



Hamilton

2012 Water and Sewer Rates and Charges

On December 14, 2011, City Council approved a water and sewer rate increase of 4.25%. The revised water and sewer charges below include the Council approved increase.

The increase, effective January 1, 2012 increases the water/wastewater cost to the typical household by \$2.00/month. In 2012, a typical household can expect to pay approximately \$580 in water and wastewater charges.

Hamilton's combined water and sewer rates still remain among the lowest in Ontario.

(note: This average increase is based upon a typical single-family residential customer using 220 cubic metres (m³) of water per year)

So why are rates water rates set to go up ?

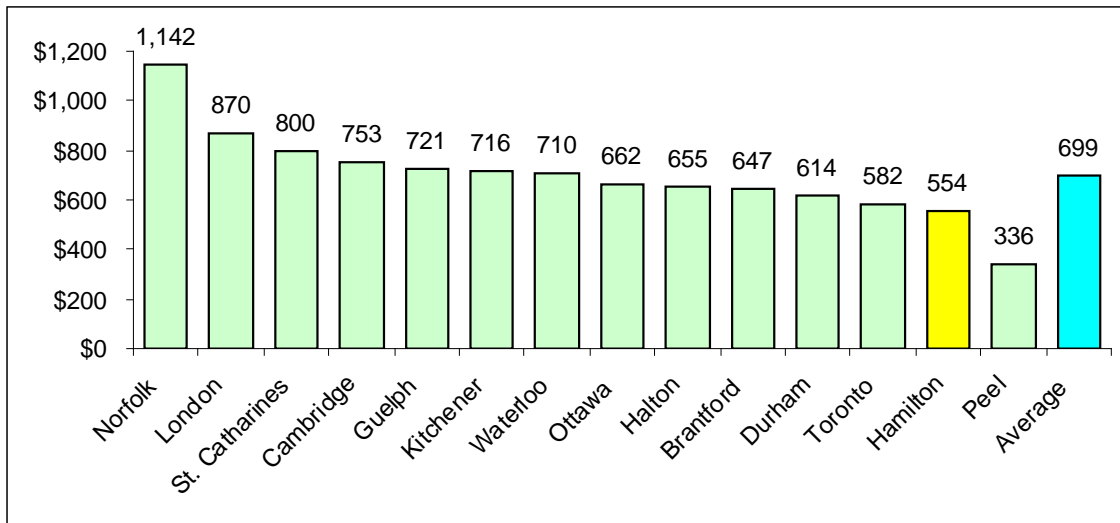
- To continue to provide safe, reliable drinking water and wastewater services to a majority of Hamilton's 500,000 residents and protect critical public health and safety services.
- To maintain, replace and rehabilitate massive, aging water & sewer systems (4,500 kilometers of piping, 14,000 fire hydrants, 2 treatment plants, 150 outstations servicing 140,000 accounts).
- To support capital investments in 2012 of \$204 million.
- The Rate supported capital program facilitates the rehabilitation of aging infrastructure including significant capital increases to support storm related flood mitigation.
- For 2012, 57% of rate revenues will fund repairing and replacing water and wastewater infrastructure to ensure drinking water safety and reliability.
- The proposed financing strategy supports forecasted \$1.57 billion in infrastructure investments.
- Over the last 6 years, for every million liters of water produced, chemical costs have increased by 36.3%; electricity costs by 22.4%; and natural gas costs by 38.8%. We are trying to mitigate these increases.

As a City we are undertaking the following actions to reduce costs:

- Construction of a gas purification plant to enable the sale of surplus biogas whenever possible.
- Special emphasis on water loss and leak detection initiatives.
- Reducing chemical and hydro use while improving water quality.
- Replacing process equipment with more efficient devices wherever possible.
- Implementing trenchless technologies in support of rehabilitation vs full scale replacement of infrastructure.
- Continuing with the replacement of conventional fleet vehicles with both a hybrid and fully electric fleet.
- Continue to balance operation and service delivery with in-house and contracted staff.

So how do we compare to other municipalities:

- Hamilton's water and sewer average family costs are second-lowest of 13 Ontario comparator cities. The following chart provides a comparison based on 2011 water and sewer rates based on an average 220m³ water consumption used annually by Hamilton residences:



What happens if we do not implement the proposed financing strategy?

- Eventually higher rate increases would be needed in future years, so we are ensuring that any increases are planned for and sustainable,
- May compromise current credit rating which may lead to higher borrowing costs and larger shortfalls.
- Ultimately, our capital expenditures would not be enough for rehabilitation and replacement programs. Our goal is to protect and ensure our water quality and reliability remains a priority.

What you can do to reduce your water and sewer charges?

- Periodically check the red or white triangle on your water meter when all water fixtures are turned off. If the triangle is spinning there may be a leaky toilet or tap, which will drive up your water and wastewater bill. In this case, residents are encouraged to have any leaks repaired as soon as possible.
- Use rain barrels, low water use plants and drip irrigation to reduce your water consumption. Up to 50% of water used in a typical residential home during the summer is for outdoor landscaping or swimming pools.
- When buying a new dishwasher or washing machine, consider purchasing a water-saving model.

Why should customers practice water conservation when rates are proposed to continue to increase?

- Conservation facilitates the deferral of capital infrastructure upgrades and the associated need for rate increases in the near term related to the financing of the upgrades
- Hamilton has been able to defer major capital expenditures to the Wastewater Treatment Plant to later this decade deferring the associated debt servicing costs that would have been incurred otherwise
- Conservation does reduce operating costs such as water and wastewater treatment chemicals and hydro – this translates into savings for rate payers

Further information on City water and wastewater services and programs is available on the City's website:

<http://www.hamilton.ca/water/>

For more information please call the City Of Hamilton at (905) 546-2489.