Brant County
Water and Wastewater Rate Study

April 2025

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Agenda

- Review Process
- Background Information
- Rate Structure
  - Goals and Objectives
  - Options
  - Recommended Rate Structure
- Long-Range Financial Plan options
  - Capital Budget comparison
- Rates Options
- Summary of Recommendations

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Introduction – Water and Wastewater Rate Review

- Brant County is committed to providing water and wastewater rates that are sustainable, fair and affordable
  - In 2024, a ***long-range financial plan*** was completed for water and wastewater operations

- Brant County began the next phase of the project (2025)- review ***water and wastewater rates and rate structure*** to ensure the rates meet the goals and objectives of the County

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Review Process

Long Range Financial Plan

- Review Full Costs and Cost Recovery Plan
- Develop Plan to Achieve Sustainable Water/WW

Rate Structure Review

- Review Existing Rate Structure
- Benchmarking
- Set Goals + Objectives
- Review Rate Structure Options
- Undertake Rate Study
- Conduct Impact Analysis

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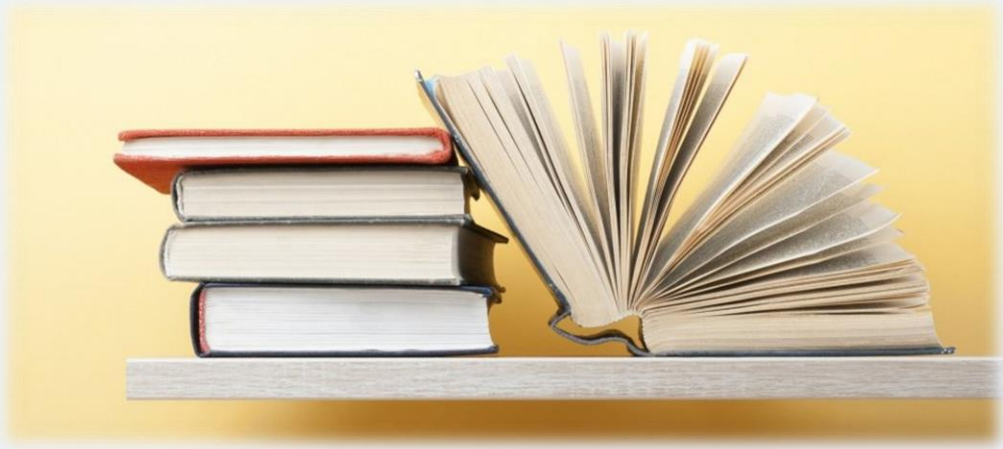
Background Information



Current Water/WW Rates

	May 1, 2024 to June 30, 2025	
Meter Size (inches)	**Water**	**Wastewater**
5/8	$45.34	$19.41
3/4	$67.99	$29.11
1	$113.32	$48.52
1½	$226.66	$97.04
2	$362.66	$155.27
3	$770.72	$329.98

	May 1, 2024 to June 30, 2025	
Volumetric Usage (m^3)	**Water**	**Wastewater**
0 to 15	$2.22	$1.72
15.1 to 45	$2.45	$1.89
45.1 to 100	$2.56	$1.98
100.1 and over	$2.22	$1.72
Seasonal Premium – May 1 to August 31 for Residential Consumers using over 45 cubic meters		
45.1 to 100	$3.33	$1.98
100.1 and over	$2.89	$1.72

- Brant County has a 2-part rate structure:
  - Fixed rate based on meter size
  - Humpback volumetric rate based on water consumption
  - Seasonal consumption rate

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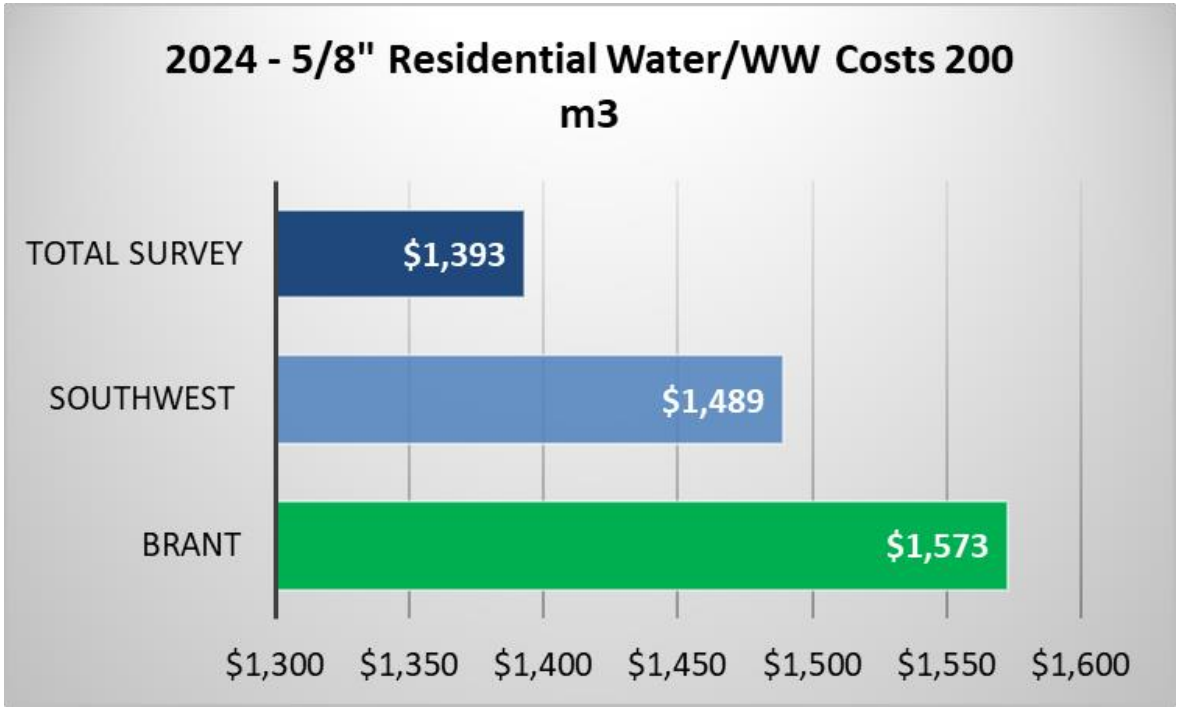
2024 Residential Cost of Service (200 m^3 annual consumption)



- 13% more than the survey average of 120+ municipalities
- 5.6% higher than the Southwest Ontario municipalities
- This is driven, in part by a higher-than-average fixed monthly allocation

