



## Water Rates in the Municipality of the County of Antigonish

*This serves to inform residents and customers of the workings of Antigonish County's water utilities and the considerations before Municipal Council in seeking rate adjustments from the Nova Scotia Utility and Review Board.*

### **Background**

In the province of Nova Scotia all municipal water utilities are regulated by the [Public Utilities Act](#). The Municipality of the County of Antigonish operates two such water utilities:

1. Fringe Area Water Utility
2. Lower South River Area Water Utility

As an owner / operator of a water utility, the Municipality is required to ensure that the utility has sufficient financial resources necessary to operate in a manner that does not create annual deficits and provide service that are safe and adequate. The utilities' operations include maintaining source of supply structures, pumping equipment, treatment and storage facilities, as well as transmission and distribution mains, hydrants and valves and other associated infrastructure.

The **Fringe Area Water Utility** (Fringe Utility) includes all municipal water customers in the area that immediately surrounds the Town of Antigonish (approx.: 1100 customers). All of the water consumed by this utility is purchased from the Town of Antigonish Water Utility.

Currently, residential water customers of this utility are billed bi-monthly at a rate determined by a tap-count. All commercial and agricultural customers are metered and billed by a combination of base charge and consumption.



The **Lower South River Area Water Utility** (LSR Utility) includes all municipal water customers in the communities of Lower South River, St. Andrews, Dunmore Road and St. Joseph (approx.: 310 customers). All of the water consumed in this utility is produced by the Utility through wells located in either Lower South River or St. Joseph.

Currently, residential water customers of this utility are billed quarterly at a flat rate of \$128.43 per unit. All commercial and agricultural customers are metered and billed by a combination of base charge and consumption.

### **Role of the Utility and Review Board**

Pursuant to the Public Utilities Act, the [Nova Scotia Utility and Review Board](#) (the Board) exercises general supervision over all municipal water utilities the province. This authority



includes setting of rates, tolls and charges, fire protection charges, rates and regulations for the provision of service and approval of capital expenditures.

There are approximately 60 regulated water utilities in the province, all of which are either owned and/or operated by a municipality or a separate commission. Each utility has schedules of rates and regulations approved by the Board. For more information on the Board and its role concerning water utilities, please [click here](#).



**Water Rate Study**

Each year the Municipality prepares and approves a budget for each water utility. These budgets are reflective of the revenues collected from customers using rates approved by the Board and the costs of making available and delivering water to those customers. A water utility’s budget is developed and accounted for separate from the Municipality’s operating and capital budgets. Water rates were last approved for the Fringe Utility in 1995 and for the

LSR Utility in 2008. The rates have remained unchanged since those approvals.

In recent years it has become clear that the current rate structure is not producing sufficient revenue for the utilities to cover the cost of providing water to customers. To that end, Municipal Council hired consultants to work with staff in reviewing operations and to provide advice on rates and services. Consultants Gerry Isenor and Blaine Rooney have significant experience in this field and have assisted dozens of municipalities in setting water rates.

**Proposed Residential Water Rate Changes**

The rate structure that was approved by Council would see increases to the rates in both the Fringe and LSR utilities, phased over three years. These increases directly reflect the cost of supplying water to users of those systems. Please review the following tables for a sample of how residential water rates are proposed to change.

FRINGE UTILITY				
Comparison of Current Residential Bi-Monthly Water Rates with Proposed New Rates				
Fixture Rates	Current Rate (\$)	Proposed Rates (\$)		
		2015/16	2016/17	2017/18
First Tap	29.50	38.76	43.12	43.30
First Toilet	6.08	4.12	4.87	5.46
Firth Bathtub/Shower	6.08	4.12	4.87	5.46
Each Additional Tap/Toilet/Tub	3.04	2.06	2.44	2.73

The average customer of the Fringe Utility would see a modest increase in their bi-monthly billing. Bills vary depending on a customer’s tap-count, therefore it is difficult to provide an “average” figure that would be meaningful to the largest number of customers.



LSR UTILITY		
Comparison of Current Residential Water Rates with Proposed New Rates		
Year	LSR Utility (Quarterly Bill)	LSR Utility (NEW* Bi-Monthly Bill)
Current Rate	\$128.43	
2015/16	\$184.60	\$123.07
2016/17	\$200.31	\$133.54
2017/18	\$218.71	\$145.81

In addition to changing the rate of the LSR Utility, the billing periods are also proposed to change from quarterly to bi-monthly. The proposed changes in the LSR Utility translate into an added \$18.75 a month from the current rate in 2015/16. By 2017/18 the rate will have increased by \$30 a month from the current rate.

While the increased rates in the LSR Utility are relatively significant, they are consistent with the rates from similarly sized utilities, for example (based on a bi-monthly billing):

- Tatamagouche - \$121.30
- Canso / Hazel Hill - \$136.82
- Mill Cove - \$124.49
- Victoria County - \$152.45

**Metered Customer Rate Changes**

There are changes proposed for metered customers of both water utilities as well. You are encouraged to review the application for a full understanding of the proposed changes.

**Proposed Fire Hydrant Rate Changes**

In addition to providing water to each household, the water utilities are also responsible for making water available for the purpose of fire protection. A fire protection charge is paid by the Municipality to the Utility each year. The Municipality funds the fire protection charge by applying a Fire Hydrant area rate to the tax bills of residents who receive this service.

Proposed Annual Fire Protection Rate		
Years	Fringe Utility	LSR Utility
Current Rates	\$78,889	\$66,205
2015/16	\$228,728	\$66,744
2016/17	\$231,832	\$69,310.
2017/18	\$233,654	\$76,447

The Fire Hydrant rate is applied to all residents' and businesses' taxable assessment. Residents of the Fringe who are charged a Fire Hydrant rate should expect to see an increase if these rates are approved.

**Other Initiatives Addressed by this Water Rate Study**

A universal water metering program is also a component of the proposed rate structure. This program would see those customers of the Fringe and LSR Utilities who are not currently metered (primarily residential customers) receive water meters in 2016/17 with a transition to metered billing by 2018. There will also be an analysis of fire flows in the Fringe Utility during this period with a plan developed to address any issues that may be identified.



***What's Next?***

The Board will be scheduling a public hearing at the Municipal Office in the coming months to further question municipal officials on the proposed rate structure. There will also be an opportunity for residents to present to the Board on this matter. Customers of both utilities should expect a new rate structure to be in place by summer 2015.

All materials concerning proposed rate changes for the Fringe and LSR utilities can be found on the Board's public website, [here](#). The Fringe Utility case number is M06609 and the LSR Utility case number is M06610.