Agenda - Executive Policy Committee - May 20, 2009

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – May 12, 2009

Item No. 3 Amendments to the Water Works By-law No. 504/73 and Sewer By-law No. 7070/97 resulting from the implementation of the Water and Waste Utility Billing System, Customer Care and Billing
eFile WW-2.3

STANDING COMMITTEE RECOMMENDATION:

On May 12, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That prior to June 1, 2009, Council enact a By-law, as shown on Appendix A, that makes amendments to the Water Works By-law No. 504/73 and the Sewer By-law No. 7070/97 in order to accommodate the new Customer Care and Billing system for water and sewer charges.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing

Agenda - Executive Policy Committee - May 20, 2009

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – May 12, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 12, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: **AMENDMENTS TO THE WATER WORKS BY-LAW 504/73 AND SEWER BY-LAW 7070/97 RESULTING FROM THE IMPLEMENTATION OF THE WATER AND WASTE UTILITY BILLING SYSTEM, CUSTOMER CARE AND BILLING**

For Submission to: Standing Policy Committee on Infrastructure Renewal and Public Works

AUTHORIZATION

Author	Department Head	CFO	CAO
Derek Osborne Lucy Szkwarek	Barry MacBride, P. Eng.		

RECOMMENDATIONS

- That, prior to June 1, 2009, Council enact a By-law (attached as Appendix A) that makes amendments to the Water Works By-law and the Sewer By-law in order to accommodate the new Customer Care and Billing system for water and sewer charges.

- That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing

HISTORY

2003 On March 28, Council approved the 2003 capital budget of $5 million, $2.5 million each for Water and Sewer, for the implementation of a replacement utility billing system. On December 16, Council approved the 2004 capital budget of $5 million, $2.5 million each for Water and Sewer, for the implementation of a replacement utility billing system, for a total capital budget of $10 million.

2006 On July 5, the Director of the Water and Waste Department approved the award of contract for the provision of consulting services for utility billing software selection and project quality assurance and control (RFP No: 153-2006) to TMG Consulting, Inc.

2007 On August 29, in response to RFP 64-2007, the Chief Administrative Officer approved the award of contract for the provision of a utility billing and customer information system to Oracle USA, Inc.

DISCUSSION:

The Customer Information and Services System (CISS) Project's scope is to replace the current mainframe-based water billing system for water and sewer charges with a new system that will perform all critical current business processes, implement best practices, and provide a reliable and sustainable platform to allow for future implementation of new business procedures.

Oracle's Customer Care and Billing (CCB) is the utility billing system being implemented. The CISS project officially kicked-off October 29, 2007. Go-live is scheduled for the second quarter of 2009.

As a result of the new CCB technology and ensuing business processes, the Water Works By-law and Sewer By-law require the following technical amendments.

1. Repeal Section 12 (Water) and Section 35 (Sewer): Remove references to rounding of meter reads and volume conversion factors. Rounding of cubic feet and gallons is necessary to accommodate the limitations of the current legacy billing system but will not be necessary in the new system. CCB will be able to bill meter readings in their entirety, facilitating a greater degree of accuracy.

2. Section 14 (Water): The term "quarterly service charge" is no longer applicable using the CCB technology. CCB will calculate a daily administrative or "basic" charge and continue to bill the customer on a quarterly basis. The charge is calculated based on the meter size and number of days in the billing period, which may not necessarily be quarterly. This proposed change will encourage a consistent terminology, which will be utilized on the new water bill, and support the concept of alternate billing periods for the future. The Daily Basic Service Charge will be calculated for City and Privately owned meters.

   The Daily Basic Service charge will be applied and presented on the utility bill with a separate charge for water and a separate charge for wastewater. The Director of the Water and Waste Department will have the authority to allocate a percentage of the Daily Basic Service charge to water and a percentage to wastewater. The total of the water and wastewater charges cannot be greater than the approved Daily Basic Charge as set out in Schedule A, Section 2 of the Water Works By-law.

3. Schedule A Section 1 (Water) and Schedule A Section 8 (Sewer): For the water and sewer volume rate, change the billing unit from a cost per "cubic foot" to a cost per "cubic metre". CCB will be configured to bill in cubic metres (kilolitres) which supports Canadian metrication. There are no changes to the water and sewer rates.

4. Schedule A Section 2 (Water): Based on meter size, the Quarterly Charge costs will be replaced with the Daily Basic Service Charge costs for City and Privately owned meters.

5. None of the amendments will have any impact on the water or wastewater charges paid by customers.

IMPLICATIONS OF THE RECOMMENDATIONS

- Oracle's Customer Care and Billing (CCB) is the utility billing system being implemented to replace the current mainframe billing system for water and sewer charges.

- In order to accommodate the new CCB technology and ensuing business processes, the Water Works By-law and the Sewer By-law require some minor amendments. None of the amendments will have any impact on the water or sewer charges paid by customers.

- In order to meet the go-live deadline of second quarter 2009, the recommended By-law amendments must be enacted prior to June 1, 2009.

