

Forecasted Utility Rate Increases

The Administration develops water and wastewater rates on a two-year cycle in alignment with the multi-year business plan and budget cycle. Rates are then approved by City Council and in place for the two-year cycle. Rates are made up of several components including:

- Volumetric water rates
- Fixed water rates
- Volumetric wastewater rates
- Fixed wastewater rates
- Infrastructure levy
- Miscellaneous fees
- Reseller rates

Each individual component of the rates is calculated based on need in that area. For example, the infrastructure levy would be increased to increase the rate of replacement of water and sewer pipes. Once the individual components are calculated, the overall rate increase is reported. This has a direct correlation to the change in citizen's utility bills.

After the budget period, the overall increase is forecasted into the future. The forecast is created to avoid rate shock (i.e., sudden increases) and to ensure the long-term financial sustainability of the utilities. The forecast is based on several estimates for each of the areas described above, including:

- Growth estimates for 30 years
- Estimation of development rates and levies
- Estimation of input costs, such as power, natural gas, and human resources costs
- Assumption that current senior government funding will remain the same

The forecast is used for planning purposes only. Only the two-year rates approved by City Council form the rates for the utilities. The following table outlines the forecast of the overall increase until the end of the Waterworks Program.

Table 1: Forecast

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034
Overall Forecast	5%	5%	5%	5%	5%	5%	4%	4%	4%