



MEDIA RELEASE

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COUNTY REQUEST FOR WATER UTILITIES AMALGAMATION AND NEW WATER RATES APPROVED

ANNAPOLIS CO. DEC. 01, 2009– On October 20th, the Nova Scotia Utility and Review Board approved Council’s request to amalgamate three County water utilities and to introduce new water rates. The combined utility has been renamed The Annapolis County Water Utility.

In 2008, the Municipality engaged consultants to study the water structures in the water utilities. The objectives of the study was to 1) consider the feasibility of combining the three utilities – Margaretsville, Granville Ferry and Cornwallis Park -into a single entity, with common rules, regulations and rate structures; and 2) to develop the documentation necessary to apply to the Nova Scotia Utility and Review Board for new rate structure(s) designed to make water works operations sustainable.

“We were operating each Utility as a separate accounting entity; much like separate corporations,” explained Annapolis County Warden Peter Newton. “Under the Nova Scotia Utility Act, we are required to maintain separate sets of records for each Utility and to have separate financial audits of each Utility carried out on an annual basis. We are also required to submit separate annual reports for each Utility to the NS Utility and Review Board. Combining the Utilities into a single entity reduces the administrative workload and the audit cost.”

Laurie Emms further explained the benefits of this amalgamation by saying the rate structure for each Utility is supposed to reflect the cost of providing service. This is often difficult to predict the annual cost of operating a smaller Utility, and can more accurately predict the annual cost of a larger unit. For example, if a smaller utility is required to address three water main breaks per year (average), the budget is established to repair three breaks a year. If the Utility experiences five breaks in a fiscal year, operating compliance becomes a problem. If the Utility is large enough to warrant a ten water main break per year budget, an additional two, unpredicted breaks has a lesser affect on the budget.

The overall goal of the municipality is to have a self-sustainable and cost effective utility.

The Nova Scotia Utility and Review Board approved the amended Schedule of Rates and Charges for Water and Water services with new rates to be effective January 1, 2010, July 1, 2010 and April1, 2011. The following water consumption rates will apply:

	Jan. 1-10	July 1, 2010	April 1, 2011
Base Charge (Quarterly)			
Size of Meter			
5/8”	\$58.06	\$65.41	\$69.05
Consumption rates			
Per 1000 imperial gallons			
	\$5.08	\$5.71	\$6.09

“In the past, the Municipality’s Operating Reserve has had to absorb the utilities’ deficit,” said Warden Newton. “By uniting these utilities and increasing the water rates, we are moving towards creating a self-sustainable entity that is maintained by its users.”