SUBJECT: Multiple Unit Water Metering Policy - (PW06006) - (City Wide)

Public Works, Infrastructure, and Environment Committee
Outstanding Business Item “E”

RECOMMENDATION:

(a) That the General Manager of Public Works be authorized and directed to implement the Multiple Unit Water Metering Policy, attached to Report PW06006 as Appendix A, for the installation and maintenance of master water meters and sub-meters in Industrial, Commercial, and Institutional (hereinafter referred to as ICI) sites with multiple tenants or multiple unit residential dwellings within the City of Hamilton and that this policy come into effect February 15, 2006.

(b) That Waterworks By-law R84-026 (as amended) be further amended to implement the new “Multiple Unit Water Metering Policy”.

(c) That Item E “Individual water meter agreement with Rebecca Street Holding and policy” be removed from the Public Works, Infrastructure, and Environment Committee Outstanding Business List.

Scott Stewart, C.E.T.
General Manager
Public Works
EXECUTIVE SUMMARY:

Over the past few years, the City has experienced an increase in requests from multi-unit residential and commercial developers and our water customers who reside in or conduct business in these buildings for more equitable metering of these buildings (i.e. the installation of both master water meters and individual sub-meters). This trend is expected to continue as the demand for full-cost recovery and improved customer service increases.

Staff conclude that the most equitable way to meter the water in these sites is to place a master meter at the point of entry to the property - based on criteria established in Waterworks By-law R84-026 (as amended) - and sub-meters at the point of service to each individual unit. Installing both types of water meters in each building will permit our water customers at these sites to monitor their own water consumption, be billed for their actual consumption under the current contract with Horizon Utilities Corporation the same way other users are, and still allow for the detection and billing of any water lost within the private systems.

The Hamilton Halton Home Builders Association (HHHBA) requested that the City remove the requirement for the master meter due to the cost of installation. This option does not facilitate our ability to account for water within the public system as we could not detect leaks within private infrastructure systems. This option would also be in contravention of Waterworks By-law R84-026 (as amended).

BACKGROUND:

On June 7, 2004, a local developer appeared as a delegate to the Public Works, Infrastructure, and Environment Committee requesting to install individual water meters for The Annex Lofts, 11 Rebecca Street, Hamilton. On a motion, Legal staff were directed to prepare an agreement for review by the Committee. PW05060 “Agreement to Provide Individual Water Meters at 11 Rebecca Street, Hamilton” was carried at Committee on May 16, 2005.

Council also directed staff to investigate the feasibility of including individual water meters in future developments and to prepare a new policy which would permit such installations.

ANALYSIS/RATIONALE:

The recommendations provided in this Report have City wide implications.

Currently, the installation and maintenance of water meters at Industrial, Commercial, and Institutional sites and multi-unit residential sites is governed by the policies outlined in Waterworks By-law R84-026 (as amended). The By-law requires that all water services within the City have a water meter and remote reading device installed. The City assumes all responsibility for the installation and maintenance of the meters and reading devices.

The existing water metering practice has been to comply with the requests of the individual developers constructing the buildings. This has resulted in some ICI sites having both master meters and sub-meters, some having master meters only, and some having sub-meters only depending on the developer’s request.
The City of Hamilton needs to be consistent in its metering practices for these types of buildings as we are facing many pressures regarding the provision of clean, safe, and cost-effective drinking water to the residents of Hamilton.

The master meter is placed on the incoming water service line at the point of entry to the site (location determined by Waterworks By-law R84-026). This is the main consumption meter for the property which will measure all of the water leaving the City’s distribution system and entering the private system.

The sub-meters are placed on service lines entering individual units within the private system. These meters allow each owner or tenant in the building to be provided with an accurate measurement of the water used in the unit and allows the City to bill each individual unit owner or tenant based on actual consumption.

All meters would be installed with remote reading devices located in a central location or common area which is accessible to facilitate regular readings by Horizon Utilities Corporation and not have an effect the current reading and billing contract.

All multiple unit residential and commercial applications would be required to enter into a Multiple Unit Water Metering Policy Agreement (attached hereto as Appendix B) as part of their application package. No work will be completed on the site until a signed copy of this agreement is filed with the City.

The consumption measured by all of the sub-meters is subtracted from the consumption measured by the master meter in order to derive an accurate amount to be billed to the site owner or manager for general site use (e.g. irrigation, fountains, management offices, public restrooms, etc.).

In a horizontal building project, the sub-meters must be installed in an accessible basement or ground floor location where all meters can be suitably installed and maintained to specifications.

In a vertical building project, (i.e. a building with multiple storeys with units on each floor), the sub-meters must be installed in a central location, which could be on each floor, which is accessible for meters to be suitably installed and maintained to specifications.

All costs for the installation and maintenance of the sub-metering systems would be borne by the property owners of the sites and recovered through user fees.

The installation of the sub-meters would be completed by the City but all liability for private system maintenance and repair would be borne by the property owner or management company.

**ALTERNATIVES FOR CONSIDERATION:**

Staff support the recommendation in Report PW06006 to install both master and sub-meters in ICI buildings. Staff would be reluctant to support either of the following two alternatives to the recommendations in this report.

1) **Master metering only** - This would provide one meter only at the point of entry to the site and would result in one bill going to the building owner for all water usage. This would ensure all water leaving the City system is metered as it enters the private property.
Master metering only would ensure that the City has metered all of the water going to the property. This would not allow the City to provide the higher level of customer service that staff are striving to provide through water usage reviews, leak detection, and by educating our customers about water conservation tips and strategies which could encourage them to modify their water use habits.

2) **Sub-metering of internal units on site** - This would provide separate billings to each unit within the property, but would not capture any water losses within private systems.

Sub-metering only would allow for the higher level of customer service to each unit owner or tenant but would not allow the City to accurately account for all of the water as losses within the private system would not be detected.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial Implications** - All program options for meter installations would be funded by the permit process and all meter maintenance would be recovered through monthly charges. Any non-standard maintenance issues would have the costs recovered through user fees.

**Legal and Staffing Implications** - N/A

**POLICIES AFFECTING PROPOSAL:**

As a result of the recommendations contained in this Report, the Waterworks By-law R84-026 (as amended) will need to be further amended to implement the new “Multiple Unit Water Metering Policy”.

**RELEVANT CONSULTATION:**

Staff reviewed by-law and policy documentation received from the Region of Peel, the Region of Halton, Enwin Utilities, and the Region of Ottawa-Carleton. The Hamilton Halton Home Builders Association (HHHBA) was also consulted in the preparation of this Report. As noted previously, the HHHBA requested that the City remove the requirement for the master meter due to the cost of installation. This would not allow the City to account for water lost within private water systems and would be in contravention of Waterworks By-law R84-026 (as amended).

Appendix B is a modified version of an agreement that was developed by Legal Services and Corporate Counsel Division staff for Report PW05060.

**CITY STRATEGIC COMMITMENT:**

By evaluating the **“Triple Bottom Line”**, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.** ☑ Yes ☐ No
Community well-being is enhanced by having by allowing the City to provide greater levels of customer service to the citizens and businesses of Hamilton.

**Environmental Well-Being is enhanced.** ☑ Yes ☐ No
Environmental well-being is enhanced by promoting water conservation and effective consumption management tools to the citizens and businesses in the City of Hamilton.
Economic Well-Being is enhanced. ☑ Yes  ☐ No
Economic well-being is enhanced by providing a more fair and equitable system for metering water consumption. The program will also provide extra revenue streams to offset the increasing costs of providing clean, safe, and cost-effective drinking water to the citizens of Hamilton.

Does the option you are recommending create value across all three bottom lines? ☑ Yes  ☐ No
The option does create value across all three bottom lines.

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes  ☐ No
The option does help to make Hamilton a city of choice for high performance public servants because it will give City staff more tools to effectively manage the water system and provide a greater level of customer service to the citizens and businesses within the City of Hamilton.
POLICY NO:  
SUBJECT: Multiple Unit Water Metering Policy

ELIGIBILITY:

PURPOSE: The purpose of this policy is to ensure that all ICI or Multi Unit Residential sites within the City of Hamilton are master and sub-metered for water in an effective and efficient manner while increasing the level of customer service offered by the City and its staff.

APPLICATION: Each individual water service will be metered in accordance with Waterworks By-law R84-026 (as amended). Each individual sub service within the site will also be metered in order to provide equitable billing for all parties.

GENERAL REQUIREMENTS: All meter settings must meet current City of Hamilton specifications with respect to distances, valve arrangements, bypasses, care, and access. All sub settings in vertical multi unit buildings must be installed in a common area within the floor level that the meters are servicing. Settings in horizontal multi-unit buildings may be in each unit provided reading devices are located in one standard location.

NEW CONSTRUCTION REQUIREMENTS: All newly constructed buildings and complexes within the City of Hamilton shall be subject to the provisions of this policy beginning February 15, 2006.

RENOVATION REQUIREMENTS: Any property substantially renovated on or after February 15, 2006, shall be subject to the terms of this policy.

VOLUNTEER REQUIREMENTS: Any existing property owner shall make application to the Superintendent of Service Coordination if they wish to be part of the new policy.

