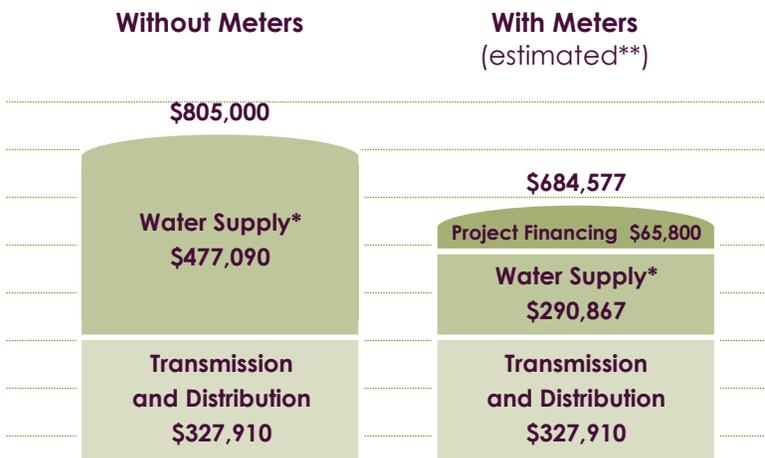


INFORMATION PACKAGE

Why are we considering water metering?

The Town covers most of its expenses related to supplying water by charging a water fee. The water fee has been steadily increasing over a number of years due to increased demand and cost. Currently, there is still a gap between the water fee and the actual cost of the service. Water metering, together with a complimentary leak control program, is expected to reduce the overall cost of supplying water to residents, creating a service that is more efficient and sustainable. Water metering will more fairly allow households to pay for what they use.

ANNUAL COST OF WATER

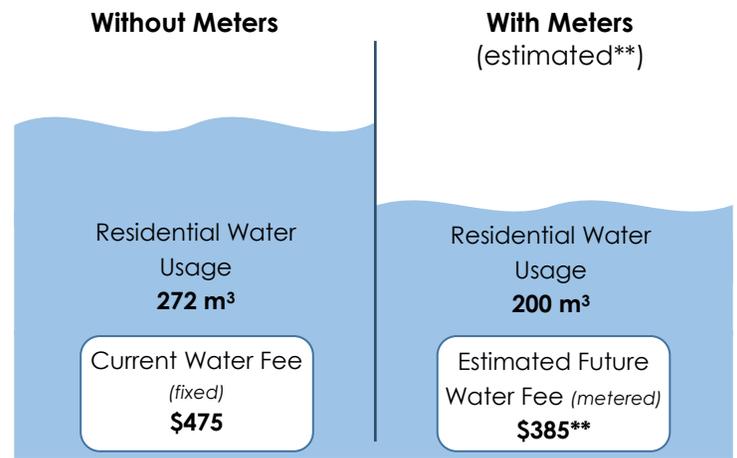


*We purchase water from Bay Bulls Big Pond

FUNDING ANNOUNCEMENT

The Town of Portugal Cove St. Philip's has received **\$952,176 from the Government of Canada and Province of Newfoundland and Labrador for the water metering project. The funding has been provided through the Clean Water and Wastewater Fund. This funding reduces the total project cost to the Town from \$1,457,481 to \$505,305.**

AVERAGE HOUSEHOLD IMPACT



**Based on Water and Wastewater Metering Study

PROPOSED PHASED PLAN

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Installation to proceed.	Data to be collected to set future meter rate. Water Fee remains as fixed fee for year 1.	Metered rate to replace fixed fee with a capped maximum fee in year 2.	Maximum fee could be removed. Plan to be reviewed.

WATER METERING PUBLIC INFORMATION MEETING

Wednesday September 7
7:00pm Recreation Centre

This will be the second public meeting and we want to hear from you! Please visit pcsp.ca for more details.

Water and Wastewater Metering Study

About the Report

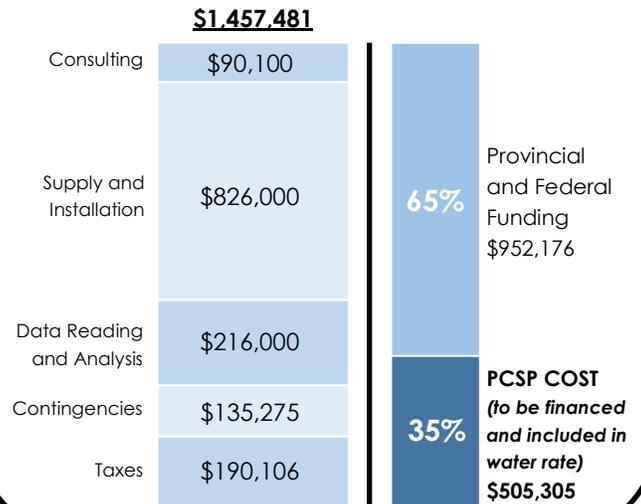
To determine the feasibility of the project and the impact of water metering, the Town hired a water consulting firm, GA Isenor Consulting Limited. Both Gerry Isenor and Blaine Rooney, the consulting team, have extensive experience in municipal water systems, water metering, and water rate creation. The report, which can be found on the Town's website, explores the cost of our current water and wastewater systems, the impact of water meters on water consumption, and the creation of a meter rate model.

