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File No. 15077

April 22, 2015

Mark Becker, Administrator-Clerk-Treasurer
Twp. of Ashfield-Colborne-Wawanosh
R. R. 5, 82133 Council Line
Goderich, ON N7A 3Y2

Dear Sir

Re: Review of Feasibility of Installing Water Meters

As requested, we have investigated the costs of implementing and administering a water meter program. It is important to note that there are several different ways a meter could be read and also different frequencies for sending out the water bill itself.

For purposes of establishing a probable cost we have assumed "drive-by radio reads" and billing at least three times per year. Although theoretically you can read and invoice once per year our experience is customers do not want that. It does not give them the data they need to manage their use and budget for the costs.

A typical residential meter with transmitter capability will cost about \$400 installed. The data collection system, software and other front end costs would be approximately \$20,000 or \$50 per meter for 400 customers. Meters are expected to last approximately 20 years. Therefore the annual cost per meter for the hardware part would be in the order of \$25 including financing.

We are told that the cost to read and bill would be in the order of \$3 to \$5/bill, say \$10 to \$15/year for seasonal billing.

Therefore for roughly \$35/year you can have a metered water system. These costs are in addition to current expenses.


In our opinion, what is more important than the above capital and administrative costs is understanding what portion of the operating costs of the water system are applicable to a volumetric rate. For the Ashfield-Colborne-Wawanosh water systems the only truly variable cost related to water supply is electrical energy and some of that would be fixed as well. Hydro costs are only 5% to 6% of total expenses. The majority of expenses should still be applied on a uniform basis (i.e. the minimum bill) and therefore it would be necessary to have a fixed component to the water billing that is still 90+% of the current flat rate charge.

In summary, it is our opinion that metering will not only add to the cost of water service but it will create very little opportunity for billing to be according to the volume used.

If you have any questions, or require additional information please feel free to contact us.

Yours very truly

B. M. ROSS AND ASSOCIATES LIMITED

Per 
Stephen D. Burns, P. Eng.

SDB:es