



PORT COLBORNE

Subject: 2025 Rates Setting

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2024-216

Meeting Date: November 20, 2024

Recommendation:

That the Committee of the Whole recommend to Council:

That Corporate Services Department Report 2024-216 be received;

That the 2025 Water and Wastewater rates as outlined in Corporate Services Report 2024-216 be approved;

That the 2025 Storm Sewer Rates as outlined in Corporate Services Report 2024-216 be approved; and

That the draft by-law attached as Appendix A of Corporate Services Report 2024-216 be brought forward to Council for consideration.

Purpose:

The purpose of this report is to present the proposed 2025 water, wastewater, and storm sewer rates to the Budget Committee of the Whole.

A separate report has been prepared and presented to the Committee of the Whole – Budget entitled, 2025 Rates Budget Report 2024-215, to establish water, wastewater, and storm sewer budgets.

Background:

The City of Port Colborne (the “City”) water and wastewater system is operated under a two-tier municipal governance model. The Niagara Region is responsible for cleaning and providing drinking water and treating all wastewater. The City is responsible for water distribution and wastewater collection. The City is also responsible for billing,

retains all collection risk and, except for some shared volume risk with water, is responsible for the risk associated with volume under or over usage from budget.

The Niagara Region bills the municipality for all water that leaves their water plant and for all wastewater that enters the treatment plant. As noted in the report, 2025 Rate Budgets, Report 2024-215, water billed in 2024 is projected at 55.4% suggesting a 45.6% water loss rate. The City's strategic plan establishes a goal of 15% by 2040. In the same report it can be identified the amount of wastewater that is sent to the Niagara Region treatment plants is approximately 2.3 times the amount of clean drinking water billed (or metered). These figures identify the current linear assets (the pipes) transporting water and wastewater are in need of significant investment. The Niagara Region charge, water loss, and inflow and infiltration (I&I), coupled with the capital investment required, are the most significant drivers of the water and wastewater rates within the City.

The City storm sewers alleviate storm water from entering the wastewater system. An effective storm sewer system can help reduce inflow and infiltration (I&I) in the wastewater system.

Discussion:

The 2025 Rates Budget, Report 2024-215 translates into the following impacts on rates:

Rate budget Impacts

Water and Wastewater

If the proposed 2025 Rates Budget and 2025 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property using 188 m³ of water will be:

	Annual \$ Change	Monthly \$ Change	\$ Change
Water	\$90.84	\$7.57	12%
Wastewater	\$134.76	\$11.23	12%
Blended/Combined	\$225.60	18.80	12%

This increase is required to offset the Niagara Region anticipated water and wastewater increases as presented at the Niagara Region's Budget Review Committee of the Whole – November 7, 2024, and to fund City of Port Colborne capital projects to reduce water loss and inflow and infiltration ("I&I"). Reduced water loss and I&I would result in lower charges from the Niagara Region, all things being equal.

Storm Sewer

If the proposed 2025 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$78.40 per year or \$6.54 per month, which represents a 40% increase over the prior year.

This is the second year of the proposed increases required for the Disaster Mitigation Adaptation Fund (DMAF) grant application (Report 2023-39) to address storm sewer outlet protection, outlet pumping, and sump pump drains in storm sewer districts 6, 7, and 13 which are at highest risk of storm seiche events. As previously reported, the City did not receive the DMAF grant. As the capital work is still required, additional storm sewers capital works is required as identified in the Infrastructure Needs Study (INS) and the City will continue to apply for grants, the funding is still required.

