



Hamilton

## **2013 Water and Sewer Rates and Charges**

On December 12, 2012, City Council approved a water and sewer rate increase of 4.25%. The revised water and sewer charges below include the Council approved increase.

The increase, effective January 1, 2013 increases the water/wastewater cost to the typical household by \$2.00/month. In 2013, a typical household can expect to pay approximately \$600 in water and wastewater charges.

Hamilton's combined water and sewer rates still remain among the lowest in Ontario.

*(Note: This average increase is based upon a typical single-family residential customer using 220 cubic metres (m<sup>3</sup>) of water per year)*

### **So why are rates water rates set to go up ?**

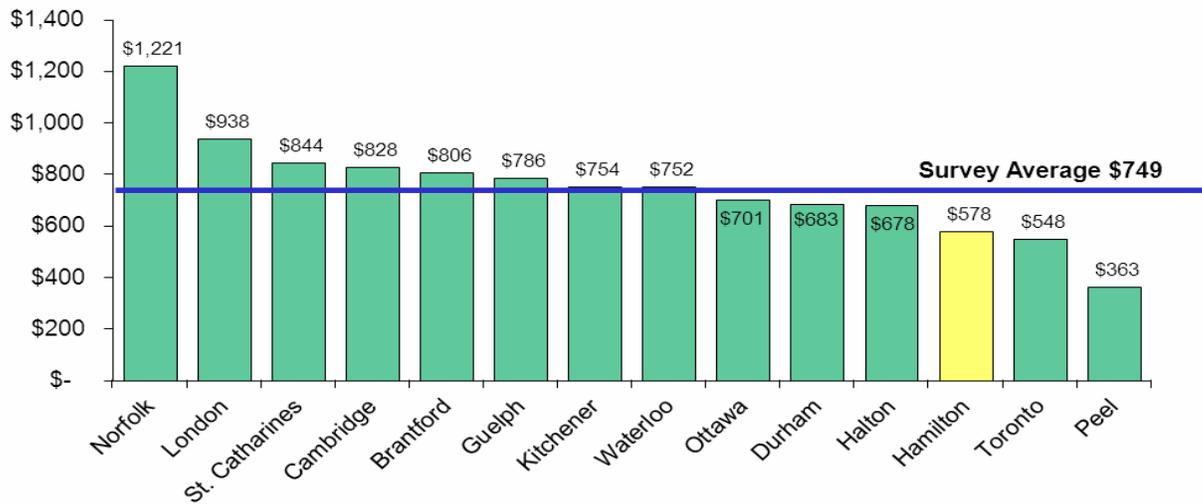
- To continue to provide safe, reliable drinking water and wastewater services to a majority of Hamilton's 500,000 residents and protect critical public health and safety services.
- To maintain, replace and rehabilitate massive, aging water & sewer systems (4,500 kilometers of piping, 14,000 fire hydrants, 2 treatment plants, 150 outstations servicing 142,000 accounts).
- To support capital investments in 2013 of \$182 million.
- The Rate supported capital program facilitates the rehabilitation of aging infrastructure including significant capital increases to support storm related flood mitigation.
- For 2013, 56% of rate revenues will fund repairing and replacing water and wastewater infrastructure to ensure drinking water safety and reliability.
- The proposed financing strategy supports forecasted \$1.38 billion in infrastructure investments.
- Over the last 6 years, for every million liters of water produced, chemical costs have increased by approximately 36%; electricity costs by 22%; and natural gas costs by 39%. We are trying to mitigate these increases.

**As a City we are undertaking the following actions to reduce costs:**

- Construction of a gas purification plant to enable the sale of surplus biogas whenever possible.
- Special emphasis on water loss and leak detection initiatives.
- Reducing chemical and hydro use while improving water quality.
- Replacing process equipment with more efficient devices wherever possible.
- Implementing trenchless technologies in support of rehabilitation vs full scale replacement of infrastructure.
- Continuing with the replacement of conventional fleet vehicles with both a hybrid and fully electric fleet.
- Continue to balance operation and service delivery with in-house and contracted staff.

