

F-3 Water and Wastewater Utility Rates Strategy



Background

At the November 29th, 2023, Special Council Meeting, Council requested a timeline of full cost recovery in three years.

- *MOVED by Deputy Reeve Kochan that in accordance with User Fee policy C-224, full cost recovery be established for utility customers and that they be implemented over the next three-year period;*

At the January 7, 2025, Council Meeting, Council received the financial statements for the County's Water, Wastewater as prepared by Deloitte for the year 2023 which identified an operating deficit of \$3.0M.

- *MOVED by Deputy Reeve Kochan that Council receives the compiled income statement and partial balance sheet of Rocky View County's water and wastewater utilities for information.*



Three Year Cost Recovery

Individual System Rates				
		2024	2027	Avg. %
System	Customer Class	Total Charge	Total Charge	Annual Impact
Bragg Creek	Residential	\$ 140.14	\$ 418.66	66%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 308.27	3%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 1,496.82	-5%
East Rocky View	Langdon	\$ 71.05	\$ 135.41	30%
East RockyView	Sample Church	\$ 269.23	\$ 346.19	29%
East RockyView	Sample Warehouse	\$ 3,007.22	\$ 2,466.37	-22%
Blazer	Residential	\$ 181.56	\$ 300.93	22%
Cochrane Lakes	Residential	\$ 214.32	\$ 606.37	61%
Blended Rates				
		2024	2027	Avg. %
System	Customer Class	Total Charge	Total Charge	Annual Impact
Bragg Creek	Residential	\$ 140.14	\$ 152.25	3%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 362.13	10%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 1,962.88	4%
East Rocky View	Langdon	\$ 71.05	\$ 128.48	27%
East RockyView	Sample Church	\$ 269.23	\$ 357.00	25%
East RockyView	Sample Warehouse	\$ 3,220.37	\$ 3,316.00	3%
Blazer	Residential	\$ 181.56	\$ 310.82	24%
Cochrane Lakes	Residential	\$ 214.32	\$ 277.42	10%



Five Year Cost Recovery

Individual System Rates				
		2024	2029	Avg. %
System	Customer Class	Total Charge	Total Charge	Annual Impact
Bragg Creek	Residential	\$ 140.14	\$ 435.51	42%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 319.86	3%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 1,551.29	-2%
East Rocky View	Langdon	\$ 71.05	\$ 140.86	20%
East RockyView	Sample Church	\$ 269.23	\$ 359.41	25%
East RockyView	Sample Warehouse	\$ 3,007.19	\$ 2,466.37	-22%
Blazer	Residential	\$ 181.56	\$ 303.79	13%
Cochrane Lakes	Residential	\$ 214.32	\$ 595.63	36%
Blended Rates				
		2024	2029	Avg. %
System	Customer Class	Total Charge	Total Charge	Annual Impact
Bragg Creek	Residential	\$ 140.14	\$ 156.17	2%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 370.48	7%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 2,001.42	3%
East Rocky View	Langdon	\$ 71.05	\$ 133.35	18%
East RockyView	Sample Church	\$ 394.70	\$ 501.49	21%
East RockyView	Sample Warehouse	\$ 3,220.37	\$ 3,316.00	3%
Blazer	Residential	\$ 181.56	\$ 318.09	15%
Cochrane Lakes	Residential	\$ 214.32	\$ 284.00	7%



10 Year Cost Recovery

Individual System Rates				
		2024	2034	Avg. % Annual Impact
System	Customer Class	Total Charge	Total Charge	
Bragg Creek	Residential	\$ 140.14	\$ 477.62	24%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 348.85	3%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 1,687.48	0%
East Rocky View	Langdon	\$ 71.05	\$ 154.48	12%
East RockyView	Sample Church	\$ 269.23	\$ 392.47	31%
East RockyView	Sample Warehouse	\$ 3,007.22	\$ 2,718.33	-11%
Blazer	Residential	\$ 181.56	\$ 310.95	7%
Cochrane Lakes	Residential	\$ 214.32	\$ 568.78	17%
Blended Rates				
		2024	2034	Avg. % Annual Impact
System	Customer Class	Total Charge	Total Charge	
Bragg Creek	Residential	\$ 140.14	\$ 165.96	2%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 391.33	4%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 2,097.78	2%
East Rocky View	Langdon	\$ 71.05	\$ 145.52	10%
East RockyView	Sample Church	\$ 269.23	\$ 357.04	25%
East RockyView	Sample Warehouse	\$ 3,007.22	\$ 3,007.34	15%
Blazer	Residential	\$ 181.56	\$ 336.27	9%
Cochrane Lakes	Residential	\$ 214.32	\$ 300.43	4%



2025 Increase of 10%

2025-Year Cost Recovery with 10% Rate Increases				
Individual System Rates				
		2024	2025	Percentage
System	Customer Class	Total Charge	Total Charge	% Impact
Bragg Creek	Residential	\$ 140.14	\$ 154.16	10%
East Rocky View	Avg. Cambridge Estates	\$ 279.00	\$ 306.90	10%
East Rocky View	Avg. Commercial	\$ 1,759.36	\$ 1,935.30	10%
East Rocky View	Langdon	\$ 71.05	\$ 78.16	10%
East Rocky View	Sample Church	\$ 269.23	\$ 296.15	10%
East Rocky View	Sample Warehouse	\$ 3,007.22	\$ 3,307.94	10%
Blazer	Residential	\$ 181.56	\$ 199.71	10%
Cochrane Lakes	Residential	\$ 214.32	\$ 235.75	10%



Recommendation

THAT Council direct Administration to implement the Blended Rate Structure for water and wastewater utilities to achieve full cost recovery with the 2027 rates and return to Council with amendments to the *Master Rates Bylaw* by the end of May 2025.



Alternative Direction

Alternate Direction 1

That Council direct Administration to implement a 10% increase to the **Individual System Structure** for the water and wastewater utilities for 2025 and return to Council with amendments to the *Master Rates Bylaw* by the end of May 2025.

