

The Glengarry News

Residents Reeling after South Glengarry hikes water rates by 34 - 37%

August 1 2018 BY TARA MACDONALD News Staff

Residents and business owners in affected areas will see their water and waste water bills rise dramatically in September after the Township of South Glengarry approved a resolution on June 4th to hike charges as a means to build reserves for future capital costs.

Affected areas include Kennedy Redwood (water only) with a 12 percent increase by 2019 and Green Valley (waste water only) standing to see a 30 percent increase by 2019. Hardest hit will be residents of Glen Walter and Lancaster who will see increases of more than 50 percent in the coming year.

Understanding the issues

“When we're looking at the system, we need to consider the operating and the capital costs,” said Mayor Ian McLeod. “The operating cost is what it costs you day-to-day for the chemicals and labour, etc. but the capital costs are when you have to do improvements to that system.”

According to Mayor McLeod, for many years the rates charged to residents in affected areas were only reflective of operating costs. “Well, we're getting into the time when we need to start replacing pumps, pumping stations, etc.,” he explained. “These are major capital expenditures.”

Sound asset management planning helps ensure that investments are made at the right time to minimize the burden of future repair and rehabilitation costs while maintaining municipal assets. When done right, these types of plans help ensure healthy reserves are available to meet future needs. “The other option is just dealing with your operating system,” said the Mayor, “then when you need capital you charge it all in the one year which would leave the rates spiking all over the place.”

“For example, we started putting money aside about 10 or 12 years ago for a fire department reserve,” said Councillor Lyle Warden. “Now we have a healthy reserve and because of that we're able to keep our equipment up to date with the current standards. That's the synopsis of having healthy reserves and using our tax dollars wisely.”

However, unlike other municipal assets – such as fire services – the Township of South Glengarry did not have an Asset Management Plan (AMP) in place for water and waste-water assets.

Federal impetus leaves municipality scrambling

Ontario municipalities are required to have a comprehensive strategic asset management policy and plan in place by next July. “The province has been pushing AMPs for a number of years now,” said Coun. Warden, “but now they are mandating that we have management plans in place for all of our assets.”

As a result of provincial pressure, many municipalities have been left scrambling to catch-up on future capital costs by building healthy reserves fast. “We should have been raising the [water and waste water] rates some years ago so that we would have had some capital,” admitted the Mayor. “So what we're trying to do here is scroll forward, have a 20 year plan, then each three to four years we can update it according to our capital plan.”

Township rejects Goldilocks approach

“We had three options: the most easy option which is push it into the future, the middle ground which would ease costs in, or the wham bam approach,” said Coun. Warden. “It’s going to be a hard go for one or two years but we’ll get through it.”

Coun. Trevor Bougie - one of two councillors who will be personally affected by the rate increases - was the only councillor who rejected the most stringent option, proposing a middle-ground solution of a \$10 increase per billing cycle along with 2 per cent increases.

“I understand we have to account for future capital costs but at the same time we have to be realistic,” said Coun. Bougie. “Asking our residents to have an increase of this amount is not feasible for those on fixed incomes.”

Countering Coun. Bougie's argument, Coun. Bill McKenzie voiced his support for the option proposing the largest rate hikes. “Thirty-four per cent (increase) is reasonable,” said Coun. Bill McKenzie, pointing to previous increases of roughly 97 per cent to support his argument.

After a heated back-and-forth discussion between councillors Bougie, Warden and McKenzie, council voted in favour of the most drastic rate increases in hopes of building reserves as quickly as possible. Coun. Bougie was the only dissenter, requesting his rejection of the proposed option be officially recorded.

“Although it’s going to be painful for some people, these systems are self user-funded. If we don’t do this increase now in two years it could be that much worse,” concluded Coun. Warden. “At some point we’re going to have to man-up and unfortunately have our residents pay more of the share. Kicking the ball down the field a little bit further is not going to help.”

Residents bear the brunt of poor management

To a number of residents living in affected areas, the Township of South Glengarry’s failure to manage the water and waste water situation properly has left them solely responsible for shouldering the burden.

“My first impression...was concern for why this went unresolved since 2010,” said Paul Dickson. “That sounds irresponsible to me.”