**So how do we compare to other municipalities:**

- Hamilton's water and sewer average family costs are third-lowest of 13 Ontario comparator cities. The following chart provides a comparison based on 2012 water and sewer rates based on an average 220m<sup>3</sup> water consumption used annually by Hamilton residences:



**What happens if we do not implement the proposed financing strategy?**

- Eventually higher rate increases would be needed in future years, so we are ensuring that any planned increases are sustainable.
- May compromise current credit rating which may lead to higher borrowing costs and larger shortfalls.
- Ultimately, our capital expenditures would not be enough for rehabilitation and replacement programs. Our goal is to protect and ensure our water quality and reliability remains a priority.

## How to Calculate Your Bill?

Your bill is calculated by adding your monthly minimum fixed charge to your usage charge. Most residential customers are billed bi-monthly. Typical residential minimum charge of \$8.78 per month includes the first five cubic metres (5m<sup>3</sup>) of consumption for the month. Sewer surcharge is currently billed at 100% of the water charge.

For example: minimum charge based on a meter size of 16 mm and 2 months of 20 m<sup>3</sup> usage.

Minimum Charge: \$8.78 x 2 months	\$17.56
Usage Charge:	
((20m <sup>3</sup> - 5m <sup>3</sup> ) x 2 months) x \$1.223	<u>36.69</u>
<b>Water Charge</b>	<b>\$54.25</b>
<b>Sewer Surcharge</b>	<b><u>\$54.25</u></b>
<b>Total Water &amp; Sewer Bill</b>	<b>\$108.50</b>

### What does the fixed minimum charge pay for?

The fixed charges pay for costs that are not related to water volumes consumed and relate primarily to expenditures for meter reading, billing, customer service and meter repair.

### What does the variable charge pay for?

The variable charges are based on the amount of water consumed measured in terms of cubic metres (m<sup>3</sup>) – note that 1 m<sup>3</sup> = 1,000 litres. The variable revenue pays for costs that are driven largely by water volumes consumed (typically water treatment, distribution, and collection, storage and maintenance costs) plus debt servicing and contributions related to capital investments.

### What does the sewer surcharge pay for?

The surcharge covers all the costs associated with the water you discharge - right from the time it leaves your house in a sanitary sewer line, to treatment and eventual release into Lake Ontario. Additionally, the surcharge also funds most of the costs associated with the City's storm management system which controls the quantity and quality of stormwater runoff throughout the City.

### **What you can do to reduce your water and sewer charges?**

- Periodically check the red or white triangle on your water meter when all water fixtures are turned off. If the triangle is spinning there may be a leaky toilet or tap, which will drive up your water and wastewater bill. In this case, residents are encouraged to have any leaks repaired as soon as possible.
- Use rain barrels, low water use plants and drip irrigation to reduce your water consumption. Up to 50% of water used in a typical residential home during the summer is for outdoor landscaping or swimming pools. The City continues to support an annual rain barrel sale each spring.
- When buying a new dishwasher or washing machine, consider purchasing a water-saving model.

### **Why should customers practice water conservation when rates are proposed to continue to increase?**

- Conservation facilitates the deferral of capital infrastructure upgrades and the associated need for rate increases in the near term related to the financing of the upgrades.
- Hamilton has been able to defer major capital expenditures to expand the Wastewater Treatment Plant to several years from now, deferring the associated debt servicing costs that would have been incurred otherwise.
- Conservation does reduce operating costs such as water and wastewater treatment chemicals and hydro – this translates into savings for rate payers.

### **Further information on City water and wastewater services and programs is available on the City's website:**

<http://www.hamilton.ca/water/>

**For more information please call the City Of Hamilton at (905) 546-2489.**