



Integration of Horseshoe Resort (Freed Developments) Zone 1 customers to the Horseshoe Highlands Municipal Drinking Water System forms an integral part of the Township's capital and corporate strategic planning process. More specifically, the 2010-2014 term of Council provided direction to implement integration of Zone 1 customers to the municipal water system.

Water services within the Horseshoe Valley settlement area are currently provided by two separate systems:

1. The private Horseshoe Resort (Freed) drinking water system, commonly referred to as Zone 1, provides drinking water to Horseshoe Resort, residential developments on Birch Grove Drive, Country Club Lane, and the existing residential developments on the north side of Horseshoe Valley Road.
2. The municipal system, known as the Horseshoe Highlands Drinking Water System, provides drinking water to Zone 2 residents, being those on the south side of Horseshoe Valley Road, in the Landscape Drive area.

***The attached map delineates each of the water services systems. To determine your drinking water system, please refer to Zone 1 and Zone 2 depicted on the map.**

For background purposes, please note the following:

Ownership of the Horseshoe Resort (Freed) Drinking Water System

Drinking water systems are classified in Ontario by the Ministry of the Environment Conservation and Parks (MECP), with primary classification being municipal or non-municipal, and secondary classification being system size. The provincial classification regulates testing, monitoring, inspection, and enforcement protocols by the MECP. The Freed Horseshoe Zone 1 system is provincially classified as a non-municipal year round residential drinking water system. As such, the system is regulated, permitted, inspected and enforced by the regulatory requirements of a non-municipal year round residential drinking water system, and Ontario Regulation 170/03. In addition, after a review of legal opinions and recent submissions from Zone 1 users, Council maintains the position of Zone 1 System private ownership. Conversely, the Municipal Horseshoe Highlands Drinking Water System is identified by the MECP as a large municipal system.

Horseshoe Private System Rate Setting

Customers in Zone 1 (private drinking water system) currently pay a flat fee of \$880 per year for the provision of drinking water. These rates were provided in writing to the Township by Horseshoe Resort's Finance Department. Notification of the flat fee was provided to Oro-Medonte Council for the purpose of adjusting the Township's Fees & Charges By-law to enable the Township to collect fees on behalf of Freed Developments. The Township does not set the rates, budget or cost recovery process for the private utility. Currently, Freed pays the Township to set up new accounts, prepare and

distributes bills, collects fees, and answers customer questions about arrears or payment pertaining to Freed Horseshoe private (PVT) water accounts.

Development Charges Study

Drinking Water Reserves are funded by all Municipal water users. Regardless of location within the Township, all water users pay the same fee structure across the Municipality. More specifically, any development charges (DC's) collected related to the provision/connection of water, are held in a drinking water specific DC reserve account, and used to finance water specific growth projects as identified in the Development Charges Background Study. It is important to note that long term financial planning of the collective water systems was also considered in the 2019 Water Financial Plan.

The DC Study, as completed by Watson & Associates Economist Ltd. in 2019 considered the general municipal economy and urban planning across the Township, with area specific consideration of Horseshoe Valley. The area specific review also considered engineered data related to water storage needs (existing and future) within a 10 year planning horizon, and considered project costs of approximately \$7.9M which includes discounted interest. The Watson & Associates Economist analysis concluded that approximately 70% of costs related to Horseshoe Highlands water system upgrades were related to growth demands (new build and interconnection), while the remaining 30% were considered a benefit to existing users of the Municipal water system (Zone 2 system).

To learn more about the integration of Freed Zone 1 customers to the municipal Horseshoe Highlands Drinking Water system, residents in these areas are encouraged to review the list of frequently asked questions below.

1. Why is the integration of Zone 1 residential customers to the municipal drinking water system happening?

After many years of requests from Zone 1 users, the integration of Horseshoe (Freed) Zone 1 customers to the municipal Horseshoe Highlands Drinking Water system forms an integral part of the Township's capital and corporate strategic planning process. Integration of Zone 1 customers ensures that all residents within the Horseshoe Valley area are serviced by the same municipal drinking water system.

2. Why is the integration of Zone 1 residential customers to the municipal drinking water system possible now?

Given the costs required to transition residents currently provided water service by the Freed private water system to the Township operated municipal water system, a staged approach has been developed. It is important to note that transition of residents to the Township operated municipal water system using a phased in approach, formed part of the Township's 2010-2014 Corporate Strategic priorities.

Preliminary steps completed over the last number of years towards Zone 1 integration included the construction of a new well and water storage

reservoirs in Zone 2 (Horseshoe Highlands Municipal Drinking Water System). In addition, and as outlined in [staff report ES2019-09](#), the watermain required extension under Horseshoe Valley Road prior to connection of any locations in Zone 1. This watermain construction project was completed in spring 2020; however the valve remains currently closed.

3. When can the integration of Zone 1 residential customers happen?

It is anticipated that staging and ultimate connections will be completed through the guidance of a multi-year capital project allocation. The following stages have been identified for integration of Zone 1 residential customers:

- Stage 1: Existing Horseshoe Highlands Municipal Distribution System
- Stage 2: Stage 1 + Cathedral Pines
- Stage 3: Stage 2 + Pine Ridge
- Stage 4: Stage 3 + Maple Crest
- Stage 5: Stage 4 + Birch Grove/Country Club Lane
- Stage 6: Stage 5 + Valley Chalets and High Vista
- Stage 7: Stage 6 + Copeland House Phase 1
- Stage 8: Ultimate Development Build Out

On July 22, 2020 Council Motion SC200722-7 resolved that implementation of the connection to the Municipal system would be determined by the majority of responses received through a survey to Zone 1 property owners. Details of the survey findings are outlined in [staff report ES2020-06](#) which was presented during the October 14, 2020 Council meeting.

Specific timing for connections and staging will be determined by approval of the Township's 2021-2025 Capital Budget.

4. As a resident living in the Zone 1 area, is there anything that I need to do regarding the integration?

There are no specific steps that homeowners need to take to prepare for the integration. Prior to individual home connections to the municipal water system, water meters and Sensus smart radio frequency equipment will be installed in each home by Township staff and their appointed contractor through an appointment booking.

Should staging be initiated in your area, you will receive direct information related to the coordination and installation of water meter packages. This equipment includes a meter, back flow preventer, angle meter valve, expansion tank and Sensus MXU equipment.

5. Will Township staff require entry into my home to install the water meter?

Yes. Township Staff and/or their appointed contractor will require access to home interiors to install the water meter, back flow preventer, angle meter

valve, expansion tank and Sensus MXU equipment. This installation will be coordinated through an appointment booking. Those residents living in the impacted areas will be contacted with direct information related to the coordination of a booked installation appointment.

6. How does the integration of Zone 1 customers to the municipal water system affect service costs?

Existing Zone 1 customers are subject to Freed/Horseshoe flat rate user fees of \$880 per year (\$220 per quarter) as determined by Freed/Horseshoe.

Conversely, existing municipal [water fees](#) are outlined on the Township website and include fixed operating costs, fixed infrastructure and variable consumption rates. All municipal water connections are also subject to the provisions outlined in By-law 2016-100 (Municipal Water Supply).

On July 22, 2020, Council unanimously endorsed an updated Fees and Charges By-law for Zone 1 integration. Through a series of reports, staff provided Council with background information pertaining to the Horseshoe Highlands Municipal Drinking Water System, the private Horseshoe Resort (Freed) drinking water system, community feedback, and overall project details. These reports are available for review:

- [Staff report ES2019-09](#)
- [Staff report ES2020-03](#)
- [Staff report ES2020-04](#)

On July 22, 2020, Council also endorsed a discounted quarterly connection fee for Zone 1 users as outlined below, and an additional option of a one time fee of \$7107.30, available to those who elect to pay the full fee at the time their homes are connected to the integrated water system.

Description of Cost	Cost
Fees & Charges By-law- user fee connection charge for capital costs associated with well upgrades for the Horseshoe Valley Settlement area & validated in DC Charge By-law.	\$5,191
Area Specific DC Charge By-law for water services in Horseshoe Valley for treatment, storage and distribution.	\$4,611
Horseshoe Highlands Total Water Upgrades	\$9,802
Discounted Cost for Water Meter Package Cost as identified in Fees & Charges By-law	\$485.90

Less 10% credit for contribution to Horseshoe Medonte Reserve Contribution as collected through current Freed Flat User Rate of \$880 per	(\$980.20)
Less additional credit 20% to align with 2018 Reserve % of average existing municipal water user	(\$1,960.40)
Total	\$7,347.30
Amortized over 25 years at 0% interest	
Annual Fee	\$293.89
Quarterly Fee	\$73.47

This connection fee is in addition to existing municipal water rates and will be included with new customer billing identified as "Zone 1 Integration Connection". Furthermore, the fee is only applied once connection is completed.

