

# The Corporation of the City of Kawartha Lakes

## Council Report

Report Number CORP2017-008

---

**Date:** April 18, 2017

**Time:** 2:00 p.m.

**Place:** Council Chambers

---

**Ward Community Identifier:** ALL

**Subject:** High Bill Adjustment Policy

**Author/Title:** Christine Norris

**Signature:** 

Manager, Revenue & Taxation/Deputy Treasurer

---

### Recommendation(s):

**RESOLVED THAT** Report CORP2017-008 **High Bill Adjustment Policy**, be received;

**THAT** the policy entitled **High Bill Adjustment Policy** appended to Report CORP2017-008 be adopted, numbered and inserted in the Corporate Policy Manual; and

**THAT** the following policies and appended forms be rescinded and removed from the policy manual:

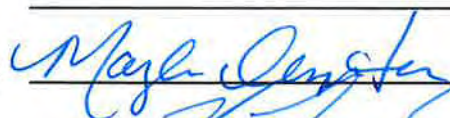
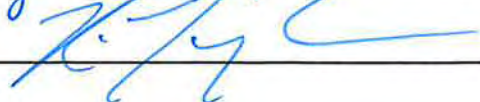
C199-FIN-021 Contested High Consumption Policy

---

**Department Head:**

**Corporate Services Director / Other:**

**Chief Administrative Officer:**

## **Background:**

At the February 2, 2017 Executive Committee, the CAO and Director of Corporate Services requested a Council committee be established to review the existing Council Financial Policies.

The Committee was established with Councillor Dunn appointed as Chair and Councillor Elmslie, Councillor Junkin and Councillor Pollard were appointed as Committee members. The Committee commenced meetings on February 21, 2017.

On March 7, 2017 the Committee reviewed the attached Policy and recommended forwarding the Policy to Executive Committee for support.

The Executive Committee provided support and a recommendation to forward the policy to Council for consideration on April 6, 2017. This report is in support of the proposed High Bill Adjustment Policy attached to the Report. There is no Management Directive associated with this Policy. Standard operating procedures will be developed to provide clear process details and expectations for staff.

## **Rationale:**

The attached Policy is expanded to clearly detail situations where customers may receive a water and wastewater invoice that is higher than what is normally expected. The Policy provides direction when an adjustment is warranted, timelines for application and length of adjustment as well as how the adjustment is to be calculated.

Below is a high level summary of reasons for high water/wastewater invoices and if an adjustment may be warranted:

Section	Reason	Potential Adjustment
3.0	Reading Error	Yes
4.0	Period of Increased Consumption	No
5.0	Estimated Bill Higher than Actual Consumption	In specific circumstances
6.0	Catch Up Bill	No
7.0	Replaced Water Meter (Final Reading)	In specific circumstances
8.0	Obvious or Hidden Leaks	In specific circumstances within defined timeframes (irrigation systems do not qualify)
9.0	Malfunctioning Water Meter	As per By-law 2011-260
10.0	Installation of New Water Meter	No
11.0	Mismatching of Registers & Water Meters	Yes
12.0	Unexplained Sudden Large Increase	Where specific criteria is met

At the February 7, 2017 Council meeting Council Breadner brought forward a memo addressing his concerns regarding Water Billing Resolution Options for unsatisfied customers. The following resolution resulted:

#### **10.1.5 CC2017-03.10.1.5**

Councillor Breadner  
Water Billing Dispute Resolution Options

#### **CR2017-091**

**RESOLVED THAT** Memorandum from Councillor Breadner regarding Water Billing Dispute Resolution Options, be received; and  
**THAT** the Contested High Consumption Policy be reviewed through the ongoing Executive Committee policy review program, with recommendations to Council by the end of Q2, 2017.

