

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON FEBRUARY 2, 2016</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. Eng. MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>SERVICE LEVEL AGREEMENT AMENDMENT WITH LONDON HYDRO FOR WATER METER READING AND WATER AND SEWER BILLING</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting being held on February 16, 2016 to:

- (a) authorize and approve a Service Level Agreement, between The Corporation of the City of London and London Hydro Inc., substantially in the form included as Schedule A to the by-law, for water meter reading, billing, collection, and customer service for the City’s water, wastewater and storm water accounts by London Hydro Inc.; and
- (b) delegate to the City Engineer the authority to execute the Agreement authorized and approved in a), above, and such further documents, including further agreements with London Hydro Inc., that are consistent with the requirements contained in the Agreement authorized and approved in (a) above.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

The reports noted below can be found at [www.london.ca/city-hall/meetings/Pages/default.aspx](http://www.london.ca/city-hall/meetings/Pages/default.aspx):

- Water Meter Services Relationship with London Hydro, June 23, 2004; Board of Control, Agenda Item #16.
- Service Level Agreement, December 10, 2009; Board of Control Agenda Item #4
- Service Level Agreement with London Hydro for Water Meter Reading and Water and Sewer Billing, Board of Control, October 21, 2009, Agenda Item #13
- Service Level Agreement Amendment with London Hydro for Water Meter Reading and Water and Sewer Billing, December 13, 2010; Finance and Administration, Agenda Item #17
- Service Level Agreement Amendment with London Hydro for Water Meter Reading and Water and Sewer Billing, January 21, 2013, Agenda Item #9

**STRATEGIC PLAN**

This report and its recommendations support the Strategic Plan in Leading in Public Service – Excellent Service Delivery, Proactive Financial Management and Collaborative Engaged Leadership. Through the established partnership with London Hydro many efficiencies are realized by utilizing London Hydro’s existing technology, systems, and sharing of innovative solutions while providing a seamless service to residents with regards to collaborative customer service and combined billing.

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**BACKGROUND**

**Purpose:**

London Hydro Inc. provides water meter reading, billing, collection, and customer services for the City’s water, wastewater and storm water accounts. This report requests authorization for the City Engineer to execute a new four year Service Level Agreement (SLA) between London Hydro Inc. and the Corporation of the City of London for the services noted above at a cost of \$3,980,000 per annum.

**Background:**

The City and London Hydro have a well-established partnership with this service level agreement. The London Public Utilities Commission (PUC) included water, hydro, parks and recreation until January 1, 1993 when the PUC was dissolved and water, parks and recreation became departments at the City and London Hydro became a wholly-owned subsidiary of the City. The meter reading and billing services stayed with London Hydro as the City did not have the systems in place or resources to deliver the service. It was determined to be the most cost effective solution to have London Hydro continue providing the services.

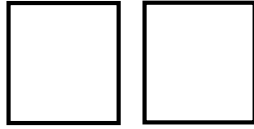
Several changes have occurred since the approval of the last agreement that London Hydro has undertaken and the City has benefitted from, without having to pay extra, including:

- Online access to water billing consumption and billing history;
- Cyber Security to ensure protection for customers, the City and London Hydro;
- Cloud Computing resulting in less down time and improved disaster recovery options;
- Certified Green Button for Water interface

**DISCUSSION**

City and London Hydro staff have reviewed the existing agreement to determine where enhancements are required and have conducted a series of administrative adjustments. Objectives for a new Agreement were in three key areas:

1. Customer Service
  - a) Continuous improvement of website, web presentment and online services
  - b) Customer access to billing information
  - c) Customer focused service
2. Financial Performance
  - a) Cost sharing of infrastructure and services
  - b) Cost certainty
  - c) Review of evolving meter reading
3. Information Management
  - a) Enhancement of financial reporting
  - b) The ability for the City to audit the accuracy of the reports provided (financial, operations and engineering), the service being delivered, and the effectiveness of the processes related to services and reporting



### Customer Service

A new rate structure was approved November 20, 2012 by Municipal Council with a desire for enhanced customer engagement strategies. The City has opportunities with London Hydro, our billing partner, to enhance services in order to accommodate the increasing need for data and customer service. With improved technologies, evolving meter reading capabilities, increased automation and efficiency measures adopted in the private sector, many of the larger water users in the City have requested digital access to the water use information displayed on their bills.

Website and online services continue to improve this year with water billing breakdown, usage comparison, billing simulator/calculator, alerts and messages. Internally at the City and London Hydro there are regular checks run to ensure the quality of data in the system, along with review of processes and analysis to reduce potential errors.

London Hydro administers on the City's behalf the Crisis Prevention, Crisis Support and Customer Assistance Programs. The programs provide funding to proactively replace toilets in low income housing, to assist low income residents whose water bill is in arrears, and to help those who seek relief for a substantial leak resulting from a plumbing failure.

### Financial Performance

The efficiencies gained by shared meter reading, customer service, information technology and infrastructure between the two utilities has been reviewed by a third party, BMA Management Consulting Inc. The City hired BMA Consulting to look at the overall cost of service for London Hydro to continue providing meter reading and billing services to the City which was completed in November 2015.

The Consultant determined that the current fee for service, which has been at \$3.865M for the past three years and was previously at \$3.05M per year prior to that, was appropriate and they are proposing a 3% increase. The proposed fee for service from the BMA report is at \$3.98M, however the BMA review did not account for London Hydro's capital investment costs with regards to their Information Technology department and the benefits that the City receives from their technical systems. The City does not have the resources and technical infrastructure in place to be able to perform these services.

Within the new agreement that retroactively commences on January 1<sup>st</sup>, 2016 and terminates on December 31<sup>st</sup>, 2019, the City and London Hydro staff have negotiated a cost of \$3.98M per annum with no escalation to cover the costs of water and sewer meter reading, billing, customer service, and collections. This fee for service is based on the results of the consultant analyses and London Hydro's compliance requirements under Ontario Energy Board. It will be reviewed each year going forward under the four year agreement to seek out efficiencies and benefits for both parties. One example is the enhanced meter reading technology leveraged through the Meter Replacement Program. With each passing year, water meters are being replaced through an annual program that targets out of date meter technology and installs new water meters capable of being read with drive-by systems. To date, approximately 47% of all water meter routes are being read through the drive-by system with more moving into the system each month. These drive-by meters can now be read at a fraction of the cost of the traditional walk-by or direct read meters.

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**Information Management**

London Hydro provides monthly and annual reports to the city with regards to billing, customer service, and customer assistance programs. There are also monthly update meetings.

The City has the ability to audit London Hydro with written notice to verify compliance of service level agreement.

**Conclusion:**

Authorization and execution of the attached by-law (Appendix 'A') and the Service Level Agreement (Schedule 'A') between London Hydro Inc. and the Corporation of the City of London for the management and operation of the meter reading, billing, collections and customer service for the City's water and sewer accounts will meet the customer needs for a period of four years. A number of objectives related to reporting customer service and cost certainty have been included.

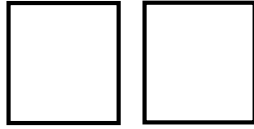
**Acknowledgements:**

This report was prepared by Tara Clayton, Water Demand Manager, Water Engineering and Roland Welker, Water Engineering Division Manager.

<b>PREPARED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>ROLAND WELKER, P. ENG. DIVISION MANAGER WATER ENGINEERING</b>	<b>JOHN LUCAS, P.ENG. DIRECTOR, WATER WASTEWATER &amp; TREATMENT</b>
<b>RECOMMENDED BY:</b>	
<b>JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>	

January 25, 2016  
TC

Attachments: Appendix 'A' – By-law  
Schedule 'A' - Agreement



**APPENDIX A**

Bill No.  
2016

By-law No. A.- \_\_\_\_\_

A by-law to authorize and approve a Service Level Agreement between The Corporation of the City of London and London Hydro Inc. regarding water meter reading, billing, collection and customer service for the City's water and sewer accounts services and to authorize the City Engineer to execute the Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

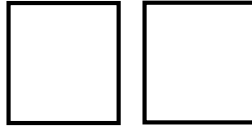
1. The Service Level Agreement for the water meter reading, billing, collection and customer service for the City's water and sewer accounts by London Hydro Inc. to be entered into between The Corporation of the City of London and London Hydro Inc., attached as Schedule 'A' to this by-law, is hereby authorized and approved.
2. The City Engineer is hereby authorized to execute the Agreement in authorized and approved in section 1 of this by-law, substantially in the form attached and to the satisfaction of the City Solicitor.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council \_\_\_\_\_, 2016

Matt Brown  
Mayor

Catharine Saunders  
City Clerk

First reading –  
Second reading –  
Third reading –



**SCHEDULE A**

**THIS SERVICE LEVEL AGREEMENT** effective as of the 1st day of January **2016**.

BETWEEN:

**THE CORPORATION OF THE CITY OF LONDON**

("City")

and

**LONDON HYDRO INC.**

("London Hydro")

**WHEREAS** the City is a municipality that has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the *Municipal Act, 2001* or any other Act;

**AND WHEREAS** London Hydro is a corporation that engages in business activities such as providing meter reading and entering into joint ventures to provide services to other utilities or the public sector in London;

**AND WHEREAS** the City is the sole shareholder of London Hydro;

**AND WHEREAS** London Hydro continues to provide the City with services such as water meter reading, billing, collection, and customer service for the City's water accounts and sewer accounts;

**THEREFORE IN CONSIDERATION** of the premises and other good and valuable consideration, in sufficiency of which is hereby acknowledged and admitted, the parties agree as follows:

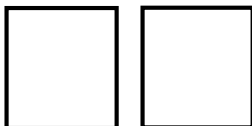
**1.0 TERM**

- 1.1 This agreement shall commence on January 1<sup>st</sup>, 2016. This agreement shall terminate December 31<sup>st</sup>, 2019, unless terminated earlier pursuant to Part 5.0.
- 1.2 At least six months prior to the end of the term, the authorized representatives of the City and London Hydro, identified in Appendix D, may mutually agree in writing to renew the Agreement provided the fee for service for renewal has also been agreed upon by the authorized representatives for both parties. Any renewals are subject to the termination provisions as provided in this Agreement.

