



Municipality of Brighton Water and Wastewater Rate Study

Council Presentation
March 4, 2024

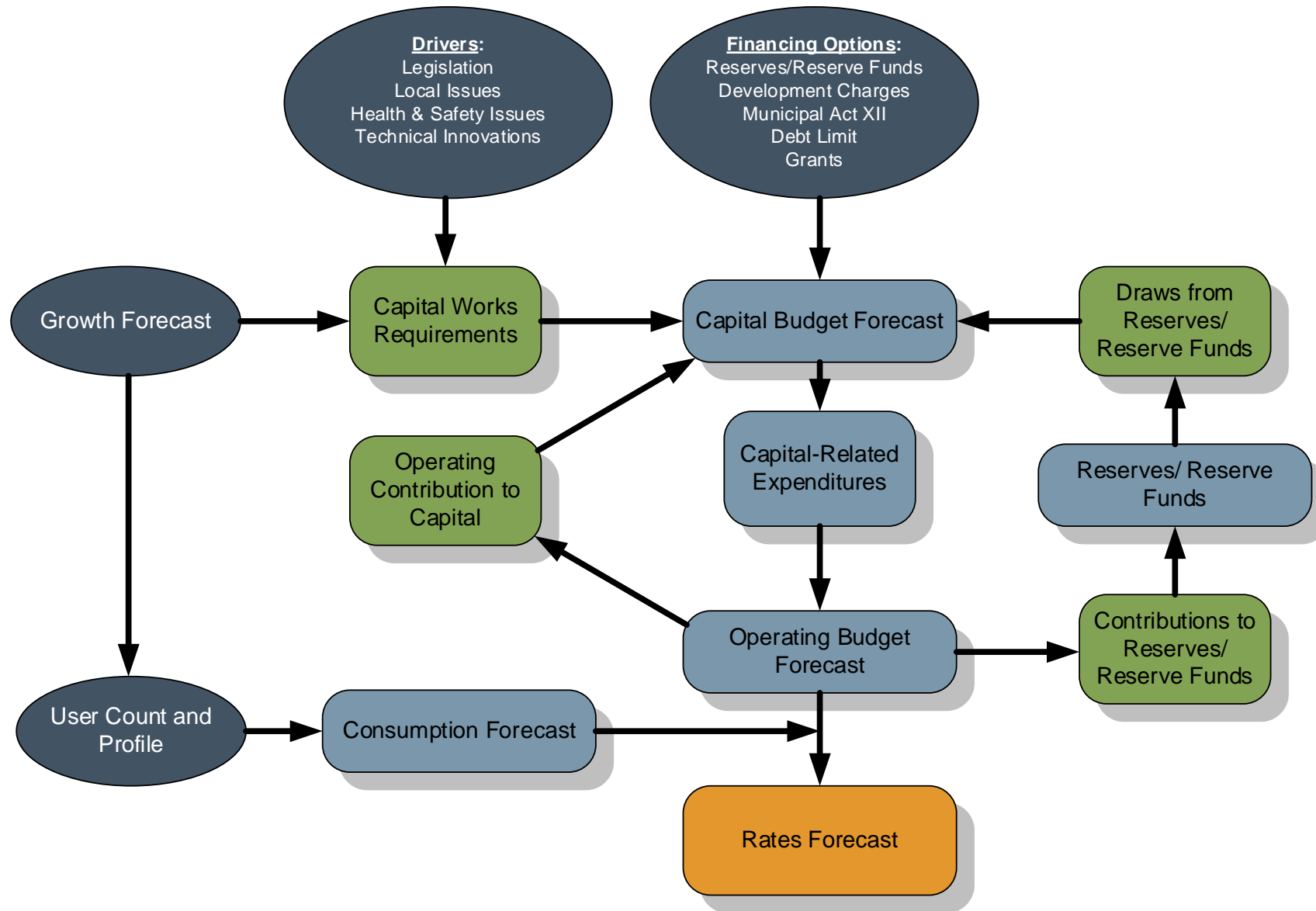
Introduction

2024 Water and Wastewater Rate Study



- Watson & Associated Economists Ltd. (Watson) has been retained to undertake a Water and Wastewater Rate Study and Water Financial Plan for the Municipality of Brighton (Municipality)
- The rate study update is being undertaken with specific regard for:
 - Current customer profile and recent consumption patterns;
 - Updated growth forecast for the Municipality;
 - Updated lifecycle needs of infrastructure; and
 - Updated capital and operating forecasts.