The report determined that a water metering project is feasible and lists a series of recommendations that have influenced Council's proposed plan. It also identified the need for a leak control program to reduce the amount of leaks within the system, in which water meters play an important role. Here are some highlights from the report.

Revenue Water vs. Non-Revenue Water

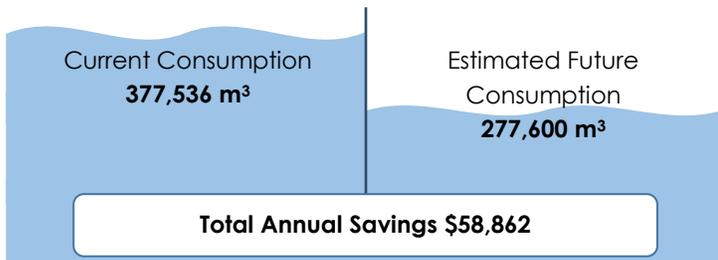
The report identifies "Revenue Water" as water being consumed by households and businesses. "Non-Revenue Water" is water that could be accounted for with fire protection or system maintenance or unaccounted for with leaks.

HOW MUCH DOES THE PROJECT COST?



Projected Impact on "Revenue Water"

272 cubic meters to 200 cubic metres per household

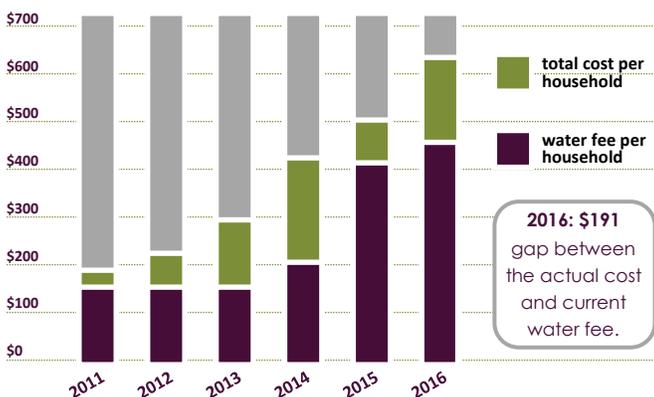


Projected Impact on "Non-Revenue Water"

50% reduction due to leak control program



Important Finding: The Town has a high level of unaccounted for water which indicates leaks in the system. Although there have been improvements leading to a reduction in leaks over the last two years, there is still more work to do in leak detection and enhancing the system. The projected 50% reduction is based on a leak control program in which water meters are a key component.



Benefits of Metering:

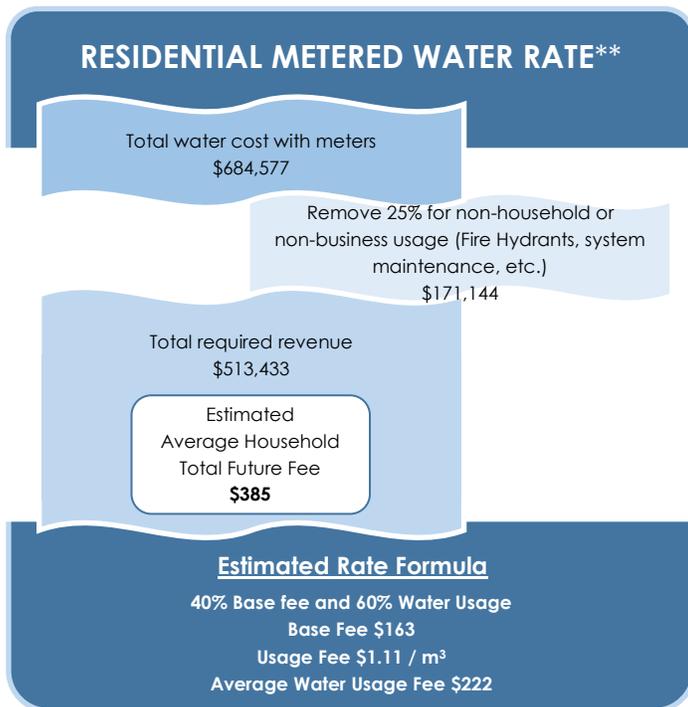
- reduced supply cost due to reduced household consumption and leak detection
- cost will be linked to revenue
- customer control over bill
- careful users will see financial benefit
- environmental stewardship
- industry recommended practice

Challenges of Metering:

- billing fluctuation
- water theft
- public perception
- metering cost and implementation
- initial rate setting

About the Plan

Council began the process of evaluating the feasibility of water metering earlier this year as a way to reduce the increasing water costs. The initial public meeting kicked off the process and since then a great deal of information has been collected and evaluated. Based on the information gathered and many of the recommendations from the Water and Wastewater study, Council is proposing the following plan and would like to have your input.



