



AGENDA ITEM

Mirror, Lakeview Estates, Aspelund Industrial Park and Sylvan Lake Utility Rates

December 16, 2021

BACKGROUND

Lacombe County provides municipal utilities to a growing number of areas throughout the County. Currently, services are provided to the following:

1. Lakeview Estates (West Side of Gull Lake); Water
2. Aspelund Industrial Park (West of Blackfalds on Highway 2) – Water and Wastewater;
3. Hamlet of Mirror – Water, Wastewater and Solid Waste
4. Five Lakeshore residential subdivisions around Sylvan Lake (Blissful Beach, Kuusamo Krest, Palm Cove, Yuill and Westside Country Estates) – Wastewater,
5. Wildrose Business Park – (West of Lacombe on Highway 12) – Water and Wastewater, Rate Bylaw 1353-21 approved at the November 30, 2021, Council meeting.

The 2022 Interim Operating Budget outlines the expected operating costs for each of the above utilities. Each utility operates as a separate utility with its own budget and monthly utility rate charges.

Administration is presenting for Council's consideration and approval the following utility bylaws:

1. Bylaw 1356/21, a bylaw to establish 2022 water rates for Lakeview Estates;
2. Bylaw 1354/21, a bylaw to establish 2022 water and wastewater rates for Aspelund Industrial Park;
3. Bylaw 1357/21, a bylaw to establish 2022 water, wastewater, and solid waste rates for the Hamlet of Mirror; and
4. Bylaw 1355/21, a bylaw to establish 2022 wastewater rates for the Sylvan Lake Subdivisions that are part of the Sylvan Lake Communal Sewer System

Pending approval by Council, rates are proposed to take effect on January 1, 2022.



No major changes have been made to the regulation sections of the bylaws themselves.

Copies of all of the bylaw are attached.

ANALYSIS

As part of the 2022 budgeting process, Staff developed rates based on the proposed operating costs for the year as well as reserve requirements for future capital requirements.

Lakeview Estates– Bylaw 1356/21

• Water

Based on costs provided for in the 2022 interim operating budget, a 2.00% increase to the monthly flat rate is proposed for customers connected to the Lakeview Estates water utility. No increase to the consumption rate is proposed. The dollar value increases and the impact on a typical residential household using 15 cubic metres is provided below.

Lakeview Estates Water Rates - 2021/2022 Comparison				
Monthly Rates	2021	2022	\$ Change	% Change
Flat Fee	\$128.16	\$130.72	\$2.56	2.00%
Consumption Charge (m ³)	\$1.85	\$1.85		
Monthly utility cost based on 15 cubic meters consumption	\$155.91	\$158.47	\$2.56	1.64%

Aspelund Industrial Park – Bylaw 1354/21

1. Water

Based on costs provided by the Town of Blackfalds and costs of operating the distribution system in Aspelund Industrial Park, customers will see an increase of 1.99% in the monthly flat fee from \$44.16 to \$45.04 per month. The consumption rate will see an increase of 2.11% as it increases from \$2.84 to \$2.90 per cubic meter of water used. The capital infrastructure fee which is paid to the Town of Blackfalds will increase by 2.50% from \$10.82 to \$11.09 per month.

2. Wastewater

Wastewater rates will continue to see increases as the Park is now serviced by the North Red Deer Regional Wastewater Commission (via the Town of Blackfalds). With the Commission now operational, the per cubic meter treatment rate will



increase from \$2.355 to \$2.402 per cubic meter of wastewater received, a 2% increase. The monthly fee will increase by 5% from \$27.60 per month to \$28.98 per month. Even with these increases, this utility will continue to operate in a deficit position.

A typical customer in the industrial park will see an increase of \$10.23 per month or 2.24% increase from 2021 as illustrated below.

Aspelund Industrial Park Water & Wastewater Rates - 2021/2022 Comparison				
	Monthly Rates	Water	Wastewater	Total
2022 PROPOSED RATES	Flat Fee	\$45.04	\$28.98	-
	Capital Infrastructure Fund	\$11.09		
	Consumption Charge (m ³)	\$2.90	\$2.402	-
	Monthly utility cost based on 72 cubic meters consumption	\$264.93	\$201.92	\$466.85
2021 RATES	Flat Fee	\$44.16	\$27.60	
	Capital Infrastructure Fund	\$10.82		
	Consumption Charge (m ³)	\$2.84	\$2.355	-
	Monthly utility cost based on 72 cubic meters consumption	\$259.46	\$197.16	\$456.62
	Monthly Increase (\$)	\$5.47	\$4.76	\$10.23
	Monthly Increase (%)	2.11%	2.42%	2.24%

Hamlet of Mirror – Bylaw 1357/21

1. Water

Water rates are proposed to increase from \$66.85 to \$68.19 for the monthly flat fee. This increase of 2% is necessary to increase the contribution to the utility reserve to fund future capital and non-routine maintenance costs. The consumption rate remains at the 2021 rate of \$3.48 per cubic metre. Although we received notice that the rate from Highway 12/21 is increasing, we recommend that rates remain as presented in the budget. Commission rates are expected to fluctuate as new customers join in and this increase is expected to be a one year issue. Rates will be reviewed during the 2023 budget process

2. Wastewater

Both the per month flat fee and the volumetric rate are proposed to increase by 2.98% and 2.90% respectively. This results in the flat rate increasing from \$21.78 per month to \$22.43 per month and the volumetric rate increasing from \$0.69 per cubic metre to \$0.71 per cubic metre. The increases are necessary to maintain this utility cost-neutral. The volumetric rate is charged against the water consumption billed to the particular property.