Rate Study Methodology



Rate Study Development



- Analysis of the future customer profile and consumption patterns is one of the key components of developing a rates forecast
- This analysis will be informed by the growth forecast that is currently being developed through the Municipality's Development Charges Background Study
- In order to align the timing of the rate study with the development of the growth forecast, the Water and Wastewater Rate Study is being completed in two phases

Phase 1	Phase 2
<ul style="list-style-type: none">• Preliminary assessment of financial information, customer profile and consumption patterns to establish rates for 2024• Completed in February 2024	<ul style="list-style-type: none">• Comprehensive rate study including 10-year rates forecast• Water Financial Plan (O. Reg. 453/07)• Expected completion in the third quarter of 2024

Existing Rates



2023 Monthly Base Charges (per unit)

Service Type	Water	Wastewater
Residential	\$23.37	\$18.43
Non-residential (5/8")	\$23.37	\$18.43
Non-residential (1")	\$35.06	\$27.65
Non-residential (1 1/2")	\$46.78	\$36.89
Non-residential (2")	\$70.14	\$55.31
Non-residential (3")	\$93.48	\$73.71
Non-residential (4")	\$140.28	\$110.62
Bulk Water (commercial accounts)	\$17.20	N/A

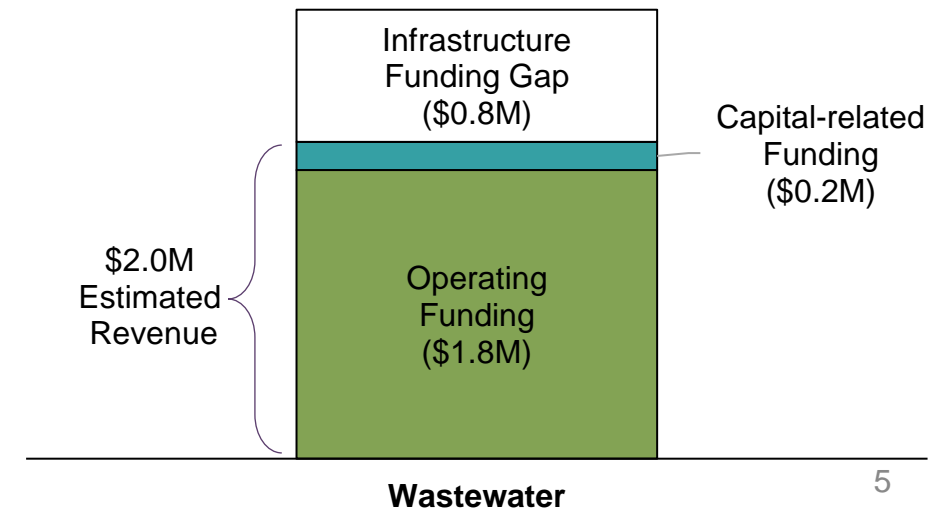
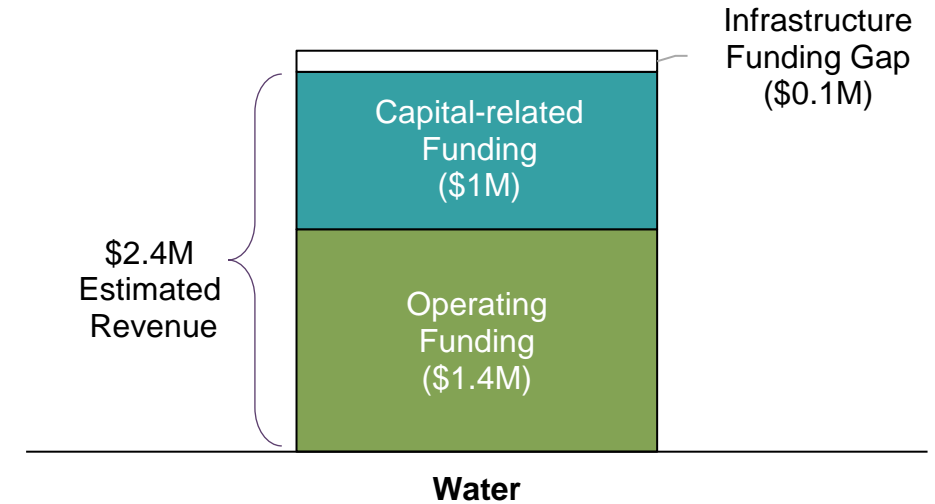
2023 Metered Rates (per m³)

Service Type	Water	Wastewater
General service	\$1.75	\$1.81
Presqu'île Park	\$3.56	\$4.05
Bulk Water (commercial accounts)	\$2.79	\$N/A

Financial Analysis



- Revenue estimates developed by applying 2024 rates identified in 2017 Rate Study to current customer profile and 2023 consumption levels.
- Revenue estimates compared to budgeted operating expenditures (2024 Operating Budget and infrastructure funding needs (based on 2022 Asset Management Plan).
- 2024 water and wastewater rates identified in the 2017 Rate Study are expected to generate sufficient revenue to cover all operating costs and approximately 55% of long-run average annual infrastructure funding needs.
- Further rate increases will be needed in 2025 and beyond to close the annual infrastructure funding gap – this will be addressed in the 10-year rates forecast developed as part of Phase 2.



Presqu'ile Park Rates



- In 2003, the Municipality entered into an agreement to extend the municipal water and wastewater systems along Presqu'ile Parkway to provide servicing to Presqu'ile Provincial Park.
- Water and Wastewater services provided to Presqu'ile Park have historically been charged at higher usage rates.
- Original agreement with Presqu'ile Park stipulates that any other users connecting to the Presqu'ile Parkway extension must be charged the same (higher) usage rates.
- New development in the area has resulted in approximately 50 additional water and wastewater customers that are being charged at the higher Presqu'ile Park usage rates.
- To ensure equitable treatment of all customers, it is recommended that the area-specific usage charges applicable in the Presqu'ile Park area be eliminated.

