



CLEAR FACTS ON WASTEWATER

#VILLAGE UPGRADES

FACTSHEET #2 – THE COST

When members of the public and technical advisors came together to create a wastewater management plan, they identified affordability as key criteria to finding the best solution. Worried about the cost? Here are some facts:

FACT #1

Upgrading the Village's wastewater treatment will never be more affordable than it is today. The full project is currently estimated to cost \$9.7 million. Increases in taxes, fees, materials and labour costs all contribute to steadily rising construction costs in all areas, including infrastructure upgrades. Delaying moving forward with construction here will only mean higher costs in the future.

FACT #2

This made-in-Cumberland solution is the most affordable presented. In 2015, Cumberland rejected participation in the South Sewer Project, which would have cost \$638/year for property owners. Since then, residents and technical experts have worked for nearly two years to find a solution that's effective and responsible to the rate payers in the Village. The solution they've arrived at will cost a total of \$9.7 million, compared to other options that were presented, which could have cost \$12.7 million or \$16.8 million.

FACT #3

The referendum question lists the most the Village would have to borrow – but it could be less. The Village is asking for permission to borrow \$4.4 million – however, if provincial and federal grants come through, this could be reduced to \$1.2 million. At the \$4.4 million, this would cost residents an additional \$449/year including both the capital (borrowing) cost and new operating costs over the 20-year borrowing period. If grants are received, this increase would be \$335/year.

FACT #4

Costs can/will go down as Cumberland grows: New development has to pay their share of infrastructure required to service them. As the Village approves new construction, fees and the increased tax base will contribute to a reduction of the above cost.

FACT #5

Operating costs will go up – but this is still the most affordable option: Current sewer fees in the Village are roughly \$386/year. It's estimated that once the capital/borrowed money is paid back, the ongoing operating costs of the upgraded system will be \$230-250 more than today. Other options would have ranged between \$450-500. Long-term operational costs were a key factor in deciding which was the best option moving forward.

FACT #6

Money has already been saved to help pay for this upgrade. The Village currently has \$1.23 million in reserves for this project – a savings account made up of structured/scheduled contributions (started in 2016) and charges on new development. This amount will increase with new development.

FACT #7

There is a cost to doing nothing: Cumberland's wastewater treatment has not met provincial standards for over a decade – and after many warnings, the province has in their last two notices advised that penalties could begin to be charged. At minimum, this could equal a \$40,000 administrative penalty for each time discharge does not meet requirements – but it could include a \$1-million fine, and raise the chance that a solution is imposed on the Village.

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