

Subject: Water By-law Review

File Number: ACS2025-FCS-REV-0003

Report to Environment and Climate Change Committee on 20 May 2025

and Council 28 May 2025

Submitted on May 8, 2025 by Joseph Muhuni, Deputy City Treasurer, Revenue Services, Finance and Corporate Services Department

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Ward: Citywide

Objet : Examen du *Règlement municipal sur l'eau*

Numéro de dossier : ACS2025-FCS-REV-0003

Rapport présenté au Comité de l'environnement du changement climatique

Rapport soumis le 20 mai 2025

et au Conseil le 28 mai 2025

Soumis le 8 mai 2025 par Joseph Muhuni, Trésorier municipal adjoint, Recettes, Direction générale des finances et des services organisationnels

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That Environment and Climate Change Committee recommend that Council approve the updated Water By-law substantially in the form attached as Document 1 to be in effect May 1, 2025 including the following, as described in this report:

- A service fee for cancelled and rescheduled service appointments.
- A perimeter water meter requirement for private developments.
- A bill correction fee due to denial of access.
- A leak assistance program.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'environnement et du changement climatique recommande au Conseil municipal d'approuver le *Règlement municipal sur l'eau* mis à jour, essentiellement sous la forme reproduite dans le document 1, pour qu'il prenne effet le 1^{er} mai 2025, avec notamment, comme il est décrit dans le présent rapport:

- des frais de service liés à l'annulation et au report d'un rendez-vous de service.
- l'obligation d'installer un compteur d'eau périmétrique pour les aménagements privés.
- des frais associés à la rectification de la facture lors d'un refus d'accès.
- un programme d'aide en cas de fuite d'eau.

BACKGROUND

In 2003, Council approved the first amalgamated City of Ottawa (City) Water By-law ([ACS2003-TUP-INF-0013](#)). By-law 2003-500 came into effect on October 1, 2003.

Since 2003, the by-law has undergone several reviews and updates to remain current. In 2013, Council repealed and replaced Water By-law 2003-500 with By-law 2013-360 to address the City's on-going role of managing meter maintenance and enhanced requirements to improve system safety, operations, maintenance, repair and other administrative requirements ([ACS2013-COS-ESD-0013](#)). In 2018, Council repealed and replaced Water By-law 2013-360 with By-law 2018-167 to address the City's 2016 organizational administrative changes ([ACS2018-CSD-REV-0005](#)). In April 2019, By-law 2018-167 was repealed and replaced by the current By-law 2019-74 ([ACS2019-FSD-REV-0004](#)), which reflects the changes to the new rate structure approved by Council in October 2016 ([ACS2016-CSD-FIN-0008](#)).

In June 2023, Council approved the By-law Review Work Plan ([ACS-2023-EPS-PPD-0001](#)) for this Term of Council which includes the Water By-law, as it has been six years since its last review. Through the City's by-law review process, by-laws are regularly reviewed to ensure they remain current. Following a review of Water By-law 2019-74, staff are proposing updates to enhance operational precision and provide greater clarity.

The Water By-law 2019-74 serves as a comprehensive regulatory framework governing the municipal water supply. Its primary objectives are to ensure the City's water distribution system's safety, reliability, and sustainability. The by-law regulates water connections, usage, and metering to maintain system efficiency and prevent unauthorized access. It includes safeguards against contamination, regulates mandatory inspections, establishes a fee structure for water and sewer services, and ensures the financial sustainability of the municipal water supply.

DISCUSSION

Staff have reviewed the existing Water By-law (2019-74) and propose updates to address the following:

- Administrative changes to provide clarity and reflect current operations, including updating department names and titles to reflect the current organizational structure.
- Perimeter water metering.
- Cost recovery user fees for cancelled or rescheduled appointments and for reversing doubled estimated bills associated with denied meter access, and an appointment cancellation fee.
- A residential Leak Assistance Program.

In preparation for these proposed updates, staff from Finance and Corporate Services, Infrastructure and Water Services, Public Works, and Legal Services met regularly to complete a comprehensive review of the proposed updates to the Water By-law. This report's recommendations reflect the feedback and considerations obtained from these inter-departmental collaborations.

