Water and Wastewater Rate Study

Town of Aylmer

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Table of Contents

Table of Contents (Continued)

Page

List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.O.	Association of Municipalities of Ontario
C.W.W.F.	Clean Water and Wastewater Fund
D.C.A.	Development Charges Act, 1997
F.I.R.	Financial Information Return
I.J.P.A.	Infrastructure for Jobs and Prosperity Act, 2015
I.O.	Infrastructure Ontario
LPAT	Local Planning Appeal Tribunal
M.O.E.	Ministry of Environment
O.C.I.F.	Ontario Community Infrastructure Fund
OLT	Ontario Land Tribunal
O.M.B.	Ontario Municipal Board
O. Reg.	Ontario Regulation
O.S.I.F.A.	Ontario Strategic Infrastructure Financing Authority
P.S.A.B.	Public Sector Accounting Board
P.T.I.F.	Public Transit Infrastructure Fund
S.W.S.S.A.	Sustainable Water and Sewage Systems Act, 2002

Executive Summary

Executive Summary

The Town of Aylmer (Town) retained Watson & Associates Economists Ltd. (Watson) to undertake a Water and Wastewater Rate Study and Water Financial Plan. This study aims to prepare an analysis of the Town's water and wastewater rate forecast based on current capital and operating forecasts, costing for lifecycle replacement requirements, current volumes, and customer profiles. The results of this analysis provide updated water and wastewater base charges and volume rates for customers within the Town of Aylmer. The rate analysis contained herein continues to provide fiscally responsible practices that align with current provincial legislation at a level of rate increases that are reasonable.

The analysis presented herein provides the following:

- The inflated 2026 to 2035 capital spending program for water is approximately $12.89 million, and for wastewater is approximately $35.19 million;
- A significant portion (59%) of the wastewater capital spending program is related to the optimization and expansion of the treatment facility and treatment facility headworks;
- Approximately 16% of the water capital spending program is growth-related and to be funded from the Development Charges (D.C.) reserve fund;
- Approximately 34% of the wastewater capital spending program is growth-related and to be funded from the D.C. reserve fund or growth-related debt;
- Annual operating expenditures related to wages and salaries are increasing by 3% in 2027, followed by 2% per annum thereafter;
- Expenditures related to utilities, fuels, and other materials are increasing at 5% per annum;
- The present rate structure for water and wastewater (base monthly charge and constant volume rate) is continued;
- Existing water customers total 3,215, and new customers will average approximately 45 per year over the 10-year forecast period; and
- Existing wastewater customers total 3,186. The same level of increase as water customers (approximately 45 annually) is assumed over the forecast period.

Based on the above information, rate increases have been balanced for water users to experience a 2% annual increase on the water bill and a 4% annual increase on the wastewater bill, for a combined increase of 3% annually from 2026 to 2036.

Table ES-1 summarizes the recommended water and wastewater rates and average annual bills (assuming an annual volume of 141 cu.m.) based on the analysis provided herein over the forecast period.

