



BLUE MOUNTAIN RATEPAYERS' ASSOCIATION

"Protecting the Interests of the Community"

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ENGINEERING & PUBLIC WORKS TOWN OF THE BLUE MOUNTAINS

Mayor and Council
The Blue Mountains

I'm in receipt of an undated letter from Mr. John Caswell that was sent to the community residents (I assume to water users only) as part of the Utility Bill (due August 10, 2011).

This letter will and should concern all ratepayers - especially to those existing ratepayers that will be asked to pay infrastructure replacement for all future water users.

Firstly, it should be clarified that **there was no Public Meeting in May or at any other time**. The ratepayers have not been given any opportunity to address/debate this issue before Council. The report to Council on May 9th was to direct staff to move forward with a 20 Year Plan. It was duly noted at this meeting that Council was not unanimous with moving forward with a 20 year Plan with increases at 8.2% per annum. It was noted that both Councilors Martin and Halos opposed the motion to proceed as presented.

With regards to the Public Information Centre (PIC), only 18 local residents were in attendance - certainly not a true representation from the community. PIC's **are not** generally well attended because there has been no debate or discussion with Council and people are afraid to give their comments until all the facts are known or at least they have had a chance to understand the problem. The PIC should not be considered a way for Council to avoid debating the issue in advance. This whole issue has not been handled properly and will be the subject of much debate at budget time.

The 4th paragraph of this letter is considered to be incorrect. Mr., Caswell refers to a **minimum increase** starting at 8.2%. This has yet to be **determined** and can still be less based on other 20 Year Plan proposals. This statement is very suggestive and would indicate that this is what staff wants and expects. No direction should be provided at this point without Council's final approval. The statement that an 8.2% increase will result in an additional charge of \$37.00 **per year** is wrong - why? - because the charge in the next year or in 2013 would be \$40.03 (\$37.00 x 1.082) and will keep increasing every year (compounding).

It appears that one statement in this letter is correct - "council will set the rates through its annual budget deliberations this year" - and they will be held accountable.

The ratepayers will have a lot more to say about this proposed Plan. Unknown infrastructure, waste, benefitting owner charges and excessive operational costs will all need to be closely re-examined before an arbitrary 20 Year Financial Plan (blame it on the Province) can be imposed and implemented.

Respectfully submitted,

Michael P. Seguin
President, Blue Mountain Ratepayers Association

cc: R. Russworm
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*Staff Report
to Council Apr 18/2*

Dear Community Resident:

As you may recall, in your March water bill you received an invitation to attend a Public Information Centre to learn more about our Water Financial Plan, a requirement of the provincial government which will have a significant impact on our water rates for the next twenty years. This Public Information Centre took place on April 30th and was followed by a Public Meeting on the same topic in May.

The Water Financial Plan is a plan which allows for better decision-making by Council regarding allocation of the budget. It also ensures more consistently high-quality infrastructure for use by our community and allows us to develop long-term plans for the budget so that our taxpayers do not see big increases in taxation or water rates all at one time.

Earlier this year, an analysis of the state of our water system showed that while water users, in total, invest \$602,000 annually into maintaining the infrastructure of our water system, we must invest an additional \$686,000 annually into reconstructing current watermain and treatment facilities to ensure a 100-year lifespan, as required by provincial legislation.

To achieve this, water rates beginning next year could increase a minimum of 8.2%. For a household using 180 m³ of water, the total annual water charge (including the consumption costs and fixed rate) could increase from \$459.00 to \$496.00. This is an additional charge of \$37.00 per year, based on an 8.2% increase. We will know the actual rate increase once Council sets the rates through its annual budget deliberations beginning later this year.

We are not alone. Surrounding municipalities, and in fact municipalities across Ontario, are undergoing the same water financial planning and identifying similar costs for their water systems.

We will continue to keep you updated on new information on future water rates as it becomes available. In the meantime, please visit our website at www.thebluemountains.ca/water-financial-plan.cfm for more information on the Water Financial Plan and what it means for our water users.

Sincerely,

John Caswell
Manager, Water and Wastewater Services
Town of The Blue Mountains

The Blue Mountains will be a progressive four season community, building on its agricultural and recreational features, offering a healthy and supportive lifestyle to a diverse range of residents, businesses and visitors.