

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, October 4, 2021
Subject	Environmental Policies Update

Recommendation

1. That the Leak Forgiveness Credit Policy as recommended through report titled Environmental Policies Update dated October 4, 2021 be approved.
 2. That the Sewer Abatement Credit Policy as recommended through report titled Environmental Policies Update dated October 4, 2021 be approved.
 3. That the General Manager, Environmental Services be delegated authority to amend the procedures attached to the Leak Forgiveness Credit Policy and the Sewer Abatement Credit Policy as Appendix-1.
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Executive Summary

Purpose of Report

The purpose of this report is to bring forward amendments to the administrative procedures in the Leak Forgiveness Credit Policy and the Sewer Abatement Credit Policy to better align the policies with customer access and business needs.

Key Findings

Leak Forgiveness Credit Policy: The intent of the Leak Forgiveness Credit Policy is to provide a billing credit for water leaks that occur on a customer's property that result in an unexpected high consumption and a resulting large water bill. Recommended amendments to the procedure include:

1. Adjusting the procedure in how staff carry out the calculation of a credit to include a maximum of three billings cycles (roughly three months), where currently there is no limit to this eligibility criteria.

Sewer Abatement Credit Policy: The Sewer Abatement policy was created to provide Industrial/Commercial/Institutional (ICI) customers with a mechanism to recover costs associated with their wastewater discharge as oppose to a reflective cost of their water intake.

Recommended amendments to the procedure include:

1. Eligibility of Credit Program: Diversion of a minimum of 10 percent of the water purchased from the City away from the City's Wastewater Collection System. (Was previously at 30 percent)
2. Application Requirements: Updating of clause to read: "If installation of such a flow meter is not practical or viable, conduct flow metering of specific water use"

processes, as agreed (with the City) to best represent consumptive uses of wastewater diverted from the City's Wastewater Collection System" This will allow our ICI customers to adapt new technologies that will measure water consumption through processes, while still accurately measuring the volume of water being discharged to the City's Wastewater Collection system.

Financial Implications

There are no direct financial implications resulting from this report. Costs are currently included in the annual budget and monitored through quarterly budget monitoring reports to Council.

Report

Background

In 2017 as part of a multi-phased rate review to ensure billing equity and fairness amongst the City's various customers, Environmental Services commissioned a Billing Exemptions Study to address the growing number of requests for credits due to water leaks and water used in industrial processes. Studies were completed which included a formal evaluation of billing exemptions, associated potential revenue impacts, and operational and administration costs to support credit programs. Based on findings of the exemptions studies, two programs were recommended and approved through council for implementation in April of 2018. The water leak forgiveness program and the sewer abatement program.

The Leak Forgiveness Credit Policy provides a number of benefits to both the customer as well as the City. Before this tool was available, significant time was spent by customer service and management staff, and in some cases senior management staff and Council, in addressing customer contest of "grey areas" of billing policies, most notably, high water bill forgiveness. Though difficult to quantify, a noticeable reduction in staff time spent addressing such billing policy exemption request should be acknowledged.

Since implementation, participation in the Leak forgiveness Program has grown annually with increasing credit expenditures each year. To maintain balance in financial assistance for customers and the annual credit expenditure, a maximum eligible time period is recommended. Many applications seeking forgiveness span greater than three billing cycles (three months). In acknowledging responsibility of the property owner, it is reasonable to assume a leak can be identified and rectified within a three month period. Further, a maximum eligible time period supports conservation efforts and encourages the property owner to make such repairs in a timely manner.

In 2018 the Sewer Abatement Credit Policy was approved by City Council which provided a credit to qualifying ICI customers who reduce the amount of wastewater discharged to the City's wastewater collection system. The credit is intended to acknowledge exceptions in wastewater billing for industrial, commercial and institutional customers who permit evaporation of water, or direct consumptive use of it in a process or product, rather than discharging it as waste.

Since implementation, the Sewer Abatement Credit Program has had one application and one ICI user utilizing the program. This number may increase, as the eligibility

requirements have been reduced from 30% to 10% to better align with municipal comparators.

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There are no direct financial implications resulting from this report. Costs are currently included in the annual budget and monitored through quarterly budget monitoring reports to Council.

Consultations

The Finance department was consulted.

Strategic Plan Alignment

Sustaining our Future: Plan and design an increasingly sustainable city as Guelph grows. Accountable policy management in protecting the green infrastructure provided by woodlands, wetlands, water courses and other elements of Guelph's natural heritage system.

Attachments

Attachment-1 Leak Forgiveness Credit Policy

Attachment-2 Sewer Abatement Credit Policy

Departmental Approval

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