

COMMUNICATION 135195

Received From: Guy Bourgon, Director of Public Works
Addressed To: Committee of the Whole
Date: December 10, 2024
Topic: Water & Wastewater Rate Study and Water Financial Plan

BACKGROUND

As part of the requirements for our Drinking Water Licence Renewal for 2025, an updated Water Financial Plan is required to be prepared and submitted. Additionally, a rate study for water and wastewater services to support the Town's 10-year forecasts is needed to confirm our financial requirements for the 2025-2034 period.

COMMENT

Town staff are seeking to sole source Watson & Associates Economists Ltd. to undertake the preparation of the Water & Wastewater Rate Study and the Water Financial Plan.

Section 3.6 – Single Source Procurement of the Town's Procurement By-law (By-law No. 57-2017) states:

Purchase by negotiation may be adopted, if in the judgement of the CAO or Treasurer and in consultation with the Department Head involved, any of the following conditions apply:

- *Goods and services are in short supply due to market conditions or the goods and services are unique;*
- *The sources of supply are restricted to the extent that there is not effective price competition or consideration of substitutes is precluded due to d) specialty services for which competitors are limited or for which there is no substitute; or*
- *For professional services*

Watson has undertaken water and wastewater rate studies on behalf of one-third of all Ontario municipalities that provide these services. They have also provided Water Financial Plans, as prescribed under Ontario Regulation 453/07 for municipalities to maintain drinking water licences, for many municipalities. Their extensive experience in this regard, as well as working with the Town on its Development Charges (2020 and ongoing 2024 studies) makes them well suited to assist the Town with the knowledge and information necessary to implement defensible water and wastewater rates to provide sustainable funding for these services.

FINANICAL IMPLICATIONS

Watson & Associates have submitted a proposal to undertake this work at a cost of \$38,160.00 plus HST. Factoring net HST, the total cost becomes \$38,831.62. Staff is recommending that these costs be paid for out of the Water and Sewer Reserve.

STAFF RECOMMENDATION

THAT Council authorizes staff to sole source the Water & Wastewater Rate Study and Water Financial Plan to Watson & Associates Economists Ltd. as outlined in the report prepared by the Director of Public Works dated December 10th, 2024; and

THAT the budget deviation of \$38,831.62 be paid for from the Water and Sewer Reserve.