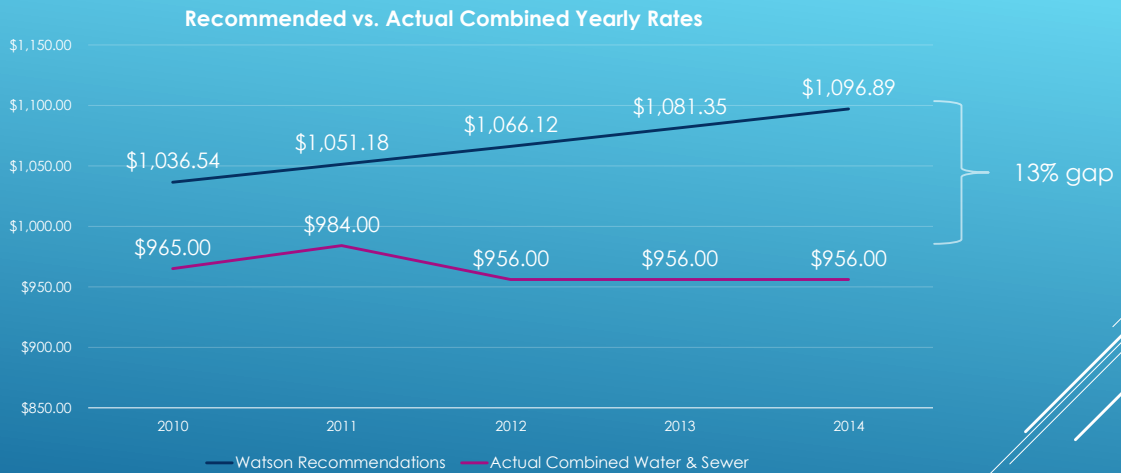


# WATER & SEWER RATE STUDY 2015

- ▶ Required by O. Reg. 453/07 to obtain municipal drinking water licence
- ▶ Across Canada, water and sewer rates generally have not provided sustainable levels of funding for these services
- ▶ Ensure sustainability of our core services by providing for their ongoing maintenance, rehabilitation, and replacement

## PURPOSE

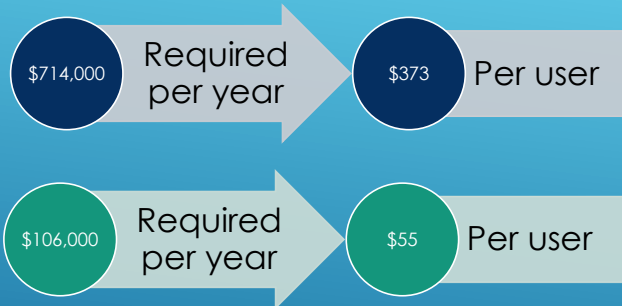


## WATSON REPORT 2010

- ▶ Additional figures are now available for a more inclusive costing:
  - ▶ Capital project forecast
  - ▶ Estimated replacement (infrastructure) costs
- ▶  $(\text{Operations} + \text{Capital projects} + \text{Infrastructure}) / \# \text{ Users} = \text{Recommended Rates}$
- ▶ Rates should be revisited each year as new information becomes available.

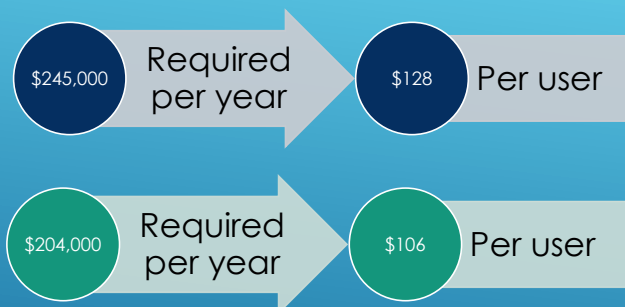
## MOVING FORWARD

- ▶ Operations require the recovery of \$714,000 for water and \$106,000 for sewer.