**CARRIED**

The Financial Policy Review Committee reviewed the updated policy with staff and the situations that may occur to cause a high bill. The committee supported Staff's position that the updated policy is fair and transparent for all residents. It is important to note that any change to a water or sewer bill affects all rate payers

of the system as the water has been treated and costs incurred regardless of the rationale for the occurrence. For that purpose, the City is very specific and transparent about when a bill will be adjusted for a high bill situation and has further clarified and laid out the rationale in the attached policy. The City currently has a budget for high bill adjustments and any other types of circumstances considered outside of what is in the attached policy will increase the amount of budget required and directly impact the rate increase required for all water and wastewater customers.

**Other Alternatives Considered:**

Not Applicable

**Financial Considerations:**

Not Applicable

**Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

This report is in alignment with the City's strategic plan with respect to Responsible Fiscal Resource Management

**Review of Accessibility Implications of Any Development or Policy:**

N/A

**Servicing Comments:**

N/A

**Consultations:**

Council Appointed Financial Policy Review Committee  
Executive Committee

**Attachments:**



High Bill Adjustment  
Policy.docx



C199-FIN-021  
Contested High Cons.

---

**Phone:** 705 324 9411 x 1274  
**E-Mail:** cnorris@city.kawarthalakes.on.ca  
**Department Head:** Mary-Anne Dempster  
**Department File:**



# Council Policy

Council Policy No.:	
Council Policy Name:	High Bill Adjustment Policy
Date Approved by Council:	
Date revision approved by Council:	
Related SOP, Management Directive, Council Policy, Forms	

## Policy Statement and Rationale:

This Policy establishes the expectations of Council relating to a high bill inquiry.

## Scope:

This policy covers various types of high consumption water and wastewater bills and how to address customer concerns.

## Policy:

### 1.0 Definitions

- 1.1 **"High Bill"** is a bill that is 2 x the normal consumption for the same period in the previous year based upon average daily consumption.
- 1.2 **"Income Producing Residential Property"** means where the property owner registered on title is different than the occupant.
- 1.3 **"Leak"** means 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 on the plumbing system to do what it was designed to do.
- 1.4 **"Not-for-profit"** means Not-for-profit corporations incorporated under the Ontario Corporations Act as organizations that carry on activities without the purpose of gain for its members and any profits for the corporation.
- 1.5 **"Unoccupied"** means 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.

- 1.6 **"Vacant"** means 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.

## 2.0 General

- 2.1 A high bill can be a result of:
- A reading error
  - A period of increased consumption
  - An estimated bill that is higher than the actual consumption
  - A catch up bill following one or more estimated bills
  - A final meter reading from an existing meter where a new water meter is being installed
  - Obvious or hidden leaks
  - A malfunctioning water meter
  - Installation of a new meter
  - Mis-matching of registers and meters
- 2.2 Pipes and infrastructure after a water meter are on private property and is not a municipal responsibility
- 2.3 Plumbing must be in compliance with government regulations
- 2.4 By-law 2011-260, Consolidated Water and Wastewater Service, section 10.03(h) provides authority to adjust accounts where the meter is not registering or not registering correctly.
- 2.5 Estimated readings are used where an actual reading cannot be obtained due to:
- Staff availability
  - No reading available due to faulty equipment
- 2.6 Estimated readings will not be used when an actual water meter reading is available is higher than a normal reading as it masks potential issues that may not be identified until subsequent bills.
- 2.7 An estimated reading is identified on the bill.
- 2.8 Staff shall assist the customer in identifying the cause of a high bill.

2.9 No adjustment to an account will be provided when:

- Water loss due to a leak in an irrigation system
- Water loss is due to theft, vandalism or construction damage as the responsibility to resolve these issues lies with the customer
- A leak was caused by a third party from whom the customer is able to recover their costs
- A dwelling and/or building is Unoccupied and/or Vacant for 72 hours or more
- Costs can be recovered through an insurance claim

### 3.0 A Reading Error

3.1 Occasionally a reading error will occur and result in a higher than normal bill for a customer. When this happens the correct reading shall be entered and the customer will be notified of the adjustment if applicable.

3.2 Where the reading error was a prior period resulting in a low bill and then a higher bill in the subsequent billing cycle the customer will be provided the details of the error, and if requested, will be provided an extended period of time to pay the higher bill without late payment charges. Repayments should not extend beyond 6 months.

