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Waterloo, ON N2L 5B2  
August 31, 2020

Mayor Twolan and Council,  
Township of Huron-Kinloss,  
PO Box 130, 21 Queen Street,  
Ripley, ON N0G 2R0

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TOWNSHIP OF HURON-KINLOSS

Mayor Twolan and Council:

We own property in Point Clark (326 Ojibwa Trail) and received the "Notice to Users of the Lakeshore Water System" about the new method of paying for water system upgrades. Ojibwa and nearby streets had a 2016 upgrade with a \$6,705 per-lot assessment. We were shocked the cost was so high, so see the need to switch to a \$230 per-lot annual fee to fund future upgrades.

However, the method devised to compensate property owners who have had an upgrade and therefore had to pay the full cost of it does not sufficiently compensate them. Those of us who had an upgrade in the last ten years pay no annual fee until 2028, then \$115 a year up to and including 2038, so in the 19 years of 2020-2038 pay a total of \$1150. Those who have not had an upgrade but will get one at some point pay \$230 from 2020 on, so in the same 19 years pay \$4,370 ( $19 \times \$230$ ).

But in the time period 2017-2038, we on Ojibwa etc. will have paid out \$6705 plus the \$1150 for a total of \$7855, and there is more to consider. First, we could not spread the \$6705 equally over the whole 2020-2038 time period, but had to pay it up front or pay a fee/interest charges. Second, the 2016 \$6,705 figure should be translated into today's dollars since the \$230 fee is in today's dollars. An adjustment of 10% seems reasonable: 10% makes the \$6705 figure \$7,376 in today's dollars.

The \$6705 we paid out in 2017, at \$230 per year, by itself should mean 29 years annual fee paid for (\$6705 divided by \$230). The \$7,376 figure would mean 32 years paid for.

To put it another way, \$6,705 spread equally over the 19 years of 2020-2038 is an annual fee of \$353, not \$230; \$7,376 an annual fee of \$388. When the \$1150 for 2029-2038 is added to the \$6,705, the annual fee becomes \$413 ( $\$6,705 + \$1150 = \$7,855$ , divided by 19 = \$413); if added to the \$7,376, the annual fee becomes \$448 ( $\$7,376 + \$1150 = \$8,526$ , divided by 19 = \$448) -- close to double the \$230 fee.

Another way to compare: a neighbour who used the 10-year payment plan (with its 4% interest charge) will pay \$826.67 for each of the years 2020-2026 = \$5,787, and thus in those seven years alone will have paid out over \$1,400 more than the \$4,370 those not yet upgraded will pay in the whole 19-year 2020-2038 time period -- and the neighbour still will have to pay \$115 x 10 for 2029-2038, and already has paid out  $\$826.67 \times 3$  (2017-2019 payments) = \$2,480.

We ask you to reconsider the method to compensate property owners who have had an upgrade so to devise something more equitable. The most equitable method we can think of is this: take the amount assessed a property owner for an upgrade done since 2000, apply an index that tracks inflation to translate that assessment into 2020 dollars, then divide the resultant figure by \$230 to arrive at the number of years the property owner is excused from paying the \$230 annual fee, starting with the year his/her upgrade was done and going into the future.

Thank you for your efforts on council on behalf of the municipality of Huron-Kinloss.

George and Helen Hewitt

