

**COMMUNICATION 130199**

Received from: Trisa McConkey, CPA, CGA, Treasurer  
Addressed to: Council  
Date: November 12, 2019  
Topic: 2020 Water and Sewer Rates

**SUMMARY:**

Staff prepared a draft Water and Sewer Budget for 2020 which incorporated a 5% increase to water and sewer rates. This increase is required due to significant increases in construction costs. The Construction Price Index increased by 11.45% over 2017 and 2018, or 7.55% more than the Consumer Price Index over the same period.

**COMMENT:**

An initial report introducing the draft budget was presented to Committee of the Whole on September 24, 2019 and is attached to this report for information purposes. Council authorized staff to present the draft budget to the public for comment which occurred at the Committee of the Whole meeting on October 8, 2019. In addition, the slide deck was posted on the Town's website requesting comments up to October 25, 2019 and the public were informed of the request for comments through CP Scoop and on the Town's Facebook page.

Five (5) comments from the public were received. Four (4) of the comments related to concerns that residents should not be paying for new development. Staff responded to these concerns as follows:

*New infrastructure and any projects required to increase capacity due to system growth are entirely paid for by developers and/or new homeowners, not existing customers.*

*The proposed 5% increase to user fees is entirely related to a significant increase in construction costs to replace and/or repair existing infrastructure not to pay for underfunded projects in the past.*

One resident was upset that the 1-2-person rate was not ½ of the 3-5-person rate. Staff explained that most of the costs to provide clean drinking water are fixed and related to the pipes in the ground, treatment plant infrastructure and staffing. The only variable costs are for chemicals which make up a very small portion of the overall cost.

**FINANCIAL IMPLICATIONS**

The proposed 5% increase to water and sewer rates will result in a total charge of \$935.20 per year for a residential property with one (1) or two (2) people resulting in an increase of \$44.56 per year over 2019 rates.

**STAFF RECOMMENDATION**

THAT Council pass the 2020 Water and Sewer Rates By-law based on a 5% increase in the rates.