act*.

TABLE 1

Read Date	Total Bill (\$)	Consumption (m3)	Read From	Read To	Avg Daily (m3)	Billing Days
6/26/18	23.74	4	1,227	1,231	0.16	25
8/01/18	37.68	8	1,231	1,239	0.22	36
8/30/18	29.66	6	1,239	1,245	0.21	29
10/03/18	36.28	8	1,245	1,253	0.24	34
10/31/18	32.08	8	1,253	1,261	0.29	28
12/03/18	37.14	9	1,261	1,270	0.27	33
1/03/19	39.00	11	1,270	1,281	0.36	31
1/28/19	29.84	7	1,281	1,288	0.28	25
3/03/19	1,718.47	529	1,288	1,817	15.11	35
4/02/19	858.82	264	1,817	2,081	8.80	30
5/03/19	34.28	7	2,081	2,088	0.23	30

Alectra Utilities (AUC) Customer Contact Timeline

3/15/19 – AUC issues bill based on March 3, 2019 water meter reading.

3/18/19 - AUC issues High Water Read Notification letter advising of higher than average historical water consumption based on March 3, 2019 meter reading. 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 to April).

3/27/19 – Owner calls AUC regarding the March water bill and high water read letter. AUC advises to check for possible water leaks.

3/28/19 – Owner calls AUC to report that the source of leakage was found to be a burst “hose connector” located under a backyard deck. Supply to backyard faucet shut-off by owner.

4/16/19 – AUC receives Water Leak Adjustment Request Form and upon review contact owner on same day to advise that the owner’s request is not eligible under the Policy.

4/24/19, 4/30/19, 5/1/19 & 5/8/19 – Owner calls AUC requesting leak adjustment but is repeatedly advised that the request is not eligible under Policy. AUC suggests owner to enter into a payment arrangement to address outstanding arrears from the March and April bills.

5/10/19 - Owner enters into a 2-year payment arrangement (~\$125/month) with first installment commencing with the June water bill.