

COUNCIL – AGENDA REPORT

Meeting Date: 20 November 2023

Subject: 2024 Utility Rate Bylaw Amendments

Boards Routed Through: Council Budget Committee

Date: 14 November 2023

Issue:

Council is being asked to give three readings to Bylaw No. B-39/2023, being a bylaw to amend the rates in the Water, Sewer and Waste Management Utilities effective January 1, 2024.

Background:

Utility rates are proposed and reviewed during the annual budget and planning cycle. The 2024 Utility budget was deliberated by Council Budget Committee (CBC) on November 7, November 9 and November 14, 2023. Information related to the 2024 Utility Operating and Capital Budget can be found in the budget packages published on the City's website.

Utility costs are divided into system costs (fixed costs) and consumption costs (variable costs). A contribution to the general fund (tax supported) is included in both the system and consumption cost as related water and sewer.

Water Rates

For 2024, the budgeted cost for water is \$19,240,648. This cost is recovered through variable and fixed water rates. The daily residential fixed rate will increase from \$0.74 to \$0.81 in 2024. The variable consumption rate is currently \$1.4999 per cubic meter and will increase to \$1.5876 per cubic meter in 2024.

The combined water fee for a resident that consumes the average amount of water (13 cubic meters) will increase from \$40.22 to \$43.32 per utility bill in 2024.

Sewer Rates

For 2024, the budgeted cost for sewer is \$25,144,580. This cost is recovered through variable and fixed water rates. The daily fixed residential flat rate will remain unchanged at

\$1.61 2024. The variable consumption rate is currently \$2.0573 per cubic meter and will increase to \$2.0798 per cubic meter in 2024.

The combined sewer fee for a resident that consumes the average amount of water (13 cubic meters) will increase from \$71.82 to \$72.12 per utility bill in 2024.

Contribution to Operating Budget

In the 2023 budget, water and sewer revenues contributed \$8,138,300 to the operating budget. Under the proposed rate structure, in 2024 the contribution will be \$8,877,046. The return to the general operating fund is 20 per cent of the combined total expense of the water and sewer system, which is meant to cover indirect and overhead expenditures not directly charged to the utility as well as provide a return on investment.

Waste Management Rates

Environmental Services and Waste Collection are operated on a break-even basis and neither adds to nor takes away from the operating fund (tax base). The waste collection fee and the environmental fee are also part of the City's utility bill.

For 2024, the daily waste collection fee will increase from \$0.79(revised 2023 rate) to \$0.87. The environmental services daily fee, covering the transfer site and recycling depots, will increase from \$0.20 to \$0.21 in 2024.

The combined waste management fee will increase from \$27.72 to \$30.24 per utility bill in 2024.

For your reference, the complete bylaws can be found at the following links:

[Waterworks Bylaw B-04/2019 consolidation](#)

[Sewer Bylaw B-11/2015 consolidation](#)

[Waste Management Bylaw B-07/2017 consolidation](#)

Alignment with AirdrieONE:

N/A

Boards Routed Through:

At the November 7, 9 and 14, 2023 budget deliberation meetings, CBC recommended to Council that the 2024 proposed utility rates be approved.

Alternatives/Implications:

1. Council could choose to defeat Bylaw No. B-39/2023.

Choosing this option means Council does not accept the CBC recommended utility rates for 2024. The proposed utility budget will be brought back to Council for further discussion and potential amendments.

Public Engagement and Communications Plan:

A Corporate Communications plan will be developed, which will include mailing/emailing a letter detailing the 2024 utility rates to all utility customers.

Recommendation:

That Council endorses the recommendation of the Council Budget Committee and gives three readings to:

1. Bylaw No. B-39/2023, being a bylaw to amend Waterworks Bylaw No. B-04/2019 by changing the water rates as outlined in the attached Schedule "A", Sewer Bylaw No. B-11/2015 by changing the sewer rates as outlined in the attached Schedule "A" and Waste Management Bylaw No. B-07/2017 by changing the waste management rates as outlined in the attached Schedule "B", all effective January 1, 2024;

Monica Labait, BComm, CPA, CGA
Manager, Revenue and Assessment Services

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| Presenter: | Monica Labait |
| Department: | Corporate Services |
| Reviewed by: | Shannon Schindeler |
| Attachments: | #1. Bylaw No. B-39/2023 |
| Appointment: | N/A |