



2021 Division Road North
Kingsville, Ontario N9Y 2Y9
(519) 733-2305
www.kingsville.ca
kingsvilleworks@kingsville.ca

Date: August 2, 2018
To: Mayor and Council
Author: Ryan McLeod, Director of Financial Services
RE: 2018 Water & Wastewater Rate Study
Report No.: FS-2018-12

AIM

To award the 2018 Water & Wastewater rate study and completion of the Ontario Regulation 453/07: Water Financial Plan to Watson & Associates Economists Ltd.

BACKGROUND

As part of the municipal drinking water licensing requirements, the Province requires municipalities to prepare a financial plan to ensure their drinking water system is financially viable. The Town of Kingsville drinking water license will require renewal by February 25, 2019.

In addition to meeting Provincial requirements, a water and wastewater rate study will assist management in establishing stable and predictable water and wastewater rates. This rate study will take into consideration consumption patterns and future capital requirements to ensure the Town is financial positioned to address the long-term operating and capital needs associated with these systems.

DISCUSSION

There are a number of factors which have led administration to recommend awarding this project to Watson & Associates. This firm completed the Town's previous water rate study which expires in 2019. Through their involvement with Kingsville's previous rate study and the recently adopted Development Charge study, they have detailed knowledge of the Town's current rate structure, customer base and economic environment. Further, Watson will be concurrently completing the rate study for the Union Water Supply System, which will result in certain efficiencies which have been reflected in the proposal.

After some negotiations with management, Watson has agreed to complete this study for \$25,000 (plus HST). Please see attached for a copy of the proposal.

LINK TO STRATEGIC PLAN

To become a leader in sustainable infrastructure renewal and development.

FINANCIAL CONSIDERATIONS

The 2018 Water budget includes \$25,000 for this rate study. As this study will relate to both water and wastewater, Administration would recommend allocating a portion of the fees to the respective wastewater budgets. To the extent that this cost cannot be absorbed in the current year wastewater operating budgets, Administration will recommend an appropriate reserve transfer at year end.

CONSULTATIONS

Andrew Plancke, Director of Municipal Services

RECOMMENDATION

That council accept the proposal from Watson & Associates for 2018 Water and Wastewater rate study and completion of the Ontario Regulation 453/07: Water Financial Plan.

Ryan McLeod

Ryan McLeod, CPA, CA
Director of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer