

**PUBLIC MEETING
MINUTES**

A Public Meeting was held on Tuesday June 11, 2013 at the Ailsa Craig Recreation Centre. The purpose of the meeting was to introduce the new 2013 Water Rates.

Council Present: Mayor Don Shipway
Deputy Mayor Chuck Hall
Councillor Ward One – Doreen McLinchey
Councillor Ward Two – Brian Ropp
Councillor Ward Three – Gord Moir
Councillor Ward Four – Andrew Hemming
Councillor Ward Five – Adrian Cornelissen

Staff Present: CAO – Linda Creaghe
Treasurer – Chuck Daigle
Finance Co-ordinator – Martha Gawley
Water Manager – Glen Bullock
Assistant to CAO – Donna VanHooydonk

Others Present: Mike Watson – Davis Martindale

Mayor Shipway welcomed everyone to the meeting.

Treasurer Chuck Daigle then made his presentation to the public. Mr. Daigle advised that the water lines running through the municipality range in size from 2" – 16". There are 2,264 water customers on 233 miles of water line. In addition to servicing North Middlesex residents, we also have lines servicing Lambton Shores, Lucan Biddulph, South Huron and Adelaide-Metcalf. The municipality also has 162 water hydrants. Mr. Daigle further advised that the municipality has a pumping station in West Williams as well as reservoirs in Parkhill and Mt. Carmel. The equipment used is expensive to purchase, maintain and repair. Anytime there is an unforeseen waterline break, the municipality is mandated by legislation to address and correct the issue immediately. The last water rate increase was in August of 2009. At the time this rate was set at \$1.40/ cubic meter for three years, and would be subject to yearly analysis of costs. On February 24, 2011, the MOE began issuing municipal drinking water licenses under Section 44 of the Safe Drinking Water Act. To obtain a license, a municipal residential drinking water system owner must have the following five criteria:

- 1) A Drinking Water Works Permit – compliant
- 2) An Acceptable Operation Plan – Quality Management System – compliant
- 3) An Accredited Operating Authority – presently working on
- 4) An Approved Financial Plan (outstanding) – presently working on
- 5) A Permit to take water – Not applicable as North Middlesex obtain our water from a distribution system.

The Ontario Regulation 453/07 requires Municipalities to prepare a financial plan which is mandatory for water systems and it does require that the system be deemed "financially viable"

The recommendation from the Ministry of the Environment's Inspection dated January 16, 2013 stated:

"That the most recent Ministry of the Environment Inspection, for the third time, restated that a financial plan must be completed for relicensing of the North Middlesex Water Operating System."

Treasurer Chuck Daigle then reviewed the spreadsheet with the audience. Mr. Daigle presented the 2013 budgeted figures for the current operating budget and the capital operations. He then further explained the proposed user rates. Based on the current

consumption, the rates need to be increased to \$1.58/m³ in 2013 to cover our costs. Mr. Daigle provided projected figures for the upcoming years, however this will be reviewed on a yearly basis. The current quarterly minimum bill based on 48m³ of will no longer be in effect. The water consumption, will be the water which you are billed. Residents that are low water users will most likely notice a decrease in their bill, as they are no longer charged for the full 48m³ whether they are used or not. Something that is new will be a \$7.07/mo infrastructure fee.

Mayor Shipway invited questions from the floor.

Question: When was the Ontario Safe Water Drinking Act repealed?

Answer: It was repealed in December 2012.

Question: What is the \$109.00 charge four times a year on our taxes.

Answer: This is the sanitary sewer, and is a separate issue.

Question: Why are we not having an infrastructure fee like other municipalities?

Answer: We are in the process of doing this

Question: What is the percentage increase that is being looked at?

Answer: Approximately 30%

Question: If these new rates create a surplus for water, is this surplus used for water only?

Answer: Yes, Definitely used in the water budget.

Question: Why has the municipality not been billing enough? And why are we using our reserves from other department to fund the water deficit?

Answer: It is common for municipalities to finance through internal resources. The money will go back to the reserves over time. Reserves used are those that have been built over time, as well as reserves that came into the municipality (i.e. sale of Ailsa Craig and Parkhill hydro).

Question: Doesn't the municipality have a financial plan?

Answer: This is a user based system, they are separate accounts and tracked separately.

Question: Are all water accounts metered

Answer: Yes, however, currently there is still a minimum bill.

Question: Is the rate the same all across North Middlesex?

Answer: Yes

Question: When will these new rates be effective:

Answer: They will be effective when approved by Council and will be in effect immediately after the June 2013th reading.

Question: Will the \$90,000 accrued deficit be gone after 2022?

Answer: This will depend on the capital needs of the municipality.

Question: Is the rural and urban rate the same?

Answer: Yes

Chuck Daigle stated that the municipality is tracking water loss. It is difficult in some areas (i.e. Ailsa Craig where there is a lot of gravel areas).

Question: How much water loss is there?

Answer: Approximately 25%

Comment: Sometimes when a leak is reported, it is a 2 – 3 week turn around.

Answer: Municipality is making every effort to find and fix leaks. Councillor Ropp reported that \$150,000 has been set in the budget to find these leaks.

Comment: Good job on the presentation, it was very well presented.

Question: What is the rate paid to London for water?

Answer: \$0.40, with a 5% increase each year.

Councillor Hemming stated that he is on the Lake Huron Water Board, and they are finding that by people conserving, the consumption is dropping therefore causing the dilemma, that in order to meet the operating costs, the user fee has to be increased.

One of the residents asked the Treasurer to walk through the expenditures over the next 10 years and questioned the capital expenses.

The Treasurer reported that small capital jobs are planned. Smaller loops will be made in the system so less numbers of people are out of water when there is a problem. This would also be better for our as well due to there being less blow offs and therefore less water loss.

The age of some of our water lines was questioned. Water Manager Glen Bullock reported that some of our water lines date back to the 1940's.

Being no further questions, the Mayor thanked the public for attending and the meeting adjourned at 8:15 p.m.

Mayor

CAO