Water and Wastewater

As identified during the 2024 Rates Budget, a 12% increase to the 2024 Water Rates was forecasted and has been recommended in this report. The chart below shows the proposed rates for 2024:

Variable			
	Rate per m3		
Water (all meter types)	1.7712		
Wastewater (all non-5/8 to 3/4 residential meter types)	2.3658		
	4.1369		
Fixed			
Meter	Water	Wastewater	Combined
Residential properties with 2 or less units [19 mm (3/4") or smaller]	\$ 514.43	\$ 1,257.39	\$ 1,771.81
Residential properties with 3 or more units	\$ 257.21	\$ 628.69	\$ 885.91
	per unit	per unit	per unit
N 5/8 to 3/4 - Non-Residential	\$ 514.43	\$ 925.78	\$ 1,440.21
N 1	\$ 720.19	\$ 1,296.10	\$ 2,016.28
N 1 1/2	\$ 925.96	\$ 1,666.40	\$ 2,592.35
N 2	\$ 1,491.83	\$ 2,684.77	\$ 4,176.59
N 3	\$ 5,658.64	\$ 10,183.58	\$ 15,842.22
N 4	\$ 7,201.90	\$ 12,960.91	\$ 20,162.81
N 6	\$ 10,802.86	\$ 19,441.38	\$ 30,244.24
N 8	\$ 14,918.23	\$ 26,847.61	\$ 41,765.84
N 10	\$ 20,576.87	\$ 37,031.19	\$ 57,608.06

The rates above will result in the average residential user using 188 cubic meters of water per year paying \$175.47 per month.

While the 2025 rates of other local area municipalities are not available at the time of writing this report, the chart below breaks down the 2024 monthly charge between water and wastewater:

	City of Port Colborne (Proposed 2025)	Local Area Municipality Average (2024)
Water	\$70.65	\$49.67
Wastewater	\$104.82	\$65.50
Blended/Combined	\$175.47	\$115.17

The monthly charge for wastewater in 2025 is approximately 91% (\$104.82/\$115.17) of the combined water and wastewater charge for the average local area municipality.

The primary reason for this is the inflow and infiltration in the wastewater system. The City is built on rock, on a water table and along the lake and canal. While the City is planning improvements and expansions of the storm sewer system, a significant portion of the City does not have a designed storm sewer. Specifically, the City only has designed storm sewers in 1/3 of the urban area. The absence of storm sewers would have made initial construction in the City cheaper; however, the residual is higher wastewater charges to remove the water until storm sewers can be built. This is because when there is a weather event, the wastewater system captures a significant amount of that water and sends it to the Niagara Region wastewater treatment plant to be cleaned. A salient fact is for every 1 litre of clean water individuals and business use in the City, the wastewater system collects and sends back to the Niagara Region 2.3 litres to be treated. The Niagara Region bills local area municipalities for treating that wastewater by taking the Niagara Region’s total cost for the whole wastewater system and allocating those costs to each local area municipality based on the amount of wastewater each local area municipality sends to the Niagara Region treatment plants.

In 2024, the City of Port Colborne three-year average wastewater flow to Niagara Region wastewater facilities was 4.8% (down from 5.4% the prior year) of all local area municipality wastewater flows. This is despite the fact the 2021 census shows that the City of Port Colborne has only 4.1% of the Niagara Region population. In making this comparison staff recognize not all individuals within the City and other cities within the Niagara Region are water and wastewater users. This comparison also does not factor in the impacts of different commercial and industrial activities within different cities. The comparison does directionally indicate the City’s portion of Niagara Region wastewater charges are high compared to other municipalities. As identified in the 2025 Rates Budget report, the Niagara Region portion of the wastewater bill represents 65% of the total wastewater charge.

In response to the inflow and infiltration experienced in the wastewater system, this budget, as highlighted in the 2025 Rates Budget, includes:

- Watermain construction at North/South Crescent, Ash and Jefferson
- Watermain construction at Davis, West, Homewood, Barkley
- Wastewater lateral rehabilitation and maintenance hole rehabilitation (over 3 years)
- Wastewater lateral launch program (over 3 years)
- Storm sewer replacement at Olga and Clarence
- A program to re-line 1/3 of the City's wastewater linear infrastructure as year 2 of a 3-year project valued at \$10,000,000.

In addition to upgrading the infrastructure, growth within the City of Port Colborne, whether it be residential, commercial, or industrial, can also be very impactful as it shares the cost of the system over more users.

Storm Sewer

As identified during the 2025 Rates Budget and 2025 Capital and Related Project budget process a storm sewer charge increase was proposed. The increase is to fund the DMAF Grant Application work. The proposed increase of 40% on a single-family property is \$78.40 per year or \$6.54 per month.

The proposed rates maintain the same multipliers for calculating the storm sewer fee on properties in the storm sewer boundary as the prior year.

Proposed Storm Sewer fees are as follows:

Bylaw Code	Property Type	Multiplier			Flat Fee Per Year (\$)	
		2024	2025	#	2024	2025
SS01	Residential properties with 2 or less units	1	1		\$ 195.66	\$ 273.92
SS02	Residential properties with 3 or more units (including apartments and condominiums)	90% SS01 per unit	90% SS01 per unit		\$ 176.09	\$ 246.53
SS06	Small Commercial	5	5		\$ 978.29	\$ 1,369.60
SS07	Medium Commercial	10	10		\$ 1,956.57	\$ 2,739.20
SS08	Large Commercial	20	20		\$ 3,913.14	\$ 5,478.40
SS09	Light Industrial	10	10		\$ 1,956.57	\$ 2,739.20
SS10	Heavy Industrial	40	40		\$ 7,826.28	\$ 10,956.79
SS12	CNPI Owned	20	20		\$ 3,913.14	\$ 5,478.40
SS13	Hydro One Owned	20	20		\$ 3,913.14	\$ 5,478.40
SS15	Niagara Region	20	20		\$ 3,913.14	\$ 5,478.40

Looking Forward

As identified on many occasions, “everyday is budget day” in a municipality. Corporate Services continues to identify continuous improvement is a process. Looking forward to 2025, staff identify the following activities, in addition to those identified during the 2025 Levy and Rates Budget processes, that will help determine the financial outcomes of the City going into the 2026 budget process:

- Review the storm sewer boundary in-light of recent and planned growth within the City.
- Continue the review of properties with significant and specified water, wastewater, and storm sewer usage and discharge rights and associated fees regarding those rights.

Internal Consultations:

As stated, Financial Services would like to thank Public Works for their leadership and support in setting the 2025 water, wastewater, and storm sewer rates.

Financial Implications:

Financial Services identifies the proposed 2025 water, wastewater, and storm sewer rates are a staff recommendation that Council can adjust, if required.

Public Engagement:

The 2025 Rates Setting report was published on the City's website on November 14, 2024, through the agenda process. The 2025 Rates Setting report will be considered by the Committee of the Whole – Budget on November 20, 2024. If approved by the Committee of the Whole – Budget, the 2025 Rates Setting report will be considered by Council on November 26, 2024.

Following the budget process, staff will continue to review service levels and operations. Should changes be requested or sought, staff will seek input and, where necessary, approval from Council.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

Staff recommend Council approve the 2025 water, wastewater, and storm sewer rates identified in this report.

The storm sewer rates will be updated by way of the 2025 Property Tax Rates by-law once tax policy decisions are finalized by the Niagara Region in early 2025.

Appendices:

- a. Draft By-Law – 2025 Water and Wastewater Rates

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Amend By-law No. 3151/22/95, as amended, Being a By-law to Regulate the Supply of Water, and to Provide for the Maintenance and Management of Water Works and for the Imposition and Collection of Water Rates and to Amend By-law No. 3424/6/97, as amended, for the Imposition and Collection of Sewage Service Rates and Sewer Rates

Whereas at its meeting of November 26, 2024, the Council of The Corporation of the City of Port Colborne (Council) approved the recommendations of the Corporate Services Department Report No. 2024-216, Subject: 2025 Rates and Settings; and

Whereas Council resolved the following be effective January 1, 2025:

- Residential properties with 2 or less units [19 mm (3/4") or smaller]
 - Water usage rate be set at \$1.7712 per cubic meter
 - Water fixed service charge be set at \$514.45 per year per year
 - Wastewater fixed service charge be set at \$1,257.39 per year

- Residential properties with 3 or more units
 - Water usage rate be set at \$1.7712 per cubic meter
 - Water fixed service charge be set at \$257.21 per year, per unit
 - Wastewater fixed service charge be set at \$628.69 per year, per unit

