



# Georgian Bluffs

## Water System Rates

December 15, 2021





# Statement

- Georgian Bluffs provides residents and businesses with safe, high-quality drinking water 24 hours a day, seven days a week.
- Water rates support:
  - the reliable supply of safe, clean drinking water;
  - well-planned and sustainable infrastructure; and
  - strategic reinvestment in the state-of-good-repair
- Emergency service 24 hours a day, seven days a week to respond to:
  - Watermain breaks
  - Sudden loss in water pressure
  - Tap water quality concerns
  - Frozen water service lines



# Approved Council Strategic Plan

## **3. Demonstrate and Enhance Environmental Stewardship**

The Township of Georgian Bluffs strives to become a leader in Environmental Stewardship by reducing energy consumption, reducing solid waste, increasing diversion rates of recyclable materials, and lessening the environmental impact of existing and future infrastructure through innovation and upgrading.

### **3.3 Manage drinking and storm water.**

- a) Operate drinking water systems to maintain a high standard of public health and safety, protect the environment and ensure long term sustainability.
- b) Investigate opportunities to extend water service to supply areas in need of potable water and increase users to ensure water systems are sustainable and economical.
- c) Re-evaluate the current water billing model to ensure a fair equitable system that recognizes payment for all water used to promote water conservation.



# Important Water Billing Information

- Property owners are responsible for all water charges for their property, including their tenants' use.
- Your water meter measures your property's water consumption. If the meter stops working or shows a low reading, your bill may be estimated based on historical usage until a new meter is installed.



# Requirement to Prepare Financial Plans

- In 2007 as part of the Municipal Drinking Water Licensing Program, the Ministry of Environment released O.Reg 453/07 as per The Safe Drinking Act, 2002.
- The Act requires a Council approved six-year financial plan before a municipality can renew their municipal drinking water license.
- The municipality can complete any necessary amendments after submitting the application, if a condition is not satisfied at the time when the amendment is made.



# 2015 Financial Plan - Proposal

- Per the regulation, the last Plan was completed in 2015:
  - East Linton Water System was to increase 20% per year
    - 2015 – \$1.56 per day
    - 2021 – \$3.43 per day
  - Shallow Lake Water System was to increase 10% per year
    - 2015 – \$3.71/day
    - 2021 – \$5.98/day
  - Pottawatomie Water System was to increase 10% per year
    - 2015 – \$4.71/day
    - 2021 – \$7.63/day



# Current Water Systems – Under Review

- East Linton
  - Shallow Lake
  - Pottawatomi
- 
- Please note that there have been no increases to the water rates since 2017 or a budget approved since 2017 for water operating expenses.
  - Therefore, water rates have remained the same since 2017.
  - Water systems must be self funded (i.e., tax revenues can't be funding the operations of the system)



# East Linton Water System

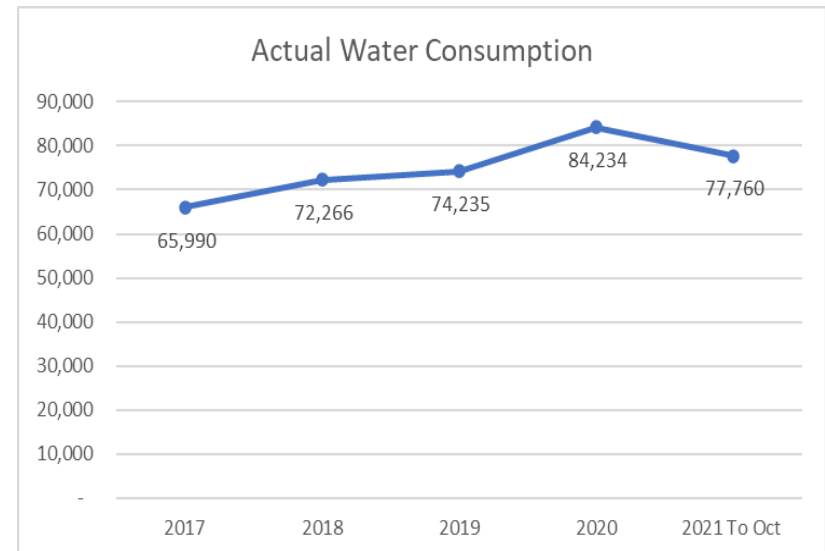
- Coverage Area
  - Balmy Beach, East Linton, Indian River, Cobble Beach and Sutacriti Area
- System Construction Date: 1993, system is currently 28 years old
- Current System Users:
  - 546 Connected
  - 63 Not Connected
- Current Water System Charges (Bylaw passed in 2016)
  - Daily Usage Threshold: 0.50m<sup>3</sup>/day
  - Current Rate: \$1.89 Operating Reserve Rate Combined
  - Average Annual User Cost: \$689.85/year