Administrative Updates

The proposed administrative updates add more operational rigour and clarity to all users of the by-law by refining existing provisions and updating definitions to keep pace with

technological advancements and evolving operational practices. As a result of this review, staff recommend the following specific updates be made to the Water By-law:

1) Expansion of responsibilities of the owner and occupant [S.16]

Section 16 of the Water By-law speaks to the responsibilities of the owner and occupant of a property connected to the City's water service and is used by City staff to set conditions of service. To ensure accurate and timely billing of properties and to minimize instances of excessive corrective billing or unbilled properties, staff recommend more explicit language requiring owners and occupants to notify the City within 60 days of taking possession of a property connected to the Drinking Water System. Furthermore, to enable the City to promptly identify and address malfunctioning City Water Metering equipment, property owners will be required to confirm the occupancy status of their property upon request by the City.

2) Clarify of the definition of interference [S.17]

Section 17 of the Water By-law outlines all activities the City prohibits that may interfere with the accurate and safe operations of the water meter. In recent years, property owners have begun attaching smart consumption monitoring devices directly to City Water Meters to remotely track water usage, particularly in non-residential and multi-residential properties. These devices interfere with the function of the water meter and its recording of accurate water consumption. To prevent damage to City Water Meters and mitigate the risk of City staff inadvertently damaging privately owned equipment during service appointments, staff recommend updating this section to include that no owner or occupant is permitted to attach any device to a City Water Meter. Property owners who wish to monitor their consumption can use the City's MyService Ottawa portal or submeters for this purpose.

3) Clarification of meter inspection requirement [S.35]

Section 35 of the Water By-law requires an applicant to install a drinking water system connected to the Water Service and outlines the associated fees. Following the installation, relocation, replacement, or alteration of a drinking water service by a property owner, staff recommend explicitly specifying that the City must conduct an inspection of the City Water Meter to verify that the service is properly metered and that water consumption is accurately recorded and billed in compliance with the by-law.

4) Reinstallation of water meter after blanking request [S.61]

Section 61 of the Water By-law outlines the process of terminating an active water service with the ultimate intent of removing the service. To prevent unauthorized restoration of water services and mitigate the risk of water theft, staff propose a change requiring reinstalling a water meter if a blanking deposit is not paid within 30 days of the meter being removed for demolition. This measure protects public resources and ensures compliance with the requirements of a water service outlined in the by-law.

5) Flusher hydrant permit penalties [S.68]

Section 68 of the Water By-law details the flusher hydrant permits program that allows businesses requiring non-potable water for services like street cleaning and pool filling to obtain water through designated fire hydrants. A new provision has been introduced to address instances where a flusher hydrant permit holder uses water from a hydrant without reporting the usage per this by-law. Under this addition, the City reserves the right to invoice the permit holder for the unreported usage and, at its discretion, revoke the flusher hydrant permit. This measure ensures accountability and proper oversight of the flusher hydrant program.

6) Termination of service due to access denial [S.78 & S.79]

Sections 78 and 79 of the Water By-law outline the process the City follows when an owner or occupant denies the City access to its water meter or does not perform necessary work to ensure safe access and proper function. When access is denied, or necessary work is not performed, it places an undue strain on the City's resources and increases the risk of inaccuracies in water billing. To address this, sections 78 and 79 have been modified to primarily rely on service termination where access is refused, and in cases where termination is not possible or does not prompt corrective action, the City can charge double the estimated water use. This approach encourages property owners to comply with City requirements while protecting the City from the administrative and financial burden caused by these delays.

All updates are in accordance with the City's authority under the *Municipal Act, 2001*.

Service fee for cancelled or rescheduled appointments [S.59]

A new section and charge are being proposed to address costs incurred with same-day cancellation and rescheduling of drinking water service appointments. Schedule changes impose additional operational costs not captured by the current fee structure,

and the new charge will reflect the time and resources lost when appointments are cancelled or unable to be completed due to incomplete work.

Staff have completed an analysis of the cost of lost productivity, reassigning work crews, and rescheduling tasks. This report recommends that Council approve an appointment cancellation fee of \$567.00. This fee will be reviewed annually through the budget process to ensure that it accurately reflects the costs passed on to the service user.

