

Corporate Policy and Procedure



Policy	Leak Forgiveness Credit Policy
Category	Corporate
Authority	GM Finance / GM, Environmental Services
Related Policies	Utility Billing and Collections Policy
Approved by	Guelph City Council
Effective Date:	January 1, 2022
Revision Date:	April 1, 2026

Policy Statement:

The City shall provide financial assistance to qualifying residential customers in respect of unusually high water and/or wastewater fees or charges, resulting in a Leak. The City shall provide this financial assistance by way of a Leak Forgiveness Credit against the water and wastewater fees and charges ordinarily imposed under the City's bylaw. GM, Finance and/or GM, Environmental Service will amend from time to time to better suit customer and business needs.

Purpose:

The Credit is intended to provide relief from abnormally high water charges due to a significant, unexpected and unintentional Leak resulting in a large volume of usage that cannot be otherwise mitigated. This relief is to encourage the prompt attention and repair of the Leak that caused the high water charges.

Upon application and acceptance of such the City shall calculate the relief Credit based on average usage and the billing period of the Leak in accordance with the outline qualifications and procedure. Any Credit shall be applied to the account holders water and wastewater charges.

Definitions:

"Account Holder" means the registrant and holder of a Customer Account, which shall be the Owner of Land or another Person with written authorization from the

Owner of Land in accordance with the Utility Billing and Collections Customer Account By-law.

“City” - the Corporation of the City of Guelph, and/or its directors, officers, employees, agents and contractors.

“Credit” – means the Leak Forgiveness Credit under this Policy and Procedure;

“Leak” – means an accidental water loss caused by broken and/or malfunctioning plumbing and/or pipes within a residence or building. A leak occurs when there is a failure of the plumbing system to do what it was designed to do.

“Ontario Building Code” means Ontario Regulation 332/12 made pursuant to the Building Code Act, as amended;

“Residential Property” - Exclusive use as a domicile, designed for living, sleeping, and food preparation.

“Property” – is a parcel of land that may include buildings, structures, and uses governed by zoning designations.

“Water Supply System” – means water supply and distribution system operated by the City, consisting of various water sources, including groundwater wells, fire hydrants and water filling stations, and all infrastructure necessary to collect, treat and distribute water, including water meters, meter wires and remotes.

Particulars of the Credit:

A Credit may be issued for 50% of the usage of the bill in question if all the eligibility requirements are met. An Account Holder may be eligible for a Credit in respect of the Accounts Holder’s property if the service address:

- Is located within the geographic limits of the City;
- Is serviced by the City’s Water Supply System;
- Is a Residential Property.
- The account is not past due.
- The Property is unoccupied because the most recent occupants have moved out with no intention of returning, or it is a newly constructed Property, and the initial occupants have not yet moved in.

- Is the only property serviced by the applicable water meter;
- Has a properly functioning and accessible internal shut off valve;
- Has not had an unmetered water line or open by-pass line within the last 5 years.
- Shows no evidence of tampering with the water meter; and
- Possess a water bill identifying at least ten (10) times the average monthly consumption for the property caused by a Leak.
- Water Consumption cannot be the result of a "catch up" bill where an actual meter reading was obtained.

Credit Program Requirements:

- The Account Holder shall apply and carry out all actions required by City staff for compliance with the Credit Policy and Procedure;
- Make reasonable efforts to locate the leak and initiate repairs within sixty (60) calendar days of receiving the water bill indicating the leak or through initial notification of increased water usage by a courtesy call or letter/email correspondence.
- Provide all required documentation within sixty (60) days of submitting the application for Credit.
- Pay all costs for repairing the Leak including but not limited to parts and labor and provide proof of the payment for the repairs.
- Pay the portion of fees and charges that remain owing following the Credit being applied to the account.

Procedure:

City Utility Billing and Collections Team shall administer the Credit in accordance with the following procedure:

Staff Shall:

- Water accounts that are eligible for the Credit will be provided with an application for a Credit:
 - o Request for a Credit must be made within sixty (60) days of the bill date where the excess consumption was billed.
 - o An application will be provided.
 - o The required documentation as outlined on the application must be submitted within sixty (60) days of submitting the application.

