

Concerns Related to Private Provider of Wastewater Services

While we have concerns over some of the financial discrepancies that remain to be addressed, a larger concern is the methodology used to allocate the total wastewater treatment costs to the residential and commercial users of the WWTF (Wastewater Treatment Facility). While the vast majority of cities and townships allocate the wastewater costs based upon water consumption, (the more water consumed is directly proportional to the amount that goes down the drain), the Oro-Medonte township allocates the cost equally for each resident and for commercial properties based upon a resident equivalent calculation. This methodology immediately penalizes those residents that consume below average water and more importantly relies heavily on a correct calculation of the resident equivalent for the commercial properties. Unfortunately, we have not received the basis of calculating this resident equivalent number. We believe the number generated for the Horseshoe Resort to be substantially understated, resulting in an under allocation of WWTF costs to the Private provider. We have completed two separate and distinct analysis with the numbers available to support this conclusion.

Analysis 1

Analysis 1 starts off with the known average daily WWTF input in 2014, deducts an amount for infiltration and storm water and determines how many residential or residential equivalents would be required to produce that amount of plant inflow based upon average residential water consumption.

	<u>2014</u>
A) Actual Avg. Daily WWTF Inflow to Plant in Cubic metres	443
B) less Storm water and Infiltration Factor (17%) *Source - Stats Canada	75.31
C) WWTF Avg. Daily inflow to plant in cubic meters less Storm water and Infiltration (A-B)	367.69
D) Average Residential Water consumption in cubic metres per day	0.44
E) Equivalent Residential Units (C/D)	836
F) Actual Residential Units	498
G) Recreational Unit Residential Equivalent (E-F)	338
H) Recreational Units as per Township	100
I) Unaccounted Recreational Residential Equivalent Units (G-H)	238

This analysis demonstrates that the 100 recreational units as determined by the township is significantly understated and that the number should be closer to 300 to 350. The result being that the Private WWTF provider is being subsidized by the residents.

Analysis 2

Analysis 2 starts off with the know water consumption of the Horseshoe Resort and Lodge buildings that was completed in 2005. The average annual water consumption at that time was approximately 80,500 cubic meters. The other Skyline WWTF users in 2014 were High Vista, Landscapes area, and Carriage Hills and Resort. From actual water bills we can calculate that these non-Horseshoe resort WWTF users

consumed approximately 68,000 cubic meters. If every drop consumed went down the drain (highly conservative) the WWTF plant would receive 148,500 cubic meters or 407 cubic meters per day. In 2014 the actual average daily inflow was 443 and after accounting for infiltration and storm-water is extremely close to the calculated number. At 80,500 cubic meters Horseshoe should be paying 54% of the WWTF costs in 2014, they actually paid 37.4% based on roll numbers and the “township residential equivalent numbers”.

WWTF Users	2014 Water Consumption Estimates	% of Total Water Consumption
Horseshoe Resort	70,000	47%
Horseshoe Lodges	10,500	7%
Horseshoe Total	80,500	54%
Carriage Hills/Ridge	49,000	33%
Landscapes	15,100	10%
High Vista	3,800	3%
Total Water Consumption	148,400	100%

Both analysis point to the fact the current allocation system causes the residents to be overpaying for their WWTF use and that the Private provider is being subsidized accordingly. While the actual updated water consumption numbers may differ slightly, the township could readily determine the resident’s usage from our water meters and require the Private provider to submit their readings quarterly to charge all users based upon consumption.