



# Request for Abatement for Water Leak

February 6, 2020

# About CityHousing Hamilton

- CityHousing Hamilton is the Housing Corporation owned and operated by the City of Hamilton
- CityHousing Hamilton consists of almost 7,000 units spread over 1,265 properties with over 13,000 residents
- These units represent an insured asset value of approximately \$1 billion

# 25 Towercrest Drive, Hamilton



- Previously known as Municipal Non-Profit (Hamilton) Housing Corporation
- Built in 1993
- 64 Unit Family Townhouse Complex
- 2, 3 and 4 bedroom units
- 50% Market rent charge/50% Rent-geared-to-income rent charge
- Rent includes domestic water

# High Volume Water Usage – Detection

- November 11, 2019 – CHH Finance staff became aware of high water bills for 25 Towercrest Drive
- November 11, 2019 – Contacted contractor to source the water leak
- November 14, 2019 – Initial inspection, contractor inspected individual units – no leaks detected
- November 18, 2019 – Contractor reviews site drawings and underground water lines

# High Volume Water Usage – Detection

- November 21, 2019 - Leak is isolated to unit #48 (vacant unit) the main waterline under the driveway
- November 22, 2019 – contractor hired to repair the broken water line
- December 2019, City Staff contacted regarding this issue



# High Volume Water Usage – Detection

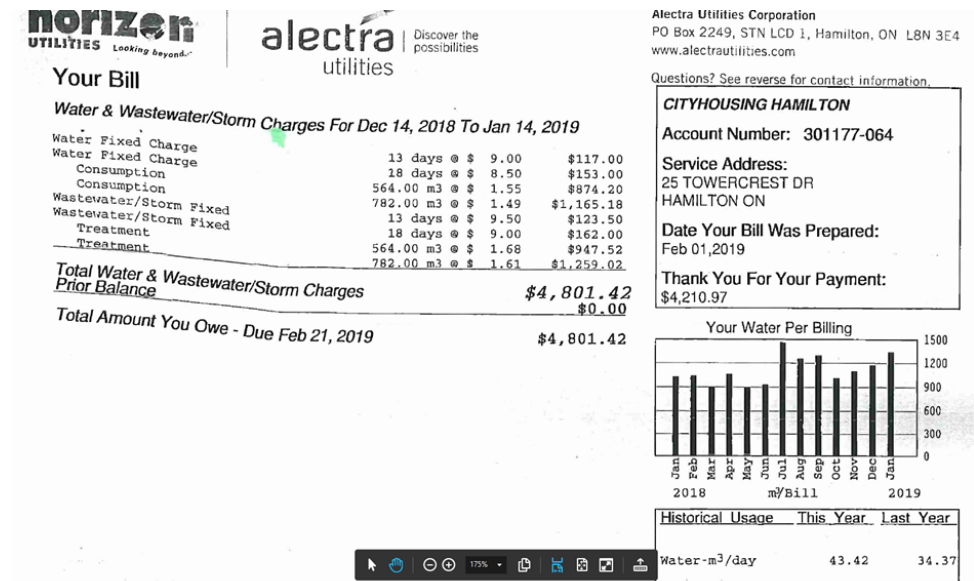
- There was no evidence of surface water
- Contractor confirmed that water was seeping down into the crevices of bedrock
- Hamilton Water later confirmed that water did not enter the City's sanitary or storm sewer systems

# Water Consumption History

- 25 Towercrest water supply is serviced by a single 6 inch water line
- Typical monthly water billings for this 64 unit townhouse complex averaged approximately 1,200m<sup>3</sup> in consumption with total water and wastewater/storm monthly bills of about \$4,300.00
- The period of high water consumption related to the service line from February 2019 to December 2019 amounted to 153,897m<sup>3</sup> equating to total water and wastewater/storm charges of \$503,395.81

