

COUNCIL REPORT

To: Mayor and Council
From: Finance
Date: March 7, 2023
Subject: 2023 Water, Sewer and Garbage Proposed Rates

RECOMMENDATION:

THAT Council approve a 2023 water rate increase of 7%;

AND THAT Council approve a 2023 sewer rate increase of 7%;

AND THAT Council approve a 2023 residential garbage rate increase of 7%;

AND THAT Council approve a 2023 commercial garbage rate increase of 7%.

BACKGROUND:

Utility services provided by the District of Mackenzie include water, sewer and garbage. These services are intended to be self-funded, meaning the full cost of the programs is funded by user fees, including the costs related to managing the life cycle of capital assets. User fees are adjusted annually to offset any changes in the cost to deliver the service.

As the community ages, operations are seeing more deficiencies in infrastructure and the need for replacement. It is important that funds are set aside to ensure they are available when it is time to replace aging infrastructure.

In 2022 water, sewer and garbage bylaw rates were not increased, but the bylaw was updated to remove the 10% early payment discount and include a 10% late payment penalty. Staff have reviewed the water, sewer and garbage program costs and are providing the following rate increase scenarios:



WATER

RESIDENTIAL CUSTOMERS

Rate Increase	2022 Bylaw Rate	2023 Proposed Bylaw Rate	Change
5%	\$381.43	\$400.50	\$19.07/yr or \$1.60/mth
7%	\$381.43	\$408.13	\$26.70/yr or \$2.23/mth
9%	\$381.43	\$415.76	\$34.33/yr or \$2.86/mth

COMMERCIAL CUSTOMERS

Rate Increase	2022 Bylaw Rate (minimum charge bi-monthly)	2023 Proposed Bylaw Rate (minimum charge bi-monthly)	Change
5%	\$56.94	\$59.79	\$17.10/yr or \$2.85/bi-mthly
7%	\$56.94	\$60.93	\$23.94/yr or \$3.99/bi-mthly
9%	\$56.94	\$62.06	\$30.72/yr or \$5.12/bi-mthly

*proposed rate increases will also apply to bulk water and water turn on/off service

The increase to water rates covers all necessary operational costs and an annual transfer to water reserve for current and future capital projects. Interest earned through investments are included in the below values.

Rate Increase	2022 Annual Transfer to Reserves	2023 Proposed Annual Transfer to Reserves	Change
5%	\$216,617	\$228,206	\$11,589
7%	\$216,617	\$241,298	\$24,681
9%	\$216,617	\$254,391	\$37,774

SEWER

RESIDENTIAL CUSTOMERS

Rate Increase	2022 Bylaw Rate	2023 Proposed Bylaw Rate	Change
5%	\$249.11	\$261.57	\$12.46/yr or \$1.04/mth
7%	\$249.11	\$266.55	\$17.44/yr or \$1.45/mth
9%	\$249.11	\$271.53	\$22.42/yr or \$1.87/mth

COMMERCIAL CUSTOMERS

Rate Increase	2022 Bylaw Rate (minimum charge bi-monthly)	2023 Proposed Bylaw Rate (minimum charge bi-monthly)	Change
5%	\$49.34	\$51.81	\$14.82/yr or \$2.47/bi-mthly
7%	\$49.34	\$52.79	\$20.70/yr or \$3.45/bi-mthly
9%	\$49.34	\$53.78	\$26.64/yr or \$4.44/bi-mthly

The increase to sewer rates covers all necessary operational costs and an annual transfer to sewer reserve for current and future capital projects. Interest earned through investments are included in the below values.

