

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CORP2017-017

Date: June 6, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Subject: High Water Bill Appeals

Author/Title: Christine Norris , Manager, Revenue & Procurement

Recommendation(s):

RESOLVED THAT Report CORP2017-017, High Water Bill Appeals, be received.

Department Head: _____

Mary Guletsky

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

R. J. G.

Background:

The City of Kawartha Lakes provides water and sewer services to approximately 13,500 properties annually, resulting in approximately 55,000 water and sewer bills being produced. Below is a summary of high bill adjustments from 2004 to 2016:

Year	Number of Adjustments	Credits Provided
2004	40	\$ (10,012)
2005	66	\$ (24,874)
2006	50	\$ (19,138)
2007	36	\$ (11,696)
2008	21	\$ (9,988)
2009	15	\$ (9,390)
2010	14	\$ (5,292)
2011	13	\$ (8,885)
2012	30	\$ (35,152)
2013	28	\$ (23,000)
2014	19	\$ (13,138)
2015	28	\$ (13,234)
2016	31	\$ (14,555)
Total	391	\$ (198,354)

The newly adopted High Bill Adjustment Policy outlines reasons why a customer may receive a water and/or wastewater bill indicating consumption that is higher than normal and when an adjustment may be available to the customer. Schedule "A" provides a summary of reasons why property owners would receive a bill that indicates higher than normal consumption, along with details whether the reason would qualify for an adjustment and how the adjustment would be calculated. The new policy provides clarity to staff and the public as to the parameters of the program on a go forward basis with a focus on customer service, with the policy extending to address unexplained increases in water consumption with a process to potentially provide relief to the property owner if in fact the sudden increase (and return to normal consumption) is truly unexplained. Since 2013 the City has received one request that was presented to Council, one request that resulted in meetings with the property owner, the CAO and staff, and a few where property owners have contacted their Councillor expressing their concerns.

At the Council Meeting of April 18, 2017, Council adopted the following resolution:

Council Resolution Number 2017-341

Moved By: Isaac Breadner
Seconded by: Gord James

RESOLVED THAT staff report on options available to the City to provide an appeal body for high bill adjustment if there is no successful solution by following the High Bill Adjustment Policy.

This report addresses that direction.

Rationale:

From an administrative perspective Council is the appropriate body to review appeals from property owners not satisfied with the result of a request for a high bill adjustment based upon the following:

- Variance from the Council approved Policy would have to be authorized by Council as a whole;
- Reductions not authorized by the Policy would set precedent for future requests;
- Reductions outside of the approved policy cannot be anticipated and therefore has the potential to have a negative impact on the annual Water and Sewer Budget; and
- Unlike property standards issues where a decision made by the Property Standards Committee only impacts one property, a decision outside the Council approved policy impacts all ratepayers.

Council has been elected by residents and property owners of the City to act on their behalf. As Council is already established and hears delegations and receives written correspondence from the public on matters of concern; the informal right of appeal is already available to the public where they are not satisfied with the application of a Council policy. If a property owner is not comfortable with making a delegation to Council, a written appeal is an option.

Staff works closely with property owners and Council members to assist wherever possible with a high bill inquiry. There are occasions where requests have been denied (e.g. applied successfully previously or the program criteria were not met). There have also been occasions where it was determined the calculation of the adjustment was incorrect and subsequently corrected. Working with a Council member directly when there are concerns raised by a member of their ward allows staff to help Council understand the process and how it relates

to an individual's circumstances. Issues have been resolved in accordance with Policy without having to bring the matter to an appeal.

It should be noted that many municipalities do not have programs as the water has travelled through the meter and therefore is the responsibility of the property owner. The City established a program to provide property owners with the opportunity for financial relief from higher than normal water and sewer bills where specific criteria are met.

