

The Council of the Township of East Garafraxa held a special meeting on May 9, 2006, for the purpose of Water Rate Study for Marsville Water System. Councillors Guy Gardhouse, Fran Pinkney, Tom Nevills and Deputy Mayor Taylor were present with Mayor Earl Lennox presiding. Susan M. Stone, CAO/Clerk-Treasurer was also present. There were approximately 13 people in the gallery.

Mayor Lennox called the meeting to order. Motion to hold Public Meeting carried.

DISCLOSURE OF PECUNIARY INTEREST WITH REASONS:

Pecuniary interest can be disclosed now, or at any point during the meeting. None declared at this time.

1. **Andrew Grunda, C.N. Watson** presented the study which was undertaken to re-evaluate rates (5 year projection) including capital costs which can be paid over 10 year term. Legislation requires full cost recovery, however the Regulations have not been released to date. Water rates to include operating, capital and life cycle costs for long term replacement. The system has 33 user units and no potential for growth over the next 5 years. Capital needs, upgrades, ongoing since 2000 per Ministry of Environment requirements, have been completed. The report itemized the total capital needs for the system, taking into account the sources of funding for the municipality, such as OSTAR funding, reserves, etc, which was taken into consideration when determining the per user costs. There will be the option to pay the capital costs up front, or spread over 10 year period with interest. The total annual cost per household based on the capital, operating and life cycle charge would be \$1,442.00, based on the report. The current rate for operating only is \$1,419.00 annually. If capital charge paid up front, the annual rate would be \$1,109.00 for operating and life cycle costs.

Comments and concerns from the Public included costs, excessive rates, quality of the water, which many do not drink due to the chlorine content, and paying for future costs.

Further discussion resulted in Council directing Mr. Grunda to eliminate the interest charge (carrying charges) for the capital costs, in the amount of \$9,700. Final report and by-laws to be prepared for next meeting.

The following resolutions were passed:

MOVED BY TAYLOR, SECONDED BY PINKNEY

THAT Council do now hold public meeting regarding the Marsville Water System, Water Rate Study. **CARRIED.**

MOVED BY PINKNEY, SECONDED BY NEVILLS

THAT leave be given to introduce a by-law to confirm the proceedings of the May 9, 2006 meeting of the Council of the Township of East Garafraxa, and that it be given the necessary readings and be passed and numbered 22-2006. **CARRIED.**

MOVED BY GARDHOUSE, SECONDED BY TAYLOR

THAT Council now adjourn to meet again May 23, 2006 at 2:00 p.m. at the Administration Office, Laurel or at the call of the Mayor. **CARRIED.**

Head of Council

Clerk