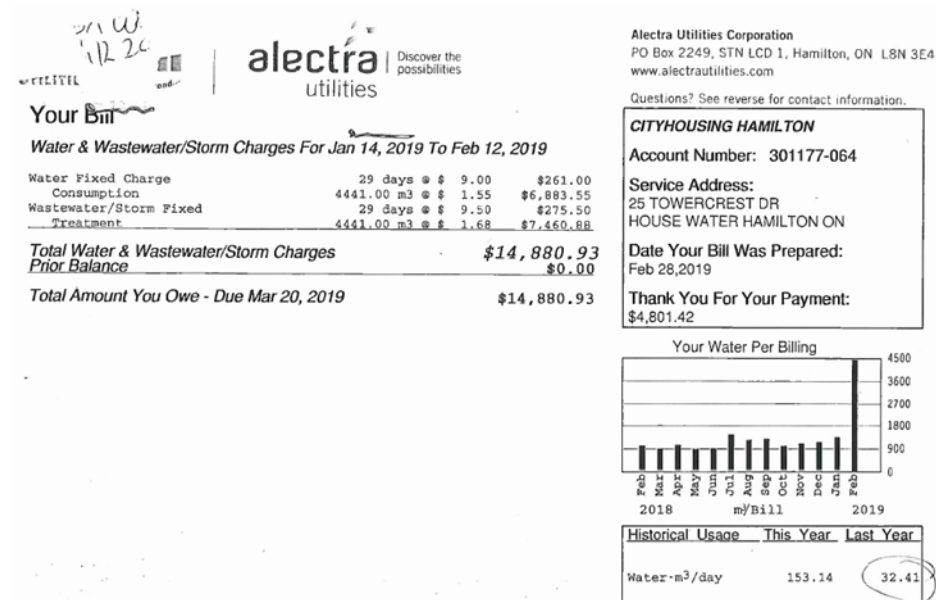
# Water Consumption History

- A review of monthly billing determined:
  - In January 2019 Horizon Utilities issued its monthly bill in the amount of \$4,801.42



# Water Consumption History

- In February 2019, as indicated in the chart below, usage increased and the bill in the amount of \$14,880.93 was paid



# Water Consumption History

- In March 2019, the provider changed from Horizon Utilities to Alectra Utilities and historical consumption data was no longer available, bill of \$47,201.19 was paid

Account Number

6969502300

Please reference this number when making a payment.

Statement Date

April 12, 2019

Amount Due

\$47,201.19

Due Date

May 01, 2019

Bill # 696094796685

MNP/HC

C/O CITYHOUSING HAMILTON

55 HESS ST S PO BOX 2500

HAMILTON ON L8N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9

Premise #: 6436020000

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Mult/plier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	02/11/2019	03/11/2019	28	2654.00	14686.00	Actual	1.00	12022.000 LM3		
Water	P70194646	02/11/2019	03/11/2019	28	7608.00	10039.00	Actual	1.00	2431.000 LM3		

