

Loyalist Township Water & Sewer Rates Study Developer Information Session



Monday, August 26, 2019

HEMSON
Consulting Ltd.

Loyalist
TOWNSHIP

Study Background

- Township has been fiscally prudent in the management of water and wastewater services
- Assignment is two-fold exercise:
 1. Capital Connection Charges/Impost Fees (levied under the *Municipal Act*)
 2. Water and Wastewater Rate Study and corresponding Financial Plans (O.Reg. 453/07)
- Township-wide development charges are not being reviewed as part of this process
 - DC by-law expires June 28th 2020

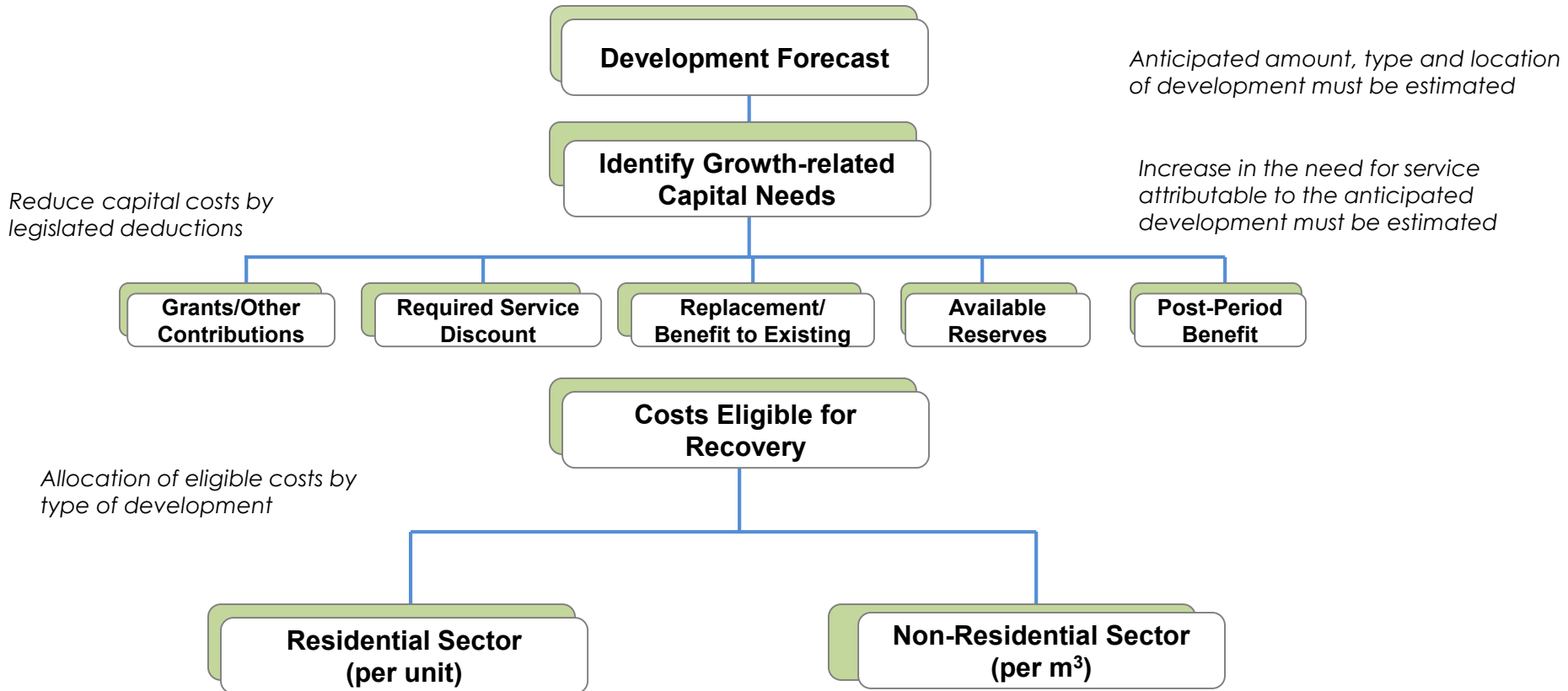
Capital Connection Charges

1. Connection Charges to recover the capital costs associated with new development
2. Connection Charges to recover the costs associated with capacity in the existing infrastructure (i.e. club fee)
 - Calculation is based on the historical cost of infrastructure

