TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON NOVEMBER 12, 2012
FROM:	JOHN BRAAM, P. Eng. MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	NEW "VALUE BASED" FUNDING MODEL FOR WATER AND WASTEWATER SERVICES

RECOMMENDATION

That, on the recommendation of the Managing Director of Environmental and Engineering Services and City Engineer, for the City of London the following actions **BE TAKEN:**

a) Administration **BE DIRECTED** to proceed with preparation of 2013 fees and charges by-laws to implement the new funding model for water and wastewater servicing which is more representative of the fixed costs related to fire protection, billing and infrastructure renewal than the current structure;
b) Administration **BE DIRECTED** to hold a public meeting before the Strategic Priorities and Policy Committee for the purpose of passing 2013 fees and charges by-laws to implement the new funding model for water and wastewater servicing for implementation in March 2013;
c) Administration **BE DIRECTED** to include a low income crisis support, crisis prevention and customer assistance fund as described in Schedule B1;
d) Administration **BE DIRECTED** to include a water conservation rebate program utilizing surplus funds from the program noted in clause c) as described in Schedule B2;
e) Administration **BE DIRECTED** to include a Fire Protection charge for all customers as described in Schedule B4;
f) Administration **BE DIRECTED** to increase the construction water charge as described in Schedule B5;

It **BEING NOTED,** a Public Participation Meeting will be held at the next meeting of CWC.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

The reports noted below can be found at:
http://www.london.ca/d.aspx?s=/Meetings/Default/meetingpackages.htm

- Link to Julian Questions and Answers on the New Funding Model
- New "Value Based" Funding Model for Water and Wastewater Services, Civic Works Committee, October 22, 2102, Agenda #7
- Rate Structure Review - Water, Sanitary and Storm Drainage Charges, July 17, 2012, Civic Works Committee, Agenda Item #10
- Fixed Rate for Water and Sanitary Charges, April 2, 2012, Civic Works Committee, Agenda Item # 32
- Water, Sanitary and Storm Rate Structure Review - Fixed Rate for Water and Sanitary Charges, August 15, 2011, Built and Natural Environment Committee, Agenda Item # 7;
- Council Proceedings 14th Meeting, July 26, 2010 – page 30
- Presentation by Administration, London Economic Development Committee and Industry representatives from AB In Bev (Labatt) and Casco at July 19th meeting of ETC
- Water, Sanitary and Storm Rate Structure Review – Update on Implementation Timing and Consultation Process, July 19, 2010, Environment and Transportation Committee, Agenda Item # 26a, deferred from June 21, 2010

- Council Proceedings 15th Meeting, July 27, 2009 – Item 285, 14th Report of the Board of Control, Clause #9, as amended;
- Water, Sanitary and Storm Rate Structure Review – Update on Implementation Timing, July 20, 2009, Environment and Transportation Committee, Agenda Item # 5;
- Sewer Surcharge of Water Used to Water Lawns, Flower Beds and Swimming Pools, January 12, 2009 – 2nd Report of the Environment and Transportation Committee, Item #19 and Agenda Item #17;
- Council Proceedings 15th Meeting, July 21, 2008 – Item 241, 22nd Report of the Board of Control, Clause #26, as amended;
- Water, Sanitary and Storm Rate Structure Review – Revisions to Current Structure, July 16, 2008 – 22nd Report of the Board of Control, Item #26 and Agenda Item #33;
- Water, Sanitary and Storm Rate Structure Review – Update on Concerns coming out of Consultation Process, May 28, 2008 – 17th Report of the Board of Control, Item #20 and Agenda Item #24;
- Water, Sanitary and Storm Rate Structure Review – Update Report, May 7, 2008, Board of Control, Agenda Item # 7;
- Water, Sanitary and Storm Rate Structure Review – Update on Concerns coming out of Consultation Process, November 14, 2007 – 31st Report of the Board of Control, Item #30 and Agenda Item #5;
- Water, Sanitary and Storm Rate Structure Review – Update on Consultation Process, August 8, 2007, Board of Control, Agenda Item # 25(a) and R. Jawniuk et al – Petition re: Storm Sewer Charges – Selkirk Street and Braesyde Avenue, Agenda Item # 25(b);
- Erosion and Sediment Control Requirements and Practices for Construction Sites to Ensure Water Quality Protection for Open Watercourses, June 18, 2007, Joint Environment and Transportation Committee and Planning Committee, Agenda Item #12;
- Several previous reports were referenced in the August 8, 2007 Board of Control Report.