Rate Increase	2022 Annual Transfer to Reserves	2023 Proposed Annual Transfer to Reserves	Change
5%	\$179,040	\$200,239	\$21,199
7%	\$179,040	\$209,091	\$30,051
9%	\$179,040	\$217,943	\$38,903

GARBAGE

RESIDENTIAL CUSTOMERS – WEEKLY SERVICE

Rate Increase	2022 Bylaw Rate (per month)	2023 Proposed Bylaw Rate (per month)	Change
5%	\$14.61	\$15.34	\$8.76/yr or \$0.73/mth
7%	\$14.61	\$15.63	\$12.24/yr or \$1.02/mth
9%	\$14.61	\$15.92	\$15.72/yr or \$1.31/mth

RESIDENTIAL CUSTOMERS – BI-WEEKLY SERVICE

Rate Increase	2022 Bylaw Rate (per month)	2023 Proposed Bylaw Rate (per month)	Change
5%	\$12.37	\$12.99	\$7.44/yr or \$0.62/mth
7%	\$12.37	\$13.24	\$10.44/yr or \$0.87/mth
9%	\$12.37	\$13.48	\$13.32/yr or \$1.11/mth

The increase to residential garbage rates covers all necessary operational costs and an annual transfer to the vehicle and equipment replacement reserve for the residential garbage truck and garbage bin replacements.

Rate Increase	2022 Annual Transfer to Reserves	2023 Proposed Annual Transfer to Reserves	Change
5%	\$72,380	\$82,013	\$9,633
7%	\$72,380	\$86,281	\$13,901
9%	\$72,380	\$90,548	\$18,168

COMMERCIAL CUSTOMERS

2-yard bin 1 pickup/week

Rate Increase	2022 Bylaw Rate (bi-monthly)	2023 Proposed Bylaw Rate (bi-monthly)	Change
5%	\$170.00	\$178.50	\$51.00/yr or \$8.50/bi-mthly
7%	\$170.00	\$181.90	\$71.40/yr or \$11.90/bi-mthly
9%	\$170.00	\$185.30	\$91.80/yr or \$15.30/bi-mthly



7% Annual Increase

Water billing increase	\$26.70
Sewer billing increase	\$17.44
Garbage billing increase (weekly service)	\$12.24

Overall annual increase of \$56.38 or \$4.70/month

*bi-weekly garbage service would see an increase of \$54.58 or \$4.55/month

9% Annual Increase

Water billing increase	\$34.33
Sewer billing increase	\$22.42
Garbage billing increase (weekly service)	\$15.72

Overall annual increase of \$72.47 or \$6.04/month

*bi-weekly garbage service would see an increase of \$70.07 or \$5.84/month

Commercial Customers

5% Annual Increase

Water billing increase (minimum charges)	\$17.10
Sewer billing increase (minimum charges)	\$14.82
Garbage billing increase (2yrd bin 1 pickup per week)	\$51.00

Overall annual increase of \$82.92 or \$13.82/bi-monthly

*3yrd bin, 1 pickup/week customers would see an increase of \$96.42 or \$16.07 bi-monthly

* 4yrd bin, 1 pickup/week customers would see an increase of \$109.86 or \$18.31 bi-monthly

7% Annual Increase

Water billing increase (minimum charges)	\$23.94
Sewer billing increase (minimum charges)	\$20.70
Garbage billing increase (2yrd bin 1 pickup per week)	\$71.40

Overall annual increase of \$116.04 or \$9.67/month

*3yrd bin, 1 pickup/week customers would see an increase of \$134.88 or \$22.48 bi-monthly

* 4yrd bin, 1 pickup/week customers would see an increase of \$153.78 or \$25.63 bi-monthly



9% Annual Increase

Water billing increase (minimum charges)	\$30.72
Sewer billing increase (minimum charges)	\$26.64
Garbage billing increase (2yrd bin 1 pickup per week)	\$91.80

Overall annual increase of \$149.16 or \$12.43/month

*3yrd bin, 1 pickup/week customers would see an increase of \$173.40 or \$28.90 bi-monthly

* 4yrd bin, 1 pickup/week customers would see an increase of \$197.70 or \$32.95 bi-monthly

NEXT STEPS:

A report, along with the corresponding bylaws, will be brought to a future council meeting for the first three readings, and subsequent adoption, based on Council's decision.

BUDGETARY CONSIDERATION:

Proposed budgetary considerations and revenue increases are noted in the report above.

COUNCIL PRIORITY:

Strong Governance and Finances

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kerri Borne".

Kerri Borne
Chief Financial Officer

A handwritten signature in black ink that reads "Diane Smith".

Approved for Submission to Council