



Committee of the Whole Report

Report Number CORP2020-010

Meeting Date: October 6, 2020

Title: Sanitary Sewer Flat Rate Charge

Description: To review the basis for how sewer fees are applied where the customer doesn't have a water meter

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Recommendation(s):

That Report CORP2020-010, **Sanitary Sewer Flat Rate Charge**, be received;
and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

At the Council Meeting of March 19, 2020, Council adopted the following resolution:

CR2020-072

That staff be directed to review the application of the flat rate charge versus the metered charge for sanitary sewer service, and how those fees are applied to single family dwellings and multi-unit properties, under By-law 2018-039, being a By-law to Regulate Water and Wastewater Services in the City of Kawartha Lakes; and

That staff report back to the Committee of the Whole by the end of Q2, 2020 with the outcome of that review.

Carried

This report addresses that direction.

Rationale:

Section 23.05(x) of the City's By-law 2018-039 states:

The owner or occupier of each separately assessed parcel of land that is connected to the sewer system, and where the water consumption is not measured through a water meter, shall pay a calculated flat rate for sewer charges as set out in Schedule "A" of this By-law.

Further, Section 23.05(aa) states:

Where customers are invoiced for more than one flat rate charge per unit, these charges are based upon historical calculations undertaken prior to amalgamation, and will continue until repealed.

It is standard practice across the Province and beyond to estimate sewage effluent volumes based on water consumption. The City has approximately 10,360 accounts that are connected to both the water and sewer systems and an additional 2,315 customers that are connected to water only.

Where customers are connected to sanitary sewer services only, the average water consumption of the accounts noted above, form the basis for determining the flat rate sewer charge levied under section 23.05(x) in By-law 2018-039.

Deputations that have been before Council on this matter suggest that multi-unit residential buildings have a lower occupancy than the average utility billing customer, and therefore have lower sewage discharge making the flat rate too high.

As sewage is billed based on water consumed, there are a number of factors that contribute to the amount billed to a household. Those factors include:

- the number of water consuming amenities in the home (ie toilets, bath tubs, dishwashers, washing machines, water softeners, etc.);
- whether the home is occupied for much or little of the day.

While it is agreed that total occupancy of the dwelling is a contributing factor, as highlighted above there are many other factors that must be considered.

There are approximately 550 accounts that are charged the fixed sewer rate only. The majority of these accounts (88%) are for single residential dwellings. The remaining 67 accounts are comprised of 48 institutional / commercial / industrial accounts and 19 multi residential accounts. The 19 multi residential accounts contain a total of 80 units.

The census data for the City of Kawartha Lakes indicates that the average dwelling is occupied by 2.4 persons. A further breakdown of this data indicates that almost 70% of the City's dwelling are occupied by 2 or less persons. This would suggest that the average utility bill should closely represent the occupancy of a typical apartment and/or condo unit.

The City could also consider applying the sewer charge on something other than a unit basis. The sewage rate could be based on occupancy. This would require the City to validate occupancy each billing period. The sewage rate could also be based on the amenities within the unit, and/or a combination of occupancy and amenities. The challenge with this option is that it provides no greater level of accuracy in assessing sewage discharge. As an example, a unit containing two occupants may eat the majority of their meals in a restaurant thereby using their dishwasher infrequently. The neighbouring unit with two occupants may really enjoy cooking and run their dishwasher daily.

The City could consider installing a sewage meter. This is not a recommended solution for a few reasons. Unlike water meters which calculates water consumption as it passes through the chamber of the meter, a sewage meter measures depth of flow at defined time intervals and reports an average depth of flow. Additionally, the meter requires debris in the flow in order for it to measure, therefore grey water (shower, sink, laundry etc) will not register. The sewage meter will therefore not calculate an accurate discharge of sewage. Additionally, sewer meters are known to frequently become obscured due to debris build up, and would therefore require regular and ongoing verification and maintenance.

The initial cost of a meter (purchase and installation) as well as ongoing maintenance and replacement is also cost prohibitive.

Other Alternatives Considered:

Although it is not recommended by staff, Council could direct staff to meter sewage and/or calculate the sewage flat rate based on something other than average consumption.

Some optional alternate resolutions may be:

That staff be directed to review the feasibility and cost associated with installing sewage meters where sewage is the only service being provided.

Or,

That staff be directed to amend the flat rate sewage charge for multi residential units on a per occupant basis.

Alignment to Strategic Priorities

This report aligns with the Kawartha Lakes 2020-2023 Strategic Plan priorities of Healthy Environment and Good Government.

Financial/Operation Impacts:

The current flat rate sewage charge is intended to recover the cost of delivery and treatment of the sewage being generated by these units and therefore has no financial impacts.

Moving to a metered sewage option will have significant operational impacts to maintain and monitor the meters. Costs would be borne by the residents/users. Moving to an alternate method of estimating non-metered sewage may have an operational impact as it will require verifying and managing additional account details not currently maintained by the City.

Consultations:

The following were consulted in the preparation of this report:

Director, Public Works
Supervisor, Water and Wastewater Operations
Manager, Revenue and Taxation

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Department Head: Jennifer Stover, Director of Corporate Services