Table ES-1
Town of Aylmer
Average Annual Residential Water and Wastewater Bill (Based on Annual Usage of 141 cu.m.)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water											
Monthly Base Charge	$10.41	$10.62	$10.83	$11.05	$11.27	$11.49	$11.72	$11.96	$12.20	$12.44	$12.69
Volume Rate - General Water User (per cu.m)	$3.00	$3.06	$3.12	$3.18	$3.24	$3.30	$3.37	$3.44	$3.51	$3.58	$3.65
Annual Base Charge Bill	**$124.92**	**$127.42**	**$129.97**	**$132.57**	**$135.22**	**$137.92**	**$140.68**	**$143.49**	**$146.36**	**$149.29**	**$152.28**
Annual Volume Bill	**$423.00**	**$431.46**	**$439.92**	**$448.38**	**$456.84**	**$465.30**	**$475.17**	**$485.04**	**$494.91**	**$504.78**	**$514.65**
Total Water Bill	**$547.92**	**$558.88**	**$569.89**	**$580.95**	**$592.06**	**$603.22**	**$615.85**	**$628.53**	**$641.27**	**$654.07**	**$666.93**
Annual % Increase - Water Bill		**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**
Large Water User (per cu.m)	**$2.80**	**$2.86**	**$2.92**	**$2.98**	**$3.04**	**$3.10**	**$3.17**	**$3.24**	**$3.31**	**$3.38**	**$3.45**
Bulk Water Rates (per cu.m)	**$3.30**	**$3.36**	**$3.42**	**$3.48**	**$3.54**	**$3.60**	**$3.67**	**$3.74**	**$3.81**	**$3.88**	**$3.95**
Wastewater											
Monthly Base Charge	$5.89	$6.13	$6.37	$6.63	$6.89	$7.17	$7.45	$7.75	$8.06	$8.38	$8.72
Non-Metered Sewage User (per cu.m)	$1.73	$1.80	$1.87	$1.94	$2.02	$2.10	$2.18	$2.27	$2.36	$2.45	$2.55
Annual Base Charge Bill	**$70.68**	**$73.51**	**$76.45**	**$79.51**	**$82.69**	**$85.99**	**$89.43**	**$93.01**	**$96.73**	**$100.60**	**$104.62**
Annual Volume Bill	**$243.93**	**$253.80**	**$263.67**	**$273.54**	**$284.82**	**$296.10**	**$307.38**	**$320.07**	**$332.76**	**$345.45**	**$359.55**
Total Wastewater Bill	**$314.61**	**$327.31**	**$340.12**	**$353.05**	**$367.51**	**$382.09**	**$396.81**	**$413.08**	**$429.49**	**$446.05**	**$464.17**
Annual % Increase - Wastewater Bill		**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**
Total Combined Bill	**$862.53**	**$886.19**	**$910.00**	**$933.99**	**$959.56**	**$985.31**	**$1,012.66**	**$1,041.61**	**$1,070.76**	**$1,100.12**	**$1,131.10**
Annual % Increase - Combined Bill		**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**

Report

Chapter 1
Introduction

1. Introduction

1.1 Background

The Town of Aylmer currently serves 3,215 metered water customers and 3,186 wastewater customers. Water is purchased from the Aylmer Secondary System which receives treated water from the Elgin Area Primary Water Supply System. Water is then supplied to Aylmer properties via Aylmer's distribution system. Aylmer's water distribution system consists of approximately 44 kilometers of water main of varying sizes (50 mm to 450mm) and types (cast iron, ductile iron, DR-18 plastic, transite). There are nine (9) meter chambers, 239 fire hydrants and approximately 406 street valves within the system.

With respect to wastewater, the Town's collection system consists of approximately 44 kilometres of sanitary sewers which transmit wastewater to the Town's main pumping station on Elm Street. From there, the wastewater is transported to the Aylmer wastewater lagoon facility, located on Rogers Road in the Township of Malahide. The facility consists of four separate lagoon cells and processes approximately 1.1 million cubic metres of wastewater per year.

Water and wastewater rates are imposed on customers to recover costs to operate and maintain the systems as well as for the cost of water purchases from the Aylmer Secondary System. The Town utilizes a rate structure with a fixed monthly base charge based on water meter size, as well as a volume charge imposed on a per cubic metre (cu.m) basis for both water and wastewater. Table 1-1 provides the existing water and wastewater rates currently in effect for the Town.

Table 1-1
Town of Aylmer
Water and Wastewater Rates – 2026

Town of Aylmer		
2026 - Water Billing Rates		
Monthly Base Charge		
16 mm (5/8")	$	10.41
19 mm (3/4")	$	10.41
25 mm (1")	$	17.39
38 mm (1 1/2")	$	30.97
50 mm (2")	$	71.89
76 mm (3")	$	131.31
100 mm (4")	$	227.01
150 mm (6")	$	274.86
200 mm (8")	$	322.73
Volume Charge		
General Water User ($/m^3)	$	3.00
Large Water User ($/m^3)	$	2.80
Bulk Water	$	3.30