Other Alternatives Considered:

Property Standards Committee

The concept of having the Property Standards Committee act as the appeals body for appeals relating to the High Bill Adjustment Policy is not in compliance with the purpose of the Property Standards Committee as set out in By-law 2016-112, the Consolidated Property Standards By-law as outlined below:

- A Property Standards Committee is established to hear and rule on appeals against the Orders of the Property Standards Officer; and
- The Property Standards Committee shall function as set out in Section 15.6 of the Building Code Act, 1992, S.O. 1992, c.23 and shall have the powers and duties prescribed by Section 15.1 through 15.8 of the Building Code Act, 1992, S.O. 1992, c.23.
- Dealing with a high bill adjustment appeal is outside the scope of the Building Code Act
- The Policy has been established by Council and Council is the sole authority to make decisions outside of the Policy.

Appeal Body for High Water Bills

Creating a separate committee to deal with complaints from property owners not qualifying for an adjustment, or not satisfied with the amount of the adjustment would:

- increase administrative costs as staff would have to be reassigned from normal work duties to prepare and defend decisions made based upon Council approved Policy
- potential for increased number of frivolous appeals
- recommendation for any adjustment outside of the Policy would have to be presented to Council for final approval, which will create duplication of effort
- potential for inconsistent application of policy creating negative precedents for future application of the Policy.

Financial Considerations:

Creating another option for customers to bring their concerns has the potential to result in an unnecessary financial burden to the tax/ratepayer through costs associated with additional meetings, reallocation of staff resources; the potential

for inconsistent application of the policy and increases in the user rates associated with water and sewer services.

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

Strategic Enabler - Responsible Fiscal Resource Management

Consultations:

City Clerk

Attachments:

Appendix A – Summary of High Bill Reasons and Potential Adjustment



Appendix A -
CORP2017-017.docx

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Department Head: Mary-Anne Dempster

Department File:

Appendix A – Summary of High Bill Reasons and Potential Adjustment

Reason	Qualifies for Program	Type of Adjustment Available	Appealable
Reading error	No	Actual reading will be corrected and bill adjusted	No
Period of increase consumption includes but not limited to:			
Watering of sod, lawn, gardening	No		No
Filling of swimming pools or whirlpools	No		No
Washing vehicles	No		No
Use of irrigation systems	No		No
Building of ice rinks	No		No
Visitors	No		No
Increase in number of days in a billing cycle	No		No
Neglect of private property	No		No
Estimated Bill Higher than Actual Consumption	No		No
Estimated Readings	No	When actual reading received bill will be adjusted; adjustment will be made to historical average if estimates are not comparable	No
Catch Up Bill	No	Possible extended period to pay to maximum 6 months	No
Final Meter Reading when Water Meter Replaced	No	Where difference is more than 2 x the average daily consumption for the previous 5 years an adjustment based upon Section 8 of the Policy will be applied	No
Obvious or hidden leaks			

Reason	Qualifies for Program	Type of Adjustment Available	Appealable
Commercial, Industrial, Multi-Residential Properties, income producing residential properties, irrigation systems	No		No
Dripping taps, water softeners continually cycling, toilet tanks, icemakers, water powered sump pumps	Yes	Where difference is more than 2x the average daily consumption for the similar period for the previous 5 years; application deadlines; maximum adjustment timeframe; maximum amount of adjustment (not-for-profits and institutional)	No
Malfunctioning Water Meter	No	If it has been determined the water meter has been measuring incorrectly after a test the bill will be adjusted based upon the over registering or if not possible will be based upon the flat rate charges in effect	No
Installation of a New Water Meter	No		No
Mismatching of Registers & Water Meters	No	Adjustments will be made based upon correct register/water meter size	No
Unexplained Sudden Large Increase	Possible <ul style="list-style-type: none"> - Has the water meter been tested - Has there been city activity that may have caused the meter to fluctuate (e.g. Toronto has indicated the potential of watermain re-pressurizing may lead to a sudden unexplained increase) - The increase cannot be 	If criteria met then adjustment made if more than 2x the normal consumption	No

Reason	Qualifies for Program	Type of Adjustment Available	Appealable
	<p>reasonably attributed to the customer in the opinion of the Director of Public Works, etc.</p> <ul style="list-style-type: none">- Has a plumber verified there are no leaks and no defective equipment?- Has the consumption returned to normal immediately after the high consumption was noted?-		