



Water and Sewer Rates Frequently Asked Questions

Why did the rates go up when you just had a large increase last year?

With the changes in the financing of water and sewage works within the Province of Ontario (Bill 175) a higher percentage of the costs are to be charged directly to the users of the systems.

Post-Walkerton initiatives have resulted in increased sampling costs, reporting costs and required some modifications to the systems. Other costs such as hydro, modifications to the systems. Other costs such as hydro, chemicals and fuel are also major variable costs in the operation of water and sewage plants that have increased.

The Municipality believes that small incremental increases reflecting increased operating costs rather than occasional one time large increases are easy for the ratepayers to plan for. Thus, if increases are required to cover a broad range of costs they will be adjusted when necessary.

On what basis are the flat and the meter rates established?

There are two types of costs encountered in providing water and sewage treatment services.

One is a **fixed cost** that must be paid whether or not any water or sewage is treated. Several examples of this type of costs include capital costs, staff costs, equipment maintenance costs, reporting costs, insurance and interest costs.

The second is a **variable cost** that is directly related to amount of water produced or sewage treated. Examples of variable costs include electricity, fuel, chemicals, etc.

The Township tries to recover all fixed costs through the imposition of a flat rate and the variable costs through the metered rate.

Why are some flat rates higher than others?

Loyalist Township inherited some outstanding debts for some systems that have not been totally paid. Surcharges are used to offset some of the debt.

Similarly systems such as the Fairfield Water system have had major upgrades which need to be funded.

The Township also experiences increased costs to service remote or smaller service areas.

The basis of all charges is based on the user pay principle. These higher flat rates reflect the higher costs to provide services to those areas.

Why does the flat rate not include a minimum volume of water?

If the flat rate were to provide an allowance for a minimum amount of water the flat rate would have had to be higher to cover the costs. This would penalize those individuals who practice conservation and do not use the minimum amount of water each month.

Why is the sewage charge connected to the water charge?

The Township recognizes that the best means of charging would be to have separate meters for sewage and water.

Unfortunately, the market currently does not have maintenance free sewage meters for private residences. To install separate meters and maintain them would dramatically increase capital and operating costs.

Thus, most municipalities in Ontario base the sewage charge on the metered water consumption. Remember, the actual dollars collected in the sewage charge only covers the sewage system related costs, both fixed and variable.

How are the charges for multi-unit residential complexes calculated?

Each unit within a multi-unit residential facility will incur a flat rate charge equal to the flat rate charged for an individual private residence. The fact that the unit may not use as much water because of no lawn watering is recognized in the metered charge.

How are the charges for institutional, commercial and industrial (ICI) buildings determined?

The metered charge rate is the same as for all customers in the Township.

Because the rate of flow used by various ICI facilities can vary so greatly the flat rate used for ICI facilities is determined as a ratio of water used compared to a typical residential unit. This needs to be done because the ICI facility is using plant capacity and must pay a higher share of the fixed costs. If the ICI establishment did not use this capacity, it would be available for other residential development.

The factor used is known as the Equivalent Residential Unit (ERU) and is based on three years average flow of an ICI facility, if available, compared to the flow used by a typical residence.

For example, if a commercial establishment, on average, uses three times as much water as a private residence, the flat rate for the commercial establishment would be three times the residential rate.

The Municipality reviews the actual consumption by ICI customers on an annual basis and adjusts the flat rate accordingly.