7. What will happen if I don't permit access onto my property for installation of metering equipment?

The Township and designated contractor will complete installations during pre-arranged booked appointments that are convenient for the home owner. However, should a circumstance arise where property owners do not permit access for the installation of metering equipment, it is important to understand that property owners will be subject to the no access - flat water rate of \$1,200 annually (\$300.00 per quarter) as identified in Schedule J, Section 3.3 of the Fees & Charges By-law, in place of a variable consumption/metered component. These fees will be in addition to fixed fees.

8. I understand the connection fee of \$73.47 is required to be paid on a quarterly basis. What is the purpose of the connection fee?

The quarterly fee of \$73.47 is the apportioned cost associated with connecting to the municipal water system. Fees are related to the hydraulic capacity of the system (amount of water that can pass through the system) and represent a contributive share in costs related to the municipal system. User rates support operation and maintenance of the system.

9. Does the Township have authority to implement water charges?

Yes, under Part XII of the Municipal Act, 2001, the Township has authority to implement water charges for the benefit received from capital costs associated with the provision of water services.

10. How long will I be required to pay the quarterly fee of \$73.47? Does construction of new homes require payment of the same fee?

For existing customers residing in the Zone 1 area, the Township has amortized the quarterly fee, interest free, over twenty-five (25) years. This fee is related to the property during the 25 year term.

It is important to understand that new homes built in the Horseshoe Highlands area are subject to development charges, payable at the time of issuance of a building permit. Development charges pertaining to the municipal water system for newly built homes are approximately \$9,802.00 and are payable in full at the time of issuance of a building permit. New developments are not permitted to amortize this payment.

11. Are the Township water systems inspected by the Ministry of the Environment, Conservation and Parks (MECP)? How do the municipal drinking water systems rate?

Yes, all municipal drinking water systems are inspected annually at a minimum. We proudly report that Township systems inspected in 2019 received a 100% inspection rating from the MECP, who strictly govern operational legislation. To date, the Township has never received any Director or Provincial Orders to Comply, been prosecuted or investigated for any drinking water infractions, or received monetary fines. The Township will continue to remain diligent in providing safe and reliable drinking water to our customers in an environmentally conscious and sustainable manner. Drinking water system annual reports are posted on the Township website.

12. What kind of maintenance activities do Township operators routinely perform? What are provincial legislations around municipal water operations?

The operation of the municipal drinking water systems is highly regulated by several Acts & Regulations. The main documents governing operations for water systems are as follows:

- Safe Drinking Water Act, 2002, S.O. 2002, c.32 ('SDWA')
- Ontario Regulation 188/07: Licensing of Municipal Drinking Water Systems
- Ontario Regulation 169/03: Water Quality Standards
- Ontario Regulation 170/03: Drinking Water Systems
- Drinking Water Quality Management Standard

