

VILLAGE OF POINT EDWARD

PUBLIC MEETING

WATER AND SEWAGE RATE INCREASES

November 28, 2006

7:00 p.m.

Council Members Present:

Mayor Kirkland

Deputy Mayor Robson

Councillor MacKenzie

Councillor Bourrie

Councillor Hand

Staff Present:

Jim Sloma, Cindy Maguire, CAO Cramp

Chairperson Lorne Bourrie, Water and WPCP Department, reviewed the budget breakdown for the Water and WPCP. He particularly noted that the main increases in the rates result from a reallocation of costs from LAWSS to all participating municipalities except the City of Sarnia as an error had occurred over the past several years in the amount of water being supplied to each of the municipalities.

Mr. Pete McPhedran asked what the reason for the increase was and how can it be justified.

Chairperson Bourrie explained in greater detail the situation with the added costs being allocated by LAWSS, over which the Village has no control.

Mr. Paul Churchill asked if it was an estimated guess and does the weather make a difference. Councillor Bourrie advised that the weather does make a difference in the amount of water used. In addition, due to escalating water costs, residents are more conscious about their water bills. This had led to conservation but when less water is used, there are less revenues but the expenses remain the same.

Councillor Hand asked for confirmation that the Village is forced to have reserves. Chairperson Bourrie explained that it is necessary to have reserves and regulations are going to put into effect that will require that the Village carry sufficient reserves to cover the replacement of all water and sewage equipment, mains, etc.

Manager Jim Sloma advised that the law regulates that the rates be increased to cover costs.

Mr. McPhedran agrees that if we have higher expenses, we need more revenue. He asked why we would have to increase the rates when there is less water used. Chairperson Bourrie responded that when less water is used, there are less revenues to cover the expenses.

Mayor Kirkland advised that the Village has carried out a Leak Detection program and corrected the two problem areas.

Cindy Maguire advised that we have had to pay for increased capital costs by LAWSS. LAWSS has tripled their rates over the last six years and the Village's rates have less than doubled. There is close to \$300,000 in reserves.

Manager Sloma reiterated that the Village is short on revenue because of the additional costs charged by LAWSS.

Deputy Mayor Robson thanked Chairperson Bourrie, Jim Sloma and Cindy Maguire for their work on keeping the rates down. The changes began in 2001 and this is only the second increase.

The meeting adjourned at 6:35 p.m.

Mayor Dick Kirkland

CAO Peggy Cramp