**Based on Water and Wastewater Metering Study

Other Aspects of the Plan

Commercial Water Rate

Commercial users will also have water meters installed and a water rate introduced.

Installation and Remediation

Installation to take place in the coming months. Beyond the cost of supplying and installing meters \$150 is budgeted per home for remediation.

Billing

Will occur quarterly. Our staff will read the meters electronically using drive-by technology.

Phased in Approach

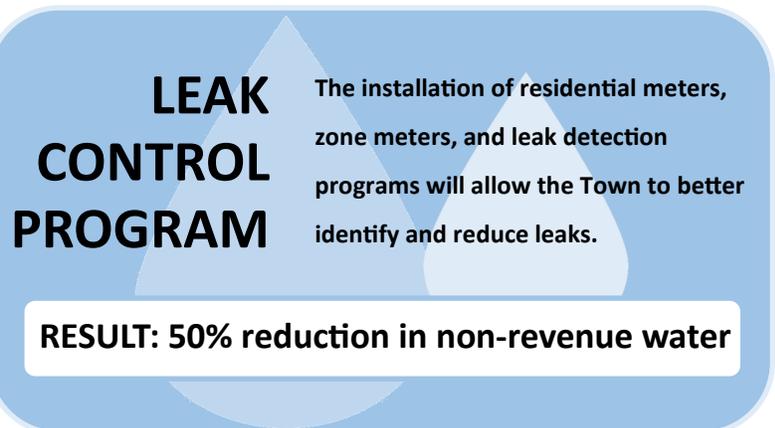
Council recognizes that with change comes uncertainty. With an aim to reduce this uncertainty the new water fee will be phased in over time. **In 2017-2018**, residents will pay a fixed fee as they always have. Over the course of the year data will be collected from the meters to help finalize a new water rate. Residents will receive information on their household consumption levels during the year. **In 2018-2019** the new water rate will be in effect. Residents will then begin to pay based on their usage. However, to ease the transition there will be a maximum fee based on the normal fixed fee. So residents can pay less but no more than what they paid the previous year. **In 2019-2020** Council will review the plan and determine if maximum fees will be eliminated.

Wastewater Rate

The Town will maintain the wastewater rate as a fixed fee. The report recommended the implementation of a wastewater rate based on water meter consumption levels. Council will not be considering that recommendation.

Fire Protection Charge

The report estimates the cost of water used for fire protection and recommends the creation of a fire protection charge. Council will not be considering this recommendation and will not include this cost in the water meter rate or charge it separately to residents.



LEAK CONTROL PROGRAM

The installation of residential meters, zone meters, and leak detection programs will allow the Town to better identify and reduce leaks.

RESULT: 50% reduction in non-revenue water

Previously Asked Questions

This list is a sample of the questions identified by residents during this process. To view the complete list, visit pcsp.ca

1. Will PCSP profit from residents?

No, it only seeks to recover costs incurred to provide the service.

2. Will residents have to pay a water meter rate and their normal water fee?

No, the new water meter rate will replace the water fee.

3. How likely is it that residents will pay more than they do currently?

With a phased in approach, residents will pay no more than the maximum fee. The average household is estimated to pay less.

4. What makes this a good fit for us as a Town?

PCSP is well positioned as there are not a lot of households in which to install the meters and we purchase our water regionally. This gives us some security in knowing the true cost of water.

5. Why was the decision made to skip the trial period and move straight into full implementation?

The decision has yet to occur for full implementation, but Council is considering town-wide as opposed to a limited trial area as many costs would still be incurred for a pilot project.

6. Why was it decided to make the program mandatory rather than voluntary?

It is proposed to be mandatory to maximize savings, unless there are extreme circumstances where it is not viable to place a meter in someone's home.

7. Why is the project being implemented when the economy is so poor?

The total cost savings outweigh the cost of the project and residents themselves have the ability to control their bill. To many households, it will be a positive.

8. What criteria will be / has been used to determine the most appropriate water meter?

The study has outlined recommendations on what type of meter would be most effective which will support the request for proposals.

9. How much remediation is expected with installation?

It depends on the household. It is suggested that homeowners have access to the location where the meters will go. If they do not, then an access panel will

10. If the public doesn't support it will it go ahead?

Council will certainly be informed by the public with regards to making future decisions. After the public meeting there are two more go/no go points for Council. One directly after to seek contractors and then again after quotes / bids are assessed.

11. Will the project mean more staff?

The expectation is that meter reading will cost approx. \$19,500. This equates to an additional 0.5 staff.

