



The Corporation of the Township of Huron-Kinloss

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September 22, 2020

George and Helen Hewitt
15 Combermere Crescent
Waterloo, ON N2L 5B2

Dear Mr. and Mrs. Hewitt,

Thank you for your recent letter regarding the introduction of the new lakeshore area waterworks distribution rate. Your concerns were presented to Council at their September 21, 2020 meeting.

The purpose of establishing the new fee is to prepare for the future costs of replacing the water system infrastructure. The fee was determined based on the estimated future capital costs, not on the actual cost of past projects. Delaying the implementation by 50% for ten years for residents who have made a lump sum payment is not meant to compensate the owner fully for the previous upgrade, but to recognize that since your system was recently upgraded it will not require additional improvements for some time.

As illustrated in your example, you can see the benefit of collecting a smaller fee each year and investing funds to earn interest towards future capital projects as opposed to funding them after completion, requiring owners to come up with large sums and potentially having to add interest to carry the charges over time.

We expected that a change in policy, such as this would result in some difficulties in practical application. A phased in approach was proposed for ease of administration and to try and keep the methodology simple and consistent. We will continue to review the financial needs of the water system on an annual basis and will take your comments into consideration as we move forward.

We appreciate you taking the time to share your thoughts on how to improve the application of the lakeshore area waterworks distribution rate. Township Council and staff find this helpful to reaching our goal to provide safe, clean, reliable drinking water, while ensuring the financial sustainability of our infrastructure.

Best regards,