# East Linton Operating Expenses

	2017	2018	2019	2020	2021
<b>Service Contract - OCWA</b>	122,347.84	110,834.72	123,416.11	116,510.04	134,556.08
<b>Heat &amp; Hydro</b>	31,903.17	26,500.32	30,463.73	33,119.34	32,219.93
<b>Insurance Premiums</b>	23,493.27	24,354.00	26,245.08	26,190.00	27,486.00
<b>Repairs and Maintenance</b>	23,624.23	4,015.04	41,379.14	14,110.70	44,963.79
<b>Operating Costs</b>	17,448.37	14,068.85	30,390.36	24,078.21	8,016.38
<b>Total Operating Costs</b>	218,816.88	179,772.93	251,894.42	214,008.29	247,242.18

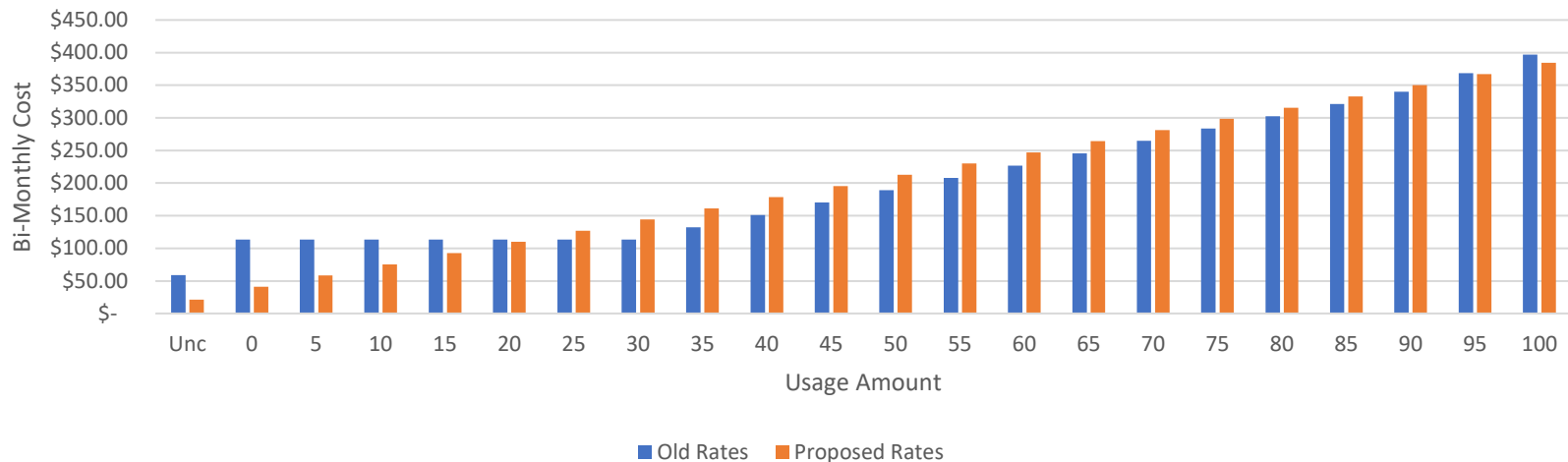




# East Linton Proposed Rates

- Proposed 2022 to 2027 Water System Charges
  - Removal of Daily Usage Threshold with all usage to be at \$3.43 per m<sup>3</sup>
  - Daily Connected Rate of \$0.69 (Based Rate)
    - (Subject to Annual 3.2% Increase)
  - Average Annual User Cost (159 m<sup>3</sup> per year): \$797.22/year
  - Usage charges per cubic metre (1 m<sup>3</sup> = 1,000 litres)

