



2023 Water and Wastewater/Stormwater Services Activity Report to the City of Hamilton

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2023 in Review

Alectra Utilities Corporation ("Alectra") services over one million homes and businesses across a 1,924 square kilometre service territory, comprising seventeen communities. Billing, payment, and related customer services are provided to approximately 436,000 water and wastewater customers across four municipalities, including 160,000 customers within the City of Hamilton (City). Approximately 36,000 Hamilton customers receive a stand-alone water services bill where the customer premise is outside of Alectra's electricity distribution service territory.

The following is a summary of 2023 in review:

Unbilled City of Hamilton water accounts

In April 2022, Hamilton City Council received a report from City staff that advised a number of significant high volume water accounts had temporarily not been billed and that the total level of unbilled water accounts was relatively high as a result of COVID-related challenges, including Alectra staffing challenges, and access restrictions to customer premises driven by COH policy / process changes, together with the inability to contact customers to establish appointments to read or repair meters. The City staff report noted that there were 1,500 unbilled accounts greater than 70 days aged, and that it would take approximately 4 months to resolve to a more sustainable level. By October 2022, the number was successfully reduced to 729.

Alectra committed to implement several corrective actions and controls to enhance its processes and address concerns with unbilled invoices and subsequent back billing as detailed below. The success of these actions has continued into 2023 and is reflected in the latest Meter Reading and Billing Statistics found on page 6 of this report. As of October 2023, the number of unbilled water accounts has decreased further from 729 in October 2022 to only 63. Based on approximately 160,000 accounts, this is a bill success rate of 99.9%.

Process Changes

Alectra Utilities has implemented the following corrective actions and controls to enhance its processes and address concerns with unbilled invoices and related back billings.

Investment in people

- Dedicated Billing Supervisor for Hamilton Water to ensure adequate focus is placed on water billing through December 2024.
- Continue to monitor KPI's and offer overtime to provide more capacity.
- Continue to prioritize continuous learning, upskilling, and training to increase staff's ability to deal with complex billing concerns. More Billers are trained and called upon to help with unbilled water billing and related backlog issues.
- Dedicated Billing Training Supervisor and dedicated Billing Trainer on the Training Support team.
- Hire co-op students year-round to follow-up on estimated Hamilton water accounts

Process Changes Completed

- A streamlined escalation path was implemented for the Contact Centre to allow for the escalation of unbilled water accounts to a designated team for quicker action and resolution.
- Implementation of internal KPI's to monitor the City of Hamilton in-box and to track manual processes related to meter changes and field activities.

- Increased follow-up on potential stopped meters with customers to reduce the number of FA's sent to the City.
- Continue to report estimated accounts to the COH and implement actions as directed. Compliance activities to support obtaining actual reads has resumed in coordination with the City.

Future Process Changes

- Update of automated outbound high usage calls to provide premise address as some customers may own more than one property.
- Update of website and introduction of an app to enhance the customer experience including more insight on their usage and bills, notifications and ability to make payment arrangements online.

City of Hamilton Water Leak Adjustment Policy

As of January 1, 2022, the COH implemented a new Leak Protection Program to cover excess costs resulting from unexpected water leaks in resident's homes. The Program offers increased coverage for qualifying leaks of up to \$2,500 once every 24 months for residential customers who may incur an unexpected expense on their water bill that water leaks can cause.

Administration of the revised Program shifted to a City third party administrator (ServLine) with account credit adjustments for approved claims continue to be completed by Alectra. As mentioned previously, the Program has seen a total of 221 approved claims to date this year and approximately \$188K in credits to assist customers with water leaks.

Pandemic Recovery and Response

Alectra Utilities is committed to providing accurate water billing to Hamilton customers and recognizes that underestimated consumption is problematic. To help manage estimated consumption, Alectra Utilities has historically had in place several controls, including monthly reporting of estimated accounts to the City. Commercial accounts with more than three consecutive estimated bills were estimated based on two times historical consumption. During the Pandemic, access to inside meters was curtailed, limiting ability to repair/replace malfunctioning touch pads and water meters. As access restrictions to premises is the same as pre-pandemic, Alectra has worked diligently with City to action stopped meters, malfunctioning touch pads and water meters. This included resumption of compliance activities to gain access to replace water meters as required.