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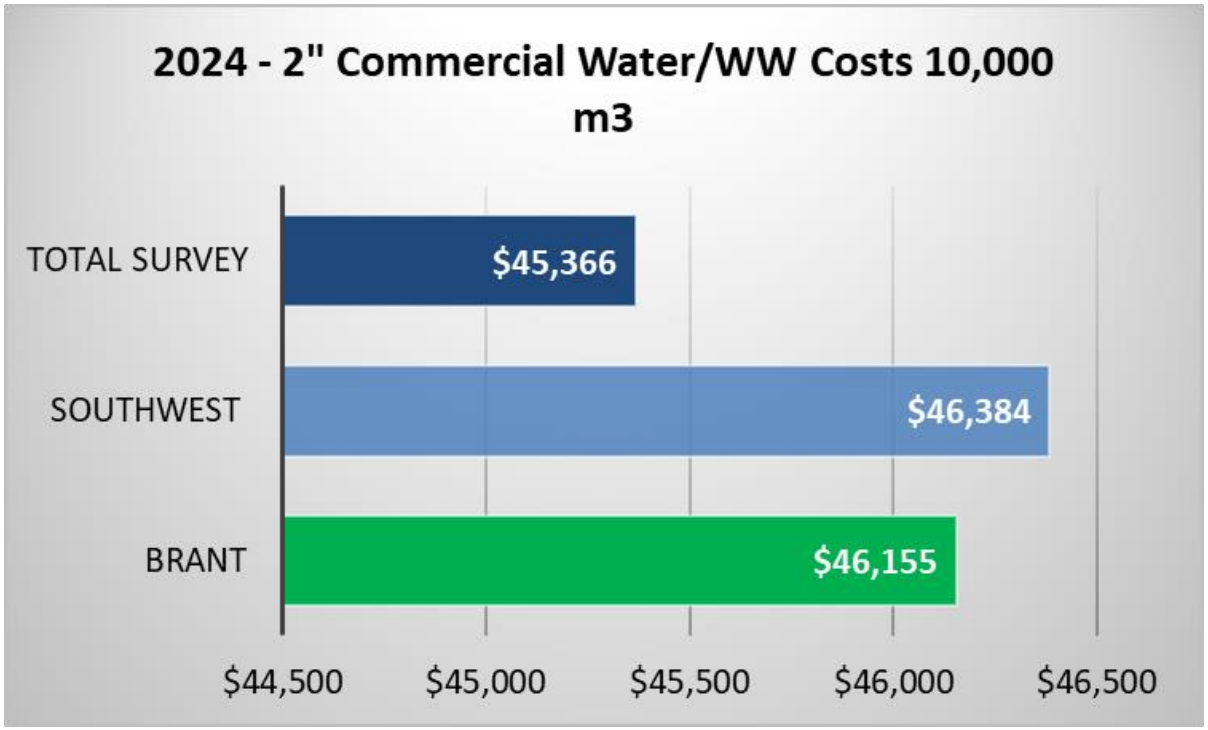
2024 Commercial Cost of Service Comparison (10,000 m^3)



- 2% more than the survey average of 120+ municipalities
- 0.5% less than the Southwest Ontario municipalities

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Challenges, Risks and Opportunities

- Complex and costly Water and Wastewater systems
  - 5 water systems and 4 wastewater systems
  - Operating costs of these systems are impacted by low population density, geography, and complexity
- Limited availability of Capital Reserves
- Increased reliance on debt
- Provincial Standards and Regulations
- Operating and Capital Costs exceeding inflation
- Affordability

Rate Structure Options Considered

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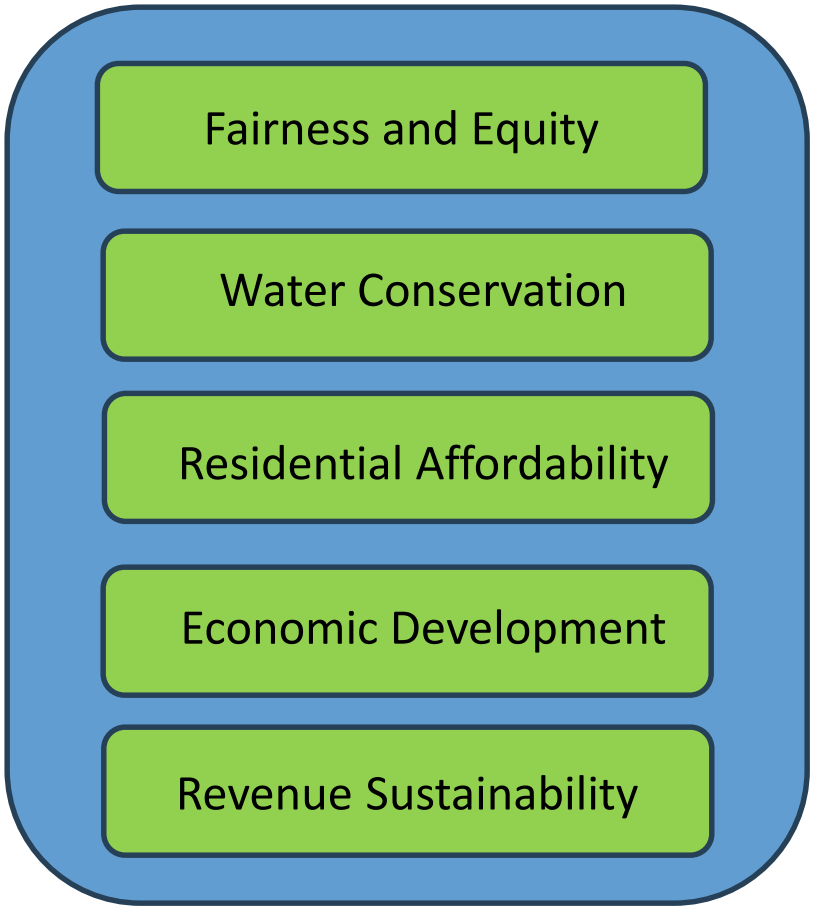
Goals and Objectives to Evaluate Rate Structure



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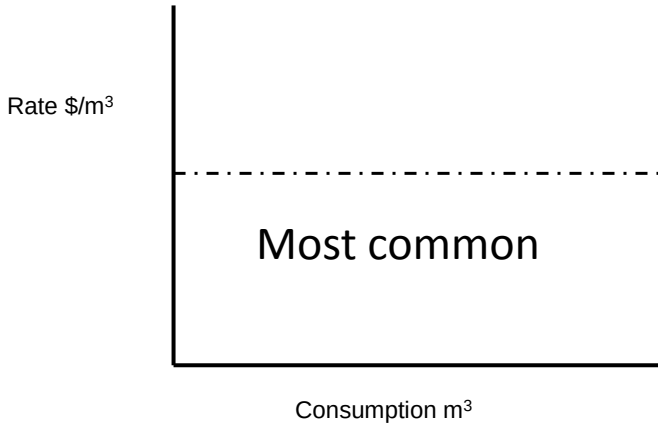
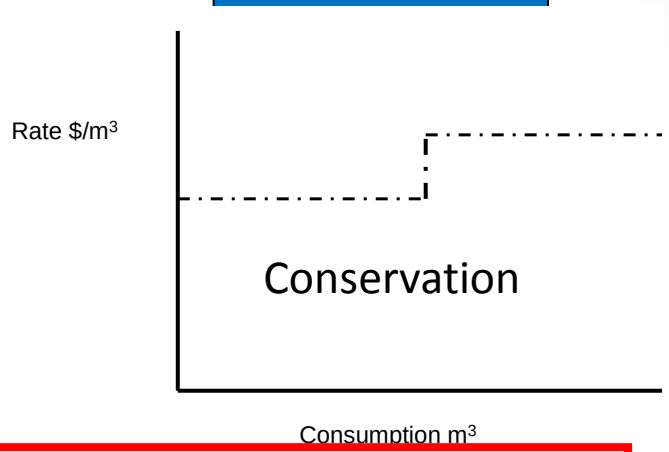
Volumetric Rate Options

