

Water Meter Program

Issue/Background:

The City of Toronto is currently implementing a mandatory Water Meter Program (WMP) to replace, retrofit or install new automated water meters in every home and business in Toronto at no charge to the customer. The program is being rolled out on a ward-by-ward basis over a six-year period, beginning in 2010 and ending in 2015.

Through the program, the City will provide automated meters to those who were previously on flat rate billing and will replace old existing meters with more up-to-date technology. This will help customers keep better track of their water use and detect leaks more quickly, and will eliminate the need for customers or staff to take reading manually.

The WMP is currently ahead of schedule. By the end of 2014, 450,000 (95%) of 474,000 water customers will be upgraded to the new automated water meter.

Key Points:

The overall capital budget to deliver the project is \$270,987,293.95. This includes commitments to Neptune Technology Group, Ontario Excavac, Employment Solution, Bever Tec, Adga Group, Eagle Tech, EMA Contract Administration and City of Toronto Transportation Services, as well as expenditures incurred for the delivery of the project, such as City Staff salary, wireless communication costs, City servers and office supplies.

A breakdown of expenditures and budget commitments by year is as follows:

Year	Actuals	Planned & Commitments
2005	\$270,354.42	
2006	\$984,376.12	
2007	\$1,755,394.46	
2008	\$65,233.17	
2009	\$203,388.36	
2010	\$5,740,066.26	
2011	\$21,905,588.82	
2012	40,750,614.89	
2013	\$56,563,277.45	
2014	\$31,417,436.91	
2015		\$45,656,000.00
2016		\$65,675,563.09
Total	\$159,655,730.8	\$111,331,563.09
	2005-2014 Actuals + 2015-2016 Planned & Commitments	\$270,987,293.95

The larger expenditures within this budget are as follows:

Meter Installation - Neptune Technology Group	\$219,000,000 (details below)
Curb Stop Repair - Ontario Excavac	\$ 13,500,000
Contract Administration - EMA	\$ 4,500,000
IT Resources	\$ 4,000,000
Project Staff	\$ 5,000,000
Road Cut Repair - Toronto Transportation	\$ 4,000,000
Contingency	\$ 20,000,000

Program delivery

In June 2008, Toronto City Council approved a budget of \$219 million to enter into contract negotiations with Neptune Technology Group to deliver the Water Meter Program. The forecasted expense to complete delivery is \$186 million. This represents a savings of approximately \$33 million thanks to lower than expected commodity and labour prices. By converting flat rate customers, installing more accurate technology, and eliminating the need for staff to take manual readings, the program is estimated to realize \$34.4 million in revenue recovery and operational efficiencies per year.

Non-compliance fees

To date, the WMP has been quite successful with only 1% of customers not responding or refusing to install a meter. With this said, enforcement can be quite labour intensive.

In an effort to encourage further compliance, in December 2013, Toronto City Council approved two new non-compliance fees that took effect July 1, 2014. These fees impact customers who have not permitted a new automated water meter to be installed in wards that are considered complete and are in addition to what the customer is already paying for water supply to their property.

The fees for 2015 are as follows:

- Customers with an existing meter will be charged a Manual Meter Reading fee of \$82.50 per reading
- Flat rate water customers will be charged a Legacy fee of \$1,102 per year

The following wards were considered complete in 2014 and are currently being charged the fee: wards 6, 10, 13, 14, 16-24, 26-34 and 36. These wards were the first to open when the program began and over 95% of customers in the ward have completed the installation.

The following wards will be considered complete in 2015, which means that customers will be charged the fee if they do not book an appointment to install a meter by July 1, 2015: Wards 1-5, 7-9, 11, 12, 15, 25, 35, 37-44.

An update was provided to Budget Committee as part of the 2014 budget submission. The report can be found through the weblink below:

<http://www.toronto.ca/legdocs/mmis/2013/pw/bgrd/backgroundfile-62304.pdf>

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