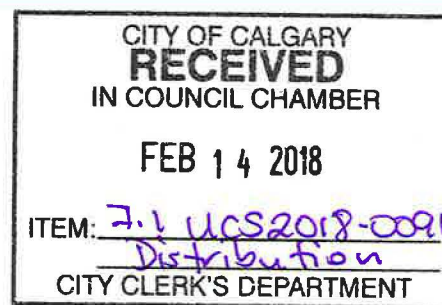




Water Utility Billing Adjustment Process and Wastewater Rate Report

Presentation to Standing Policy Committee on Utilities and Corporate Services
February 14, 2018



UCS2018-0091
The City of Calgary
Water Resources

ISC: Unrestricted



Previous Council Direction / Policy

- I. September 9, 2017, Council adopted Councillor Colley-Urquhart's Notice of Motion
- II. Administration was directed to:
 - i. immediately forgive high bills
 - ii. analyze the scale and scope of the issue
 - iii. research potential consumer appeal mechanisms
 - iv. provide cost estimates for inspection services
 - v. review wastewater charges
 - vi. report back Q1 2018



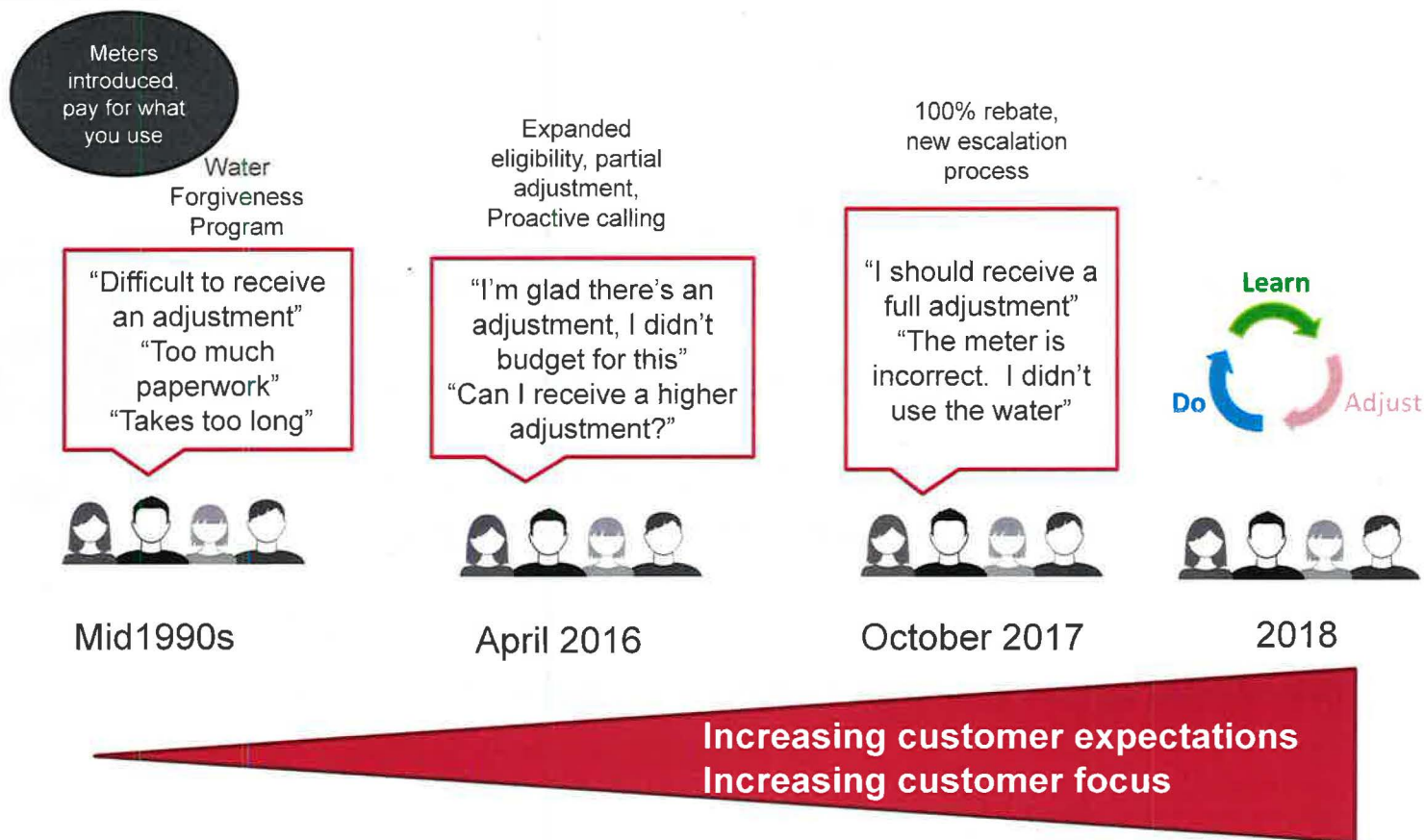
Background - Customer Experience



- I. Billing adjustment process did not meet customer expectations
- II. ~ 0.2% customers experience high consumption each month; most are intentional or confirmed leaks
- III. Financial impact of leaks can be significant
- IV. Some customers raised other questions - meters, billing system, independent appeal.



