



 **Watson
& Associates**
ECONOMISTS LTD.

Town of Minto Water and Wastewater Rate Study and Financial Plan

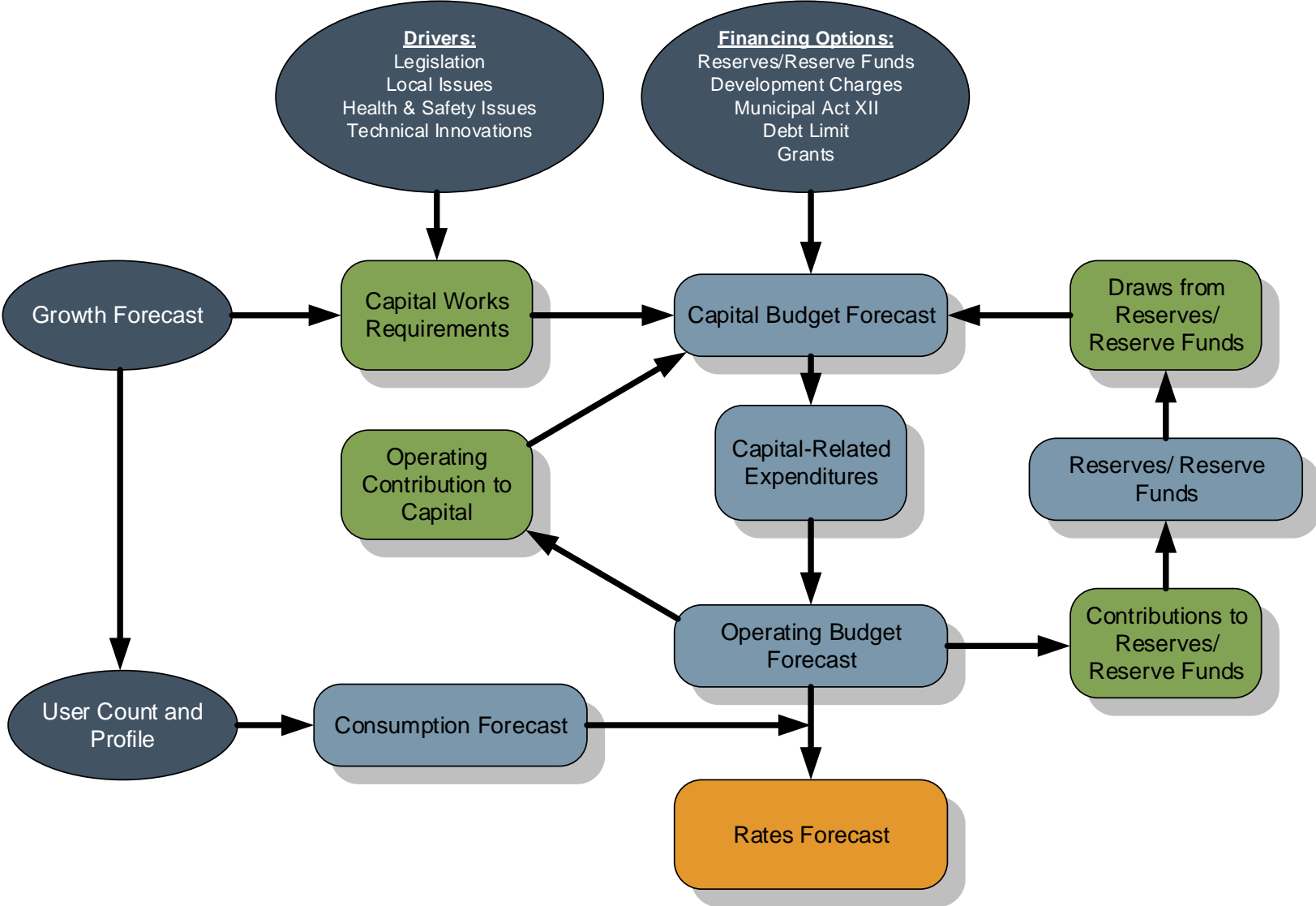
Council Meeting
March 16, 2021



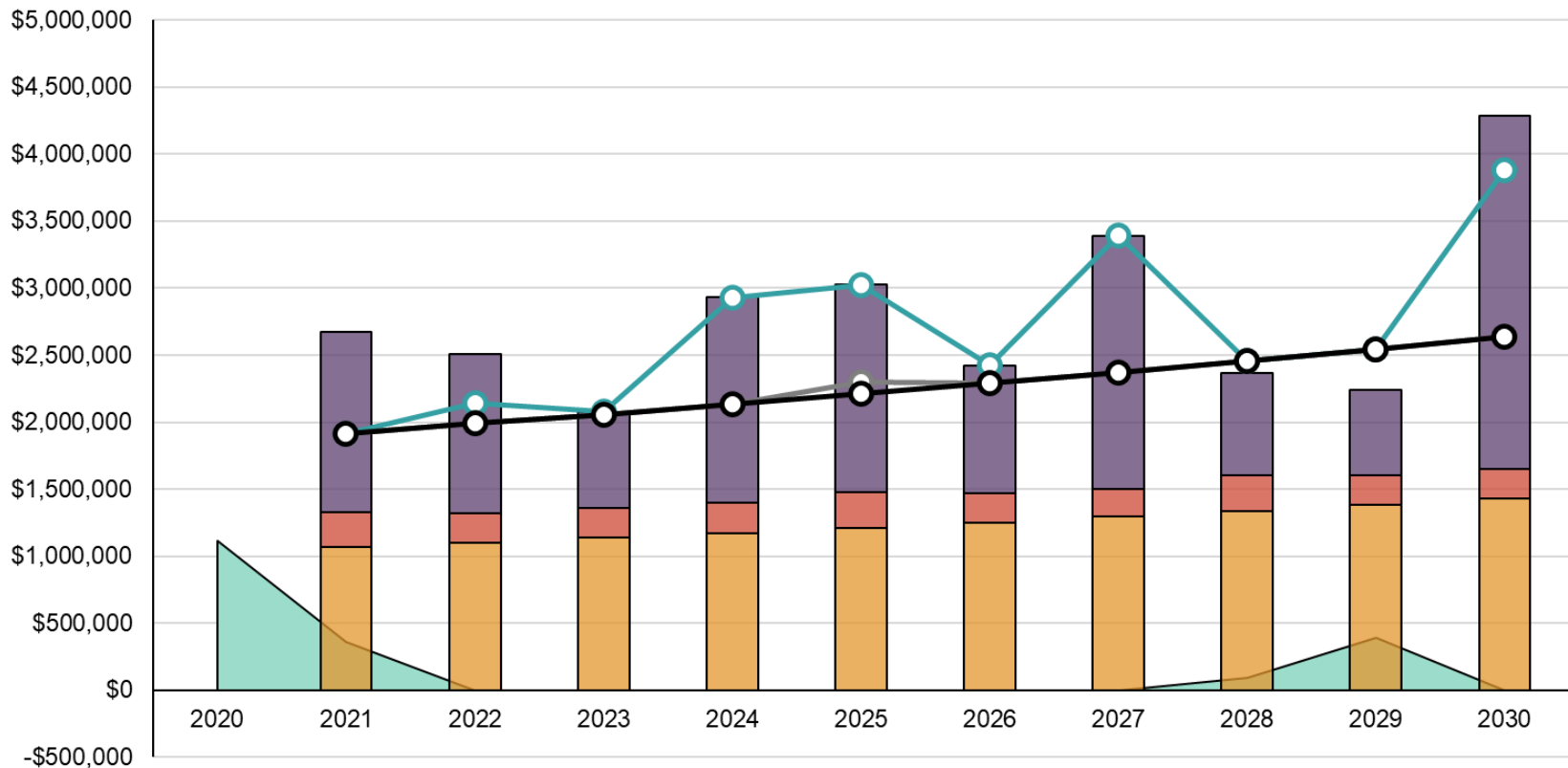
Introduction

- The Town of Minto (Town) retained Watson & Associates Economists Ltd. (Watson) to:
 - Undertake a Water and Wastewater Rate Study update; and
 - Prepare a Water Financial Plan in accordance with O.Reg. 453/07
- An overview of the study process and draft findings were presented to Council on February 2, 2021
- The Town completed a stakeholder engagement process
 - Direct outreach to large customers
 - Information posted on the Town's website and social media feed
- The Water and Wastewater Rate Study Report and Water Financial Plan as required under O.Reg 453/07 have been finalized

Rate Calculation Methodology



Water Financial Forecast 2021-2030 (inflated)