- Any users that has or had approval to draw or remove water from the lake or canal.
 - Water usage rate be set at \$1.7712 per cubic meter of water usage
 - Wastewater usage rate be set at \$2.3658 per cubic meter of water usage. If metered wastewater usage is larger than metered water usage for the 12 months ending December 31, the difference, multiplied by 2.3658 per cubic meters will be added to the January water and wastewater bill.
 - Water fixed service charge be set at \$514.43 per year multiplied by meter factor
 - Wastewater fixed service charge be set at \$1,257.39 per year multiplied by meter factor

- All other users
 - Water usage rate be set at \$1.7712 per cubic meter of water usage
 - Wastewater usage rate be set at \$2.3658 per cubic meter of water usage
 - Water fixed service charge be set at \$514.43 per year multiplied by meter factor
 - Wastewater fixed service charge be set at \$925.78 per year multiplied by meter factor

Whereas any rate in this by-law is subject to change through future amendments, including rate changes due to, but not limited to future budget changes; and

Whereas Council is desirous of amending By-Law 3151/22/95, as Amended, Being a By-Law for the Imposition and Collection of Water Rates and By-Law 3424/6/97, as Amended, Being a By-Law for the Imposition and Collection of Sewage Service Rates and Sewer Rates; and

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That Schedule "A" to By-law Nos. 3151/22/95, as amended, and 3424/6/97, as amended, are repealed and replaced with Schedule "A" attached hereto and forming part of this by-law.
2. The usage and fixed rates established by this By-law shall all be effective as of January 1, 2025.
3. That the Clerk is authorized to affect any minor modifications, corrections, or omissions, solely of an administrative, numerical, grammatical, semantical, or descriptive nature to this by-law or its schedules after the passage of this by-law.

Enacted and passed this 26th day of November, 2024.

William C. Steele
Mayor

Charlotte Madden
City Clerk

By-Law No. 3151/22/95, as amended and By-Law No. 3424/6/97, as Amended

Water and Wastewater Rates

1. Metered Consumption Rates

All users, including Residential, Institutional/ Commercial/ Industrial ("ICI") are subject to a metered consumption rate for water of \$1.7712 per cubic meter of water usage.

All users, with the exception of Residential properties, are subject to a metered consumption rate for wastewater of \$2.3658 per cubic meter of water usage.

If a user has or had the ability to draw or remove water from the lake or canal and metered wastewater usage is larger than metered water usage for the 12 months ending December 31, the difference, multiplied by 2.3658 per cubic meters will be added to the January water and wastewater bill.

There is no minimum charge per billing period.

2. Bulk Water Sales

The metered rate for bulk water sales is \$1.7712 per cubic meter.

The service charge is based on a 75mm (3") meter regardless of the actual meter used. The fixed service charge is \$5,658.64 per year.

3. Fixed Service Charge

Residential properties are subject to a fixed service charges as follows:

Meter Size	Meter Factor	Water	Wastewater
Residential properties with 2 or less units [19 mm (3/4") or smaller]	NA	\$ 514.43	\$1,257.39
Residential properties with 3 or more units	NA	\$ 257.21 per unit	\$ 628.69 per unit

All other users are subject to a fixed service charge based on user type or meter size:

Meter Size	Meter Factor	Water	Wastewater
19 mm (3/4") or smaller 1 - non-Residential	1	\$ 514.43	\$ 925.78
25 mm (1")	1.4	\$ 720.19	\$ 1,296.10
38 mm (1 1/2")	1.8	\$ 925.96	\$ 1,666.40
50 mm (2")	2.9	\$ 1,491.83	\$ 2,684.77
75 mm (3")	11.0	\$5,658.64	\$10,183.58
100 mm (4")	14.0	\$7,201.90	\$12,960.91
150 mm (6")	21.0	\$ 10,802.86	\$19,441.38
200 mm (8")	29.0	\$14,918.23	\$26,847.61
250 mm (10")	40.0	\$20,576.87	\$37,031.19

All developable vacant land directly abutting the water distribution and/or wastewater collection system will be charged the fixed service charge for water and wastewater through the property tax billing system unless the property is assessed undevelopable by the City's Planning department.

