



SIoux LOOKOUT
Hub of the North

REPORT

MEETING TYPE: Regular Council Meeting

To:	Council
From:	Carly Collins - Treasurer
Date:	March 20, 2024
Subject:	2024 Water and Sanitary Sewer Rates
Report No.:	2024-65

TITLE: 2024 Water and Sanitary Sewer Rates

RECOMMENDATION:

THAT Council authorizes the passing of By-law No. 29-24, Being a By-law to Establish the Water and Wastewater Service Rates and Charges for the Production, Treatment, Storage and Distribution of Water and/or Wastewater in the Municipality of Sioux Lookout and to Repeal By-law No. 19-22.

PURPOSE:

Staff is requesting Council's approval to implement the new water/wastewater rates commencing April 1, 2024 and to implement the second increase on April 1, 2025.

BACKGROUND:

On October 20, 2023, Council approved the Municipality's *Water and Sewer System Financial Plan* as part of the Municipality's requirement under the *Safe Drinking Water Act (SDWA)*.

While the SDWA does not give a clear definition of what is considered to be sustainable, the Municipality has always interpreted a sustainable system to mean a water and sewer system that is financially self sufficient, through the levy of user fees and charges.

Additionally, the financial plans were developed with the understanding that the Sustainable Water and Sewer System Act (SWSSA) will come into force, requiring municipalities to assess the "full costs" of operating and maintaining its water and sanitary sewer system.

The financial plans were prepared using a preliminary rate study and analysis which determined that the water and sewer rates would need to increase. On page 31 of the Financial Plan, attached, shows the recommended increases from 2022 to 2031.

On March 16, 2022, Staff recommended to increase the water and wastewater rates for 2022 and 2023. After such time, staff would conduct an analysis on the financial plan to current revenues, expenditures, long term debt and transfers to reserves to help determine the increases over the next 2 years, after 2023.

DISCUSSION:

Staff's recommendation to Council is to increase the rates in 2024 and 2025 only as per the *Water and Sewer System Financial Plan*. The increase in rates for 2024 and 2025 are necessary to fund the current capital, operating, and maintenance costs associated with the provision of water and sanitary sewer services. The recommended increases are as follows:

2024 - Water 3.8%
 Wastewater 4.5%

2025 - Water 3.8%
 Wastewater 4.5%

The reason that Staff is requesting to only approve the next two years' rate increases is due to the large capital projects which will be started and completed showing actual costs, and given that Northern Waterworks Contract will be completed, and the Municipality will need to issue a tender for this service, thus giving Staff new actual costs.

At this time, the Government has not released any additional large sources of funding for capital infrastructure costs that the Municipality desperately is in need for.

RELATIONSHIP TO THE STRATEGIC PLAN:

Community Innovation & Development

Proactively invest in our community to encourage growth and enhance our quality of life.

FINANCIAL IMPLICATIONS:

The water and sanitary fees collected from users provide the needed operating revenue and long-term infrastructure funding for the Municipality for these systems. The estimated increase in rates and charges will increase the average consumer that uses 14 cubic meters of water by \$5.28 per month (\$63.36 annually) in 2024 and \$5.72 per month (\$68.64 annually) in 2025.

ATTACHMENTS:

- 1. [Water and Wastewater Financial Plan 2021-2031.pdf](#)
- 2. [By-law 29- 24 - Water and Sewer Rates April 2024.pdf](#)

Written By:
Carly Collins, Treasurer

Approved By:
Brian P. MacKinnon, CAO/Municipal Clerk

Written By: