

The great water and sewer debate

To the Editor,

For most of a year now we have been consumed by ongoing discussions as to the affordability of municipal water and sewer rates. This became an issue in early 2017 with the doubling of the wastewater portion of these bills however the problem didn't start then. At the advent of the municipal water system, the council of the day was basking in the prospect of potential limitless growth. We had several new mines which brought overnight growth and this, coupled with the baby boom, meant that we would be a city in short order. These factors among others, seem to have, masked the need for a plan to replace this infrastructure in the future and choices then certainly would not have been framed with any regard to the current reality of stagnant growth.

Fast forward 40 years to the early 2000's. At this point it would seem there must have been some concern about these issues as the sitting council hired the C.N. Watson and Associates Ltd. group to carry out a thorough analysis of the entire system. Several recommendations came out of this report and, for me, there were two which seem to be the most prophetic. The first was the need to create a fund for future replacement of system components and, secondly, the need for regular increases in sewer and water rates to cover operational costs. These recommendations seem to have been largely ignored or at best case, rate increases fell far short of what was necessary. By the end of the first decade of the 2000s we were in trouble. The first and most costly expenditure during the life of the system was the construction of the new wastewater treatment plant. The town's share of this cost had to be borrowed due to the absence of any provision for funding within the user rate structure. Because the system was designed to be funded by user rates, this borrowing along with other increased operating costs, triggered a deficit. The town covered the deficit amount to some degree by drawing on its line of credit at the bank. If one is even possessed of an elementary school education and has access to a \$5 calculator, it is quickly obvious what the outcome would be. By 2015 we were running out of money. An even greater problem was the fact that this problem was building year over year without council's knowledge.

In 2014 I was working in the municipal office with the primary role of being a resource to the CAO. Lambe, who was herself at that time fairly new to her role, approached me with the concern that she suspected problems with the finances of the municipal water system. She asked me to perform an analysis of those finances and to report back to her immediately. I still well remember the sinking feeling in the pit of my stomach when I realized the magnitude of the problem. I reported my findings to her and she immediately notified council. And so began the process which has brought us to our current state.

It has long been the practice across the wide spectrum of municipalities, that services not available to all ratepayers, should be paid for by those who consume these services. This is especially important in cases such as the amalgamated Town of Bancroft which includes the former township of Dungannon which is totally outside of the water and sewer service area. In my own case I live in Dungannon ward and thereby I'm totally responsible for my own water and sewer costs. When a new home is constructed outside of municipally serviced areas, the cost of a drilled well and a septic system is routinely between \$10,000 and \$20,000. Add to this the fact that replacing a deep well pump can be upwards of a \$1,000. And a septic bed replacement would be several thousand dollars, none of which the other ratepayers of the municipality are obligated to fund. Whether or not the readers are aware, a significant part of the debt repayment plan is the provision of funds raised through general taxation, ie: everybody's money. This has quietly been accepted by those of us who don't use the system.

I also live on a relatively low pension income which is also fixed. Thankfully I am able to supplement my income by part time work, something which I enjoy and am still able to manage. At the same time I realize that there are others who are on the water and wastewater systems who are not able to supplement their income and I empathize with them.

To put this all in perspective, while this deficit was building, users were unwittingly having a bit of a holiday from paying for the true cost of operating and maintaining the system. However, had realistic rates been in place for all those years, I suspect that the current rate structure would still be necessary. It just wouldn't have been such a shock getting to where it is now.

Much of the discussion I have heard has been framed in the context of the effect upon low income users of the system. I acknowledge the validity of their concern. However it strikes me that the crux of this matter lies with the county or whoever their support comes from. As has been pointed out by others, water and wastewater access is a matter of life and as well, a reasonable expectation. As such, and especially in regards to the County of Hastings, it is only reasonable that these new costs be covered by increased support levels.

Any change to the current debt repayment schedule brought on by rate decreases, will probably mean that those of us who don't use the system will face extended periods of extra taxation which we can ill afford. How fair is that? The problem here is not with our town council but rather with the upper tier government which is letting you down by not acknowledging these extra costs.

Don Taylor