



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 21-016

9:30 a.m.

October 7, 2021

Council Chambers

Hamilton City Hall

Present: Councillors L. Ferguson (Chair), B. Clark, B. Johnson, M. Pearson, and A. VanderBeek

Absent: Councillor M. Wilson – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. CONSENT ITEMS (Item 7)

That the following Consent Items, be received:

- (a) **2021 Second Quarter Request for Tenders and Proposals Report (FCS21008(a)) (City Wide) (Item 7.1)**
- (b) **2021 Second Quarter Emergency and Non-competitive Procurements Report (FCS21009(a)) (City Wide) (Item 7.2)**
- (c) **2021 Second Quarter Non-Compliance with the Procurement Policy Report (FCS21010(a)) (City Wide) (Item 7.3)**

2. Revised Water Leak Adjustment Policy (FCS21087 / LS21037) (City Wide) (Item 8.1)

- (a) That the revised Water Leak Adjustment Policy, effective January 1, 2022, attached as Appendix “A” to Audit, Finance & Administration Committee Report 21-016, be approved;
- (b) That the Mayor and City Clerk be authorized and directed to execute all necessary documents to engage ServLine by HomeServe to implement the revised Water Leak Adjustment Policy attached as Appendix “A” to Audit, Finance & Administration Committee Report 21-016, in a form satisfactory to the City Solicitor and with content satisfactory to the General Manager, Finance and Corporate Services;
- (c) That the daily water fixed charges for all residential properties in the City of Hamilton with individual water meters be increased by \$0.01 effective January 1, 2022;

- (d) That the contents of Appendix “B” to Report FCS21087 / LS21037, Revised Water Leak Adjustment Policy remain confidential under solicitor-client privilege; and,
- (e) That staff be directed to undertake an amendment to the Water and Wastewater Infrastructure Support Community Improvement Plan so the revised Water Leak Adjustment Policy attached as Appendix “A” to Audit, Finance & Administration Committee Report 21-016 can be incorporated into the Community Improvement Plan to extend water leak adjustments to residential rental properties and report back at a future Planning Committee meeting.

3. Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055) (City Wide) (Item 8.2)

That Report PW21055, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund, be received.

4. Audit and Accountability Fund Intake 3: Expression of Interest (FCS21084) (City Wide) (Item 10.1)

- (a) That the General Manager, Finance and Corporate Services, be authorized and directed to submit expressions of interest associated with third-party reviews of municipal services to identify potential savings and efficiencies, in accordance with the terms and conditions associated with the Audit and Accountability Fund Intake 3 by October 28, 2021;
- (b) That the third-party reviews only be undertaken should the City be successful in obtaining funds from the Ministry of Municipal Affairs and Housing;
- (c) That Council direct staff to single source third-party consultants to complete reviews should the City be successful in obtaining funds from the Ministry of Municipal Affairs and Housing;
- (d) That the Mayor and City Clerk be authorized to execute a transfer payment agreement between the City of Hamilton and Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing for the transfer of funds from the Audit and Accountability Fund, together with all necessary or advisable associated documents, in a form satisfactory to the City Solicitor and with content acceptable to the General Manager, Finance and Corporate Services;
- (e) That where required to give effect and authorize the signing of a transfer payment agreement between the City of Hamilton and Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing for the Province of Ontario for the transfer of funds from the Audit and Accountability Fund, one or more by-law(s) be prepared in the form satisfactory to the City Solicitor for consideration by Council; and,

- (f) That a certified copy of the approved by-law authorizing the signing of the transfer payment agreement be forwarded to the Ministry of Municipal Affairs and Housing upon Council approval.

