

Calgary



Water Utility Rates

Revised for 2021 and 2022

Utilities and Environmental Protection

PFC2020-1140
ISC: Unrestricted



Why We Are Here



Water treatment and supply



Wastewater collection and treatment



Stormwater management

2020 October 19
Revised 2021 & 2022
Recommended Rates

2018 November
One Calgary

2019 October
Revised Land
Forecast

2019 November
Revised 2020 Rate
and Budget
Adjustments

2020 October
Revised Land
Forecast



2020 November
2021 Budget
Adjustments

2021 January 1
Implementation



Factors Affecting Rates and Rate Increases

Growth and development

Council approved financial plans

Indicative Rates

Capital intensive

Operating efficiencies and drivers

Changes to Financial Plan Policies & Targets

Remove franchise fee

Update ROE (formerly dividend)

Revise DSCR minimum to 1.6X

Line of Service

One Calgary Approved Rates
(per year)

Proposed Change from approved

Recommended Revised Rates
(per year for 21 & 22)

Water Treatment and Supply

+0.3%

-1.3%

-1.0%

Wastewater Collection and Treatment

+5.1%

-0.6%

+4.5%

Stormwater Management

+2.5%

-2.5%

0.0%

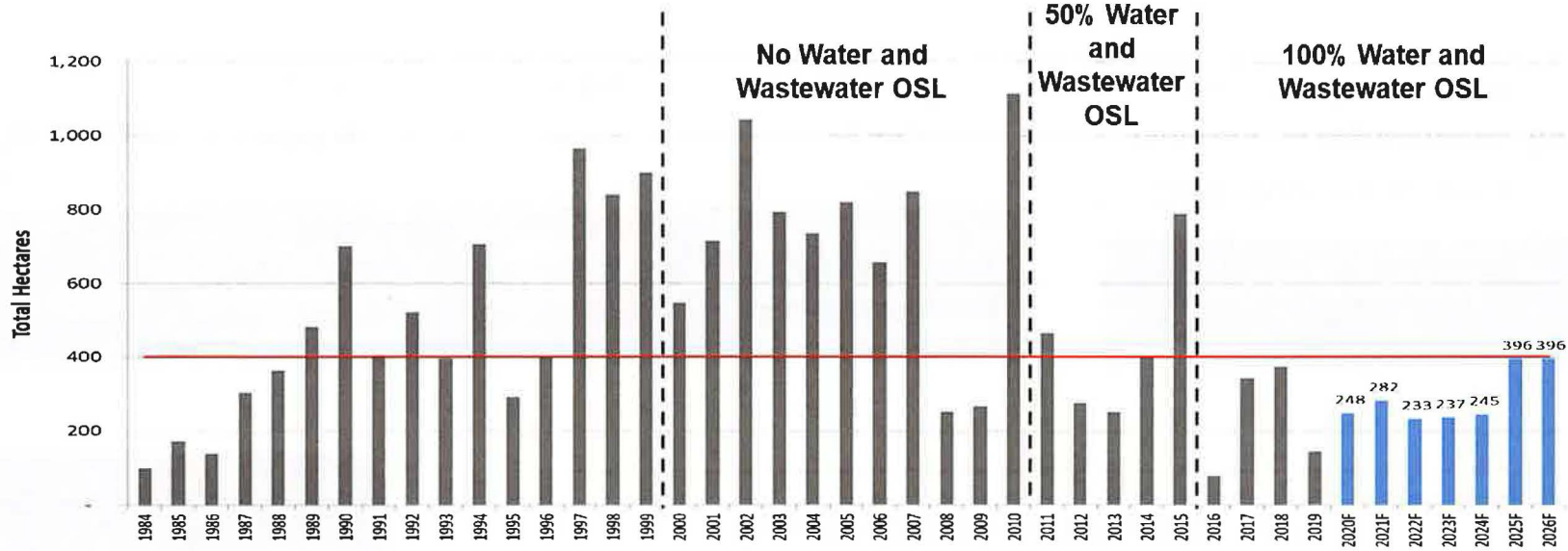
Cost of Service

Cost recovery strategy = different % adjustments for each customer class

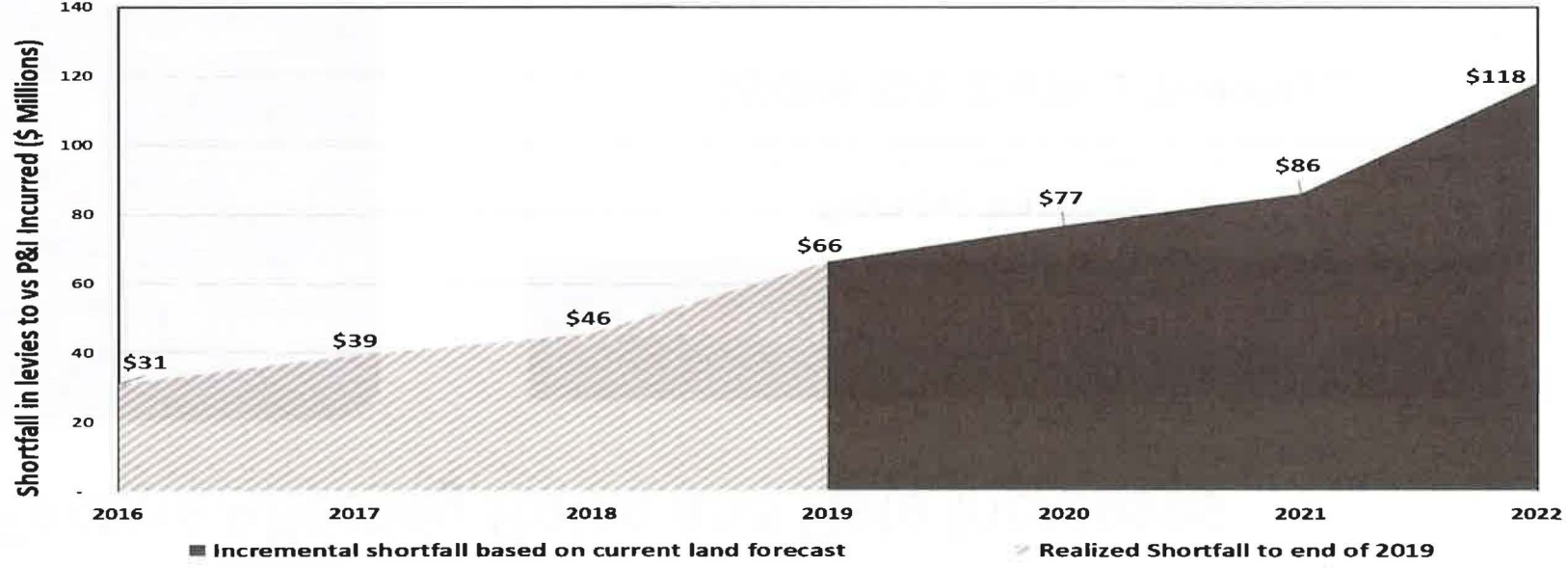


Off-site Levy Shortfall

Total Hectares in New Urban Development Agreements

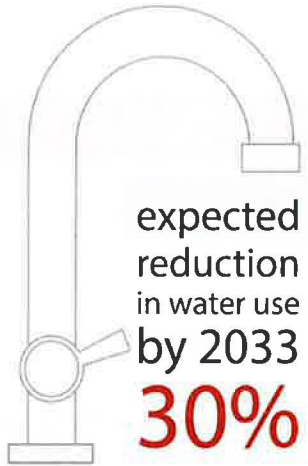


Projected Off-site Levy Shortfall (Cumulative for 2016-2022)

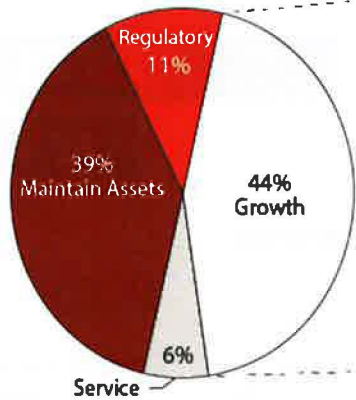




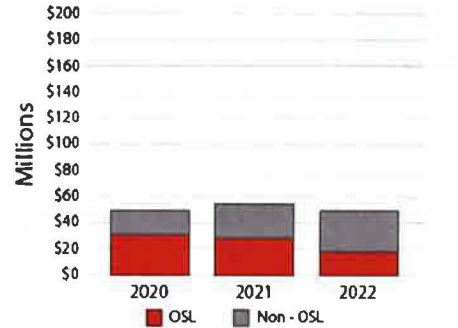
Water Treatment and Supply Drivers of -1% Rate


 expected reduction in water use by 2033 **30%**

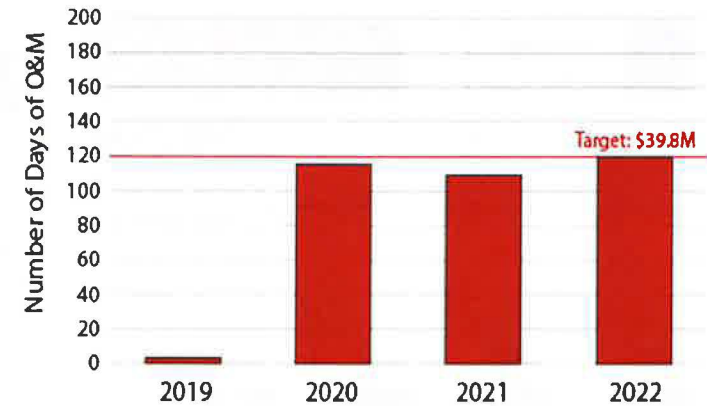
Water Capital Drivers



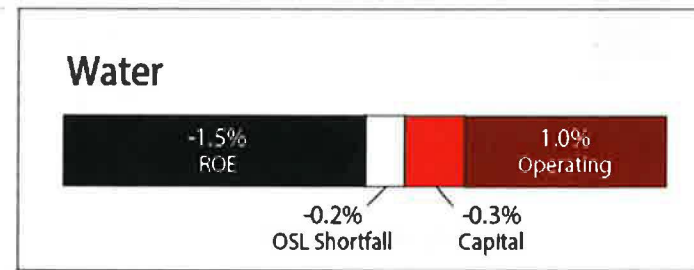
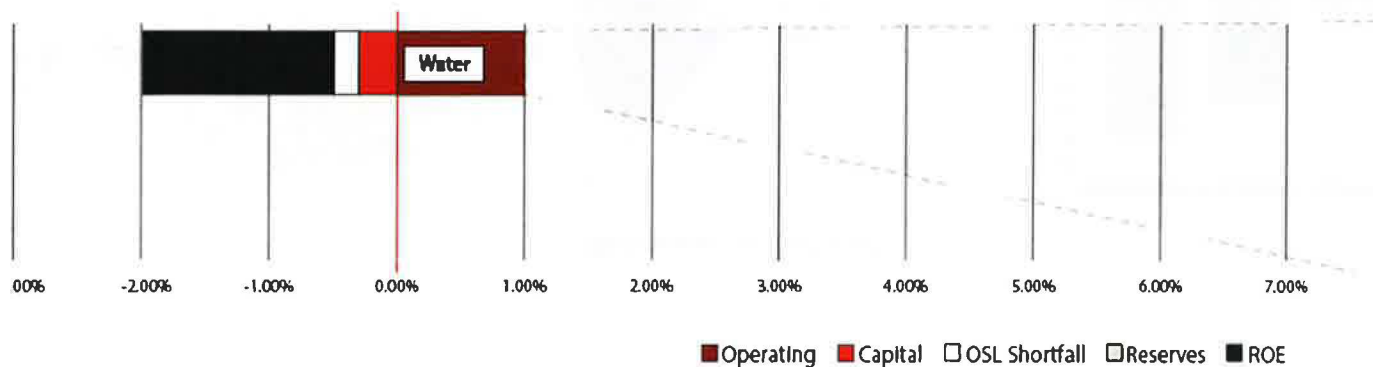
Water Investment - Growth