### 4.0 Period of Increased Consumption

4.1 Reasons for periods of increased consumption include but are not limited to:

- Seasonal Use:
  - Watering of sod, gardening
  - Filling of swimming pools or whirlpools
  - Washing vehicles
  - Use of irrigation systems
  - Building of ice rinks
- Visitors
- Increase in the number of days in the billing period
- Neglect of private property

4.2 These uses do not constitute a reason for an investigation of a high bill.

### 5.0 Estimated Bill Higher than Actual Consumption

5.1 An account that has been estimated shall be adjusted to reflect actual consumption:



- When the customer provides the City with a meter reading when estimated readings were used for billing purposes; or
- After the water meter and remote reading equipment has been inspected and repaired or replaced in the case of faulty readings and notices have been left for repair.

- 5.2 If there is no response to the first request to inspect and repair or replace within 90 days estimates will continue.
- 5.3 If it is determined when the meter is inspected and repaired or replaced, that the meter was malfunctioning, estimates shall remain as billed unless the estimate is not comparable to normal usage for historical billing periods where actual reads were available.

## **6.0 Catch Up Bill**

- 6.1 When previous bills have been estimated and the subsequent bill is an actual reading no adjustment shall be provided.
- 6.2 Where the catch up bill is more than two times the normal consumption based on the 5 year average, if requested, an extended period of time to pay the higher bill without late payment charges will be provided. Repayments should not extend beyond 6 months.

## **7.0 Final Meter Reading from Replaced Water Meter**

- 7.1 Where there is a discrepancy between the outside reader and the water meter and the reading is based upon the Touch Read Technology (TRT) the discrepancy could be a result of communication error between the water meter and the TRT device due to environmental factors.
- 7.2 Where the difference results in a water bill of more than 2 times difference than the daily average for the previous 5 years, the adjustment calculation used in relation to Section 8.0 will be applied.

## **8.0 Obvious or Hidden Leaks**

- 8.1 Obvious leaks include but are not limited to:
- Dripping taps
  - Water softeners continually cycling
  - Toilet tanks
- 8.2 Hidden leaks include but are not limited to:



- Irrigation systems
  - Toilet tanks
  - Icemakers
  - Water powered sump pumps
- 8.3 This section does not apply to commercial, industrial, multi-residential (as identified by assessment property classification) and income producing residential properties or leaks as a result of irrigation systems.
- 8.4 Reasonable effort to locate the leak and initiate repairs must be taken by the customer within 30 calendar days upon notification from the City of increased water usage.
- 8.5 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
  - A courtesy phone call
- 8.6 To qualify for an adjustment water usage must exceed 2 times (200%) the average daily consumption of the similar period from the previous 5 years (not including estimated readings).
- If history is not available for the previous 5 years, available history will be used in the calculation.
  - If no history is available the cubic metres used in the calculation of the flat rate water charges will be used as the average.
- 8.7 The customer must complete the Water Leak Adjustment Request Form and provide sufficient documentation of repairs.
- 8.8 Notification to the City is required within 14 calendar days after the date of the final repair(s).
- 8.9 The customer's account must be in good standing at the time of submission.
- 8.10 The adjustment shall be in the form of a credit applied to the account.
- 8.11 Adjustments shall be issued after repairs have been completed and verification water usage at the location has returned to normal.

- 8.12 Adjustments shall only be made for the bill in question and up to the time a meter reading was obtained verifying the problem has been resolved but not to exceed 30 days from the due date of the bill in question.
- 8.13 Failure to request a review within 60 days of initially being notified of the leak waives the customer's opportunity for an adjustment.
- 8.14 The customer is consenting to the City or its representative the right of access to the property for the purpose of an inspection to determine whether the leak was repaired within the required timeframe.
- 8.15 Customers must pay the average consumption for each month adjusted plus 50% of the amount above the average consumption for water charges.
- 8.16 A maximum of 5 of months will be adjusted.
- 8.17 Wastewater reductions will be calculated in the same manner.

