Water rates set to rise 2.2 per cent this year

By Brock Weir

Average Aurora homeowners can expect to see a $26.72 increase on their 2019 water bills, following the approval of the municipal budget at Council last week.

Council signed off on the Budget last week, a document which includes the Capital, Operating and Water, Wastewater and Stormwater Budgets for 2019.

This year, homeowners can expect to see a combined increase of 2.2 per cent on their overall water bill.

Broken down further, this rate of 2.2 per cent, which is a combined rate when bills for water services, wastewater and stormwater are weighted, accounts for an 8.5 increase in water services, a 2.6 per cent reduction in wastewater costs, and an increase of 3 per cent on the stormwater rate.

?This year, the water budgets have been developed collaboratively with input from Operations, Billing Administration and Financial Planning staff,? said Laura Sheardown, Financial Analysist for the Town of Aurora, in her final report to Council last week. ?Operating costs have been reviewed in detail and adjusted where considered appropriate. During the development of the tax funded operating budget, the allocation of corporate overhead to utility budgets was reviewed and adjusted to reflect actual costs and time allocations of staff directly and indirectly supporting rate funded operations.

?The greatest challenge in developing utility budgets is the estimation of the anticipated water volumes that will be purchased from the Region of York. These estimated water volumes are utilized to estimate both wholesale water purchase and wastewater treatment costs. In addition, these volume estimates also drive the Town's estimated retail revenue budgets. The Town predominantly relies upon York Region flow estimates which are, in some instances, adjusted based upon other analysis undertaken by the Town. Consequently, if actual water volumes differ materially from estimates, the impact on financial services can be material as well.?

Another contributing factor to the water rate increase this year is an increase in consumption compared to 2018.

The Council report attributes this increase to a drier-than-normal summer and the forecast for 2019 considers the increased growth in Aurora.

The Region of York's goals
are another cost contributor and has, on average, accounted for an average increase of 10 per cent costs on the water Aurora must buy wholesale from the upper tier.

?As part of their long range
financial plan, the Region of York has previously announced that they intend to continue their progressive increase of wholesale water rates,? said Ms. Sheardown. ?The Town has estimated an increase of nine per cent for 2019. Similar increases are expected to continue for the next several years as the Region increases its contributions to reserves for infrastructure sustainability for the related water assets.?

Despite the increase of water
usage overall last year due to weather, the report notes that demand per household continues to decline.

New construction and
renovation, she says, is focusing more and more on improved water efficiency in homes, including new fixtures while businesses are looking to reduce their water consumption as well.

?With water rates increasing
and the resultant increases in the household water billings, families are becoming more sensitive and wise in how they use and improve conservation within their homes,? says Ms. Sherdown. ?Water demand is seemingly fairly elastic to price increases.?

In some cases, residents are
seeing their water consumption go down simply by giving up on their lawns.

The report says that the
restriction on outdoor pesticide and herbicide use has resulted in a ?significant infestation? of dandelions and other weeds.

?With the increasingly
difficult fight against these invaders, together with price sensitivity of increasing rates, many families have simply stopped watering or significantly reduced watering their lawns, further reducing demand per household. The weather during the summer months has an unpredictable impact on forecasted water consumption. A review of historical consumption data reveals a clear correlation between the weather experienced in the summer months and water consumption. Water projections attempt to address volatility in water consumption due to seasonal impacts through the consideration of a historical average water consumption. This input, along with growth and water efficiency projections, are all considered when arriving at water flow projections.?