

THE CORPORATION OF THE TOWN OF DEEP RIVER

PUBLIC MEETING

Wednesday, April 6, 2011 at 6:45 p.m.

AGENDA

- 1. CALL TO ORDER**
- 2. DECLARATION OF PECUNIARY INTEREST**
- 3. 2011 SEWER AND WATER BUDGET/2011 SEWER AND WATER RATES**
(proposed by-laws attached, advertisement attached)
- 4. ADJOURNMENT**

BE IT RESOLVED THAT Council hereby adjourns the meeting at _____ p.m.

Please note that submissions received by the Town of Deep River from the public, either orally or in writing, may become part of the record at a public Council meeting.

The Corporation of the Town of Deep River

By-Law No. 13-2011

A by-law to adopt the estimates of all sums required for the purposes of the water system and the sanitary sewer system for the year 2011.

WHEREAS Section 290 of the *Municipal Act, 2001, S.O. 2001, Chapter M.25* as amended, provides that the Council of a local municipality shall in each year prepare and adopt a budget, including estimates of all sums required during the year for the purposes of the municipality;

AND WHEREAS Council has prepared estimates of all sums required during the year for the purposes of the water system and the sanitary sewer system, and such estimates total \$2,086,283;

NOW THEREFORE the Council of the Corporation of the Town of Deep River **ENACTS AS FOLLOWS:**

1. The estimates of amounts required for the purposes of the water system and the sanitary sewer system as contained in the attached budget documents, are hereby adopted.
2. Additional Capital Improvement expenses totaling \$95,000 will be required and will be funded from existing reserves.
3. This by-law comes into force upon adoption by Council of the Corporation of the Town of Deep River.

READ A FIRST AND SECOND TIME THIS 6TH DAY OF APRIL, A.D. 2011.

READ A THIRD TIME AND FINALLY PASSED THIS 6TH DAY OF APRIL, A.D. 2011.

Mayor

Chief Administrative Officer/Clerk

Sewer Operating Budget Forecast - 2011

Description	2007 Budget (\$)	2007 Actual (\$)	2008 Budget (\$)	2008 Actual (\$)	2009 Budget (\$)	2009 Actual (\$)	2010 Budget (\$)	2010 Actual (\$)	2011 Budget (\$)
Expenditures									
Operating Costs									
Using 2007 Rate									
Sewer Rates Billing/Collecting	5,412	5,412	5,520	5,520	5,631	5,631	5,858	5,858	5,858
Salaries/Benefits	44,004	47,207	51,625	41,551	53,400	54,371	56,600	39,331	38,400
OCWA Contract	234,777	214,254	215,000	234,372	238,706	237,975	241,093	248,379	248,326
Vehicles, Equipment, Materials, Parts	13,900	23,881	25,150	35,321	25,550	26,364	31,500	44,432	31,050
Hydro	61,500	65,888	67,500	53,638	67,500	54,224	56,500	62,979	65,000
Property Taxes	26,109	26,109	26,494	26,494	26,494	25,487	26,000	24,814	25,000
Water and Sewer Charges	827	827	827	827	827	870	900	917	925
Loan Interest	173,088	174,372	170,717	170,700	187,240	168,227	165,635	165,619	163,496
Other Operating Expenditures	170,950	181,290	178,934	189,587	194,351	151,077	200,046	148,291	195,828
Operations Subtotal	730,547	719,240	741,767	757,990	779,699	724,226	784,132	740,620	773,883
Capital Related									
Existing Debt									
New Debt									
Debt Retirement	135,227	133,923	44,127	44,143	47,604	46,617	49,209	49,225	76,703
Capital Reserve Contribution/Lifecycle Res.	129,292	69,919	180,314	180,664	134,347	193,506	-	44,799	
Transfer to Capital	43,000	42,660							
Capital Related Subtotal	307,519	246,502	224,441	204,807	181,951	240,123	49,209	94,024	76,703
Total Expenditures	1,038,066	965,742	966,208	962,797	961,650	964,349	833,341	834,644	850,586
Revenues									
Operating Revenues									
Sewer Plant Capital Reserve Levy									
Other (Bank Interest)	-	814	-	205	-	365	-	2,068	
Other Revenues	11,000	2,000	-	1,000	-				
Transfer From Sewer Reserve	43,000								
Total Revenue	54,000	2,814	-	1,205	-			2,068	
Sewer Billing Recovery	984,066	962,928	966,208	961,592	961,650	964,349	833,341	832,576	850,586
Total Revenues	1,038,066	965,742	966,208	962,797	961,650	964,349	833,341	834,644	850,586
Total Wastewater Users	1921	1,921	1,948	1,948	1,952	1,952	1,954	1,954	1,956
Sewer Rate \$ / User /Year	512.27	501.28	496.00	493.63	492.65	494.03	426.48	426.09	434.86
Debt Retirement	135,227	133,923	44,127	54,645	47,604	46,617	49,209	49,225	76,703
Sewer Rate for Debt Retirement alone \$ /User/Year	70.39	69.72	22.65	22.66	24.39	23.88	25.18	25.19	39.21
Lifecycle Reserve Contributions	129,292	69,919	180,314	157,510	134,347	193,506	-	44,799	-
Sewer Rate for Lifecycle alone \$ / User /Year	67.30	36.40	92.56	80.86	68.83	99.13	0.00	22.93	0.00
Sewer Rate Operating Cost/User/Year	380.30	374.41	380.78	389.11	399.44	371.02	401.30	379.03	395.65
Proposed Rate			\$ 496		\$ 496		\$ 426	\$ 427	\$ 435
Actual Sewer Rate Billed	\$ 496.00	\$ 496	\$ 496	\$ 496		\$ 496	\$ 426		

