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## **Town to save over \$1 million outsourcing Water Operations**

For Immediate Release

April 24, 2018

The Council of the Town of Erin today voted in support of entering into contract negotiations with the Ontario Clean Water Agency (OCWA) for the provision of the corporation's water operation services. Once implemented, the transition to OCWA will result in savings of more than \$200k on an annual basis during the 5-year period of the contract. The direction to move from an in-house provider to the Crown Corporation was provided after council had the opportunity to review a cost-benefit analysis report prepared by Public Sector Digest, which provided an objective view.

The bid by OCWA identified a cumulative savings to ratepayers of more than \$1 million (between \$1.1m - \$1.2m specifically) over five and a half years, allowing the Town to significantly increase contributions to its Water Lifecycle Reserves. Additionally, the OCWA bid identified a number of enhancements in the delivery of services to ratepayers, an added value to residents. Under the proposed terms of the agreement, OCWA will also share in the liability of any issues that may arise which currently is only shared between the municipality and individual members of Council.

"This is about value for money and respecting taxpayers by ultimately saving them money in the long-term", said Town CAO Nathan Hyde. "This change in provider will save ratepayers over a million dollars, whilst also improving upon the current levels of service delivery", he added. Mayor Alls supported the change stating that "it is our obligation to ratepayers to ensure that we are providing the most reliable and financially sustainable water system to service our Town". "This Council has and will continue to support efforts to operate the municipality efficiently and effectively – and this decision is proof that Erin is on-track to being Future-Ready", he added.

The Town undertook the RFP earlier this year as part of a holistic view of the municipality's finances and in preparation of next year's Development Charges Study and mandated Water Rate Study that might have seen water rates increase. The Town also retained the analysis provided by Public Sector Digest to conduct a comprehensive Asset Management Plan for the municipality that will include a full assessment of the state of the Town's water infrastructure, much of which is antiquated and in need of replacement. Negotiations with OCWA are expected to take a month, and will involve a dialogue about the possibility of the Town's water department staff transitioning into new positions with the Crown Corporation. It is anticipated that OCWA will begin operating the Town's water system by August 1st of this year.

For more information, please contact:

Jessica Spina: 519.855.4407 EXT. 239

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5684 Trafalgar Rd. | Hillsburgh, ON | N0B 1T0