

Oxenden Water System 2019 Water Fees



Current Water Fees

Under the 2018 water rate fees, properties on the Oxenden Water Systems were billed as follows with an allowance of .5m³ allowed per day.

		Base Rate	Base Rate	Vacant Lot Rate	Multi-Unit Rate	Usage Rate	Usage Surcharge Rate	Bulk Water Rate
		\$/year	\$/day	\$/day	\$/day	\$/m3	\$/m3	\$/m3
Oxenden								
20%	Reserve Rate	\$200.75	\$0.55	\$0.55	\$0.55	\$1.09	\$0.55	N/A
80%	Operating Rate	\$794.97	\$2.18	\$0.87	\$2.18	\$4.36	\$2.18	N/A
	Total	\$995.72	\$2.73	\$1.42	\$2.73	\$5.45	\$2.73	N/A

Current Water Fees - Explained

Connected Properties – Average Bill

Reserve Rate:	60 days x \$0.55 per day	= \$33.00
Operating Rate:	60 days x \$2.18 per day	= \$130.80
Usage:	Actual water used – 30m ³	= Billable Usage (System Average is 17.5m ³)
Reserve Usage Rate:	Billable Usage x \$1.09	= \$0.00
<u>Operating Usage Rate:</u>	<u>Billable Usage x \$4.36</u>	<u>= \$0.00</u>
Total Average Bill:		\$163.80

Unconnected Properties – Average Bill

Reserve Rate:	60 days x \$0.55 per day	= \$33.00
<u>Operating Rate:</u>	<u>60 days x \$0.87 per day</u>	<u>= \$52.20</u>
Total Average Bill:		\$85.20

Georgian Bluffs Expenses

	2016	2017	2018	2019
Operating				Budget
Hydro	497.19	466.05	422.56	500.00
Materials & Supplies		395.79	488.53	500.00
Legal	1,698.58	24,719.22	30,096.33	10,000.00
OCWA Contract	40,162.08	40,949.04	41,756.04	42,257.11
OCWA Extras	2,700.00	1,628.35	2,000.00	2,000.00
Insurance	5,658.53	5,502.88	5,724.00	6,500.00
Repairs & Maintenance	2,953.20	2,725.41	768.85	2,000.00
Water Loss (10%)				5,500.00
Admin Services	1,221.67	2,234.89	2,500.00	2,500.00
Total Operating Costs	\$54,891.25	\$78,621.63	\$83,756.31	\$71,757.11

Town of South Bruce Peninsula Water Rates - 2019



Town of South Bruce Peninsula

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Warton Water and Sanitary Sewer Rates

On December 18, 2018, Council passed By-Law 103-2018, which sets the following rates to be in effect as of **January 1, 2019**:

Water Rates

Fixed Water Charge – Applies to all Serviced Properties (Based on size of meter)

Meter Size (inches)	Rate
0.62 (and all vacant properties)	\$33.80 / month
0.75	\$37.18 / month
Metered Water Use	\$1.79 / cubic meter (m ³)

Water Agreement Negotiations

- Initial Discussion commenced in 2015
- In 2016, Discussions were going further apart
- MOECC and MMAH asked for assistance. Neither has the legal ability to intervene on negotiations unless the connection was terminated.
- OMB has legislation that deals with negotiating rates. Georgian Bluffs initiated the process to mediate a settlement. Three different days during 2017, and 2018 at mediation in Toronto.
- If an arbitrator forced a decision, South Bruce Peninsula threatened that notice to disconnect from the system would be initiated forcing the users to find an alternate source and go thru the Environmental Assessment process

Water Agreement Negotiations

- During the three days of negotiating, South Bruce Peninsula had entirely new staff at the table, changing the direction and tone of the negotiations
- Township Solicitor does not feel there is any further grounds to be gained in the process

Provincial Legislation

Sustainable Water and Sewage Systems Act, 2002, S.O. 2002, c. 29 - Bill 175

Cost recovery plan for water services

9. (1) Every regulated entity that provides water services to the public shall prepare and approve a plan describing how the entity intends to pay the full cost of providing those services.

Financial management

22. Every regulated entity shall establish and maintain a dedicated reserve account that segregate from its general revenues the revenue allocated in its approved cost recovery plan to pay the full cost (including source protection costs and operating and capital costs) of providing water services or waste water services, and shall do so in accordance with the regulations.

Provincial Legislation

Bill 13, Sustainable Water and Waste Water Systems Improvement and Maintenance Act, 2010

The purposes of this Act are:

- (a) **to ensure that public ownership of water services and waste water services is maintained;**
- (b) **to promote full-cost recovery and full-cost accounting of water services and waste water services;**
- (c) to encourage an increase in scale and capacity in the provision of water services and waste water services to minimize costs to the public;
- (d) to improve transparency in the provision of water services and waste water services to the public through the establishment of publicly-owned corporations; and
- (e) to create an independent economic regulator with the expertise and authority to administer this Act.

