



Date: November 25, 2024
To: Mayor and Council
Author: Margaret Schroeder, Manager of Finance
RE: 2025 Water and Sewer Rates

RECOMMENDED ACTION

That Council **APPROVE** the proposed 2025 Water and Sewage Rates;

And that the corresponding By-law 90-2024, being a by-law to impose water and sewage rates **BE ADOPTED** during the By-law stage of this Council Agenda.

BACKGROUND

Water

Historically, the Town's water rate structure consisted of 3 components; a wholesale rate, a distribution rate, and a quarterly capital charge. The wholesale rate was 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

The residential wastewater rate structure is a combination of fixed and volume charges. The volume rate is based on the amount of water used by the property. This allows a resident to limit their wastewater charges based on their efforts to conserve water. The volume charge is also 'capped' at a set maximum amount per quarter to prevent residents from receiving excessive wastewater bills for filling swimming pools or watering lawns.

The wastewater rates for multi-residential, commercial and industrial customers are volume based.

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.

The wastewater charge includes an allocation for future capital costs. Based on the proposed sewage rate by-law, 35% of all sewage revenue will be allocated to reserves for future capital expenditures. The balance of the rates are intended to fund operating expenditures.

DISCUSSION

Water

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

Type	Current	Proposed	Increase
Wholesale / Water Treatment Rate (UWSS)*	\$0.73 per m3	N/A	N/A
Distribution Rate	\$0.49 per m3	\$0.50 per m3	\$0.01 per m3
Total	\$1.22 per m3	\$0.50 per m3	
Quarterly Capital Charge	\$33.81 per Quarter	\$34.82 per Quarter	\$1.01 per Quarter

Wholesale / Water Treatment Rate

The removal of the wholesale or ‘water treatment’ rate is the result of the incorporation of the Union Water Supply System Inc. (UWSS Inc.) which was created on February 24, 2023 as a Municipal Services Corporation under Ontario Regulation 599/06 of the Municipal Act, 2001. The UWSS Board will communicate their per cubic meter rate when approved.

Even though the UWSS rate is no longer incorporated into the Town’s bylaw, UWSS Inc.’s charges will continue to be billed to residents by the Town of Kingsville. Through a Water Service Agreement, the Town tracks and remits revenue to UWSS Inc.

Distribution Rate

The increase to the distribution rate in 2025 is required to keep pace with inflationary and service pressures. The rate was determined through the 2024 Water Rate Study approved by Council in July 2024.

Quarterly Capital Charge

The increase to the quarterly capital charge is necessary to ensure sufficient funds are available to replace the Town's existing infrastructure as required. The rate was determined through the analysis and compilation of a 10 year capital plan requirement through the 2024 Water Rate Study.

Overall Impact

Based on a median household consumption of 15 m³ per month, the proposed rates would increase the average household's water bill by \$0.49 per month (\$0.15 volume + \$0.34 in capital charges). For clarity, this excludes the impact of any changes to the UWSS Inc. rate.

Wastewater

Administration is proposing the following changes to the Town's wastewater rates:

Sewage Area 1 Rates Cottam Facility	Effective January 1, 2024	PROPOSED January 1, 2025
Residential	<ul style="list-style-type: none"> Base Charge - \$77.79 per quarter per residential unit, plus Volume Charge - \$0.85 per m³ of water volume <p>Maximum sewage charges - \$155.58 per quarter per residential unit</p>	<ul style="list-style-type: none"> Base Charge - \$83.55 per quarter per residential unit, plus Volume Charge - \$0.92 per m³ of water volume <p>Maximum sewage charges - \$167.10 per quarter per residential unit</p>
Multi-Residential, Commercial, Industrial	\$1.96 per m ³ of water volume	\$2.11 per m ³ of water volume
Meter Discharge	\$1.96 per m ³ of sewage discharge	\$2.11 per m ³ of sewage discharge
Boarding, lodging and rooming houses	<p>If metered:</p> <ul style="list-style-type: none"> Base Charge - \$24.53 per quarter per occupant (based on maximum occupant load), plus Volume Charge - \$0.85 per m³ of water volume. <p>If not metered: \$34.15 per occupant</p>	<p>If metered:</p> <ul style="list-style-type: none"> Base Charge - \$26.35 per quarter per occupant (based on maximum occupant load), plus Volume Charge - \$0.92 per m³ of water volume. <p>If not metered: \$36.68 per occupant</p>

Sewage Area 2 Rates Kingsville/Lakeshore West Facility	Effective January 1, 2024	PROPOSED January 1, 2025
Residential	<ul style="list-style-type: none"> • Base Charge - \$73.59 per quarter per residential unit, plus • Volume Charge - \$0.74 per m3 of water volume <p>Maximum sewage charges - \$147.18 per quarter per residential unit</p>	<ul style="list-style-type: none"> • Base Charge - \$79.04 per quarter per residential unit, plus • Volume Charge - \$0.80 per m3 of water volume <p>Maximum sewage charges - \$158.08 per quarter per residential unit</p>
Multi-Residential, Commercial, Industrial	\$1.74 per m3 of water volume	\$1.87 per m3 of water volume
Meter Discharge	\$1.74 per m3 of sewage discharge	\$1.87 per m3 of sewage discharge
Boarding, lodging and rooming houses	<p>If metered:</p> <ul style="list-style-type: none"> • Base Charge - \$24.53 per quarter per occupant (based on maximum occupant load), plus • Volume Charge - \$0.73 per m3 of water volume. <p>If not metered: \$33.36 per occupant</p>	<p>If metered:</p> <ul style="list-style-type: none"> • Base Charge - \$26.35 per quarter per occupant (based on maximum occupant load), plus • Volume Charge - \$0.80 per m3 of water volume. <p>If not metered: \$35.83 per occupant</p>

The proposed fee increases for the average household, consuming 15 m3 of water per month, would equate to \$2.72 per month.

All significant changes to the Water and Sewage Rate By-law have been discussed above. Please refer to the Draft By-law 90-2024 attached to this report for full details on all proposed changes.

FINANCIAL CONSIDERATIONS

The proposed rate increases are necessary to ensure the long-term sustainability of the Town’s water and wastewater systems.

Appendix A illustrates a comparison of water and wastewater charges for a residential home using 15m3/mo in 2024. Even with the proposed increases, Kingsville will continue to have the lowest combined water and wastewater fees in Windsor & Essex County.

ENVIRONMENTAL CONSIDERATIONS

None.

CONSULTATIONS

Senior Management Team

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