

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Ian Davey, Treasurer/ Director of Corporate Services idavey@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	November 15, 2021		
Report No.:	Corporate Services-143-21		
Submit comments to Council			

Subject/Title: Water and Wastewater Rates – January 1, 2022

RECOMMENDATION:

THAT a by-law be prepared for presentation to Council to increase both the Monthly Base Charge and the Consumptive Rate portions of the Water and Wastewater Rates in accordance with the schedules provided in the 2020 Town of Cobourg Water and Wastewater Rate Study as prepared by Watson & Associates Economists Ltd and adopted by Council Resolution 010 – 21 dated January 11, 2021.

1. STRATEGIC PLAN

N/A

2. PUBLIC ENGAGEMENT

The Water and Wastewater Rates Study and Water Financial Plan were published in January of this year as part of the January 4, 2021 agenda package and adopted by Council.

3. PURPOSE

The purpose of this report is to update Council and the Public on the proposed water and wastewater rates to be effective January 1, 2022 as provided in the ten-year rate forecast as approved by Council.

4. ORIGIN AND LEGISLATION

Legislation requires that the Water and Wastewater systems operate on a full cost recovery basis. The purpose of the rates study is to establish rates that will provide for operating, capital and lifecycle replacement costs.

In addition, a Water Financial Plan, meeting the requirements of O. Reg 453/07 is one of the requirements of the Town's water license renewal application which was completed earlier this year.

5. BACKGROUND

The Water and Wastewater Rates Study was prepared by Watson & Associates Economists Ltd. and presented to Council on January 4, 2021 and was adopted by Council Resolution 010 – 21 dated January 11, 2021.

The results of the study provide the basis for the current rates schedule for the years 2021 through 2030. The ten-year rate schedules have been attached to this report for your review.

6. ANALYSIS

The water rates will increase by 7.2% per year for the years 2021 through 2030. For a ¾" water meter the base charge will increase from \$14.74 to \$15.79 per month while the volumetric charge will increase from \$1.47 to \$1.57 per cubic metre on the first 22.73 cubic metres per month.

The wastewater rates will increase by 4.6% per year for the years 2021 through 2030. For a ¾" water meter the base charge will increase from \$15.70 to \$16.41 per month while the volumetric charge will increase from \$1.61 to \$1.68 per cubic metre on the first 22.73 cubic metres per month.

Table 6-3 from the study as attached to this report estimates that an average residential customer with a ¾" water meter and an annual water consumption of 138 cubic metres will see an increase of \$46.01 per year or about \$3.83 per month on their combined water and wastewater bill.

It is expected that the rate study will be updated within five years to determine if the rate increases are keeping pace with cost increases.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The adoption of the rate structure and financial plan earlier this year by Council has helped to provide consumers with some level of predictability in their future costs for these services while at the same time ensuring that both the water and wastewater systems continue to operate in a safe and efficient manner. There will be no impact on property tax rates as both the water and wastewater systems are fully funded by usage rates.

8. CONCLUSION

A by-law will be presented at the next Regular Council meeting on November 22, 2021 with an effective date of January 1, 2022 to allow Lakefront Utility Services Inc. to implement these rate increases.

Report Approval Details

Document Title:	Water and Wastewater Rates - January 1, 2022 - Corporate Services-143-21.docx
Attachments:	- doc26712520211103162812.pdf
Final Approval Date:	Nov 3, 2021

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Nov 3, 2021 - 7:49 PM