BACKGROUND

PURPOSE

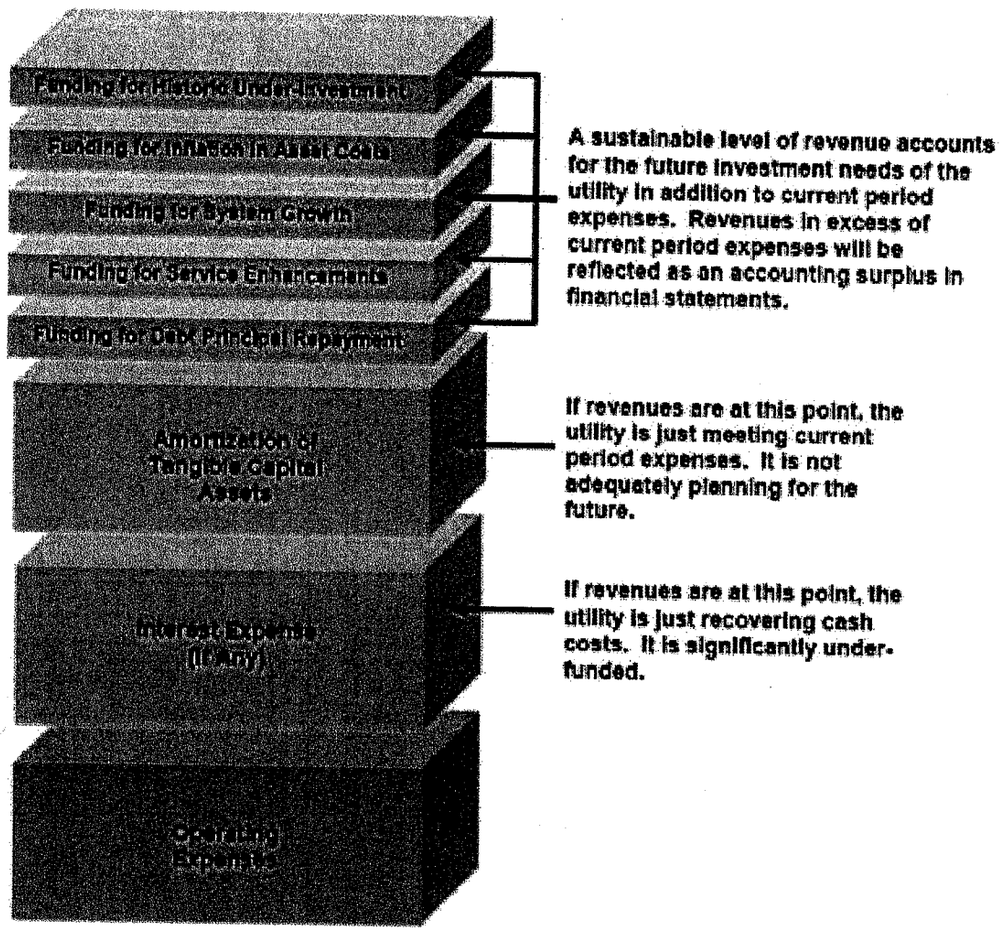
This report provides Committee and Council with an update of activities which occurred over the summer and fall, considerations to benefit some customer groups, and a description of how the new funding model will be structured. This meeting of Civic Works Committee will also include a Public Participation Meeting, so that all comments past and present can be considered by Committee and Council.

BACKGROUND

The water and wastewater systems are customer owned and supported utilities. Water and sewer rate charges provide the revenue streams needed to sustain these utilities on a not-for-profit basis. City staff undertake the stewardship roles to ensure the utilities are well managed and maintained for current and future generations. Total revenues for the two utilities are approximately $135,000,000 (2012 budget). Current customer charges are based on formulae depending on the type of customer (aggregated into classes), their water consumption, sanitary sewage generated and land area of their property. The current rate structure was established more than 22 years ago for water and 15 years ago for sanitary and stormwater rates. It has been identified as being one of the most complex rate structures in Ontario and contains inequities between customer classes and lacks consistency between the water and sewer customer classes and rate structures.

In April 2012, Council requested that the full rate structure review be completed to determine longer term impacts on the customers and the sustainability of the utilities. The new funding model, developed over the summer and into the fall, provides for more stable revenues, ensures conservation, provides accommodation for low volume users and supports economic development while achieving sustainability sooner and at a lower cost to customers. It also ensures intergenerational equity among present and future rate payers.

Commencing December 31, 2012, Section 19 of the Safe Drinking Water Act will require that London's Municipal Council be held to a statutory standard of care with respect to their oversight responsibilities toward the operation of the City of London's drinking-water system. A companion report was provided to Civic Works Committee for the October 22, 2012 meeting which provides additional information. Financial aspects of the standard of care are described on pages 18 to 20 in the Ministry of the Environment Guidance Document for Standard of Care. Several funding considerations, both present and future, are necessary to ensure safe and sustainable utilities. The graphic below is an excerpt from the MOE document.



(Source: Ontario Ministry of the Environment, 2007, Towards Financially Sustainable Drinking-Water and Wastewater Systems)

SUGGESTED NEW FUNDING MODEL

The basic structure of the new funding model will not be significantly different than what we have now, assisting our customers in understanding it.

The suggested funding model would be structured in the following manner:

	Water	Sanitary	Storm Drainage
Volumetric Component	$ per cubic metre	$ per cubic metre	None
Fixed Component	Capital Renewal Charge(*) Fire Protection Charge(+)	Capital Renewal Charge*	Flat Rate for small properties Area Rate for large properties

Note: * indicates a new flat rate charge dependent on the customer's cost responsibility within the system based on the size of the meter;
+ indicates a new additional flat rate charge dependent on the customer's cost responsibility within the system – water requirements for fire protection using surrogates such as meter, service, building or property size.

