



**SPECIAL GENERAL COMMITTEE
WATER & WASTEWATER
BUDGET INFORMATION
MEETING AGENDA**

**TUESDAY, FEBRUARY 24, 2015
6 P.M.**

**COUNCIL CHAMBERS
AURORA TOWN HALL**



**TOWN OF AURORA
SPECIAL GENERAL COMMITTEE
WATER AND WASTEWATER
BUDGET INTRODUCTION
MEETING AGENDA**

Tuesday, February 24, 2015
6 p.m.
Council Chambers

Mayor Dawe in the Chair

1. DECLARATION OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

2. APPROVAL OF THE AGENDA

RECOMMENDED:

THAT the agenda as circulated by Legal and Legislative Services be approved.

3. DELEGATIONS

RECOMMENDED:

THAT the requirements of section 3.8(c) of the Procedural By-law be waived to permit the delegation of Ilmar Simanovskis, Director of Infrastructure and Environmental Services to speak for more than five (5) minutes.

- (a) **Director of Infrastructure & Environmental Services** pg. 1
Re: Safe Drinking Water Act and Water/Wastewater Budget Primer

4. ADJOURNMENT



Safe Drinking Water Act and Water/Wastewater Budget Primer

February 24, 2015



Discussion

- Council and the Safe Water Act (and others)
- Program Policy Statement
- Budget Methodology



Safe Water Act



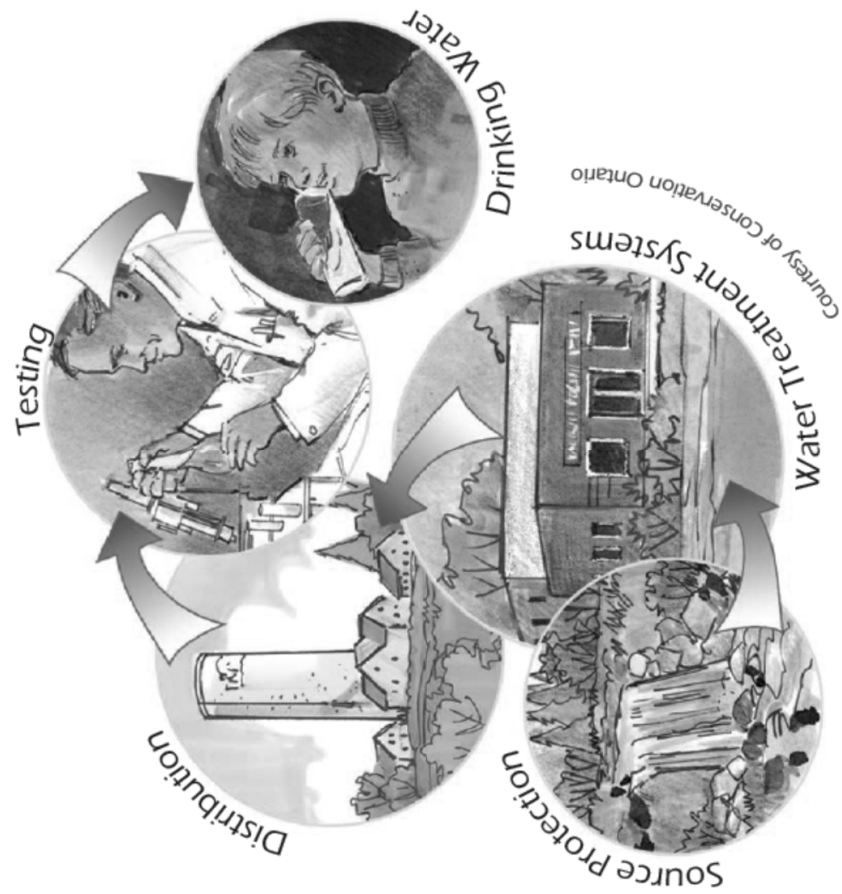


Protection Safety Net

- Source to tap focus
- Strong legislative and regulatory framework
- Regulated health based standards
- Regular testing
- Swift action for adverse incidents
- Mandatory licensing, operator certification and training