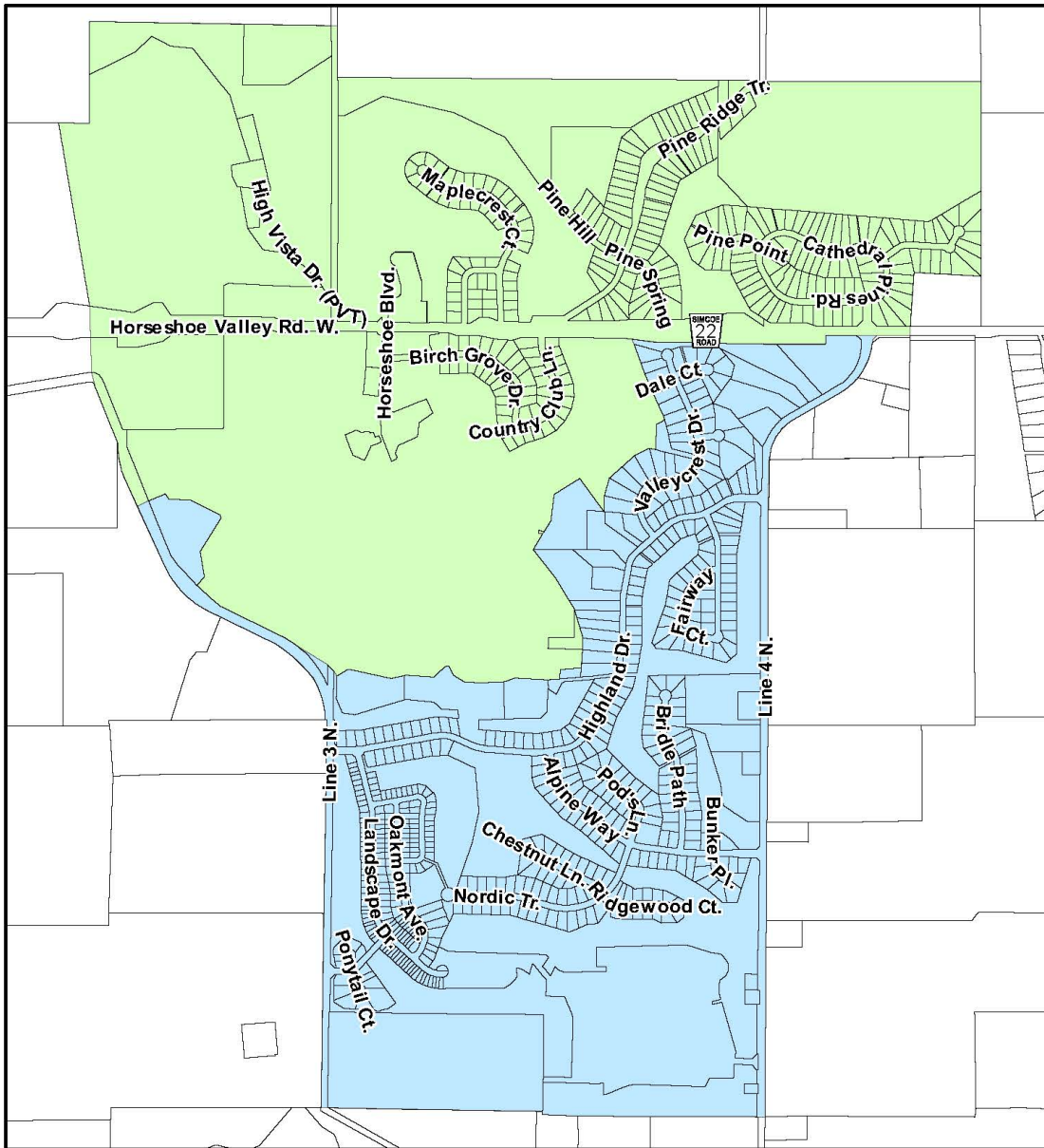
Regardless of consumption, Township licensed water operators are responsible for several monitoring operational responsibilities, including but not limited to:

- Chlorine Residuals – bi-weekly
- Bacteriological Testing – weekly
- SCADA Equipment Monitoring - every 72 hours
- Chemical Testing – quarterly
- Alkalinity and Lead Testing – bi-annually
- Alarms – weekly
- Well Head Inspections – bi-weekly
- Turbidity – monthly
- Flushing programs
- Hydrant and Valve Maintenance programs
- Flow Meter Calibration program



- Generator Maintenance program
- Reservoir Maintenance
- Standpipe Maintenance
- Pressure Gauge Checks and Control Valves

13. Once integration of Zone 1 residential customers to the municipal drinking water system is complete, who do I call if I have water related questions or concerns?

For all water related concerns or questions, residents should call the Township office at 705-487-2171. Water operators are available 24 hours per day, 7 days per week, 365 days of the year. On call operators are available for emergency response outside regular office hours by calling the Township office, where after hours reception will dispatch the service request directly to on call staff.



Horseshoe Valley Settlement Area Drinking Water Zones

-  Zone 1 (Private - Freed Developments)
-  Zone 2 (Municipal - Township)

September 2022

