

DATE OF MEETING December 7, 2020

AUTHORED BY BARBARA D. WARDILL, MANAGER, REVENUE SERVICES

SUBJECT AMENDMENT TO RATES AND CHARGES FOR WATER

OVERVIEW

Purpose of Report

To introduce “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” for first, second and third readings.

Recommendation

That:

1. “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” (To set the 2021 water rates) pass first reading;
2. “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” pass second reading; and,
3. “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” pass third reading.

BACKGROUND

At the Regular Meeting of Council held 2020-JAN-13, Council adopted the “Financial Plan Amendment Bylaw 2019 No. 7307”, the Financial Plan for 2020 – 2024. The Plan proposed annual increases to the water and sewer rates that take effect on January 1st of each year. If the rate increases are delayed, then either higher rates are required or the City will not meet its revenue targets.

The City’s strategic water supply plan calls for extensive investment in water treatment and supply infrastructure over the next few decades. One of the funding sources for these expenditures is a 5% annual increase in water rates. The growth related portion of the costs will be funded through development cost charges. In addition to this 5% annual increase, a 2.5% increase is needed to cover the costs relating to the long term asset management program for both water supply and distribution.

The total increase of 7.5% will be effective 2021-JAN-01 and will apply to all properties. The total impact of this proposed change on a typical single family home is \$44.15 (based on the average consumption of 220 gallons/day). This will bring the annual cost for a single family home to \$637.81.

OPTIONS

1. That “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” (To set the 2021 water rates) pass first reading;
2. That “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” pass second reading; and,
3. That “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” pass third reading.
 - The advantages of this option: The City will meet its revenue targets, including asset management initiatives.
4. That Council deny first, second and third readings to “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16” (To set the 2021 water rates)
 - The disadvantages of this option: The City will not meet its revenue targets.

SUMMARY POINTS

- The City’s Financial Plan includes an annual increase of 7.5% to water rates to provide for full cost recovery for the service including long-term asset management.
- This amounts to an annual increase of \$44.15 for a single family home (2021 = \$637.81, 2020 = \$593.66).

ATTACHMENTS:

Attachment A: “Waterworks Rate and Regulation Amendment Bylaw 2020 No. 7004.16”

Submitted by:

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Concurrence by:

Laura Mercer
Director, Finance

John Elliot
Director, Public Works

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GM, Engineering & Public Works