AURORA Multi Faceted Approach to Protecting Drinking Water

You're in Good Company





Aurora's Responsibility

- York Region responsible for water production and bulk distribution
- Aurora responsible for local distribution to delivery to the property line
- Private side water system covered by the plumbing code
- Although systems are integrated, physical delineation points are identified to define asset ownership between Region and Town



Safe Drinking Water Act and Regulations

- Safe Drinking Water Act 2002
- Ont. Reg. 169/03- Ontario Drinking Water Quality Standards
- Ont. Reg. 128/03- Certification of Drinking Water System Operators and Water Quality Analysts
- Ont. Reg. 242/05- Compliance and Enforcement
- Ont. Reg. 188/07- Licensing of Municipal Drinking Water Systems
- Ont. Reg. 229/07- Service of Documents
- Ont. Reg. 453/07- Financial Plans
- Ont. Reg. 248/03- Drinking Water Testing Services
- Ont. Reg. 170/03- Drinking Water Systems



SDWA Section 11 Responsibilities

As the Owner/Operator we are responsible for:

- Ensuring water meets quality standards
- Operating in accordance with the Act and Regulations
- Maintaining the system
- Providing appropriate staffing and qualified supervision
- Complying with testing requirements
- Submitting all required reports



SDWA Section 19 Responsibilities


Statutory Standard of Care- Your Duty and Liability

- Legal responsibility is extended to people with decision making authority over the water system and those that oversee the operating authority
- This is to be carried out with prudence by all responsible: The Owner is obligated to ensure the operating authority is carrying out its responsibilities according to the Act
- Councillors must understand that they are potentially personally liable for the safety of the drinking water
- Councillors are not expected to be experts and can rely in good faith on reports from persons whose professional qualifications lend credibility to the report.



SDWA Oath

I, {state your name}, as a Councillor for the Town of Aurora...and as the responsible body for the municipal drinking water system...do solemnly swear to uphold my responsibilities as the Owner of the system. I promise to exercise the level of care...diligence and skill...with regard to the management and oversight of the water system...that a reasonable and prudent person...would be expected to exercise in a similar situation...and that I exercise this due diligence honestly...competently...and with integrity.

 **Drinking Water Quality Management Standard**

- Town maintains an operational plan that is regularly updated and audited annually.
- This document sets out the operating and management requirements
- A management review is conducted annually with staff including the CAO and Director and results are reported to Council

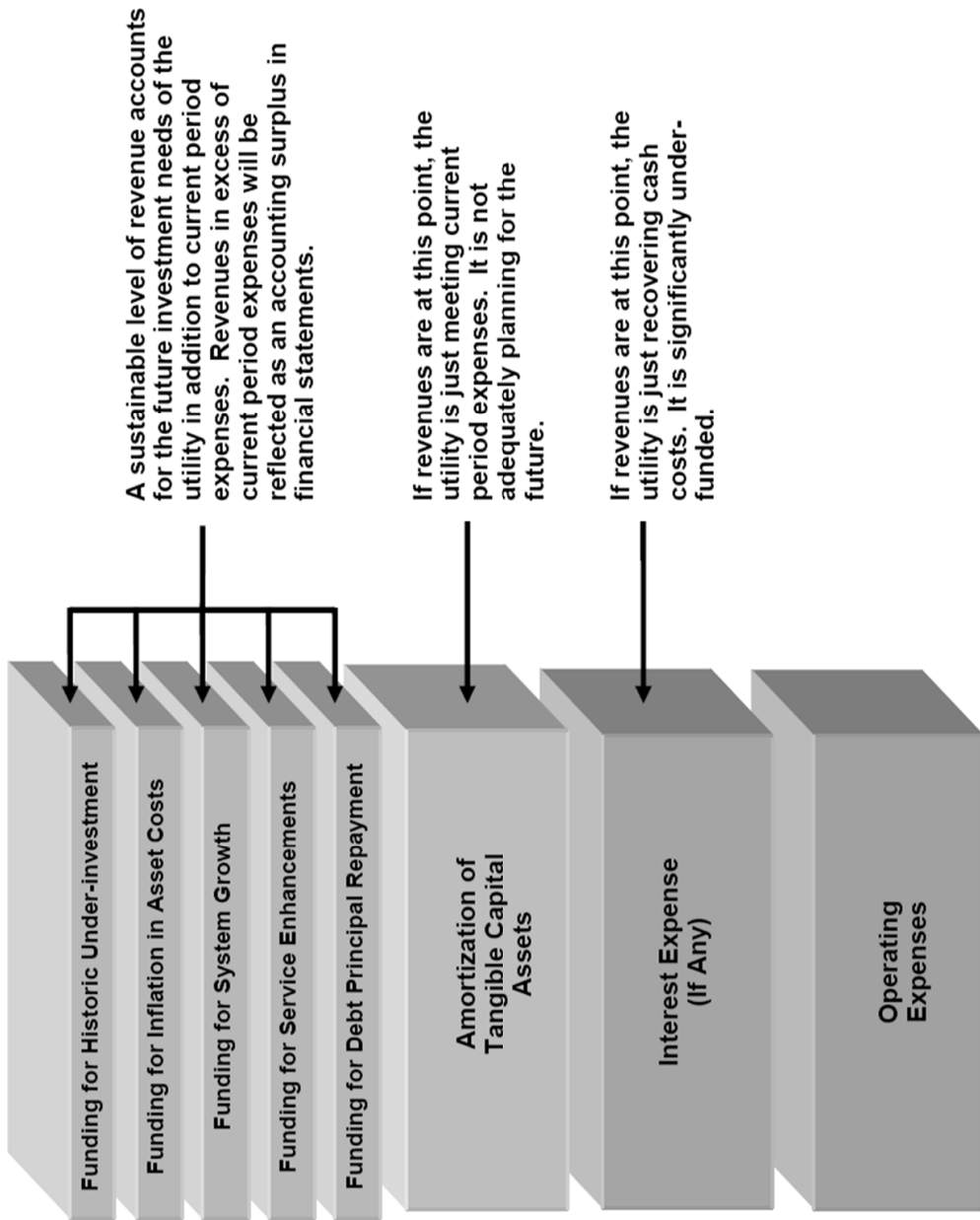


System Operating Reports

- Water quality testing results
- Asset management plan
- Capital investment plan
- Water audits and water loss analysis
- Emergency plan



Financial Planning





Additional Training

- Town of Whitchurch Stouffville will be hosting a Council Training Session April 16 9:30 am to 12:00 pm at Stouffville Fire Station 51
- Standard of Care training on Section 19
- 25 spots available for N6 members
- Contact rob.flindall@townofws.ca if interested in attending



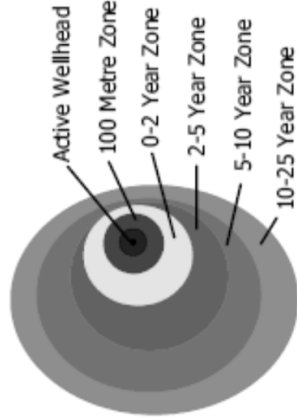


Clean Water Act

- Purpose of the Clean Water Act, 2006 is to protect existing and future sources of drinking water.
- Related Regulations:
 - Ont. Reg. 284/07- Source Protection Areas and Regions
 - Ont. Reg. 288/07- Source Protection



Wellhead Protection Areas





Lake Simcoe Protection Act, 2008

- Purpose of this act is to protect and restore the ecological health of the Lake Simcoe watershed.
- Aurora is 95+ percent within the southern headwaters of the Lake Simcoe watershed
- Town finalizing stormwater management plan with CA prior to Council approval



The Corporation of the Town of Aurora Infrastructure & Environmental Services Department Drinking Water Quality Policy (2011)



The Municipality of the Town of Aurora owns, maintains and operates the Aurora Class II Water Distribution System as described in the annually published Ministry of the Environment's Water Quality Summary Report.

The Town of Aurora's water supply is provided by the Regional Municipality of York. Once the water enters the distribution system, water quality control and responsibility then becomes a partnership shared with the Town of Aurora.

This Drinking Water Quality Policy outlines the roles and responsibilities of the Town of Aurora.