**2.0 OBLIGATIONS OF THE CITY**

**Fee for Service**

- 2.1 In exchange for the services provided by London Hydro under the terms of this Agreement, the City agrees to compensate London Hydro an interim fee for service of \$3,980,000 per year.
- 2.2 A provisional sum of \$150,000 per year is available to undertake additional services which are not contemplated in the current scope of the agreement. The provision of additional services and access of the provisional sum is described in clause 3.7.
- 2.3 The City shall make such payments to London Hydro in equal installments per term, in advance, on the first day of the month.
- 2.4 The fee for service can be reviewed and adjusted at any time by the authorized representatives of the City and London Hydro, identified in Appendix D, provided that the authorized representatives of both parties agree in writing to the change.



**Contacts and Contract Management**

2.5 (a) The City shall appoint a key contact individual to a role called a Water Demand Manager. The Water Demand Manager will be the liaison with London Hydro to assist in the resolution of issues by either party. The Water Demand Manager will administrate, manage, and monitor the overall performance of London Hydro with respect to this agreement.

(b) The City shall appoint a person or persons to fill the following roles:

- Customer Service Coordinator
- Billing and Revenue Management Coordinator
- Data Transfer/IT Coordinator
- GIS Coordinator
- Water Meter/Operation Coordinator

Such appointed persons shall communicate with the Water Demand Manager to ensure that issues are resolved in a prompt and courteous matter. Names, corporate titles, and contact information are listed in Appendix ‘D’, and any updates shall be provided in writing as necessary.

2.6 The City will conform, where reasonably practical, to its commitments and accountabilities set out in Appendix “A2”.

2.7 The City will conform, where reasonably practical, to its commitments as set out in Appendix “B”.

**3.0 OBLIGATIONS OF LONDON HYDRO**

3.1 London Hydro shall provide those services set out in Appendix “A1”.

3.2 London Hydro shall report to the City as set out in Appendix “C”.

3.3 London Hydro shall conform, where reasonably practical, to its commitments as set out in Appendix “B”.

3.4 London Hydro shall comply with all applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act (Canada)* and the *Municipal Freedom of Information and Protection of Privacy Act*.

**Contacts and Contact Management**

3.5 (a) London Hydro shall appoint a Key Account Manager to manage all issues relating to this Agreement. The Key Account Manager will review regularly the completion of London Hydro’s responsibilities set out in this Agreement. The Key Account Manager will be the initial contact for all Non-Pricing issues. At the discretion of the Key Account Manager, other individuals or departments will be included in the resolution of the requests or issues, and the Key Account Manager will monitor performance of London Hydro.

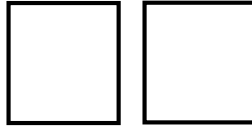
(b) London Hydro shall appoint a person or persons(s) to fill the following roles:

- Customer Service Coordinator
- Billing and Revenue Management Coordinator
- Data Transfer/IT Coordinator
- GIS Coordinator
- Water Meter/Operation Coordinator

Such appointed persons shall report to the Key Account Manager to ensure that issues are resolved in a prompt and courteous manner. Names, corporate titles and contact information are listed in Appendix ‘D’. Any updates shall be provided in writing as necessary.

**Ad Hoc Reporting or Services**

3.6 It is anticipated that the City will be able to create its own non-standard or *ad hoc* reports as necessary; however the City may from time to time request that London Hydro provide *ad hoc* or non-standard reporting of a varied nature related to meter reading, billing and/or collections. London Hydro shall use reasonable commercial efforts to provide this reporting within a reasonable time frame. The expected annual effort to be allocated to all reporting maintenance and development including Ad Hoc Reporting and Services shall not exceed the equivalent cost of a full time SAP Business Systems Analyst.



**Additional Services**

3.7 From time to time additional service related to this agreement can be requested by the City to be performed by London Hydro. Examples of services include investigations, business or operational process changes, development projects, new promotional campaigns or technology trials. In many cases, for tasks of small scope or where there is no time constraint, this work can be done within the framework of this agreement. However, for larger projects which require additional expense or resource for completion will be handled outside of this agreement. Both parties agree to follow several steps to initiate an additional service:

- Identification of business requirements and value proposition (City)
- Cost and resource plan estimate proposal (London Hydro)
- Written agreement for expected deliverables, timelines and costs (both parties)
- Service Implementation
- Post Implementation evaluation

Payment for additional services will be through the use of the provisional sum in the contract which can only be accessed through written authorization by the City.

**Automated Meter Management**

3.8 London Hydro shall provide automated water meter management system and the ability to flag water meters based on consumption and/or time through the billing system. Such automated water meter management system shall include monthly reports as detailed in Appendix 'C'.

**London Hydro Covenants**

3.9 London Hydro covenants and agrees as follows:

- (a) To comply with all Federal and Provincial Legislation, Regulations, and Rules in fulfilling its obligations under this Agreement.

**4.0 OBLIGATIONS OF BOTH PARTIES**

**Working Group**

4.1 If day-to-day operations fail to resolve various issues, London Hydro and the City agree to each nominate individuals from their own corporation to form a working group to discuss issues of mutual interest between the parties related to this Agreement (“Working Group”). The Working Group shall be composed of three (3) individuals nominated by London Hydro and three (3) individuals nominated by the City. The Working Group will report back to the VP of Corporate Services and Key Account Manager for London Hydro, and to the Managing Director of Environmental Services and City Engineer and the Water Demand Manager for the City.

**Changes to Agreement**

4.2 The parties may annually review this Agreement, and the Agreement may be amended by way of an amending agreement signed by both parties including a change in service delivery, and/or a change in scope of services identified in Appendix A1 and A2.

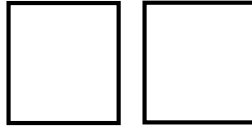
**Data Needs/Data Integration**

4.3 Each party agrees to share such data it determines is feasible to share with the other party (including but not limited to water and sewer systems’ data, customer complaint data, geographic based information, work order/work management applications, account adjustments) where not prohibited by law.

**Performance Management**

4.4 In addition to reporting requirements set out in Appendices A1 and A2, the parties shall consider and develop as required performance measurements/expectations that relate to the delivery of the service by London Hydro and/or its contractors. The measurements should be in terms of costs, scheduling, service delivery and could include timeliness in providing reports, delivery time on Service Change Request, customer feedback, or





actions taken to address issues. Performance measures may also be developed outlining expected actions by the City in response to a London Hydro request.

**Dispute Resolution**

4.5 When a dispute arises, the parties shall attempt to resolve the matter through the Working Group. For matters that cannot be resolved by this means, the parties shall attempt to resolve the dispute promptly by negotiating between London Hydro’s VP of Corporate Services (or designate) and the City’s Managing Director of Environmental and Engineering Services and City Engineer (or designate). A resolution will be attempted within 10 days after the issue has been elevated. Each party shall use reasonable commercial efforts to respond to requests for information made by the other party. Should a dispute still not be settled, the parties shall consider alternative dispute resolution process such as mediation or arbitration, as a means of early resolution of business disputes. However if either party determines that alternate dispute resolution is inappropriate for a particular case then they are not bound to its use.

**Audit**

4.6 The City of London reserves the right to initiate an audit in order to verify London Hydro’s compliance with this service level agreement and obtain an assessment of the operational effectiveness of the services provided. This includes, but is not limited to, an audit of the services outlined in Appendix A1, the reporting requirements detailed in Appendix C and the information and processes related to the appendices in this agreement. The City of London shall provide a list of audit requests with 30 days of notice for advance preparation of materials. Any costs generated by the audit shall be borne by the City of London

**5.0 TERMINATION**

**Termination by the City**

- 5.1 If London Hydro defaults in performing any of its obligations under this Agreement, the City may terminate the Agreement immediately without liability. Any waiver by the City of any breach by London Hydro of any provisions of this Agreement shall be without prejudice to the exercise by the City of all or any of its rights or remedies in respect of any continuance or repetition of such breach.
- 5.2 The City may terminate this Agreement for any reason without liability by providing notice in writing at least ninety (90) calendar days prior to the date of such termination.

**Termination by London Hydro**

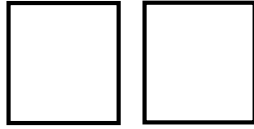
5.3 London Hydro may terminate this Agreement for any reason without liability by providing in writing at least ninety (90) calendar days prior to the date of such termination.

**6.0 ASSIGNMENT**

6.1 This Agreement is not assignable by either party without the prior written consent of the other party. Any attempt to assign any of rights, duties, or obligations of this Agreement without written consent is void. London Hydro may use subcontractors to satisfy the requirements of this Agreement.