Town of Aylmer		
2026 - Wastewater Billing Rates		
Monthly Base Charge		
16 mm (5/8")	$	5.89
19 mm (3/4")	$	5.89
25 mm (1")	$	9.15
38 mm (1 1/2")	$	17.01
50 mm (2")	$	40.96
76 mm (3")	$	74.83
100 mm (4")	$	129.34
150 mm (6")	$	202.60
200 mm (8")	$	275.84
Volume Charge		
Non-Metered Sewage User ($/m^3)	$	1.73
Metered Sewage User ($/m^3)	$	1.73

General Water User: any Town approved customers that consumes and/or uses less than 100,000 m3 of water per annum
Large Water User: any Town approved customer that consumes and/or uses more than 100,000 m3 of water per year

Since the Walkerton crisis in 2000, the Province has continued to make legislative changes for municipal water and wastewater systems. Noted below are the historical changes along with pending legislation anticipated to be implemented in the future. Watson & Associates Economists Ltd. (Watson) was retained by the Town of Aylmer to assist in addressing these changes in a proactive manner as they relate to the water and wastewater systems. The assessment provided herein addresses changes recommended to the water and wastewater rates based on the most current information and forecasts the implications over the next 10-year period.

1.2 Study Process

The objectives of the study and the steps involved in carrying out this assignment are summarized below:

- Identify all current and future water and wastewater system capital needs to assess the immediate and longer-term implications;

- Identify potential methods of cost recovery from the capital needs listing. These recovery methods may include other statutory authorities (e.g. *Development Charges Act, 1997* (D.C.A.), *Municipal Act*, etc.) as an offset to recovery through the water and wastewater rates;
- Identify existing operating costs by component and estimate future operating costs over the next ten years. This assessment identifies fixed and variable costs in order to project those costs sensitive to changes to the existing infrastructure inventory, as well as costs which may increase commensurate with growth; and
- Provide staff and Council with the findings to assist in gaining approval of the rates for 2027 and future years.

1.3 Regulatory Changes in Ontario

Resulting from the water crisis in Walkerton, significant regulatory changes have been made in Ontario. These changes arise as a result of the Walkerton Commission and the 93 recommendations made by the Walkerton Inquiry Part II report. Areas of recommendation include:

- watershed management and source protection;
- quality management;
- preventative maintenance;
- research and development;
- new performance standards;
- sustainable asset management; and
- lifecycle costing.

The legislation which would have most impacted municipal water and wastewater rates was the *Sustainable Water and Sewage Systems Act* (S.W.S.S.A.), which would have required municipalities to implement **full cost pricing**. The legislation was enacted in 2002, however, it had not been implemented pending the approval of its regulations. The Act was repealed as of January 1, 2013. It is expected that the provisions of the *Water Opportunities Act* will implement the fundamental requirements of S.W.S.S.A. Furthermore, on December 27, 2017, O. Reg. 588/17 was released under the *Infrastructure for Jobs and Prosperity Act, 2015* (I.J.P.A.), which outlines the requirements for asset management for municipalities. The results of the asset management review under this Act will need to be considered in light of the recent

investments undertaken by the Town and the capital spending plan provided herein. The following sections describe these various resulting changes.

1.4 Sustainable Water and Sewage Systems Act

As noted earlier, the S.W.S.S.A. was passed on December 13, 2002. The intent of the Act was to introduce the requirement for municipalities to undertake an assessment of the "full cost" of providing their water and wastewater services. It is noted, however, that this Act has been repealed. To provide a broader context and understanding of other legislation discussed herein, a description of the Act is provided below.

Full costs for water service was defined in subsection 3(7) of the Act and included "…source protection costs, operating costs, financing costs, renewal and replacement costs and improvement costs associated with extracting, treating or distributing water to the public and such other costs which may be specified by regulation." Similar provisions were made for wastewater services in subsection 4(7) with respect to "…collecting, treating or discharging wastewater."

The Act would have required the preparation of two reports for submission to the Ministry of the Environment (or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*). The first report was on the "full cost of services" and the second was the "cost recovery plan." Once these reports were reviewed and approved by the Ministry, the municipality would have been required to implement the plans within a specified time period.