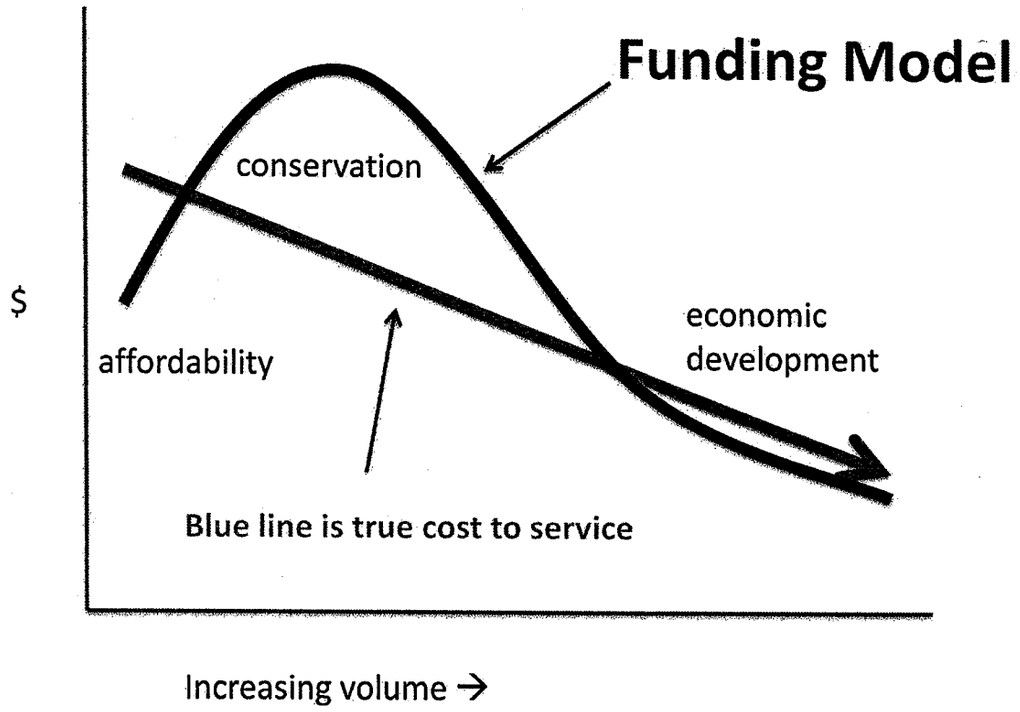
If Council wishes to benefit some customer groups within the City, an appropriate allocation of funds from water and wastewater will have to be made and this amount will then have to be

recovered from all customers or the remaining customers. Appendix B contains some considerations for how benefits could be allocated and who would pay for that benefit. The fire protection charge (Schedule B4) has been included in the proposed funding model, but others have not. The recommendations have been structured so each one can be considered independently.

CUSTOMER CLASSES VERSUS VOLUMETRIC BLOCK RATES FOR ALL CUSTOMERS

The current model has separate water rates for residential and ICI customers each with 3 blocks, while sanitary and storm are broken in 7 customer classes – 1 residential and 6 ICI, all as single blocks. Ideally, a new model would be consistent for water and wastewater to improve simplicity and understanding and provide the opportunity to combine them if this is deemed to be desirable.

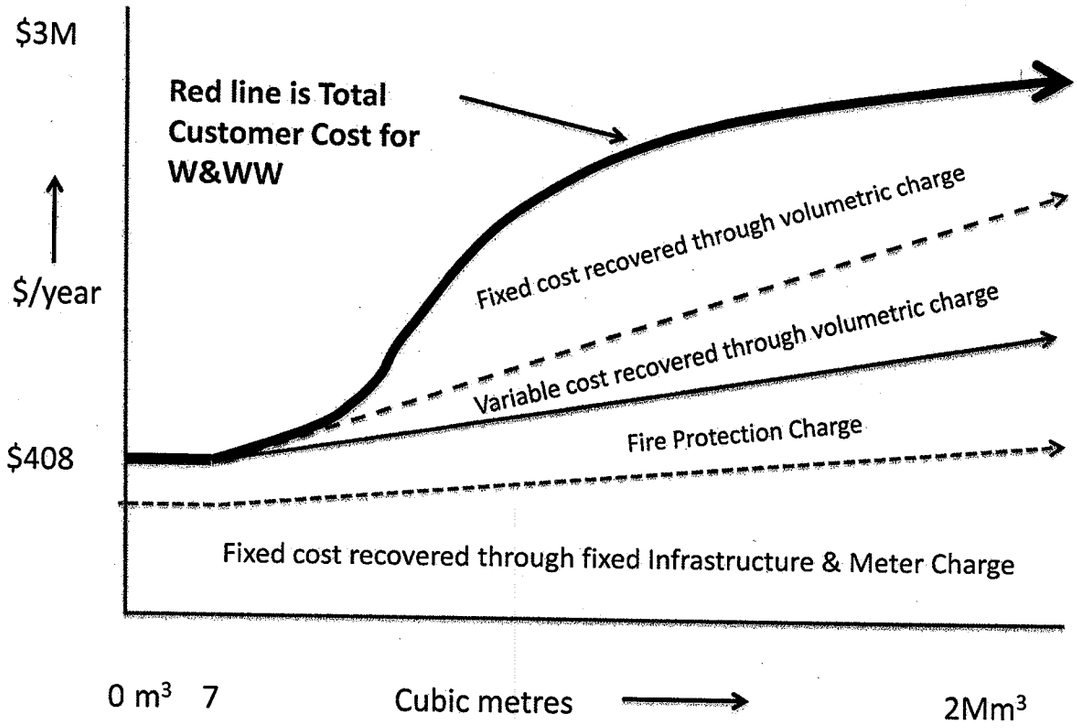
Another potential model (used in a few municipalities in Ontario) does not distinguish between customer classes but uses several blocks to distinguish water customers and wastewater generators on the basis of how much volume they use. This type of model combines the notation of pipe value (true infrastructure cost) and a conservation incentive for small users.



Essentially, this type of model combines the residential inclining block structure with the ICI declining block structure. The premise of this model is that the true cost of infrastructure is related to how much water flows through the pipes to service the customers. The fixed rate covers the basic hard infrastructure and part of the volumetric rate covers the fixed operating and maintenance costs, while the variable costs are covered by the remaining volumetric rate. The initial blocks then pay for the total infrastructure costs and very high industrial users pay an incremental rate for cost of the water, pumping and treatment. The declining nature of the higher blocks reflects the proportionately lower cost to service larger volume users – economies of scale.

The main premise of the model, illustrating the total cost to a customer in the figure below, is that:

- fixed costs related to infrastructure renewal including fire protection are recovered as a fixed charge,
- fixed costs related to operation and maintenance of the infrastructure will continue to be collected as a volumetric charge based on pipe value to encourage conservation, and
- volumetric charge related to variable operational costs for treatment and pumping of the water/wastewater is shared equally between all customers.



NEXT STEPS

It is desirable to "implement" the new funding model separately from the annual budget, while at the same time providing an indication of what changes may result to the budget for the proposed "value based" funding model. The budget should be viewed as defining the expenditure level for the utilities, continuing with the respective 20 year plans for water and wastewater to ensure proper "resourcing" of the utilities and to achieve financial sustainability in the near term. The funding model can be viewed as being independent of the budget since it defines who of the 110,000 customers pays what amount to ensure fairness and equity. Changes to the funding model such as the increased fixed rate (and lower volumetric charges) should result in a more financially stable and sustainable utility with the potential for lower rate increases for our customers and a shorter time-frame to achieve sustainability. If a new revenue charge is included in the funding model, e.g. a fire protection charge, then this addition to the revenue stream would result in further lowering of future rate increases and a shorter time-frame to sustainability, recognizing that the 2013 budget year increase would be higher than currently stated.

To complete the implementation, following stakeholder consultation, it will be necessary to prepare a revised by-law and hold a public meeting at the Strategic Priorities and Policy Committee. The draft 2013 fees and charges by-laws are included as Appendix C. The table below compares the timelines for the Rate Review (earliest) and Budget (planned) as they might progress through Committees and Council.

London Hydro requires approximately three months during which time they will modify the billing system to incorporate any revisions which may be made to the funding model.

Rate Review		Budget	
CWC Oct 22	Report for info – describe models and options		
		SPPC Oct 29	Tabling of budget and by-law – no discussion
CWC Nov 12	PPM and Draft By-law – recommendations with options		
SPPC Nov 19	Presentation and PPM on new Fees & Charges By-law	SPPC Nov 19	Presentation and PPM
Council Nov 20	Final vote	Council Nov 20	Final vote
SPPC Dec 3 Alternate date	PPM on by-law with firm recommendations		
Council Dec 11 Alternate date	Final vote		
		January 1, 2013	Effective Date
March 1, 2013	Effective Date		

Conclusion

The main cost drivers of the fixed charges relate to infrastrucutre renewal, and thereby we are guaranting our investment in the sustainability, safety and reliability of the utilties to promote economic development and support quality of life in the City. Introduction of the proposed fixed rate charges for water and sanitary will improve revenue stability, achieve sustainability of the utilities more quickly and at a lower cost to our customers - consistent with the City's Strategic Plan; and improve fairness and equity from a user pay perspective. By changing the conservation rate premiums, the financial incentive to conserve will be maintained. Affordability is also maintained by tailoring fixed charges to usage and offering customers the first 7 cubic metres of water and sanitary service at no additional charge other than the fixed charge.

Acknowledgements

This report was prepared by Roland Welker, Division Manager of Water Engineering with input from Matt Feldberg, Water Demand Manager and Jason Senese, Manager Administrative Services.

PREPARED BY:	RECOMMENDED BY:
for	John M Braam
ROLAND WELKER, P. ENG. DIVISION MANAGER WATER ENGINEERING	JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONEMNTAL AND ENGINEERING SERVICES AND CITY ENGINEER

November 5, 2012

Attachment: Appendix A - Summary of Questions/Comments to Julian and Focus groups
Appendix B – Schedules for Various Customer Benefits
- Schedule B1 – Low Income
- Schedule B2 – Conservation Rebate
- Schedule B3 – Industrial Incentive
- Schedule B4 – Fire Protection Charge
- Schedule B5 – Construction Water Charge

Appendix C – Draft Rates and Charges By-laws
- Appendix C1 – Draft Water Rates and Charges By-law
- Appendix C2 – Draft Wastewater and Treatment Rates and Charges By-law

Appendix D – Sample Customer Impact Table

Cc: S. Glickman, London Economic Development Corporation

M. Henderson, Corporate Management
M. Hayward, City Treasurer & CFO
J. Fleming, Planning
G. Macartney, London Chamber of Commerce
J. Senese
J. Simon
R. Pedlow
G. Gauld
T. Copeland

