



**Date:** February 25, 2020

**Report to:** Board of Directors  
CityHousing Hamilton Corporation

**Submitted by:** Tom Hunter  
Chief Executive  
Officer/Secretary

**Prepared by:** Donna Kirchknopf  
Manager, Operations

**Subject:** 24 Towercrest Drive – Water Leak (Report #20003)

**RECOMMENDATION:**

That Report 20003 be received for information.

A handwritten signature in blue ink that reads "Tom Hunter".

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Tom Hunter  
Chief Executive Officer/Secretary

**EXECUTIVE SUMMARY:**

On November 11, 2019, CityHousing Hamilton (CHH) finance staff discovered that Alectra utility charges for water and wastewater/storm for 25 Towercrest Drive were significantly high. Further investigation revealed that from February to November 2019, CHH had been billed and paid a total of \$503,395.81 as a result to a break in the property's water service line.

On January 9, 2020, CHH requested to appear before the Audit, Finance and Administration Committee at its February 6, 2020 meeting to request abatement for the wastewater portion associated with the excess water consumption related to the service leak at 25 Towercrest Drive in the amount of \$237,812.40.



The Committee's decision was not to consider the request for abatement; the presentation made by CHH staff was received by the Committee.

#### **BACKGROUND:**

25 Towercrest Drive is a 64-townhouse complex owned and managed by CHH. It is serviced by a single 6-inch water service line and is bulk metered; this means that CHH pays water on behalf of the residents.

On November 11, 2019, CHH finance staff discovered that Alectra utility charges for water and wastewater/storm for 25 Towercrest was significantly high. This was reported to the Property Manager who immediately contacted a contractor to investigate the active water leak; it was discovered that the leak was isolated to the water service line underneath the driveway of Unit #48

The repair to the pipe was completed on November 22, 2019. The contractor confirmed that water had seeped into the crevices of bedrock. Hamilton Water later confirmed that water did not enter into the City's sanitary/storm sewer systems.

The service line leak amounted to 153,987M3 of total water and wastewater/storm overflow.

There are several contributing factors to why the water leak went undetected, including:

- There was no evidence of surface water
- There were no complaints from tenants regarding low water pressure
- A change in utility companies responsible for water charges in January 2019. As a result, historical data that would normally appear on water bills was not available, therefore staff were unable to visually identify high usage
- Staff turnover, therefore staff processing payments for utility bills did not have the experience and/or knowledge of all CHH properties and utility charges
- While Alectra does provide monthly reports to CHH on electric, water and waste water billing details for all 600 accounts under CHH ownership, 25 Towercrest's billing name was incorrect (listed as MNPHHC, c/o CityHousing Hamilton), therefore this information was not included in the monthly report.

CHH staff are currently investigating why the water leak was not detected sooner and are reviewing its internal controls. According to Alectra records, Alectra staff telephoned CHH on two separate occasions; February 19, 2019 and April 12, 2019.

- IT records were requested for all incoming calls on the extension numbers that Alectra Utilities reported calling. These records do not indicate any incoming calls from the telephone numbers that Alectra Utilities stated the calls were made from.

Alectra Utilities sent written notifications to CHH offices on April 12 and June 24, 2019.

- It is unknown if Alectra letters were received and/or delivered to the appropriate personnel for follow-up.

#### **DISCUSSION:**

A follow-up action plan is underway and a standard operation procedure (SOP) will be created:

- Notifications:
  - Alectra and all other utilities companies have been contacted to update their records so all telephone calls regarding CHH accounts are made to the Manager, Operations – Administrative Assistant (AA). All correspondence addressed to CHH will be directed to the AA.
  - The AA will track all incoming calls and correspondence on an Excel spreadsheet and will record which staff/department the notification was forwarded to for action.
- Payment & Audit:
  - Electric Funds Transfer Process for Alectra (water and hydro); all water invoices are in CHH's name. CHH is in the process of having all payments made through EFT.
  - CHH will pay all water bills in a Master Billing similar to how CHH pays its Union Gas bill. These bills are forwarded to the Project Manager, Energy who reviews usage and will identify any anomalies with its accounts.
  - These reports will be shared with the Manager, Operations on a quarterly basis. These reports will be reviewed by all Property Managers to verify usage.



#### **CONCLUSION:**

CityHousing Hamilton regrets that this significant loss of water occurred and CHH staff have implemented a standard operating procedure to mitigate this type of incident from occurring in the future.

#### **ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:**

This report implements:

##### **Our People Our Performance**

CityHousing Hamilton aims at delivering consistent and excellent service for all its residents, while searching for ways to increase efficiencies and effectiveness in how we operate. To provide the highest quality of service to our residents within current resources, we work to empower staff to deliver on our service commitments by strengthening staff competencies, standardizing operating processes, streamlining services and technology and holding staff accountable to better respond to the needs of residents.

TH/dk

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.