Recommended Rates

(Effective April 1, 2024)



2024 Monthly Base Charges (per unit)

Service Type	Water	Wastewater
Residential	\$23.84	\$18.80
Non-residential (5/8")	\$23.84	\$18.80
Non-residential (1")	\$35.77	\$28.21
Non-residential (1 1/2")	\$47.73	\$37.64
Non-residential (2")	\$71.56	\$56.43
Non-residential (3")	\$95.38	\$75.21
Non-residential (4")	\$143.12	\$112.86
Bulk Water (commercial accounts)	\$17.55	N/A

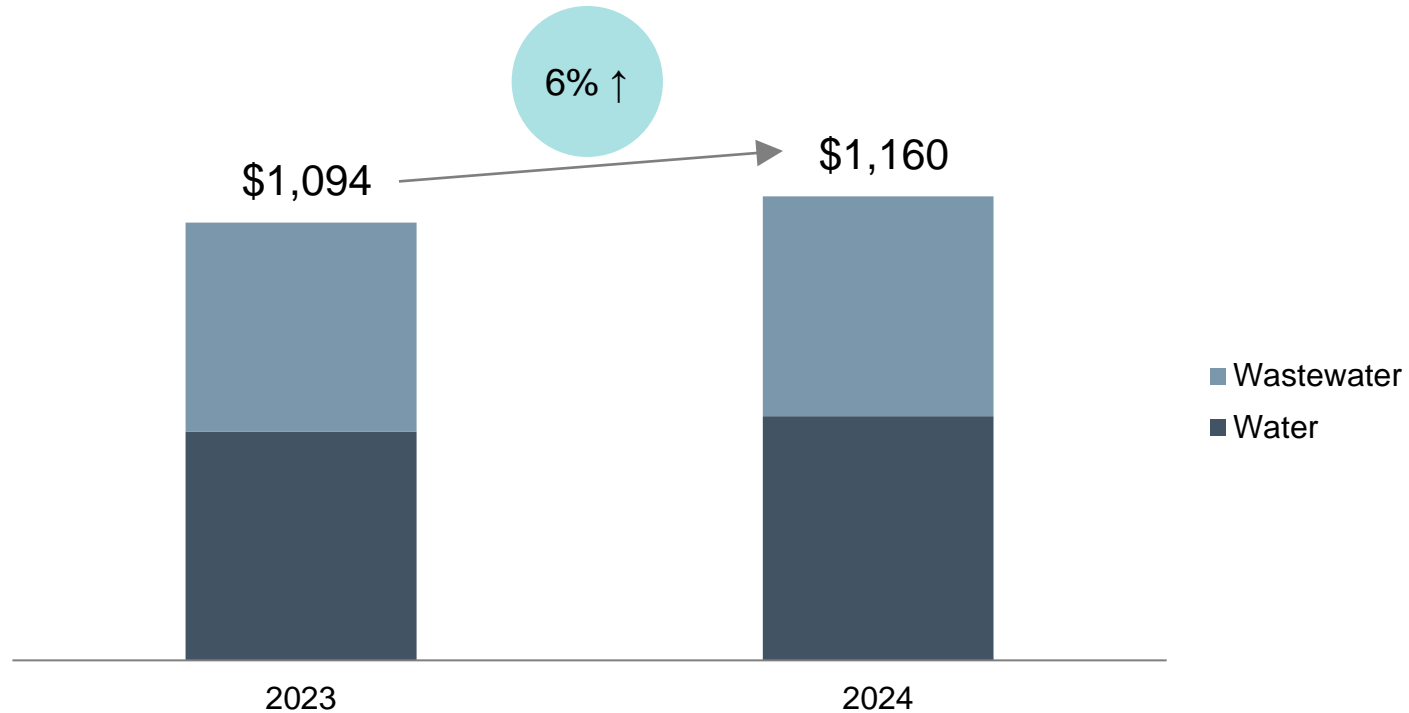
2024 Metered Rates (per m³)

Service Type	Water	Wastewater
General service	\$2.01	\$1.99
Presqu'île Park	\$2.01	\$1.99
Bulk Water (commercial accounts)	\$2.84	\$N/A

Customer Impact Analysis



- Based on the recommended rates that would take effect on April 1, the average^[A] customer is expected to experience the following impacts to their annual water and wastewater bill relative to 2023:



[A] Customer on a 5/8" meter with 166 m³ of annual water consumption, and located outside of the Presqu'île Park area.

Recommendations



It is recommended that Council:

- approve the 2024 water and wastewater rates as presented herein, with an effective date of April 1, 2024;
- approve the elimination of area-specific usage rates for the Presqu'île Park area; and
- direct staff to prepare and bring forward a new Water and Wastewater Fees and Charges By-law for adoption.