In regard to the **full cost of services** report, the municipality (deemed a regulated entity under the Act) would prepare and approve a report concerning the provision of water and sewage services. This report was to include an inventory of the infrastructure, a management plan providing for the long-term integrity of the systems, and would address the full cost of providing the services (other matters may be specified by the regulations) along with the revenue obtained to provide them. A professional engineer would certify the inventory and management plan portion of the report. The municipality's auditor would be required to provide a written opinion on the report. The report was to be approved by the municipality and then be forwarded to the Ministry along with the engineer's certification and the auditor's opinion. The regulations would stipulate the timing for this report.

The second report was referred to as a **cost recovery plan** and would address how the municipality intended to pay for the full costs of providing the service. The regulations were to specify limitations on what sources of revenue the municipality may use. The regulations may have also provided limits as to the level of increases any customer or class of customer may experience over any period of time. Provision was made for the municipality to implement increases above these limits; however, ministerial approval would be required first. Similar to the first report, the municipal auditor would provide a written opinion on the report prior to Council's adoption, and this opinion must accompany the report when submitted to the Province.

The Act provided the Minister the power to approve or not approve the plans. If the Minister was not satisfied with the report or if a municipality did not submit a plan, the Minister may have a plan prepared. The cost to the Crown for preparing the plan would be recovered from the municipality. As well, the Minister may direct two or more regulated municipalities to prepare a joint plan. This joint plan may be directed at the onset or be directed by the Minister after receiving the individual plans from the municipalities.

The Minister also had the power to order a municipality to generate revenue from a specific revenue source or in a specified manner. The Minister may have also ordered a regulated entity to do or refrain from doing such things as the Minister considered advisable to ensure that the entity pays the full cost of providing the services to the public.

Once the plans were approved and in place, the municipality would be required to submit progress reports. The timing of these reports and the information to be contained therein would be established by the regulations. A municipal auditor's opinion must be provided with the progress report. Municipalities would also revise the plans if they deem the estimate does not reflect the full cost of providing the services, as a result of a change in circumstances, regulatory or other changes that affect their plan, etc. The municipality would then revise its prior plan, provide an auditor's opinion, and submit the plan to the Minister.

1.5 Financial Plans Regulation

On August 16, 2007, the M.O.E. passed O.Reg 453/07 which requires the preparation of financial plans for water (and wastewater) systems. The M.O.E. has also provided a

Financial Plan Guidance Document to assist in preparing the plans. A brief summary of the key elements of the regulation is provided below:

- The financial plan will represent one of the key elements for the municipality to obtain its Drinking Water Licence;
- The financial plans shall be for a period of at least six years, but longer planning horizons are encouraged;
- As the regulation is under the *Safe Drinking Water Act, 2002*, the preparation of the plan is mandatory for water and encouraged for wastewater;
- The plan is considered a living document (i.e. will be updated as annual budgets are prepared) but will need to be undertaken, at a minimum, every five years;
- The plans generally require the forecasting of capital, operating and reserve fund positions, providing detailed inventories, forecasting future users and volume usage and corresponding calculation of rates. In addition, P.S.A.B. information on the system must be provided for each year of the forecast (i.e. total non-financial assets, tangible capital asset acquisitions, tangible capital asset construction, betterments, write-downs, disposals, total liabilities and net debt);
- The financial plans must be made available to the public (at no charge) upon request and be available on the municipality's website. The availability of this information must also be advertised; and
- The financial plans are to be approved by Resolution of the Council or governing body indicating that the drinking water system is financially viable.

In general, the financial principles of the draft regulations follow the intent of S.W.S.S.A. to move municipalities towards financial sustainability. Many of the prescriptive requirements, however, have been removed (e.g. preparation of two separate documents for provincial approval, auditor opinions, engineer certifications, etc.).