Your Previous Charges

Amount of Last Bill

\$14,880.93

Payment Received March 22, 2019 Thank you

\$14,880.93 CR

Balance Forward

\$0.00

Your Water/Wastewater Charges: Commercial

Water Meter Size - 100 mm

Water Fixed Charge 28 days @ \$9.00

\$252.00

Consumption 14,453 m3 @ \$1.55

\$22,402.15

Wastewater/Storm Fixed Charge 28 days @ \$9.50

\$268.00

Treatment 14,453 m3 @ \$1.68

\$24,281.04

Total Water and Wastewater/Storm Charges

\$47,201.19

Total Amount Due by May 01, 2019

\$47,201.19

Compare your daily Water Usage

Cubic Meters(m3) per day

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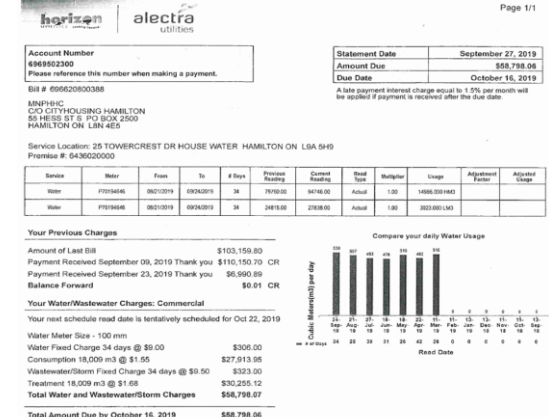
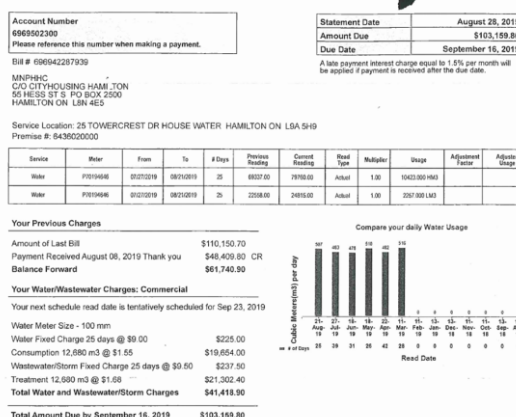
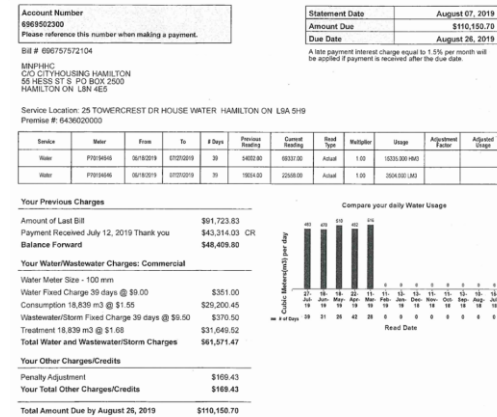
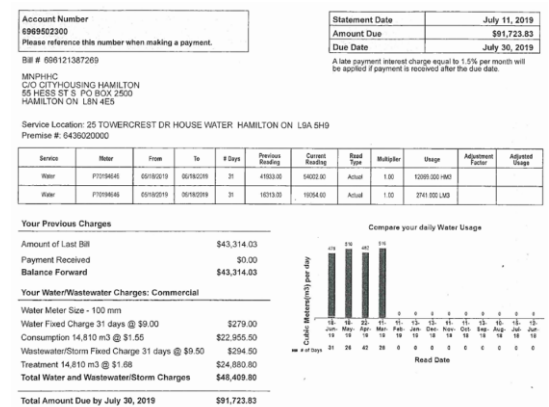
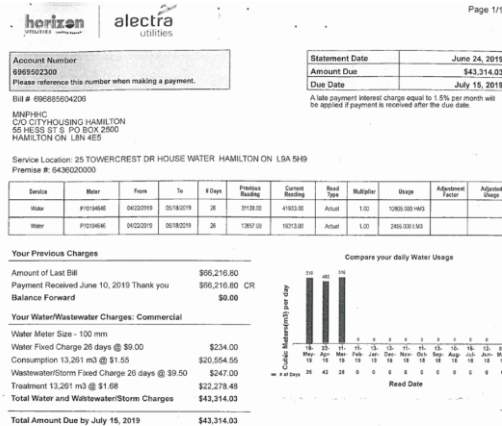
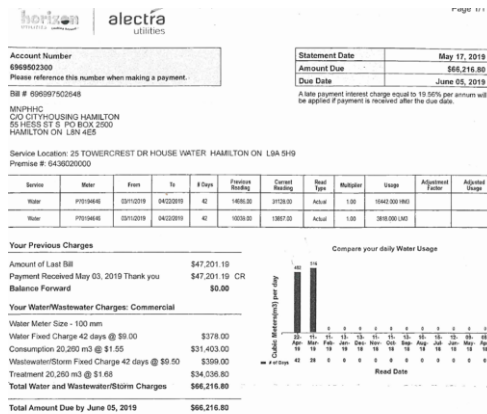
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# Water Consumption History

- April to November usage, on statements, appears to be average



...more than a place to live

# Water Consumption History

- April to November usage, on statements, appears to be average

Account Number  
6969502300  
Please reference this number when making a payment.

Bill # 696424137185

MNPIHC  
C/O CITYHOUSING HAMILTON  
55 HESS ST S PO BOX 2500  
HAMILTON ON L4N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9  
Premise #: 6436020000

Statement Date October 28, 2019  
Amount Due \$53,973.24  
Due Date November 18, 2019

A late payment interest charge equal to 1.5% per month will be applied if payment is received after the due date.

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multiplier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	09/04/2019	10/22/2019	28	5476.00	106789.00	Actual	1.00	14043.000 LMS		
Water	P70194646	09/04/2019	10/22/2019	28	21838.00	30298.00	Actual	1.00	2452.000 LMS		

#### Your Previous Charges

Amount of Last Bill \$58,708.06  
Payment Received October 24, 2019 Thank you \$58,708.06 CR  
Balance Forward \$0.00

#### Your Water/Wastewater Charges: Commercial

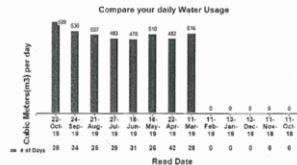
Your next schedule read date is tentatively scheduled for Nov 21, 2019

Water Meter Size - 100 mm  
Water Fixed Charge 28 days @ \$9.00 \$252.00  
Consumption 16,495 m<sup>3</sup> @ \$1.55 \$25,567.25  
Wastewater/Storm Fixed Charge 28 days @ \$9.50 \$266.00  
Treatment 16,495 m<sup>3</sup> @ \$1.68 \$27,711.60  
Total Water and Wastewater/Storm Charges \$53,796.85

#### Your Other Charges/Credits

Penalty Adjustment \$176.39  
Your Total Other Charges/Credits \$176.39

Total Amount Due by November 18, 2019 \$53,973.24



alectra utilities

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Account Number  
6969502300  
Please reference this number when making a payment.

Bill # 696825153128

MNPIHC  
C/O CITYHOUSING HAMILTON  
55 HESS ST S PO BOX 2500  
HAMILTON ON L4N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9  
Premise #: 6436020000

Statement Date November 27, 2019  
Amount Due \$61,170.98  
Due Date December 16, 2019

A late payment interest charge equal to 1.5% per month will be applied if payment is received after the due date.

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multiplier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	10/23/2019	11/20/2019	28	106789.00	120216.00	Actual	1.00	16245.000 LMS		
Water	P70194646	10/23/2019	11/20/2019	28	30298.00	32772.00	Actual	1.00	2480.000 LMS		

#### Your Previous Charges

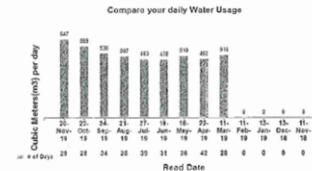
Amount of Last Bill \$53,973.24  
Payment Received November 14, 2019 Thank you \$53,972.32 CR  
Balance Forward \$0.92

#### Your Water/Wastewater Charges: Commercial

Your next schedule read date is tentatively scheduled for Dec 20, 2019

Water Meter Size - 100 mm  
Water Fixed Charge 29 days @ \$9.00 \$261.00  
Consumption 18,772 m<sup>3</sup> @ \$1.55 \$29,086.60  
Wastewater/Storm Fixed Charge 29 days @ \$9.50 \$275.50  
Treatment 18,772 m<sup>3</sup> @ \$1.68 \$31,535.96  
Total Water and Wastewater/Storm Charges \$61,170.06

Total Amount Due by December 16, 2019 \$61,170.98



Avoid frozen pipes! Shut off and drain all outside taps and pipes in unheated garages. Install insulated pipe sleeves on exposed pipes in unheated areas in your home. [www.hamilton.ca/frozenpipes](http://www.hamilton.ca/frozenpipes)

\*Electricity rates have changed as of November 1, 2019. Please visit a website for more information.

# Review of Internal Controls

- December 2019
  - Alectra Utilities records indicate that Alectra staff telephoned CityHousing Hamilton on two separate occasions regarding the sharp increase in water usage;
  - February 19, 2019 and April 12, 2019

# Review of Internal Controls

December 2019

- Alectra Utilities sent written notifications to CityHousing Hamilton on April 12 and June 24, 2019
- It is unknown if Alectra letters were received and/or delivered to the appropriate personnel for follow-up



# Review of Internal Controls

- It is acknowledged that following occurred:
  - Utility bills were paid as received
    - There was turnover of CityHousing Hamilton Staff
  - Up until January 2019, CityHousing Hamilton used to receive a monthly automated report from Alectra indicating a year-to-date monthly water usage on each of its accounts via email
  - Whereas billing for 25 Towercrest is drastically higher than normal, CityHousing Hamilton does pay utility bills for our larger building/complexes and these bills can range between \$14,000 to \$18,000 per month

# Review of Internal Controls

- During the transition from Horizon Utilities to Alectra Utilities during the months of February and March 2019, all account numbers changed and historical data was not available on utility bills or usage reports, creating an information void
- CityHousing Hamilton worked collaboratively with Alectra throughout 2019 to re-establish the automated monthly usage reporting, but this wasn't resolved at any point in 2019

# Follow-up Action Plan

- CityHousing Hamilton is updating its standard operating procedures;
  - Electronic fund transfers - (EFT) payments
  - Reconciliation of utility reports with Alectra
  - Upon receipt of notices, notifications will be sent to appropriate staff with the requirement of staff tracking follow-up action
  - Quarterly review with Finance and Administration staff to review variances
  - Policy will be implemented to reflect these actions

# Request for Abatement

- Hamilton Water has reviewed the service line break at 25 Towercrest Drive and has concluded that given the location of the leak and the fact that the leaking water remained underground, it appears that the leaking water ended up in the bedrock and likely did not enter the City's sanitary or storm sewer systems

# Request for Abatement

- The wastewater portion associated with the excess water consumption related to the service leak at 25 Towercrest Drive amounts to \$237,812.40
- CityHousing Hamilton is in the process of submitting a claim to its insurance company for the recovery of the excess water bill

THANK YOU

...**more** than a place to live