Alectra continues a customer-focused approach for families and businesses still facing financial challenges post-pandemic.

- Alectra continues to support customers in financial difficulty through flexible payment terms.
- Alectra encourages anyone having trouble paying their bills to consider a variety of the available assistance programs, including the Low-income Energy Assistance Program, and the Ontario Electricity Support Program.
- Customers having trouble making payments are encouraged to reach out to Alectra to establish a payment plan that works for them.

2023 Service Overview

In 2023, Alectra's suite of water related services for the City included:

- Meter reading
- Bill calculation, printing, mailing and electronic bill presentment options (paperless e-billing)

- Customer notifications
- Full customer Contact Centre support, responses to inquiries and liaison between the customer and the City for escalated concerns including high consumption inquiries related to seasonal usage
- Supporting the City's Leak Adjustment Policy by providing billing history for customers with leak adjustment claims to the City and processing credit adjustments to accounts for customers with approved leak claims
- Payment processing
- Account collections including the administration of payment arrangements
- Online customer tools and access to account information including account status and consumption information
- Monthly and annual statistical reporting
- Ad-hoc reporting upon request
- Completion of work orders; issuing service orders to Hamilton Water
- Transfers of water and wastewater/stormwater arrears to property tax roll
- Billing, invoicing, payment processing and management of Sewer Discharge Permits
- Billing and collection of loans related to the City's Lead Water Service Line Replacement Loan Program
- Managing Energy & Water Reporting and Benchmarking (EWRB) legislative reporting requirements for customers

Meter Reading and Billing

The foundation of customer billing services is the receipt of accurate and timely invoices. Alectra Utilities manages its meter reading schedules daily 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 accurate 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, or completing a water meter reading online form on the Alectra Utilities website. If three consecutive meter reading estimates occur, a separate notification letter and an automated TTS (Text-to-Speech) outbound call are provided as additional customer engagement communications.

As the pandemic measures came to an end, many schools and businesses were reopened and allowed access to Meter Readers and City Technicians, rendering the meter accessible. Approximately 40,000 bills based on estimated meter reads were issued during the pandemic. Alectra re-billed customers if the estimated meter read varied significantly from the actual meter read. Catch-up bills were issued when estimates proved to be lower than the actual metered usage. Customer friendly language to explain variances was provided by Alectra Call Centre and Billing Representatives. Actual meter reads are the foundation of providing customers accurate bills. In 2023, the meter read success rate has returned to historical norms.

Electronic "smart" water meters have been installed in hard-to-reach locations and are read through Alectra's wireless telecommunications. More than 600 electronically read water meters were installed. As the City looks to alternate billing and meter reading solutions, these meters will be converted to current technology used by the City.

In 2023, Alectra continued to manage some aspects of the City's Lead Water Service Line Replacement Loan Program. This includes the billing and collection of loans provided to residential property owners who qualify for the program. Prior to 2019, these loans were collected via the property owner's taxes.

Alectra's Customer Information System ("CIS") supports billing for 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 through custom configuration within the CIS. 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 managed by Alectra's billing application.

The City's meter replacement and meter maintenance programs have fully resumed post pandemic. Alectra's Billing team continued to work cooperatively with the City to finalize any outstanding work orders and is current in processing work orders.

In accordance with 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 and responding to potential leaks at their rental property. There are currently only 5,503 residential accounts remaining in the tenant’s name.

Meter Reading and Billing Statistics

	2023	2022	2021	2020	2019
	Forecasted	Actual	Actual	Actual	Actual
Number of Invoices	1,902,000	1,881,216	1,867,483	1,864,004	1,865,340
Revenue	\$272 MM	\$252 MM	\$233 MM	\$229 MM	\$223 MM
Meter Reads	1,835,664	1,713,283	1,813,146	1,736,440	1,662,759
Meter Read Success Rate	96%	92%	96%	96%	95%
New Accounts Created	2300	1,971	1,660	1,389	2,941
*Touchpad”, not working” Service Orders	300	827	989	565	879
Service Orders to relocate remote touchpad	100	204	212	120	278

**Alectra reviews read errors - “Touchpad”, not working”, reported by our third-party meter reader. A “double check verification is completed by a lead hand. Due to this Alectra initiative this has attributed to a significant reduction in service orders sent to the COH.*

Unbilled Accounts as of Sept 30, 2023:

Unbilled Accounts by Meter Size	Number of Accounts
0015 MM	2
0016 MM	27
0020 MM	21
0021 MM	1
0025 MM	1
0038 MM	1
0050 MM	2
0100 MM	1
0150 MM	1
0200 MM	1
(blank)	5
Total	63

Unbilled Accounts by Aging Bucket	Number of Accounts
70-100 Days	30
100-200 Days	26
>200 Days	7
Total	63

Unbilled Accounts By Customer Type	Number of Accounts
Residential	38
Commercial	23
Unmetered	2
Total	63

Customer Care and Communications

The Customer Care team continues to be customer focused and to revolutionize the Alectra customer service experience. Improving and evolving all communication touchpoints to strike the right balance between assisted support and self-serve, by proactively building a Customer Care team with a human touch, and by fostering a celebrated customer-first culture.

In 2023, the Contact Centre's goal is to provide a culture of recognizing and rewarding Customer Care agents who provide quality customer experiences. Alectra's focus was on quality improvements from a process perspective. Average Handle time increased to ensure that each customer received an exceptional customer experience and as a result has increased First Call Resolution Statistics. We had our FCR peak moments in Feb at 84% in Q1, in May at 86% in Q2 and at 78% in Q3.

Alectra understands that customers may experience difficulties paying their bills and the Customer Care team is committed to providing customer support and connecting customers to social agencies. As community partners, Customer Care Representatives have worked with customers by creating approximately 2,000 successful payment arrangements YTD. This assisted customers that are unable to make a payment or may have an issue with their account.

Shifting the workload away from transactional, repetitive calls can address more time for Customer Care to focus on complicated inquiries from customers. The 2023-2024 Customer Care strategy will focus to move to more self-service options and give more capacity to improve the Customer Experience while offering more rewarding work to Customer Care employees. Our current web customer self-serve rate is at 48.6% as of August. We want to ensure a continuous increase in use of Smart Forms, increase in the number of customers who use autopay, increase the number of moves and number of payments completed via a digital channel. Alectra is shifting from a transactional to a solution-oriented interaction during the live, complex calls that matter most to customers. Customer Care is also turning to self-service channels to be launched in 2024 and tech to resolve high volumes.

In 2023 Customer Care prioritized and invested across the people, operations, and tech aspects of the customer care strategy.

- Customer Care set out the vision for the customer care organization, capturing what excellence looks like.
- We conducted a rapid but thorough due-diligence-style assessment of people, processes, and capabilities, looking at the customer care operation in a new light to identify not just incremental changes but a reimagined, large-scale transformation.
- Launching a transformational Quality Assurance program, depending on organizational strengths and preferences.
- Leverage the full suite of available technologies and analytical approaches that are driving successful outcomes in customer care, including launch of online chat for 2024 and exploring capabilities of AI in frontline operations to match work to Customer Care Representatives, together with cognitive AI assistance for resolving simpler customer queries.

Alectra's website at www.alectrautilities.com/hamilton-water 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 Water Account Privacy Statement
- Information regarding various billing policies including the City's Arrears Policy, Back billing Policy, Payment Arrangement Policy and 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 and conservation

Customers can access Alectra's easy to use MyAccount portal to securely view their bills, understand historical water consumption and utilize account management features such as the paperless billing option. Alectra initiated a Customer Experience project called Project Atlas with the goal of implementing further enhancements and increasing ease of use on the Alectra My Account Portal, self service options and smart forms. The initial roll-out of this project will be implemented in Q4 of 2023.

The Customer Care team supports billing, payment services and collection activities including all components of water and wastewater/storm account management. The Contact Centre's training team has implemented water and wastewater training for additional resources to support our service provided on the Hamilton Water dedicated queue.