Uniform

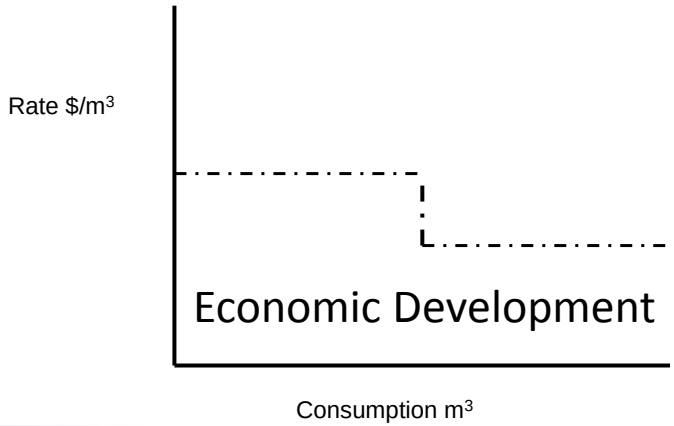


Inclining

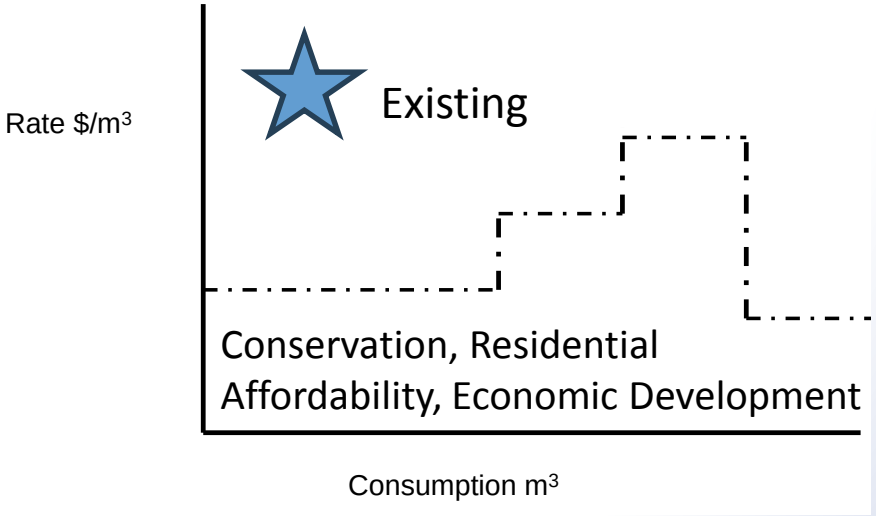


Decisions on rate structure must consider goals and objectives

Declining



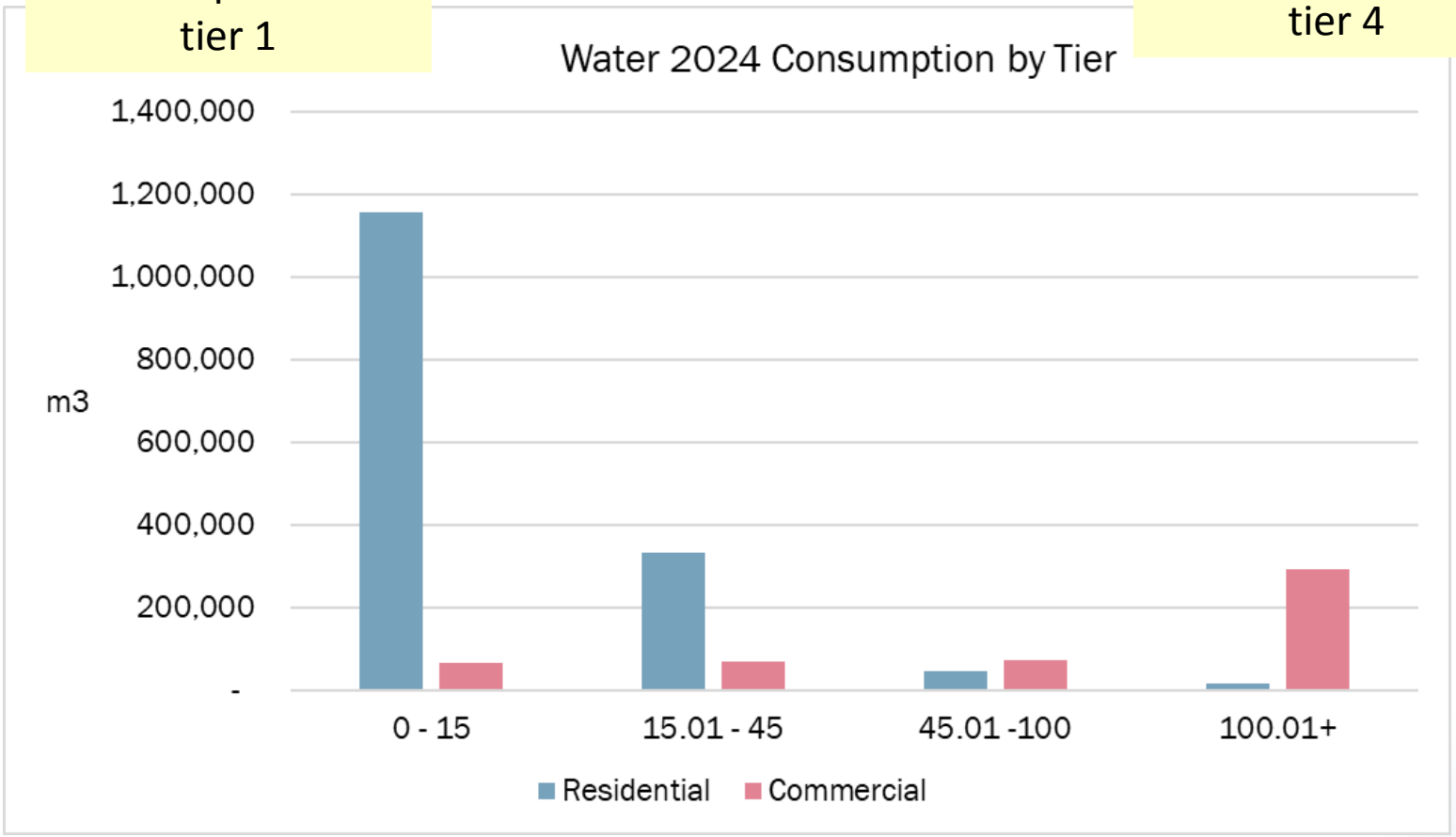
Humpback



2024 Consumption by Customer Type and Rate Ranges

74% of Residential Consumption is in tier 1

58% of Commercial Consumption is in tier 4



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Fixed vs. Volumetric - Benchmarking

