

King's blended water rates going up by 2.87%

By Mark PavilonsEditorLocal Journalism Initiative

Although some projects are being delayed, King residents are being protected from double-digit water rate increases this year. King council and staff delivered a plan to service all the needs, and protect infrastructure. Average homeowners will face a blended 2.87% hike in their combined water and wastewater rates in 2021. Staff and councillors were quick to point out the water and wastewater system is based on a user-pay scenario. Both are calculated by usage so the more you use, the more you pay. For average users, they won't notice much of a difference this year. Based on lower tier, 270 cubic metre use, it will cost homeowners roughly \$49 more per year or \$4 per month. This, according to Treasurer Peggy Tollett, was the lowest staff could comfortably come up with, keeping taxpayers in mind. Helping keep the increase low was a commitment by York Region for a zero hike this year. There's a lot going on for that 2.87%, Tollett pointed out. King's average rate of roughly \$1,686 per year is at the high end in York Region, where rates vary from a low of \$1,211 in Markham, to a high of \$1,771 in East Gwillimbury. Tollett noted the Township is also allowing residents to spread out their payments, interest-free. As well penalties will be charged 5% interest, down from 10%. Residents also have the option of paying online with their credit cards. Mayor Steve Pellegrini stressed that King's operating and capital budgets can't subsidize the water and wastewater rates. These costs can't be offset through taxes because of the difference in consumption across the municipality. Of King's total tax base, roughly 5,300 houses are on municipal water, while the remainder are on wells and septic systems. Tollett explained King uses both a variable, tiered rate, and a fixed rate. Those who are less frugal with their water will feel the pinch and pay more. Staff also moved some capital projects further out to 2024, to delay funding and focus on building up the reserves. A Nobleton woman wondered by her village's consumption is much higher than the rest of King, upwards of 43% more. Staff could not find an explanation. Tollett noted the municipality has many legislated obligations, not the least of which is providing safe drinking water. The rates are geared toward long-term cost recovery and the Township needs this revenue stream to plan for the future. Tollett did say King achieved modest savings through 2020 due to the pandemic. Staff did their best to stabilize the rate as best as possible. She presented some anecdotal data about typical water use. With showers, baths, dishwasher use, laundry and toilet flushes, the average home uses roughly 246 cubic metres of water per year. That's below the tier one threshold of 292 cubic metres. Tollett said roughly 71% of King households are at the tier one level, while 7% hover in the middle, and 22% are in the upper end. If you have a swimming pool and use a sprinkler, you'll jump into the higher tier three bracket quickly, and the charges will be noticeable. As well, King has to make do with only 28% of the water/wastewater revenue, since York Region takes the lion's share of 72%. These rates, Tollett said, are reviewed each year. Staff have spread out the capital work projects to help stabilize the rate. King's water and wastewater reserves have a deficit of just over \$1 million. In 2020, the biggest cost was the lining west of Highway 27 and Western Ave. watermain, at just over \$413,000. The Township won't be fully cost recoverable for several years. Tollett pointed out that deferred or delayed increases in the rates will ultimately delay the Township in reaching financial stability and full cost recovery.