

### **Mid-November 2009 Update on Septage issue from The Alliance for Fair Taxation**

There is a fair bit of news on the septage front. Since our local papers don't cover the story, it falls to the MMRA and the Alliance for Fair Taxation to get the news out.

At the Roads and Public Works committee meeting November 5, one of the Town's consultants on the septage issue, Thompson Rosemount Group, pegged the price of the septage component of the new sewage plant at \$1,932,000. This is a 31% reduction. The Alliance has always questioned the original price tag of \$2.8 million as being too convenient—exactly 10% of the overall sewage plant cost. Given that the Province and the Feds cover two-thirds, this means a cost to taxpayers of \$644,000 instead of \$933,000.

Thompson Rosemount provided the first reliable estimate of the annual operating cost of the septage component: \$68,100. Again, this is less than previous estimates.

Thompson Rosemount also calculates that a tipping fee of \$10.16 per cubic metre is enough to recover the capital costs of the septage component. This is one-quarter of the \$40 charge another consultant, Watson and Associates, consistently estimated would be needed. The \$40 charge—much higher than Ottawa charges—would have destroyed the economic viability of a tipping fee and probably led Council to impose a levy on rural residents. The Thompson Rosemount figure makes a strong business case for a septage tipping charge instead of a levy.

Aside: If Watson and Associates is so wrong on the tipping fee, can we trust other advice from them? It was this company that advised Council last spring when it drastically cut development charges, thereby passing the majority of sewage plant costs to Almonte residents instead of developers.

The Thompson Rosemount figures are good news. Still, all the money spent on the septage component may be wasted.

On September 20, Mayor Al Lunney posted a letter on the town's website admitting there is no provincial legislation that requires towns or septage haulers to treat septic tank waste. Other sources suggest that the province may wait years to bring in such a law or drop the idea entirely.

If the town builds the septage treatment component in the absence of such a regulation, it will go unused. All money spent on it will be wasted.

Despite this uncertainty, the town is motoring ahead as if nothing changed. The day after the mayor posted his message, Council awarded a \$148,448 contract for part of the septage receiving station. On September 29, a new bylaw came into effect that collects a septage treatment development charge for new construction in Pakenham and Ramsay wards.

If no septage regulation is pending, one wonders why the town continues to spend money and continues to collect development charges.