- Municipalities set their own policies on how much of the costs to recover from the fixed monthly charge

Brant County	Water	WW
Fixed	55%	40%
Volumetric	45%	60%
120+ Survey Avg	**Water**	**WW**
Fixed	46%	42%
Volumetric	54%	58%

- Brant's allocation of water costs apportioned to the fixed monthly fee is (55%) compared to the average of 120+ Ontario municipalities (46%)
  - While this supports ***Revenue Stability***, it poses challenges in terms of:
    - ***Water Conservation***
    - ***Residential Affordability*** for low volume customers

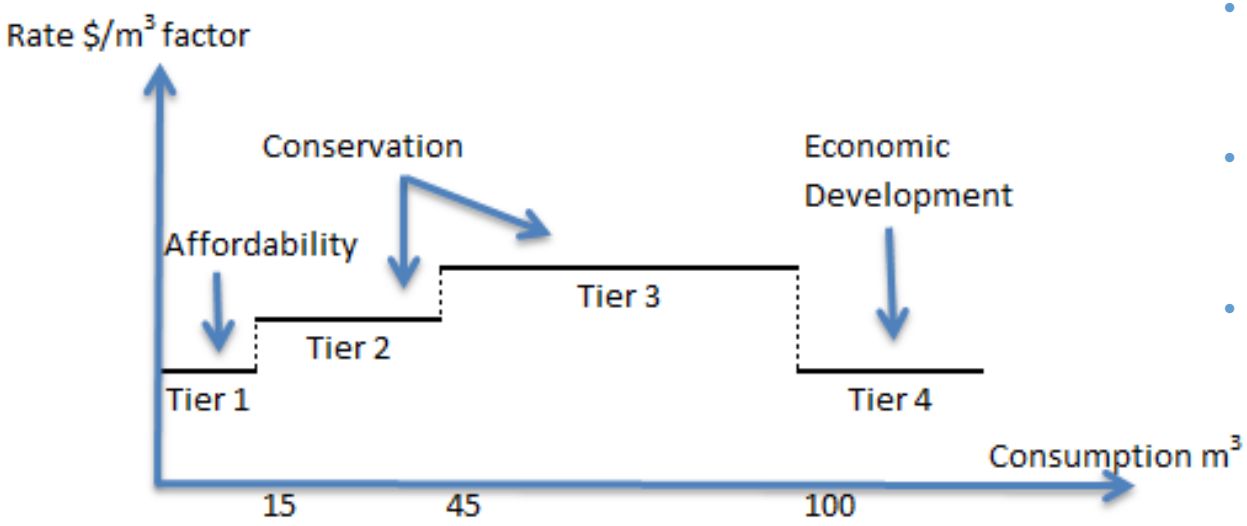
Rate Structure Recommendations

Fixed Monthly Charge

- Reduce the allocation of water costs recovered from the fixed monthly fee by 2% annually - helps improve ***residential affordability*** and supports ***conservation***

Volumetric Rate Structure

- Maintain humpback to support ***conservation, residential affordability and economic development***



- **10% rate increase on tier 2 for consumption between 15-45 m^3 monthly**
- **15% rate increase for tier 3 for consumption between 45-100 m^3 monthly**
- **Tier 4 same rate as tier 1**

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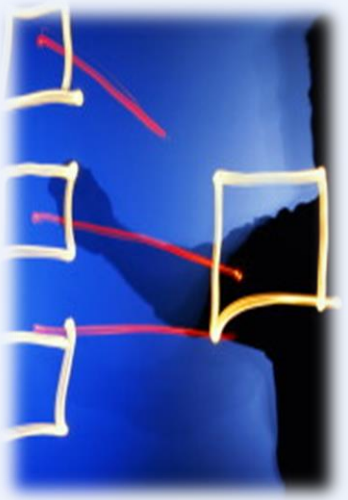
Summary Water and Wastewater Goals and Objectives

Goals & Objectives	Comments
Fairness and Equity	Rate Structure with fixed and consumption charge: • Fixed recovering infrastructure maintenance • Consumption reflecting actual water usage
Water Conservation	• Seasonal rate for summer months • Lower the water fixed allocation • Inclining consumption rates
Residential Affordability	• Reduce the water fixed allocation, which benefits the low volume consumers
Economic Development	• Lower rate for high-volume users
Revenue Sustainability	• Employed full cost of service

Financing Options Analysis



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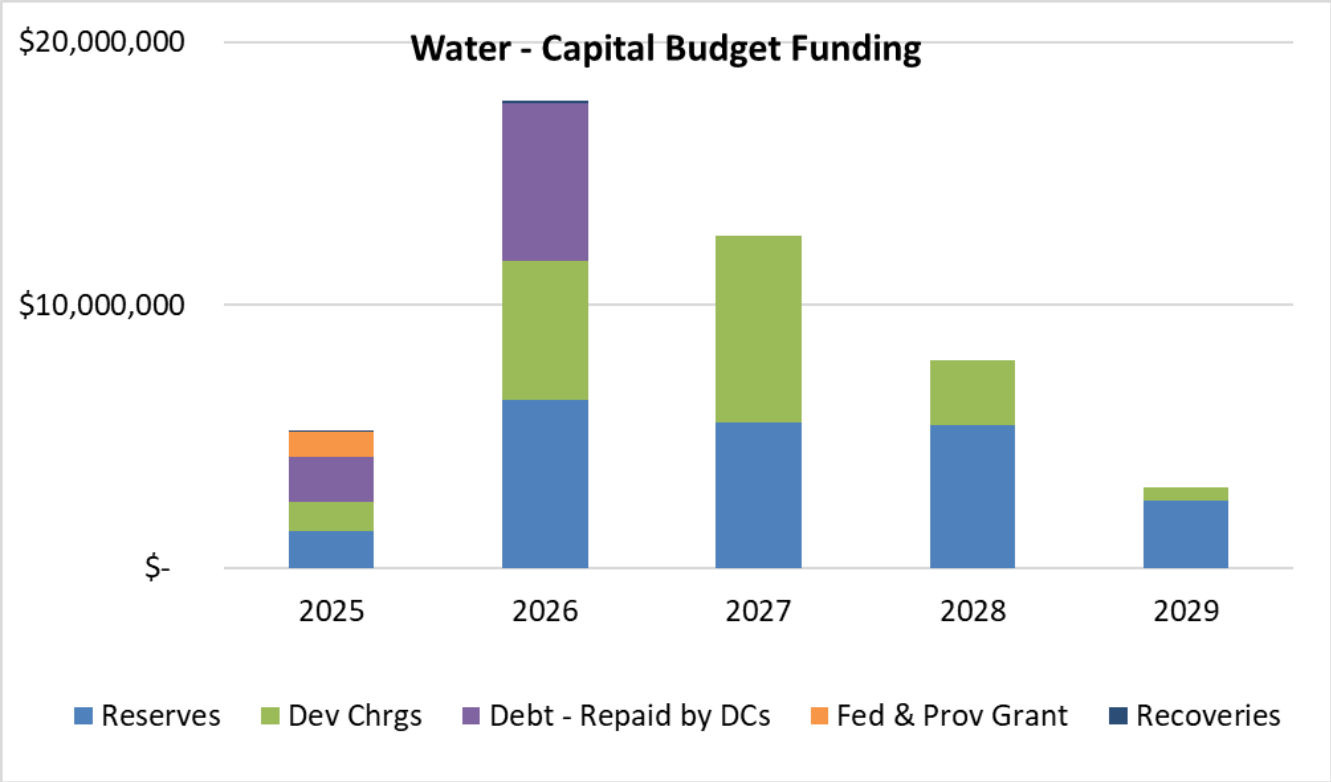
Water – 5 Year Capital Budget