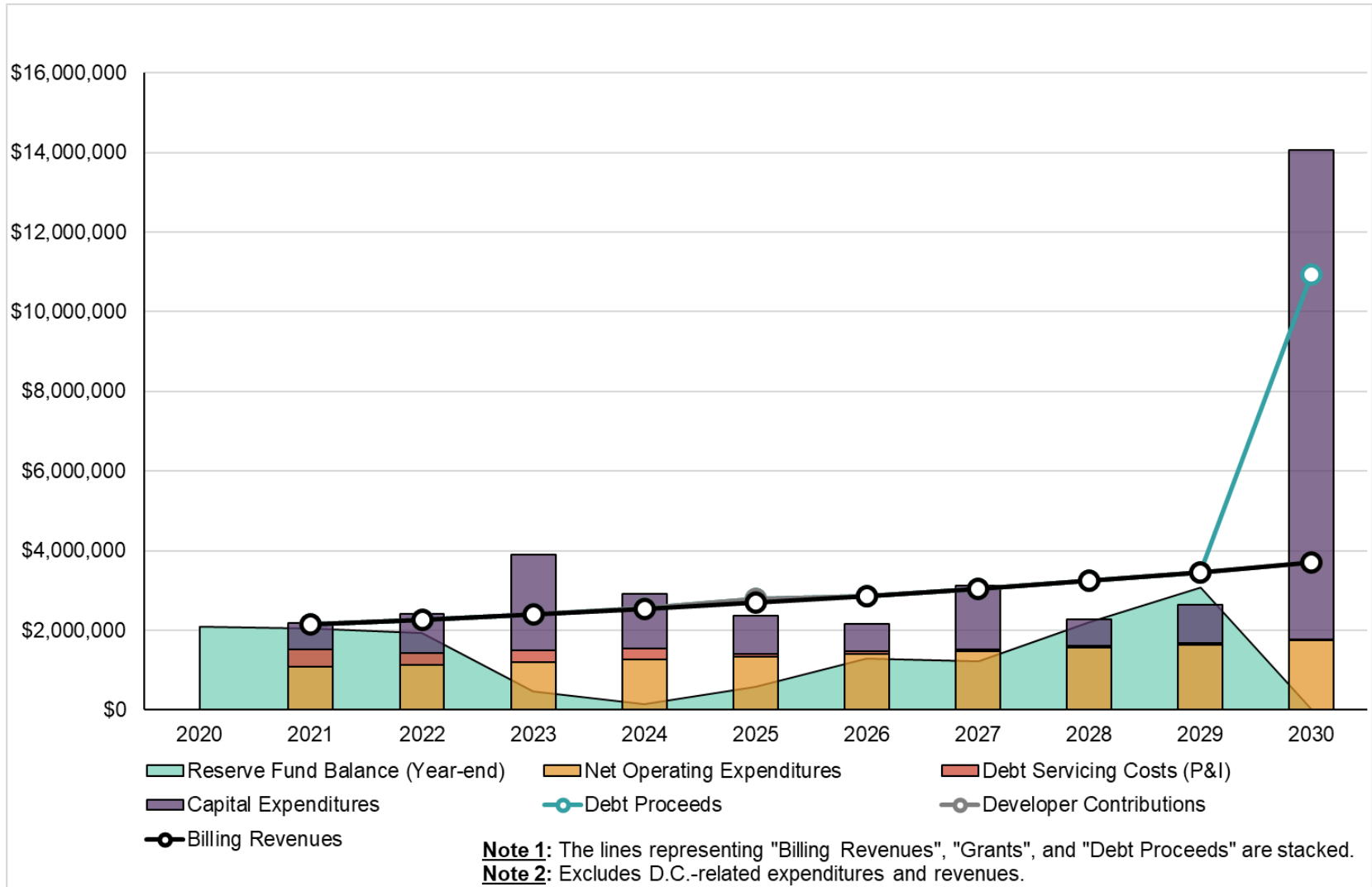


- Reserve Fund Balance (Year-end)
- Net Operating Expenditures
- Debt Servicing Costs (P&I)
- Capital Expenditures
- Debt Proceeds
- Developer Contributions
- Billing Revenues

Note 1: The lines representing "Billing Revenues", "Grants", and "Debt Proceeds" are stacked.

Note 2: Excludes D.C.-related expenditures and revenues.

Wastewater Financial Forecast 2021-2030 (inflated)



Water and Wastewater Rate Forecasts

Rate Structures



Rate Structure Scenario	Base Charge	Consumptive Rate
Scenario 1	Town's meter equivalency ratio	Declining block rate - 4 consumption blocks