Analysis of 2011 "Draft" Sewer Budget

	<u>2010 Budget</u>	<u>2010 Actual</u>	<u>2011 Budget</u>
<u>OCWA Contract</u>	241,093	248,379	248,326
Includes cost of OCWA contracted services to operate Sewage Plant. The 2011 budget includes the latest quotation plus management fee.			
<u>Hydro</u>	56,500	62,979	65,000
The Hydro budget has been set at 4.2% higher than the 2010 actual.			
<u>Loan Interest</u>	165,635	165,619	163,496
Represents estimated interest on loan to finance our share of sewage plant construction cost for 2011 plus share of the Ridge Road reconstruction loan.			
<u>Other Operating Expenditures</u>	200,046	148,291	195,828
This includes operating expenses not shown under other headings such as early payment discounts, audit costs, insurance premiums, course registration, and sewage pumping which			
<u>Debt Repayment</u>	49,209	49,225	76,703
Represents principal cost on the Bank of Montreal loan to cover the Town's share of the sewer plant construction. The loan was renegotiated in 2007 over a longer amortization period thereby reducing the annual principal repayment charge. Also included is the share of the repayment of the Ridge Road reconstruction loan.			
<u>Capital Reserve Contribution/Lifecycle Reserve</u>	-	44,799	0
Represents funds transferred to the Capital Reserve and Lifecycle Reserve. The latest C.N. Watson Report recommends that a Lifecycle Reserve transfer be made annually however, this has not been the practice			
<u>Sewer Rates</u>	Required \$ 426	\$ 427	\$ 435
	Charged \$ 426		
<u>Total Expenditures</u>	833,341	834,644	850,586

The 2011 proposed budget reflects an expenditure increase of \$17,245 from the 2010 Budget.

The sewer plant long term financing was renegotiated in 2007 in order to amortize the loan over the expected life expectancy of the plant (from 15 years to 30 years). There is also a new debt repayment for the sewer's share of the Ridge Road reconstruction project loan. A large portion of the Repairs and Maintenance costs previously budgeted have been moved to the "draft" Capital Budget..

