

RPT 20-380

TITLE: Water Meter Bypasses - Update

DATE: September 17, 2020

TO: Executive Committee

PUBLIC: X

INCAMERA:

RECOMMENDATION:

That a cap for Boulevard Agreements be further developed jointly by Community Services and Public Works after all bypasses have been metered, and that a report be provided to Council within eighteen (18) months.

TOPIC & PURPOSE:

To provide information to Council on the scope of unmetered water found during the Water Meter Replacement Program and outline the steps that need to take place before Administration is able to develop a cap on the amount of water allowed under Boulevard Agreements.

BACKGROUND:

In this report:

- 'bypass' is a general term for when water is unmetered and flows around the meter.
- 'boulevard' will be used when referencing Landscape or Boulevard Agreements. Landscape and Boulevard Agreements are considered equivalent.

Investigations on water loss were being done as part of the City's Continuous Utility Improvement Plan. During a building inspection a water line was discovered that bypassed the water meter.

Council requested information on water accounts with bypasses resulting in unmetered and unbilled water consumption.

RPT 2017-84 was presented to Council October 16, 2017. Council carried Motion 0312:

1. That Administration develop a cap on the amount of water allowed under the Boulevard Agreements, to reduce the cost of the overall program; and,

2. That Administration forward the proposed water cap to an upcoming City Council meeting for consideration, once prepared.

Administration used the Water Meter Replacement Program as an opportunity to identify all the water meter bypasses in the City. The Water Meter Replacement Program commenced in April 2019 and is currently 99.3% done with approximately 13 meters that can be replaced (82 in total = 8 to be booked, 5 need PW assistance, 2 WWTP, 67 inactive & not requiring replacement) out of 11,780 water utility accounts.

143 bypasses have been discovered so far:

- 83 of these bypasses are located in businesses that have Boulevard Agreements with the City which authorizes the watering of boulevards and other property using unmetered water.
- 49 of these bypasses are located in businesses that have no Boulevard Agreement with the City and will be removed or metered.
- The remaining 11 bypasses are for City installed freeze boxes two (2) for fire suppression systems and nine (9) which are not designed to be metered.

Authorized Bypass	Boulevard Agreements	83
Unauthorized Bypass		49
Freeze Box		2
Fire Suppression		9
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Total Bypasses Identified		143

PROPOSED APPROACH AND RATIONALE:

The amount of unmetered water found during the Water Meter Replacement Program far exceeded Administration’s initial expectations.

Unauthorized Bypasses

Some bypasses have been installed without authorization and violate the City’s Water Services Bylaw. If these bypasses are not removed the building owner could have the water shut off and face fines of up to \$2,000 for an individual and \$5,000 for a corporation. When an unauthorized bypass is identified, Public Works sends a letter to the building owner instructing that the bypass must be removed. The building owner then communicates back to Public Work what action will be taken. When the bypass is removed the Service Delivery Coordinator will arrange an inspection to ensure the building owner is in compliance.

Should the owner request that the bypass not be removed it must be metered. In the event that the owner chooses to keep the bypass, the cost of any plumbing modifications are the sole responsibility of the owner.

There were 60 unauthorized bypasses identified. 22 still need to be removed. Below is a chart categorizing the types of unauthorized bypasses found and the action that is required.

Unauthorized Bypass	Removal required	22
Unauthorized Bypass	Removal complete	22
Unauthorized Bypass	Meter will be installed	5
Freeze Box	Meter can not be installed	2
Fire Suppression	Meter can not be installed	9
Total Unauthorized Bypasses Identified		60

There is no need to impose a water cap on these bypasses as the majority will be removed or metered. The exception is the freeze boxes and fire suppression systems.

Boulevard Agreements

The 83 identified Boulevard Agreements are the bypasses on which Council has instructed administration to propose a cap.

Some bypasses have been installed under Boulevard Agreements between the years 1986-2013 which authorized the watering of boulevards and other property using unmetered water. The practice of free access to unmetered water was halted in 2014.

Free Water clause:

Allowing connection to the water main and unlimited access to water in perpetuity – 55 agreements have been identified.

No Water Clause:

An Agreement where it is unclear as to whether the City or Property Owner is responsible for the watering of the boulevard – 28 agreements have been identified.

In order to impose caps on the usage of water under the Boulevard Agreements the bypasses would require a water meter to be installed. Administration will require time and money to complete the meter installations and is asking Council for a 18 month extension to complete the installations, review the current water usage, develop a cap, and report the cap recommendations back to Council.

Free Water Clause	55
No Water Clause	28
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Total Boulevard Agreements	83

Other

There are other areas identified that are unmetered or are a part of City services. A few would be spray parks, outdoor sport and recreation sites, golf course and other City areas.

CONSULTATIONS:

The Director of Public Works, Manager of Capital Projects, Parks Manager, and the Service Delivery Coordinator began meeting on February 6, 2020 to create a plan for the removal of bypasses. This collaboration between Public Works, Community Services, and Financial Services will continue until the use of unmetered water reaches an acceptable level.

Community Services is also in the process of consulting with the City Solicitors Office regarding the following:

1. Does the current template for Landscape Agreements require different or updated language?
2. Many of the businesses have changed hands over the years and most agreements were done in perpetuity and have clauses allowing the business to connect to the City water main for the access to free water. Is there an option for the City to rewrite these agreements to remove this clause without consent of the current property owner?
3. If a property owner does not follow the agreement and live up to their commitment can the City rewrite the agreement and take away the water access?

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Public Works and the Service Delivery Coordinator will continue to contact building owners with unauthorized bypasses to have the bypasses removed or metered. If the building owners do not comply, the water to the building will be disconnected until such time that the bypass is remedied.

POLICY IMPLICATIONS:

As per the Water Services Bylaw NO. 37 of 2017:

TERMINATION OR INTERRUPTION OF SERVICE

g) If the Director of Public Works or any person acting upon his instructions has reasonable grounds to believe that a meter has been bypassed, tampered with, or a seal broken, whether resulting in the meter failing to accurately measure water consumption or not, water services may be discontinued to the premises until such time as the applicant makes payment of the charges referred to in Section 10(d) and the meter is re-sealed or otherwise put into operation.

FINANCIAL IMPLICATIONS:

Meter Installation	83 meters X \$1,200 =	\$99,600
Estimates	Plumbing for 83 meters X \$750 =	62,250
	Cooke Municipal Golf Course	<u>20,000</u>
		<u>\$181,850</u>

It is difficult to determine a breakeven point because the amount of water that is currently being used to water boulevards would be extremely difficult to estimate.

Even if metered and capped the consumption is still not chargeable. Metering and capping would only help with tracking water usage and restricting free water.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no privacy implications, strategic plan, official community plan or other considerations.

STRATEGIC PLAN:

This report supports the strategic goal of fiscal management and accountability which strives to align priorities and initiative to the corporate strategies and deliver municipal services in cost-effective ways.

OPTIONS TO RECOMMENDATION:

An alternative to the recommendation is for council to instruct Administration to cease preparing a proposal for a water cap. The cost of metering bypasses under Boulevard Agreements could take many years to cover.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

VERBAL PRESENTATION: Cheryl Tkachuk, Director of Financial Services

ATTACHMENTS:

1. RPT 2017-84 Water Meter Bypasses

Written by: Cheryl Tkachuk, Director of Financial Services

Approved by: Director of Community Services, Director of Public Works & City Manager