ELWS Existing Rates vs. Proposed Rates





# East Linton Examples

- Existing

- August 31 to October 29
- Consumption = 14.9 m<sup>3</sup>
- Billing Days = 59

$$\text{\$1.89} * 59 = \text{\$111.51 (29.5 m}^3\text{)}$$

Total Bill = \\$111.51

- Proposed

- August 31 to October 29
- Consumption = 14.9 m<sup>3</sup>
- Billing Days = 59

$$\text{\$0.69} * 59 = \text{\$40.71 (Reserve)}$$

$$14.9 \text{ m}^3 * \text{\$3.43} = \text{\$51.11}$$

Total Bill = \\$91.82



# East Linton Examples

- Existing

- August 31 to October 29
- Consumption = 39.2 m<sup>3</sup>
- Billing Days = 59

$$\text{\$1.89} * 59 = \text{\$111.51 (29.5m}^3\text{)}$$

$$9.7\text{m}^3 * \text{\$3.79} = \text{\$36.76}$$

$$\text{Total Bill} = \text{\$148.27}$$

- Proposed

- August 31 to October 29
- Consumption = 39.2 m<sup>3</sup>
- Billing Days = 59

$$\text{\$0.69} * 59 = \text{\$40.71 (Reserve)}$$

$$39.2 \text{ m}^3 * \text{\$3.43} = \text{\$134.46}$$

$$\text{Total Bill} = \text{\$175.17}$$



# Overall East Linton Water Rates

## Existing

- 2017 – \$1.89/day or \$690.91/year (based on average consumption)
- 2018 – \$1.89/day or \$690.91/year (based on average consumption)
- 2019 – \$1.89/day or \$690.91/year (based on average consumption)
- 2020 – \$1.89/day or \$690.91/year (based on average consumption)
- 2021 – \$1.89/day or \$690.91/year (based on average consumption)

## Proposed

- 2022 – \$3.43/m<sup>3</sup> & 0.69/day or 797.22/year (based on average consumption) – 15.4 % increase
- 2023 – \$3.54/m<sup>3</sup> & 0.71/day or 822.01/year (based on average consumption) – 3.2 % increase



