



Hamilton

INFORMATION REPORT

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: September 9, 2013	
SUBJECT/REPORT NO: Fixed Water/Wastewater Charges re 409 & 411 King Street East, Hamilton (FCS13068) (Ward 3)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: John Savoia (905) 546-2424 ext. 7298
SIGNATURE:	

Council Direction:

Not applicable.

Information:

At its meeting on August 14, 2013, the Audit, Finance and Administration Committee approved a delegation request from the property owners of 409 and 411 King Street East, Hamilton to appear before the Audit, Finance and Administration Committee on September 9, 2013.

In summary, the subject two properties have been badly damaged from a fire that occurred at an adjacent home on December 17, 2012, resulting in both properties being vacated thereafter. However, the water services to each property that are separately serviced and metered were not shut off, at the street, at the time of the fire occurrence. Water service termination typically occurs at a property owner's request and at the owner's expense. The respective property owners have appealed water/wastewater billings that have been charged following the fire.

Outline of Recent Events following December 2012 Fire Occurrence:

411 King St E

On March 17, 2013, a City Water Distribution Operator (WDO) attended the site to address a reported water leak from the 1" copper service line feeding the property. The meter and house piping were missing (either from the fire, vandalism or theft) with water "running full bore." Unable to locate the water valve at the property line, to shut the water on the home's building exterior, due to debris that was present, the WDO crimped the service line to stop the leaking water. This is essentially a temporary capping of the line. To date, there is no record of the property owner contacting Hamilton Water to properly shut off the water at the street valve. The water meter was identified as no longer present at the property.

Municipal Enforcement has visited the property, on several occasions, since the fire regarding a number of property standard/by-law enforcement issues related to keeping the vacant property secure.

As of August 22, 2013, Building Services has not processed a demolition permit for the property.

409 King St E

On May 7, 2013, City Water responded to owner request to shut the water off at street. The water meter at this property was identified, at this time, to have been lost or stolen.

Municipal Enforcement has visited the property, on several occasions, since the fire regarding a number of property standard/by-law enforcement issues related to keeping the vacant property secure.

As of August 22, 2013, Building Services has not processed a demolition permit for the property.

Water/Wastewater Billings

Water/wastewater billings are comprised of a fixed charge plus variable consumption charges and with respect to the property situations described above, the consumption charges that have occurred since the fire would have been on an estimated basis due to the missing water meters. The subject accounts have been adjusted so that consumption charges ceased as of March 17 and May 7, 2013, respectively when the water service was made inactive by Hamilton Water. The fixed charges remain for both accounts (\$8.78/month plus sewer surcharge for each account) in accordance with the Waterworks By-law R84-026, as amended, until such time as the service lines are disconnected from the City mains (refer to the following page for further details

regarding by-law requirements). Replacement meter charges have been applied to both subject accounts as the existing meters have been lost or stolen.

Waterworks By-law R84-026 Considerations

Variable (volumetric) Charges

Per the City's Waterworks By-law R84-026 ("By-law"), as amended, variable water/wastewater charges are liable to be paid by property owners on either an actual metered basis or an estimate where meter reads are unavailable until such time as a water service is shut off at the property line. Water service termination typically occurs at a property owner's request and at the owner's expense.

Water Service Shut-off

The By-law stipulates that, whenever a premise having a water service becomes vacant, the property owner is required within twenty-four (24) hours of vacancy to notify the City, in writing, to shut off the water, at the street line, and shall pay a fee for this service. In practice, several vacant properties exist where the City is not notified of the vacancy and the water service remains active which may result in undetected water leaks and/or unauthorized water usage to occur.

Fixed Water/Wastewater Charges for Vacant Properties with Inactive Water Service

Where a property has the water shut off, at the street line, with the service line connection to the main still intact, the property continues to be charged the fixed monthly charge that is based on the meter size that metered water customers are charged. The fixed charge reflects the capacity allocation attributed to the service that is physically tied to the City mains that could easily be re-activated. Additionally, the fixed charge recognizes associated maintenance expenses (service line leak survey and repair) and costs for the provision of the public fire protection service that should be borne by all customers who have connection to the system. For a customer to eliminate fixed charges, the property owner would need to have the service line disconnected from the City's main at their own expense. Currently, there is no accommodation within the By-law to suspend, even on a limited basis, the fixed charges related to demolitions resulting from fire or other natural disasters.

The continued application of fixed charges to properties with inactive but intact service lines is consistent practice with other Ontario municipalities and exists, in part, to ensure that service lines that are not intended to be utilized in the future are in fact removed from the City's mains in an appropriate fashion and time-frame. These orphaned services, commonly referred to as "service stubs", are often the source of unidentified leaks contributing to the unaccounted water loss issue that the Water/Wastewater Division is working to address.

Replacement Fee Charged for Lost Meter

The property owner of a premise on which the water meter is located is responsible for the protection of the water meter and related meter reading equipment (remote touchpad). In addition to providing, at all times, easy access to the water meter and/or remote reading, the owner is liable for the cost of repairing or replacing a meter damaged by frost, or otherwise, or the cost of replacing a meter lost or stolen. The approved 2013 fee related to the replacement of a lost meter is \$192.30.