Scenario 2	AWWA meter equivalency ratio	Declining block rate - 4 consumption blocks
Scenario 3	AWWA meter equivalency ratio	Uniform/constant rate
Scenario 4	AWWA meter equivalency ratio	Declining block rate - 3 consumption blocks



Rate Structures – Water Services

Provincial trends

- Compiled survey of rate structures utilized by municipalities across Ontario

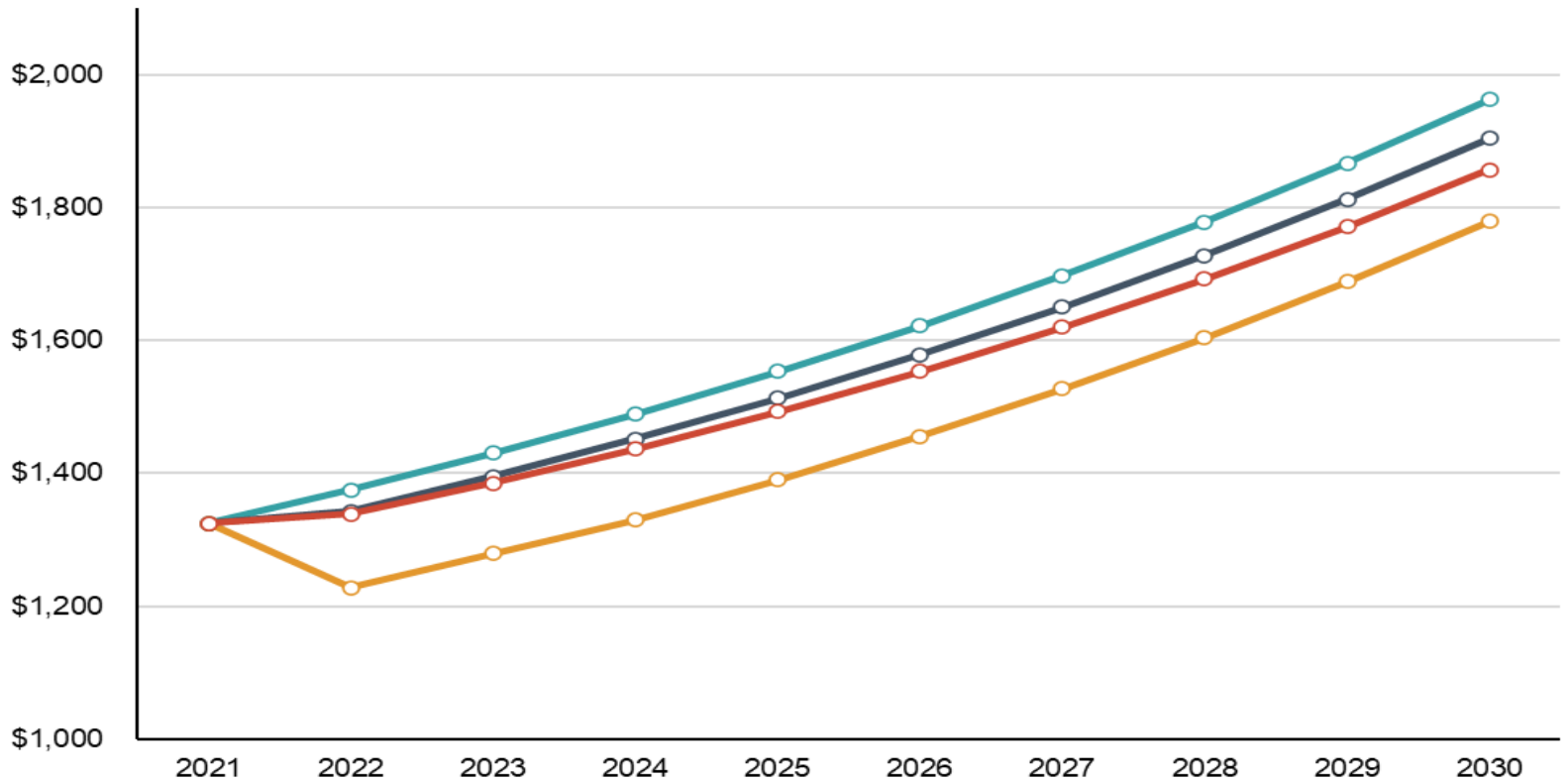
Rate Structure	Number of Municipalities
Flat Rate	16
Constant Volumetric Rate	133
Increasing Volumetric Rates	43
Decreasing Volumetric Rates	16
Total	208

