

## Water and Wastewater Study

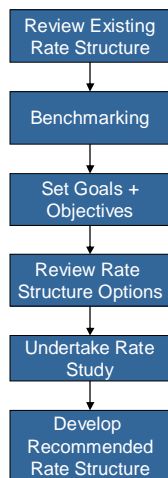
Recommended Rates and Phase in  
Strategy 2010-2014



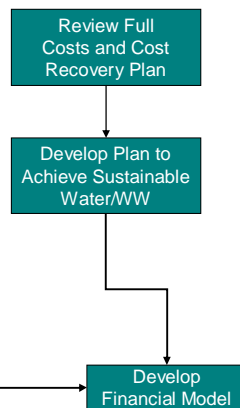
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## Review Process

### Rate Structure Review



### Long Range Financial Plan



### Consultation, Report & Recommendations



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## Rate Study

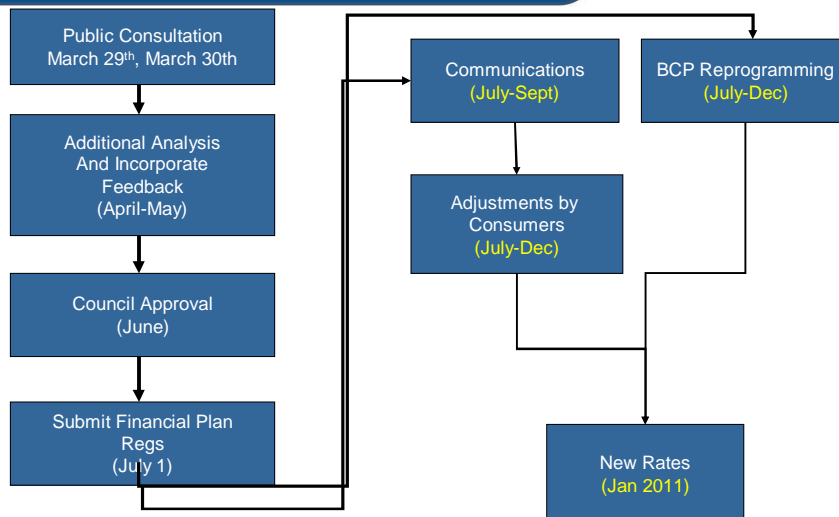
### Rate Study

- A report was presented to Council in December 2009 which included recommendations to change the rate structure
- *Be it hereby resolved that the basis in principle for calculating the water and wastewater rates include the following:*
  - The same basic rate be applied to all types of customers;
  - Implementation of the AWWA/CWWA meter equivalencies to account for the size of service;
  - Elimination of the minimum volume included in the fixed rate;
  - Shift from tenant charges for each occupancy of a building toward billing according to ownership; and
  - Target the volumetric/fixed portion of the rate to be 50/50 for water and 63/37 for wastewater.
  - And that staff prepare a report regarding the proposed rates, impact analysis and implementation schedule based on rates calculated using this foundation. *(Purpose of this presentation)*



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## 2010 Process



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## 2010 Updates Since Last Report

- Several new issues were identified since the completion of report CD-10-55 Water and Wastewater Rate Study:
  - Updated information for 2009 which reflected a **decrease** of:
    - 9% in water consumption compared to 2008
    - 8% in wastewater flows
    - Additional 5% in water forecast resulting from the closure of a high a consuming Non-Residential business in Paris
  - These factors **increase** the water and wastewater rates
- Fairness and Equity – Previously identified, Residential consumption is 60% of the total but they pay 80% of the costs
  - Implementing the principle of the same water/wastewater rate to all types of customers results in a relative increase to Non-Residential customers
- Strategy - In order to commence a gradual shift toward the recommended rate structure and mitigate any increases to the Residential customer, minor adjustments are required to the 2010 Operating Budget in terms of the transfers to the Capital Reserves.

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## 2010 Rate Impact Analysis

Volume Meter Size	Residential 250 m3 5/8"	Residential 300 m3 5/8"	Residential 360 m3 5/8"	Commercial 10,000 m3 2"	Industrial 30,000 m3 3"
Current Water - 2009	\$ 672	\$ 701	\$ 736	\$ 8,984	\$ 24,805
Current Wastewater - 2009	\$ 378	\$ 420	\$ 471	\$ 8,400	\$ 23,193
Total Current	\$ 1,049	\$ 1,121	\$ 1,207	\$ 17,383	\$ 47,998
Recommended Water - 2010 Existing Rate Structure	\$ 672	\$ 701	\$ 736	\$ 9,253	\$ 25,550
Recommended Wastewater - 2010 Existing Rate Structure	\$ 389	\$ 433	\$ 485	\$ 9,928	\$ 27,414
Total Recommended - 2010	\$ 1,060	\$ 1,134	\$ 1,222	\$ 19,182	\$ 52,964
Total \$ change Recomm. To Current	\$ 11	\$ 13	\$ 14	\$ 1,798	\$ 4,966
Total % change Restated	1.1%	1.1%	1.2%	10.3%	10.3%