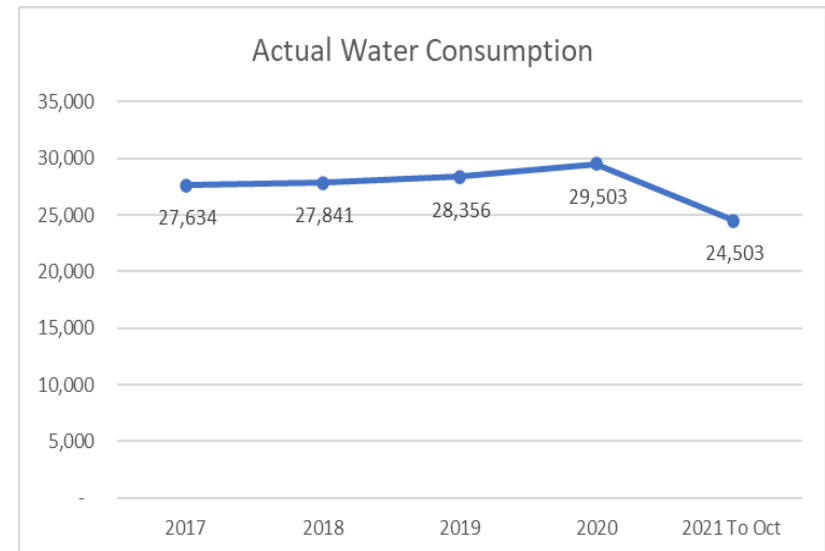
# Shallow Lake Water System

- Coverage Area
  - Village of Shallow Lake
- System Construction Date: 1996, system is currently 25 years old
- Current System Users:
  - 199 Connected
  - 6 Not Connected
- Current Water System Charges (Bylaw passed in 2016)
  - Daily Usage Threshold: 0.50m<sup>3</sup>/day
  - Current Rate: \$4.49 Operating Reserve Rate Combined
  - Average Annual User Cost: \$1,638.13/year



# Shallow Lake Operating Expenses

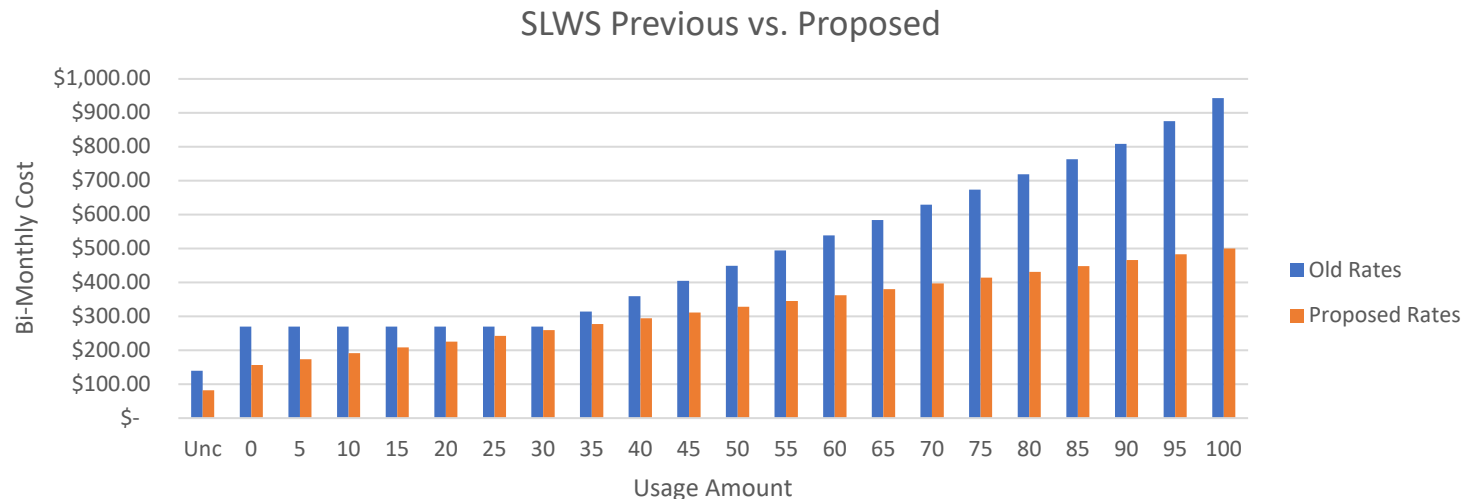
	2017	2018	2019	2020	2021
<b>Service Contract - OCWA</b>	120,585.50	120,925.84	130,193.25	125,083.88	121,786.31
<b>Heat &amp; Hydro</b>	25,019.08	20,673.45	22,221.31	20,910.07	17,122.90
<b>Insurance Premiums</b>	11,977.75	12,447.00	14,040.00	13,770.00	16,470.00
<b>Repairs and Maintenance</b>	7,527.94	12,239.31	14,213.94	15,275.38	47,811.35
<b>Operating Costs</b>	30,963.51	28,059.48	27,997.72	26,706.42	19,947.55
<b>Total Operating Costs</b>	196,073.78	194,345.08	208,666.22	201,745.75	223,138.11