## **9.0 Malfunctioning Water Meter**

- 9.1 If a water meter has been sent for testing and it has been determined the meter has been over registering and exceeding the limits established in By-law 2011-260 the water bill in question shall be recalculated to reflect the amount of the overcharge or where a recalculation cannot be reasonably made the charge shall be adjusted to reflect the flat rate water and/or sewer charges as defined by By-law.

## **10.0 Installation of a New Water Meter**

- 10.1 Old water meters may not capture consumption due to under or un-registering the consumption and the new water meter will now be accurately measuring the consumption.
- 10.2 No adjustment will be made as the water meter is correctly measuring the water consumed at the property.

## **11.0 Mismatching of Registers and Water Meters**

- 11.1 Water meters and registers are matched when delivered to the City and accounts are set up indicating the unit of measure for billing purposes.
- 11.2 When it has been identified the register attached to the water meter does not match the size of the water meter or the unit of measure is incorrect the situation will be corrected.



- 11.3 Where it has been identified the unit of measure has been recorded incorrectly the situation will be corrected and adjustments made.
- 11.4 If the mismatch results in a credit to the property owner the account will be adjusted back to the date of the installation of the water meter.
- 11.5 If the mismatch is in favour of the municipality an adjustment will be made for the previous 2 year period.

## **12.0 Unexplained Sudden Large Increase**

- 12.1 Occasionally there is increased consumption that cannot be explained. To qualify for an adjustment calculated under Section 8 above, the following is required:
- Consumption is two or more times greater than the historical daily average consumption for the property
  - Water meter has been tested and found to be measuring water consumption within prescribed standards for accuracy and is otherwise free from defects that could affect the measuring of water consumption; and no other city activity could have reasonably caused, in the determination of the Director of Public Works or designate, the increase in recorded water consumption
  - The increase in recorded water consumption, in the determination of Director of Public Works or designate cannot reasonably be attributed to an act or omission of the customer, an occupant of the property or a person within the customer's or occupant's control; or a leak or other defect in the private plumbing system of the customer's property
  - The customer shall provide to the City, at the customer's cost, written verification from a licensed plumbing contract, that the private plumbing system of the property is free from leaks or other defects that may affect water consumption and that upon careful inspection of the system there are no other factors that may explain the increased consumption
  - Customer shall provide the City any documentation or other information in the customer's possession or knowledge in respect to the private plumbing system for the subject property, occupants of the subject property and the customer's water consumption during the billing period in question as the City may request
- 12.2 City staff may inspect the subject property
- 12.3 In this situation the cost of the meter inspection will be returned to the customer.

## **13.0 Payments**



## Council Policy

- 13.1 There is no extension of the due date or the time for paying water and/or wastewater bills because of a pending adjustment request.
- 13.2 Late payment charges will only be adjusted in relation to the adjustment provided for the leak or where readings have been estimated for an extended period of time resulting in a large reconciliation bill.

### 14.0 Adjustment Cap

- 14.1 Adjustments for not-for-profits and institutional customers will be capped at \$5,000.
- 14.2 There is no adjustment cap for residential customers.
- 14.3 The City will not process leak adjustment where the adjustment amount is calculated to be less than \$50.00.

### 15.0 Frequency of Adjustments

- 15.1 Property owners are responsible for ensuring there is no repetition of this occurrence. As such, only one leak adjustment per property during the term of the applicant's ownership of the property shall be permitted.

### Revision History:

Proposed Date of Review:

Revision	Date	Description of changes	Requested By
0.0	[Date]	Initial Release	

## CORPORATE POLICY AND PROCEDURES MANUAL

Policy No:

C199	FIN	021
------	-----	-----

Policy Name:  
**Contested High Consumption Policy**

DEVELOPED BY:	Greg Bedard, Municipal Finance Intern	DATE:	Jan. 28/13
DEPARTMENT:	Corporate Services		
REVIEWED BY:	Directors	DATE:	
APPROVED BY:	Chief Administrative Officer	DATE:	
RESOLUTION NUMBER:	CR2013-157	EFFECTIVE:	Feb. 12/12
CROSS-REFERENCE:		REVISIONS:	

### **POLICY STATEMENT AND RATIONALE:**

High water consumption is a result of three potential factors:

- Leaks on the private side of the water meter
- A malfunctioning water meter
- The result of a billing problem
- Actual consumption by the property owner

The purpose of this policy is to ensure that all accounts contested because of unusually high water consumption are dealt with in a fair, equitable, and consistent manner.

