

Municipality of Lakeshore - Report to Council

Finance Services



To: Mayor & Members of Council

From: Rosanna Pellerito, Director of Finance

Date: December 11, 2020

Subject: Council Question - Steps taken to investigate Concerns Relating to Water Billing.docx

Recommendation

This report is for information only.

Background

At its meeting of December 8th, 2020 Council passed a motion that Administration bring back a report to communicate steps taken to investigate concerns relating to Water billings.

Comments

On October 10, 2020 Administration provided Council a summary of the steps taken to investigate concerns relating to water billing issues. This report will serve as a recap of that information.

As part of Administration's due diligence, a number of internal control reviews were undertaken to confirm the water billing systems are operating correctly.

Administration has undertaken several random audits of accounts to ensure billings were accurate and to ensure meters were reading correctly. Some meters have also been sent away for testing. There have not been any issues found with water meters however given that some of the meters were older meters and on the list for replacement, they have been replaced with the current model that is being used for all meter replacements. Staff have also provided callers with detailed information regarding their usage, when asked.

As per the current water billing by-law if a resident requests a meter be tested and the result of the test indicates there is a fault with the meter, the Municipality will bear the cost of the testing and the resident's bill will be adjusted accordingly. If it is determined the meter is in good working order, the resident will be responsible for the testing fee. This has been clearly communicated this to any resident requesting their meter be tested.

In addition to the above, Administration compared the total cubic meters of water treated at the plant vs water that has been billed, for both 2019 and 2020. Overall, water treated is up approximately 18% from 2019 to 2020. For example, the total volume treated between January and August was up 18% compared to the same period last year. Year-over water usage has increased beginning in April 2020 which coincides with the period of the onset of the pandemic.

An analysis of water comparison between 2019 and 2020 determined that in 2019 water loss was 15% and in 2020 the water loss is 18%. Typically a Municipality can expect water loss between 15% to 20% of total water treated. This would indicate that the Municipality is within the expected range of water loss.

As a separate measure of verification from a financial audit perspective, water revenue billed up to Oct 2019 was compared to that same period in 2020. The total revenue collected from Jan to Oct in 2019 was \$4,123,315 and in 2020 for the same period the revenue is \$4,688,385. This equates to a difference of \$564,070 or approx. 14% increase from 2019. Approximately 1% of this is attributable to the rate increase from 2019. The additional 13% increase could be a result of various factors including new accounts added in the year and increased usage.

Based on all the investigations described above, Administration has concluded, that water loss is within the normal range, the increase in water usage beginning in April coincided with the onset of the pandemic and, finally there are no issues with the water billings system.

As was noted previously, there was a delay in the meter reading cycle which could have resulted in a resident receiving a bill for a longer than normal billing period.

Financial Impacts

As this report is for information only, there are no recommendations that would result in a financial impact to the Municipality.

Report Approval Details

Document Title:	Council Question - Steps taken to investigate Concerns Relating to Water Billing.docx
Attachments:	
Final Approval Date:	Jan 4, 2021

This report and all of its attachments were approved and signed as outlined below:

Kristen Newman

Truper McBride