Summary of Existing Capital Connection Charges

Water Services	Single-Detached Semi/Duplex	Multiples	Apartments	Non-Residential (\$/m ³)
Growth Component	\$3,816	\$3,376	\$2,994	\$8,855
Club Fee Component	\$2,879	\$2,547	\$2,259	\$6,880
Total Water Connection Charge	\$6,695	\$5,923	\$5,253	\$15,535
Sewer Services	Single-Detached Semi/Duplex	Multiples	Apartments	Non-Residential (\$/m ³)
Growth Component	\$3,294	\$2,914	\$2,585	\$7,643
Club Fee Component	\$2,921	\$2,584	\$2,292	\$6,778
Total Sewer Connection Charge	\$6,215	\$5,498	\$4,877	\$14,421
Total Connection Charge	\$12,910	\$11,421	\$10,130	\$29,956

Overview of Study Process



Summary of Development Projections

- Forecast based on *Population, Housing and Employment Projections to 2046 Report (July 2019)*
- 2019 – 2028 10-year Growth Summary:
 - *Census Population of approx. 2,000 people*
 - *About 1,180 new households*
 - *Approximately 550 employees (excl. work at home)*

Summary of Key Capital Projects Included for Recovery

- **Water*:**

- Watermain oversizing (or upsizing) and other linear works
- Additional Fleet and office storage design/construction
- Outstanding Debt (principal and interest)
- Plant expansion construction (Bath)

- **Sewer*:**

- Plant expansion design and EA
- Additional Fleet and office storage/design
- Outstanding Debt (principal and interest)
- Oversizing works
- Dewatering equipment

*Detailed capital project listing
attached separately

Summary of Water Development Related Expenditures

Total Gross Cost (\$millions)	\$ 17.30
<i>Less: Grants & Subsidies</i>	<i>\$ 0.00</i>
<i>Less: Benefit to Existing Share</i>	<i>\$ 4.02</i>
<i>Less: Available Reserves</i>	<i>\$ 0.54</i>
<i>Less: Post-Period Benefit Share</i>	<i>\$ 7.37</i>
Growth Eligible Share (In-Period)	\$ 5.37

Summary of Sewer Development Related Expenditures

Total Gross Cost (\$millions)	\$ 18.28
<i>Less: Grants & Subsidies</i>	\$ 0.00
<i>Less: Benefit to Existing Share</i>	\$ 1.50
<i>Less: Available Reserves</i>	\$ 0.79
<i>Less: Post-Period Benefit Share</i>	\$ 13.50
Growth Eligible Share (In-Period)	\$ 2.49

Draft Calculated Impost Fees: Growth Component

Service	Residential Unit Type			Non- Residential (\$/m3/day)
	Single / Semi- Detached / Duplex	Other Multiples	Apartments	
Water	\$ 4,655	\$ 3,613	\$ 2,823	\$ 9,312
Sewer	\$ 2,032	\$ 1,577	\$ 1,232	\$ 4,067
TOTAL Charge	\$ 6,687	\$ 5,190	\$ 4,055	\$ 13,379

Draft Calculated Impost Fees: Club Fee Component

Service	Residential Unit Type			Non-Residential (\$/m3/day)
	Single / Semi-Detached / Duplex	Other Multiples	Apartments	
Water	\$ 2,890	\$ 2,243	\$ 1,753	\$ 6,248
Sewer	\$ 3,548	\$ 2,754	\$ 2,152	\$ 7,670
TOTAL Charge	\$ 6,438	\$ 4,997	\$ 3,905	\$ 13,918

- Calculation based on the historical cost of Infrastructure (net of developer and CSC contributions)
- Net recoverable from club fee: **\$14.8 Million**
 - Water - \$6.7 Million
 - Sewer - \$8.2 Million

Draft Calculated Impost Fees: Combined Rates

Service	Residential Unit Type		
	Single / Semi-Detached / Duplex	Other Multiples	Apartments
Water	\$ 7,545	\$ 5,856	\$ 4,576
Sewer	\$ 5,580	\$ 4,331	\$ 3,384
TOTAL Charge	\$ 13,125	\$ 10,187	\$ 7,960