2025 Proposed Capital Budget						2025-2029
Water Capital Financing	2025	2026	2027	2028	2029	Total 5 years
Total	$ 5,315,000	$ 17,785,586	$ 12,613,000	$ 7,901,750	$ 3,077,088	$ 46,692,424
Capital Levy	$ 107,500	$ -	$ -	$ -	$ -	$ 107,500
Reserves	$ 1,413,267	$ 6,394,036	$ 5,539,750	$ 5,407,750	$ 2,552,088	$ 21,306,891
Dev Chrgs	$ 1,101,750	$ 5,294,750	$ 7,073,250	$ 2,494,000	$ 525,000	$ 16,488,750
Debt - Repaid by DCs	$ 1,722,525	$ 5,971,800	$ -	$ -	$ -	$ 7,694,325
Fed & Prov Grant	$ 934,958	$ -	$ -	$ -	$ -	$ 934,958
Recoveries	$ 35,000	$ 125,000	$ -	$ -	$ -	$ 160,000

Wastewater – 5 Year Capital Budget Options

Option 1 - 2025 Proposed Capital Budget						
Wastewater Capital Financing	2025	2026	2027	2028	2029	Total 5 years
Total	$ 60,472,000	$ 26,540,000	$ 52,675,000	$ 48,500,000	$ 51,615,000	$ 239,802,000
Capital Levy	$ 107,500	$ -	$ -	$ -	$ -	$ 107,500
Reserves	$ 3,917,866	$ 3,916,170	$ 667,500	$ 300,000	$ 908,000	$ 9,709,536
Dev Chrgs	$ 2,510,600	$ 2,642,500	$ 1,007,500	$ 200,000	$ 2,707,000	$ 9,067,600
DC Debt	$ 2,100,080	$ 8,155,080	$ 33,601,278	$ 33,601,278	$ 33,601,278	$ 111,058,994
Debentures	$ -	$ -	$ 14,398,722	$ 14,398,722	$ 14,398,722	$ 43,196,166
Fed & Prov Grant	$ 29,039,500	$ -	$ -	$ -	$ -	$ 29,039,500
Recoveries	$ 22,796,454	$ 11,826,250	$ 3,000,000	$ -	$ -	$ 37,622,704

Option 2 - 2025 Proposed Capital Budget						
Wastewater Capital Financing	2025	2026	2027	2028	2029	Total 5 years
Total	$ 60,472,000	$ 26,540,000	$ 52,675,000	$ 48,500,000	$ 51,615,000	$ 239,802,000
Capital Levy	$ 107,500	$ -	$ -	$ -	$ -	$ 107,500
Reserves	$ 3,767,946	$ 3,766,250	$ 967,340	$ 300,000	$ 908,000	$ 9,709,536
Dev Chrgs	$ 2,510,600	$ 2,642,500	$ 1,007,500	$ 200,000	$ 2,707,000	$ 9,067,600
DC Debt	$ -	$ 6,055,000	$ -	$ -	$ -	$ 6,055,000
Debentures	$ -	$ -	$ 11,700,160	$ 12,000,000	$ 12,000,000	$ 35,700,160
Fed & Prov Grant	$ 29,539,500	$ 500,000	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ 54,039,500
Recoveries	$ 24,546,454	$ 13,576,250	$ 31,000,000	$ 28,000,000	$ 28,000,000	$ 125,122,704