# Shallow Lake Proposed Rates

- Proposed 2022 to 2027 Water System Charges
  - Removal of Daily Usage Threshold with all usage to be at \$3.43 per m<sup>3</sup>
  - Daily Connected Rate of \$2.61 (Base Rate)
    - (Subject to Annual 3.2% Increase)
  - Average Annual User Cost (149 m<sup>3</sup> per year): \$1463.72/year
  - Usage charges per cubic metre (1 m<sup>3</sup> = 1,000 litres)







# Shallow Lake Examples

- Existing

- August 31 to October 29
- Consumption = 14.9 m<sup>3</sup>
- Billing Days = 59

$$\$4.49 * 59 = \$264.91 \text{ (29.5m}^3\text{)}$$

Total Bill = \$264.91

- Proposed

- August 31 to October 29
- Consumption = 14.9 m<sup>3</sup>
- Billing Days = 59

$$\$2.61 * 59 = \$153.99 \text{ (Base)}$$

$$14.9 \text{ m}^3 * \$3.43 = \$51.11$$

Total Bill = \$205.10



# Shallow Lake Examples

- Existing

- August 31 to October 29
- Consumption = 39.2 m<sup>3</sup>
- Billing Days = 59

$$\$4.49 * 59 = \$264.91 (29.5\text{m}^3)$$

$$9.7\text{m}^3 * \$8.98 = \$87.11$$

$$\text{Total Bill} = \$352.02$$

- Proposed

- August 31 to October 29
- Consumption = 39.2 m<sup>3</sup>
- Billing Days = 59

$$\$2.61 * 59 = \$153.99 (\text{Base})$$

$$39.2 \text{ m}^3 * \$3.43 = \$134.46$$

$$\text{Total Bill} = \$288.45$$



# Overall Shallow Lake Water Rates

## Existing

- 2017 – \$4.49/day or \$1,638.13/year (based on average consumption)
- 2018 – \$4.49/day or \$1,638.13/year (based on average consumption)
- 2019 – \$4.49/day or \$1,638.13/year (based on average consumption)
- 2020 – \$4.49/day or \$1,638.13/year (based on average consumption)
- 2021 – \$4.49/day or \$1,638.13/year (based on average consumption)

## Proposed

- 2022 – \$3.43/m<sup>3</sup> & \$2.61/day or \$1463.72/year (based on average consumption) – 10.6 % decrease
- 2023 – \$3.54/m<sup>3</sup> & \$2.69/day or \$1509.31/year (based on average consumption) – 3.2 % increase on 2022 rates



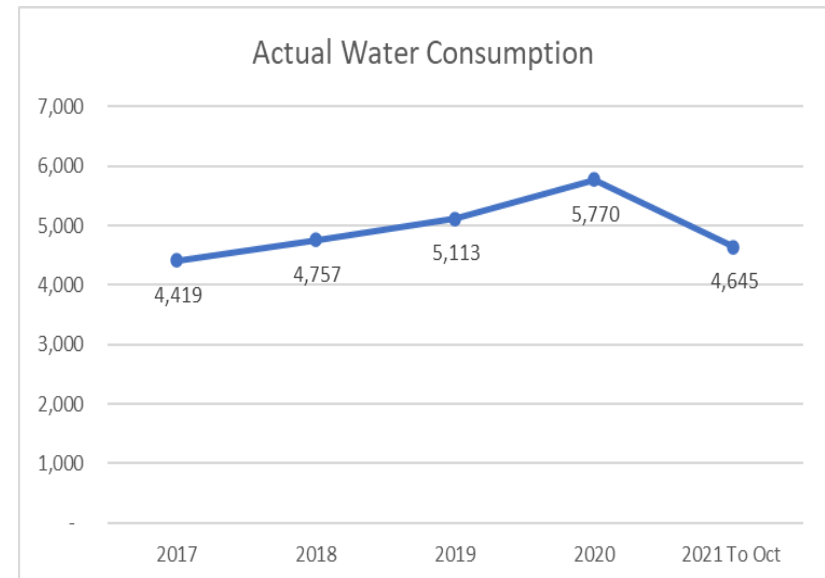
# Pottawatomi Water System

- Coverage Area
  - Pottawatomi Village
- System Construction Date: 1987, system is currently 34 years old
- Current System Users:
  - 25 Connected
- Current Water System Charges (Bylaw passed in 2016)
  - Daily Usage Threshold: 0.75m<sup>3</sup>/day
  - Current Rate: \$5.70 Operating Reserve Rate Combined
  - Average Annual User Cost: \$2080.50/year



