

## **Audit of the City of Ottawa Water Rate**

### **All Known City Costs Included in Water Rate Charged to Russell Township**

**Ottawa, October 22, 2008** – The water rate being charged to the Township of Russell by the City of Ottawa includes all known City costs. The finding is part of an audit of the City’s Water Rate presented in the Auditor General’s report to Council released today.

The water rate charged to the Township of Russell is the same as the rate being charged to all City of Ottawa consumers and covers all currently known City costs. “However, some water related expenditures are currently unknown, such as source water protection and long-term asset requirements and are not included in the current water rate.” says Alain Lalonde.

The audit also found that:

- The City does not, at present, have a detailed asset management plan in place;
- A water cost of service analysis (including an asset management plan study) would be required to verify if water reserve balances are sufficient for long-term system sustainability;
- The water rate should be revised to ensure full cost recovery once new financial regulations take effect in 2010; and,
- The current fire protection charge is based on water meter size rather than the value of the asset being protected resulting in below average revenues for a municipality the size of Ottawa.

The audit makes eight recommendations in total, all of which management has accepted.

The report on the **Audit of the City of Ottawa Water Rate** is available on the Auditor General’s Web site at [www.ottawa.ca](http://www.ottawa.ca).

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