

STAFF REPORT: Financial and Information Services

REPORT TO: Council
MEETING DATE: March 14, 2011
REPORT NO.: FIS.11.07
SUBJECT: Establishment of Water and Wastewater Rates Effective January 1, 2011
PREPARED BY: Ruth Prince, Manager of Revenue

A. Recommendations

THAT Council receive Staff Report FIS.11.07, "Establishment of Water and Wastewater Rates Effective January 1, 2011" for information purposes; and,

FURTHER THAT Council enact a By-law to impose water charges and sewer charges effective January 1, 2011.

B. Background

At the February 8, 2011 Budget Meeting, Council approved the proposed 2011 Water and Wastewater Budgets for release to the public and authorized staff to schedule a public meeting to discuss the proposed budgets and rates. At the March 8, 2011 Special Meeting of Council, no comments were received during the public meeting with regard to the 2011 water and wastewater budget and rates.

The 2011 budget estimate of \$3,087,358 for the water system is funded by a 3% increase to the fixed rate (includes 5m³ / month) and 3% increase in consumption rate across all consumption tiers.

The 2011 budget estimate of \$2,211,507 for the wastewater system is funded by the current fixed rate (includes 5 m³ / month) and the current consumption rate.

Water consumption and sanitary sewage flows for 2011 are projected to remain constant from the 2010 budget levels. The 2011 forecasted consumption for water and sanitary sewer flows considers normal summer weather.

The water and wastewater systems are dependent on the revenues generated from the water and wastewater rates. The 2011 budget includes a contribution to a Rate Stabilization Reserve. There is \$42,504 being generated through the water rates and \$27,963 being generated through wastewater rates. Reserves will be used to normalize the fluctuation in the annual rate and the annual surplus or deficit.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability

D. Environmental Impacts

None

E. Budget Impact

Proposed rates reflect an increase of 3% to the water consumption rate and no change to the wastewater consumption rate. 5 m³ per month will be included in the fixed rate for water and wastewater and a consumption rate will be charged once the 5m³ per month is exceeded.

F. Attached

1. 2011 Water Rates Calculation
2. 2011 Wastewater Rates Calculation

Respectfully submitted,

Signature

For more information, please contact:
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2011 WATER RATES CALCULATION

(m³ = cubic metres)

<u>Budget</u>	<u>2010</u>	<u>BUDGET</u>	<u>3%</u> <u>2011</u>
Gross Expenditures	\$2,014,451	Gross Expenditures	\$1,907,288
Transfers to Capital	\$750,182	Transfers to Capital	\$776,080
Interfunctional Transfers	\$288,069	Interfunctional Transfers	\$303,429
Contribution to Asset Replacement Reserves	\$175,592	Contribution to Asset Replacement Reserves	\$252,307
Transfer to Reserves	\$33,377	Transfer to Reserves	\$42,504
Revenue Requirement	<u>\$3,261,671</u>	Revenue Requirement	<u>\$3,281,608</u>
Less Non-User Rate Revenues	\$283,000	Less Non-User Rate Revenues	\$194,250
Net Expenditures - Rate Funded	<u>\$2,978,671</u>	Net Expenditures - Rate Funded	<u>\$3,087,358</u>
Share to be funded from Fixed Monthly Charges	\$1,496,199	Share to be funded from Fixed Monthly Charges	\$1,561,161
Share to be funded from Consumption Charges	\$1,482,472	Share to be funded from Consumption Charges	\$1,526,197
Total Revenues Through Rates	<u>\$2,978,671</u>	Total Revenues Through Rates	<u>\$3,087,358</u>

<u>Meter Size</u>	<u># of Meters</u>	<u>Fixed Charge</u> <u>Per Month</u>	<u>Revenue</u>	<u>Meter Size</u>	<u># of Meters</u>	<u>Fixed Charge</u> <u>Per Month</u>	<u>Revenue</u>
5/8"	5,810 multiply by	\$20.61	\$1,437,222	5/8"	5,890 multiply by	\$21.23	\$1,500,416
3/4"	21	\$21.85	\$5,506	3/4"	21	\$22.51	\$5,671
1"	50	\$25.56	\$15,334	1"	50	\$26.32	\$15,794
1 1/2"	26	\$30.50	\$9,515	1 1/2"	26	\$31.41	\$9,801
2"	30	\$44.09	\$15,871	2"	30	\$45.41	\$16,347
3"	3	\$144.14	\$5,189	3"	3	\$148.47	\$5,345
4"	2	\$181.20	\$4,349	4"	2	\$186.64	\$4,479
6"	1	\$267.67	\$3,212	6"	1	\$275.70	\$3,308
Total # of Meters	<u>5,943</u>		<u>\$1,496,198</u>	Total # of Meters	<u>6,023</u>		<u>\$1,561,161</u>

Total # of Meters	5,943	Total # of Meters	6,023
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Estimated Total Annual Water Consumption (m ³):	1,109,895	Estimated Total Annual Water Consumption (m ³):	1,109,895 m ³ m ³
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<u>total annual m³</u>	<u>Rate per m³</u>	<u>total annual m³</u>	<u>Rate per m³</u>
0 - 10 m ³	295,565	0 - 10 m ³	295,565
>10 - 30 m ³	388,796 multiply by	>10 - 30 m ³	388,796 multiply by
>30 - 60 m ³	167,816	>30 - 60 m ³	167,816
>60 - 90 m ³	54,496	>60 - 90 m ³	54,496
above 90 m ³	203,222	above 90 m ³	203,222
	<u>1,109,895</u>		<u>1,109,895</u>

\$1.65 Included in fixed charge		\$1.70	Included in fixed charge
\$1.65	\$642,447	\$1.70	\$660,954
\$1.81	\$302,975	\$1.86	\$312,138
\$1.96	\$106,725	\$2.02	\$110,082
\$2.12	\$430,326	\$2.18	\$443,023
	<u>\$1,482,472</u>		<u>\$1,526,197</u>

2011 WASTEWATER RATES CALCULATION

(m3 = cubic metres)

<u>Budget</u>	<u>2010</u>	<u>BUDGET</u>	<u>0% 2011</u>
Gross Expenditures	\$1,167,400	Gross Expenditures	\$1,223,388
Transfers to Capital	\$279,182	Transfers to Capital	\$212,680
Interfunctional Transfers	\$380,219	Interfunctional Transfers	\$397,826
Contribution to Asset Replacement Reserves	\$500,000	Contribution to Asset Replacement Reserves	\$485,000
Transfer to Reserves	\$86,979	Transfer to Reserves	\$27,963
Revenue Requirement	<u>\$2,413,781</u>	Revenue Requirement	<u>\$2,346,857</u>
Less Non-User Rate Revenues	\$220,353	Less Non-User Rate Revenues	\$135,350
Net Expenditures - Rate Funded	<u>\$2,193,428</u>	Net Expenditures - Rate Funded	<u>\$2,211,507</u>
Share to be funded from Fixed Monthly Charges	\$1,064,138	Share to be funded from Fixed Monthly Charges	\$1,082,215
Share to be funded from Consumption Charges	\$1,129,291	Share to be funded from Consumption Charges	\$1,129,292
Total Revenues Through Rates	<u>\$2,193,428</u>	Total Revenues Through Rates	<u>\$2,211,507</u>

<u>Meter Size</u>	<u># of Meters</u>	<u>Fixed Charge Per Month</u>	<u>Revenue</u>
5/8"	4,545 multiply by	\$18.83	\$1,026,988
3/4"	19	\$19.96	\$4,551
1"	27	\$23.36	\$7,569
1 1/2"	23	\$27.90	\$7,700
2"	21	\$40.36	\$10,171
3"	2	\$132.15	\$3,172
4"	2	\$166.14	\$3,987
6"	0	\$245.46	\$0
Total # of Meters	<u>4,639</u>		<u>\$1,064,138</u>

Total # of Meters 4,639

Estimated Total Annual Water Consumption (m³): 845,873 m³

<u>total annual m³</u>	<u>Rate per m³</u>
0 - 10 m ³	164,522
>10 - 30 m ³	330,970
>30 - 60 m ³	147,888
>60 - 90 m ³	41,363
above 90 m ³	161,214
	<u>845,958</u>

<u>Rate per m³</u>	<u>Revenue</u>
Included in fixed charge	
\$1.50	\$496,455
\$1.65	\$244,014
\$1.80	\$74,454
\$1.95	\$314,368
	<u>\$1,129,292</u>

<u>Meter Size</u>	<u># of Meters</u>	<u>Fixed Charge Per Month</u>	<u>Revenue</u>
5/8"	4,625 multiply by	\$18.83	\$1,045,065
3/4"	19	\$19.96	\$4,551
1"	27	\$23.36	\$7,569
1 1/2"	23	\$27.90	\$7,700
2"	21	\$40.36	\$10,171
3"	2	\$132.15	\$3,172
4"	2	\$166.14	\$3,987
6"	0	\$245.46	\$0
Total # of Meters	<u>4,719</u>		<u>\$1,082,215</u>

Total # of Meters 4,719

Estimated Total Annual Water Consumption (m³): 845,873 m³ m³

<u>total annual m³</u>	<u>Rate per m³</u>	<u>Revenue</u>
0 - 10 m ³	164,522	\$1.50
>10 - 30 m ³	330,970 multiply by	\$1.50
>30 - 60 m ³	147,888	\$1.65
>60 - 90 m ³	41,363	\$1.80
above 90 m ³	161,214	\$1.95
	<u>845,958</u>	<u>\$314,368</u>

<u>Rate per m³</u>	<u>Revenue</u>
Included in fixed charge	
\$1.50	\$496,455
\$1.65	\$244,014
\$1.80	\$74,454
\$1.95	\$314,368
	<u>\$1,129,292</u>