



FINANCE DEPARTMENT

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To strata and building owners

Re: In-building Metering and Invoicing of City Utility Charges

Madam/Sir:

This letter should be of particular interest to property owners and managers that allocate City and Lonsdale Energy Corp. (LEC) utility levies and charges using in-building metering systems. More broadly, this letter should be considered by:

- 1) strata corporations that invoice individual strata lot owners City and LEC utility fees on a basis that does not comply with section 99(2) of the Strata Property Act; and
- 2) rental buildings that recover City and LEC utility fees as a supplement to the lump sum regular monthly rent payments stipulated in a rental agreement between the rental property owner and renter.

The City of North Vancouver has recently amended three bylaws to enhance transparency of in-building metering and invoicing of City Utility charges. More specifically, amendments have been made to the following bylaws:

- Water Utility Bylaw, 1994, No. 6417;
- Sewerage and Drainage Utility Bylaw, 1995, No. 6746; and
- City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575.

The last bylaw listed above concerns the general conditions and rates of the City hydronic energy system operated by LEC.

In recent years, the City and LEC have received a number of complaints from system users in buildings employing in-building metering and invoicing services who found City and LEC levies and charges expensive, subject to misinterpretation, and complex to understand. A review by City and LEC staff revealed that the in-building invoicing system was in many cases unfair, allocating some fixed charges based on metered utility consumption and some predefined assumptions. The inclusion of consumption estimates and the arbitrary allocations of theoretical system losses also made the reconciliation of City costs, invoiced on a per suite basis, extremely difficult or even impossible.

While the City generally supports the implementation of utility metering to enhance conservation efforts, it considers that such invoicing systems should operate in line with City utility invoicing levies and principles.

The utility bylaw amendments aim to clarify that for rental buildings wishing to invoice water, sewer, and hydronic energy services, or for strata buildings wishing to invoice those services on a basis other than unit entitlement, invoicing must be at the rate charged by the City and the invoice must clearly specify the rate and the calculation of the amount owing.

Furthermore, consumption estimates are not permitted; only measured consumption may be invoiced. This requirement prevents the use of estimates, such as the estimation of the heating energy used to produce domestic hot water based on volume consumption and the assignment of theoretical thermal energy losses attributed to in-building heat distribution system. Such unmeasured energy consumption or losses must be recovered through the fixed monthly rental fee of rental properties or strata fee of strata buildings through the usual unit entitlement of strata lot calculation.

Any mark-up or fees that are not in line with City levies and charges must be provided on a separate line on the invoice, identify the purpose of the mark-up or charge, and specify that the amount is not regulated by the City of North Vancouver;

The bylaw amendments were adopted by Council on July 9, 2018 and are already in effect. I trust that you will be able to implement these revisions in the next 90 days so that in-building utility invoices are compliant with bylaw requirements by October 1, 2018 at the latest.

The enclosed report to City of North Vancouver Council members provide more information. The complete bylaws are also accessible at www.cnv.org/your-government/bylaws-search

Do not hesitate to contact me if you have any questions.

Sincerely,



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