The fixed service charge applied to developable vacant land will be charged based on property classification as follows:

Property Type	Water	Wastewater
Residential	\$ 514.43	\$1,257.39
Commercial/Institutional/Industrial	\$ 1,491.83	\$ 2,684.77

It is not the intent of this bylaw for a property owner to have paid the developable vacant land fixed service charge on a property for the same time period as the regular fixed service charge for the same period. For any period of duplicate payment, which may occur due to time of billings as a property moves from undeveloped to developed, the City will refund the developable vacant land fixed service charge.

4. **Flat Rate (Residential)**

During any month where an accurate meter reading cannot be recorded, a Residential user account will be charged a monthly flat rate of \$126.00 for water and \$187.00 for wastewater will be charged.

Examples of when a meter reading cannot be recorded are as follows:

- where a service connection has been turned on at the property line but where no meter has been installed (water meter refusal);
- refusing to provide a meter reading and / or providing access to read a water meter or reading device;
- refusing to remove any obstruction to reading a meter or reading device;
- refusing to provide for meter or reading device repairs for accurate meter readings;
- the tampering with or alteration of the water meter or reading device and meter readings cannot be obtained.

Flat Rate (ICI)

During a period where an accurate meter reading cannot be recorded, an ICI user account will be charged a monthly flat rate for water and wastewater. The flat rate will be calculated as two (2) times the current fixed service charge per Section 3 (the fixed service charge will be dependent on meter size) above PLUS two (2) times the monthly average of the previous 12 months' available consumption at the metered consumption rates per Section 1 above.

Examples of when a meter reading cannot be recorded are the same as those outlined under "Residential" above.

5. **Water for New Construction Rates**

During periods of new construction where there is no water meter the following rates are charged:

- Residential properties are subject to a \$332.64 flat fee.
- ICI properties are subject to a \$665.28 flat fee.

Upon final inspection or once a water meter has been installed and is operational, rates are no longer subject to this section. Rates are to be charged based on Sections 1 to 4 above.

6. **Administration Charges**

- Issuing a water shut off tag shall be charged to the property owner at a fee of \$85.00;
- Water account inquiries will be provided at a fee of \$8.00;
- Reading of analog meters due to refusal to upgrade to RF meters will be provided at a fee of \$110.00 per scheduled reading date.
- Customer request to change out from an RF meter to an analog meter will be at the customer's expense to cover the actual cost of the new analog meter plus removal and installation costs.

7. **User Charges**

There are certain user charges with respect to water and wastewater that are included in the User Fee By-Law. These include such topics as water turn on / off and installation of water services.

User fees may be billed individually, included in a user's water and wastewater bill or charged and collected through a building permit.

8. **Late Payment Fees**

Payment terms to be a minimum of net 21 days.

Interest on water and wastewater accounts to begin accruing at one and one fourth (1 ¼) percent of the amount due and unpaid starting on the first day of default.

At the discretion of the Director, Corporate Services / Treasurer a payment can be backdated to the due date on any accounts receivable balance received within five business days of the due date provided a reasonable explanation for the late payment has been provided by the account holder.

The Director, Corporate Services / Treasurer is approved to move any unpaid water and wastewater balances to the property tax roll of the related property.

9. **Billing Cycle**

Identified and developable vacant land subject to the fixed service charge will be billed semi-annually on the property tax bill or through the supplemental tax billing system on a prorated basis.

The water for new construction charge will be billed and collected at the time of building permit before a building permit is issued.

All water and wastewater meter users will be billed monthly on a water and wastewater bill.

10. Exemptions from Billing for Wastewater Costs

Bulk water haulers accessing City bulk water facilities:

- Port Colborne Poultry Limited
- Any property that does not directly abut any part of the wastewater system;
- Any other property that is covered by a separate By-Law enacted by Council.

11. Exemptions from Billing for Water and Wastewater Charges on Vacant Land

- Vacant assessed land that abuts another assessed property that is owned by the same registered owner, AND, the use of the vacant assessed land supports a business on the abutting assessed property, except for Industrial use properties.