

STAFF REPORT: Finance and IT Services

F.4



REPORT TO: Council
MEETING DATE: February 13, 2012
REPORT NO.: FIT.12.06
SUBJECT: Establishment of Water and Wastewater Rates Effective January 1, 2012
PREPARED BY: Ruth Prince, Manager of Revenue

A. Recommendations

THAT Council receive Staff Report FIT.12.06, "Establishment of Water and Wastewater Rates Effective January 1, 2012" for information purposes; and,

FURTHER THAT Council enact a By-law to impose water charges and sewer charges effective January 1, 2012.

B. Background

The preparation of the Water and Wastewater budget and corresponding rates was based on Staff report FIS.11.11 "20 Year Capital Plan – Water Division" adopted by Council in April 2011. The report outlined the 20 year Capital Plan for the Town's water supply system and confirmed the commitment to eliminate the water infrastructure gap and achieve sustainability of the system in the years to come. Additionally, Staff is currently undertaking the development of a similar long-term plan for the wastewater division but the same philosophy was used for the wastewater rates.

At the Special Meeting of Council on February 6, 2012, Council passed the following motion:

Moved by: Joe Halos Seconded by: D.R. McKinlay

THAT the 2012 water rate increase be set at 5%;

AND THAT the 2012 wastewater rate increase be set at 5%, Carried.

The 2012 water and wastewater rates are calculated on the above Council motion. The 2012 rate increase at 5% falls short of the recommendation in the 20 Year Capital Plan and may extend the timing of the water infrastructure work beyond the current approved 20 Year Capital Plan. This timing could expose the Town to increased risk of infrastructure failure over this period of time. Alternatively, the annual rate increases could be higher in upcoming years (than originally recommended in the 20 Year Capital Plan) to ensure funds are available for the identified infrastructure renewal works.

The 2012 budget estimate of \$3,246,947 for the water system is funded by a 5% increase to the fixed rate (includes 5m³ / month) and a 5% increase in consumption rate across all consumption tiers.

The 2012 budget estimate of \$2,268,930 for the wastewater system is funded by a 5% increase to the fixed rate (includes 5 m³ / month) and a 5% increase to the collection rate across all collection tiers.

Water consumption and sanitary sewage flows for 2012 are projected to remain constant from the 2011 budget levels. The 2012 forecasted consumption for water and sanitary sewage flows consider normal summer weather.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability

D. Environmental Impacts

Provide safe drinking water

E. Financial Impact

Proposed rates reflect an increase of 5% to the water consumption and fixed rate and an increase of 5% to the wastewater collection and fixed rate. 5 m³ per month will be included in the fixed rate for water and wastewater and a consumption/collection rate will be charged once the 5m³ per month is exceeded.

F. In Consultation With

Council, CAO, Director of Finance & IT Services, Budget Staff

G. Attached

1. 2012 Water and Wastewater Rate Summary

Respectfully submitted,

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Robert Cummings, CMA
Director of Finance & IT Services

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THE BLUE MOUNTAINS

2012 Water Supply Rates
Effective January 1, 2012
SUMMARY OF CALCULATED RATES

Fixed Bi-Monthly Rates

| | | Charge Bi- Monthly | |
|------------|--|--------------------|-----------|
| | | 2012 | 2011 |
| Meter Size | | 2012 | 2011 |
| 5/8" | | \$ 44.58 | \$ 42.46 |
| 3/4" | | \$ 47.28 | \$ 45.02 |
| 1" | | \$ 55.28 | \$ 52.64 |
| 1 1/2" | | \$ 65.98 | \$ 62.82 |
| 2" | | \$ 95.36 | \$ 90.82 |
| 3" | | \$ 311.78 | \$ 296.94 |
| 4" | | \$ 391.94 | \$ 373.28 |
| 6" | | \$ 578.98 | \$ 551.40 |

Consumption Charges

| Charge Per Cubic Metre | | | |
|------------------------|----------------|------------------------|---------|
| | | 2012 | 2011 |
| Bi-Monthly Consumption | | 2012 | 2011 |
| 0 - 10 | m ³ | included in fixed rate | |
| >10-30 | m ³ | \$ 1.79 | \$ 1.70 |
| >30-60 | m ³ | \$ 1.95 | \$ 1.86 |
| >60-90 | m ³ | \$ 2.12 | \$ 2.02 |
| above 90 | m ³ | \$ 2.29 | \$ 2.18 |

Annual Rates for 5/8" meter Users

| Annual Water Bill | | | |
|--------------------|----------------|--------|--------|
| Annual Consumption | | 2012 | 2011 |
| 60 | m ³ | \$ 267 | \$ 255 |
| 180 | m ³ | \$ 482 | \$ 459 |
| 240 | m ³ | \$ 599 | \$ 570 |

2012 Wastewater Treatment Rates
Effective January 1, 2012
SUMMARY OF CALCULATED RATES

Fixed Bi-Monthly Rates

| | | Charge Bi- Monthly | |
|------------|--|--------------------|----------|
| | | 2012 | 2011 |
| Meter Size | | 2012 | 2011 |
| 5/8" | | \$39.54 | \$37.66 |
| 3/4" | | \$41.92 | \$39.92 |
| 1" | | \$49.06 | \$46.72 |
| 1 1/2" | | \$58.60 | \$55.80 |
| 2" | | \$84.76 | \$80.72 |
| 3" | | \$277.52 | \$264.30 |
| 4" | | \$348.90 | \$332.28 |
| 6" | | \$515.46 | \$490.92 |

Consumption Charges

| Charge Per Cubic Metre | | | |
|------------------------|----------------|------------------------|--------|
| | | 2012 | 2011 |
| Bi-Monthly Consumption | | 2012 | 2011 |
| 0 - 10 | m ³ | included in fixed rate | |
| >10-30 | m ³ | \$1.58 | \$1.50 |
| >30-60 | m ³ | \$1.73 | \$1.65 |
| >60-90 | m ³ | \$1.89 | \$1.80 |
| above 90 | m ³ | \$2.05 | \$1.95 |

Annual Rates for 5/8" meter Users

| Annual Wastewater Bill | | | |
|------------------------|----------------|--------|--------|
| Annual Consumption | | 2012 | 2011 |
| 60 | m ³ | \$ 237 | \$ 226 |
| 180 | m ³ | \$ 426 | \$ 406 |
| 240 | m ³ | \$ 530 | \$ 505 |