



Discover the possibilities

**Water and Wastewater/Storm**

**2019 Service Activity Report to**

**The City of Hamilton**

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## **Overview**

Alectra Utilities Corporation ("Alectra Utilities") and its predecessor 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.

Alectra Utilities also provides water billing services to the municipalities of Guelph, Markham and Vaughan.

Alectra Utilities' mission is to be the energy ally that our customers expect us to be. We are equipped to help our communities discover the possibilities that energy conservation and new technologies can have on enhancing the quality of life for more than million customers in the communities we serve.

Through a contractual relationship that extends to December 31, 2019, Alectra Utilities provides the City with a comprehensive package of services to support all functions related to customer information and billing operations for approximately 154,000 water and wastewater/storm customers. Approximately 30,000 customers receive a stand-alone water/wastewater/storm invoice due to the customer premise being located within the City of Hamilton, but not within Alectra Utilities electric service territory.

Alectra Utilities and the City are currently negotiating contract requirements for 2020 and beyond.

In 2019, City of Hamilton customers were impacted by a number of changes as a result of Alectra Utilities' billing system integration. Starting in March, Alectra Utilities' invoices and My Account portal were updated. While many customers appreciated the new look and feel of the invoices and web services, some customers struggled with the changes. As a result, the Call Centre managed higher volumes of customer calls than is typical. Despite its integration activities, Alectra Utilities remains focused on delivering excellent customer service, achieving a 93% satisfaction rating in its most recent Customer Satisfaction survey.

Alectra Utilities' suite of services for the City

- Meter reading
- Bill calculation, printing, mailing and electronic bill presentment options (paperless 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
- Billing/collection of loans provided via the City's Lead Water Service Line Replacement Loan Program

### **New Services and enhancements in 2019:**

In addition to the operational functions provided by Alectra Utilities to the City, Alectra Utilities also strives to bring value-added expertise and partnership through the support and delivery of other initiatives.

In November 2018, the City installed a new meter on its raw water supply with billing responsibility transferred to Alectra Utilities.

As of May 1, 2019, Alectra Utilities began managing some aspects of the City's Lead Water Service Line Replacement Loan Program. This includes the billing and collection of interest-bearing loans provided to residential property owners who apply for the program. Previously, these loans were collected via the property owner's taxes. More than fifty customers are now billing their loan amount on their water bill with this number expected to increase substantially as the City increases promotion of the option to repay outstanding lead loans on the owner's water bill. There has been a favourable response to Alectra Utilities billing the loan repayments as property owners find it easier to manage a monthly loan repayment with their water bill versus annual repayments through their property taxes.

In accordance with the City Council approved water billing policy changes effective June 2018, Alectra Utilities continues to transfer residential accounts into the registered property owner's name as tenants vacate properties. Property owners benefit through opportunities to save interest and administrative costs related to tenant arrears being transferred to the tax roll as well as having the ability of identifying potential leaks at their rental property. There are currently approximately 9,000 tenant-billed water accounts; a reduction of more than 2,000 tenant accounts since June 2018 when the change was initiated.

Energy & Water Reporting and Benchmarking (EWRB) legislative regulations require property owners that have facilities greater than 100,000 square feet to report annual energy and water consumption and performance data to the Ontario Ministry of Energy. Alectra Utilities provides both electric and water consumption information to our customers for them to comply with the mandatory reporting for these large buildings. In 2019, Alectra Utilities provided EWRB information to almost 100 large customers and condominium corporations.

In 2019, Alectra Utilities continued to manage the City's Water and Wastewater Consecutive Estimated Accounts Policy. In accordance with the Policy, Alectra Utilities water billings are based on an escalating factor for estimations and include the option of service disconnection by the City as a last resort. As required by the Policy, reasonable notice of the planned service shut-off is being provided to the owners and occupants of the affected premises with a notification by registered mail. If the matter remains unresolved, a notification is posted on the premises in a conspicuous place. Alectra Utilities fulfills the City's notification requirements by ensuring that registered mail and on-site notifications are provided, as well as ensuring the related applicable service fees are charged to customers' water bills.

The City's sixth annual newsletter was provided to residential customers as a bill insert accompanying their fall water bills. The insert provides information regarding the prevention of pollutants being discharged into toilets and catch basins, the availability of the Service Line Warranties of Canada ("SLWC") program, lead awareness, frozen pipes, vacant properties, and property contact information.

In November 2019, Alectra Utilities plan to hold its first Water Billing Services Users Group. This will provide municipalities and Alectra Utilities with the opportunity to discuss best practices related to water billing, collection activities, customer service, customer communications, water rate structures, and more with the goal of delivering continuous improvements to services.

### **Meter Reading and Billing**

The foundation of customer billing services is the receipt of accurate and timely invoices. Alectra Utilities manages its meter read schedules on a daily basis to ensure that water meter reads are available to support monthly water and wastewater/storm billing for all customer types.

Alectra Utilities and the City strive to obtain actual meter readings for billing. Where an actual reading cannot be obtained, the account is billed to an estimated reading based on the account's historical usage. **Meter read request cards** that alert customers an actual reading was not obtained are left at the property. Estimated reads are clearly identified on the customer's bill. Meter reads may be provided by calling Alectra Utilities Customer Service department, utilizing our automated Interactive Voice Response ("IVR") telephone system, sending a digital picture of their meter read via an email, or completing a form on the Alectra Utilities website. If three consecutive meter reading estimates occur, a separate notification letter and IVR outbound call are provided as additional customer communications.

Resolving estimated accounts and access issues is a daily priority and Alectra Utilities has less than 1,500 accounts where estimation of the meter read has been required more than twice.

