Agenda – Council – September 24, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

Item No. 5 Adjustment to Water and Sewer Utility Accounts for Water Usage Due to Frozen Pipes

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That the Director of Water and Waste be delegated authority to waive water charges for the period between December 1, 2013 and July 2, 2014 beginning on the date the occupant of the property was notified to run water to prevent freezing and ending on the date the occupant of the property was notified to no longer run water, on the condition that the customer provide meter readings as directed by the Water and Waste Department, regardless of whether risk of freezing in the pipe is determined to be under the street or under private property for:

    A. The incremental cost of water used to prevent a frozen pipe, as directed or advised by the City, to a maximum of 24 cubic metres per day, for commercial customers.

    B. The incremental cost of water used to prevent a frozen pipe, as directed or advised by the City, to a maximum of 15 cubic metres per day, for residential customers;

    Amending the April 30, 2014 recommendation.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works, and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2014, 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

Title: **ADJUSTMENT TO WATER AND SEWER UTILITY ACCOUNTS FOR WATER USAGE DUE TO FROZEN PIPES**

Critical Path: **The Standing Policy Committee on Infrastructure Renewal and Public Works, Executive Policy Committee, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M.L. Geer, C. A. Manager of Finance and Administration	D. P. Sacher, P. Eng. Director, Water and Waste Department	n/a	M. Jack A/CAO

RECOMMENDATIONS

That Council delegate authority to the Director of Water and Waste to waive water charges for the period between December 1, 2013 and July 2, 2014 beginning on the date the occupant of the property was notified to run water to prevent freezing and ending on the date the occupant of the property was notified to no longer run water, on the condition that the customer provide meter readings as directed by the Water and Waste Department, regardless of whether risk of freezing in the pipe is determined to be under the street or under private property for:

1. The incremental cost of water used to prevent a frozen pipe, as directed or advised by the City, to a maximum of 24 cubic metres per day, for commercial customers.
2. The incremental cost of water used to prevent a frozen pipe, as directed or advised by the City, to a maximum of 15 cubic metres per day, for residential customers;

Amending the April 30, 2014 recommendation.

REASON FOR THE REPORT

A waiver of these water charges requires Council approval.

IMPLICATIONS OF THE RECOMMENDATIONS

This recommendation amends the recommendation approved by Council on April 30, 2014, and increases the scope of the waiver of water charges for running water to prevent freezing. Increasing the scope of the waiver is expected to result in a further total cumulative reduction in water bills by approximately $25,000.

HISTORY

In light of the exceptional and unprecedented nature of the scope and severity of the problem of frozen pipes in the winter of 2013-2014, on April 30, 2014 Council directed that the City waive, for the period December 1, 2013 and June 30, 2014:

> The incremental cost of water used to prevent a frozen pipe as directed or advised by the City to a maximum of 1.5 cubic metres per day beginning on the date the occupant of the property was notified to run water to prevent freezing and ending on the date of the occupant of the property was notified no longer to run water, on condition that the customer provide meter readings as directed by the Water and Waste Department, regardless of whether the risk of freezing in the pipe is determined to be under the street or under private property.

The Water and Waste Department is processing adjustments to the utility accounts for customers that were notified to run water, and will continue to work on these accounts into the fall of 2014. During this process, the public service noted that there were approximately 400 accounts whose consumption calculation (based upon the beginning and ending meter reads) confirmed that customer were running their water at a much higher velocity than the norm. In most cases, the communication to those customers who were advised to run water, was to turn on the tap such that the flow would be no greater than the thickness of a drinking straw. However, in some cases, customers were directed to run water at a greater flow due to the threat of pipes freezing.

While the existing policy of a daily maximum 1.5 cubic metres is fair to the majority of customers who ran their taps, it will not adequately compensate those customers who were required to run the tap greater than the normal flow. The additional flow was necessary in some situations. The City advised customers to increase the flow if a customer had pipes that froze more than once and had to turn the tap on higher or where there were extremely long service lines that required higher water pressure. In these cases, the additional flow significantly exceeded 1.5 cubic metres and the resulting water charges were correspondingly higher.

Upon approval of this report, the Water and Waste Department will contact customers whose additional water use exceeded 1.5 cubic metres per day. The customers will be advised they should contact the Utility Billing Center with an explanation of why they were running their taps higher than the standard of 1.5 cubic metres per day. The Department will adjust the customer's utility account if:

- There is credible evidence that the customer was directed by the City to increase the flow of water.
- The City is satisfied that the start and end meter readings are accurate. The City may require a company verified reading prior to authorizing an additional credit.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 15, 2014

Project Name: **First Year of Program** **2014**

ADJUSTMENT TO WATER AND SEWER UTILITY ACCOUNTS FOR WATER USAGE DUE TO FROZEN PIPES

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required		$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs		-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 25,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	25,000	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: There is no budget impact associated with the recommendation in this report. The incremental cost of treating and supplying the water and collection and treatment of the ensuing wastewater is negligible.

"Original signed by N. Neumann, for"
Moira L. Geer, C. A.
Manager of Finance and Administration

sc/lt
11-Aug-14

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to legal issues)

SUBMITTED BY

Water and Waste Department
Finance and Administration Division
Prepared by: Moira Geer, C. A.
Date: August 15, 2014
File No. S-990