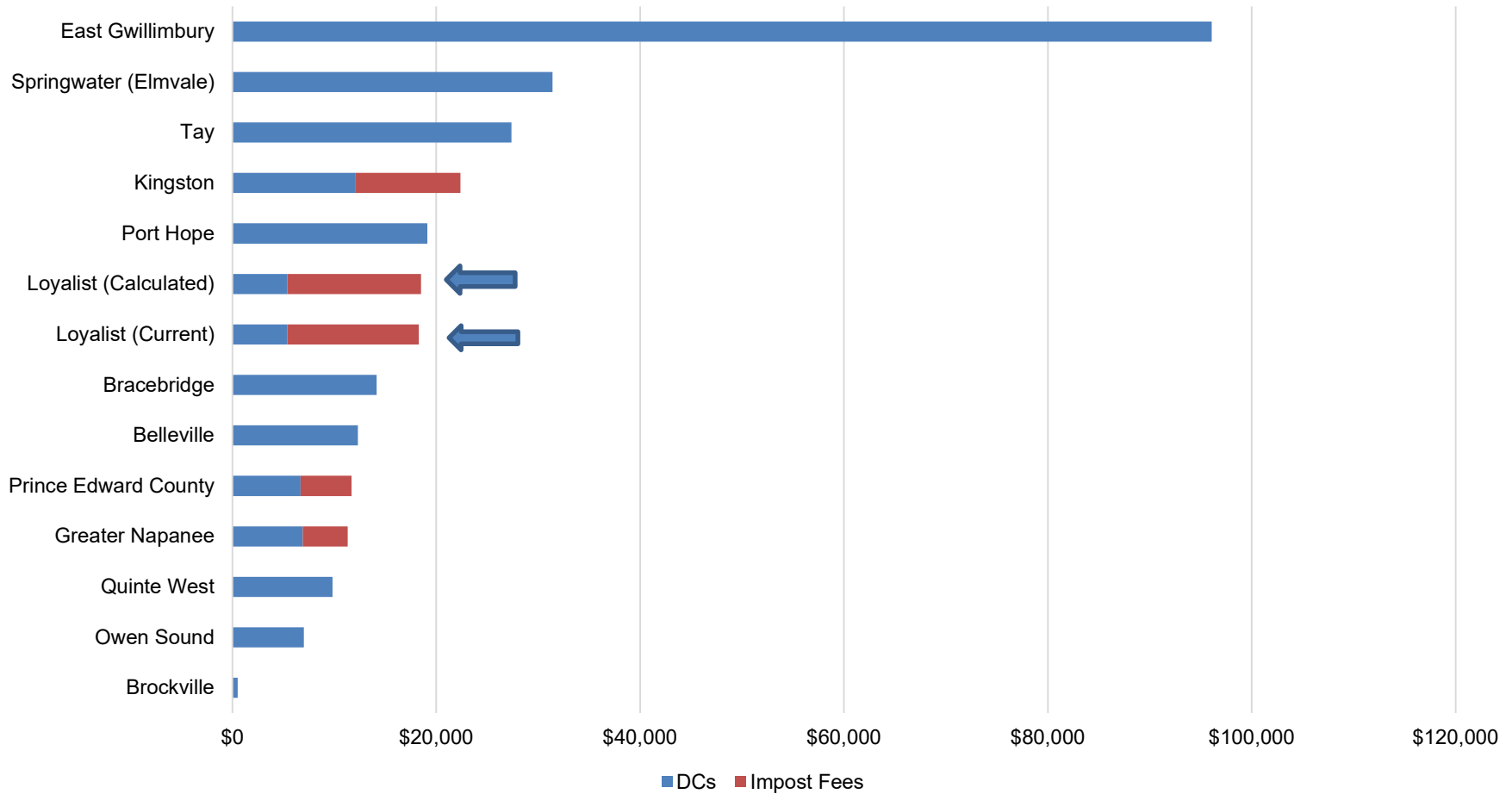
Non-Residential (\$/m ³ /day)
\$ 15,560
\$ 11,737
\$ 27,297

Comparison of Current vs. Calculated (Combined)

Service	Current SFD	Calculated	Difference	
		SFD	\$	%
Water	\$ 6,695	\$ 7,545	\$ 850	13%
Sewer	\$ 6,215	\$ 5,580	\$ -635	-10%
Total	\$ 12,910	\$ 13,125	\$ 215	2%

Service	Current Non-Residential (\$/m3/day)	Calculated Non-Residential (\$/m3/day)	Difference	
			\$	%
Water	\$ 15,535	\$ 15,560	\$ 25	0%
Sewer	\$ 14,421	\$ 11,737	\$ (2,684)	-19%
Total	\$ 29,956	\$ 27,297	\$ (2,659)	-9%

Connection Charges: Rate Comparison



Note 1: For municipalities with impost fees related to water and wastewater services, these are identified separately. Those communities which water and wastewater are captured under a development charges are incorporated into the DC component.

Note 2: Excludes EDCs

By-law Considerations

- Secondary units to be exempt from the payment of Impost Fees at the time of permit
- Deferral agreements
- Other factors to consider?

Next Steps

- Hemson to receive comments and feedback
- Refine analysis
- Further Council consultation
- Adoption of updated rates