Water Reserve

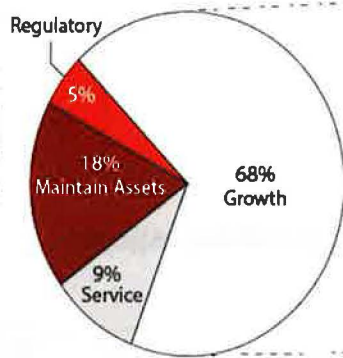


Relative Impact of Driver at an Indicative Rate of -1.0%

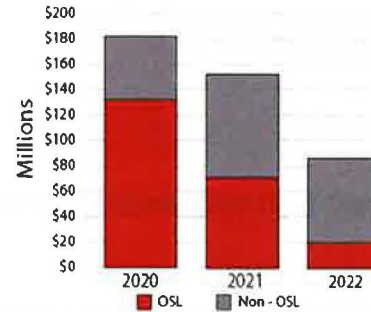


Wastewater Collection and Treatment Drivers of 4.5% Rate

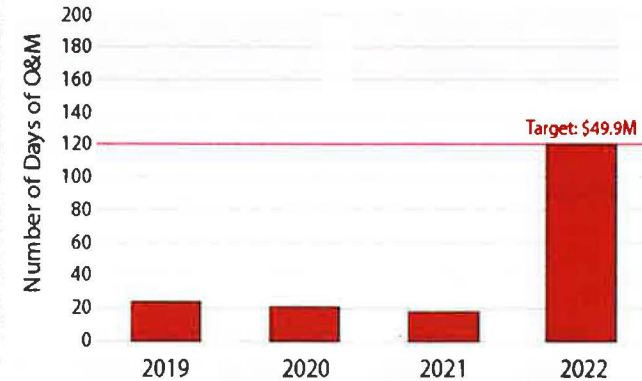
Wastewater Capital Drivers



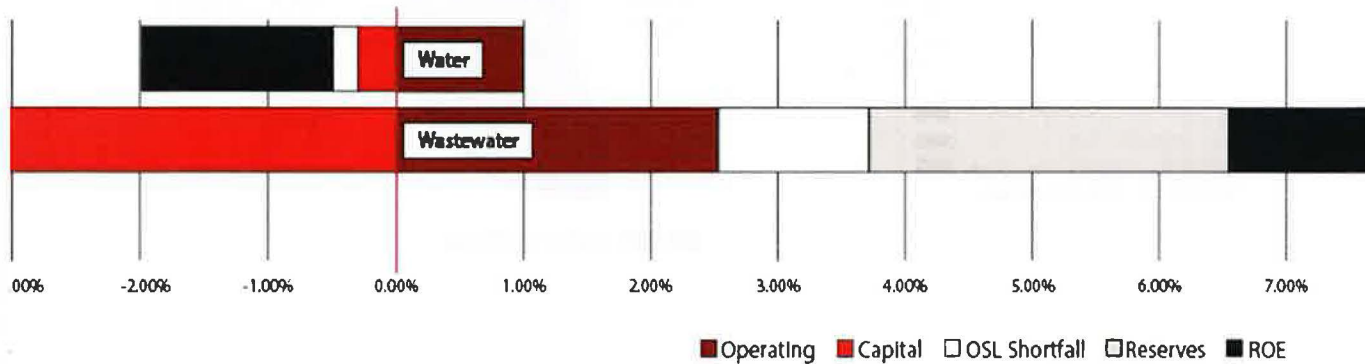
Wastewater Investment - Growth



Wastewater Reserve



Relative Impact of Driver at an Indicative Rate of 4.5%



Wastewater





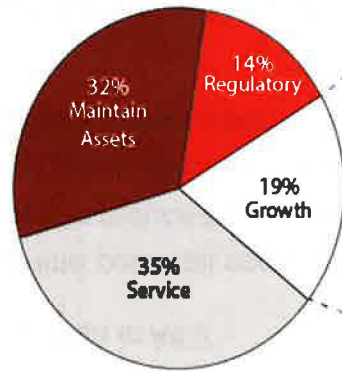
Stormwater Management Drivers of 0% Rate