A Guideline ("Towards Financially Sustainable Drinking Shores – Water and Wastewater Systems") had been developed to assist municipalities in understanding the Province's direction and provided a detailed discussion on possible approaches to sustainability. The Province's Principles of Financially Sustainable Water and Wastewater Services are provided below:

Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.

Principle #2: An integrated approach to planning among water, wastewater, and stormwater systems is desirable given the inherent relationship among these services.

Principle #3: Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.

Principle #4: Lifecycle planning with mid-course corrections is preferable to planning over the short term, or not planning at all.

Principle #5: An asset management plan is a key input to the development of a financial plan.

Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.

Principle #7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.

Principle #8: Financial plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.

Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal Council.

1.6 Water Opportunities Act, 2010

As noted earlier, since the passage of the *Safe Drinking Water Act, 2002*, continuing changes and refinements to the legislation have been introduced. Some of these Bills have found their way into law, while others have not been approved. Bill 72, the *Water Opportunities Act, 2010*, was introduced into legislation on May 18, 2010 and received Royal Assent on November 29, 2010.

The Act provides for the following elements:

- The fostering of innovative water, wastewater and stormwater technologies, services and practices in the private and public sectors;
- Preparation of water conservation plans to achieve water conservation targets established by the regulations; and
- Preparation of sustainability plans for municipal water services, municipal wastewater services and municipal stormwater services.

With regard to the sustainability plans:

- The Act extends from the water financial plans and requires a more detailed review of the water financial plan and requires a full plan for wastewater and stormwater services; and
- Regulations will provide performance targets for each service – these targets may vary based on the jurisdiction of the regulated entity or the class of entity.

The financial plan shall include:

- An asset management plan for the physical infrastructure;
- A financial plan;
- For water, a water conservation plan;
- An assessment of risks that may interfere with the future delivery of the municipal service, including, if required by the regulations, the risks posed by climate change and a plan to deal with those risks; and
- Strategies for maintaining and improving the municipal service, including strategies to ensure the municipal service can satisfy future demand, consider technologies, services and practices that promote the efficient use of water and reduce negative impacts on Ontario's water resources, and increase co-operation with other municipal service providers.

Performance indicators will be established by service, with the following considerations:

- May relate to the financing, operation or maintenance of a municipal service or to any other matter in respect of what information may be required to be included in a plan;
- May be different for different municipal service providers or for municipal services in different areas of the Province.

Regulations will prescribe:

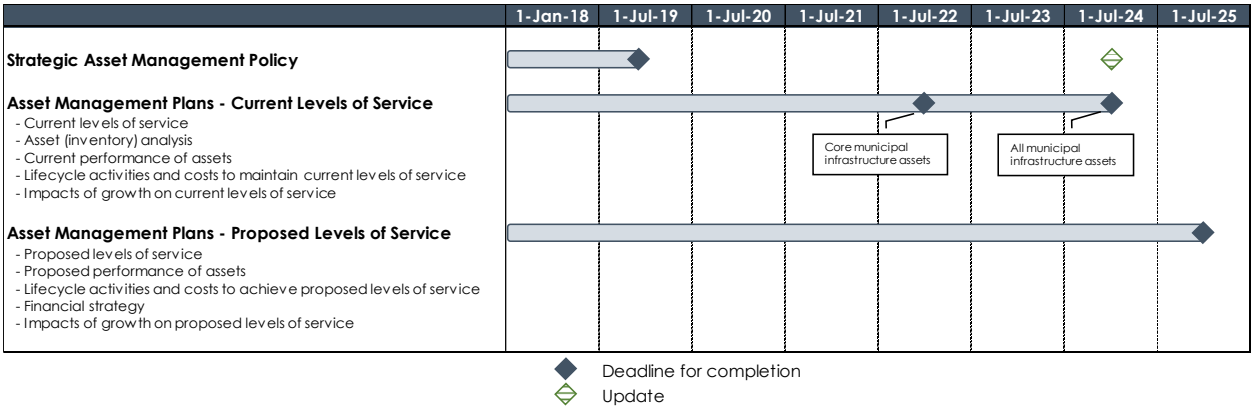
- Timing;
- Contents of the plans;
- Which identified portions of the plan will require certification;
- Public consultation process; and
- Limitations, updates, refinements, etc.

