



TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

Committee: Public Works, Environmental Services & Facilities

Date: January 17, 2022

Department: Finance/Environmental Services

Topic: Draft 2022 Industrial Park Wastewater Budget

Purpose: To review the 2022 budget estimates and adopt a 0.40 per m³ increase to the consumption rate charges effective January 1st, 2022 for the Industrial Park Wastewater System.

Background: The Industrial Park sewer system is a small network consisting of (11) industrial users. The two annual expenses for this system are insurance and the Township's portion of the operating and maintenance costs at the Prescott Sewer Treatment Plant. The O&M costs make up approximately 97.5% of the annual budgeted expenses.

The joint board of the Prescott Wastewater Treatment Plant board met virtually on December 16, 2021 and reviewed the YTD 2021 budget and the draft 2022 budget. See attached report from the Town of Prescott.

Policy Implications: Schedule A of 2020-03 bylaw will need to be amended to reflect any changes to the user rates. Individual sewage charges to users of this system are based on the individual potable water consumption as no metering of sewage is undertaken. The assumption is that cubic meters of water in equals cubic meters of sewage out.

Financial Considerations: The last increase to user rates for this system was in 2020, there was no change to rates in 2021.

The 2021 budget anticipated a flow rate of 6.42%, however the actual annual flow rate was 7.42%. The total shareable amount of O&M costs for 2022 is \$1,067,585, so the Township share based on the average annual flow rate in 2021 would be \$79,214.80 which is \$7,886.00 or 11% over the 2021 budget.

Staff recommends an increase of 0.40 per m³ to the consumption rate which would generate an additional \$18,637.00 in user fee revenue. This increase will assist in funding the increased operating costs and provide a larger amount to transfer into the reserve fund. The current balance in the Industrial Park Sewer Reserve Fund is

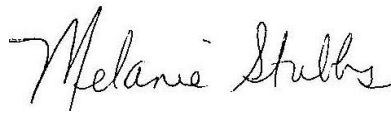
\$31,924.70. The 2021 budget had anticipated a transfer into the reserve fund of \$4,463.00, however based on the YTD financial report supplied by Prescott a transfer out of the reserve fund may be required to balance the budget.

Table 1 below provides a summary of the impact of a consumption rate increase based on the consumption of the user:

System User	Avg monthly use (m3)	Monthly Range Increase
Small	6-20	\$2.40 to \$8.00
Medium	280-500	\$112.00 to \$200.00
Large	1500-1800	\$600.00 to \$720.00

Alternatives: Council may consider applying an increase over a two-year period to reduce the impact. Increases may be administered at \$0.20/m³ in 2022 and again in 2023.

Recommendation: That Committee recommends that Council: 1. Increase the consumption rate by 0.40/m³; and 2. Direct staff to prepare a bylaw to adopt the 2022 budget estimates and impose rates for the users of the Industrial Park Wastewater system.



Treasurer



Director of Operations



CAO