



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 10, 2020
SUBJECT/REPORT NO:	9252 Twenty Road West, Mount Hope – Water and Wastewater / Storm Charges Deferred Payment Arrangement (FCS20107) (Ward 11)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

That the General Manager, Finance and Corporate Services, be authorized to enter into a deferred payment arrangement with a four-month repayment period commencing in January 2021, pertaining to water and wastewater / storm charges for a total amount of \$230,229.52 regarding Alectra Utilities (Alectra) account numbers 5092581300 and 6092581300 with the service address of 9252 Twenty Road West, Mount Hope.

EXECUTIVE SUMMARY

In March 2017, Council approved the Water and Wastewater / Storm Billing Payment Arrangement Policy (Policy) which requires that all water and / or wastewater / storm deferred payment arrangements exceeding \$100 K be referred to the Audit, Finance and Administration Committee for approval (for details refer to Report FCS17029).

As such, Report FCS20107 is provided for the recommended authorization of a deferred payment arrangement with a four-month repayment period for Alectra account numbers 5092581300 and 6092581300 regarding 9252 Twenty Road West, Mount Hope (Twenty Place). Twenty Place, located on Twenty Road just west of Upper James Street in Mount Hope, is an 81-acre community comprised of bungalows, townhomes and mid-rise condo units.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

A few events have led to significant catch-up billings reflecting unbilled consumption for the two Twenty Place accounts:

- For each of the two high flow measuring elements a multiplier factor of 10 is required to be applied to the meter reading in order to accurately record the water consumption. Without applying the required multiplier factor, actual water consumption would be significantly underbilled. Due to a manual error that occurred at Alectra, an incorrect multiplier factor was applied to the high flow side of one of Twenty Place's water meters from March 2019 to November 2020.
- The two water meters' measuring elements were replaced in July 2020 by Hamilton Water's meter contractor, Neptune Technologies. However, the new meter information was not sent to Alectra until November 2020 resulting in estimated billings and billing delays since July 2020.
- A change in the property management company which receives and pays the water bills for Twenty Place resulted in some preauthorized payments being returned as unpaid.

The resulting catch-up billings, reflecting the unbilled portion, total \$230,229, a significant amount that would represent an undue financial hardship for WCC275 if billed in its entirety immediately.

The Policy allows for customers to request to enter into an optional payment arrangement to address water and / or wastewater / storm billings. In this case, Twenty Place has requested to pay the catch-up billings over a four-month period commencing in January 2021. As Twenty Place was not at fault for the unbilled consumption and quite understanding of the situation, in general, staff supports the relatively short-term payment arrangement.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Water and wastewater / storm revenue recovery related to a significant underbilled consumption will be realized in a reasonable timeframe.

Staffing: N/A

Legal: The City's ability to recover water and wastewater revenue is not impaired by entering into a deferred payment arrangement with the customer. In the event a deferred payment instalment becomes delinquent, the outstanding balance would be immediately transferred to the property tax roll. In such circumstances, the fees and charges added to the tax roll will have priority lien status as described under Section 1 of the *Municipal Act, 2001*.

HISTORICAL BACKGROUND

Report FCS20107 is being brought forward in accordance with the City's Water and Wastewater / Storm Billing Payment Arrangement Policy (Policy) approved by Council in March 2017. The Policy requires that all water and / or wastewater deferred payment arrangements exceeding \$100 K be referred to the Audit, Finance and Administration Committee for approval.

Twenty Place, located on Twenty Road just west of Upper James Street in Mount Hope, is an 81-acre community comprised of bungalows, townhomes and mid-rise condo units.

Twenty Place is serviced with two water service lines that are metered at the property line with two 250mm compound water meters so effectively, the 657 residential units within the community are bulk metered. The 250mm water meters are the largest size meters in service and are not common as there are only approximately 30 250mm water meters within the entire Hamilton water distribution system.

A compound meter is designed to accurately measure high and low flow rates and as such, have two measuring elements (one for low flows and one for high flows) so that two "odometer" readings are obtained for each billing cycle and commonly referred to as the "high" and "low" sides of the compound meter. Each compound meter represents an Alectra water account that is billed to a property management company engaged by the condominium corporation (WCC275).

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

As the amount proposed for a deferred payment arrangement exceeds \$100 K, the City's Water and Wastewater / Storm Billing Payment Arrangement Policy is applicable.

RELEVANT CONSULTATION

Alectra Utilities has provided detailed water billing information related to the water accounts of Twenty Place and will have the customer formally enter into a payment arrangement upon approval of the Recommendation of Report FCS20107.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

There have been several significant catch-up or back billed water and / or wastewater / storm billings in the past particularly with large-use customers where deferred payment arrangements have been requested by customers. However, there have only been three circumstances since 2008 where staff has required Council approval for an arrangement exceeding \$100 K. Deferred interest-free payment arrangements are a reasonable measure to ensure the City recovers water and wastewater revenue without creating undue hardship for customers.

The Policy allows for customers to request to enter into an optional payment arrangement to address water and / or wastewater / storm billings. In this case, Twenty Place has requested to pay the catch-up billings over a four-month period commencing in January 2021. As Twenty Place was not at fault for the unbilled consumption and quite understanding of the situation in general, staff supports the relatively short-term payment arrangement.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

N/A

JS/dt