



# Frequently Asked Questions

## Drinking Water and Wastewater

### 1. Why am I billed for drinking water and wastewater?

You are only billed if your home or property is connected to the municipal drinking water systems in Cobden, Beachburg and Haley Townsite, and the sewer/wastewater system in Cobden. If your home is serviced by well or septic, you are not charged for municipal drinking water and sewer services as you do not access them.

### 2. Who pays for the drinking water systems and sewer/ wastewater systems?

Only the users of the systems pay for them. There are 1061 drinking water system users in Cobden, Beachburg and Haley Townsite. They include 844 single connections and 118 units in multi-residential buildings. A total of 500 users are connected to the sewer/wastewater system in Cobden, 353 of which are single connections with 84 multi-residential units.

### 3. When am I billed for water and sewer/wastewater services?

Billing occurs every other month with due dates on the last open business day of that month in March, May, July, September, November, and January. Pre-Authorized Payment Plans are encouraged and available.

### 4. What does my water and/or sewer bill pay for?

The charges pay for the operation, maintenance, and lifecycle costs of the systems. The Township contracts the Ontario Clean Water Agency (OCWA) to manage operations and capital improvements of the plants and systems, which must be maintained over time to ensure they continue to operate, and no failures occur.

### 5. How are my charges calculated?

All costs to manage and operate the systems are paid for by the users of those systems. Total costs  $\div$  # of units  $=$  billing amount.

### 6. Are these services regulated and safe?

These systems are highly regulated by Ontario's Ministry of the Environment, Conservation and Parks under a license. Ontario passed the Safe Drinking Water Act in 2002 following the Walkerton tragedy. The Township's drinking water systems require a license. To become licensed, a municipality must satisfy five key requirements:

- Obtain a drinking water works permit.
- Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard.
- Accreditation of the Operating Authority.
- Prepare and provide a financial plan.
- Obtain permit to take water.

## **7. Does the Township have a plan to deal with these rates?**

A financial plan is required and includes a 10-year forecast of all necessary work to maintain and operate the drinking water and sewer/wastewater systems. The financial plan and water/wastewater study are available on request and on the Township's website.

## **8. How are rates set?**

The 2021 rates are derived from the 2019 Water Wastewater Rate Study done by Watson & Associates. That study called for an increase in drinking water rates of 10% and an increase in wastewater rates of 60% for this year. An increase of 9% for water and an increase of 30% (half of what the study called for) in wastewater were approved. The residential rate for water went from \$148.26 every two months to \$161.67 every two months. This is a yearly increase of \$80.46. The residential sewer/wastewater rate went from \$184.22 every two months to \$239.49 every two months. This is yearly increase of \$331.62.

## **9. Why did rates go up this year?**

The increase in water is essentially due to the increase in our contract with the Ontario Clean Water Agency (OCWA) that runs the water and sewer/wastewater systems. Rates reflect increases in OCWA contract costs of \$32,000 and \$45,500 to help fund the \$187,000 of capital and special projects identified in the 2021 budget required to properly manage municipal drinking water:

- Energy Analysis
- Turbidity Meter Replacement
- Pump Replacement
- Clear Well Repairs
- Fire Flow Leak Detection
- Water Tower Inspection.

For sewer/wastewater rates, increases cover added OCWA contract costs of \$35,000 and new debt service charges for the upgraded Cobden wastewater treatment plant of \$22,470. There is an increase in capital expenditures of \$55,000, which includes sewer line analysis and the final clarifier repairs. Funds are also being transferred to reserve to pay for future needed repairs and maintenance.

## **10. What is the status of the Cobden Wastewater Plant Upgrades?**

The plant required upgrading as it had no additional capacity which meant that additional growth in Cobden could not occur. In addition, upgrading the plant was necessary to help address water quality issues with Muskrat Lake. A federal-provincial grant was received to pay for close to half of the project costs, which are more than \$11 million. The remainder of the costs will be borrowed and paid for over a 30-year period so that future residents also pay for the costs of the project which will benefit Cobden for decades to come. Construction will be completed in the spring of 2021 and fully operational by 2022.

## **11. How can rate increases be lessened in the future?**

Most of the costs of the systems relate to their operation and future capital requirements to avoid a failure of the systems. Since these involve drinking water and sewers, failures cannot occur. Additional growth in the villages will add users which means costs can be distributed to more consumers. The Township is also committed to the most efficient option for running the plants and will look at all available options when the current contract with the Ontario Clean Water Agency expires in a few years. The introduction of development charges on new units would also fund projects that are required due to growth, including a new water tower in Beachburg and water/sewer pipe replacements on Astrolabe and Robertson roads. A portion of the Cobden wastewater treatment plant upgrades can also be covered through development charges as more capacity was added to the system.

## **12. What is the total budget for the drinking water systems in Cobden, Beachburg and Haley Townsite and the sewer/wastewater system in Cobden?**

The 2021 budget approved \$1,220,000 in expenditures for the drinking water systems in Cobden, Beachburg and Haley Townsite, as well as \$790,750 in expenditures for the sewer/wastewater system in Cobden.

## **13. How are large projects funded?**

Many large projects cost hundreds of thousands of dollars, including large treatment plant items and road projects requiring sewer or water line replacements. For instance, the upgrades to the Cobden Wastewater Treatment Plant will result in annual debt servicing costs of \$280,000 per year in 2022. Debt is required due to the scope of these projects and to spread the costs over many years as these projects benefit future generations. The following table outlines previous projects and existing debt.

Water										
Project	Principal	Rate	Loan Term	Start Date	End Date	2020 Ending Balance	2021 Interest	Principal	Total Payment	2021 Ending Balance
Haley WTP & Cobden WTP	1,321,747.98	4.94%	30	1-Jun-10	1-Jun-40	1,055,548.42	51,739.04	33,203.42	84,942.46	1,022,345.00
Haley Distribution	189,104.04	3.90%	30	1-Dec-11	2-Dec-41	153,142.00	5,925.97	4,822.99	10,748.96	148,319.01
Beachburg Distribution (Morris Street)	160,660.60	3.59%	20	1-Dec-11	1-Dec-31	102,200.51	3,600.26	7,727.70	11,327.96	94,472.81
Truelove, John & Crawford	1,600,000.00	3.39%	20	15-Aug-19	15-Feb-39	302,739.00	10,162.00	12,000.47	22,162.47	290,738.54
<b>Total</b>							<b>71,427.27</b>	<b>57,754.58</b>	<b>129,181.85</b>	
Sewer										
Project	Principal	Rate	Loan Term	Start Date	End Date	2020 Ending Balance	2021 Interest	Principal	Total Payment	2021 Ending Balance
Cobden Sewer (Highway 17)	120,090.98	3.59%	20	1-Dec-11	1-Dec-31	76,393.00	2,691.12	5,776.34	8,467.46	70,616.66
Truelove, John & Crawford	1,600,000.00	3.39%	20	15-Aug-19	15-Feb-39	75,684.75	2,540.50	3,000.12	5,540.62	72,684.63
<b>Sewer</b>	<b>6,000,000</b>	<b>2.35%</b>	<b>30</b>			<b>6,000,000.00</b>	<b>70,500.00</b>	<b>69,420.76</b>	<b>139,920.76</b>	<b>5,930,579.24</b>
<b>Total</b>							<b>75,731.62</b>	<b>78,197.22</b>	<b>153,928.84</b>	