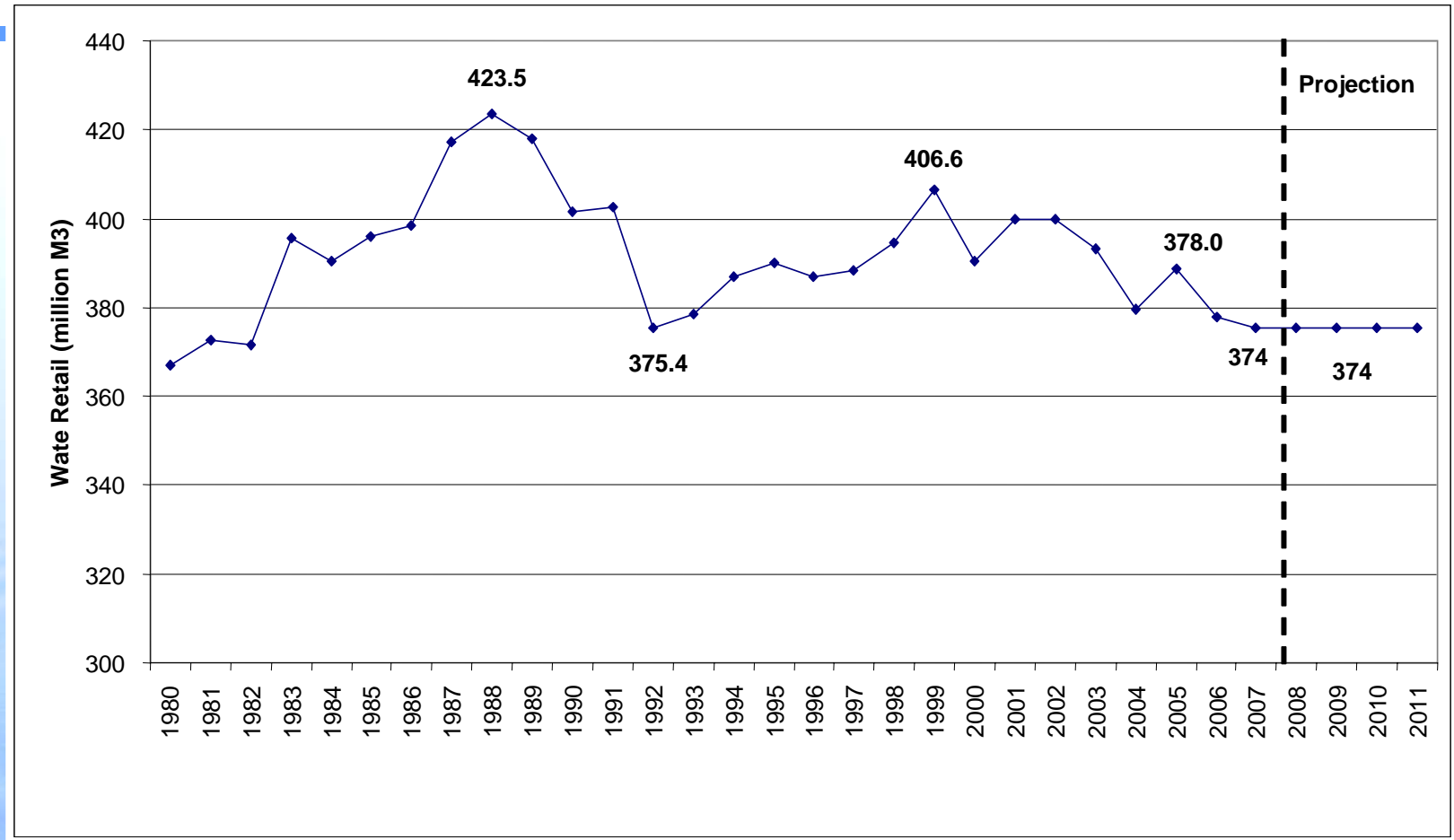


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# **2008 Water Rates and Rate Restructuring**

Presentation to  
Budget Committee  
October 16, 2007

# Water Consumption and Forecast



# Current (2007) 7 Block Rate Structure

<b>Volume of water used or fraction thereof, calculated daily</b>	<b>2007 Rates \$/m<sup>3</sup></b>
For the first 240 m <sup>3</sup> of water used per year	1.5740
For the next 5,760 m <sup>3</sup> of water used per year	1.6270
For the next 6,000 m <sup>3</sup> of water used per year	1.6404
For the next 48,000 m <sup>3</sup> of water used per year	1.6242
For the next 60,000 m <sup>3</sup> of water used per year	1.6120
For the next 120,000 m <sup>3</sup> of water used per year	1.6255
For any volume over 240,000 m <sup>3</sup> of water used per year	1.5340

# 2008 Rate Restructuring

- 7 block rate structure following amalgamation in 1998 to harmonize the rates of former municipalities
- Rate structure to be reviewed after harmonization completed
- Consultation process with Stakeholders and General Public in 2005-2006
- New rate structure adopted by Council June, 2007 providing single rate for domestic consumption and lower rate for industrial process use in order to enhance economic competitiveness
  - *The new rate structure provides rebates for low income seniors and people with disabilities*

# Rate Restructuring

Effective January 1, 2008

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- Single domestic-use rate for  
All consumers - **TIER 1**
- Second lower process use rate for the  
Industrial Tax class - **TIER 2**
  - 20% reduction from TIER 1 rate on volume consumed > 6,000 m<sup>3</sup>
  - limit future TIER 2 rate increases to one-third of domestic use until 30% reduction achieved



# Projected 2008 Rates

**TIER 1 - \$1.7352/m<sup>3</sup> - All**

**TIER 2 - \$1.3881/m<sup>3</sup> – Industrial**

## Example

Consumption m <sup>3</sup>	2007 Effec Rate \$/m <sup>3</sup>	2007 Avg Bill \$/year	2008 Effec Rate \$/m <sup>3</sup>	2008 Avg Bill \$/year	2008 Increase*		2008 Effec Rate Incr %
					\$/year	\$/month	
Average Residential Home (315 m <sup>3</sup> /y)	<b>1.5866</b>	<b>\$500</b>	<b>1.7352</b>	<b>\$547</b>	<b>\$47</b>	<b>\$4</b>	<b>9.36%</b>
Industrial Tier 2 (100,000 m <sup>3</sup> /y)	1.6203	\$162,033	1.4089	\$140,893	-\$21,141	-\$1,762	-13.05%

\*2007 average residential increase based on approved 9% annualized rate increase - \$40