



# Water and Wastewater Rates Frequently Asked Questions

## 1. What are water and wastewater rates?

Water and wastewater rates are fees paid by residents and businesses to cover the costs of providing safe, clean drinking water and managing wastewater treatment and disposal. These rates ensure the operation, maintenance, and upgrading of essential infrastructure.

## 2. Why do water and wastewater systems need to be self-sustaining?

Under provincial regulations, municipalities are required to maintain **full cost recovery** for water and wastewater systems. This means:

- Rates must cover all operational, maintenance, and capital costs.
- No funding is provided from property taxes or other municipal revenues.
- This approach ensures the systems remain financially sustainable and compliant with regulations.

## 3. What is included in the water and wastewater rates?

Rates are designed to cover:

- **Operational Costs:** Day-to-day activities such as water treatment, distribution, wastewater collection, and treatment.
- **Capital Investments:** Repairing, replacing, and upgrading aging infrastructure like pipes, pump stations, and treatment plants.
- **Compliance Costs:** Meeting provincial and federal regulations for safe drinking water and wastewater management.
- **Reserve Contributions:** Building reserve funds for future infrastructure needs and emergencies.

## 4. Why are rates increasing?

Rates are increasing to address overdue infrastructure investments that benefit existing residents, including:

- Replacement of aging infrastructure, such as a new forcemain and sanitary pump station.
- Rising costs for utilities, chemicals, and contracted services.
- Preparing for long-term financial sustainability while ensuring reliable service.

For example, a typical residential bill for water and wastewater will increase by **\$15 to \$20 per bi-monthly billing cycle** starting in 2025, depending on usage.

## **5. Are new developments causing the rate increases?**

No. The approved rate increases are focused on meeting the needs of **existing residents** through overdue infrastructure upgrades. Costs related to new developments are funded separately through development charges, ensuring **growth pays for growth** without impacting existing ratepayers.

## **6. How were the rates determined?**

The rates were established following a comprehensive rate study that considered:

- Current and future system needs.
- Regulatory requirements.
- Financial sustainability and fairness for all users.

The selected rate structure, which combines the revenues and expenses from the Wardsville and Glencoe sanitary systems, balances costs across the municipality, addresses deficits, and ensures a fair distribution of financial responsibility.

## **7. How do Southwest Middlesex rates compare to other municipalities?**

While rates may vary by municipality due to local infrastructure and operational needs, Southwest Middlesex's rates are aligned with provincial requirements for cost recovery and long-term system sustainability. The increases reflect the municipality's proactive approach to maintaining and improving essential services.

## **8. What happens if we don't invest in infrastructure now?**

Delaying necessary upgrades can lead to:

- Service interruptions and potential health risks.
- Increased costs in the future due to emergency repairs.
- Non-compliance with provincial regulations, which could result in penalties.

Investing now ensures reliable services and long-term cost control.

## **9. What other funding options are being considered?**

The municipality is committed to exploring funding alternatives to minimize resident impacts, including:

- Applying for grants from provincial and federal programs.
- Utilizing development charges for growth-related projects.
- Reviewing stormwater cost recovery systems.

## **10. How can I learn more or ask questions?**

Residents can visit our website a <https://www.southwestmiddlesex.ca/services/water-and-wastewater> (2025 Water and Wastewater Rates) for detailed information and updates. For any questions, please contact the municipal office at 519-287-2015.

## Additional Information

- **Key Investments:** Over the next two years, \$6 million will be allocated to replace critical infrastructure, including a forcemain and sanitary pump station.
- **Future Rate Adjustments:** On average, residential customers can expect bi-monthly bill increases of approximately **\$15 to \$20**, depending on water usage.
- **Transparency:** The municipality remains committed to providing clear and accessible information about how rates are set and used.