



Date: January 21, 2022
To: Mayor and Council
Author: Margaret Schroeder, Manager of Financial Services
RE: 2022 Water and Sewage Rates
Report No.: FS-2022-03

RECOMMENDED ACTION

1. That **By-Law 5–2022**, being a by-law to impose a water rate and sewage rates in the Town of Kingsville be taken as having been read three times and finally passed and the Mayor and Clerk be authorized to sign same.

BACKGROUND

Water

The Town's current water rate structure consists of 3 components; a wholesale rate, a distribution rate, and a quarterly capital charge. The wholesale rate is intended to cover the cost of water supplied by the Union Water Supply System (UWSS). The distribution rate funds the municipal water department's operating expenses. The quarterly capital charge is intended to fund future capital projects such as water main replacements.

Wastewater

On August 12, 2019 Council approved a new wastewater rate structure which provides residents with the ability to have some control over their wastewater charges. This new rate structure, which includes a combination of fixed and volume based charges, will encourage and reward residents who make efforts to conserve water.

The non-residential wastewater rate structure is comprised of a volume based charge for multi-residential, commercial and industrial customers.

Separate rates are established for each sewage service area based on the operating and capital costs associated with each area. As the Kingsville and Lakeshore West (KLW) facilities are integrated, these service areas share common rates.

Wastewater charges include an allocation for future capital costs. Based on the current sewage rate by-law, 25% of sewage revenue is to be allocated to reserves for future capital expenditures. The balance of the rates is intended to fund operating expenditures.

DISCUSSION

Water

Administration is proposing the following amendments to the Town's current water rates.

Type	Proposed	Current	Increase
Wholesale Rate (UWSS)	\$0.70 per m3	\$0.68 per m3	\$0.02 per m3
Distribution Rate	\$0.37 per m3	\$0.36 per m3	\$0.01 per m3
Total Volume Rate	\$1.07 per m3	\$1.04 per m3	\$0.03 per m3
Quarterly Capital Charge	\$24.33 per Quarter	\$22.89 per Quarter	\$1.44 per Quarter

The increase to the wholesale rate is necessary to keep pace with the rates established by UWSS. The UWSS Board has confirmed water rates will increase to \$0.6985 per cubic meter, effective January 1, 2022.

The increase to the quarterly capital charge is necessary to ensure sufficient funds are available to replace the Town's existing infrastructure as required.

Based on an average household consumption of 15 m3 per month, the proposed rates would increase the average household's water bill by \$0.93 per month (\$0.45 volume + \$0.48 in capital charges).

Wastewater

Administration is proposing the following changes are being proposed for non-residential wastewater rates:

Area 1 Cottam Facility

Type of Building	Proposed Fee	Current Fee
Residential	<ul style="list-style-type: none"> Base Charge - \$62.40 per quarter per residential unit, plus Volume Charge - \$0.68 per m3 of water volume <p>Maximum sewage charges - \$124.80 per quarter per residential unit</p>	<ul style="list-style-type: none"> Base Charge - \$60.00 per quarter per residential unit, plus Volume Charge - \$0.65 per m3 of water volume <p>Maximum sewage charges - \$120 per quarter per residential unit</p>
Multi-Residential, Commercial, Industrial	\$1.58 per m3 of water volume	\$1.52 per m3 of water volume
Greenhouse	\$1.58 per m3 of sewage discharge	\$1.52 per m3 of sewage discharge
Worker Housing	<p>If metered: \$20.80 per occupant + \$0.68 per m3 of water volume</p> <p>If not metered: \$28.96 per occupant</p>	<p>If metered: \$20.00 per occupant + \$0.65 per m3 of water volume</p> <p>If not metered: \$27.85 per occupant</p>

Area 2 & 3: Kingsville/Lakeshore West Facility

Type of Building	Proposed Fee	Current Fee
Residential	<ul style="list-style-type: none"> Base Charge - \$62.40 per quarter per residential unit, plus Volume Charge - \$0.62 per m3 of water volume <p>Maximum sewage charges - \$124.80 per quarter per residential unit</p>	<ul style="list-style-type: none"> Base Charge - \$60.00 per quarter per residential unit, plus Volume Charge - \$0.60 per m3 of water volume <p>Maximum sewage charges - \$120 per quarter per residential unit</p>

Multi-Residential, Commercial, Industrial	\$1.47 per m3 of water volume	\$1.41 per m3 of water volume
Greenhouse	\$1.47 per m3 of sewage discharge	\$1.41 per m3 of sewage discharge
Worker Housing	If metered: \$20.80 per occupant + \$0.62 per m3 of water volume If not metered: \$28.29 per occupant	If metered: \$20.00 per occupant + \$0.60 per m3 of water volume If not metered: \$27.20 per occupant

Based on a median household consumption of 15 m3 per month, the proposed rates would increase the average household's wastewater bill by \$1.20 per month (\$0.30 volume + \$0.80 in fixed charges).

All significant changes to the Water and Sewage Rate by-law have been discussed above. Please refer to the Draft By-law 5-2022 attached to this report for full details on all proposed changes.

FINANCIAL CONSIDERATIONS

Appendix A illustrates a comparison of water and wastewater charges for a residential home using 15 m3/mo in 2021. Despite the rate increases, Kingsville will continue to have the lowest fees amongst Essex County municipalities.

The proposed fee changes are necessary to ensure the Town can continue to provide safe and reliable water and wastewater services, and to support the replacement of vital infrastructure when it becomes due.

ENVIRONMENTAL CONSIDERATIONS

None

CONSULTATIONS

Senior Management Team



Margaret Schroeder, CPA/CGA
Manager of Financial Services

REVIEWED BY:



Ryan McLeod, CPA/CA
Director of Financial and Information Technology Services

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

Link to Council 2021-2022 Priorities

- COVID-19 and the health and safety of the community
- Customer Service: Training, Technology, Staff, Review Standards/Level of service
- Housing: Affordability (lot sizes, developer incentives, second dwellings, density, etc.)
- Greenhouse: lights & dark sky, odours (site plan compliance, bylaws, other tools)
- Programming Increase: Youth and Seniors
- A development plan for Downtown Kingsville / Main Street
- Financial savings: Schools closings, Migration Hall
- Economic Development: strengthen tourism/hospitality
- COVID - economic recovery
- Communications: Strategy – Policy (social media), Website refresh and other tools, Public engagement
- Housing: Migrant Worker Housing – Inspections (Building/Fire), regulate, reduce, or increase
- Committees / Boards: Review and Report
- Policy Update: Procedural Bylaw
- Economic Development: diversify the economy, create local jobs, industrial, Cottam

- Infrastructure (non-Municipal): Union Water expansion & governance
- Infrastructure (Municipal): Asset Management Plan update, the infrastructure funding deficit
- No direct link to Council priorities