Rate Projections and Billing Impacts



Annual Customer Water and Wastewater Bill - Based on 137 m³ of usage and 5/8" or 3/4" meter

Scenario 1 Scenario 2 Scenario 3 Scenario 4

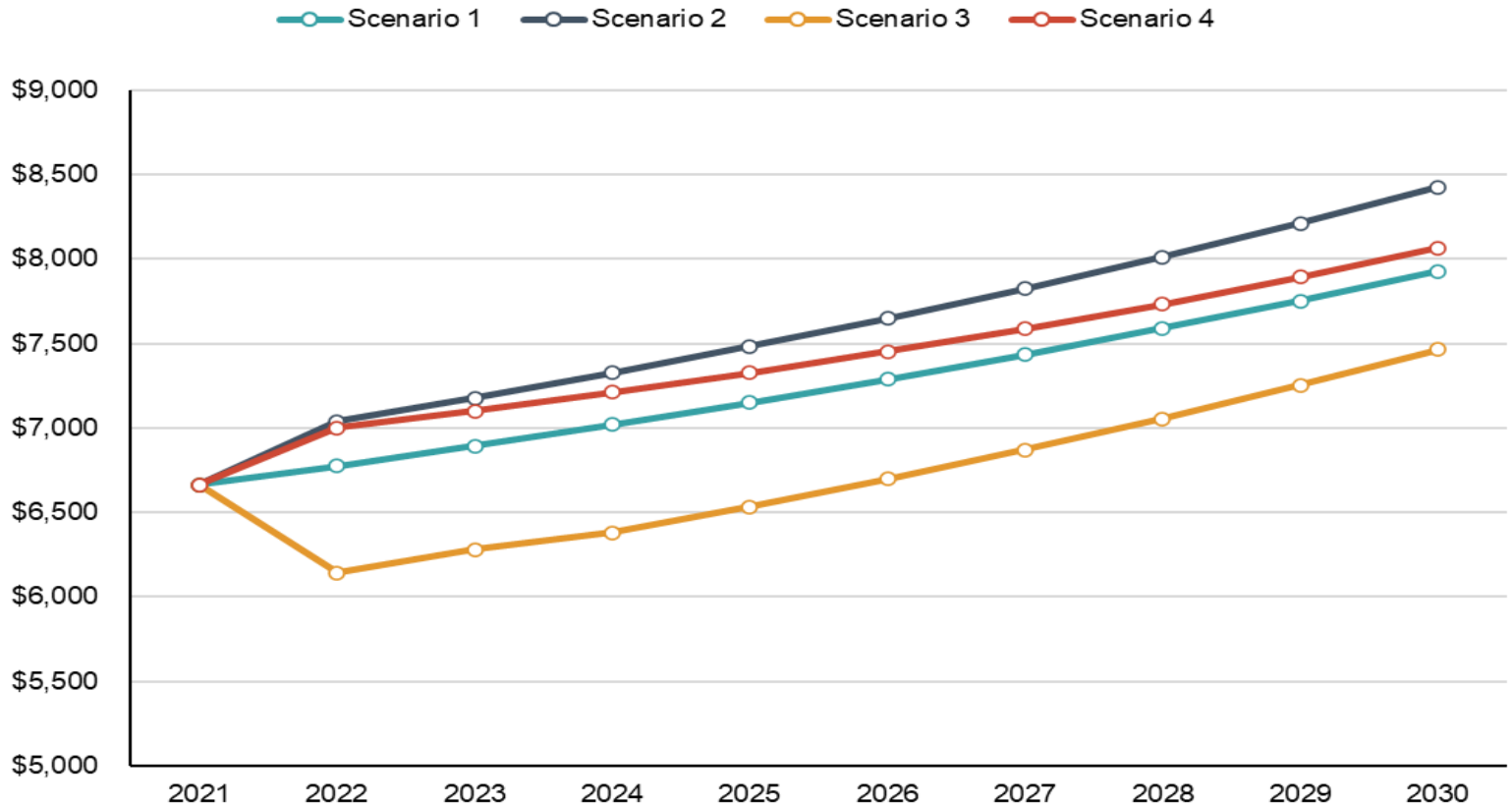


Annual Bill Increase (\$) - Scen. 1	\$57	\$51	\$55	\$59	\$64	\$69	\$75	\$81	\$88	\$96
Annual Bill Increase (\$) - Scen. 2	\$57	\$19	\$52	\$56	\$61	\$66	\$71	\$78	\$84	\$92
Annual Bill Increase (\$) - Scen. 3	\$57	-\$97	\$52	\$50	\$61	\$66	\$71	\$77	\$84	\$91
Annual Bill Increase (\$) - Scen. 4	\$57	\$14	\$47	\$51	\$56	\$61	\$66	\$72	\$79	\$86

Rate Projections and Billing Impacts



Annual Customer Water and Wastewater Bill - Based on 1,058 m³ of usage and 1 ½" meter

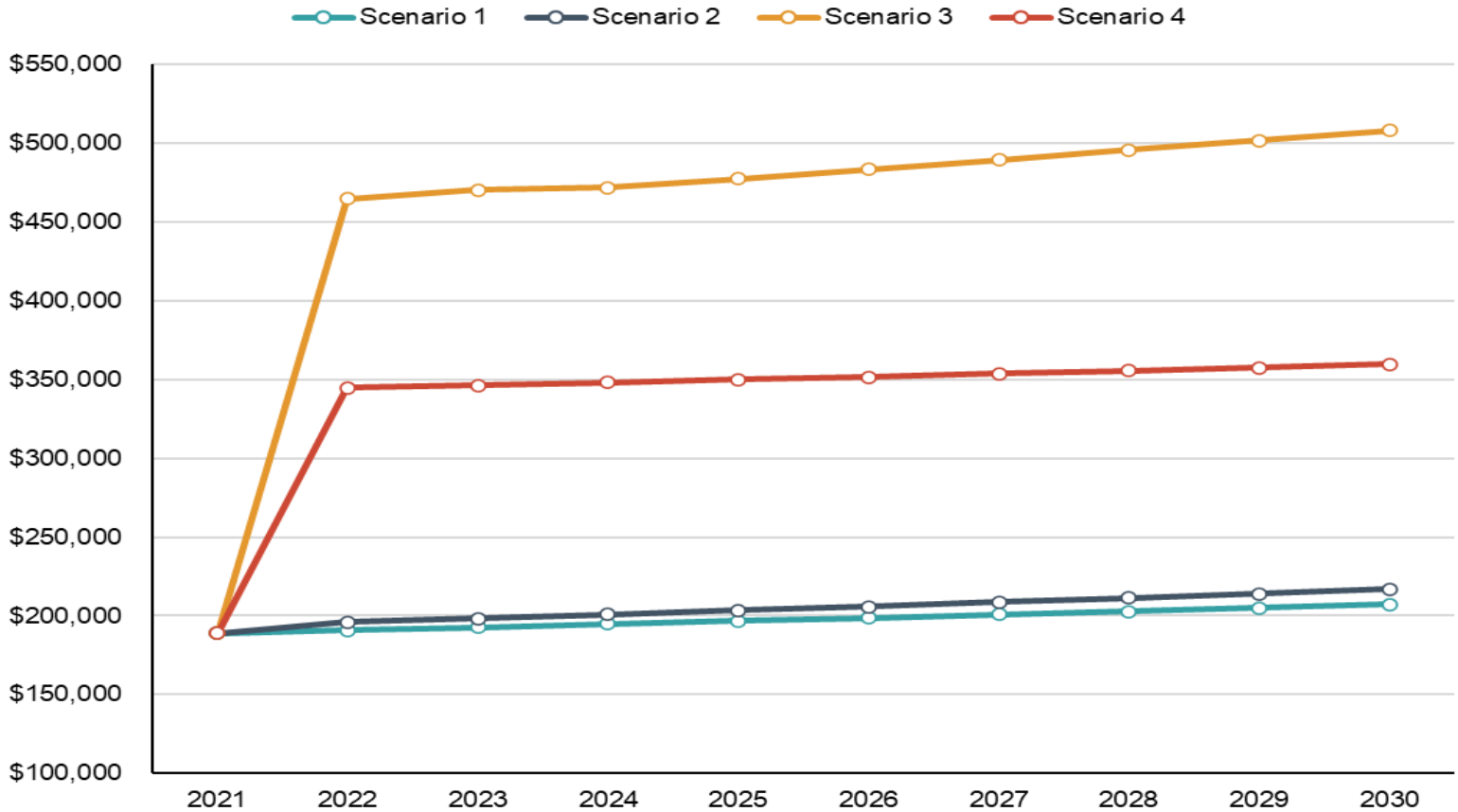


Annual Bill Increase (\$) - Scen. 1	\$278	\$113	\$119	\$125	\$131	\$138	\$146	\$155	\$164	\$174
Annual Bill Increase (\$) - Scen. 2	\$278	\$376	\$139	\$147	\$156	\$166	\$176	\$187	\$200	\$214
Annual Bill Increase (\$) - Scen. 3	\$278	-\$518	\$138	\$97	\$154	\$163	\$174	\$185	\$198	\$211
Annual Bill Increase (\$) - Scen. 4	\$278	\$338	\$101	\$108	\$117	\$125	\$135	\$146	\$158	\$171

Rate Projections and Billing Impacts



Annual Customer Water and Wastewater Bill - Based on 94,477 m³ of usage and 3" meter