The Town of Aurora is committed to:

1. Ensuring a consistent supply of safe, high-quality drinking water, through a commitment to system maintenance;
2. Maintaining and continuously improving its quality management system in order to provide safe drinking water to Aurora's consumers; and
3. Meeting applicable Ontario regulations and legislation (i.e. Ontario's Reg. 170-03).

The Town of Aurora strives to accomplish its goals through staff dedication, development and training. The Town continues to be an active participant in industry associations, while promoting resource conservation through public awareness.

The Town of Aurora further supports this policy through its corporate Strategic Plan (2006), whereby Goal C states: Promote a healthy environment that fosters social and physical well-being.

Town of Aurora Water Distribution System, Top Management:

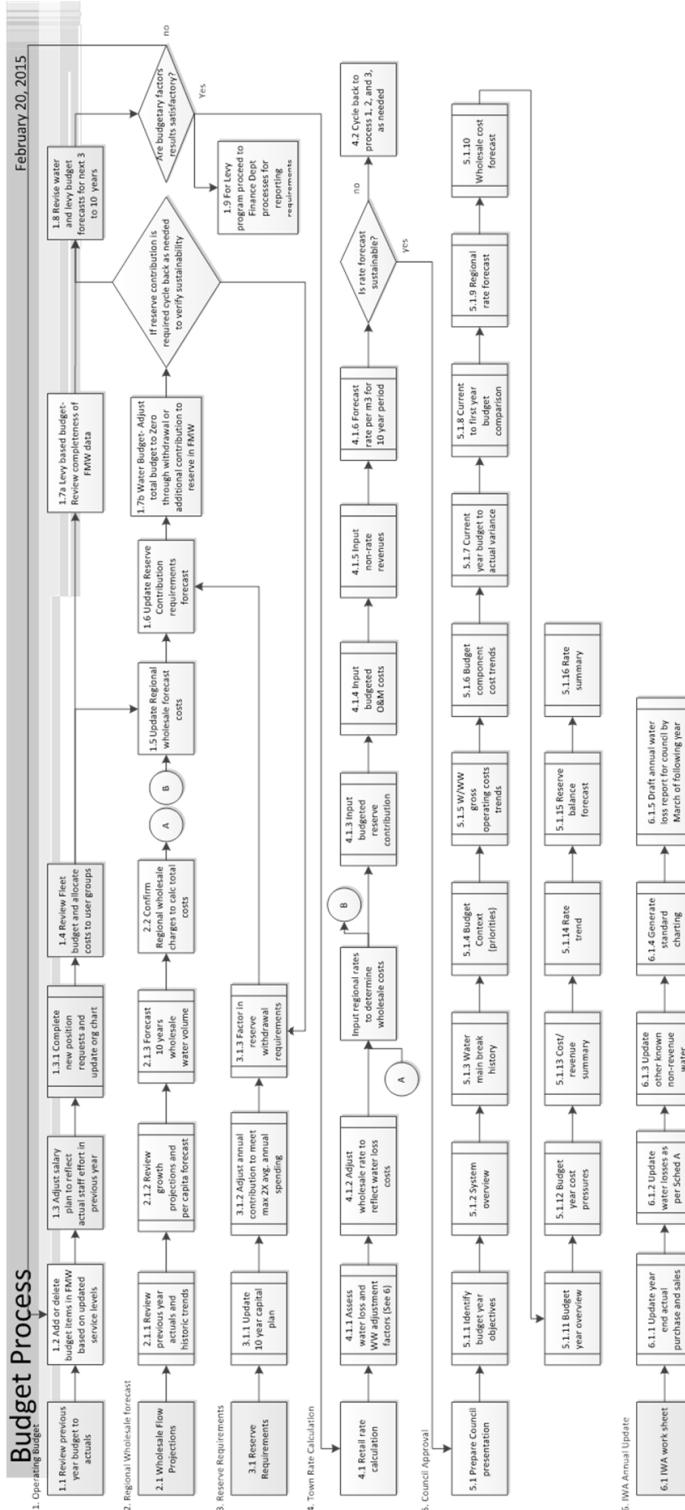
Ilmar Simanovskis, P. Eng., PMP, MBA
Director of Infrastructure & Environmental Services

