

Bancroft water and wastewater committee recommends 2.5 per cent rate increase

By Nate Smelle

About 15 Bancroft residents came out the Jan. 17 water and wastewater committee meeting to hear the town's plans to raise water and wastewater rates in 2018. Mayor Paul Jenkins stepped in to chair the meeting after former chair Councillor Bill Kilpatrick handed in his resignation at the last council meeting on Jan. 9. With only two members of council composing the committee, Jenkins and Councillor Mary Kavanagh, Councillor Wayne Wiggins sat in to observe the proceedings. During the meeting, Jenkins, Kavanagh and CAO Hazel Lambe shared the history of the water and wastewater issue.

According to committee members and the CAO, much of the blame falls on the province. The council of the time was told that the province would be banning the practice of field spreading septage in the early 2000s. This would have increased the demand on Bancroft's current and aging wastewater facility, therefore Bancroft started down the path of upgrading its plant.

The province later removed these changes from the legislation, and neighbouring municipalities were no longer required to participate in the program. Lambe said Bancroft was left to pay for the upgraded facilities which far exceed the town's needs. From then on, the cost of operating the plant has risen substantially. For instance, when the town's contract with the Ontario Clean Water Agency to manage the operation of the wastewater plant came up for tender in 2012, Lambe said OCWA reported a series of unforeseen increases to operational costs.

At this time, annual lab costs doubled from \$9,500 to \$19,000; the hydro bill climbed from \$58,500 to \$135,000; \$85,000 was needed for a new sewage pump; as well as another \$93,000 for additional services (maintenance, swabbing and flushing of sewer lines).

The committee also discussed two notices of motion put forward by Kilpatrick on Jan. 9 to alleviate the pressure that the 53 per cent increase to water and wastewater rates in 2017 has placed on low-income earners in the community.

The first notice of motion pointed out that the redesigned Ontario Municipal Partnership Fund resulted in Bancroft receiving an additional \$207,000 in unconditional funding from the province this year. Pointing out that "the most challenging fiscal circumstance that Bancroft residents face at the moment is the drastic increase in water and wastewater rates" Kilpatrick's notice of motion recommended that "council direct staff to use the extra 2018 OMPF funding in the amount of \$207,000 to both further reduce the wastewater deficit and create a Wastewater Contingency Fund."

This fund could be used to cover any unforeseen expenses such as arrears, as well as any losses at year end.

Lambe said the OMPF funding is meant to improve the overall health of the municipality, and is not intended to be used on one specific component of operations such as water or roads. Jenkins said that because the town is already contributing \$300,000 from general taxation to water and wastewater, he was not in favour of applying an additional \$207,000 to the nearly \$2 million wastewater deficit.

"We have other needs for that money because one of our prime objectives as we move forward is to make us more competitive with respect to the outlying areas," said Jenkins.

"How do we do that? We are continually looking at initiatives to reduce the cost of our operation. We've come up with a direction to staff for the 2018 budget to look at a two per cent tax reduction. So, we are taking these steps. If we continually throw money at Band-Aid solutions it will not help improve our long-term position."

Kilpatrick's second notice of motion calls for an immediate moratorium on water shut-offs to ensure that all residents can afford the "basic necessities of life such as water and sewer."

It further states that depriving people of water and sewer services "directly threatens the safety and well-being of residents and places the health of people and families at risk."

Though Lambe indicated at the meeting that the town and council must provide clean drinking water under the Safe Water Act, Kavanagh said under the Municipal Act they are primarily responsible for the "fiduciary health" of the municipality, not social services.

Highlighting funding available at the county level to help those who cannot afford water and sewer services, she said water shut-offs should not be an issue because there is financial assistance available that is not being used.

"I think that it behooves us, all of the citizens to make sure that everybody in the community understands that in fact that money is there and it's available; it just needs to be requested," said Kavanagh.

"That fund will provide financial assistance, so there is no reason for us to even be discussing water shut-offs because that money is there for people to request."

Following the committee's discussion, each of these notices of motion were referred to staff for further consideration. Staff is

expected to report back to council regarding both of these items at their meeting in March.

Before the meeting adjourned, Jenkins announced the committee's recommendations regarding water and wastewater.

Rather than the five per cent increase that was on the table for this year, the committee is now recommending that council increase the rates by 2.5 per cent. The committee also recommended that council approve a contribution of \$20,000 from the Town of Bancroft in 2018 to create a Water Relief Fund. Jenkins said this fund will serve as a contingency fund to complement existing programs offered by Hastings County community and human services.