Staff provided 2 funding options for Paris Expansion

Option 2 assumes additional Grant Funding and Front-End Developer Contributions

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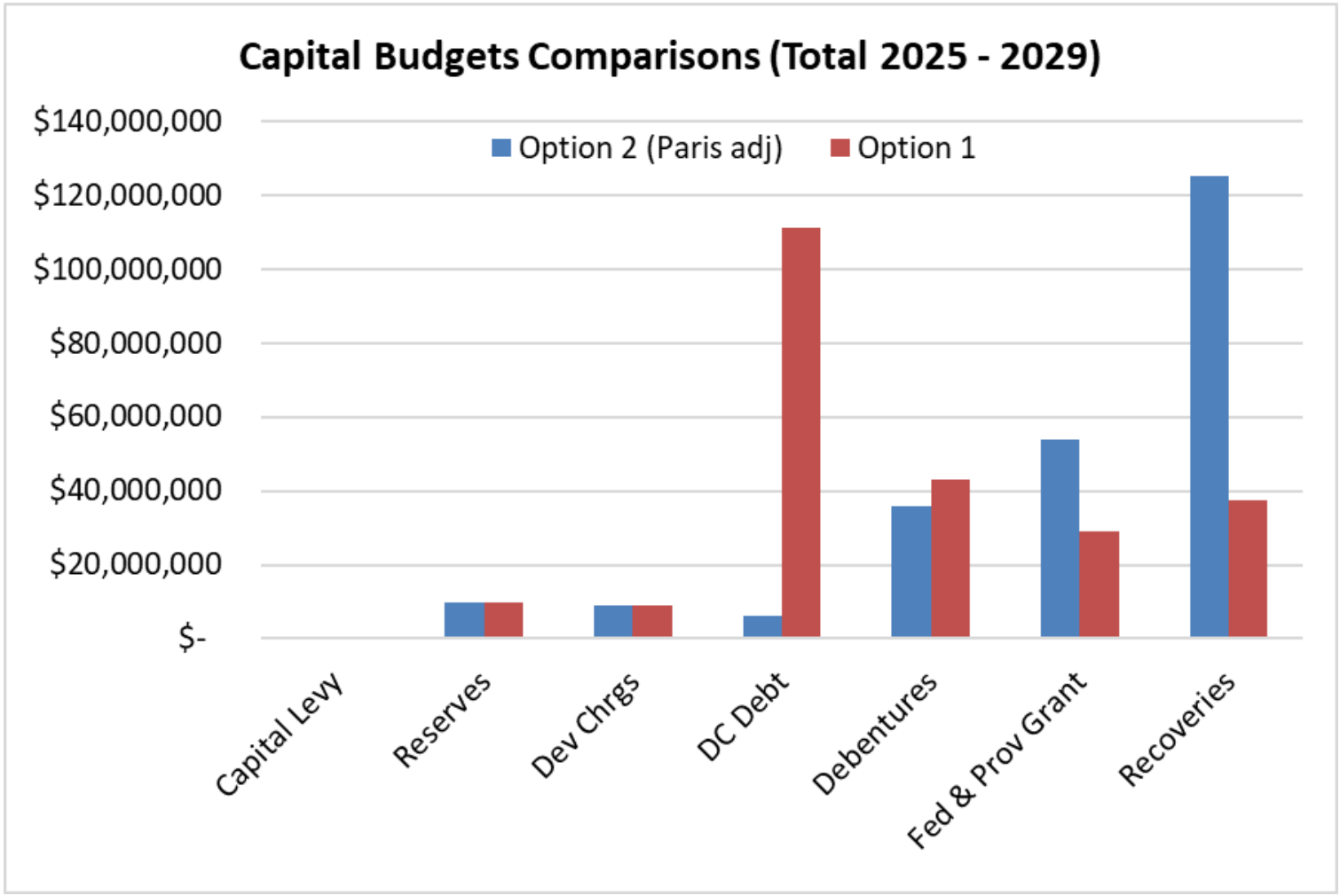
WW Capital Budgets Comparisons (Option 1 vs Option 2)



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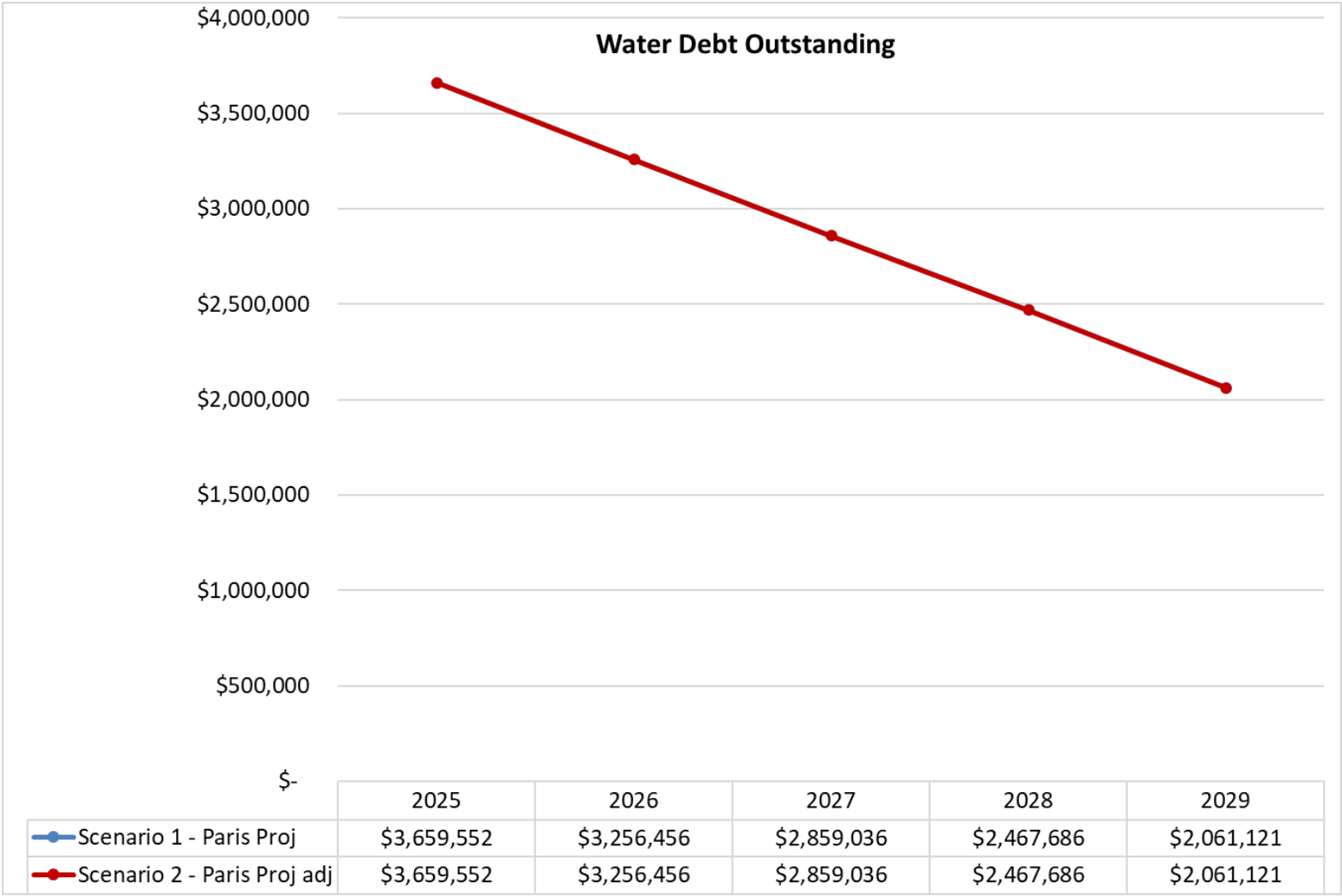
Scenario Comparison – Debt Outstanding (Water)



	2025	2026	2027	2028	2029
Scenario 1 - Paris Proj	$3,659,552	$3,256,456	$2,859,036	$2,467,686	$2,061,121
Scenario 2 - Paris Proj adj	$3,659,552	$3,256,456	$2,859,036	$2,467,686	$2,061,121

