

## **BACKGROUND**

During the 2017 Budget deliberations, Council requested that staff undertake a review of the current Water and Wastewater rate structure and to report back during the third quarter of 2017.

The City of Greater Sudbury's current water wastewater rate structure consists of three parts:

1. Uniform variable water rate which is charged per cubic meter of water used
2. Fixed monthly water service charge based on the size of the meter in accordance with the American Water Wastewater Association standards
3. Wastewater surcharge as a percentage of the total water bill (variable and fixed)

This rate structure was developed in 2001 and was confirmed when a rate structure review was conducted by KPMG in 2009 and the status quo rate structure was recommended at that time.

KPMG LLP was engaged to conduct the most recent review and Oscar Poloni will be presenting his findings to the Finance and Administration Committee.

## **Conclusion**

KPMG LLP has recommended that the City of Greater Sudbury maintain the current water and wastewater rate structure. Staff is in agreement with this recommendation as maintaining the fixed monthly service charge provides much needed revenue stability in the event that there are declines in water consumption.