

STAFF REPORT

Department: Treasury / Public Works / Environmental Services

Date: March 15, 2024

Item: Water and Sewer Rates for 2024

Recommendation: Be It Resolved That: The Water and Sewer Budget be approved as presented and that Bylaw No. 3095/22 be amended to reflect adjustments to water and sewer rates as presented.

Background: Municipal Water and Sewer systems and facilities are funded separately from the municipal operating and capital budgets. The water and sewer system is funded by the water and sewer rates charged to users. Water and sewer rates are failing to generate enough revenue to cover the cost of the system. This is primarily due to significant increases in the cost to operate the Town's water and sewer treatment facilities that are operated by OCWA as well as added work needed to maintain areas of the system that are very old. The current water and sewer rates would leave a 20% shortfall with projected annual expenses including both operating and capital.

Analysis: In order to address the 20% shortfall, a phased in water and sewer adjustment is proposed so as to minimize the initial increase to users. Increases are identified below and will amount to an increase of \$10.19 per month in 2024 effective ideally in May followed by a second increase of \$10.19 effective January 2025. The chart at the following page outlines the impact to specific rate classes and the corresponding revenue that must be generated.

Further context regarding the Water and Waste Water budget is provided along with this report and will be presented on by the Manager of Environmental Services and Special Projects and the Superintendent of Public Works as part of the budget deliberations.



2024 Water and Sewer Rate Adjustment

	Current Rate	Proposed 10% Increase	Difference	Connections	Total
Residential Flat Rate	\$ 101.91	\$ 112.10	\$ 10.19	1686	\$ 206,184.31
Commercial Flat Rates:					
W26	\$ 34.43	\$ 37.87	\$ 3.44	103	\$ 4,255.55
W37	\$ 62.22	\$ 68.44	\$ 6.22	12	\$ 895.97
W50	\$ 124.44	\$ 136.88	\$ 12.44	10	\$ 1,493.28
Consumption Rates:					
0 - 300 m3	\$ 0.95	\$ 1.05	\$ 0.10	108,000 m3	\$ 123,120.00
Total Revenue					\$ 335,949.11

Existing Policy: Bylaw 3095/22

Strategic Goal: Infrastructure

Financial Commitment: N/A

Budgeted: Yes ☒ No ☐

Implementation: Upon Council Recommendation

Prepared By: Joseph Burke

Department Manager:

CAO/Clerk: Joseph Burke

Approval of Recommendation: Yes ☒ No ☐

Comments: