




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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	April 6, 2023
SUBJECT/REPORT NO:	Private Water Service Line Leak Wastewater Bill Adjustment Policy (FCS23030) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Katie Black (905) 546-2424 Ext. 6415 John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the Private Water Service Line Leak Wastewater Bill Adjustment Policy, effective May 1, 2023, attached as Appendix "A" to Report FCS23030, be approved;
- (b) That the subject matter respecting the development of a policy to provide staff delegated authority to make decisions on bill adjustments related to private watermain / service line leak(s), be identified as complete and removed from the Audit, Finance and Administration Committee Outstanding Business List.

EXECUTIVE SUMMARY

The Audit, Finance and Administration (AFA) Committee, at its meeting on January 19, 2023, received a presentation from Wentworth Condominium Corporation (WCC) #128 regarding watermain / service line leaks that had occurred at 860 Rymal Road East, Hamilton which resulted in significant water and wastewater / storm charges. Staff has been directed to report back to the AFA Committee on the development of policy for staff to address such circumstances in the future.

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.

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The City of Hamilton's (City's) Private Water Service Line Leak Wastewater Billing Adjustment Policy (Policy) is submitted for Council's consideration. The Policy provides customers who utilize City water services the opportunity to request adjustments of wastewater / storm bills and associated fees, penalties and interest accrued, when wastewater / storm billings increase significantly, as a result of private watermain / service line leak(s), where the leak(s) are downstream of the property's water meter. An adjustment would only occur where Hamilton Water determines that the leaking water from private watermain / service line leaks likely did not enter the City's sanitary sewer, storm sewer or combined sewer system.

The recommended Policy attached as Appendix "A" to Report FCS23030 is premised on user fee principles. A user fee is a charge imposed by the City for the primary purpose of covering the cost of providing a service, directly raising funds from those who benefit from the public good or service being provided. The Policy recognizes that water arising from private watermain / service line breaks may not enter into the City's sanitary sewer, storm sewer or combined sewer system and, therefore, should not be subject to wastewater treatment charges.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Given the limited number of properties with the water meter located at the property line (approximately 1,300 of a total 158,000 metered accounts), it is not expected that there will be a significant impact to the City's wastewater revenues.

Staffing: No anticipated impact.

Legal: N/A

HISTORICAL BACKGROUND

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

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The property owner is responsible for the private watermain / service line from the water curb stop 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. However, The City recognizes that water leaks do occur from time to time. Water leaks that occur downstream of a property's water meter will affect the property's water bills. Water meters may be located at the property line typically in underground chambers for some multi-residential and industrial, commercial and institutional (ICI) properties (approximately 1,300 of a total 158,000 metered accounts have the water meter located at the property line).

Significant service line breaks downstream of a property's water meter have occurred in the past and resulted in a handful of appeals to the AFA Committee over the past 15 years for financial relief from the resulting high water and wastewater / storm charges.

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The recommended Policy supports the principle of a user-pay water and wastewater / storm system.

RELEVANT CONSULTATION

Public Works Department – Hamilton Water Division has been consulted in the preparation of Report FCS23030.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The recommended Policy attached as Appendix "A" to Report FCS23030 is premised on user fee principles. A user fee is a charge imposed by the City for the primary purpose of covering the cost of providing a service, directly raising funds from those who benefit from the public good or service being provided. The Policy recognizes that water arising from private watermain / service line breaks may not enter into the City's sanitary sewer, storm sewer or combined sewer system and, therefore, should not be subject to wastewater treatment charges.

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The following are qualifications for consideration of the Policy:

- It is the property owner's responsibility to keep the private watermain / service line and their plumbing system in good working order.
- To qualify for a service line leak adjustment, the eligible private watermain / service line leak must generate a minimum additional charge of at least two times the average of the past 12 months' bills.
- An adjustment would only occur where Hamilton Water determines that the leaking water from private watermain / service line leak(s) likely did not enter the City's sanitary sewer, storm sewer or combined sewer system.
- The customer agrees to permit City personnel to access the customer's property to conduct inspections and determine that the leakage did not enter the City's sanitary sewer, storm sewer or combined sewer system.
- Upon receipt of an abnormally high water bill, the customer has actively attempted to address the leakage in a reasonable timeframe. The claim must be accompanied by proof that the leak has been repaired before an adjustment will be made (i.e. copy of invoice for materials, contractor invoice).
- In the event of a qualifying leak adjustment, the credit adjustment for wastewater / storm charges is subject to a maximum of 12 months and \$100 K. Adjustments for amounts exceeding \$100 K are to be brought forward for the consideration of the AFA Committee.
- The customer's wastewater / storm billings may be adjusted based on the amount of water associated with the service line leak(s) costed at the applicable year's wastewater rates.

Adjustments on bills will not be provided where:

- Leaks associated with structures that have been left or abandoned. In accordance with the Waterworks By-law, for all long-term vacant properties, the water service should be shut off at the property line.
- Leaks on irrigation systems or irrigation lines.
- Filling of water features, fountains or fish ponds, or leaks associated with water features.
- Filling of or 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.
- Watering of lawns or gardens and washing or pressure-washing driveways, cars, windows or siding of any structure.
- Water loss due to theft, vandalism or construction damage.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS23030 – Private Water Service Line Leak Wastewater Bill Adjustment Policy

KB/JS/dt