### **SCOPE:**

The *Contested High Consumption Policy* applies to all water and wastewater service accounts within the geographic boundaries of the City. City staff assigned to the administration of water and wastewater accounts shall adhere to the policy and procedures detailed below.

### **DEFINITIONS:**

In reading and interpreting the *Contested High Consumption Policy*, the following definitions apply:

- a) "City" means The Corporation of the City of Kawartha Lakes.

## **POLICY, PROCEDURE AND IMPLEMENTATION:**

### **1.0 Review of Contested Bill**

- 1.01 When a customer has contacted the City concerning a high water/sewer bill, the account will be reviewed to determine the high bill was not a result of a billing error.
- 1.02 If the problem is a billing error, corrective action will be taken as outlined in Subsection 2.01.
- 1.03 If the problem is not a billing error, a work order will be prepared and City staff will visit the property to investigate the high consumption.
- 1.04 City staff will first confirm the outside and inside meter readings match.
- 1.05 Should the meter and outside reader be lower than the billed amount, reflecting an error during the meter reading process, Subsection 2.01 applies.
- 1.06 Should the meter and the outsider reader reflect increased consumption, City staff will conduct an investigation of the internal plumbing to determine if there is evidence a leak caused the high consumption.
- 1.07 Should the high consumption be reflective of a faulty meter register, corrective action will be taken as outlined in Subsection 2.02.
- 1.08 Should the high consumption reflect an internal leak after the meter, the account holder may seek relief under the provisions listed in Subsection 2.03.
- 1.09 Where no leak has been identified, the account holder may elect to have the meter tested to contest a high bill, of which the provisions are listed under Section 5.0.

### **2.0 Determination of Adjustment**

- 2.01 If the contested bill is as a result of a billing error, an adjustment will be made to the account, and a new bill will be issued, along with a letter of apology.
- 2.02 If the contested bill is a result of a faulty meter, steps will immediately be undertaken to rectify the problem, and a new bill will be issued based on the average of the previous four (4) billing periods for service address.
- 2.03 If the contested bill is the result of a leak after the meter, the responsibility for water consumed after passing the meter is that of the property owner. A request, in writing, to be considered for a water bill adjustment can be made should the contested consumption be at least two hundred (200%) of the normal bill.
- 2.04 The normal bill will be determined by Utility Billing staff based on the average of the previous four (4) billing periods for that account or service address.

2.05 The level of relief to be granted is an adjustment of fifty (50%) percent of the difference between a normal bill as determined, and the contested amount.

2.06 Negligence on behalf of the account holder may result in a decrease of the adjustment or complete denial of the adjustment.

### **3.0 Application of Adjustment**

3.01 The adjustment shall be in the form of a credit applied to the account.

### **4.0 Frequency of Rebate**

4.01 There shall be one (1) rebate allowed per property during the time of ownership.

### **5.0 Meter Testing**

5.01 The account holder may request for a meter to be tested to resolve a contested bill.

5.02 A new meter will be installed during the period while the meter in question is being tested by an independent party. The meter being tested will not be reinstalled.

5.03 Should the meter be found to register correctly, slowly, or not to exceed 3% in favor of the City, the account holder will be responsible for the expense of removing and testing the meter.

5.04 If the meter be found to register in excess of 3% in favor of the City, a credit shall be applied to the account to reflect the excess percentage of meter error for one (1) quarterly period immediately prior to the testing of the meter in question.

5.05 The City reserves the right to replace any meter, with no cost to the property owner, whether for upgrade purposes or not, without testing of the original meter.