April 2011
Date



Budget Methodology

Rate Budget Process



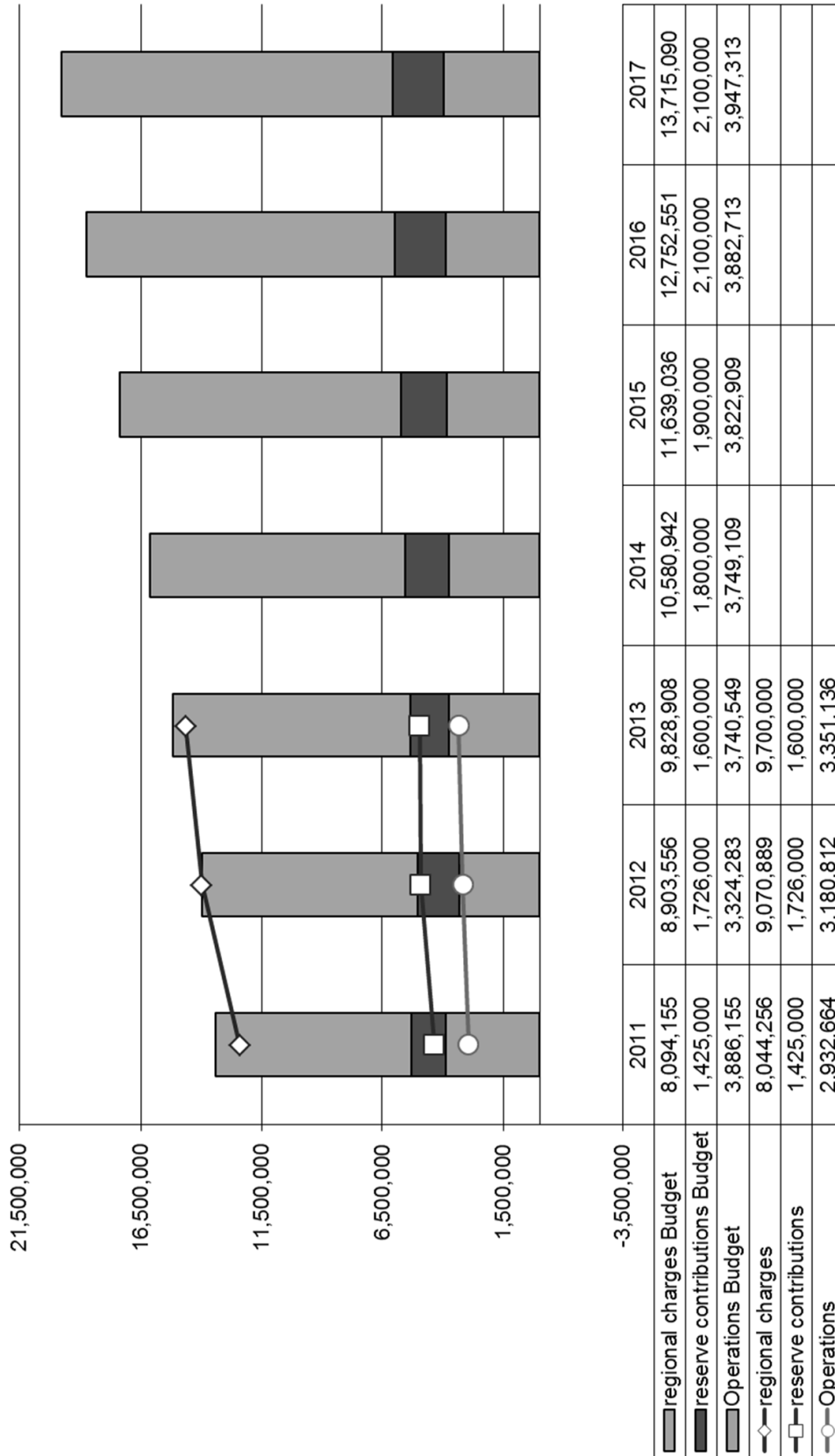


Basic Steps

- Verify Operating Costs
- Verify Regional wholesale volume and costs (establish supply budget)
- Verify Reserve Requirements against capital plan
- Verify water loss and allowances
- Verify Retail consumption and rate forecast
- Determine necessary cost per cubic metre to recover necessary funding for full cost recovery