APPENDIX "A"

Summary of Questions/Comments to Julian and from the Focus groups (July 24 supporting low income Londoners, September 5 and 6 Residents and ICI, questions ongoing until November 1st)

- Want to ensure that this new model is sustainable so we don't have large increases every year, i.e. flat rate to every user.
- Want good quality water, brought to everyone, cost effectively and a sustainable system
- Need to charge for storm runoff from vacant parking lots to promote transit
- Rates need to be fair to all users one group shouldn't be subsidizing another group, nor should this be happening within each rate class
- Rates need to be the same to all users
- Ensure rates promote conservation to all users.
- Are our rates competitive compared to other municipalities?
- How do our rates compare to other Ontario municipalities?
- Would like more emphasis on rain water harvesting, greywater use, and controlling stormwater runoff at the source
- Would like incentives for conserving water, i.e. toilet rebates, rain barrels, grey water collection
- There should be credits for storm water charges, if measures are taken to decrease the impact from their land
- Does our water/sewer infrastructure experience more wear and tear from residential customers drawing water from them versus the wear and tear they experience through aging, winter cold, geotechnical factors erosion, sub-surface shifting, etc? Who cause more wear and tear residential or ICI?
- Why do we pay a sanitary charge for water that doesn't go to the sewer, ie pools and watering garden?
- Do not want to see our system privatized in any way
- Rates need to stay revenue neutral and run with sound business practices
- Ensure the developers are paying the true cost of their water infrastructure
- Some residents don't like that the rates have to go up to be sustainable; however they understand that this is a financial reality and that they haven't been paying enough.
- Low consumption users don't like that they will have to pay more for their water use.
- We aren't currently paying the true cost of water
- Federal, Provincial and Municipal governments should have adequate funding to help low income customers.
- The Water department should not be a social entity helping low incomers pay for their bills. This is not the water department's job; this is the Community Services job. Other social groups should help with low income issues. Everything should be streamlined and made easier for low incomers to get the help they need this would also help save money.
- Ensure our water source is protected from contamination
- ICI would like to see strength charge looked at in this new structure as well
- Are we currently running a deficit for water and wastewater? Where is the money coming from to cover the deficit, as we don't want to use our reserve funds?

Appendix B – Schedule for Various Customer Benefits

SCHEDULE B1 – LOW INCOME AND CUSTOMER ASSISTANCE

Overview:

Measures outlined in B1a, B1b, B1c, and B2 would come from a new revenue source and would be placed in specially set-up reserve fund. The sum of the rates below would equate to $0.25 per bill or $3 per year for a typical residential customer.

B1a – Crisis Support

Description
The City's Water and Wastewater utilities will contribute a portion of their revenue to existing programs: THAW, LEAP, United Way, and RENT BANK. These programs provide crisis support to registered low income homes and families through the existing agencies. The Salvation Army currently manages the details of the program our behalf.

Amount of Benefit
Match the Ontario Energy Board mandated contribution by London Hydro. In recent past London Hydro has contributed more than their regulated amount with the current contribution set at $100,000 per year.

Revenue Source
New revenue source.

Who Pays
All customers in the residential sector will pay an additional $0.0833 per bill. The amount contributed could change from year to year depending on amount remaining in fund at year end and the number of customers in the residential sector.

Reserve Fund
Separate newly established reserve fund for this sole purpose

Administering Authority
London Hydro and Salvation Army

Concerns to be Addressed
Should the water and wastewater utilities undertake the activities of other social agencies – this is not our primary business focus?

B1b – Crisis Prevention (additional to B1a)

Description
Provide mechanisms for registered low-income families to make changes to water using fixtures within their homes and recover costs associated with the work. Program would also provide education to customers to assist in making behavioural changes that will further reduce water usage costs.

Amount of Benefit
$100,000

Revenue Source
New revenue source.

Who Pays
All customers in the residential sector will pay an additional $0.0833 per bill. The rate will change from year to year depending on amount remaining in fund at year end and the number of customers in the residential sector.

Reserve Fund
Separate newly established reserve fund for this sole purpose

Administering Authority
City staff with assistance from London Hydro and Salvation Army.

Concerns to be Addressed
Should the water and wastewater utilities undertake the activities of other social agencies – this is not our primary business focus?

B1c – Customer Assistance Fund (additional to B1a and B1b)

Description
Provide mechanisms whereby a small business, small landlord, or residential customer can reduce the amount of a water or sewer bill following an unexpected and uncontrollable event, i.e. leak. Customers would be eligible for a one time grant assuming that they are paying the monthly charge.

Amount of Benefit
$100,000

Revenue Source
New revenue source.

Who Pays
Small commercial and small multi-family customers (up to 5 units) would be required to sign-up for the program. All residential customers along with those that are enrolled will pay an additional $0.0833 per bill. The rate could change from year to year depending on amount remaining in fund at year end or in accordance to the number of customers in the residential sector, i.e. with growth.

Reserve Fund
Separate newly established reserve fund for this sole purpose

Administering Authority
City staff with assistance from London Hydro Customer Service Department.

Concerns to be Addressed
Should water and wastewater utilities provide a one time refund or rebate to customers that do not maintain their household plumbing systems?