**7.0 NOT AN AGREEMENT OF EMPLOYMENT**

7.1 London Hydro acknowledges and agrees this Agreement shall in no way be deemed or construed to be an Agreement of Employment. Specifically, the parties agree that it is not intended by this Agreement that London Hydro, nor any person employed by or associated with London Hydro is an employee of, or has any employment relationship of any kind with the City or is in any way entitled to employment benefits of any kind whatsoever from the City whether under internal policies and programs of the City, the *Income Tax Act*, R.S.C. 1985 c.1 (1<sup>st</sup> Supp); the *Canada Pension Act*, R.S.C. 1985, c.C-8; the *Employment Insurance Act*, S.O. 1996,c.23; the *Workplace Safety Act*, R.S.O. 1990, c.o.1; the *Pay*



*Equity Act*, R.S.O. 1990, c.P.7; the *Health Insurance Act*, R.S.O 1990, c.H.6; or any other employment related legislation, all as may be amended from time to time, or otherwise.

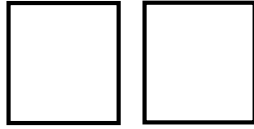
- 7.2 Notwithstanding paragraph 6.1 above, it is the sole and exclusive responsibility of London Hydro to make its own determination as to its status under the Acts referred to above and, in particular, to comply with the provisions of any of the aforesaid Acts, and to make any payments required thereunder.
- 7.3 London Hydro shall operate independently of the City and is not the agent or servant of the City for any purpose.
- 7.4 Nothing in this Agreement shall entitle or enable London Hydro or any subcontractor to act on behalf of, or as agent for, or to assume or create any obligation on behalf of, or to make any representation, promise, and warranty or guarantee binding upon, or otherwise to bind the City. Each of London Hydro, any subcontractor of London Hydro and the City is independent and not the agent, employee, partner or joint venture of any of the others.

**8.0 CIRCUMSTANCES BEYOND THE CONTROL OF EITHER PARTY**

- 8.1 Neither party will be responsible for damage caused by delay or failure to perform under the terms of this Agreement resulting from matters beyond the control of the City and London Hydro including strike, lockout or any other action arising from a labour dispute, fire (other than a fire caused by London Hydro's negligence), natural flood, act of God, war, riot or other civil insurrection, lawful act of public authority, all of which cannot be reasonably foreseen or provided against.

**9.0 EXECUTION**

- 9.1 London Hydro acknowledges that it has read this agreement, understands it and agrees to be bound by its terms and conditions. Further London Hydro agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals or prior agreement, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.



IN WITNESS WHEREOF London Hydro Inc. has affixed its corporate seal, attested by the hands of its duly authorized officers,  
SIGNED SEALED AND DELIVERED

**LONDON HYDRO INC.**

\_\_\_\_\_  
Date

Per (Signature): \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

\_\_\_\_\_  
Date

Per (Signature): \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

IN WITNESS WHEREOF The Corporation of the City of London has hereunto caused to be affixed its Corporate Seal attested by the hands of the City Engineer,

SIGNED SEALED AND DELIVERED

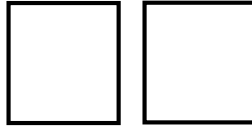
**THE CORPORATION OF THE CITY OF LONDON**

\_\_\_\_\_  
Date

Per (Signature): \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_



**Appendix 'A1'**

**London Hydro Services Provided**

London Hydro shall provide the City with Water Meter reading, billing, collections and customer service and reporting of water-related services. London Hydro shall use its reasonable commercial efforts to provide appropriate regulated standards of customer service which are agreed by both parties to the end user (consumer) of City water.

The following are the six major services that shall be performed by London Hydro for the City:

- 1) Water Meter Related Services;
- 2) Customer Management Services;
- 3) Revenue Management, Collection and Billing;
- 4) Management Reporting;
- 5) Information Technology (IT) Services; and
- 6) Select Training to support the previous items.

London Hydro shall maintain appropriate standards of customer service and performance management. London Hydro will afford the City the opportunity to review/input into all of these standards changes that directly impact the City services. Both parties acknowledge that some of the standards are subject to change due to governmental or regulatory changes.

**London Hydro Commitments**

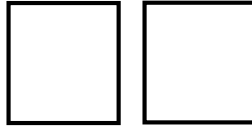
London Hydro shall communicate with the City, in a timely manner, any legislative or strategic metering changes that could impact the synergies, in terms of cost and convenience inherent in a joint billing program.

**London Hydro Accountabilities**

The listing below is intended to be informative and is not a defined list of obligations. Items may be added or removed with the written agreement of both parties subject to section 3.7.

London Hydro is responsible for many sub-functions related to the six major services, including:

- 1) Water Meter Related Services:
  - a. Metering:
    - i. Co-ordination, initial setup of new water services in the database; and
    - ii. Setup of new service accounts.
    - iii. Confirmation of correct address information (also covered in Appendix B)
    - iv. Facilitate meter exchange appointments
  - b. Water Meter Reading:
    - i. Scheduled, Final, Special, Recheck reading by London Hydro;
    - ii. Interactive Voice Response, Web, Fax Meter readings (customer);
    - iii. Physical and inventory management of Keys for meter reading access;
    - iv. Provide access to two (2) meter reading handheld devices;
    - v. Validation, Estimation, Edit meter readings; and
    - vi. For Deduct Meters – London Hydro to continue to read primary and secondary meters with routine billing of secondary meter customers (Reports forwarded to City for review). Both parties agree to minimize the impact of deduct metering.
- 2) Call Center Services:
  - a. Application Signup;
  - b. Call Center Services:
    - i. Automated call distribution;
    - ii. Call monitoring;
    - iii. Bill payment inquires;
    - iv. Mail inquiries;
    - v. Web site inquiries;
    - vi. Account maintenance inquiries;
    - vii. Phoned-in meter reading;
    - viii. Payment arrangements;
    - ix. Initial collection calls; and
    - x. Move-in and move-out.



