To: Chair and Members
Audit and Administration Committee

From: Roberto Rossini
General Manager
Finance & Corporate Services

Date: August 10, 2009

Re: Wastewater Abatement Program Amendments (FCS09058(a)) (City Wide)

At the June 17, 2009, Audit and Administration Committee meeting and as amended by Council on June 24, 2009, Committee passed the following motion:

“That report FCS09058 respecting Wastewater Abatement Program Amendments be tabled for one month.”

Committee requested that staff provide additional information respecting the financial impacts of the amendments to the program. Staff were requested to provide details regarding the review of local food producers, in order to attempt to estimate the potential revenue impact of extending the existing Wastewater Abatement Program eligibility to local food producers.

Report FCS09058 did not identify a financial impact, as staff were unable to specifically quantify the revenue impact in relation to the impact of an extension of the existing Commercial/Industrial Wastewater Abatement Program to include local food producers. In an effort to try to quantify the potential financial abatements, as per the recommended amendments to the existing program, staff utilized the 2008 Hamilton & Area Local Food Map & Directory to compile a listing of area farms used to identify which farms have a current water/wastewater account. This review identified only two from this listing that have water and/or wastewater accounts with one of the two having a water only account. This reflects the fact that most area farms are located on the outer limits of the City’s geographic boundaries and may not currently have the ability to connect to the City’s water and/or wastewater systems. Furthermore, those farms that may very well be within the reach of the City’s water system might have chosen not to connect to the system, for irrigation purposes, as they have irrigation ponds to meet that purpose. There remains the potential for these farms to connect to the City’s water system and choose to apply to the Wastewater Abatement Program should the recommended amendment to the program be approved. As the City’s water treatment
plant has capacity, the addition of users who divert a majority of the water demanded in the production of their products may generate a net financial benefit to the rate budget.

When reviewing water consumption for the sole farm, identified as having a water/wastewater account, annual water consumption has ranged from a high of 4,055 m³ in 2006 to a low experienced in 2008 of 560 m³. The average daily consumption, over the past few winters, suggest that the user may be challenged to validate, through an audit, that the minimum 25% diversion threshold to qualify under the Wastewater Abatement Program could be met.

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Roberto Rossini
General Manager, Finance & Corporate Services