

ST. THOMAS AREA SECONDARY WATER SUPPLY SYSTEM

JOINT BOARD OF MANAGEMENT

Monday, November 3, 2014 at 2:00 p.m.

City Hall – Room 204

AGENDA

DISCLOSURES OF INTEREST

Minutes

Review and approval of the minutes of October 17th, 2014

Reports

1. Report ES 127-14 – STASWSS – 2015 Water Rate

Unfinished Business

New Business

Adjournment



Corporation of the
City of St. Thomas

Report No.

ES127-14

File No.

06-050-00

Directed to: Acting Mayor Grant Jones and the Members of
The Board of Management for the St. Thomas
Area Secondary Water Supply System

Meeting Date: November 3, 2014
Date Authored: October 28, 2014

Department: Environmental Services

Attachments

Prepared By: Mike Campbell, P.Eng.,
Manager of Operations and Compliance

Subject: St. Thomas Area Secondary Water Supply System – 2015 Water Rate

Recommendation:

THAT: Report ES127-14, St. Thomas Secondary Water Supply System – 2015 Water Rate, be received for information;

THAT: The Secondary Water Rate of \$1.0011, effective January 1st 2015, be approved; and further

THAT: A new rate be brought to the board should the ongoing rate study indicate that it is necessary.

Origin:

The 2014 St. Thomas Area Secondary Water Supply System Budget report, ES128-13, was adopted on November 6, 2013. That report recommended that interim Water Rate increases of 12% annually should be planned in order to accrue \$400,000.00 in the capital reserve over five years. This was to offset the cost of coating the tower or part of the cost of reconfiguring the system without a tower, whichever was chosen.

Analysis:

Secondary Water Rate

The overall Secondary Water Rate is based on the Primary System Water Rate and the Secondary System Water Rate. The Primary System Water Rate was approved by the Joint Board of Management for the Elgin Area Primary Water System on October 3rd 2013 based on a 9 % increase. The rate was changed from \$0.6203 / m³ to \$0.6761 / m³.

Based on the foregoing, and a 12% increase, the Secondary System Water Rate will increase from \$0.2902 / m³ to \$0.3250 / m³.

Description	2012	2013	2014	2015	2016	2017
Secondary Rate (\$/m ³)	0.2327	0.2591	0.2902	0.3250	0.3640	0.4077
Primary Rate (\$/m ³)	0.5221	0.5691	0.6203	0.6761	0.7370	0.7739
Overall Secondary Water Rate (Primary and Secondary Rate)	0.7548	0.8282	0.9105	1.0011	1.1010	1.1816

The overall Secondary Water Rate is a combination of the Primary and Secondary Rates and in 2015 the rate increases from \$0.9105 / m³ to \$1.0011 / m³. This amounts to an overall rate increase of 9.95% in the overall Secondary Water Rate.

The rate study is ongoing, with results anticipated early in the new year. At that time, staff will be able to better determine the future rates required to fund the STASWSS in a sustainable fashion. The results of the study and the recommended rates will be the subject of a report to the board once the information becomes available. Should the progression of rates warrant it, a new rate for the balance of 2015 will be proposed in that report.

Financial Considerations:

The 2015 St. Thomas Area Secondary Water Supply System rate as proposed is in keeping with last year's budget report. The 2015 budget will be developed and reported to the board in January 2015

Respectfully Submitted,


Mike Campbell, P.Eng.
Manager of Operations & Compliance

Reviewed By:

Treasury Env Services Planning City Clerk HR Other