3) Revenue Management and Collections

General comment – for many water accounts, the billing communication represent the only contact the customer has with either London Hydro or the City. The City will continue to have the ability to provide bill inserts at a frequency of typically 6 per year. In addition the City will be consulted at appropriate opportunities when bill formats, notice format, etc. are routinely reviewed.

a. Customer Billing Processes:

- i. Consumption calculation;
- ii. Bill calculation (including sewer surcharge); and
- iii. Rate management.

b. Billing Support:

- i. Bill Analysis;
- ii. Water consumption bill adjustments (for meter reading errors etc...)
- iii. Leak Allowance and write-off adjustments (under City directions)
- iv. Email, web, fax, and mail inquiries;
- v. Customer data management;
- vi. Exception resolution; and
- vii. General disputes.

c. Payment Processing:

- i. Payment allocation;
- ii. Recap and reconcile daily payments;
- iii. Post-dated cheque management;
- iv. Bank transfers, including exception management;
- v. Night deposit/drop box payments;
- vi. Management payment processing; and
- vii. Return payment management.

d. Printing & Mailing:

- i. City special inserts;
- ii. Special mailings to customers (costs that are additional to normal mailing costs shall be borne by the City);

e. Account Monitoring:

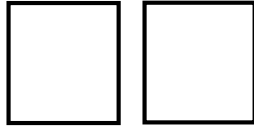
- i. Payment records;
- ii. Customer credit rating; and
- iii. Monitor transactions.

f. Collections – accounts receivables

- i. Manage past due accounts;
- ii. Manage sundry billing;
- iii. Manage deposit transactions;
- iv. Bankruptcies and power of sale management;
- v. Create service orders for water disconnections & reconnections;
- vi. Final bill collection;
- vii. Manage social assistance payments and related customer accounts; and
- viii. Write-off analysis, forecasting and reporting.

4) Management Reporting:

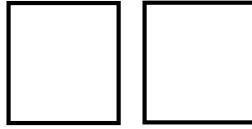
- a. Revenue reporting;
- b. Statistical reporting; and
- c. Inventory data reporting – including automated meter management.



- 5) I.T. Services, CIS/SAP Services:
  - a. In general, London Hydro will maintain sufficient in-house and/or contract expertise to ensure CIS/SAP services are maintained and the CIS/SAP system is supported. As required to operate the system, software will be provided, updated and maintained for the City; and
  - b. Report generation “canned reports” and *ad hoc* reports (see listing in “Reporting to City”).
  
- 6) Web Services

General comment – for most of the data that London Hydro provides to their customers, it should be expected that similar data and access to information would be beneficial to the water customer and as such London Hydro shall make reasonable commercial efforts to include water customer information in their web based customer engagement applications, downloads, etc. Any costs associated to the project can be reviewed in the context of section 3.7, noting that there are efficiencies to be gained by providing dual service and designing systems to meet the needs of both London Hydro and the City.

  - a. Provide customer consumption data “on demand”
  - b. Bill presentment
  - c. Applications
  - d. Email contact
  
- 7) Training Services:
  - a. Training of City staff in CIS/SAP operations.
  
- 8) Control Room Services Outside of Normal Business Hours:
  - a. Answer customer calls;
  - b. Arrange emergency locates;
  - c. Provide measurements if available in SAP for Service Cox Box (SCB);
  - d. Create service orders in SAP based on calls received; and
  - e. Maintain valve operations log and contact fire department if necessary.



## Appendix 'A2'

### **City of London Commitments**

The City will communicate to London Hydro on a timely basis any standards that it becomes aware of that are necessary to maintain compliance with any legislation associated with water and/or sewer-related reading, billing or collection services.

The City will communicate to London Hydro in a detailed manner all needs associated with the management of the services provided. The City will utilize various forms of documented communications in regards to changes to specifications of services provided, whether they are City or legislatively driven. The City will use those methods of communication as requested by London Hydro which will depend on the changes requested (i.e. London Hydro uses Service Change Request (SCR) forms to request changes to the CIS/SAP and reporting functions). Whenever reasonably possible, the City will provide London Hydro with adequate notice of all change requirements.

### **City of London Accountabilities**

The listing below is intended to be informative and is not a defined list of obligations. Items may be added or removed with the written agreement of both parties.

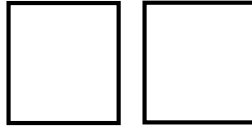
The City is responsible for many sub-functions related to the six major services, including:

1. Meter Related Services:
  - a. Metering:
    - i. Perform physical meter installations, replacement, and repair;
    - ii. Manage installation and removal of meters in the database and update CIS/SAP with meter information; and
    - iii. Service order related meter management including create and close out service orders on CIS/SAP as required (i.e. meter related complaints).
  - b. Technology:
    - i. Consult with London Hydro on meter technology issues; and
    - ii. Consult on special projects.
  - c. Meter Reading:
    - i. Service order related events.
2. Call Center Services:
  - a. Manage escalated customer concerns;
  - b. Meter dispute resolution;
  - c. Approve leak allowance; and
  - d. Report to London Hydro any customer interaction relative to account management.
3. Revenue Management and Collections:
  - a. Customer Billing Processes:
    - i. Report on meter change management that affects billing;
    - ii. Advise of rate structures;
    - iii. Advise of rate class; and
    - iv. Advise of rate exemption.
  - b. Billing Support:
    - i. Advise on technology or rate issues.
  - c. Payment Processing:
    - i. No responsibilities.
  - d. Printing, Mailing:

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- i. Special mailings such as Not Registered Meter or Meter Replacement letters; and
    - ii. Water and sewer inserts (content).
  - e. Account Monitoring:
    - i. No responsibilities.
  - f. Collections – Accounts Receivables:
    - i. Respond to service orders created by London Hydro Collections (i.e. to turn water off);
    - ii. Physical disconnect and reconnect; and
    - iii. Vital Services administration (Application of liens to arrears).
- 4. Management Reporting (will change on a regular basis – See Appendix C):
  - a. Define Revenue reporting requirements;
  - b. Define Statistical reporting requirements; and
  - c. Define Inventory data reporting requirements.
- 5. I.T. Services:
  - a. Provide the City hardware (City Locations);
  - b. Manage software updates (providing London Hydro notification); and
  - c. Update tax records.





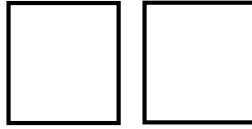
**Appendix 'B'**

**Accountabilities – GIS**

Sharing of Information between the Parties

The listing below is intended to be informative and is not a defined list of obligations. Items may be added or removed with the written agreement of both parties.

1. Address points:
  - a. The City delivers monthly, via ftp (electronically), to London Hydro; and
  - b. Subsequent to each update the City will do a comparison between the City's address points and London Hydro's addresses. On a quarterly basis London Hydro will review the list of mismatched addresses and will work with the City to make corrections.
  
2. Parcels – Final:
  - a. The city delivers via ftp (electronically) to London Hydro when the data is published to the City;
  - b. Delivery will include an additional table for condos with details for 20-digit roll numbers; and
  - c. Confirmed parcels are polygon data and include Assessment Roll Number, Condo Number and Legal Description (Lot and Plan).
  
3. Parcels – Proposed:
  - a. The City delivers via ftp (electronically) to London Hydro when the data is published to the City;
  - b. Proposed parcels are simple lines ('9int' polygons), and should be differentiated from final parcels; and
  - c. There is no attribution for proposed parcels.
  
4. Street Centerlines & Intersection Points:
  - a. The City delivers to London Hydro via e-mail quarterly as part of the City's standard distribution cycle;
  - b. Intersections are available as a separate file; and
  - c. Centerline attributes include address ranges and street class.
  
5. Buildings and Curb-lines:
  - a. The City delivers via ftp (electronically) to London Hydro when the data is published to the City.
  
6. Landmarks:
  - a. The City delivers via ftp (electronically) to London Hydro when the data is published to the City.
  
7. Tree Inventory:
  - a. The City delivers quarterly to London Hydro via ftp (electronically).
  - b. With suitable attributes such as species and diameter at breast height, if available.
  
8. Aerial Imagery:
  - a. The City delivers annually to London Hydro via ftp (electronically) when new imagery is available.
  
9. FTP:
  - a. Data Transfer Coordinators (as outlined in Appendix 'D') to prepare FTP (electronic) access and authentication for secure and appropriate transfer.



**Appendix 'C'**

**London Hydro Reporting to the City of London**

**Financial Reporting**

London Hydro shall provide the following reports to the City:

- (i) Write off and Billing adjustment reports
- (ii) Weekly – London Hydro Revenue Transfer Report;
- (iii) Monthly – Billing Statistics Report;
- (iv) Annually (at year-end) – Billing, system charges, rent, bad debts, customer assistance credit and miscellaneous charges; and
- (v) Additional requests: year to date information, year over year totals.

London Hydro shall provide information in an electronic data format (as well as hard copy) which can be queried at any time by the City's contact staff.

