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Waterloo ON N2L 5B2
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TOWNSHIP OF HURON-KINLOSS

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

Mayor Twolan and Council:

We received Council's April 8, 2021 reply to our March 2, 2021 letter (Treasurer MacArthur replied on behalf of Council). Our letter was in answer to a Sept. 22, 2020 reply from Council to a letter we sent Aug. 31, 2020. The theme of our letters was the new policy of paying for Point Clark water-system upgrades treats those with a recent upgrade inequitably (our Ojibwa property got the 2016 upgrade).

Our letters had a mistaken understanding of how fees are to be implemented for those with a recent upgrade. We read the August 2020 "Notice to Users of the Lakeshore Area Water System" as saying that all property owners in the 2010-2019 upgrades group were to be treated alike and would pay no annual fee from 2020-2028, then half the new \$230 fee from 2029-2038, then full fee from 2039 on.

We now understand from Council's April 8 reply how fees are to be implemented for those in the recent-upgrades group. The reply says "...a property is eligible for phase-in for each 10 year period from the date of their upgrade...." Unfortunately, as the following figures will show, our corrected understanding makes clear those with the 2016 upgrade are worse off than we thought, because we were assuming two extra years of no fee (i.e. no fee until 2028 instead of until 2026).

1) Some of us with the 2016 upgrade paid for it in one lump sum of \$6705. We will pay no fee up to and including 2026, then half the new fee 2027-2036, then full fee from 2037. That means in the 2016-2036 time period we will pay out $\$6705 + \1150 (i.e. $\$115 \times 10$) = $\$7855$, which converts to an annual fee of $\$462$ over the 17 years of 2020-2036 (we originally had this figure at $\$413$).

$\$462$ per year, double the new $\$230$ fee. The new policy disadvantages us by several thousand dollars ($\$232 \times 17$ amounts to $\$3944$). Presumably it similarly disadvantages others recently upgraded.

And the situation is actually worse. Our calculations make no allowance for our having to pay out that $\$6705$ in 2016 dollars, not a yearly sum of $\$230$ progressively easier to make as currency devalues.

2) A neighbour who paid by the 10-year payment plan (with 4% interest charge) will pay $\$826.67$ for each of the seven years 2020-2026 for a total of $\$5787$. In those same seven years anyone paying the standard $\$230$ fee will pay $\$1610$, so this neighbour will have paid out $\$4177$ more in those years ($\$5787 - \1610). This difference will be lessened by $\$1150$ because of the half fee 2027-2036 – but this neighbour already has paid out $\$826.67 \times 3 = \2480 (2017-2019 payments)!

There was a good answer available for this inequity problem. Council's April 8 letter says, "We will continually review our infrastructure requirements and if our financial plan allows, we can consider extending the implementation plan, but only if it is financially feasible to do so." The good answer was council should have built feasibility into the financial plan by setting the new annual fee at a level that would have allowed more equitable treatment (perhaps $\$300$ instead of $\$230$?).

We still think this implementation plan somehow needs to be amended.

Thank you again for your efforts on Council.
George and Helen Hewitt