5. Discontinuation of Water Billing Services by Alectra Utilities (FCS21082) (City Wide) (Item 10.2)

- (a) That staff be directed to request that the Chair of Alectra Utilities attend an upcoming General Issues Committee meeting to provide more information regarding the discontinuation of water billing services to the City of Hamilton.
- (b) That Report FCS21082, Discontinuation of Water Billing Services by Alectra Utilities, be received.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised of the following changes to the agenda:

6. DELEGATION REQUESTS

- 6.1 James Kemp, respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055) (For Today's Meeting)

The agenda for the October 7, 2021 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

Councillor Pearson declared an interest to Item 8.2, Report FCS21087 / LS21037 respecting the Revised Water Leak Adjustment Policy and Item 14.1, Confidential Appendix "A" to Report FCS21087 / LS21037 respecting the Revised Water Leak Adjustment Policy as she and her husband own rental properties.

Councillor VanderBeek declared an interest to Item 8.2, Report FCS21087 / LS21037 respecting the Revised Water Leak Adjustment Policy and Item 14.1, Confidential Appendix "A" to Report FCS21087 / LS21037 respecting the Revised Water Leak Adjustment Policy as she owns rental properties.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) September 23, 2021 (Item 4.1)

The Minutes of the September 23, 2021 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) DELEGATION REQUESTS (Item 6)

- (i) James Kemp, respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055) (For Today's Meeting) (Added Item 6.1)**

The delegation request from James Kemp, respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055), was approved for today's meeting.

(e) CONSENT ITEMS (Item 7)

- (i) Hamilton Mundialization Advisory Committee Minutes - June 16, 2021 (Item 7.4)**

The Hamilton Mundialization Advisory Committee Minutes of June 16, 2021 were received.

(f) STAFF PRESENTATIONS (Item 8)

- (i) Revised Water Leak Adjustment Policy (FCS21087 / LS21037) (City Wide) (Item 8.1)**

The Chair advised that public notice was given for the Revised Water Leak Adjustment Policy, inviting interested parties to make written or virtual representation at today's meeting. There were no registered speakers.

John Savoia, Senior Policy Advisor addressed the Committee with a staff presentation respecting Report FCS21087 / LS21037, Revised Water Leak Adjustment Policy.

The Staff Presentation respecting Report FCS21087 / LS21037, Revised Water Leak Adjustment Policy, was received.

For disposition of this matter, please refer to Item 2.

- (ii) Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055) (City Wide) (Item 8.2)**

Maureen Cosyn Heath, Director of Transit, and Dennis Kar from Dillon Consulting addressed the Committee with a staff presentation respecting Report PW21055, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund.

The Presentation respecting Report PW21055, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund, was received.

Consideration of Report PW21055, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund, was DEFERRED until after the delegates for this matter have been heard.

For disposition of this matter, please refer to Item 3.

(g) PUBLIC HEARINGS / DELEGATIONS (Item 9)

(i) James Kemp, respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055) (Added Item 9.1)

James Kemp addressed the Committee respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund.

The delegation from James Kemp respecting Item 8.2, Consultant Report to Accessible Transportation Services funded by Provincial Audit and Accountability Fund (PW21055), was received.

(h) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee adjourned at 11:00 a.m.

Respectfully submitted,

Councillor Ferguson, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

POLICY TITLE: Water Leak Adjustment Policy

POLICY NO: PP-005

LAST REVISION DATE: 7/1/2018

EFFECTIVE DATE: January 1, 2022

MANAGER REVIEWED: Kirk Weaver

TO BE REVIEWED: January 2027

MAINTENANCE RESPONSIBILITY: Senior Policy Advisor, Financial Planning,
Administration & Policy Division

Section 1. City and Customer's Responsibilities

As outlined by the City's Waterworks By-law, the City's ownership and maintenance obligations for the water distribution system includes the public water mains and the portion of the water service line up to and including the water curb valve located at the property line. The water meter is owned and maintained by the City.

The property owner is responsible for the water service line from the water curb valve to the structure, as well as, the premise plumbing and fixtures. It is the customer's responsibility to keep their water lines and plumbing system in good working order. That said, water leaks do occur from time to time resulting in unexpectedly high water bills.

