

## King approves water, wastewater rates for 2024

By Mark PavilonsEditor

King Township wants the water and wastewater rates to be fully cost recoverable in the next 10 years. That's the goal as staff and councillors approved water and wastewater rates for 2024. The average homeowner can expect to see a 2.24 per cent annual increase of \$43.05 in the new year. This includes the 3.30% increase from York Region for bulk supply and treatment of water and wastewater. "No other service we deliver has a greater impact on our residents than safe drinking water and the protection of our water system," said Mayor Steve Pellegrini. "Staff brought forward rate increases that are below the current rate of inflation and will still allow us to continue to offer the safe and reliable services our residents depend on." The Township of King provides water services by way of four (4) distribution systems: Ansnorveldt, King City, Nobleton and Schomberg. The Township sources its municipal water supply from York Region's water treatment and distribution systems. The Township's wastewater systems (within the villages of King City, Nobleton and Schomberg) are supported as either standalone wastewater systems or in the case of the village of King City an integrated regional wastewater system, commonly known as the York-Durham Sewage System. The Township's water rate consists of fixed and variable components. The intent of a blended fixed/variable water rate structure is to ensure access to adequate financial resources for purposes of supporting scheduled infrastructure maintenance and long-term rehabilitation of the Township's water system assets. The variable element of the Township water rate structure is directly linked to actual consumption of water per cubic meter. Thereby ensuring access to financial resources directly relating to operating costs such as Township staff, water supplied by York Region, and contracted services to support emergency repairs (e.g., watermain breaks). The fixed component represents a base charge that is billed quarterly regardless of level of water consumed which is to support the repair and replacement of infrastructure. The current rate structure provides a cost distribution based on actual consumption and the size of infrastructure connected to their homes. This methodology proves to be the most cost-effective approach for the water use and the most cost-effective approach that continues to be recommended. The Township's fixed rate is dependent on the size of the linear infrastructure connected to a property. This approach aims to proportionately align infrastructure replacement and maintenance costs. Staff noted the Township's variable water rate is tiered. This approach aligns with the Township's Strategic plan and goals of a Green and Sustainable Future by encouraging conservation and reducing waste. Also, the tiered system ensures the lowest rate or costs are assigned to meeting basic human needs such as drinking, cooking, bathing, and washing. As part of the 2023 budget process council asked staff explore options for removing tier pricing for residential condominiums. For 2024, staff are proposing to remove the tier pricing for residential condominiums only. Currently, these types of properties have only one large pipe going into the property and each unit within the condominium is not metered or billed separately for water usage. This causes the property to have higher consumption as the units are consolidated and trigger the tier 2 and 3 rates. As these are residential condominiums intended to provide a more cost-effective approach to home buying, the current billing structure does not align with this objective. The Township has five residential condominium buildings within the Township's current inventory ??149 and 32 Church Street, 80 Burns Blvd., 25 Wilson Road and 90 Dew Street ??which are affected by this billing structure. When staff divide the number of units by the overall usage all condominium units are well within the tier 1 threshold. Staff are proposing to remove the tiered rates which will essentially create a savings to the individual condominium owners. The cost impact to the Township is estimated at \$110,000 for the year based on 2022 usage data. Due to the fact that water and wastewater must be fully cost recoverable, the impact of this change is a \$0.20 per cubic meter increase to the variable rate. To further ensure billing fairness and water conservation, it is recommended that in the future, the Township mandate developers to install individual meters to each unit allowing condominium boards to bill and track usage accordingly. These individual meters would be owned and managed by the condominium board with the larger municipally owned and maintained meter remaining at property line ensuring all leaks and usage in the system is accounted for. The process proposed maintains the standard practice of billing condominium boards for overall system usage, protects municipal interests, addresses billing inequities real or perceived and ensures accountability. On September 23, 2021, York Regional Council approved a combined water and wastewater rate at 3.3% each year from April 1, 2022, to March 31, 2028. This would assist in creating a rate that will stabilize reserves to cover short-term fluctuations and allow rates to be adjusted if longer-term trends appear different than forecasts. The proposed rates would then allow York Region to maintain full cost recovery while promoting intergenerational equity and reducing reliance on debt. It is important to note the increased cost from the

York Region represents 72% of the overall rate for the Township. Below represents the increase to the Township for water and wastewater from York Region. As part of the annual review, staff explored the option of increasing from 4 to 6 billing periods. Increasing the billing frequency provides property owners with smaller, more manageable bills, helps with cashflow during those peak periods of consumption during the spring and summer months, provides more frequent reminders of account balances or missed payments. Moving from quarterly to bi-monthly billing will align Township revenue with Region supply and treatment payments and thereby improve variance reporting and cashflows. There is no change to the base charge planned for 2024. Staff are recommending a new fixed charge for large (greater than 6") pipe sizes be created to ensure the Township is collecting enough to cover the cost of future replacement of the larger linear infrastructure. The new charge will only impact 6 properties within the Township. Water and Wastewater reserves continue to reflect a surplus position at roughly \$2.4 million. The projected (unaudited) balance for year ended December 31, 2023, is a surplus position at \$39,501 assuming all 2023 commitments. For the 2024 Budget the following projects will be funded from the water and wastewater rate in 2024: \$50,000 Water and Wastewater Study ? To identify current and future water & wastewater capacity needs and methods of cost recovery. \$47,500 Fleet Replacement Vehicle for Water (Replacement of 2016 Pick up truck). \$215,000 Watermain Replacement ? Nobleton (Parkview Drive, Crestview Road, Janet Avenue, Lynwood Crescent, and Elizabeth Drive) \$2,600,000 split over 2025/2026. \$150,000 Inflow and Infiltration Reduction York Region Partnership. \$250,000 Supervisory Control and Data Acquisition (SCADA). ? The proposed 2024 water and wastewater rates were developed to ensure that rates support operational requirements of the Township's water and wastewater systems. As part of updating the Township's long-term Water and Wastewater Financial Plan, the terms of reference will be clearly aligned with long-term infrastructure needs, as well as ensuring that Township water and wastewater reserve balances are planned and projected to support the long-term sustainability of the associated systems, ? staff reported.