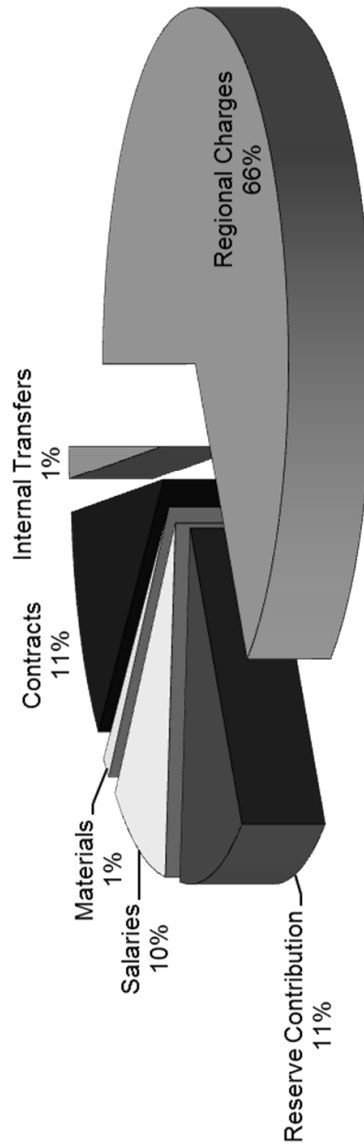
Budget by Component W/WW



Budget by Component W/WW

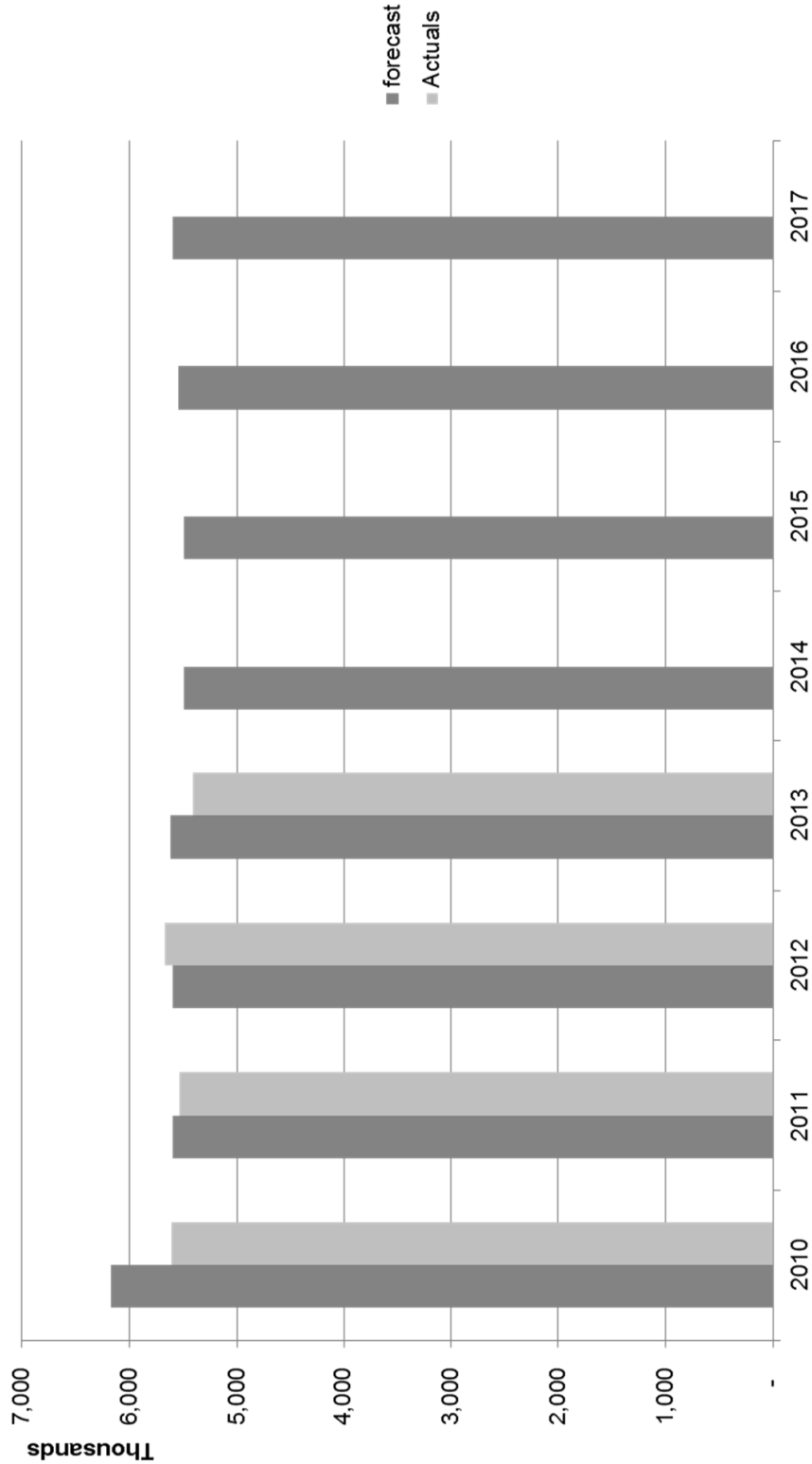


2014 Budget





Wholesale water Supply



Calculation of Region Charge



	Estimated Volume to purchase from Region m ³	Blended Rate Region Charges (reflecting May 1 rate change date)	Cost
2013	5,620,000	\$1.7489/ m ³	\$ 9,829,000
2014	5,500,000	\$1.9238/ m ³	\$ 10,581,000
Percent Change	-2.0%	10.0%	7.7%



W/WW Budget Overview

	2013 Budget	2014 Budget	% Change
Region Charges	9,829,000	10,581,000	7.7%
Operations	3,740,549	3,749,109	0.0%
Subtotal Expenses	13,569,549	14,330,109	5.6%
Reserve Contributions	1,600,000	1,800,000	12.5%
Less: Misc Revenue*	(410,000)	(526,000)	28.3%
Net Expenses	14,759,549	15,604,109	5.7%
Reserve to offset operating	(288,374)	(150,000)	-48.0%
Required rate revenues	14,471,175	15,454,109	6.8%



