



The Corporation of the Town of LaSalle

To: Members of the Water and Wastewater Committee

Prepared by: Dale Langlois

Department: Finance

Date of Report: February 16, 2021

Report Number: FIN-06-2021

Subject: Revised Water and Wastewater Construction Rates for Multi-level Condos

Recommendation

That the report of the Director of Finance dated March 16, 2021 (FIN-06-2021) regarding the revised water and wastewater construction rates be received and that a revised water and wastewater rate bylaw be brought before Council for approval and that the revised construction water rates for multi-level condos retroactively take affect July 1, 2020.

Report

Currently, the Town starts issuing water and wastewater bills for all properties at the time of connection to the water system. Each single unit residential property, each commercial unit, and each unit of a multi-residential building (condo) is charged the following once connected to the water system:

- \$10.50 per month or \$31.50 quarterly for sanitary sewer capital charge
- \$14.00 monthly or \$42.00 quarterly for water capital charge
- \$40.00 monthly or \$120.00 quarterly construction charge for less than 1 inch pipe (\$60 monthly or \$180.00 quarterly for over 1 inch pipe)

Once the water meter is installed, the construction rate is deactivated and the following rate codes are added:

- \$5.00 per month or \$15.00 quarterly water meter replacement charge (fee is larger for meters greater than 1 inch)
- Water consumption fee of \$1.10 per cubic meter (0 to 81 cubic meters of usage), \$1.28 per cubic meter (81 to 135 cubic meters of usage), \$1.40 per cubic meter (over 135 cubic meters of usage)

Given that the majority of the newly constructed multi-level condos consist of 50+ units, this can be very costly for a developer/builder as large quantities of water are not being used and many of the units may not even exist at the point of the initial water billings (when the water line is connected).

For example, if a new 80 unit condo building property is connected to the water line, the builder will immediately be billed the following each month until a water meter is installed:

Sanitary sewer capital charge	\$10.50
Water capital charge	\$14.00
Construction rate	<u>\$40.00</u>
Total charges per unit	\$64.50
Number of units	<u>80</u>
Total monthly bill	\$5,160

As it will take multiple months and in many cases over a year to complete a condo building construction, these monthly bills will add up quickly.

The following solution is proposed for multi-level condo buildings (regardless of size):

- 1) Charging a monthly flat rate of \$200.00 for water usage and \$200.00 for a wastewater surcharge from the time of connection to the water system to the time the water meter is installed.
- 2) The water meter will be installed once the mechanical room is insulated (the building division will notify the manager of water and wastewater when this step in the construction process occurs). Once, the meter is installed, the manager of water and wastewater will notify the supervisor of revenue and from there on out, the regular monthly water and wastewater billings will start to occur as is currently performed.
- 3) As part of the site plan agreement process, the developer will be subject to a \$25,000 security deposit for water meter installation. Once the water meter is installed, the security deposit will be refunded to the developer.

This solution will lessen the burden on the developer/builder and ensure that regular billings start to occur once the units are constructed and the condo is near completion. It will also ensure that a water meter is installed on a timely basis.

Consultations

None

Financial Implications

Wastewater and water revenues will be slightly lower for new multilevel construction projects than has been in the past. This will occur up to the point that the water meter is installed.

See Attachment A for a draft schedule of public works rates. The new rates are highlighted in green. This will be brought forward at the next Council meeting for approval through bylaw.

Prepared By:



Director of Finance/Treasurer

Dale Langlois, CPA, CA

Link to Strategic Goals

1. Enhancing organizational excellence - Not Applicable
2. Strengthen the community's engagement with the Town - Not Applicable
3. Grow and diversify the local economy - Yes
4. Build on our high-quality of life - Not Applicable
5. Sustaining strong public services and infrastructure - Not Applicable

Communications

Not Applicable

Notifications

No notifications.