The Contact Centre responds to queries such as:

- Notification of a change of address (processing of move in and out for both owner and tenant accounts)
- Requests to discuss payment options
 - Pre-authorized payments
 - Equal payment plans
- How rates and charges are calculated
- Payment arrangement options and Collection activities
- Conservation information
- Transfer of water/wastewater/storm arrears to the property tax roll
- Meter reading access issues
- Inquiries about high usage / high bills (including the provision of leak detection education) and meter accuracy inquiries
- Alectra also has a voicemail where customers may leave a water read

Timely customer communications support 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.

Customer calls answered within 30 seconds:

	2023 Forecast	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Incoming Calls	65%	70%	70%	67%	76%

Alectra’s Contact Centre is committed to providing timely, effective and efficient service. Alectra values our customer’s time and as such our goal is to respond to inquiries and provide First Call Resolution whenever possible. Year-to-date, over 80% of customers surveyed indicated that their request was resolved in one call to the Contact Centre.

Payment Options and Collection Services

Alectra 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
- 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 to assist property owners who direct water and wastewater/storm billings to a tenant, Alectra 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 manages the process of electronically transferring the outstanding fees and charges related to active and final billed accounts to the property tax roll.

Payment Options and Arrears Support

	2023 Forecast	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Percentage of customers on Pre-Authorized Payment	33%	33%	27%	26%	26%
Water/Wastewater on Equal Payment Plan	7,200	7,345	7,691	8,113	8,524
30 day / 60 day Arrears Notification Letters sent	37,000	38,128	48,466	53,115	54,415
Number of Accounts Transferred to Tax Roll	22,500	20,224	23,762	21,135	20,151
Arrears Value	\$5.1 MM	\$4.4MM	\$4.7 MM	\$4.1 MM	\$3.0 MM

Administration and Management of City 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 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.

Water Leak Adjustment Policy: The City of Hamilton’s Water Leak Adjustment Policy provides residential customers who utilize City of Hamilton water services with financial assistance under certain circumstances. The Policy provides an 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 City’s website). Information on the Policy guidelines, qualifications and application form is available at www.hamilton.ca/leaks.

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 bills sewer discharge permits with the City’s annual budget for these revenues of almost \$10.5MM. Monthly reporting of unpaid accounts is forwarded to the City for tracking purposes.

Program Management Information

	2023 Forecast	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Service Orders Completed	20,000	20,673	25,762	25,107	21,877
High Water Notification Letters	29,000	24,913	17,657	22,086	34,642
Leak Adjustment Request Forms Received	N/A	N/A	69	55	53
Leak Adjustment Credits applied to accounts	\$250,000	\$123,779	\$25,258	\$25,949	\$26,768

Reporting

Alectra 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
- Private Fire Line charges
- Summary of aging arrears and current account receivables
- Revenue report by rate class
- Trial balance for all account receivable transactions
- Adjustments by type

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 provides both electric and water consumption information to our customers for them to comply with the mandatory reporting for these large buildings. So far in 2023, Alectra provided EWRB information to approximately 474 large industrial and institutional customers and condominium corporations.

Community Engagement

Alectra has created a new Customer Assistance Programs (CAP) Team to support Low Income and Vulnerable Customers.

The CAP team recognises that some of our customers face the difficult choice between paying for rent, energy or even food. This is usually symptomatic of a systemic problem and challenges with financial resilience. Many customers may not meet the standard criteria to negotiate sustainable payment arrangements, so we look at alternate approaches to assist our customers.

If an Alectra customer can obtain support to ensure they pay their rent on time, it is likely to free up disposable income to go towards their energy expenses. The CAP team works with local social agencies to find solutions over and above LEAP funding where financial assistance is provided to support non-energy sustainability measures, such as rent assistance, childcare, financial literacy, dental benefits, food assistance or even a short-term emergency loan. Alectra recognises the ever increasing cost of living and are committed to lend a helping hand to our customers when they need it the most.

On June 14th, the CAP team participated in the YWCA Walk-a-Mile in Their Shoes event. Our team provided information on all our payment assistance programs available to our customers. As we move into 2024, Alectra is committed to continue to partner with our community to support our low income and vulnerable customers.