payback on flood investments
10:1

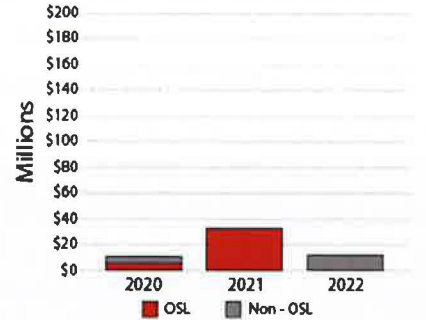


provincial funding ↓

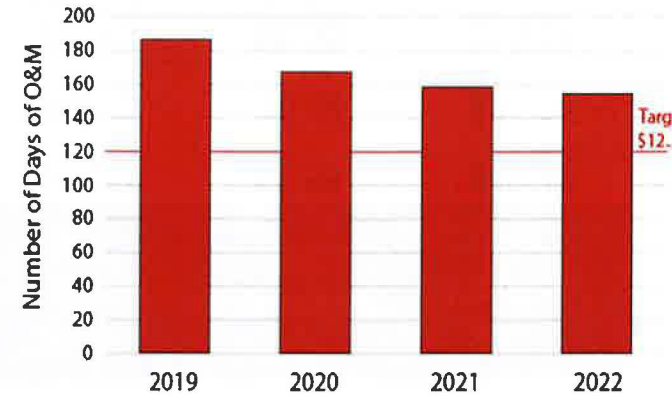
Stormwater Capital Drivers



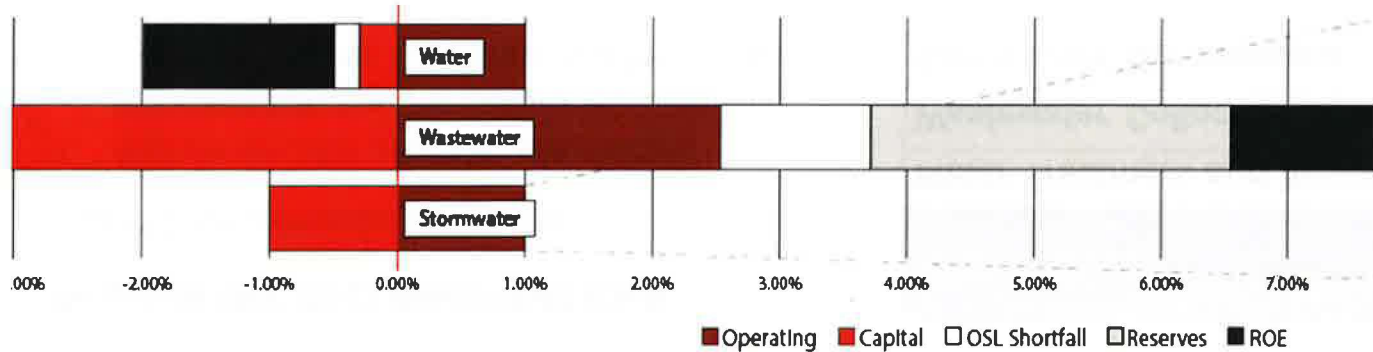
Stormwater Investment - Growth



Stormwater Reserve



Relative Impact of Driver at an Indicative Rate of 0%



Stormwater





Recommendations

IN SUMMARY RECOMMENDATIONS:

That PFC recommends that Council:

1. Approve the 2021 and 2022 rate changes - reductions from the One Calgary approved rate changes for Water, Wastewater and Stormwater;
2. Direct Administration to prepare amending bylaws to be brought forward to November budget adjustments
3. Approve the revised financial plan in Att 2
4. Direct Administration to examine potential corporate funding and financing sources to reduce the impact of Off-site Levy shortfalls on Water Utility rates and report back with the 2021 Off-site Levy bylaw review; and
5. Direct Administration to report back on rates and limits for Wastewater extra strength surcharge parameters by Q2 2022.

Line of Service	Recommended Revised 2021 and 2022 Rates
Water Treatment and Supply	-1.0%
Wastewater Collection and Treatment	+4.5%
Stormwater Management	0.0%

Approximate Impact on Typical Residential Monthly Utility Bill (based on 19m³/month water consumption)

Line of Service	2020 Monthly Bill	2021 Incremental Change (Note 1)	2021 Monthly Bill
Water Treatment and Supply	\$44.07	-\$1.65	\$42.42
Wastewater Collection and Treatment	\$55.73	-\$0.94	\$54.79
Stormwater Management	\$15.63	\$0.00	\$15.63
Total	\$115.43	-\$2.59	\$112.84

Note 1: not all customers classes see the same increase or decrease in rates