The 2011 "draft" budget does not address "full cost recovery" but does cover the operating needs plus debt repayment requirements. It is recommended that the 2011 Sewer Rate be increased by \$9 to \$435 per annum.

Water Operating Budget Forecast - 2011

Description	No Lifecycle								
	2007 Town Budget (\$)	2007 Actual (\$)	2008 Budget (\$)	2008 Actual (\$)	2009 Budget (\$)	2009 Actual (\$)	2010 Budget (\$)	2010 Actual (\$)	2011 Budget (\$)
Expenditures									
Operating Costs									
Water Rates Billing/Collecting	5,412	5,412	5,520	5,520	5,631	5,631	5,858	5,858	5,858
Salaries/Benefits	59,666	48,703	51,325	73,498	69,450	59,012	80,900	48,678	62,700
OCWA Contract	343,782	483,634	407,442	381,710	402,588	405,288	404,587	413,007	410,178
OCWA Contract-Water Service Line Contract									49,950
Vehicles, Equipment, Materials, Parts	55,080	24,319	57,200	49,749	81,750	35,987	86,300	33,589	45,700
Hydro	106,200	122,171	121,200	86,192	90,200	98,717	99,100	98,677	104,100
Filtration Plant Chemicals	58,000	12,219	57,000	119,247	66,000	102,478	67,320	91,895	77,000
Property Taxes	21,189	21,189	21,501	21,501	21,501	20,729	21,501	20,223	21,000
Testing									
Addition WTP Operating Costs-OSWAP II							25,000	23,772	25,000
Water and Sewer Charges	827	827	827	827	827	870	870	917	925
Loan Interest			90,000	-	109,200	16,647	228,414	227,855	238,174
Other Operating Expenditures	83,312	48,594	83,020	112,663	98,490	152,905	138,159	117,586	148,560
Operations Subtotal	733,448	767,088	895,035	850,907	943,637	898,242	1,158,009	1,082,056	1,189,145
Capital Related									
Existing Debt									
New Debt-Loan Principal			-	-	25,736	-	30,956	30,956	46,552
Capital from Current/Debt Retirement	116,500	-	20,000	94,291	-				
Transfer to Capital Fund re: Truck Purchase	-	35,019	-						
Capital Reserve Contribution/Lifecycle Res.	774	26,822	-	(109,008)	-	52,293	-	90,581	-
Capital Related Subtotal	117,274	61,841	20,000	(14,717)	25,736	52,293	30,956	121,537	46,552
Total Expenditures	850,722	828,909	915,035	836,190	969,373	950,535	1,188,965	1,203,593	1,235,697
Revenues									
Operating Revenues									
Non-Resident Surcharge (15%)	300	337	300	337	300	378	306	461	325
Bulk Water Sales			-	75	-				
Golf Club Rate Revenue									
Hydrant Rental	42,512	42,512	42,512	42,512	42,924	42,924	43,783	43,783	44,658
Water On/Off	500	658	575	819	575	629	500	816	500
Other (Bank Interest)	-	4,914	-	822	-	498	-	2,258	
Other Revenues	5,100	3,388	5,075	8,015	5,000	25,000	5,000	10,094	13,132
Transfer From Water Reserve	30,000		95,086	7,437	100,000	-	-		
OSWA II Grant							25,000	25,000	25,000
Total Revenue	78,412	51,809	143,548	60,017	148,799	69,429	74,589	82,412	83,615
Water Billing Recovery	772,310	777,100	771,487	776,173	820,574	881,106	1,114,376	1,121,181	1,152,082
Total Revenues	850,722	828,909	915,035	836,190	969,373	950,535	1,188,965	1,203,593	1,235,697
Total Water Users									
	2,065	2,065	2,063	2,063	2,066	2,066	2,068	2,085	2,097
Water Rate \$ / User /Year	374.00	376.32	373.96	376.24	397.18	426.48	539	538	549
Capital from Current/Debt Retirement	116,500	0	20,000	94,291	25,736	0	30,956	30,956	46,552
Water Rate for Capital from Current alone \$ / User /Year	56.42	0.00	9.69	45.71	12.46	0.00	14.97	14.85	22.20
Lifecycle Reserve Contributions	774	26,822	-	(109,008)	-	52,293	-	90,581	-
Water Rate for Lifecycle alone \$ / User / Year	0.37	12.99	0.00	-52.84	0.00	25.31	0.00	43.44	0.00
Water Rate Operating Cost/User/Year	355.18	371.46	433.85	412.46	408.34	434.77	559.97	518.97	527.20
Proposed Rate					\$420	\$ 420	\$ 575	\$ 577	\$ 549
Actual Water Rate Billed	\$ 374	\$ 374	\$ 374	\$ 374	\$ 420	\$ 420	\$ 539		