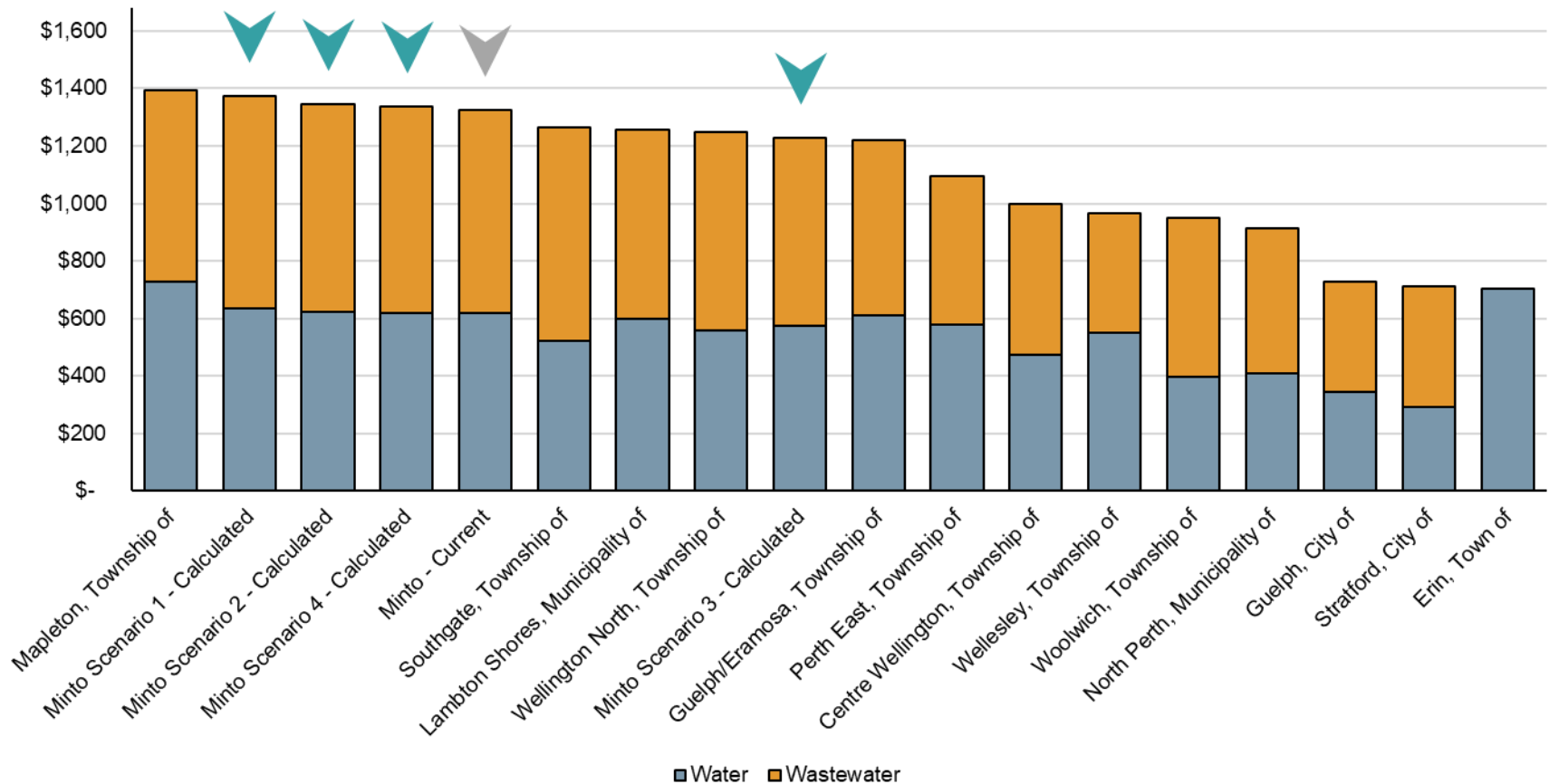
Annual Bill Increase (\$) - Scen. 1	\$6,362	\$1,920	\$1,944	\$1,969	\$1,996	\$2,023	\$2,051	\$2,080	\$2,110	\$2,142
Annual Bill Increase (\$) - Scen. 2	\$6,362	\$7,168	\$2,360	\$2,423	\$2,491	\$2,564	\$2,643	\$2,728	\$2,820	\$2,920
Annual Bill Increase (\$) - Scen. 3	\$6,362	\$275,459	\$5,624	\$1,393	\$5,795	\$5,898	\$6,006	\$6,121	\$6,243	\$6,373
Annual Bill Increase (\$) - Scen. 4	\$6,362	\$155,604	\$1,662	\$1,711	\$1,764	\$1,823	\$1,887	\$1,957	\$2,034	\$2,118



Municipal Comparison

Town's Current Rates vs 2022 Calculated Rates

Survey of Annual Residential Water & Wastewater Bill - 137 m³ of Annual Consumption on 3/4" Meter