Customer Billing Adjustment Journey



Guiding Principles:

Fairness to all customers

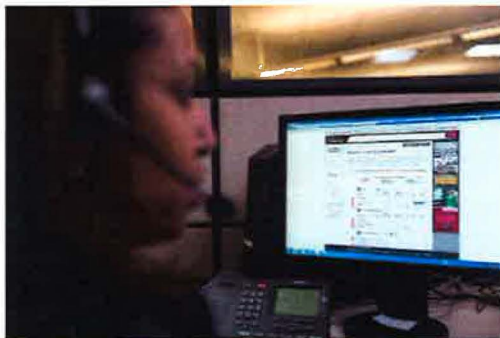
Financial sustainability

Watershed protection



New Bill Adjustment Process – Residential Customer Eligibility

- Customer bill 3x higher than average seasonal monthly use
- Consumption unintentional and returned to normal
- Reasonable effort to locate leak
- Adjustment of 100% above customer's average monthly use for that season.



Customer High Water Consumption Investigation Checklist

Step One: Check Your Residence for Water Leaks

- Complete an assessment of your property by:
 - Looking at areas where water is used, inside and outside your home. For example, your outdoor water taps. Look for any water stains/drips and listen for water running while conducting this initial check.



Customer Assistance Program



- I. There are vulnerable customers who are having challenges paying their water bills
- II. The Utility is exploring options for a customer assistance program
 - i. Examples of North American Water Utilities we can learn from

Meter Review



- I. Independent reviews conducted by third parties validates confidence in meters
 - i. Industry standard positive displacement meters used for residential metering
 - ii. Meters design is extremely reliable and inherently mitigates over recording
 - iii. Like The City, no municipality reported a meter fail by over-registering consumption
 - iv. Opportunity to explore Advanced Metering Infrastructure



Billing System Review

- I. Independent review validates confidence in billing system
 - i. Billing records matched meter reads and invoices sampled had correct consumption, rate information and calculations



Wastewater Charges on your bill


Today


Future


Reduced Wastewater Rate




Reduced Wastewater Volume

WATER Provided by 	
New Charges	
Water Charge 7.000 m3 @ \$ 1.7474000 / m3	\$ 12.23
(Nov 18 to Dec 16)	
Water Basic Service Charge	\$ 15.07
Summary	\$ 27.30

WASTEWATER AND DRAINAGE Provided by 	
New Charges	
Sewer Charge 7.000 m3 @ \$ 1.3956000 / m3	\$ 9.77
(Nov 18 to Dec 16)	
Sewer Basic Service Charge	\$ 23.90
Drainage Service Charge	\$ 13.55
Summary	\$ 47.22

WATER Provided by 	
New Charges	
Water Charge 7.000 m3 @ \$ 1.7474000 / m3	\$ 12.23
(Nov 18 to Dec 16)	
Water Basic Service Charge	\$ 15.07
Summary	\$ 27.30

WASTEWATER AND STORMWATER Provided by 	
New Charges	
Wastewater Charge..... (7.000 m3 x 0.9) @ 1.5507000 / m3.....	\$ 9.77
(Nov 18 to Dec 16)	
Wastewater Basic Service Charge.....	\$ 23.90
Stormwater Basic Service Charge	\$ 13.55
Summary	\$ 47.22

Full wastewater rate	Return Factor	Adjusted Rate
\$1.55 x	0.9	= \$1.395



Preliminary Option Analysis – Customer Appeal Mechanisms

Monitor effectiveness of new escalation process

- This was established as part of Oct 1, 2017 bill adjustment process
- Involves escalation to the Director for decision.

Use an existing board

- Amend the License and Community Standards Appeal Board
- Would involve a bylaw amendment
- Less time intensive than setting up a new board, leverages existing resources
- Subject matter will vary from regular subject matter of the board (remedial orders)

Establish a new Council Committee or appeal body

- Would allow for focus and potential expertise on water bills
- Requires drafting new bylaw
- Considerable logistical, organization and staffing resources required
- Number of requests likely too limited to warrant a separate body

ADMINISTRATION RECOMMENDATION

That the SPC on Utilities and Corporate Services direct Council to direct Administration to:

- Further investigate options for appeal mechanisms, and report back to Council through the SPC on Utilities and Corporate Services with a recommendation by 2018 Q4.
- Incorporate the financial impacts of the billing adjustment process into utility rate setting for 2019-22.
- Identify the requirements for an assistance program for low income customers and bring to Council for consideration in 2018 as part of the Utility's 2019-22 business planning.