



TOWN OF MINTO

DATE: May 10, 2017
REPORT TO: Mayor and Council
FROM: Bill White C.A.O. Clerk; Wayne Metzger Water Foreman
SUBJECT: Bulk Water Draft Policy

STRATEGIC PLAN:

11.1 Implement financial plans to ensure water distribution and treatment, and sewage collection and treatment systems are operated effectively and efficiently, costs are allocated fairly based on residential and non-residential metered rates, and operations, maintenance and future capital replacement is planned for and financed.

11.2 Continue to operate water treatment and distribution with the highest standards of public safety in mind and according to Provincial requirements using highly trained Town staff, and maintain cross training and enhanced duties to assume responsibility for sewage collection and treatment facilities from Centre Wellington. Maintain both water and sewer facilities using qualified Town staff so long as it is cost effective and efficient to do so.

BACKGROUND:

At the May 16 meeting Council considered a request to take bulk water and passed the following resolution:

THAT Council receives the C.A.O. Clerk and Water Foreman's May 10, 2017 report Bulk Water Request Bright's Water Services Inc. and that staff be directed to negotiate a draft agreement with Bright's Water Services to provide access for bulk water in Palmerston along with a policy and updated rate for Council consideration.

In discussion with Bright's they advised they do not have formal agreements with most municipalities where water is taken. Normally there is an application and payment process along with specifications on connection and insurance.

The attached draft policy allows very limited bulk water taking with no exclusivity for Bright's or any other company. This policy is consistent with Town practices over the years to provide some bulk water to meet an expressed need (ie. IPM 2016), and includes the following:

- Allows for a maximum 0.725% of total consumption to be taken annually or about 5,050 cubic metres of bulk water annually. There is no exclusivity to any one company.
- Companies apply in writing to the Overall Responsible Operator (ORO Wayne Metzger) and pre-pay for all bulk water. Fee will be as set out in Fees and Charges By-law.
- No bulk water is given if there is any kind of water restriction in place for any regular Minto customer. The ORO can allow water taking from any system where appropriate.
- The ORO can deny any request at any time, and will report annually (at budget) about how much bulk water is taken.
- Town can shut off supply of bulk water at any time with no consequence and is saved harmless from any action regarding supply of water

- Recommended fee of \$3 per cubic meter plus \$100 per written application to ORO.

COMMENTS:

Council was advised the Town permitted bulk water taking for IPM 2016 as have allowed occasional requests where bulk water has been needed over the years. By limiting total available water to less than 0.725% of total consumption there will be no impact on supply for any one system. The ORO can allow for bulk water taking in any urban system depending on need and supply. Minto Pines is less suited for bulk water there is no storage available.

The 32% drop in consumption in Palmerston reported last meeting was based on Management Review figures that did not include all of 2016. Actual consumption figures for all systems are as follows:

	2016 water use (m³)	Peak use (m³)	Lowest use (m³)	% reduction
Clifford	96,529	168,662	82,547	51%
Harriston	287,099	388,458	287,099	26%
Palmerston	304,288	346,739	304,288	12%
Minto Pines	6,623	9,560	6,623	31%
Total	696,555	913,419	680,557	25%

Since installing meters Minto experienced an overall 25% reduction in water use, or over 232,800 m³ less water used despite strong growth in all three urban areas. Total amount of bulk water allowed for use by the draft policy is less than 0.725% of consumption, allowing up to 5,050 m³ water to be taken where customers now use 232,862 m³ less water.

The policy does not allow bulk water taking during water restrictions. Annual restrictions were needed to curb use when flat rates applied. Restrictions could be removed and replaced with an education system to encourage wise use of water. People who water grass every day will pay considerably more for water. The Town will have to restrict water use during emergencies or prolonged drought when bulk water taking will not be allowed.

FINANCIAL CONSIDERATIONS:

Total revenue from 5,050 m³ of water in one season (+180 loads) at \$3 per m³ is \$15,150 plus \$100 admin fee. \$3 per m³ is on the high end of what Bright's pays in other places.

RECOMMENDATION:

That Council receives the C.A.O. Clerk and Overall Responsible Operator's May 30, 2017 report Bulk Water Policy, approves the policy as presented, and directs staff to bring forward a by-law to implement a charge of \$3 per m³ plus \$100 administration and remove water restrictions for all Minto customers except as may be required during emergency, drought or other conditions identified by the Overall Responsible Operator

Bill White C.A.O. Clerk

Wayne Metzger, Overall Responsible Operator