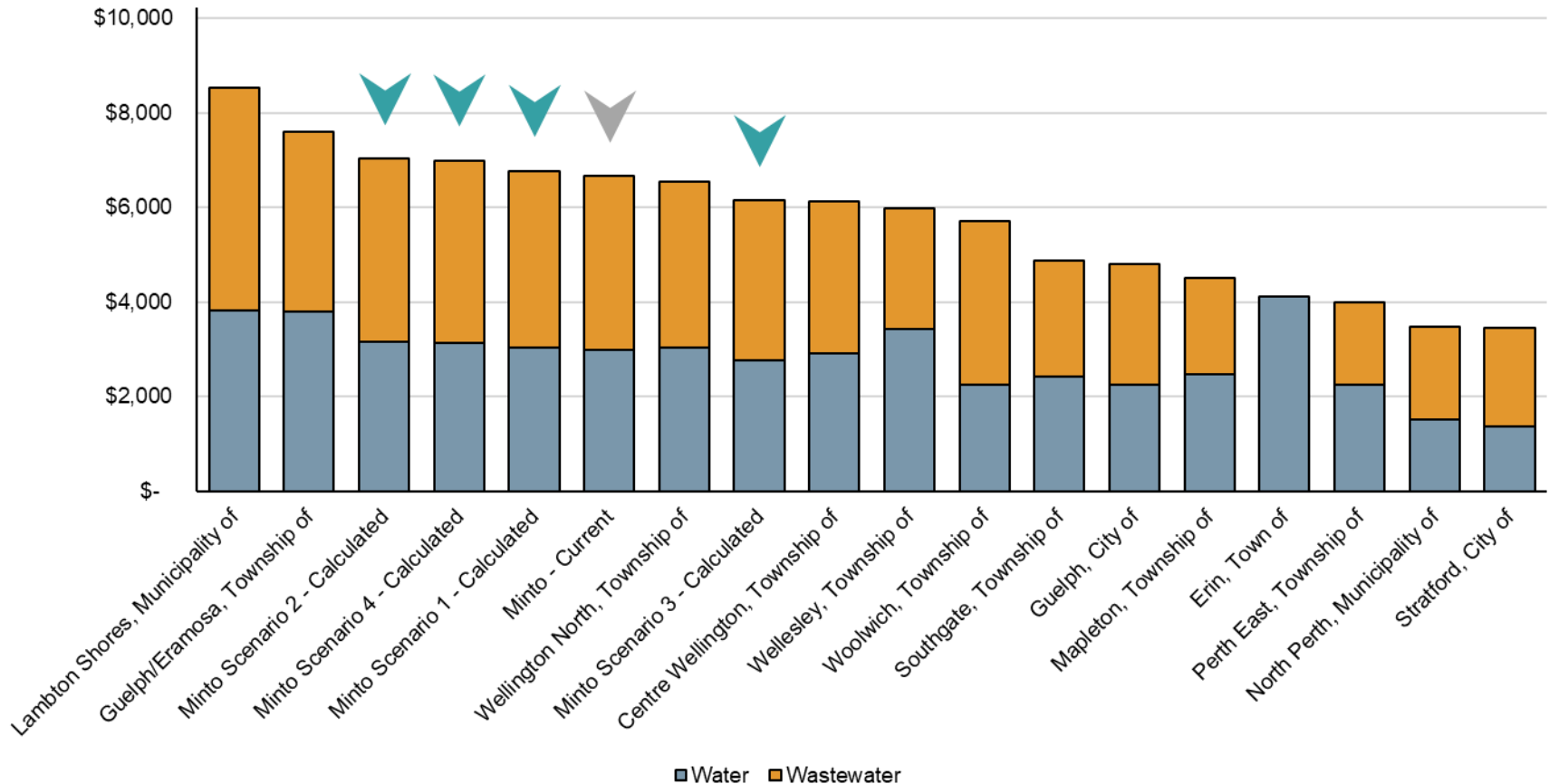




Municipal Comparison

Town's Current Rates vs 2022 Calculated Rates

Survey of Annual Non-Residential Water & Wastewater Bill - 1,058 m³ of Annual Consumption on 1.5" Meter