- The Credit is available as a one-time benefit to a single Account Holder of the dwelling.
- If a customer is not eligible for the Credit policy, they will be advised by staff, and staff shall discuss alternative payment options.
- If necessary, water services staff shall attend to confirm eligibility and legitimacy of the customer Leak.
- If necessary, water services staff shall attend the property to confirm repairs have been completed in accordance with standards.
 - o Notice to the customer will be provided in writing.

In determining a Credit, staff shall exclude any water loss that appears to result from any extraneous factor, including, but not limited to:

- Theft;
- Vandalism;
- Leaks on the City's side of the Account Holder's water meter; Outdoor water use, such as but not limited to, irrigation, pool, basin or hot tub filling, hose and hose bib, outdoor cleaning or maintenance, or skating rink;
- Action by third party, from whom the Account Holder can recover the Account Holder's loss;
- Neglect of the Property; or
- An occurrence in a Property where:
 - o Although the Property is ordinarily occupied, the occupants were absent for at least 72 hours, or
 - o The Property is unoccupied because the most recent occupants have moved out with no intention of returning, or it is a newly constructed Property, and the initial occupants have not yet moved in.

Staff shall deny a Credit to any Account Holder who has:

- In contravention of the Utility Billing and Collections Customer Accounts By-law;
- The Account Holder previously received a Credit in respect of the same property for a Leak in the period of 10 years before the date of the application;
- During the one (1) year period prior to the abnormal water use, failed to respond to a request by City staff for access to the property's water meter;
- Engaged in or taken advantage of fraudulent or misleading behavior relating to the Credit program, such as tampering with a meter or supplying misinformation; staff may also proceed with any other applicable remedies.

- Failed to repair the Leak and provide proof of the repair, including photographs, invoices and receipts from a licensed plumber or manufacturer; (if requested by the City);
- Failed to repair the Leak using, means consistent with Ontario Building Code and water efficient technology, where applicable; or
- Failed to permit Water Services staff access to the Property, to ensure that the Leak has been repaired, within two weeks (14 calendar days) after a request for such access.
- Failed to provide documentation of the repairs within sixty (60) days of the receipt of the application.

Calculation of Credit:

Consumption during one (1) billing cycle must exceed ten (10) times the average monthly consumption over a twelve (12) month period.

1. Find the average monthly consumption from the previous twelve (12) billing cycles (or the average available billing history if less than 12 months)
2. If there is no previous consumption, average consumption shall be estimated at the discretion of the Utility Billing staff.
3. Multiply the average consumption by ten (10) to determine the threshold amount of consumption.
4. Compare the high consumption to the threshold calculated. If the high consumption exceeds the threshold (10x the amount), the bill is eligible for Credit. If the amount is lower, it is not eligible.
5. Using the high consumption amount, divide by two (2) to determine the amount of consumption to be credited to the account. (This represents 50% of the high consumption charges for both water and wastewater)
6. Calculate the Credit using the consumption amount and the applicable rates for water consumption and wastewater discharge charges up to a maximum of one (1) billing Credit shall be applied to a maximum of \$5,000.00 as the amount of the Credit.

When limited data is available, the discretion on the calculation of the Credit rests with the Manager of Revenue.

Payment Plan

The duration of the payment plan period shall correspond to the magnitude of excess consumption, calculated as follows:

- Payments shall be granted on consumption charges that remain owing following the Credit amount being applied to the account.
- Regular billing charges will continue to be billed on a regular billing cycle and payment of current charges shall be made in addition to the payment arrangement amount.
- The maximum payment plan period shall not exceed twelve (12) months regardless of the total excess consumption. The balance must be paid by the end of the repayment period.
- If the payment arrangement is broken, or if any regular bills issued during the term of the payment arrangement are not paid by the due date, the balance becomes due in full.
- The Manager of Revenue, retains discretion to interpret eligibility and may approve exceptions in extenuating circumstances that align with the spirit of the program.

Schedule A

Example of Calculation of Credit

High consumption bill is 170 cubic meters

Average consumption over 12 months is 16 cubic meters.

- Multiply average by 10 = threshold amount of consumption = $16 \times 10 = 160$ cubic meters
- 160 cubic meters is the amount the high consumption needs to be higher than.
- High consumption is 170 cubic meters, there eligible for credit.
- Divide the total consumption by 2, $170 / 2 = 85$

$85 \times \text{rate of water consumption} = \text{credit}$

$85 \times \text{rate of wastewater consumption} = \text{credit}$

Water credit + wastewater credit = total Credit.