

# Water Bill Adjustment Pilot Program

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# Problem Statement

## Unexpected high-water bills

- Intentional high-water use (e.g., irrigation system)
- Unintentional high-water use (e.g., leaks, running tap)



- Customer complaints for unusually high-water bills
- No bill adjustment program in place
- Not aligned with industry practice

# Water Bill Adjustment Pilot Program

## Aligned with industry best practice

- ✓ Eligible for **single-unit residential accounts**
- ✓ Covers **leaks only** (customer side of the meter)
- ✓ Maximum of **\$2,500**, once every **10 years**
- ✓ Require proof of repair
- ✓ Monitor usage return to average

# Participation and Cost

- Complaints ~ 2,300 per year
- Bill adjustments ~ 1,000 per year

Not currently tracking cause of high-water use  
Potentially more customers once a program is in place

- Bill adjustments ~ \$ 700,000 per year
- Staff (1.0 FTE) \$ 100,000 per year

Funded through Utility Rate Stabilization reserves

# One-time Retroactive Adjustment

- Eligibility period
- Based on available information

**Jan 2021 – May 2022**

Cause of high-water use not tracked  
Use of consumption criteria from pilot  
Apply to customers on payment plan

- All eligible customers
- Bill adjustments

~ **122**

~ **\$ 80,000**

Funded through Utility Rate Stabilization reserves

# Long-Term Options

- **Metering Technologies**
- **Leak Insurance**

# Metering Technologies

## Automated Meter Reading (AMR)

- Drive-by meter readings
- Provides lowest costs with quarterly readings
- Monthly billing is more affordable

## Advanced Metering Infrastructure (AMI)

- Real-time water consumption data
- Bill adjustment program may not be necessary
- Significant capital costs, lower long-term operating costs

# Metering Technologies

## Automated Meter Reading (AMR)

- 50% customers have AMR today
- All customers will have AMR in 8 years
- Region is accelerating AMR to 4 years
- AMR is a prerequisite for AMI



# Preliminary Cost Estimate

Metering Technology	Billing	Capital Cost*	Annual Operating Cost*
Status Quo – AMR (8 year roll-out)	Quarterly	\$ 49M	\$ 3M
a) AMR (4 year accelerated plan)	Quarterly	- \$ 2M	
AMR	Monthly	- \$ 2M	+ \$ 2M
b) AMI (installed after AMR is complete)	Quarterly	+ \$ 18M	- \$ 1M
AMI	Monthly	+ \$ 18M	+ \$ 2M

AMR = Automatic Meter Reading (drive-by truck readings)

AMI = Advanced Metering Infrastructure (real-time automatic readings)

\*Planning level estimates that require further study.

# Leak Insurance

## Third-Party Coverage

- New offering to Canadian market
- Rural communities in U.S.
- Infancy stage with unproven sustainability
- Requires mandatory opt-in
- City of Hamilton: 2022 implementation

# Next Steps: Long-Term Options

## 1. Evaluate pilot program (2 years)

- Based on submissions, customer satisfaction, and cost

## 2. Evaluate long-term options

- Metering technologies
- Leak insurance

**Recommendation to Council 2024**

# Thank you



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