

Attachment 1



TOWN OF AURORA

# Water & Wastewater Rate Study

FAC

May 14<sup>th</sup>, 2024

# Agenda



- Overview of current rate structure
  - Existing customer base & Cost
  - Residential consumption pattern
  - Commercial consumption pattern
  - Challenges of existing rate structure
- Proposed rate structure
  - Benefits of proposed rate structure
  - Proposed rate structure impact to existing customer base



# Existing Customer Base

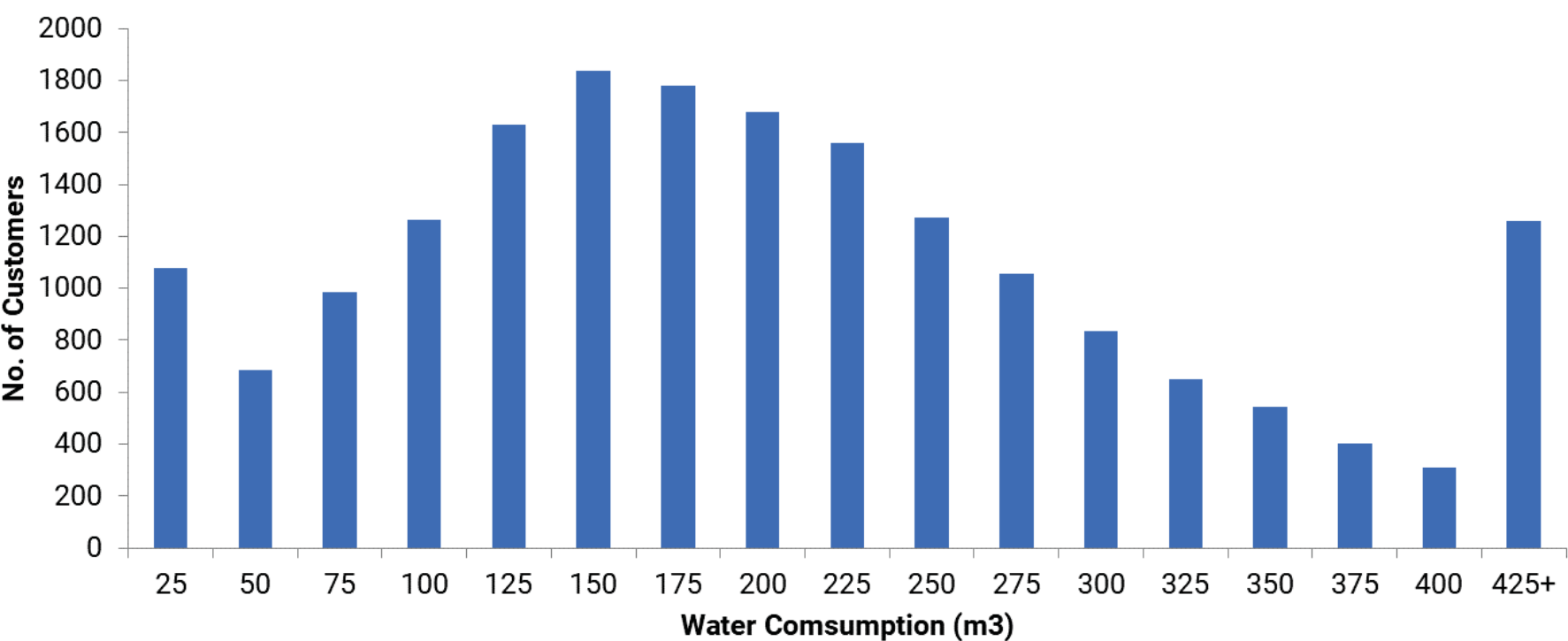


Water and Wastewater	
No. of Customers	18101
Inactive Customers	811
Annual Water Consumption	5.5 Million m <sup>3</sup>
2024 Cost to be recovered from Water customers	\$14 Million
2024 Cost to be recovered from Wastewater customers	\$16 Million
Current rate structure	100% Variable
2024 Average Water rate	\$ 2.49
2024 Average Wastewater rate	\$ 2.96