# Pottawatomoni Operating Expenses

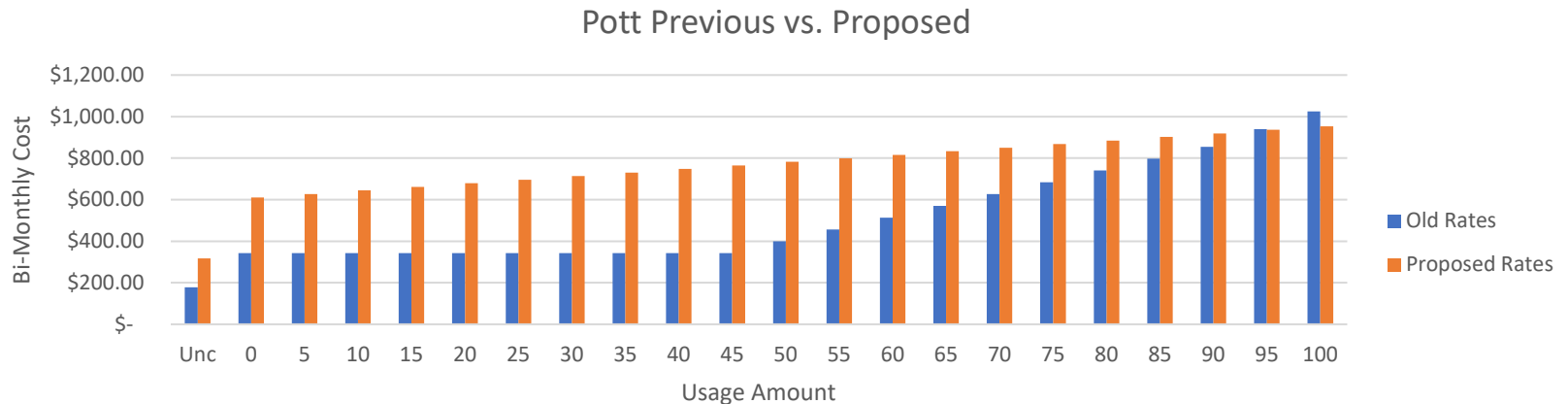
	2017	2018	2019	2020	2021
<b>Service Contract - OCWA</b>	53,978.36	50,991.96	53,126.96	53,541.96	46,849.20
<b>Heat &amp; Hydro</b>					
<b>Insurance Premiums</b>	5,858.20	6,080.40	8,100.00	8,370.00	8,856.00
<b>Repairs and Maintenance</b>	5,416.56	11,616.67	3,403.44	11,079.06	-
<b>Operating Costs</b>	4,097.87	10,764.99	5,480.22	4,323.21	3,776.60
<b>Total Operating Costs</b>	69,350.99	79,454.02	70,110.62	77,314.23	59,481.80





# Pottawatomi Proposed Rates

- Proposed 2022 to 2027 Water System Charges
  - Removal of Daily Usage Threshold with all usage to be at \$3.43 per m<sup>3</sup>
  - Daily Connected Rate of \$10.18 (Base Rate)
    - (Subject to Annual 3.2% Increase)
  - Average Annual User Cost (230 m<sup>3</sup> per year): \$4504.60/year
  - Usage charges per cubic metre (1 m<sup>3</sup> = 1,000 litres)