Analysis of 2011 Water Budget

	<u>2010 Budget</u>	<u>2010 Actual</u>	<u>2011 Budget</u>
<u>OCWA Contract</u>	404,587	413,007	410,178
Includes cost of OCWA contracted services to operate Water Plant. The 2011 budget includes the latest quotation plus management fee but does not include any repairs performed by OCWA.			
<u>OCWA Contract-Water Service Line Contract</u>	-	-	49,950
This is a new contract and will add an additional \$24 per unit.			
<u>Hydro</u>	99,100	98,677	104,100
Hydro budget is budgeted at 5.5% higher than the 2010 actual.			
<u>Capital from Current</u>	30,956	30,958	46,552
Represents the transfer to the Capital Fund and principal debt retirement on the new WTP Loan and share of the Ridge Road reconstruction loan.			
<u>Capital Reserve Contribution/Lifecycle Reserve</u>	-	90,581	-
Represents funds transferred to the Capital Reserve and Lifecycle Reserve. The operating surplus from 2010 was transferred to reserve at year end.			
<u>Total Expenditures</u>	1,188,965	1,203,593	1,235,697
<u>Water Rates</u>			
	Required	575	577
	Charged	539	549

The 2011 budget reflects an expenditure increase of \$46,732.

from the 2010 Budget or \$32,104 more than the 2010 actual expenditures. This increase is mainly attributed to the OCWA contract to operate the plant (\$5,591), the increase in debt repayment charges on the water treatment plant plus a portion of the Ridge Road reconstruction debt (\$25,356), the new OCWA water line service contract (\$49,950), increase in water treatment costs (\$9,608), and Plant Maintenance increase (\$10,401).

The budget increase does not address "full cost recovery" as suggested by the Ministry of Environment as the 2011 anticipated water rate increase will cover operating and capital needs with no transfer to the lifecycle reserve.

It is recommended that the 2011 Water Rate be increased by \$10 to \$549 which will allow for payments on the loan to finance the plant and a share of the Ridge Road reconstruction loan plus funds to cover the contract with OCWA to maintain the water service lines.

The Corporation of the Town of Deep River

By-Law No. 14-2011

A by-law to set water and sewer rates.

WHEREAS authority for this by-law is contained in Part XII of the Municipal Act, 2001, S.O. 2001, c. 25;

AND WHEREAS the municipality has complied with the provisions of municipal By-Law No. 30-2004 being a by-law to prescribe the form and manner and times with respect to giving all notices, providing all required information and holding a public meeting before passing this by-law;

NOW THEREFORE the Council of the Corporation of the Town of Deep River
ENACTS AS FOLLOWS:

1 Definitions

In this by-law -

- 1.1 "Owner" shall mean the owner of the premises to which a water or sewer service is connected.
- 1.2 "Unit" shall mean a single family dwelling unit or its equivalent in terms of use of water and sewer service.