Electronic “smart” water meters have been installed in hard-to-reach locations and are read through Alectra Utilities wireless telecommunications. Currently 618 electronically read water meters are installed.

Alectra Utilities Customer Information System (“CIS”) supports a range of fees and charges required by the City including: metered rates, various non-metered rates and fixed charges based on meter size. Complex billing scenarios such as water haulers, master/satellites, seasonal meters, compound meters and electronic read water meters are all also managed within the Customer Information System. 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 applied through the Customer Information System.

### **Meter Reading and Billing Information**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>Forecasted</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Number of Invoices	<b>1,841,309</b>	1,794,337	1,503,629	963,699	982,208
Revenue	<b>\$219.0MM</b>	\$206.3MM	\$199.5MM	\$195.4MM	\$182.3MM
Meter Reads	<b>1,653,028</b>	1,624,330	1,453,956	945,125	920,415
Meter Read Success Rate	<b>95%</b>	95%	96%	95%	94%
New Accounts Created	<b>3,102</b>	2,818	1,645	2,235	1,661
“Estimated Account” Letters	<b>11,879</b>	13,907	15,380	10,842	12,112
Touchpad “not working” Service Orders	<b>1,954</b>	2,554	2,735	1,553	1,817
Service Orders to relocate remote touchpad	<b>244</b>	625	446	302	243
<b>Transition to monthly billing started May/June 2017</b>					

Reporting and controls are in place and monitored as part of our daily operations.

### **Customer Management**

Alectra Utilities mission is to be an ally that our customers can rely on. For our Contact Centre, this is further defined by being “easy to do business with”, solutions oriented, and appreciative of our customers. Our Contact Centre’s daily goal is to meet or exceed its target of answering 75% of all in-bound calls within 30 seconds. In addition to telephone calls, Alectra Utilities’ agents respond to requests received through email, its website, social media, self-service portals and the Alectra Utilities’ after-hours voice mailbox.

All interactions with our customers promote electronic payment methods and ebilling solutions as one of our value-added services.

Alectra 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 regarding the City's Arrears Policy
- 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 Alectra Utilities' My Account which is a secure portal to view their bills, understand historical water consumption and utilize account management features such as the paperless billing option.

The Customer Care team are knowledgeable about the billing and payment services that Alectra Utilities provides, including particulars regarding water and wastewater/storm account management. The Contact 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 related procedure
- Transfer 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 Customer Information System 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 a higher than normal 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.

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.

**Calls Answered within 30 seconds:**

	<b>2019 Forecast</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
Incoming Calls	75%	79%	77%	82%	80%

The complexity of customer calls has increased. Our Customer Service Representatives (“CSR’s”) are having fulsome conversations with our customers to understand their inquiry while ensuring the customer is receiving the information they need during the first interaction. 85% of our customers surveyed respond that their query or request was satisfied in a single call to the Contact Centre.

**Payment Options and Collections**

Alectra 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)
- Cheque, money order, or bank withdrawal from most financial institutions
- Telephone banking
- Internet banking
- Credit Card Payment (with a Convenience Fee)

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, Alectra Utilities endeavors to notify property owners of tenant/account holder arrears at 30 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 60 calendar days beyond the due date. Alectra 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>2019 Forecasted</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
Water/Wastewater accounts on Pre-Authorized Payment **	<b>40,625</b>	40,044	39,215	38,020	51,676
Percentage of customers on Pre-Authorized Payment	<b>26%</b>	26%	26%	26%	35%
Water/Wastewater on Equal Payment Plan	<b>8,635</b>	8,911	9,049	9,124	8,390
30 day/60 day Notification Letters sent	<b>68,228</b>	56,583	56,006	40,402	36,023
Number of Accounts Transferred to Tax Roll	<b>23,680</b>	15,875	11,681	6,221	5,796
Arrears Value	<b>\$3,721,500</b>	\$3,038,740	\$2,266,225	\$1,480,000	\$2,100,000

*\*\*2015 numbers include closed accounts.*

**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.

**Service Orders:** Alectra 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, Alectra 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 to April).

**Water Leak Adjustment Policy:** The City of Hamilton's Water Leak Adjustment Policy 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 Alectra Utilities website) and submitting it to the Alectra Utilities Customer Service department. Any adjustments greater than \$500 require City review and approval.

**Billing of Seasonal Accounts:** Reads and their related work orders completed by the City are forwarded to Alectra Utilities twice per year and the information is used to reconcile seasonal accounts.

Billing of Sewer Discharge Permits: On a quarterly basis, Alectra Utilities bills sewer discharge permits with the City's annual budget for these revenues of almost \$7.0MM. Monthly reporting of unpaid accounts is forwarded to the City for tracking purposes.

### Program Management Information

	2019 Forecasted	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Water/Wastewater Arrears Certificates	N/A	4,215	4,685	4,488	6,172
Service Orders Completed	17,481	13,559	12,389	13,259	8,146
High Water Notification Letters	13,351	12,340	9,844	10,403	18,843
Leak Adjustment Request Forms Received	53	41	90	106	150
Leak Adjustment Credits applied to accounts	\$34,450	\$66,930	\$55,700	\$49,700	\$55,196

### Reporting

Alectra Utilities has 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
- Trial balance for all account receivable transactions
- Adjustments by type

### Looking Ahead to 2020

- Continued enhancements to Alectra Utilities' self-serve portal

- In partnership with the City, develop Key Performance Indicators to establish incremental measurements and standards / targets
- The implementation of OEB regulation in March 2020 which further standardizes customer service for electricity customers. This includes extended time lines for bill due dates and collections activities.
- Planned transition of City of Guelph Customer Information System to Alectra Utilities' CIS platform (Q4 2020)