

CITY OF NORTH BATTLEFORD UTILITY RATES 2006

This report is designed to up-date council on the rates required to fund operate the water and sewer utility in 2006.

CITY OF NORTH BATTLEFORD UTILITY RATES 2006

Present Pricing Principles – Fixed Rates

Fixed rates are applied to all users based on size of meter, these costs include

- General administration**
- Service and Equipment Costs**
- Professional Fees**
- Building Maintenance Costs**
- 75% of all capital costs**

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Present Pricing Principles – Variable Rates

Variable rates are applied to all users on each cubic metre of water used, these costs include

- Labour**
- Chemicals and supplies**
- Energy and power costs**
- 25 % of capital costs**

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Change in Principle

"50 – 50" on Capital Costs

**Capital costs be split equally between
fixed and variable users.**

**Reflects closer to the marginal cost and use of
water.**

PROJECTED WATER COSTS 2006

	Total	Fixed	Variable
Administration	178,003	32,483	145,520
Plants	986,936	258,035	728,901
Distribution	533,767	310,362	223,405
Storage	54,492	33,993	20,499
General Repair	109,970	90,024	19,946
Capital	1,472,099	736,050	736,050
	3,335,268	1,460,947	1,874,321

WATER RATES 2006

Forecasting Costs for 2006 Assumptions:

- **2% increase on most operating costs**
- **A 15 year capital plan was established.
For water \$8,375,000 is projected.**

2006 PROPOSED WATER RATES FIXED – 21% DECREASE

Meter Size	Users	Current Rate	Proposed Rate
15mm-25mm	4101	17.13	13.52
15mm-18mm	603	18.69	14.75
25mm	86	58.40	46.08
40 mm	41	77.87	61.45
50 mm	99	116.81	92.17
75 mm	11	467.23	368.69
100 mm	0	583.20	460.20
150 mm	0	816.48	644.28

2006 WATER VOLUME CHARGES

Annual Consumption (cubic meter)		2,000,000
Existing Rate	\$ 0.56	\$ 1,120,000
Proposed Rate	\$ 0.72	\$ 1,440,000
Increase	29%	

PROPOSED WATER MONTHLY COST

The monthly cost of 25 cubic meters would be;

Residential Consumption	\$18.09
Base rate	<u>13.52</u>
Total Water Cost	\$31.61
1.5% increase from last year	

RECOMMENDATION

That Council increase the water consumption rate to \$0.72 a cubic metre & fix rates change as follows:

Meter Size	Users	Current Rate	Proposed Rate
15mm-25mm	4101	17.13	13.52
15mm-18mm	603	18.69	14.75
25mm	86	58.40	46.08
40 mm	41	77.87	61.45
50 mm	99	116.81	92.17
75 mm	11	467.23	368.69
100 mm	0	583.20	460.20
150 mm	0	816.48	644.28

SEWER RATES 2006

Forecasting Costs for 2006 Assumptions:

- **3% increase on all operating costs**
- **A 15 year capital plan was established. For water \$7,935,000 is projected.**
- **Debt Repayment on plant is approximately \$1,200,000 a year**

PROJECTED SEWER COSTS 2006

	Total	Fixed	Variable
Administration	59,751	4,831	54,920
Treatment	380,255	68,321	311,934
Repairs & Mains	187,903	111,379	76,524
Lift Stations	48,804	5,679	43,124
Capital & Debt	2,248,176	1,124,088	1,124,088
Total	2,924,888	1,314,298	1,610,590

2006 PROPOSED SEWER RATES FIXED – 20% DECREASE

Meter Size	Users	Current Rate	Proposed Rate
15mm-25mm	4101	18.86	15.08
15mm-18mm	603	21.76	17.40
25mm	86	69.64	55.67
40 mm	41	92.85	74.23
50 mm	99	139.28	111.35
75 mm	11	557.10	445.38
100 mm	0	697.50	557.62
150 mm	0	976.50	780.67

2006 SEWER VOLUME CHARGES

Annual Consumption (cubic meter)		2,000,000
Existing Rate	\$ 0.45	\$ 900,000
Proposed Rate	\$ 0.72	\$ 1,440,000
Increase	60%	

PROPOSED SEWER MONTHLY COST

The monthly cost of 25 cubic meters would be;

Residential Consumption	\$18.08
Base rate	<u>15.08</u>
Total Water Cost	\$33.16

10.1% increase from last year

RECOMMENDATION

That Council increase the sewer removal rate to \$0.66 (May – Oct) and \$0.82 (Nov-April) a cubic metre & fix rates change as follows: (average \$0.72)

Meter Size	Users	Current Rate	Proposed Rate
15mm-25mm	4101	18.86	15.08
15mm-18mm	603	21.76	17.40
25mm	86	69.64	55.67
40 mm	41	92.85	74.23
50 mm	99	139.28	111.35
75 mm	11	557.10	445.38
100 mm	0	697.50	557.62
150 mm	0	976.50	780.67

CONCLUSION

WHAT'S MY BILL GOING TO BE?

25 CUBIC METRES

	Present Rate	Proposed Rate	Present	Proposed
Water Base Rate			17.13	13.52
Water Consumption	0.56	0.72	14.00	18.09
Sewer Base Rate			18.86	15.08
Sewer Consumption	0.45	0.72	11.25	18.08
			61.24	64.77
			Increase	5.8%

NEXT STEP

UTILITY BYLAW CHANGES

- **In January 2006 rates to be amended per Bylaw 1726 and 1727.**