



POLICY TITLE: City of Hamilton Water Leak Adjustment Policy

POSITION RESPONSIBLE FOR TASK: Senior Policy Advisor, Financial Planning and Policy

POLICY NO: PP-0005

LAST REVISION DATE: 12/12/2007

EFFECTIVE DATE: 10/27/2011

MANAGER REVIEWED: Mike Zegarac

TO BE REVIEWED: 10/1/2016

MAINTENANCE RESPONSIBILITY: Financial Planning and Policy Section

I GENERAL

The City of Hamilton’s Water Leak Adjustment Policy (“Policy”) provides residential, not-for-profits and institutional customers who utilize City water services financial assistance in regard to the repair of water leaks on private property, excluding any water leaks in the water service pipe. A “water service pipe” is defined as the pipe on the private property which conveys potable water from a City watermain to the inside of the building on the property. The Policy affords an opportunity for customers to request adjustments to water and wastewater use charges where such leak has been repaired by completing the *Water Leak Adjustment Request Form*.

II BACKGROUND

The City’s Water Leak Adjustment Policy (Policy), in effect since November 2007, provides limited financial relief to customers to address abnormally high water and wastewater bills associated with plumbing failures.

The Policy allows for staff to address those instances when an eligible metered water customer receives an abnormally high bill as a result of a plumbing failure. Though the customer is responsible to repair leaks on service plumbing, it was recognized that a high water/wastewater bill resulting from an unintentional water leak can present financial hardship to a customer.

The Policy provides the opportunity to educate the consumer about the impact of water leaks while ensuring the financial impact of the increased water consumption is partially mitigated.

III POLICY

PURPOSE

To provide an opportunity for customers to request adjustments to water and wastewater use charges where a Leak has been repaired in the water system on the customer's side of the water meter in a reasonable timeframe.

DEFINITIONS

Horizon: Horizon Utilities Corporation.

Leak: An unintentional water loss caused by broken and/or malfunctioning 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.

Not-for-profit: Not-for-profit corporations are incorporated under the Ontario *Corporations Act* as organizations that carry on activities without the purpose of gain for its members and any profits to the corporation.

Unoccupied: An unoccupied dwelling and/or building is a dwelling and/or building in which occupants are absent from the property for a time period of seventy-two (72) hours or more, due to such matters as vacations or prolonged illness.

Vacant: Regardless of the presence of furnishings, a vacant dwelling and/or building means the occupants have moved out with no intent to return. A newly constructed dwelling and/or building is also considered to be vacant after it is completed and before the occupants move in. A dwelling and/or building is also vacant when the occupants move out and before any new occupant moves in.

REQUIREMENTS

- An adjustment may occur only after all leaks have been repaired and verified with an actual water meter read by the City's agent, currently Horizon Utilities Corporation. Obtaining an actual meter reading may be necessary, within a minimum of two weeks, to verify whether Leaks have been repaired and usage has returned to normal.
- Reasonable efforts (including hiring a plumber) to locate the Leak and initiate repairs must be taken by or on behalf of the customer within 120 calendar days after of the initial notification of increased water usage provided to the customer by Horizon. Notification may include, but is not limited to: water billing with higher than historical average consumption, a written notice delivered to the owner or occupant or a courtesy phone call. Exceptions may be considered for extraordinary circumstances.
- The customer must complete in full the *Water Leak Adjustment Request Form* and provide documentation of repairs made prior to being approved for an adjustment within 120 calendar days after the date of final repair(s).

- There is no extension of the due date or the time for paying water and/or wastewater bills because of a pending adjustment request. Customers are advised to pay the entire amount due with the normal payment period or enter into payment arrangements for the excessive amount in order to remain in good standing on all current billings. Reimbursements will only occur when an adjustment request is granted.

WATER/WASTEWATER BILLING ADJUSTMENT

Leak adjustments are discretionary and will only be granted as follows:

- If an adjustment is granted, this is a one-time only adjustment per owner.
- Adjustments will only be for a maximum adjustment period of 240 calendar days (120 calendar days prior and 120 calendar days after the initial notification of the increased water usage provided to the customer by Horizon).
- Water usage MUST EXCEED 2 TIMES (200%) the AVERAGE of the similar period from the previous year. If no history is available, meter readings will be obtained to project normal usage. If projection is not possible, actual consumption of similar customers will be used to determine normal usage for the adjustment calculation.
- Adjustments will be based on 50% of the water consumption amount exceeding the AVERAGE of the similar period from the previous year.
- Adjustments for not-for-profits and institutional customers will be capped at \$5,000 (maximum combined water and wastewater adjustment). There is no adjustment cap for residential customers.
- No adjustments will be granted where:
 - a) usage above the customer's average monthly consumption is due to seasonal usage such as watering of sod, gardening, filling swimming pools or whirlpools, washing vehicles, etc. as this describes water services knowingly used by the customer;
 - b) water loss is due to theft, vandalism or construction damage as the responsibility to resolve these issues lies with the customer;
 - c) Leak was caused by a third party from whom the customer is able to recover their costs;
 - d) dwelling and/or building is Unoccupied and/or Vacant for 72 hours or more. Customers have the responsibility to arrange for a competent person to enter their dwelling regularly to monitor the dwelling's condition eg. ensure that

heating has been maintained. For extended absences, customers should consider shutting off the water supply (except where water is used for heating) and draining all the pipes and appliances;

- e) where high water usage is identified from a “catch-up” billing following a minimum of 2 consecutively estimated billings. Actual meter readings are necessary for bills to reflect actual higher water usage to trigger the associated leak detection and subsequent any leak repairs. Customers are advised on their water bill if the billing is based on an estimated read. Furthermore, the water meter readers leave a meter read request door hanger for the customer to call in and/or return the read card, with an actual consumption read from their water meter. Additionally, the City and HUC undertake a number of actions to address the issue of consecutively estimated accounts that ultimately requires the timely response and cooperation of the customer to ensure ongoing actual meter readings may take place. Customers need to provide timely response and/or access to the property to allow for maintenance to metering equipment to eliminate estimated readings. The associated delay in obtaining an actual reading, occasionally results in unbilled consumption once an actual read is eventually obtained.

The following example illustrates how the adjustment is calculated based on rates in effect as of January 27, 2011:

For this example, the normal monthly average water consumption is 30 cubic metres per month.

	Water Consumption	Dollar Amount
1 Water Bill	350 c.m.	\$ 394.10
2 Wastewater Bill *		394.10
Total water and wastewater bill		<u>\$ 788.20</u>
3 Prior 12 month average	30 c.m.	\$ 33.78
4 Consumption eligible for adjustment [1 - 3]	320 c.m.	\$ 360.32
Leak adjustment 50% allowance [4 * 50%]		\$ 180.16
Wastewater adjustment *		180.16
Total water and wastewater bill adjustment		<u>\$ 360.32</u>

* Wastewater surcharge = 100% of water consumption