



## REPORT

To: **COUNCIL**

Date of Meeting: June 16, 2015

Prepared By: Jonathan Lautenbach, CPA, CGA - Director of Financial Services

Approved By: Steven Fairweather, CPA, CA - Commissioner of Corporate Services

Department: Corporate Services

Date to Senior Management Team: June 10, 2015

Report No.: Corpserv/15-33

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<b>WATER BILLING APPEALS PROCESS</b>
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### Recommendations:

THAT Council Approve the Water Billing Appeals Process as outlined in Corpserv/15-33

### Background:

#### General Background

On February 22, 2015 Council approved the recommendations resulting from an independent review of Water Billing Policies and Practices. In addition to approving the recommendations that were presented, Council also requested that a water billing appeals committee be created. It was suggested that the committee would be made up of 3 council members and 2 staff members to provide customers with another opportunity to appeal decisions made by staff regarding their particular water billing concerns.

The types of water billing issues that would be heard by this committee were not specifically identified nor was the process that should be followed related to escalations and the process for appeal. Any appeal process that is created, needs to be specific in its eligibility criteria and purpose.

#### Current Escalation Process

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The City has 40,000 water customers and issues approximately 250,000 water bills on an annual basis. The Tax and Water Division has the highest number of daily customer interactions compared to other departments based solely on the volume of bills and correspondence that it sends out on a regular basis.

The division has dedicated Customer Service Representatives to deal with customer inquiries. The goal of the Division is first call resolution and most questions by customers are answered by these front-line staff. There are instances where customers do not agree with information provided by staff or have a particular water billing concern that is more complex in nature that may require the issue to be escalated.

The Division's Supervisor of Customer Service is responsible for dealing with escalations. In some instances, the Supervisor of Billing and Collection who oversees the billing staff may also become involved. The Supervisor of Customer Service will coordinate with other internal staff and staff from the Public Works Department to attempt to resolve customer concerns/issues. Most of the escalations are resolved at this level and do not require any further action.

In some cases, Council may become involved with an individual customer's water billing issue. This is largely a result of Council being accessible by the public as their elected official and an expectation by the public that Council has the authority to resolve their particular water billing issues. Concerns have been raised by Council in the past regarding high water bills that customers have been issued or fees that a customer has been charged as part of the process. When Council becomes involved by customers in specific water billing concerns, the Councillor normally contacts staff for additional information. In most cases, staff has followed the proper process/policy. Once the information regarding a specific customer issue is provided to the individual Councillor, no further action is requested.

Part of the review of the water billing policies and practices, focused on the existing policies in place with a goal of providing additional flexibility and options for staff and Council to try and address specific customer concerns. Some of the recommendations included developing a high water leak adjustment policy and the reduction of fees by eliminating the tenant deposit, tenant user fee, and delaying when other fees are charged in the collection process. It is expected that these recommendations will be effective in addressing the majority of customer concerns.

### Establishment of a High Water Billing Appeals Process

In the event that an individual customer's concerns cannot be addressed through Council adopted policies or through normal escalation process, an appeals process could be an option to attempt to address individual customer concerns.

It is recommended that if an appeals process was put in place it would only be related to the following water billing concerns:

- 1 High water bill concerns where an individual bill is 2 times (200%) the customer average consumption, is greater than \$250, and where the customer has not been granted a billing adjustment through the High Water Leak Adjustment Policy as approved by Council

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It is recommended that a formal two step appeal process be put in place. Step 1 would be a Water Billing Review Committee that would review information provided by the customer regarding their particular issue. Step 2 would involve the establishment of a Water Billing Appeals Committee.

### Step 1 – Water Billing Review Committee

This would be a formal request process that would include the following requirements:

- | Customer would indicate to staff (Supervisor of Customer Service, Supervisor of Billing and Collection, Manager of Revenue) that they wish to appeal a decision and staff will then complete a formal appeal request form that provides background information regarding the customer's particular concern
- | The Customer can provide any additional documentation that they feel is necessary to support their appeal
- | The customer's water billing issue must have occurred within the last 6 months
- | The customer must have discussed their issue with the Supervisor of Customer Service, the Supervisor of Billing and Collection, or the Manager of Revenue before an appeal would be considered
- | The customer must acknowledge the criteria under which an appeal request can be made, any issues considered ineligible would not be reviewed and considered

The Water Billing Review Committee will involve the following:

- | The Director of Financial Services (or Designate) and the Director of Water and Wastewater (or Designate) will jointly review the appeal requests and information provided by the customer regarding their particular concerns
- | The members of the committee may follow-up directly with the customers to obtain additional information prior to making a decision
- | A formal written response to the appeal will be issued within 30 days from the receipt of the appeal request outlining the decision of the committee
- | If the decision of the committee is that an adjustment is warranted based on the review of information, the maximum allowable adjustment amount should be consistent with the criteria as outlined in the High Water Leak Adjustment Policy as adopted by Council
- | Factors that the committee may consider when deciding if an adjustment is warranted includes situations where policy has not been applied correctly, or where customer service provided was an issue
- | If an adjustment is granted by the review committee, the customer's issue would not be eligible for further appeal and would be considered an adjustment similar to those made under the High Water Leak Adjustment Policy, following the same criteria for the number of allowable adjustments per year and over a 10 year timeframe
- | If the customer's appeal is denied, the formal decision letter issued to the customer will outline the next steps available to the customer in the appeal process

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- | Any adjustments to bills resulting from a decision by the Review Committee will be reported to Council quarterly by staff

### Step 2 – Water Billing Appeals Committee

If an appeal is denied by the Water Billing Review Committee as part of Step 1, the customer will have the option of either accepting the decision or submitting a request for reconsideration to be heard by the Water Billing Appeals Committee.