SCHEDULE B2 – CONSERVATION REBATES

B2 – Water Conservation Rebates

Description
With revenues remaining from the $0.25 per month Low Income and Customer Assistance programs the City would establish and fund a series of rebates for individually metered residential customers, small rental properties, and small businesses to assist with lowering their monthly water and sewer charges.

Potential conservation rebates/incentives:

- Toilet rebates
- Faucet aerators
- Showerhead replacements
- Front load washing machine incentives
- Grey water systems
- Rain water collection systems
- Rain barrels
- Irrigation audits
- Restaurant spray-nozzles

Amount of Benefit
Varied on incentive.

Revenue Source
$0.25 Low Income and Customer Assistance fund.

Who Pays
For residential customers it would be mandatory and would be optioned for the small commercial and small multi-family customers.

Reserve Fund
Funds not consumed through Low Income and Customer Assistance Reserve Fund would be attributed to rebate programs and would not contribute to overall reserve fund balance.

Administering Authority
City staff.

Concerns to be Addressed
Should the city be providing financial incentives to customers to reduce the amount of water used?

SCHEDULE B3 – INDUSTRIAL INCENTIVE

B3 – Industrial Incentive

Description
London currently has some of the lowest industrial water and sewer rates in the province. In the new rate structure, the industrial rates will continue to be below the average. The development of the rates focused on providing local industries that rely on City water as a major part of their process or their product, can continue to be competitive in a global market.

Amount of Benefit
No additional benefit.

Revenue Source
Fixed and volumetric charges.

Who Pays
By allocating the costs according to pipe value, the revenue needs are shared by all customers.

Reserve Fund
There are no specific funds identified for transfer into the existing reserve funds.

Administering Authority
City staff.

Concerns to be Addressed
Should the industrial sector receive an additional financial benefit on water and wastewater rates to promote economic development, job retention, and growth?

SCHEDULE B4 – FIRE PROTECTION CHARGE

B4 – Fire Protection Charge

Description
The water distribution system has been constructed using good engineering practice and to provide a volume of water on demand to fight a fire during the highest water demand day of the year. As a result many of the pipes have been sized larger than the normal domestic and commercial volume needs.

Cost of Providing the Service (Annual Revenue to be Collected)
$2,500,000

Revenue Source
New revenue source.

Who Pays
All customers would pay the new fire protection charge. The charge is based on pipe value and uses the same principles applied in establishing the fixed and volumetric rate structure. In the first year the charge would be based on three classifications: residential, small ICI or large ICI. In year two, following the collection of data, the charge could be modified to be based on the area of the parcel/building, the size of the fire service, or the size of the meter under the ICI classification. Residential customers would continue to pay a flat charge of around $1.25 per month.

Reserve Fund
Any unspent revenue would be transferred into the existing reserve fund.

Administering Authority
City staff.

Concerns to be Addressed
PriceWaterhouseCoopers identified fire protection as a potential additional revenue source which is currently covered and paid for within the annual revenue collected through rates and charges. Some customers who benefit from significant infrastructure to provide fire protection, do not pay anything because fire service is standby (no volumetric charge) and generally not metered even for annual testing.

SCHEDULE B5 – CONSTRUCTION WATER CHARGES

B5 – Temporary Connections for Construction Water

Description
In the Water Rates and Charges Bylaw (W-7), section 5.1 deals with the charges for temporary connections for construction. The current charges do not adequately reflect the amount of water typically used by contractors during the construction period.

Amount of Benefit
Varies.

Revenue Source
Additional revenue source. Contractors would be required to pay more for construction water.

Who Pays
Contractors and persons who are building new buildings would pay a more equitable rate based on the number of units they are constructing.

Reserve Fund
Any unspent revenue would be transferred into the existing capital reserve fund.

Administering Authority
City staff.

Concerns to be Addressed
PriceWaterhouseCooper identified construction water as a potential additional revenue source. The charges collected are not included as part of the volumetric and fixed rates charges and would only apply to the building permit process.

APPENDIX C1

Bill No.
2009

By-law No. W-_____

A by-law to amend By-law W-7 entitled, "A by-law to provide for the setting of rates and charges for water supply in the City of London."

The Municipal Council of The Corporation of the City of London enacts as follows:

1. Section 3.1 of By-law W-7 is amended by deleting the existing table and replacing it with a new table as follows:

Water Supply (based on Consumption)	Rate ($/m^3)
0 - 7	-
8 - 15	1.7304
16 -25	2.2248
26 - 35	2.4720
36 - 250	0.9394
251 - 7,000	0.8899
7,001 - 50,000	0.8109
50,001+	0.7219

2. Section 3.2 of By-law W-7 is amended by deleting the existing table.

3. Part 4 of By-Law W-7 is amended by deleting:

Part 4 Rates and Charges for Equipment

and replacing Part 4 of By-Law W-7 with:

Part 4 Monthly Fixed Charges and Rates

4. Section 4.1 of By-law W-7 is amended by deleting the existing table and replacing it with a new table as follows:

Water Capital Renewal Charge (Based on Meter Size)	Monthly Rate ($)
16 mm	12.15
19 mm	18.22
25 mm	30.37
40 mm	60.75
50 mm	97.20
76 mm	212.61
100 mm	364.48
150 mm	850.46
200 mm	1,457.92
250 mm	1,822.50

5. Part 4 of By-law W-7 is amended by adding section 4.2 as follows:

4.2 Monthly Fire Protection Charge for all customers
All customers shall be charged a fire protection charge as per the table below:

Rate Classification	Monthly Rate ($)
Residential	1.25
Institutional, Commercial, Industrial under 5.0 hectares	8.33
Institutional, Commercial, Industrial 5.01 hectares and over	41.67

6. Section 5.1 of By-law W-7 is amended by deleting the existing table and replacing it with a new table as follows:

Water Rate for Temporary Connection for Construction	Current Charge ($)
Single Family	45.00
Duplex	45.00
Up to 4 Units	56.23
5 to 10 Units	84.31
11 to 15 Units	112.43
16 to 20 Units	140.58
21 to 25 Units	169.25
26 to 30 Units	196.74
31 to 35 Units	224.97
36 to 40 Units	253.08
41 to 50 Units	281.16
Over 50 Units	5.69 per unit
Other Structures	$11.44 per 93 m^2 of floor space (min charge $28.60)
Bulk water users Smart Card (per card purchase cost) Cost of Water per 1,000 L	 $34.99 $2.89
Inspecting waterworks installations/disconnections	$96.94 per hour

7. Section 5.2 of By-law W-7 is amended by deleting the existing table and inserting new table as follows:

Watermain Tapping Charges	Charge
Tap size of 50 mm or less	$270.00
Tap size of greater than 50 mm	$540.00
Tapping concrete watermains or tap size of greater than 300 mm	$1,620.00

8. Section 5.3 of By-law W-7 is amended by deleting the existing table and inserting new table as follows:

Miscellaneous Charges	Charge
Change of occupancy/Account set-up fee	$32.40
Late payment charge	London Hydro billings at 1.5% per month compounded monthly City of London billings at 1.5% per month

NSF cheques	$14.89 plus bank charges
Collection charges	$15.47 per trip
Disconnection of Service During regular hours After regular hours	 $31.81 $50.17
Arrears Certificate charges (non-payment/arrears)	$50 per property
Disconnect and Reconnect meter at customer request Up to 25 mm Over 25 mm	 $159.88 $272.13
Install water meter and remote read-out unit at customer request	$244.94
Repair damaged meter 16 and 19 mm 25 mm and larger	 $168.38 Time and Material
Meter checked for accuracy at customer's request and found to be accurate Up to 25 mm Over 25 mm	 $125.85 $170.07
Builder and Developer Frontage Charges: (based on actual frontage which directly abuts City right-of-way) Residential (maximum 50 meters) Commercial, Institutional and Industrial	 $175.77 per meter $186.94 per meter

9. This by-law comes into force and effect on January 1, 2013.

PASSED in Open Council November 20, 2012

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – November 20, 2012
Second Reading – November 20, 2012
Third Reading - November 20, 2012

APPENDIX C2

Bill No.
2009

By-law No. WM-_____

A by-law to amend By-law WM-26 entitled, "A by-law to establish the Schedule of Sewer System Fees and Charges."

The Municipal Council of The Corporation of the City of London enacts as follows:

10. Schedule 1 of By-law WM-26 is amended by deleting Table 1 and replacing it with a new Table 1 as follows:

Sewer System Charge (based on Consumption)	Rate ($/m^3)
0 - 7	-
8 - 15	1.5522
16 -25	1.9958
26 - 35	2.2176
36 - 250	0.8426
251 - 7,000	0.7983
7,001 - 50,000	0.7274
50,001+	0.6476

11. Schedule 1 of By-law WM-26 is amended by deleting Table 2 and replacing it with a new Table 2 as follows:

	Column 1	Column 2	Column 3
	Sewer System Charge	**Storm Drainage Charge ($/Month)**	**Storm Drainage Charge (Annual $ per hectare)**
Line 1	Residential below 0.4 hectares	12.66	
Line 2	Residential below 0.4 hectares without storm sewer within 90m of frontage	9.49	
Line 3	Institutional, Commercial, Industrial below 0.4 hectares	12.66	
Line 4	Residential, Institutional, Commercial, Industrial above 0.4 hectares		1,263.67

12. Schedule 1 of By-law WM-26 is amended by deleting Table 3 and replacing it with a new Table 3 as follows:

Sanitary Capital Renewal Charge (Based on Meter Size)	Monthly Rate ($)
16 mm	10.38
19 mm	15.57
25 mm	25.94
40 mm	51.88
50 mm	83.01
76 mm	181.58
100 mm	311.28
150 mm	726.33
200 mm	1,245.13

250 mm	1,556.85

13. Schedule 1 of By-law WM-26 is amended by deleting Table 4 and replacing it with a new Table 4 as follows:

	Sewer Rentals	Charge ($ per m frontage)
Line 1	Sanitary Main Sewers	193.10
Line 2	Storm Main Sewers – Single Family	178.78
Line 3	Storm Main Sewers – Multi Family	357.54

14. Schedule 1 of By-law WM-26 is amended by deleting Table 6 and replacing it with a new Table 6 as follows:

Hauled Liquid Waste Disposal	Charge ($ per 1,000 litres)
Hauled Liquid Waste Disposal Rates (except Leachate)	11.00
Leachate	20.24

15. Schedule 1 of By-law WM-26 is amended by adding Table 7 as follows:

High Strength Sewage	$ per m^3
High Strength Sewage Service Rate	0.509

16. This by-law comes into force and effect on January 1, 2013.

PASSED in Open Council November 20, 2012

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – November 20, 2012
Second Reading – November 20, 2012
Third Reading - November 20, 2012.

