



Town of Erin Corporate Report

Department: Corporate Services	Report Number: F2024-30
Business Unit: Finance	Meeting Date: 12/12/2024
Presented/ Prepared By: Wendy Parr, Director of Finance & Treasurer	

Subject

First Quarter 2025 Water Service Rates and Service Fees and Interim Wastewater Rates

Recommendation

Be it resolved that Council hereby receives report number F2024-30 “First Quarter 2025 Water Service Rates and Service Fees, and Interim Wastewater Rates” for information;

And that By-law 24-56, First Quarter 2025 Water Service Rates and Service Fees, as listed on the December 12, 2024, agenda be approved;

And that By-law 24-57, Interim Wastewater Rates, as listed on the December 12, 2024, agenda be approved.

Background

Water Rates

Current water rates have been effective since 2020, and it is best practice to review them every four to five years. With the current water service rates and fees By-law 19-59 expiring December 31, 2024, it was determined to proceed on a quarterly basis until a water rate study is completed. Property taxes do not fund the operations of the water systems so a rate structure that is fair for all users to fund the operating and capital expenditures to deliver water services is required. Schedule “A” of By-law 24-56 establishes rates for the first quarter of 2025 that are in line with the previous five years that increased rates at 3% annually.

Wastewater

Watson & Associates Economists Ltd. were retained to prepare Interim Wastewater Rates, and these are presented in Appendix A – ‘Memorandum Regarding Interim Wastewater Rates’. Background is provided starting with a 2013 multi-year wastewater servicing planning process which was followed by the completion of a Municipal Class Environmental Assessment. Construction of the Water Resource Recovery Facility, pumping station and linear works began in 2022 with anticipated completion phased through 2025 and 2026. Currently, residents are moving into the Solmar subdivision, and this has necessitated the hauling of sewage from temporary holding tanks. The direct costs of this are addressed under By-law 24-57 by imposing wastewater charges on the

new homes to be included with the quarterly water service invoice and then redirected to Solmar. The memorandum recommends that the Town consider interim wastewater rates of \$83.33 per month (\$1,000 per year), with daily prorating for the units currently occupied, and that the Town undertake a full wastewater rate study once information related to the wastewater system's capital and operating expenditures are known. The recommendations contained in the memorandum by Watson & Associates Economists Ltd. will be implemented through the proposed By-law.

Strategic Pillar

Service Excellence & Good Governance

Financial Impact

There is a financial impact on the water program only. The proposed 3% water rate increase will address inflationary and age-based pressures on the funding of the Town's drinking water system.

Conclusion

That Council approves:

1. The First Quarter 2025 Water Service Rates and Service Fees By-Law.
2. The Interim Wastewater Rates By-law.

Attachments

Appendix A – Memorandum Regarding Interim Wastewater Rates

Wendy Parr

Director of Finance & Treasurer

Brian Kavanagh

Acting Chief Administrative Officer