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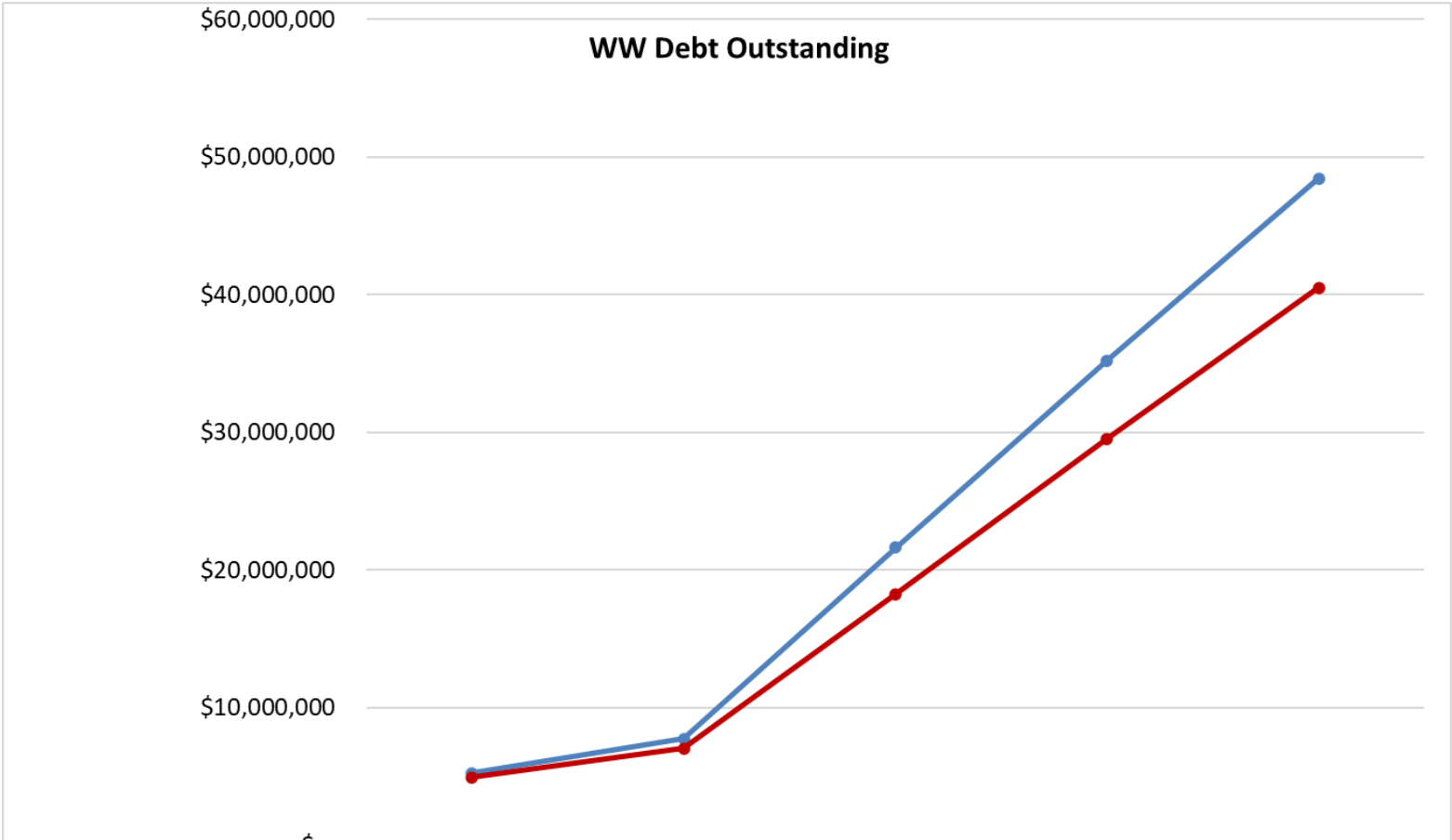
Scenario Comparison – Debt Outstanding (WW)



	2025	2026	2027	2028	2029
Scenario 1 - Paris Proj	$5,264,042	$7,738,480	$21,628,409	$35,223,441	$48,459,464
Scenario 2 - Paris Proj adj	$4,964,042	$7,045,212	$18,252,589	$29,526,182	$40,498,070

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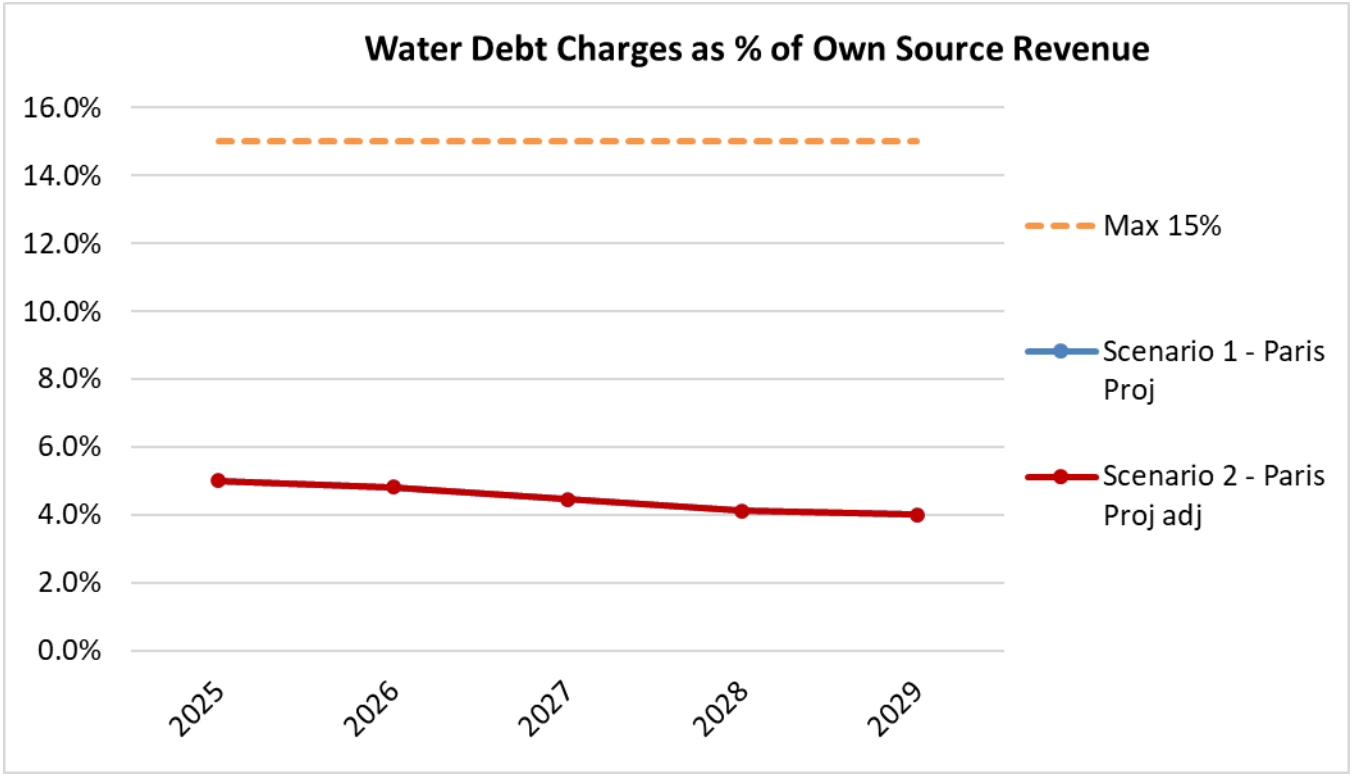
Scenario Comparison – Debt Charges as % of OSR (Water)



Water debt charges as a % of own source revenues remains below the max of 15% in both scenarios (same)

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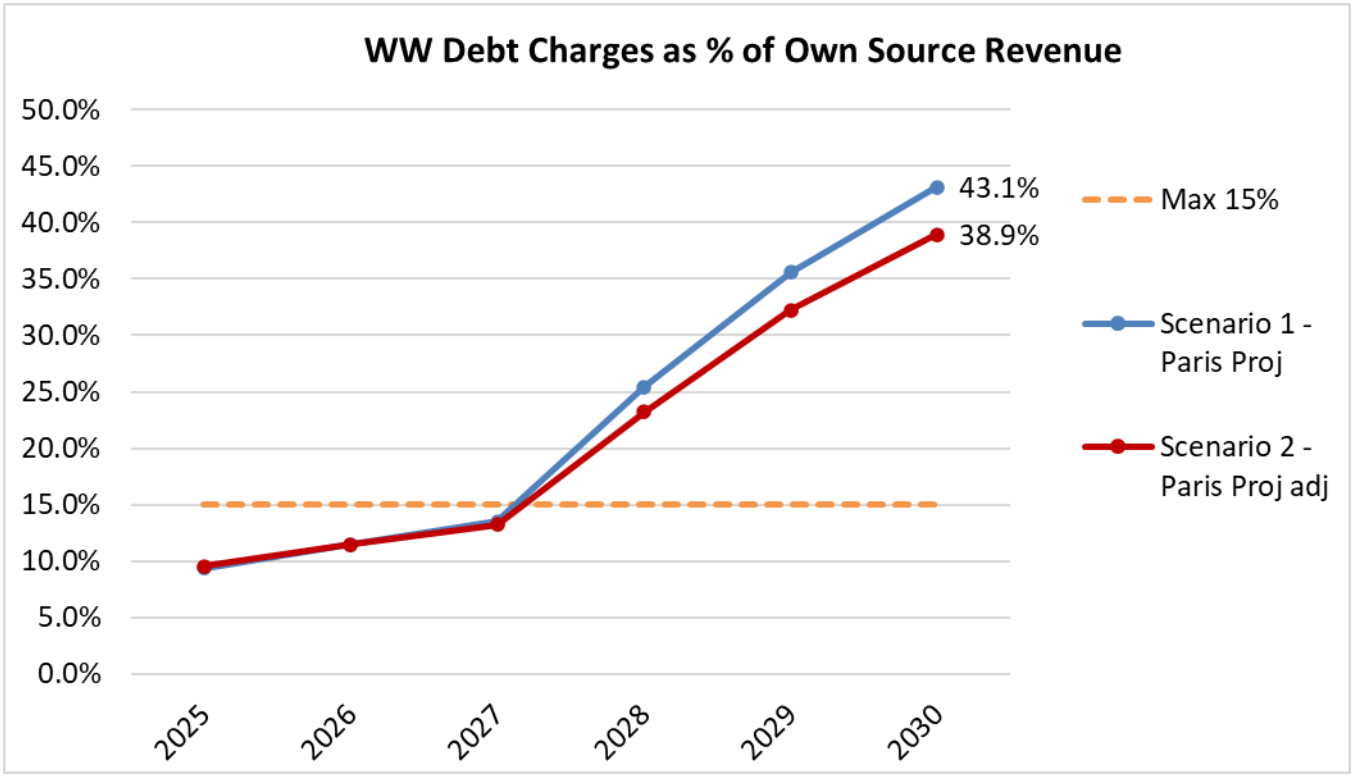
Scenario Comparison – Debt Charges as % of OSR (WW)



WW debt charges as a % of own source revenues is above the max of 15% in both scenarios

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Options Considered With Changes to WW Capital Budget

Option	Paris WWTP expansion capital project
1	Included
2	Included (includes Front-End Developer Agreement)

Recommended

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Customer Impact Analysis

Options Comparison – Residential Impact ($ and % yearly changes)

5/8" Residential 180 m3 Annual Total Cost of Service									
	Scenario 1 - Paris Proj				Scenario 2 - Paris Proj adj			
Year	Total Cost	Yearly $ Change	Monthly $ Change	Yearly % Change	Total Cost	Yearly $ Change	Monthly $ Change	Yearly % Change
2024	$ 1,469	$ -			$ 1,469	$ -		
2025	$ 1,553	$ 84	$ 7.0	5.7%	$ 1,540	$ 71	$ 5.9	4.8%
2026	$ 1,643	$ 91	$ 7.6	5.8%	$ 1,626	$ 85	$ 7.1	5.5%
2027	$ 1,737	$ 94	$ 7.8	5.7%	$ 1,710	$ 84	$ 7.0	5.2%
2028	$ 1,844	$ 107	$ 8.9	6.1%	$ 1,808	$ 98	$ 8.2	5.7%
2029	$ 1,944	$ 101	$ 8.4	5.5%	$ 1,897	$ 89	$ 7.4	4.9%

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Options Comparison – Commercial Impact ($ and % yearly changes)

2" Commercial 10,000 m3 Annual Total Cost of Service										
	Scenario 1 - Paris Proj				Scenario 2 - Paris Proj adj					
Year	Total Cost	Yearly $ Change		Monthly $ Change	Yearly % Change	Total Cost	Yearly $ Change		Monthly $ Change	Yearly % Change
2024	$ 40,697	$ -				$ 40,697	$ -			
2025	$ 44,305	$ 3,608	$	300.7	8.9%	$ 43,987	$ 3,291	$	274.2	8.1%
2026	$ 48,506	$ 4,201	$	350.0	9.5%	$ 47,934	$ 3,947	$	328.9	9.0%
2027	$ 53,068	$ 4,562	$	380.2	9.4%	$ 52,306	$ 4,372	$	364.3	9.1%
2028	$ 57,426	$ 4,359	$	363.2	8.2%	$ 56,271	$ 3,965	$	330.4	7.6%
2029	$ 61,547	$ 4,121	$	343.4	7.2%	$ 60,185	$ 3,914	$	326.2	7.0%

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Summary of Fee Structure Options and Recommendations

Recommendations

1. Reduce the fixed monthly allocation over a 4-year period:
    - 2% reduction in water annually
    - No reduction in wastewater annually
2. Maintain Humpback Rate Structure
3. Maintain Residential Seasonal Water Rates
4. Implement Option 2 Rates

Questions and Answers

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