Appendix D - Sample Customer Impact Table

(all impacts below assume 1 meter feeding the property unless otherwise noted)

Typical Customer	Comments/Main Impact	Meter Size(s)	Approx Area (ha)	Annual Consumption m^3	Total Current Charge	Impact to each Customer					
						Fixed Charges	Water	Sanitary	Storm	Fire Protection	Total
Low Volume Residential	Low volume single family residence with no storm sewer	16mm	0.10	80	$ 418.93	$ 243.72	$ (129.19)	$ (132.41)	$ (43.17)	$ 15.00	$ (46.06)
Average Residential	Average residential user in 2011	16mm	0.05	186	$ 765.56	$ 243.72	$ (134.21)	$ (157.40)	$ (7.68)	$ 15.00	$ (40.57)
Large Residential	High volume residential user	19mm	0.23	420	$ 1,549.33	$ 368.64	$ (20.45)	$ (83.38)	$ (7.68)	$ 15.00	$ 272.14
Individually Metered Condo	Low volume individually metered townhouse	16mm	0.03	108	$ 510.49	$ 243.72	$ (135.96)	$ (143.94)	$ (7.68)	$ 15.00	$ (28.86)
Bulk Meter Building (19 Units)	Small residential apartment with one water meter, fire protection is commerical	40mm	0.36	3,420	$ 7,542.05	$ 1,126.32	$ (529.42)	$ (478.73)	$ (38.64)	$ 100.00	$ 179.53
Bulk Meter Condo	50 units, 8 water meters and storm switched to area rate	25mm	1.60	9,000	$ 20,637.20	$ 4,491.84	$ (1,752.79)	$ (1,920.99)	$ 444.80	$ 100.00	$ 1,362.87
Bulk Meter Condo with Irrigation	Rates as above, Irrigation consumption 1,600m3 (50 Units - 9 water meters)	25mm	1.60	10,600	$ 23,891.05	$ 5,053.32	$ (1,833.49)	$ (3,528.30)	$ 264.20	$ 100.00	$ 55.73
Average High Rise	Storm switches from flat rate to area rate	50mm	1.00	8,650	$ 18,355.58	$ 1,836.00	$ (1,735.13)	$ (1,830.52)	$ 1,000.40	$ 100.00	$ (629.26)
Small Commercial	Fire protection charge is added.	19mm	0.38	350	$ 1,085.35	$ 368.64	$ (29.29)	$ 115.12	$ (38.64)	$ 100.00	$ 515.83
Average Commercial	Storm switches from flat rate to area rate	25mm	0.90	1,750	$ 4,032.50	$ 561.48	$ (194.55)	$ (98.83)	$ 882.30	$ 100.00	$ 1,250.40
Medium Commercial	Storm switches from flat rate to area rate	50mm	4.50	26,500	$ 51,895.91	$ 1,836.00	$ (2,635.49)	$ (6,444.21)	$ 5,133.90	$ 100.00	$ (2,009.80)
Large Commercial	Storm switches from flat rate to area rate, 2 water meters.	76mm	11.00	65,000	$ 125,116.08	$ 7,924.80	$ (4,577.43)	$ (16,395.31)	$ 12,629.80	$ 500.00	$ 81.87
Small Institutional (<0.6Mm3)	Storm switches from flat rate to area rate.	25mm	1.25	2,750	$ 5,324.12	$ 561.48	$ (383.55)	$ 419.61	$ 1,331.89	$ 100.00	$ 2,029.43
Average Institutional (<0.6Mm3)	Storm switches from flat rate to area rate	40mm	4.50	6,300	$ 11,763.32	$ 1,126.32	$ (1,205.64)	$ 461.88	$ 5,170.14	$ 100.00	$ 5,652.70
Hospital (Institutional >0.6 Mm3)	Storm switches from flat rate to area rate, 3 water meters, eligible for storm area reduction.	150mm	19.00	625,000	$ 930,209.43	$ 49,530.96	$ (74,485.03)	$ 50,734.44	$ 22,005.92	$ 500.00	$ 48,286.30
Small Industrial <0.6 Mm3	Large property fire protection charge	50mm	4.00	6,400	$ 16,462.28	$ 1,836.00	$ (1,229.12)	$ 852.73	$ (285.28)	$ 500.00	$ 1,674.33
Medium Industrial <0.6 Mm3	Medium sized property, 2x100mm meters.	100mm	4.00	180,000	$ 287,152.67	$ 13,796.40	$ (17,405.23)	$ 6,626.04	$ (285.28)	$ 500.00	$ 3,231.94
Large Industrial >0.6 Mm3 <1.2 Mm3	Large property fire protection charge	150mm	10.40	700,000	$ 1,023,527.97	$ 16,510.32	$ (89,938.03)	$ 76,858.44	$ 1,209.94	$ 500.00	$ 5,140.67
Consumptive Industrial >1.2 Mm3	Water as part of product, large property fire protection charge, eligible for storm area reduction and measured sanitary.	200mm	18.90	1,900,000	$ 2,596,428.02	$ 28,488.84	$ (337,186.03)	$ 289,165.44	$ (3,381.40)	$ 500.00	$ (22,413.14)