



**MUNICIPALITY OF NORTH MIDDLESEX
SPECIAL BUDGET MEETING MINUTES**

The Special Budget Meeting of the Council of the Municipality of North Middlesex was held on Wednesday March 11, 2020 in the Council Chambers, Shared Services Centre, 229 Parkhill Main Street, Parkhill.

1. CALL TO ORDER

Mayor Ropp called the meeting to order at 7:00 p.m. with a quorum present.

2. ROLL CALL

Mayor Brian Ropp
Deputy Mayor Adrian Cornelissen
Councillor Ward One – Doreen McLinchey
Councillor Ward Two – Joan Nichol
Councillor Ward Three – Gord Moir
Councillor Ward Four – John Keogh
Councillor Ward Five – Andrew Hemming
CAO/Director of Operations – Jonathon Graham
Clerk Jackie Tiedeman
Treasurer, Tracy Johnson
Director of Economic Development and Community Facilities, Mike Barnier
Infrastructure Supervisor, Jonathan Lampman

3. DISCLOSURE OF PECUNIARY INTEREST

None declared

4. WATER/WASTEWATER BUDGET

Gary Scandlan, Watson & Associates Economists Ltd presented the Water, Wastewater and Stormwater Rate Study dated February 12, 2020. The study aims to update the analysis for current capital and operating forecasts, costing for lifecycle cost requirements, current volumes and customer profiles. The results of this analysis provides the Municipality with two options for water and wastewater rates; the first option is a base charge and volume rate where 90% of the revenues required are collected through the base charges. The second option is a flat rate charge where all revenues are recovered through a flat rate. In both options, the base charges and flat rates vary based on 2018 metered water volume categories. This allows for the impacts of any increases to be shared amongst all users equally. In addition, an analysis was undertaken to implement a rate structure for stormwater management (capital costs only) to provide for efficient stormwater infrastructure planning and maintenance. The rate analysis contained herein continues to provide fiscally responsible practices that are in line with current provincial legislation at a level of rate increases required for the capital program, operations and lifecycle replacement of the system.

The municipality currently services 2,350 metered water customers and 1,201 wastewater customers. Stormwater services are provided to 1,220 properties. The municipality purchases water from the Lake Huron Primary Water Supply System, which enters the North Middlesex Distribution System from five points. The distribution system is comprised of two water reservoirs, two booster pump stations and multiple water mains totalling almost 475 km. The wastewater system is served by a lagoon facility in Parkhill, a wastewater treatment plant in Ailsa Craig, and a number of pumping stations, force mains and sanitary mains throughout the Municipality.

He advised the report lays out some main issues for consideration when reviewing the rates proposed in this study. The municipality is facing large expenditures due to required capital works in the new few years, significant lifecycle replacement costs for the number of customers, and a high rate of water loss.

As a result of large anticipated capital expenditures, the needs for both water and wastewater are significant for the first half of the forecast period. Additionally, the Municipality has a large linear water system, which requires extensive lifecycle replacement needs. Hence, the required rate increases are substantial for 2020 and require increases throughout the forecast period.

Several questions were asked by Council and responded to by Mr. Scandlan.

In closing, he acknowledged that this is a serious and aggressive rate increase however, it is necessary in order to show the Province that the Municipality is exhausting every avenue locally to address the shortfall. In addition, he will work with staff on lobbying to get access to whatever grants or assistance is available as well.

Mayor Ropp thanked Mr. Scandlan for his presentation

Treasurer Tracy Johnson then proceeded with the draft Water and Wastewater Budget which included Water Operating including capital projects financed by reserves; Wastewater Operating and Capital including capital financed by reserves. She advised that all user charge revenue used in the preparation of the 2020 budget were calculated at a full year.

Several questions were asked by Council and responded to by staff.

It was stressed that there may be misconception that the Parkhill Development is responsible for the need for a wastewater treatment plant, however, Mr. Graham said the lagoons has been on the radar for while not that options were needed to undertake this project. Any development will actually assist in spreading costs out amongst the users of the sanitary and water systems.

CAO, Jonathon Graham, then presented the staff report. He advised that the report is intended to supplement the presented 2020 Water & Wastewater Budget and the refined and presented Municipality of North Middlesex Water, Wastewater and Stormwater Rate Study – March 11, 2020 (Watson & Associates) whereby linking financial responsibilities, historic trends/decisions within the Municipality's ability to sustain our current (and future) water, wastewater & stormwater infrastructure. He emphasized that this is for Council Information only at this time and no decisions are being recommended for council consideration this evening. The report will be brought forward on March 18th following the public meeting on this matter.

The Mayor concluded the meeting stressing the decision that Council has before them is a difficult one however, the facts are there to support the recommendation.

Staff and Council discussed the best way to advertise the upcoming public meeting and the information to make available as well.

The Clerk then presented the following motion for consideration

MOTION #067/2020

NICHOL/MCLINCHEY: That Council receive the Water/Wastewater Rate Study from Watson and Associates; and

That Council accept the Water/Wastewater Budget for 2020 in principle; and

That Council receive the staff report and that a decision be deferred until March 18th; and

That staff be directed to set a Public Meeting during the March 18, 2020 Regular Meeting.

CARRIED

5. ADJOURNMENT

MOTION #68/2020

MCLINCHEY/KEOGH: That the meeting adjourn at 8:06 p.m.

CARRIED

MAYOR

CLERK