3. Solid Waste

Rate for solid waste reflect the cost of contracted garbage pick up. Based on the contract with Phantom Garbage Services Ltd., the per month flat rate for solid waste collection will see no increase and will remain at \$19.60 per month.

The combined utility monthly increase for a typical residential property in Mirror using 12 cubic metres of water per month is expected to be \$2.23 per month or 1.41%. A summary of the changes is provided below.

Mirror Water, Wastewater & Waste Pick-up Rates - 2021/2022 Comparison					
	Monthly Rates	Water	Wastewater	Garbage	Total
2022 PROPOSED RATES	Flat Fee	\$68.19	\$22.43	\$19.60	-
	Consumption Charge (m ³)	\$3.48	\$0.71		-
	Monthly utility cost based on 12 cubic meters consumption	\$109.95	\$30.95	\$19.60	\$160.50
2021 RATES	Flat Fee	\$66.85	\$21.78	\$19.60	-
	Consumption Charge (m ³)	\$3.48	\$0.69	-	-
	Monthly utility cost based on 12 cubic meters consumption	\$108.61	\$30.06	\$19.60	\$158.27
	Monthly Increase (\$)	\$1.34	\$0.89		\$2.23
	Monthly Increase (%)	1.23%	2.96%		1.41%

Sylvan Lake Communal Sewage System – Bylaw 1355/21

- Wastewater

The proposed monthly flat rate for customers of the Sylvan Lake Communal Sewage system will see an increase of 15%. This equates to an increase of \$4.73 per month from \$31.56 to \$36.29 on the flat monthly fee. Volumetric fees will continue to be based on actual monthly costs based on hauling volumes and billed according to water consumption by each household. The estimate per unit charge for 2022 is \$18.42 per cubic metre, a reduction of 5.83%.

The rate bylaw will be brought back to Council for amendment later on in 2022 when Blissful Beach customers are connected to the regional wastewater line. A separate rate will be required for these customers.

The connection fee for new customers, who did not connect by October 31, 2021, will increase from \$6,815 to \$7,506. This increase is based on an annual charge rate of prime plus 2.5%

We continue to see this utility operate in a deficit position. We are increasing rates gradually and tracking the deficit for repayment. The estimated 2022 deficit is \$14,180.



Sylvan Lake Communal Sewage Rates - 2021/2022 Comparison				
Monthly Rates	2021	2022	\$ Change	% Change
Flat Fee	\$31.56	\$36.29	\$4.73	14.99%
Consumption Charge (m ³)	\$19.56	\$18.42	-\$1.14	-5.83%
Monthly utility cost based on 3 cubic meters consumption	\$90.24	\$91.55	\$1.31	1.45%

ALTERNATIVES

1. Council can approve the bylaws as presented (Administration Recommendation)
2. Council can decide not to approve the bylaws. In this case the rates established in 2020 and 2021 would remain in place.
3. Council can provide further direction to Administration.

BUDGET IMPLICATIONS

The proposed utility rates have been incorporated into the County's 2022 interim operating budget.

LEGISLATIVE RESPONSIBILITIES

- Section 3 of the Municipal Government Act (MGA) states the purpose of a municipality are:
 - a) To provide good government,
 - b) To provide services, facilities, or other things that, in the opinion of Council, are necessary or desirable for all or part of the municipality, and
 - c) To develop and maintain safe and viable communities.
- Section 7 of the MGA provides Council with the authority to pass bylaws for municipal purposes with respect to:
 - (f) services provided by or on behalf of the municipality; and
 - (g) public utilities.
- Section 180(1) of the MGA states that Council may act only by resolution or bylaw.

RECOMMENDATION

1. Approve all three readings of Bylaw No. 1354/21 – Aspelund Industrial Park Water and Wastewater.
2. Approve all three readings of Bylaw No. 1355/21 – Sylvan Lake Communal Sewage Services.
3. Approve all three readings of Bylaw No. 1356/21 - Lakeview Estates Water.
4. Approve all three readings of Bylaw No. 1357/21 - Mirror Water, Wastewater and Garbage Collection.

PREPARED BY: Wendy Wiebe, Manager of Finance



REVIEWED BY: Michael Minchin, Director of Corporate Services



REVIEWED BY: Tim Timmons, County Manager