The Water Billing Appeals Committee would have representation as follows:

- | 3 Councillors (from a pool of 8 on a rotating basis)
- | One of the Councillors will be the Chair of the committee

It is recommended that this would be a formal request for reconsideration process that would include the following requirements:

- | Customer must fill out a request for reconsideration form
- | The customer must attach the decision letter that was issued by the Water Billing Review Committee
- | The decision letter from the Water Billing Review Committee must have been issued within the last 30 days
- | The customer must sign the request for reconsideration form

The Water Billing Appeals Committee meetings will be scheduled quarterly during the day. Requests for reconsideration must be received minimum of 2 weeks prior to a scheduled meeting to give staff time to prepare the file information for review by the committee. Any requests received outside of this

time frame would be scheduled to be heard at the following meeting. If no requests have been received the committee would not be required to meet.

The format of the Water Billing Appeal Committee meetings will be as follows:

- | Customer or designate (to be identified on the request for reconsideration form) must be in attendance and will be required to address the Committee and outline their particular water billing concerns
- | Staff from Water Billing and/or Water Metering Divisions will present information regarding the particular issue from staff perspective
- | Committee will be provided the opportunity to ask clarifying questions to the customer and staff based on the information presented
- | The committee will meet after the hearing to discuss the customer's appeal
- | A formal letter will be sent to the customer within 30 days outlining the committee's decision
- | If the decision of the Appeal Committee is that an adjustment is warranted based on the review of information, the maximum allowable adjustment amount should be consistent with the criteria as outlined in the High Water Leak Adjustment Policy as adopted by Council. Any adjustment exceeding this amount would require full

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Council approval.

- | Any adjustments to bills resulting from a decision by the Appeal Committee will be reported to Council quarterly by staff and will be tracked separately for budget purposes
- | A Councillor that sits on the Appeal Committee is able to hear an appeal by a customer that resides in their ward however, the Councillor should consider their involvement in the resolution of the customer's issue and declare a conflict of interest where appropriate
- | Where a conflict of interest is declared an alternate Councillor would be arranged by the Clerk to hear the appeal/request for reconsideration

The customer is required to pay their bill even if a particular issue is under appeal. Penalty and interest as a result of non-payment will not be adjusted if the customer decides not to pay unless the Committee decides that a billing adjustment is warranted. In this case penalty would only be adjusted related to the applicable portion of the billing adjustment amount.

### Implementation

It is expected that this process change would become effective on September 1, 2015. This will allow staff time to develop the internal process to be followed as well as the forms required as part of the process. It would also allow for Council to determine the members of the committee and to arrange for scheduled quarterly meetings.

### Existing Policy/By-Law:

If this process is adopted it will be added to a consolidated By-Law for Water Billing Policies and Recommendations

### Financial Impact:

There is no budget amount identified for any adjustments that may be made through this appeal process. If an adjustment was granted it would be identified in the quarterly reports to Council and the impact of the adjustment would be identified at that time. It is expected that with the introduction of a High Water Leak Adjustment Policy, the number of appeals coming forward under Step 2 of the appeal process would be minimal.

### Public Input:

High water billing issues were identified as an area to address as part of the review of the City's water billing policies and practices.

### Internal/External Consultation:

Staff from Corporate Services, Transportation and Public Works, and the CAO were

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consulted on the development of this process.

### Comments/Analysis:

The original process provided to Council was revised based on comments received by Council and upon further review by staff. Some of the changes include:

- | Ensuring that the maximum adjustment amounts that may be granted through the appeal process are consistent with the limits set within the Higher Water Leak Adjustment Policy as approved by Council. Any adjustments over and above the maximum amounts would require full Council approval
- | Providing additional information on the factors that the Review Committee may consider in coming to a decision
- | If a customer's appeal is denied by the Review Committee, the formal decision letter issued to the customer will outline the next steps available to the customer in the appeal process
- | Any adjustments made by the Appeal Committee will be tracked separately for budget purposes to provide accountability and transparency to the process
- | A Councillor that sits on the Appeal Committee is able to hear an appeal by a customer that resides in their ward but should consider their involvement in the resolution of the customer's issue and declare a conflict of interest where appropriate
- | The ability for a customer to identify a designate to attend the appeal hearing has been added to the process
- | The time limit provided for customers to address the Appeal Committee have been removed. It will be up to the Chair of the Committee to manage the time provided for each appeal. The time limits were originally included to be consistent with the Council procedural by-law