Section 2. Water Leak Adjustment Protection

The City of Hamilton has partnered with ServLine by HomeServe (ServLine) to provide the City's residential water customers with water leak adjustment coverage of one (1) adjustment of up to \$2,500 for leaks on the customer's premises during any 24-month rolling period. This coverage provides payment of unexpectedly high water bills due to qualifying leaks. See Item F below for services impacted by this protection. The following conditions, provisions and limitations apply:

A. Qualifying Leaks - Any leak, other than those non-qualifying leaks listed below, that generates a minimum additional charge resulting in a City water utility bill that is twice the average water bill of that customer calculated over a twelve (12) month period, up to a maximum adjustment of \$2,500 during any twenty-four (24) month period. For water customers who have been on the City's water system for less than twelve (12) months, a water leak adjustment will not be made until at least three (3) months of average usage has been established.

A leak is defined as an unintentional water loss caused by broken plumbing fixtures and / or pipes within a residence or building. A leak occurs when there is a failure of the plumbing system to do what it was designed to do.

B. Non-Qualifying Leaks or Usage - The following leaks or use of water do not qualify for a water leak adjustment under this policy:

1. Residential customers who do not have an individual water meter and / or the meter is greater than 50mm in size;
2. Mastered metered Residential;
3. Industrial, Commercial and Institutional customers;
4. Leaks associated with structures that have been left or abandoned without reasonable care for the plumbing system (i.e. unattended homes that have not had the building control water valve turned off inside the structure and water drained from plumbing system or homes that have been left for any period of time without heat);
5. Leaks on water service lines, irrigation systems or irrigation lines;
6. Filling of water features, fountains or fish ponds or leaks associated with water features;
7. Filling of, leaks associated with, and / or general water usage associated with outdoor recreational activities such as, but not limited to, hot tubs, pools, slip-n-slides and sprinklers;
8. Watering of lawns or gardens and washing or pressure-washing driveways, cars, windows or siding of any structure;
9. Negligent or intentional acts such as leaving water running (i.e. failing to winterize outside water faucets, leaving the outside faucet on, interior faucets left running, and / or any other water left on in the home without a faulty plumbing issue), meaning there must be an actual break and repair for leak reimbursement, neglect of private property;
10. Leaks in any structure other than the primary residential structure, such as, but not limited to, detached garages or storage buildings;
11. Water loss due to theft, vandalism or construction damage;
12. Leaks associated with water using equipment prohibited by the City's Waterworks By-law (for example, municipal water-powered backup sump pumps).

C. Submission of Claims

1. Claims must be submitted to ServLine within sixty (60) days from the billing date.
2. Claims must be accompanied by proof that the leak has been repaired before an adjustment will be made (i.e. copy of invoice for materials, bill from plumber, receipt for repair parts utilized by the homeowner for repair, meter consumption information, when available).
3. Contact ServLine to initiate a claim.

D. Limitations - A leak adjustment can encompass no more than four (4) billing cycles. No customer shall receive more than one (1) leak adjustment during any twenty-four (24) month period. Water leak adjustment coverage assists with the payment of high water bills due to qualifying water leaks but does not provide any reimbursement for the repair or replacement of water lines or plumbing fixtures. Customers who qualify for leak adjustments will be responsible for paying their four-month average bill. ServLine will pay up to \$2,500 of an excess water bill resulting from a qualifying leak. Amounts in excess of \$2,500 will continue to be the responsibility of the Customer.

E. Enrollment – As of January 1, 2022, all Residential customers who have an individual water meter up to 50mm in size are transitioned into the enhanced program, for the water leak adjustment coverage through the City's partner, ServLine. Qualifying new Residential Customers are automatically enrolled.

F. Services Impacted - Leak adjustments approved are applicable to water and wastewater / storm charges.

Section 3. Contacting ServLine

All questions concerning this water leak adjustment policy should be directed to ServLine who administers the program on the City's behalf.