"I am far from sold that this is needed or warranted, that's a huge jump," added South Lancaster home owner Shaun St. Pierre. "It seems the township has failed to invest back into its own infrastructure."

Ryan Flaro – Lancaster resident and real estate developer – agreed. “Obviously some of our elected officials were not business minded and failed to look at the greater picture over the last four years.”

In response to community concerns, Mayor McLeod replied: “Unfortunately, it is what it is. The previous lower rates was a benefit to the users at the time of their invoices but the new AMP reflects that these charges were too low.”

Down to the dollar: Expected costs for residents in affected areas

Glen Walter’s current water and sewer bill will increase from \$804 to \$1,078 (34 per cent) this September, and increase again to \$1,352 (25 per cent) in 2019. Lancaster resident’s water and sewer charges will also see an increase from \$804 to \$1,105 (37 per cent) this year, jumping to \$1,265 (14 per cent) in 2019.

Next up is Green Valley, where residents will only face water waste rate increases. Current charges of \$435 will be increasing to \$505 this year (16 per cent) and to \$575 (14 percent) in 2019. Finally, residents of Kennedy Redwood will see increases from \$1,016 to \$1,077 (6 percent) this year and to \$1,138 (6 percent) in 2019.

Pensioners Treading Water

News of the decision spread fast within the affected communities leading South Lancaster resident Glenn Patton to speak at the following Township of Glengarry Council meeting on July 3rd.

Speaking on behalf of a group of concerned residents, Mr. Patton pleaded with the Township to reconsider their decision and take a gentler approach. "The reason we support staff option #3, the moratorium and a 2% increase only with a 10% flat fee, is because it allows the new mayor in council of 2019 to revisit this issue in a more humane way," explained Mr. Patton. "That's what Councillor Trevor Bougie voted for and we support him."

During his presentation to Council, Mr. Patton argued that it was 'totally unacceptable' to impose the increase on retirees on fixed incomes and pensions. "What are they supposed to do?" he asked, "go out and get extra jobs to pay their water supply? It makes no sense."

South Lancaster native Wayne Woods agreed. "There's going out of their minds," declared Mr. Woods. "I'll never be able to afford it. People are going to have to sell-out if it keeps on. I'm telling you, anybody on an old man's pension is going to have to sell out. We can't afford it."

'A buck a flush': Rate increases expected to impact business development

"As a small business owner it's increased my bottom line by 9 per cent," said Dan Foster of Deco Stop Outdoor Center. "All I have is a sink and a toilet," lamented Mr. Foster, "yet it's going to cost me more than a full month's rent to cover the water bills."

"I'm telling my customers it's a buck a flush," Mr. Foster said.

For business owners like Mr. Foster, council's decision to increase water and waste water rates will impact whether or not they choose to continue operating in South Glengarry. "My lease is up in December of this year," said Mr. Foster, "this water tax increase is going to have a great impact on my decision regarding whether or not to renew my lease or relocate to another area."

Easy for you to say: Lack of empathy from councillors leads to resentment

Unfortunately for Mr. Patton and the residents that he represented, his arguments fell on deaf ears. In addition to the microphone being turned off during his presentation, council members refrained from commenting or asking questions following Mr. Patton's presentation.

"We have a serious communications problem in this township," concluded Mr. Patton. "I think -- as they were headed into a lame duck council -- they were trying to pull a fast one and hoped no one would notice it until it was too late."

Disheartened by the Council's lack of interest and willing to listen to community concerns, Mr. Patton has decided to run in the upcoming municipal election. "This isn't a true democracy," stated Mr. Patton, "I'm hoping to change that."

Mr. Patton will be joined by another South Lancaster resident -- Shawna Rousseau -- who's interest in running for council was also sparked by the recent decision to hike water and waste-water rates.

"I believe that investing in our infrastructure is a necessity. Provincial funding has been tightened and that leaves a lot of weight on our shoulders," said Ms. Rousseau. "After listening to and reading into the issue-I feel an increase was warranted, just not at the suggested rate. It's unfortunate that this issue was mismanaged over the past six years-we have not had an increase and now we're getting it all in one year."