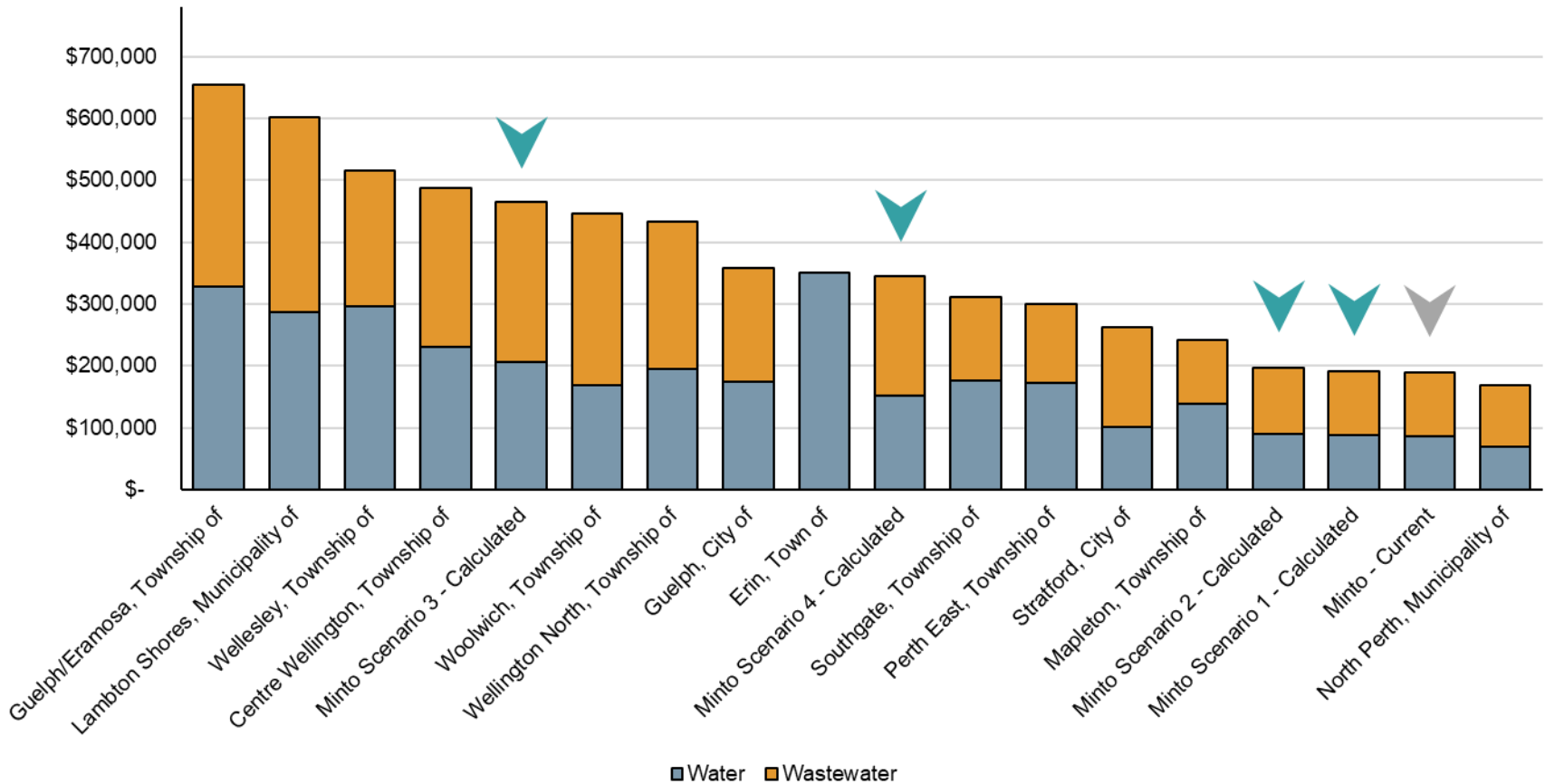


Municipal Comparison

Town's Current Rates vs 2022 Calculated Rates

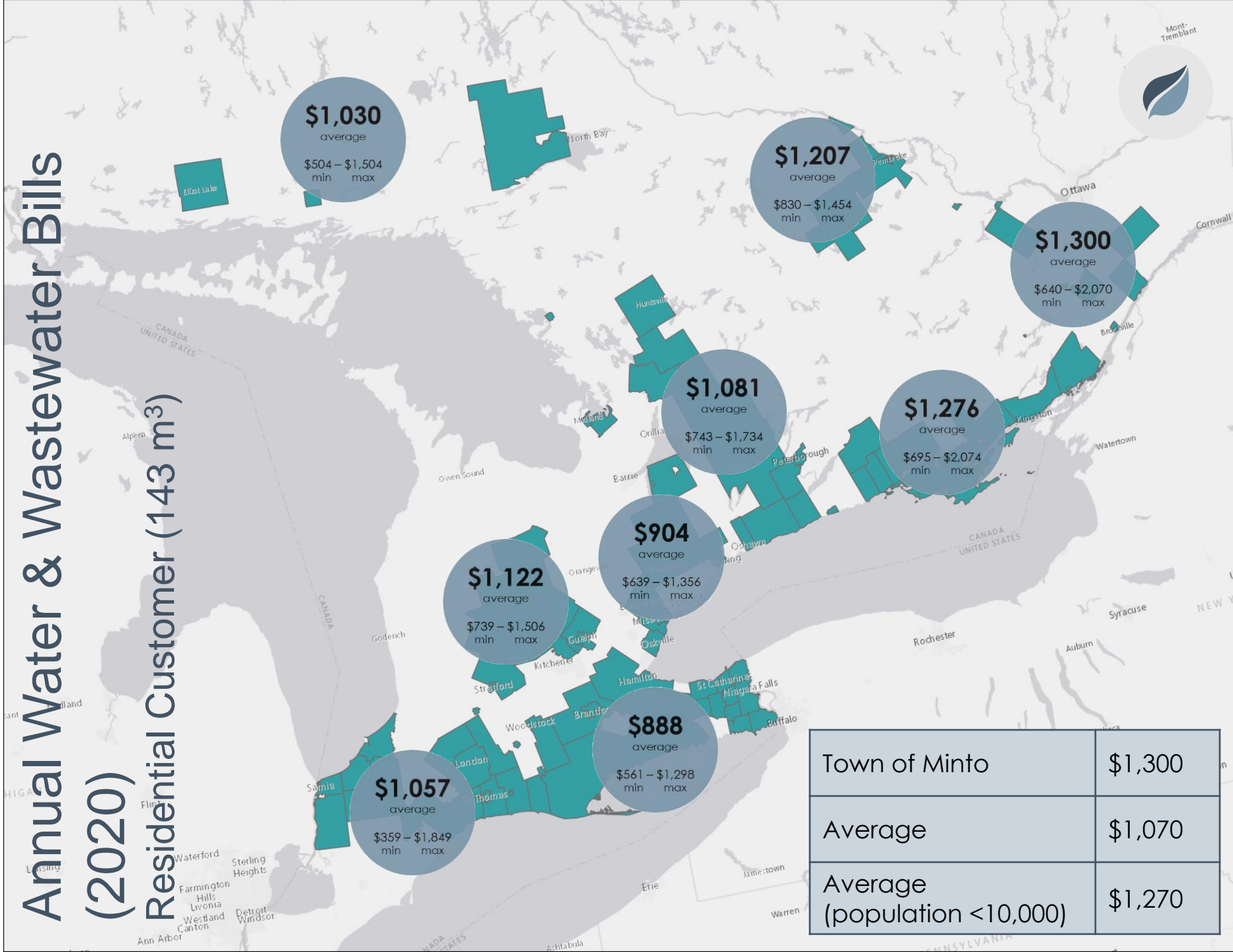


Survey of Annual Non-Residential Water & Wastewater Bill - 94,477 m³ of Annual Consumption on 3" Meter



Annual Water & Wastewater Bills (2020)

Residential Customer (143 m³)



Town of Minto	\$1,300
Average	\$1,070
Average (population <10,000)	\$1,270

Next Steps



- Council to consider approval of the Water and Wastewater Rate Study Report and associated Water Financial Plan as required under O. Reg. 453/07
- New Water and Wastewater Rates By-law will be prepared with new rates taking effect January 1, 2022