

# Water and Wastewater Utility Rate Study

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# Agenda

- Overview of utility operations
- Utility rate setting goals
- Reasons for rate increases
- Assumptions used for rate setting
- Debt and deficit rate riders
- Proposed utility rates
- User impacts
- Comparisons with other cities
- Next steps

# Utility Operations

- Consists of water treatment, water distribution, wastewater collection, and wastewater treatment
- Approximately 15,000 utility customers
- Utility must be self-funded, is separate from property taxes
- 2022 operating budget of \$25.6 million
- Next five years capital budget of \$189 million

# Rate Setting Goals

1. Health & safety
2. Environment
3. Capacity
4. Self-sufficiency
5. Reliability
6. Competitiveness
7. Growth

# Reasons for Rate Increases

- Budgetary / accounting requirements ~ 34%
- Transfers to reserves ~ 27%
- Water treatment facility upgrades ~ 18%
- Water operating expense ~ 8%
- Wastewater operating expense ~ 6%

# Assumptions Used

- Required contingency allowances
- Inflation
- Population growth
- Water consumption

# Debt & Deficit Riders

- Water treatment facility chemical building project: \$0.172 / cubic meter of water
- Deficit rate rider – water: \$0.18 / cubic meter of water
- Deficit rate rider – wastewater: \$0.21 / cubic meter of water

# Proposed Utility Rates

Water and Wastewater Rates per Cubic Meter Including Deficit and Debt Surcharges	Water	Waste Water	Combined Water & Wastewater	Quarterly Service Charge
Current Rates	\$1.660	\$1.63	\$ 3.290	\$ 17.48
July 1, 2023 Proposed Rates	\$2.152	\$2.00	\$ 4.152	\$ 18.00
January 1, 2024 Proposed Rates	\$2.452	\$2.35	\$ 4.802	\$ 19.17
January 1, 2025 Proposed Rates	\$2.752	\$2.70	\$ 5.452	\$ 20.34
January 1, 2026 Proposed Rates	\$3.062	\$3.05	\$ 6.112	\$ 21.51



# User Impacts

Annual impact on a family household with quarterly consumption of 46 cubic meters					
	Current Rates	July 1, 2023	January 1, 2024	January 1, 2025	January 1, 2026
Water	\$ 305	\$ 396	\$ 451	\$ 506	\$ 563
Wastewater	\$ 300	\$ 368	\$ 432	\$ 497	\$ 561
Water and Wastewater	\$ 605	\$ 764	\$ 884	\$ 1,003	\$ 1,125
Quarterly Billing	\$ 70	\$ 72	\$ 77	\$ 81	\$ 86
Annual Total	\$ 675	\$ 836	\$ 960	\$ 1,085	\$ 1,211
% Increase		24%	15%	13%	12%

City	2022 Quarterly Billing	2023 Quarterly Billing	2024 Quarterly Billing	2025 Quarterly Billing	2026 Quarterly Billing
<b>Brandon</b>	<b>\$ 169</b>	<b>\$ 209</b>	<b>\$ 240</b>	<b>\$ 271</b>	<b>\$ 303</b>
Dauphin	\$ 176	\$ 179			
Minnedosa (step 1 Proposed)	\$ 280	\$ 297	\$ 314		
Morden	\$ 266				
Neepawa	\$ 193				
Portage (step 1)	\$ 188	\$ 199	\$ 208	\$ 217	
Selkirk	\$ 281				
Steinbach	\$ 105				
Thompson	\$ 280				
Winkler	\$ 184				
Winnipeg	\$ 287				
Moose Jaw	\$ 300				
Prince Albert	\$ 276	\$ 285	\$ 293		
Regina	\$ 340				
Saskatoon	\$ 255				
Yorkton	\$ 208				
Calgary	\$ 265				
Edmonton	\$ 220				
Grande Prairie	\$ 282				
Lethbridge	\$ 118				
Medicine Hat	\$ 288				
Red Deer	\$ 256				

# Next Steps

- First reading of Utility Rates By-law 7342
- Submit Utility Rate Study to Public Utilities Board, including a request for them to hold a Public Hearing on the proposed rates
- Public Hearing – Date TBD
- Public Utilities Board order - approve, vary, or send back to City
- Rate approvals for July 1, 2023

# Questions?