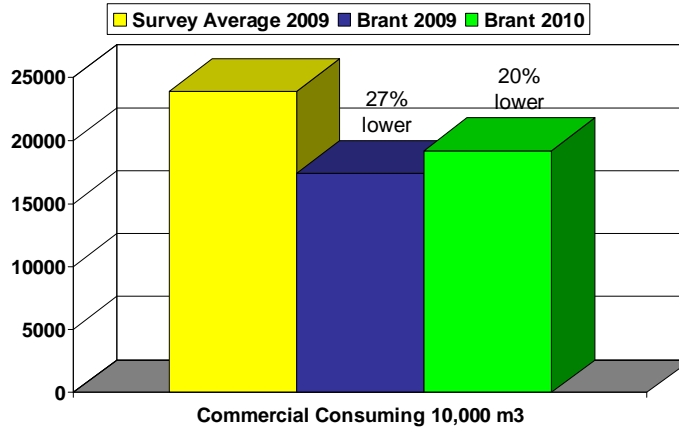
	Water Rate % 2009-2010	Wastewater Rate % 2009-2010	Blended Rate % 2009-2010
Residential	0.0%	3.0%	1.1%
Non-Residential	3.0%	18.2%	10.3%

Implementation date June 1, 2010

The Non-Residential increase in rates is higher than Residential, to gradually move toward the recommended rate structure

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## Non-Residential Cost Comparison



The 2010 recommended rates for Non-Residential customers will still result in costs well below the survey average

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## Phase-In Strategy – 4 Years

- 4 Year Plan
  - Allow time for Non-Residential customers to properly plan and adjust to the new rate structure.
  - The phase-in strategy gradually reduces the allocation of costs to the fixed monthly fee in accordance with the recommended targets:
    - 50% (currently 79%) fixed for Water
    - 37% (currently 45%) for Wastewater



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## Impact Analysis Rate Structure Only

Total Impact Analysis Water/WW	2011	2012	2013	2014
Residential 250 m <sup>3</sup>	\$ 1,105	\$ 1,101	\$ 1,095	\$ 1,085
Residential 300 m <sup>3</sup>	\$ 1,185	\$ 1,188	\$ 1,192	\$ 1,196
Residential 360 m <sup>3</sup>	\$ 1,280	\$ 1,293	\$ 1,309	\$ 1,329
Commercial 10,000 2"m <sup>3</sup>	\$ 21,370	\$ 22,571	\$ 24,150	\$ 26,286
Industrial 30,000 3" m <sup>3</sup>	\$ 59,006	\$ 61,446	\$ 65,013	\$ 71,234

Total Impact Analysis Water/WW	2011	2012	2013	2014
Residential 250 m <sup>3</sup>	4.3%	-0.4%	-0.6%	-0.9%
Residential 300 m <sup>3</sup>	4.5%	0.3%	0.3%	0.3%
Residential 360 m <sup>3</sup>	4.8%	1.0%	1.2%	1.5%
Commercial 10,000 2"m <sup>3</sup>	11.4%	5.6%	7.0%	8.8%
Industrial 30,000 3" m <sup>3</sup>	11.4%	4.1%	5.8%	9.6%

- Excludes budget increases (shown on next page)
- Increases in 2011 are attributed largely to the decision to move properties with multiple meters to one meter per property
  - Reduced the customer base to recovered from the fixed portion of the bill by 7.7% in Water and 8.6% in Wastewater - this increases costs to all remaining customers

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## Impact Analysis Rate Structure + Budget

Total Impact Analysis Water/WW	2011	2012	2013	2014
Residential 250 m <sup>3</sup>	\$ 1,162	\$ 1,218	\$ 1,276	\$ 1,333
Residential 300 m <sup>3</sup>	\$ 1,246	\$ 1,316	\$ 1,391	\$ 1,471
Residential 360 m <sup>3</sup>	\$ 1,347	\$ 1,433	\$ 1,530	\$ 1,637
Commercial 10,000 2"m <sup>3</sup>	\$ 22,609	\$ 25,241	\$ 28,497	\$ 32,631
Industrial 30,000 3" m <sup>3</sup>	\$ 62,705	\$ 69,161	\$ 77,133	\$ 88,640

Total Impact Analysis Water/WW	2011	2012	2013	2014
Residential 250 m <sup>3</sup>	9.6%	4.8%	4.7%	4.5%
Residential 300 m <sup>3</sup>	9.9%	5.6%	5.7%	5.8%
Residential 360 m <sup>3</sup>	10.3%	6.4%	6.7%	7.0%
Commercial 10,000 2"m <sup>3</sup>	17.9%	11.6%	12.9%	14.5%
Industrial 30,000 3" m <sup>3</sup>	18.4%	10.3%	11.5%	14.9%

- Reflects a 3% annual budget increase in Water and 8.7% in wastewater to achieve long range financial plan

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