# Residential Consumption Pattern



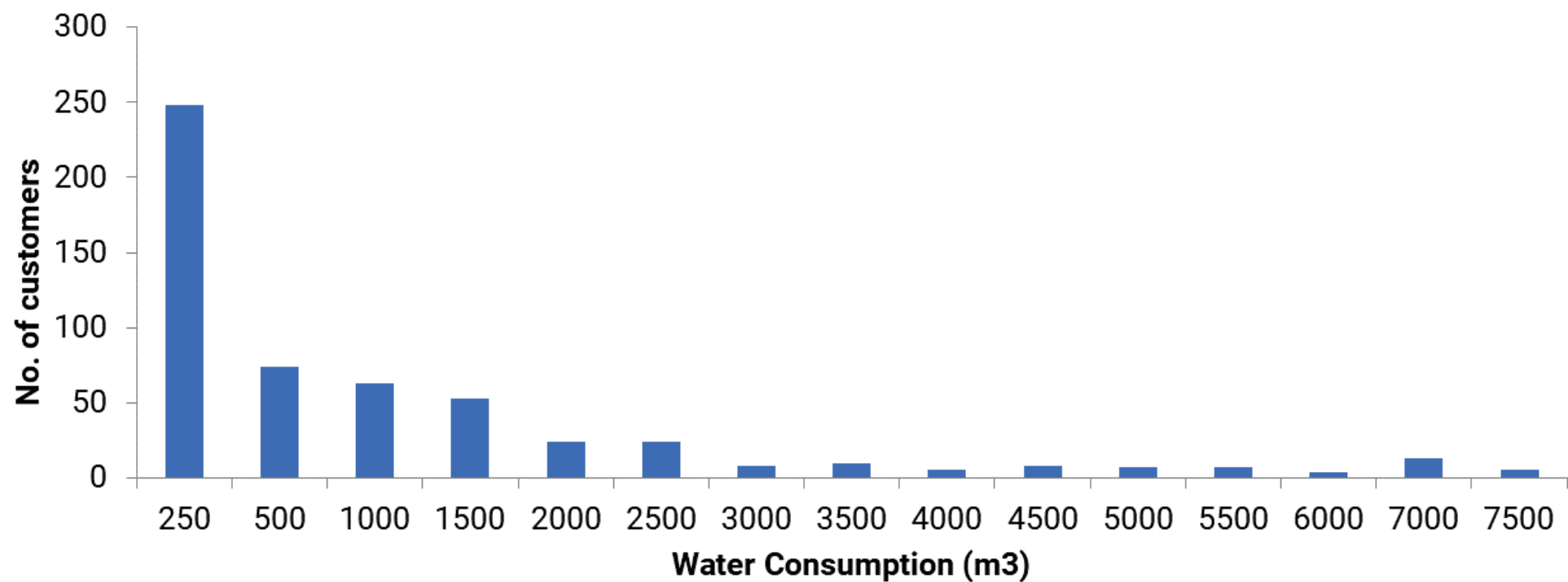
Residential Consumption



# Commercial Consumption Pattern



Commercial Consumption



# Challenges of existing rate structure



- Inactive customers & vacant home do not pay for the infrastructure cost
- Does not encourage water conservation
- Revenues 100% dependent on level of consumption. Could result in budget deficits due to low consumption and less revenues (e.g. in wet years)
- Active users bears the burden of full infrastructure cost

# Proposed Rate Structure



		Water			Wastewater		
		Weighted Average Rate for 2024	2024 Projected Volume	Revenue	Weighted Average rate for 2024	2024 Projected Volume	Revenue
<b>Option 1 (Current)</b>	Variable	\$ 2.49	5,479,711	<b>\$ 13,644,480</b>	\$ 2.96	5,479,711	<b>\$ 16,238,210</b>
<b>Option 2</b>	Fixed (30%)	\$ 283		\$ 4,888,585	\$ 240		\$ 4,141,516
	Variable (70%)	\$ 1.60	5,479,711	\$ 8,755,895	\$ 2.21	5,479,711	\$ 12,096,694
	Total Revenue			<b>\$ 13,644,480</b>			<b>\$ 16,238,210</b>
<b>Option 3 (New)</b>	Fixed	\$ 283		\$ 4,888,585	\$ 240		\$ 4,141,516
	Variable - Teir 1 (0-56 m <sup>3</sup> )	\$ 0.74	968,259	\$ 716,512	\$ 1.01	968,259	\$ 977,942
	Variable - Teir 2 (57+m <sup>3</sup> )	\$ 1.78	4,511,452	\$ 8,039,383	\$ 2.46	4,511,452	\$ 11,118,752
	Total		5,479,711	<b>\$ 13,644,480</b>		5,479,711	<b>\$ 16,238,210</b>

# Benefits of proposed rate structure

- Promotes fairness to all residents
  - Vacant homes pay for the fair share of infrastructure cost
- Encourages water conservation
- Improves the affordability by shifting burden from certain users to all users

# Proposed rate structure impact on customer base



Customer Base	100% Variable	Fixed 30% Variable 70%	Fixed Variable Teir 1 (0-56m <sup>3</sup> ) Variable Teir 2 (56m <sup>3</sup> +)
Residential family (4) (1" Meter Size) Annual consumption 311m <sup>3</sup>	\$ 1,719	\$ 1,705	\$ 1,703
Retired Residential (1" Meter Size) Annual consumption 352m <sup>3</sup>	\$ 1,947	\$ 1,862	\$ 1,877
Resident with Pool (1" Meter Size) Annual consumption 964m <sup>3</sup>	\$ 5,334	\$ 4,193	\$ 4,479
Resident with Pool & Irrigation (1" Meter Size) Annual consumption 3691m <sup>3</sup>	\$ 20,411	\$ 15,544	\$ 17,032
Resident with Sprinkler System (1" Meter Size) Annual consumption 1552m <sup>3</sup>	\$ 8,581	\$ 6,427	\$ 6,972
Commercial Water Meter (6" Meter Size) Annual consumption 121,730m <sup>3</sup>	\$ 673,169	\$ 472,595	\$ 526,155
Vacant Home (1" Meter Size) Annual consumption 0m <sup>3</sup>	\$ -	\$ 522	\$ 522
Residential Water Meter (1" Meter Size) Annual consumption 257m <sup>3</sup>	\$ 1,421	\$ 1,500	\$ 1,474