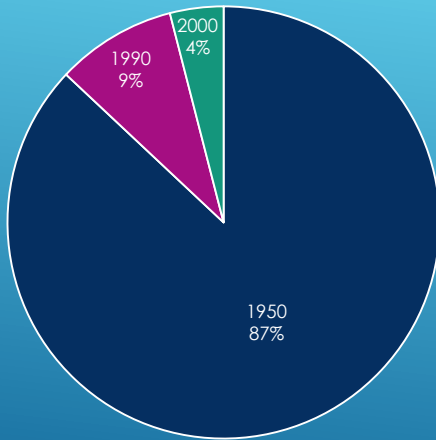
## OPERATIONS

- ▶ Ongoing capital projects (including debt) will require \$245,000 for water and \$204,000 for sewer after federal & provincial funding.

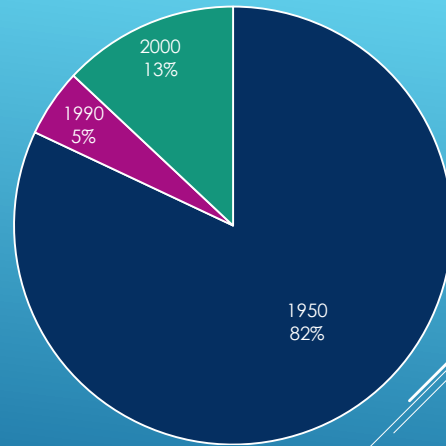


## CAPITAL

Water Mains - Construction Decade

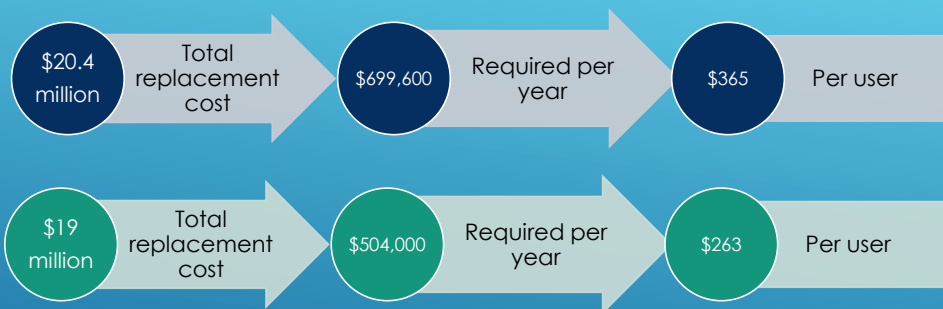


Sewer Mains - Construction Decade



## INFRASTRUCTURE NEEDS

- Estimations place this cost at \$20.4 million for water and \$19 million for sewer after federal and provincial funding.



## INFRASTRUCTURE NEEDS

- ▶ Water & sewer mains will be replaced at the same time when feasible
- ▶ Approximately 40% of Deep River's sewer mains have been inspected. Further issues may be discovered
- ▶ The water & sewer treatment plants are NOT factored into infrastructure costs as they are not known at this time.
- ▶ The Finance Department is currently looking into offering alternate billing periods such as monthly, quarterly, etc.
- ▶ Metering is not thought to be cost effective, and would likely raise overall rates

## ASSUMPTIONS & CONSIDERATIONS

- ▶ Per user recommended rate – 50% funding: \$1,291
- ▶ Per user recommended rate – 0% funding: \$2,131

## FEDERAL & PROVINCIAL FUNDING

	Water	Sewer
Operations	412	61
Capital	83	105
Infrastructure	365	263
<b>Rate in 2018</b>	<b>860</b>	<b>429</b>

Current combined: \$956 | Recommended 2018 combined: \$1284

## SUMMARY OF RECOMMENDED RATES

Year	Actual rate	Watson (before lifecycle)	Our recommendation
2010	\$965.00	\$1,036.54	
2011	\$984.00	\$1,051.18	
2012	\$956.00	\$1,066.12	
2013	\$956.00	\$1,081.35	
2014	\$956.00	\$1,096.89	
2015		\$1,112.74	\$1,038.00
2016		\$1,128.91	\$1,120.00
2017		\$1,145.40	\$1,202.00
2018		\$1,162.22	\$1,284.00
2019		\$1,179.37	\$1,309.68