Composition of 6.8% increase in 2014 program costs

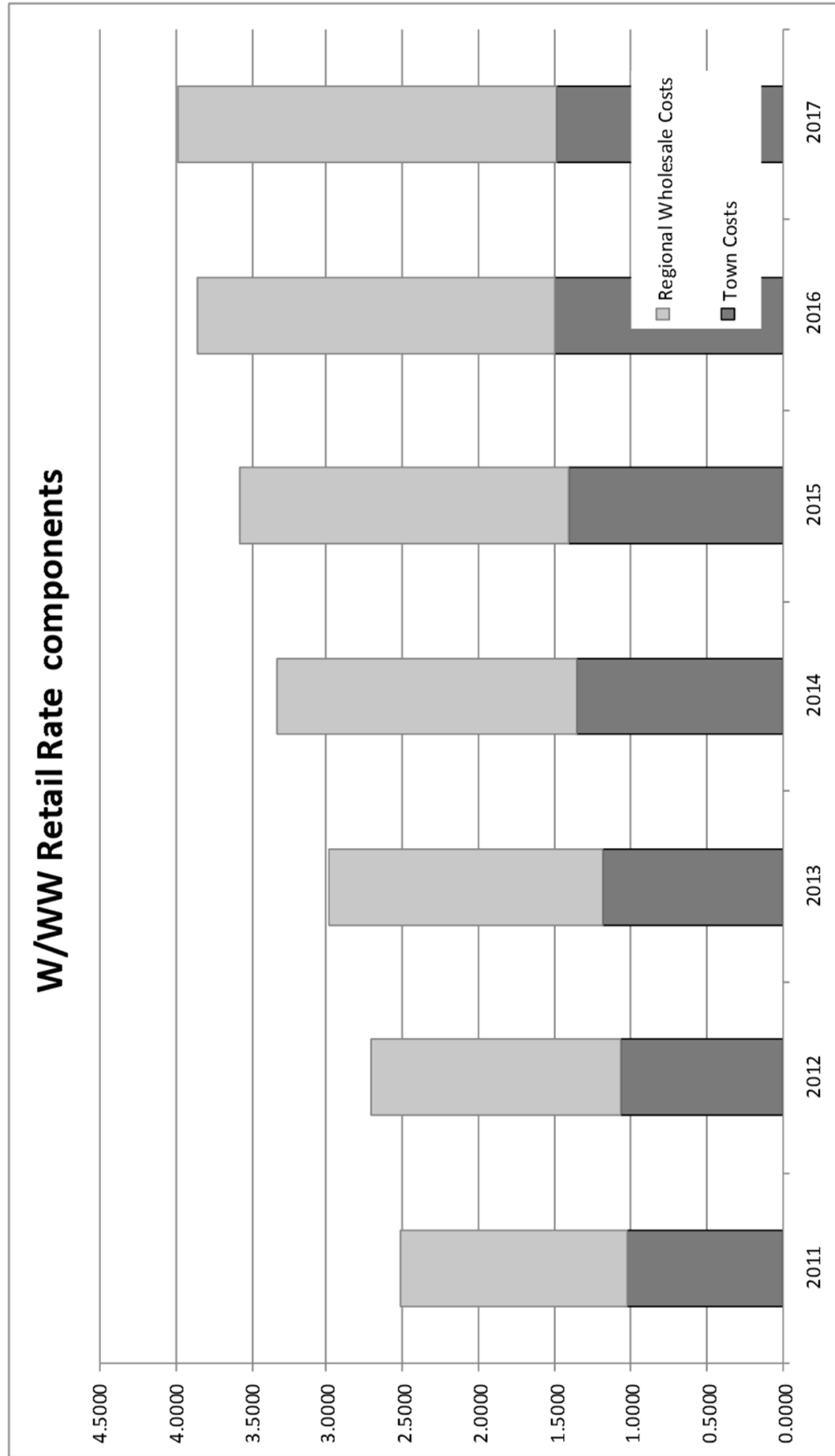
Components	Net Impact on Costs	
Salaries	0.2%	\$33,447
Materials costs	-0.3%	(\$47,300)
Contracts	0.2%	\$30,425
Reliance on reserve for operating	1.0%	(\$138,374)
Reserve Contribution (R/R program)	1.4%	\$200,000
Internal Transfers	-0.1%	(\$8,012)
Misc Revenue	-0.8%	(\$116,000)
Sum of Controllable cost pressures	1.6%	\$230,934
Regional Charges increase	5.2% \$752,034	
Sum of Impacts on Required Customer Revenues	6.8%	\$983,931



Cost/ Revenue Summary

		Revenues		
Costs		Estimated Volume sold to consumers m ³	Blended Retail Rate (reflecting May 1 rate change date)	Expected Revenues
	Net Program Cost			
2013	\$14,471,175	5,000,000	\$2.8942/ m ³	\$14,471,175
2014	\$15,454,109	4,785,000	\$3.2297/ m ³	\$15,454,109
Percent Change	6.8%	-4.3%	11.72% for May 1, 2014)	6.8%

Region and Town Rate Contribution





2014 Combined Rate

Combined Retail Rate:

2013	\$2.9807 per m ³
2014	<u>\$3.3301 per m³</u>
Increase	\$0.3494 per m ³
Percent Increase	11.72%

Impact on Residential User (245m³ annual average)

	Annually	Quarterly
2013	\$730.27	\$182.57
2014	<u>\$815.95</u>	<u>\$203.99</u>
Net Increase	\$85.67	\$21.42



References

- www.ontario.ca/drinkingwater
- www.elaws.gov.on.ca
- South Georgina Bay Lake Simcoe Source Protection Region, www.ourwatershed.ca
- Approved Source Protection Plan, <http://www.ourwatershed.ca/assets/downloads/spp/2015-approved-source-protection-plan.pdf>