Perimeter water metering [S.75]

In 2023, Council approved the Water Rate Structure Review Framework and Update report ([ACS2023-FCS-REV-0006](#)), directing staff to explore perimeter metering for private developments. Perimeter metering involves measuring the water consumption flowing from the public water supply system into the private development at or near the property line.

The current metering configuration in many developments creates a significant accountability gap for water that enters private property but is lost before reaching individually metered units. Undetected leaks in private water mains between the property line and individual unit meters can persist for years or even decades without detection, wasting millions of litres of treated drinking water annually. Since these leaks are on private property but before the meter, neither the property owner nor the City assumes responsibility for the lost water during this period. This results in substantial resource waste and represents a significant inefficiency in the City's water management system.

Water used in common areas, irrigation systems, and maintenance activities on private property often goes unmetered and unaccounted for in the current system. This unconsidered consumption contributes to discrepancies between water production figures and billable consumption.

Furthermore, the existing configuration inadvertently creates opportunities for unauthorized water connections to private water mains before individual meters. Such unauthorized consumption is particularly problematic as these private water mains and private hydrants are not metered nor monitored by the City due to their location on private property, effectively creating zones where water theft can occur without detection.

Perimeter metering would create a comprehensive accountability framework addressing these longstanding issues. By measuring all water entering a development at the

property line, every unit of water consumption becomes accounted for and billed, creating financial incentives for property owners to identify and repair leaks promptly. Statistical analysis from similar implementations in comparable municipalities suggests perimeter metering could reduce system-wide non-revenue water by up to three to five per cent, representing significant conservation of treated drinking water and reduced operational demands on City infrastructure.

The perimeter metering approach effectively eliminates the current "accountability void" that exists regarding private water mains. Water theft and leaks can go undetected because they fall outside both City monitoring jurisdiction and individual billing accountability. When property owners become financially responsible for all water passing through the perimeter meter, they are incentivized to implement regular maintenance programs, leak detection systems, and comprehensive water efficiency measures throughout their properties. This naturally encourages a proactive rather than reactive approach to water infrastructure management on private developments.

From an administrative perspective, perimeter metering offers operational efficiencies through simplified billing processes and reduced service calls. The City would maintain fewer meters overall, focusing resources on regularly calibrating and maintaining strategically located perimeter meters rather than managing numerous individual unit devices. This consolidation improves reading accuracy and reduces the administrative burden of managing multiple billing accounts for each development.

Staff, therefore, propose adding a perimeter water metering section in the Water By-law to build upon existing provisions that grant the City authority to determine the location and type of meter installed. This expanded language explicitly outlines the requirement for perimeter metering on certain developments to eliminate the financial risks of water loss within a private development. This approach places the responsibility for installing, maintaining, and repairing necessary infrastructure on private developments with the property owner, ensuring that the City's resources are used efficiently while holding property owners accountable for their water usage.

Prior to enforcement, Revenue Services will work closely with the Specifications Committee to revise the City's Standard Specifications and Water Design Guidelines to ensure that new developments meeting the requirements of perimeter metering are required to do so at the design and approval stage. Transitioning existing properties from individually to perimeter metered systems will be approached gradually and strategically. Staff will work with property owners to find perimeter metering retrofit solutions that minimize the overall cost of the transition. Implementation may coincide

with scheduled infrastructure renewal projects, system upgrades, repairs, or leak remediation works.

Bill correction fee due to access denial [S.78 & S.79]

Sections 78 and 79 of the Water By-law outline the City's process when access to a water meter is denied or necessary maintenance is not completed, which can strain resources and lead to billing inaccuracies. When termination is not an option or proves ineffective, the by-law allows consumption to be doubled to prompt corrective action and mitigate the financial risk of a broken or inaccurate meter. If staff need to adjust the billing on the account access is granted or maintenance is completed, staff are proposing a new bill correction fee to recover the additional administrative costs of reversing the double consumption and issuing corrected water bills.

Staff have analyzed the cost of reviewing, cancelling, and reissuing water bills. This report recommends that Council approve the bill correction fee of \$52.00. This fee will be reviewed annually through the budget process to ensure that it accurately reflects the costs passed on to the service user.