# Pottawatomi Examples

- Existing

- August 31 to October 29
- Consumption = 26.7 m<sup>3</sup>
- Billing Days = 59

$$\begin{aligned} \$5.70 * 59 &= \$336.30 \\ (44.25\text{m}^3) \end{aligned}$$

Total Bill = \$336.30

- Proposed

- August 31 to October 29
- Consumption = 26.7 m<sup>3</sup>
- Billing Days = 59

$$\begin{aligned} \$10.18 * 59 &= \$600.62 \text{ (Base)} \\ 26.7 \text{ m}^3 * \$3.43 &= \$91.58 \end{aligned}$$

Total Bill = \$692.20



# Overall Pottawatomi Water Rates

## Existing

- 2017 – \$5.70/day or \$2,080.50/year (based on average consumption)
- 2018 – \$5.70/day or \$2,080.50/year (based on average consumption)
- 2019 – \$5.70/day or \$2,080.50/year (based on average consumption)
- 2020 – \$5.70/day or \$2,080.50/year (based on average consumption)
- 2021 – \$5.70/day or \$2,080.50/year (based on average consumption)

## Proposed

- 2022 – \$3.43/m<sup>3</sup> & \$10.18/day or \$4504.60/year (based on average consumption) – **117.5** % increase
- 2023 – \$3.54/m<sup>3</sup> & \$10.51/day or \$4650.35/year (based on average consumption) – 3.2 % increase





# Pottawatomoni Examples – Phased In

- Existing

- August 31 to October 29
- Consumption = 26.7 m<sup>3</sup>
- Billing Days = 59

$$\begin{aligned} \$5.70 * 59 &= \$336.30 \\ (44.25\text{m}^3) \end{aligned}$$

Total Bill = \$336.30

- Proposed

- August 31 to October 29
- Consumption = 26.7 m<sup>3</sup>
- Billing Days = 59

$$\begin{aligned} \$4.40 * 59 &= \$259.60 \text{ (Base)} \\ 26.7 \text{ m}^3 * \$3.43 &= \$91.58 \end{aligned}$$

Total Bill = \$ 351.18

## Proposed – Phased In

2022 – \$3.43/m<sup>3</sup> & \$4.40/day or \$2,394.90/year (based on average consumption) – **15.1% increase**

2023 – \$3.54/m<sup>3</sup> & \$5.30/day or \$2,748.70/year (based on average consumption) – **14.8 % increase**



# Status Quo

- Water systems remain underfunded.
- Reserves are being used to offset the current operating use.
- In the event of an emergency or failure of infrastructure the Township would need to take out a loan as the reserves aren't available to fund the repair. The extra cost would be funded from the users of the system.
- Does not align with Council Strategic Priority # 3
  - **Demonstrate and Enhance Environmental Stewardship**
    - The Township of Georgian Bluffs strives to become a leader in Environmental Stewardship by reducing energy consumption, reducing solid waste, increasing diversion rates of recyclable materials, and lessening the environmental impact of existing and future infrastructure through innovation and upgrading.
- No proposed increases, water rates stay the same.



# Benefits to the Proposed System

- Inflation is calculated into the rates over the next 6 years until the next financial plan update.
- 2023 to 2027 water rates will increase as presented on an annual basis (based on similar usage)
- Paying for what is being used by the residents
  - Residents that conserve water will see benefits under the new system
  - The existing system does not reward the residents for using less
- Conservation keeps rates as low as possible
  - Rates would increase even more if Georgian Bluffs didn't promote water conservation and efficiency. When we use less water, there's less wear and tear on water pumps, pipes and treatment systems; maintenance costs are lower, our equipment lasts longer, and we can delay expensive infrastructure upgrades – that's millions of dollars.
- Achieves Council Strategic Priority #3



# Conclusion

- No decisions are being made this evening
- Staff and Council welcome the feedback of the public to inform staff's recommendation.
- A report to summarize feedback and propose recommendations will be presented in the New Year.
- Contact Operations with any questions:

[operations@georgianbluffs.ca](mailto:operations@georgianbluffs.ca)