



City of Richmond

Report to Committee

to Public Works & Transportation - MAR 17, 2004

To: Public Works and Transportation Committee **Date:** March 5, 2004
From: Robert Gonzalez, P.Eng. **File:** 8060-20-7685
 Director, Engineering
Re: **Waterworks Bylaw 5637**

Staff Recommendations

1. That the City's Waterworks Bylaw 5637 be amended by Amendment Bylaw 7685 to allow single family residential water meter customers that have water meters installed through waterworks renewal programs an opportunity to apply for a credit equal to the difference between their first 12 months of metered water bills and the appropriate flat rate for their property.
2. That the City's Waterworks Bylaw 5637 be amended by Amendment Bylaw 7685 to allow single family residential water meter customers that had water meters installed prior to January 1, 2004, an opportunity to apply for a credit equal to the difference between their first 12 months of metered water bills and the appropriate flat rate for their property.

Robert Gonzalez, P.Eng.
Director, Engineering
(4150)

FOR ORIGINATING DIVISION USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Water Services	Y <input type="checkbox"/> N <input type="checkbox"/>	
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

Staff Report

Origin

On December 8, 2003, City Council adopted Bylaw 7620, amending the City's Waterworks and Water Rates Bylaw. The amendment includes provisions that allow the City to bill single family residential water customers based on a metered rate and is in alignment with the City's long-term water management strategy.

The amendment also offered volunteer water meter customers a "can't lose" option for their first year of metered billing. Under this provision, volunteer meter customers can apply for a credit for the difference between the applicable flat rate for their property and the metered bills for the first 12 months of metered water billing.

The "can't lose" option is not offered to the single family residential customers with existing meters that have been moved from the flat rate to the metered rate for water. This has been identified as an inequity and the purpose of this report is to amend the waterworks bylaw to allow existing meter customers the "can't lose" option.

Analysis

City of Richmond single family residential water customers are used to paying a flat rate for water. As these customers move from the flat rate to the metered rate for water, there is some fear of what their future utility bills will look like, as they have no quantifiable idea of how much water they use. Several of these customers have noted that a "can't lose" option, similar to that enjoyed by volunteer single family residential metered customers, would allow time to monitor and understand their water usage through their water bills without the fear of an immediate increase to what they pay for water.

Financial Impact

The City will lose some revenue from high usage water consumers for the first 12 month period that they are on the metered water rate, but staff anticipates this loss to be relatively minor.

Conclusion

The "can't lose" option for new single family residential water meter customers allows a transition period for customers to monitor and adjust their water usage without penalty for 12 months. Richmond's residential water customers are used to a flat rate and may appreciate this time to review their water use habits. The 12 month grace period alleviates the fear of the transition from flat rate to metered rate billing and makes the entire process more palatable to the non volunteer single family residential water meter customers. As such, Engineering recommends that the "can't lose" option be extended to single family residential water meter customers with existing meters and single family residential water customers that receive water meters through infrastructure renewal.

Lloyd Bie, P. Eng.
Project Engineer - Water and Sewer
(4385)



**Waterworks and Water Rates Bylaw No. 5637,
Amendment Bylaw No. 7685**

The Council of the City of Richmond enacts as follows:

1. Bylaw No. 5637 is amended by:
 - (a) deleting clause (b) of section 22A; and
 - (b) inserting the following as clause (d) of section 13 and re-numbering the remaining clause accordingly:
 - (d) Every owner of a **one-family dwelling** which has metered water service:
 - i) pursuant to the voluntary water metering program referred to in section 22A;
 - ii) as a consequence of a **City** infrastructure renewal program; or
 - iii) where the water meter was installed prior to January 1, 2004,will receive a credit to be applied to future water charges equal to the difference between the metered charges for the first 12 months of consumption subsequent to the initial meter reading for billing purposes and the amount that would have been payable on a flat rate basis, provided:
 - i) the metered-charges exceed the flat rate by more than \$10;
 - ii) the property owner submits a request for the credit to the **City** in writing within 15 months of installation of the meter; and
 - iii) there has been no change in ownership of the property.

2. This Bylaw is cited as **“Waterworks And Water Rates Bylaw No. 5637, Amendment Bylaw No. 7685”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CITY OF RICHMOND
APPROVED for content by originating dept <i>US</i>
APPROVED for legality by Solicitor <i>[Signature]</i>

CITY CLERK