

TATAMAGOUCHE WATER UTILITY COMMITTEE

A meeting of the Tatamagouche Water Utility Committee was held at the Tatamagouche Legion on August 27, 2024 at 2:00pm.

Present:	Mayor Christine Blair, Chair Deputy Mayor Geoff Stewart Alan Fahey, Citizen Representative Keith Ferguson, Citizen Representative Dan Troke, CAO Heather Maddigan, Finance Manager Michelle Boudreau, Director of Public Works Regrets: Councillor Michael Gregory Anne DeAdder, Citizen Representative
Approval of Agenda:	Moved by Keith Ferguson Seconded by Alan Fahey All in favour
Approval of Minutes:	The Minutes of the Meeting of August 23, 2023 were approved by the Committee. Moved by Alan Fahey Seconded by Deputy Mayor Stewart All in favour.
Operating Budgets:	Heather Maddigan reviewed the utility budget. <u>2023/24 Fiscal Year</u> Heather provided a snapshot of year-end operating budget results. The statements have been reviewed by our auditors but have not yet been approved by Council. Not expecting any modifications to the documents. There have been no significant changes with the utility since fiscal 2022/23. Revenues were approximately \$467K and expenses were approximately \$ 492K, representing a small loss of \$25K. Increase in expenses was not out of the ordinary and represents mainly inflation and general increases in operating and maintenance costs over time. Rates haven't changed in many years. An overage on actuals for water treatment was due to extra electrical repairs. We continue to grow the depreciation fund, which is up to \$748K. The filter replacement reserve also grows at \$12,300 per year and the reserve has a balance of \$155,399. We will use some of these funds in the next 3 years. We had one capital purchase in 23/24, which was the replacement of a damaged truck. This was covered via insurance. Dan Troke asked about retirement of assets, and if we've looked at any adjustment for retirement of assets. Heather clarified that this isn't something we have done yet but needs to be quantified in future. This is part of the reason a rate study was triggered. The need for a study was flagged by the Utility and Review Board (UARB) following submission of our fiscal 2023/24 results, and the study will address assets, future needs and asset retirements. There has not

	been a rate study in 10 years and rates have not changed in 8 years. Over the last number of years, the utility has been tipping into a deficit. The study will look at updating rates and will ensure that depreciation funds are sufficient to cover future needs. <u>Three Year Budget</u> The last 2 years of the proposed 3-year budget are based on best assumptions but will likely change with the rate study. Main updates over 3 years include normal inflation and cost fluctuations, plus a number of specific projects including: construction of a fence around the water tower, electrical conduit replacements, repairs to the clear well, a new main control panel for the plant, and \$10K for the rate study. The study will be carried out by GA (Gerry) Isenor Consulting. Mr. Isenor carried out our last rate study and has 40 years of experience in the water industry. Rate studies typically cover a 3 year period. Some background work for the study has already begun, and work will ramp up in the Fall. A public meeting will form part of the study, no specific date has been set. Larger projects to address water system capacity have been included in Council's 5 year capital budget and will be completed with the use of other funding sources. Projects include a hydrogeological study to find new water sources, then if that is successful, a new water tower and some water plant upgrades. Securing funding via Federal/Provincial funding programs will be key and will likely affect project timing. Planned expenses for the utility will be fed into the rate study and decisions will be made on funding sources. Keith asked about our history with watermain breaks and main valve failures. Other than cases of water hammer, we do not experience many watermain breaks. Most leaks are due to service connections. We do not have one main control valve for our system, instead we have many valves at most intersections. Valve locations are known and valves are exercised on a regular basis. The Committee approved the 3-year operating budget with the following motion: That the Committee recommends to Council that the 3-year operating budget for the Tatamagouche Water Utility for years 2024/25, 2025/26 and 2026/27 be approved”. Moved by Alan Fahey Seconded by Keith Ferguson All in favour
New Business	No new business
Next Meeting:	TBD

Adjournment:	Meeting was adjourned at 2:32pm. Michelle Boudreau, Recording Secretary
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