



Report to: General Committee

Date Report Authored: August 24, 2012

SUBJECT: Waterworks Service Fee Exemption

PREPARED BY: Noris Dela Cruz, Ext. 4800

RECOMMENDATION:

- 1) That the report “Waterworks Service Fee Exemption” be received; and,
- 2) That the Waterworks service fee to turn water off at the curb remain as is and no exemptions be provided;
- 3) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

This report responds to the April 3, 2012 Council resolution requesting “that staff report back on the possibility to exempt the waterworks service fee to turn water off at the curb during emergency situations”.

BACKGROUND:

Waterworks service call fees based on User Pay Principle

A Waterworks fee for turning off/on water service at the curb was introduced in October 2008 in accordance with the user pay principle to recover service costs. This fee has been periodically adjusted to reflect cost increases. The current fee ranges from \$149 to \$224 (afterhours).

In April 3, 2012, Council passed a resolution requesting staff to report back on the possibility of waiving the waterworks service fee to turn water on/off at the curb during emergency situations. Staff has prepared this report in response to Council’s request.

OPTIONS/ DISCUSSION:

A leaky main valve is not an emergency situation

All homes and commercial buildings, with very few exemptions, have a main water shut-off valve located in the basement near the water meter. The main shut off valve is used to turn off the water supply only when internal plumbing work is being performed.

Usually, the main shut off valve is seldom operated. Whenever it is operated, there is a risk that it will leak and may require repair or replacement. A plumber is usually working on site when this happens. While a leaking main valve is usually deemed by homeowners as an emergency, it is more of an inconvenience. Repair and maintenance of internal plumbing including main shut off valve is the responsibility of the homeowner.

Replacing a main shut-off valve requires water service to be shut off at the curb stop valve located outside the house or near the property line. The operation of this curb stop valve is the City's jurisdiction and must be performed by city staff using a specialized key. In Markham, less than one per cent of water customers need the service annually. Since the main shut off valve is part of internal plumbing, staff feels that costs associated with the curb stop valve turn off/on should also be borne by the homeowner.

Note that this service is apart from the curb stop or main valve turn off/on that Waterworks provide following a municipal emergency such as a water service line or watermain break and is provided as part of waterworks services.

Waterworks recommends keeping with the current strategy of user pays principle. However, if Council wishes to proceed with a fee exemption for the purpose of replacing/repairing a leaking main valve, staff suggests one exemption per lifetime of a residential account.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The 2012 budgeted recovery for the on/off water service is about \$46,000. If Council considers a one time fee exemption for the purpose of replacing/repairing the leaking shut off valve, operating revenue will be reduced by \$36,000 to \$10,000 per year (estimated based on historical data). Table #1 below provides comparable municipal fees. None of the surveyed municipalities provide a one time exemption for the water main turn on/off services.

Table #1:Charges of municipalities surveyed:

Municipality	Fee - Regular Hours Both Turn On/Off Services	Fee - After Hours Both Turn On/Off Services
Markham	\$149.00	\$224.00
Halton Region	\$152.70	\$259.92
Durham Region	\$116.00	\$176.00
Richmond Hill	\$180.00	\$180.00
Vaughan	\$92.00	\$220.00
Toronto	\$150.00	\$150.00

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

N/A

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Contact Centre

RECOMMENDED BY:

19/09/2012

9/19/2012

X



Peter Loukes P. Eng
Director, Environmental Services

X



Brenda Librecz
Commissioner, Community & Fire Services

ATTACHMENTS:

None