

Amendments to The Waterworks Bylaw, 1996 and The Sewer Use Bylaw, 2017

ISSUE

Two sections of Bylaw No. 7567, *The Waterworks Bylaw, 1996* (the “Waterworks Bylaw”) require an amendment to clarify intent in relation to billing for water metering and the ratio of dwelling units to meters. Bylaw No. 9466, *The Sewer Use Bylaw, 2017* (the “Sewer Use Bylaw”) contains identical language that should also be changed. Additionally, an amendment to the Waterworks Bylaw is required to address a gap that currently exists whereby owners of property are not required to properly deal with abandoned service connections.

RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

1. That the proposed amendments to Bylaw No. 7567, *The Waterworks Bylaw, 1996*, and Bylaw No. 9466, *The Sewer Use Bylaw, 2017*, as outlined in this report be approved; and
2. That the City Solicitor be requested to make the necessary amendments to Bylaw No. 7567, *The Waterworks Bylaw, 1996*, and Bylaw No. 9466, *The Sewer Use Bylaw, 2017*.

BACKGROUND

Ratio of Dwelling Units

In the 2009 report, *Water, Wastewater, and Infrastructure Rates 2010, 2011, 2012*, the City of Saskatoon (City) created a separate rate category for multi-unit residential water meters. Where a property is served by multiple water meters, each of those meters are treated as a separate account by the City. In some multi-family condominium corporations, these bills are the responsibility of individual units and in some cases the bills are consolidated and paid by the condominium corporation.

The current language of the Waterworks Bylaw in Schedule A Part II and the Sewer Use Bylaw in Schedule D Part II states:

- A. *Where the ratio of dwelling units to meters is less than or equal to four, the following rate shall apply:*

The Bylaws later state:

- B. *Where the ratio of dwelling units to meters is greater than four, the following rate shall apply:*

For reference, rate category A is primarily used for residential properties and category B is for commercial properties. Multi-unit properties depend on how many units or connections they have to the meter. The different rates available are intended to provide options for multi-family units to have some control over their rates while also ensuring that the fixed and variable costs of water treatment are recovered. Residents that have higher volumetric demand benefit from meters serving more units as it reduces their volumetric charge, and those with less demand benefit from the lower meter ratio where they have smaller fees but would pay higher volumetric rates.

City Council, at its Regular Business Meeting held on May 31, 2021, considered a report from the General Manager, Utilities and Environment and resolved:

That the matter be referred back to Administration to provide further information on how irrigation use on a water meter in multi-unit dwellings can cause a higher rate structure with some units being considered to be served by more than one meter. Please include options to change this policy along with associated impacts.

Abandoned Service Connections

The current language in the Waterworks Bylaw related to discontinuing water service only relates to the closure of the account with the City. When a service is discontinued there is currently no requirement for the owner to remove or properly decommission the service connection.

The service connection is private property that connects into the City's water distribution infrastructure and is the responsibility of the owner to maintain. As such, discontinued services present the risk of privately owned abandoned infrastructure remaining connected to the City's infrastructure for an indefinite period of time. As abandoned infrastructure that is connected to the City's system is unlikely to be maintained, this presents a risk to the City's ability to provide reliable potable water.

DISCUSSION/ANALYSIS

Dwelling Ratio

The current language in the Bylaws have created confusion relating to how a given water meter is billed based on the number of dwelling units or connections serviced by that meter. The current practice is that each meter is based on the number of dwelling units, or connections, serviced by it and there is no differentiation between a connection for an individual dwelling unit or irrigation. Whether the connection to the meter is used for potable water or for irrigation, there is still demand on the City's infrastructure. For example, a multi-unit property with 24 units may have 12 meters, where four meters serve more than four units and another eight serve less than four. This would result in meters in each rate category.

Some customers have suggested an alternate interpretation of the Bylaws in that each property should be billed based on the total ratio of dwelling units and/or connections to meters. In the example above for the 24-unit scenario, this would result in all meters being in the A category as the average is 2 units per meter. While the meters in the A

category will pay a lower fixed monthly amount, they would be subject to the inclining rate structure for usage which could increase the unit's overall cost. With this alternate interpretation, the overall cost per meter will likely increase, resulting in higher overall cost for the multi-unit property. In addition, the property wide interpretation does not reflect the actual demand on each meter.

In 2021, an analysis of the financial impact to changing the interpretation of the ratio described above was conducted. The analysis found that any adjustment to the ratio resulted in higher overall costs to multi-family residential units than current practice. While some individual properties may benefit from this change, on average most would pay more. The following table outlines the impact to the average annual cost to water meters if the interpretation of the Bylaw was changed to make either all meters either the A or B category, and any change in the ratio would lie somewhere between these options.

Table 1: Impact on Average Annual Meter Cost

	Current MF > 4	Current MF < =4
Switch to A (residential)	\$475.18	-
Switch to B (commercial)	-	\$663.31

As displayed in Table 1, a switch to treating all multi-family properties as residential customers would have an average annual cost increase of \$475.18 per meter for those currently under the commercial (greater than four) structure, as there would be savings on the meter fees, but it is outweighed by the increase in volumetric charges. Similarly, switching all properties to the commercial structure would result in those currently under the residential structure with some savings in their volumetric charges; however, these would be outweighed by the fixed meter costs. The estimated average financial impact per year per meter for this scenario is \$663.31.

An adjustment to the interpretation of the Bylaw would increase the average annual cost per meter. And while it would increase the City's overall revenue, it would not be reflective of actual demand on individual meters. Therefore, the Administration recommends changing the wording in the Bylaws to align with the current practice by making it clear that each meter is billed separately based on how many dwelling units or connections it services, regardless of the intended use of the water.

Abandoned Service

As identified above, there is a risk with abandoned infrastructure remaining connected to City infrastructure. The risk would be mitigated by adding a provision to the Waterworks Bylaw that requires owners to properly decommission abandoned or unused service connections. As such it is proposed that a licenced water and sewer contractor complete this work within one year of discontinuing the service. This timeline also allows for reused of the connection if the service will only be discontinued temporarily for renovation, retrofit, or infill. For projects that take longer than one year,

an application can be made to the Utilities and Environment Division to have the abandoned service kept off longer than one year. Enforcement of this new language would be pursuant to *The Cities Act*.

OTHER IMPLICATIONS

The changes to the Bylaw pertaining to the dwelling ratio are consistent with current practice; therefore, no additional communications are planned.

Information pertaining to the requirements for abandoned service connections will be included in an information package pertaining to water and sewer connections.

There are no financial or environmental implications to the Bylaw amendments.

NEXT STEPS

Upon approval by City Council of the proposed changes, the City Solicitor's Office will draft the necessary Bylaw amendments. City Council's consideration of these Bylaw amendments is anticipated in December 2022, with an effective date of January 1, 2023.

APPENDICES

1. Confidential Solicitor/Client Privilege

Report Approval

Written by: Russ Munro, Director of Saskatoon Water
Reviewed by: Mike Voth, Director of Corporate Revenue
Cindy Yelland, City Solicitor
Approved by: Angela Gardiner, General Manager, Utilities and Environment