**Operations Management Reporting**

London Hydro shall provide the following reports on demand by the City:

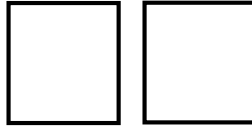
- 1) Meters due for accuracy verification by consumption or time (Thresholds may be dynamic and relate to a specific meter or group of meters as specified by the City.);
- 2) Water Meter Inventory;
- 3) Top consumers by water consumption per meter size;
- 4) Non-registering meter report sorted by manufacturer and meter model;
- 5) Water service shut-off, sorted by address;
- 6) Breakdown of service call types per year;
- 7) Number of water meter reads per month;
- 8) Hydro meters on parcel property or building associated to water service;
- 9) New water account verification;
- 10) Electric Meter installations with pending Water Meter Installation;
- 11) Estimated and customer read report;
- 12) List of new accounts by month and class; and
- 13) Number of minimum bills by month.

**Engineering / Consumption Reporting**

London Hydro shall provide the following reports on demand by the City:

- 1) Reconciled monthly consumption data by account;
- 2) Reconciled monthly consumption by meter type, size and account;
- 3) List of new accounts by month and class; and
- 4) Number of minimum bills by month.

London Hydro shall include at minimum the following fields in engineering/consumption reports (other fields may be necessary but will be made by special request):  
Account, Customer Name, Service Account, Service Address Unit, Service Address St. number, Service Address St Name, Service address St. Suffix, Service Address St. Post, Service ID, Service Status, Curb stop Location, Meter Number, Meter Type, Meter Size, Meter Install Date, Meter Location, Remote Location, Water Rate, Sewer Rate, Storm Rate, Rate Effective Date, January, February, March, April, May, June, July, August, September, October, November, December, Total Annual (m<sup>3</sup>)



**Appendix 'D'**

**Contacts**

Definitions:

**Authorized Representative**

London Hydro's representative and the City's representative have the authority under the agreement to renegotiate the cost of service and extend the agreement, provided that the authorized representatives of both parties agree in writing to the change. London Hydro's representative will be the Chief Executive Officer of London Hydro or their designate and the City's representative will be the Managing Director of Environmental and Engineering Services and City Engineer or their designate.

**Key Account Manager**

London Hydro representative that will oversee the communication between the City and London Hydro for all requests and information outlined in this agreement. The Key Account Manager will also ensure that the overall performance of the SLA meets the terms agreed herein.

**Water Demand Manager**

The City's representative that will oversee the communication between the City and London Hydro for all requests and information outlined in this agreement. The Water Demand Manager shall take on the contract administration duties of this agreement and assess and change the agreement at the completion of each term to meet the evolving needs of both London Hydro and the City.

**Customer Service Coordinator**

London Hydro's representative and the City's representative that will receive and attempt to resolve any water billing issues brought forward by customers. Generally most customer complaints are handled through London Hydro. However, there may be a need to involve the City's staff in extreme cases.

**Billing and Revenue Management Coordinator**

London Hydro's representative and the City's representative that will audit and review water billing revenue and consumption updates.

**Data Transfer / I.T. Coordinator**

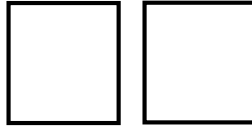
London Hydro's representative and the City's representative that will manage the seamless transfer of water account data between London Hydro and the City for use in water billing, meter management and account information. Transfers should be frequent enough to provide the most recent on-demand data as possible.

**GIS Coordinator**

London Hydro's representative and the City's representative that will manage the seamless transfer of GIS data between London Hydro and the City for use in water billing, meter management and account information. Transfers should be frequent enough to provide the most recent on demand data as possible.

**Water meter / Operations Coordinator**

London Hydro's representative and the City's representative that will manage the day to day operations and maintenance of water meters for use in billing.



<b>Role</b>	<b>Name</b>	<b>Corporate Title</b>
Authorized Representative	Luke Seewald	Director, Metering Services
Key Account Manger	Paul Kilbourne	Supervisor, Meter Data Management
Customer Service Coordinator	Dan White	Supervisor, Customer Services
Billing and Revenue Management Coordinator(s)	Karen Fawcett; Karen Lyons	Director, Customer Services; Director, Financial Services
Data Transfer/IT Coordinator	Madhumita Ghosh	Supervisor, SAP Applications
GIS Coordinator	Kathie Kuang	Supervisor, GIS
Water Meter/Operation Coordinator	Paul Kilbourne	Supervisor, Meter Data Management
Authorized Representative	John Lucas	Director, Water, Wastewater and Treatment
Customer Service Coordinator	Tara Clayton	Water Demand Manager
Billing and Revenue Management Coordinator(s)	Tara Clayton; Katrina Botting	Water Demand Manager; Financial Business Administrator
Data Transfer/IT Coordinator	Tara Clayton	Water Demand Manager
GIS Coordinator	Tara Clayton	Water Demand Manager
Water Meter/Operation Coordinator	Stephen Irwin	Supervisor, Operations Meter Shop