2 Water Flat Rates

- 2.1 A rate of \$549.00 per annum per unit is hereby imposed effective January 1, 2011 on all owners of units connected to the water system of the Town of Deep River.
- 2.2 Except as otherwise provided herein, any premises other than a single family dwelling unit shall be rated, having regard to its apparent use of water, as a its and such number shall be determined by Council on the recommendation of the Director of Public Works. No premises shall be deemed to be less than the equivalent of one unit.
- 2.3 Apartment buildings consisting of more than 6 single family dwelling units shall be deemed, for the purpose of calculating flat rates, to have an average occupancy of 80% and the number of units for which water and sewer rates is charged shall be 80% (rounded off to the next highest unit) of the actual number of single family dwelling units in such apartment building.

3 Meter Rates

The Corporation of the Town of Deep River may, at its option expressed by a resolution of Council, install a water meter in the service line to any premises.

4 Fire Protection

- 4.1 A rate shall be imposed applicable to all premises connected to the water system of the Town of Deep River, which have either a sprinkler system or fire hose rack.
- 4.2 The rate for sprinkler systems shall be \$1.00 per sprinkler head per year.
- 4.3 The rate for fire hose racks shall be \$460.00 per year for any building containing a fire hose connection to the water system of the Town of Deep River.
- 4.4 An annual rate is imposed on the Town of Deep River as a rental charge for the fire hydrants included in the water distribution system equal to \$44,658.00

5 Yearly Rate

The municipality may enter into a contract with any organization or person for the supply of water.

6 Sewer Service - Flat Rate

- 6.1 An annual rate for sewer service in the amount of \$435.00 per unit is hereby imposed effective January 1, 2011 on all owners of units connected to the sewer system of the Town of Deep River.
- 6.2 All premises upon which the sewer service rate is imposed under this section shall be charged for the same number of sewer units as for water.

7 Collection by Instalments

- 7.1 The water and sewer rates imposed pursuant to this by-law shall be paid to the Treasurer by instalments, each instalment being one-half of the annual rates due.
- 7.2 The Treasurer shall cause notice of each of the first and second instalments to be mailed at least 21 days in advance of the respective due dates hereafter specified to the owner of each property connected to the water and sewer system of the Town of Deep River.
- 7.3 Such instalments shall become due and payable with discount on or before the 29th day of April and the 31st day of October respectively in 2011.

The Corporation of the Town of Deep River
By-Law No. 14-2011

8 General

- 8.1 Where payment of water or sewer rates is made on or prior to the due date, a discount of 5% of the gross bill will be allowed.
- 8.2 Notwithstanding the other provisions of this by-law, where any premises is connected to the water supply of the Town of Deep River, and the water supply through such connection has been temporarily shut off at the request of the owner, amount chargeable for water and sewer rates shall be reduced by five per cent for each complete calendar month of shut off and such amounts shall be credited in the instalment billing following the time during which such credits arose.
- 8.3 A charge of \$15.00 shall be made for each time that a water connection is shut off or is turned on.

9 Enactment & Repeal

- 9.1 By-Law No. 15-2010 is hereby repealed.
- 9.2 This by-law comes into force upon adoption by Council of the Corporation of the Town of Deep River, and expires on December 31, 2011.

READ A FIRST AND SECOND TIME THIS 6TH DAY OF APRIL, A.D. 2011.

READ A THIRD TIME AND FINALLY PASSED THIS 6TH DAY OF APRIL, A.D. 2011.

Mayor

Chief Administrative Officer/Clerk



NOTICE OF PUBLIC MEETING

The Council of the Corporation of the Town of Deep River will hold a
Public Meeting to discuss the 2011 Sewer and Water Budgets on:

April 6th, 2011 at 6:45 p.m.
Town of Deep River
Council Chambers

After reviewing public concerns and comments, it is the intention of the
Council to adopt the 2011 Sewer and Water budgets and set the 2011
Sewer and Water Rates at the April 6th, 2011 Council meeting.

For further information, please contact:

Brian Quibell, Treasurer
Town of Deep River
100 Deep River Road, P.O. Box 400
Deep River, ON K0J 1P0
613-584-2000 Ext. 111

North Kenton Times March 30, 2011