IMPLICATIONS OF THE RECOMMENDATIONS:

General Implications

x	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

Policy Implications

x	No
	Yes

Comment(s):

Regulatory Implications

x	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Comment(s):

Environmental Implications

x	No
	Yes

Comment(s):

Human Resources Implications

x	No
	Yes

Comment(s):

Financial Implications

x	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s):

FINANCIAL IMPACT

Financial Impact Statement

Date: April 23, 2009

Project Name:

AMENDMENTS TO THE WATER WORKS BY-LAW 504/73 AND SEWER BY-LAW 7070/97 RESULTING FROM THE IMPLEMENTATION OF THE WATER AND WASTE

COMMENTS:

There is no financial impact associated with these recommendations.

"Original signed by D. Capp, C.G.A"
D. Capp, C.G.A
Acting Manager of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:

Corporate Support Services, Legal Services

SUBMITTED BY

Water and Waste Department
Finance and Administration
Prepared by: Derek Osborne, Lucy Szkwarek
Date: April 23, 2009
File No. 010-07-01-07-00

APPENDICES:

Appendix A..... By-law to Amend Water Works By-law and Sewer By-law

APPENDIX A


Appendix A.doc

APPENDIX A

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to amend the Water Works By-law and the Sewer By-law.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Water Works By-law amended

1(1) The Water Works By-law No. 504/73 is amended by this section.

1(2) Section 12 is repealed.

1(3) Section 14 is repealed and the following is substituted:

DAILY BASIC SERVICE CHARGES – CITY-OWNED METERS

14 (a) Subject to this section, a daily basic service charge set out in Schedule A of this By-law, based on the size of the meter monitoring the property, is payable by the owner of property which is connected to both the water service and wastewater service and which is monitored by a City-owned meter.

(b) A percentage of the daily basic service charge referred to in clause (a), determined by the Director, is payable by the owner of property which is connected to only the water service and which is monitored by a City-owned meter.

(c) A percentage of the daily basic service charge referred to in clause (a), determined by the Director, is payable by the owner of property which is connected to only the sewer service and which is monitored by a City-owned meter.

(d) The percentages of the daily basic service charge determined by the Director under clauses (b) and (c) must not total more than 100%.

DAILY BASIC SERVICE CHARGES – PRIVATELY-OWNED METERS

14.1 (a) Subject to this section, a daily basic service charge set out in Schedule A of this By-law is payable by the owner of property which is connected to both the water service and wastewater service and which is monitored by a privately-owned meter .

DRAFT

(b) A percentage of the daily basic service charge referred to in clause (a), determined by the Director, is payable by the owner of property which is connected to only the water service and which is monitored by a privately-owned meter.

(c) A percentage of the daily basic service charge referred to in clause (a), determined by the Director, is payable by the owner of property which is connected to only the sewer service and which is monitored by a privately-owned meter.

(d) The percentages of the daily basic service charge determined by the Director under clauses (b) and (c) must not total more than 100%.

BILLING OF DAILY BASIC SERVICE CHARGES

14.2 (a) Basic service charges may be billed quarterly, monthly or in other periods of time determined by a designated officer.

(b) Where an account has been finalized, a final bill for the basic service charges that have accrued since the previous periodic bill is payable by the owner. The first periodic bill since the initiation of an account, containing the basic service charges that have accrued since the account was initiated, is payable by the owner.

1(4) Section 1 of Schedule A is repealed and the following is substituted:

Domestic $1.25 per cubic metre from 0 to 272 cubic metres per quarter

Intermediate $1.08 per cubic metre from 272.1 to 2,720 cubic metres per quarter

Industrial $0.91 per cubic metre over 2,720 cubic metres per quarter

1(5) Section 2 of Schedule A is repealed and the following is substituted:

2(1) Daily Basic Service Charges for City-owned meters (clause 14(a))

DRAFT

Meter Size	Daily Basic Charge
5/8"	$0.15
3/4"	$0.16
1"	$0.20
1 1/2"	$0.24
2"	$0.35
3"	$1.22
4"	$1.55
6"	$2.31
8"	$3.17
10"	$4.04

2(2) Daily Basic Service Charges for privately-owned meters (clause 14.1(a))

Both water and sewer service	$0.10

Sewer By-law amended

2(1) The Sewer By-law No. 7070/97 is amended by this section.

2(2) Section 34 is amended by adding the following after subsection (1):

(1.1) A property using a City-owned meter is subject to a daily basic service charge determined by the Director under section 14 of the Water Works By-law.

(b) striking out clause (2)(d) and substituting the following:

(d) be subject to a daily basic service charge determined by the Director under section 14.1 of the Water Works By-law.

2(3) Section 35 is repealed.

2(4) Section 8 of Schedule A is repealed and the following is substituted:

8. Sewer Rate - Section 32

Per cubic metre	$1.86

2(5) Section 20 of Schedule A is repealed.

Coming into force

3 This By-law comes into force on June 1, 2009.

DRAFT

DONE AND PASSED, this day of , 2009.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Water and Waste

Approved as to form:

_____
For City Solicitor/Manager of
Legal Services

DRAFT