RATES: All rates for services provided shall be subject to the rates established under schedule G of Waterworks By-law R84-026 (as amended).
Appendix B - PW06006

Multiple Unit Water Metering Policy Agreement

Agreement for _________________________________________________________________

THIS AGREEMENT made in quadruplicate, this day of , 200 :

BETWEEN:

CITY OF HAMILTON
(hereinafter referred to as the “City”)

- and -

__________________________
(hereinafter referred to as the “Owner”)

AGREEMENT

WHEREAS:

A. the Owner is the registered owner in fee simple of the land described as ________________________________ (hereinafter referred to as the “Land”);

B. the Owner has represented that there are no arrears of realty taxes on the Land and that the current municipal address and legal description of the Land as set out above is correct; and

C. the Owner is entering into this Agreement with the City in order to record the terms and conditions under which the Owner may provide for the installation, maintenance, repair and replacement, as the case may be, of a separate water meter in each of the units therein, subject to the terms and conditions hereinafter set out;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements of the Owner hereinafter set forth to be observed, fulfilled and performed, and the sum of One Dollar ($1.00) paid by the Owner to the City, the receipt and sufficiency of which is acknowledged, the parties do hereby covenant and agree as follows, namely:

1. The City shall permit the Owner to install and connect a separate water meter in each unit of the development.

2. The City agrees to bill each owner/tenant of the unit in the development for its water usage in accordance with the data provided by each of the said water meters.
3. The Owner agrees that the City will install, connect and take readings from a Master Meter for the entire development. The Owner further agrees that, in the event of any conflict or deviation, however caused, between the readings of this Master Meter and any or all of the individual meters installed pursuant to this agreement, the readings of the Master Meter shall govern in all circumstances.

4. The Owner agrees to include the following clauses in the Agreement of Purchase and Sale or Agreement to Lease for each unit in the development and/or in the condominium declaration to be registered against title to the Lands in respect of the development, namely:

   “Purchasers/Lessees are advised that separate water meters have been installed in each of the units. Unit owners/tenants will be billed directly by the City of Hamilton or its agent for the charges related to water consumption within their respective units. Purchasers are further advised that the City will not be liable to any unit owner or to the Condominium Corporation for any losses, damages or expenses arising in any way from a failure in the operation of such water meters including, without limitation, losses arising from water damage or leakage or electrical failure.

   Purchasers/Lessees are further advised that the City shall not be responsible for the cost of maintenance, repair or replacement of any water meter within an individual unit.

   The Purchaser/Lessee herein further covenants and agrees to include the above clause in any subsequent Agreement of Purchase and Sale or lease for the subject unit herein.”

5. The Owner hereby indemnifies and saves the City harmless from and against any and all actions, causes of action, interest, claims, demands, costs, charges, damages, expenses and loss which the City may at any time bear, incur, be liable for, sustain or be put to for any reason on account of or as a consequence of the said water meters being installed and operating in the residential units of the development.

6. The Owner agrees to ensure that any Condominium Corporation or Corporations to be established as a result of the development shall be bound by the terms and conditions of this Agreement including, specifically, the indemnity contained in paragraph 5 hereof. From and after the Condominium Corporation or Corporations agreeing with the City to be so bound, the Owner shall have no further liability or obligation under, and shall be released from, the indemnity contained in paragraph 5 of this Agreement.

7. The waiver or acquiescence by the City of any default by the Owner under any obligation to comply with this Agreement shall not be deemed to be a waiver of that obligation or any subsequent or other default hereunder.

8. Notices may be given to the Owner at the address set out below:
Appendix B – PW06006, Cont’d. . . .

Notices to the City may be addressed as follows (until the City gives notice otherwise):

City of Hamilton,
Attention: City Clerk,
71 Main Street West,
Hamilton ON L8P 4Y5

Notices to be given pursuant to this Agreement may be given by personal delivery to the parties or their solicitors or by registered mail. In the event of delivery during normal business hours notices shall be deemed to have been received when delivered and shall otherwise be deemed to have been received on the next business day following such delivery. In the event of registered mail notices shall be deemed to have been received five (5) business days after the date of mailing (except in the circumstances of actual or threatened postal stoppage in which event notices shall be delivered only).

9. The Owner shall, at its expense, register this Agreement on title to the Land in priority to all mortgages and charges. Such registration shall be in an electronic format or in a paper format, as may be required by the Land Registry Office.

10. The Owner’s lawyer shall provide to the City a Lawyer’s Certificate of Title and Registration in which the Owner’s lawyer shall certify to the City, in a form satisfactory to the City’s Corporate Counsel, acting reasonably, that this Agreement has been entered into by the registered Owner of the Land and that this Agreement has been registered, as required herein, on title to the Land.

11. This Agreement shall endure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

CITY OF HAMILTON
Per:

APPROVED AS TO FORM:

Mayor

Legal Services
(1-054/98.30)

Municipal Clerk

In the presence of:

Witness: ____________________________
(Print Name):

I have authority to bind the Corporation.
Appendix B – PW06006, Cont’d. . .

*1. If party is a corporation:
   (i) please sign in black ink;
   (ii) please print name and title below signature lines; and
   (iii) please use Corporate Seal and print the phrase “I have authority to bind the Corporation”.

*2. If party is an individual:
   (i) please sign in black ink;
   (ii) please print name of individual(s) below signature line(s);
   (iii) please have signature(s) witnessed;
   (iv) please have witness(es) sign; and
   (v) please print name of witness(es) below signature line(s).