Non-Resident Surcharge

The Town of South Bruce Peninsula Council has authorized a non-resident surcharge to be placed on all users of the Oxenden Water System. This rate will be a 75% surcharge on top of the annual rates as set by South Bruce Peninsula Council. In 2019 all Oxenden residents will be charged as follows:

Vacant Properties

All vacant properties are charged \$33.80/month + 75% Non Resident Surcharge = \$59.15/month

Connected Properties

All properties with a 5/8" water meter are charged \$33.80/month + 75% Non Resident Surcharge = \$59.15/month

Water Rate per m³

All water produced and sold to the Township of Georgian Bluffs will be at a rate of \$1.79/m³
+ 75% Non Resident Surcharge = \$3.133m³

New 2019 Water Fees - Explained

Connected Properties – Average Bill

GB Reserve Rate:	60 days x \$0.39 per day	= \$23.40
GB Operating Rate:	60 days x \$0.93 per day	= \$55.80
SBP Fixed Water Charge	\$59.15/month x 2 months	= \$118.30
GB Operating Reserve Rate:	3% of fixed costs for operating cost for reserves	= \$ 5.93
<u>Usage:</u>	<u>\$3.133 x Actual Usage (17.5m³ was 2018 average)</u>	<u>= \$54.83</u>
Total Average Bill:		\$ 258.26

Unconnected Properties – Average Bill

GB Reserve Rate:	60 days x \$0.39 per day	= \$23.40
GB Operating Rate:	60 days x \$0.465 per day	= \$27.90
SBP Fixed Water Charge	\$59.15/month x 2 months	= \$118.30
<u>GB Operating Reserve Rate:</u>	<u>3% of fixed costs for operating cost for reserves</u>	<u>= \$ 5.08</u>
Total Average Bill:		\$ 174.68

Seasonal Residents

Previously under the Township's Consolidated Water By-Law 97-2007, seasonal residents were able to request a seasonal curb stop turn off and turn on for \$90.00 after which these properties would be billed at the unconnected rate for this period of time. With the new agreement this will not be possible as the Town of South Bruce Peninsula charges the full rate to the Township all year.

A seasonal residence with no water used in a 2 month period would receive a bill similar to this:

GB Reserve Rate:	60 days x \$0.39 per day	= \$23.40
GB Operating Rate:	60 days x \$0.93 per day	= \$55.80
SBP Fixed Water Charge	\$59.15/month x 2 months	= \$118.30
<u>GB Operating Reserve Rate:</u>	<u>3% of fixed costs for operating cost for reserves</u>	<u>= \$ 5.93</u>
Total Average Bill:		\$ 203.43

Operating Reserves

Traditionally the Township of Georgian Bluffs takes any excess revenue collected from the operation of the water system and places it in a Operating Reserve to cover any shortfalls in the operation of the system in future years. During the course of the negotiations the Township incurred additional legal expenses to attempt to obtain the best agreement possible for the Oxenden residents.

These negotiations and mediation costs have depleted the Operating Reserves. To re-establish a reserve for future unforeseen expenses, a 3% premium has been added to the base rates only.

Capital Reserves

Since the Oxenden Water System was constructed over \$ 2,659,271.00 has been spent to construct the watermains, curb stops, fire hydrants and valve chambers.

After over 20 years more than 25% of the life has been used up for the watermains, 50% of the life expectancy of the hydrants and valve chambers, and the curb stops will soon need replaced if anything goes wrong with them.

The total depreciated cost to date is approximately \$1,000,000.00. Currently the Township only has \$560,000.00 in capital reserves.

Alternatives

The Township of Georgian Bluffs explored all avenues that were available including mediation.

As the Town of South Bruce Peninsula is within their rights to set a non-resident fee, the only possibility would be for the Township to construct its own water treatment plant. The estimated price tag for this would be around \$10 million.

If the Township were to implement this each property would have to pay approximately \$56,000 each. In addition the annual operating costs of the Oxenden Water System would increase to properly run and maintain such a facility.

Going Forward

The Town of South Bruce Peninsula has offered the Township of Georgian Bluffs a new 10 year agreement.

During the course of the agreement the Town of South Bruce Peninsula will not increase the non-resident fee, however, as the annual Wiarton Water and Sanitary Sewer Rates change every year so will the rates paid by the Oxenden Residents.

Proposed Rate increase to be retro active back to January 1, 2019

The Township will continue to examine previous years actual expenses and set our portion to be strictly cost recovery + 3% for operating reserves.