Leak Assistance Program [S. 97]

Every year there are a small number of extreme residential water consumption cases caused by unintentional leaks or neglect. These leaks can lead to exceptionally high and unexpected water bills that residents are often unable to absorb within the standard payment timeframe, particularly when the increased usage exceeds several hundred cubic metres in a single billing cycle. Although these incidents are relatively rare, the financial burden placed on affected residents can be considerable and staff routinely receive requests from residents seeking options for extended payment terms. However, until now, the existing by-law framework did not permit flexibility for interest relief or tailored repayment schedules.

Staff recommend a new Leak Assistance Program which allows eligible single residential property owners to enter into a structured, interest-free repayment arrangement for high-consumption bills due to verified leaks. The interest-free repayment period would be scaled to the magnitude of excess use, capped at a maximum of 18 months, and the account balance must be paid in full by the end of that period. Regular bills and scheduled payments must be made on time to continue to retain the interest-free status during the repayment period. The Leak Assistance Program will be a one-time benefit per property owner and is designed to provide the necessary flexibility to manage repayment of a large unexpected bill over time without

accumulating interest. The City Treasurer retains discretion to assess applications and approve exceptions in extenuating circumstances aligned with the program's purpose.

The introduction of this program reflects the City's commitment to balancing financial accountability with compassion and service responsiveness. It provides staff with the tools needed to fairly and consistently assist residents facing unexpected and significant water bills due to unexpected leak events.

FINANCIAL IMPLICATIONS

The proposed updates to the by-law include the addition of cost recovery user fees for cancelled or rescheduled appointments [S.59] and for reversing doubled estimated bills associated with denied meter access [S.78 & S.79]. Newly proposed fees and any anticipated revenues will be included in the annual budget process. The anticipated annual revenue of the newly created fees is approximately \$150,000.

Furthermore, changes related to ownership responsibility [S.16], new meter inspections [S.35], meter installation after blanking [S.61], flusher penalties [S.68], perimeter water metering [S.75], and access denial termination [S.78 & S.79] will help to recover lost revenue due to water theft, leaks and unauthorized water use.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a citywide report.

CONSULTATION

The perimeter metering section was informed by consultations related to the 5 Year Leak Survey Working Group, that ran from 2017 to 2019. The working group sought to address the significant water loss occurring in private developments and the gaps that exist in addressing this water loss. Consultations were conducted with staff from the Finance and Corporate Services Department, Infrastructure and Water Services Department, Public Works and Legal Services regarding the other amendments to this by-law. These teams met regularly to complete a comprehensive review of the proposed updates to the Water By-law. Additionally, public notification of the by-law review was made available on the by-law review section of ottawa.ca.

ACCESSIBILITY IMPACTS

Finance and Corporate Services adheres to the requirements of the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations, programs and initiatives. This report is administrative in nature and has no associated accessibility impacts.

ENVIRONMENTAL IMPLICATIONS

The introduction of perimeter water metering supports broader environmental stewardship by promoting water conservation and system accountability. By reducing the potential for undetected leaks and unauthorized consumption within private developments, this approach helps minimize unnecessary water loss—a critical step in managing the City’s water resources sustainably.

Furthermore, by consolidating meters at the property line, perimeter metering encourages private property owners to proactively monitor and maintain internal systems, fostering more responsible water use at the individual development level.

RURAL IMPLICATIONS

The Water By-law is a city-wide regulation that applies to all properties within municipal boundaries, encompassing urban, suburban, and rural areas. However, it is important to recognize that the majority of rural properties, particularly those outside the rural villages, are not connected to the municipal water system and typically rely on private wells.

The proposed changes outlined in this report are primarily relevant to properties serviced by the municipal water infrastructure with a water account. Consequently, rural properties that are not on the municipal system will experience little to no direct impact from the amendments presented in this report.

TERM OF COUNCIL PRIORITIES

This report supports the current 2023-2026 Term of Council Priorities, specifically a city that is green and resilient, as well as the City’s commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – Draft Water By-law No. 2025-XX

DISPOSITION

Following approval of this report's recommendations, Revenue Services together with Legal Services will prepare the by-law and place it on Council's agenda for enactment, All administrative requirements for implementation of these updates to the Water By-law will be undertaken. All set-fines under By-law 2019-74 will be resubmitted to the Province once the existing by-law has been repealed and replaced with a new one.