As noted earlier, it is expected that this Act will implement the principles of the S.W.S.S.A. once all regulations are put in place.

1.7 Infrastructure for Jobs and Prosperity Act, 2015 (I.J.P.A.)

On June 4, 2015, the Province of Ontario passed the I.J.P.A. which, over time, will require municipalities to undertake and implement asset management plans for all infrastructure they own. On December 27, 2017, the Province released Ontario Regulation 588/17 under the I.J.P.A. which has three phases that municipalities must meet:

Figure 1-1
Legislative Timelines set out by the Jobs and Prosperity Act
Legislation related to Asset Management Plans



Note: on March 15, 2021, the Province filed Regulation 193/21 to extend all of the timelines of Regulation 588/17 by one year (reflected in the table above).

Every municipality in Ontario was required to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2022):
    - For core assets, municipalities must have the following:
        - Inventory of assets;
        - Current levels of service measured by standard metrics; and
        - Costs to maintain levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
    - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
    - Builds on Phase 1 and 2 by adding:
        - Proposed levels of service; and
        - Lifecycle management and financial strategy.

In relation to water and wastewater (which are considered core assets), municipalities were required to have an asset management plan that addresses the related infrastructure by July 1, 2022 (Phase 1). O.Reg. 588/17 specifies that the municipality's asset management plan must include the following for each asset category:

- The current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan;
- The current performance of each asset category, including:
    - a summary of the assets in the category;
    - the replacement cost of the assets in the category;
    - the average age of the assets in the category, determined by assessing the average age of the components of the assets;
    - the information available on the condition of the assets in the category;
    - a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- The lifecycle activities that would need to be undertaken to maintain the current levels of service.

1.8 Forecast Growth and Servicing Requirements

The Town of Aylmer currently serves 3,215 water customers and 3,186 wastewater customers. Information on the existing number of customers and existing billable water volumes was obtained from the Town.

For forecasting future water and wastewater volumes in the Town, an average annual volume per customer of 141 cu.m has been assumed for new customers. This assumption was based on a review of historical water consumption per residential customer.

For future water and wastewater customers to be added to the systems, consideration has been given to development potential within the Town over the forecast period of 2026 to 2036. The future development estimates are based on the growth forecast utilized in the Town's ongoing 2026 development charges background study.

Over the forecast period, an average of 45 water users are assumed to be added to the system annually. For wastewater, the same information and assumptions have been utilized for forecasting new users to be added to the system.

Table 1-2 provides the forecast of water users and volumes in the Town, while Table 1-3 provides the forecast of wastewater users and volumes.

Table 1-2
Town of Aylmer
2026 to 2036 Water System Forecast

Water Users Forecast

Year	Total Users	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026	45	23	45	45	45	45	45	45	45	45	45	45
2027	45		23	45	45	45	45	45	45	45	45	45
2028	45			23	45	45	45	45	45	45	45	45
2029	45				23	45	45	45	45	45	45	45
2030	45					23	45	45	45	45	45	45
2031	45						23	45	45	45	45	45
2032	45							23	45	45	45	45
2033	45								23	45	45	45
2034	45									23	45	45
2035	46										23	46
2036	46											23
Total	**501**	**23**	**68**	**114**	**159**	**204**	**250**	**295**	**341**	**386**	**431**	**478**
m^3/user	141	141	141	141	141	141	141	141	141	141	141	141
Annual Flow		**3,238**	**9,625**	**16,012**	**22,399**	**28,786**	**35,173**	**41,560**	**47,947**	**54,334**	**60,721**	**67,249**

Water Customer Forecast	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing - General Water Users	3,214	3,214	3,214	3,214	3,214	3,214	3,214	3,214	3,214	3,214	3,214
Existing - Large Water Users	1	1	1	1	1	1	1	1	1	1	1
New - Growth	23	68	114	159	204	250	295	341	386	431	478
Total	**3,238**	**3,283**	**3,329**	**3,374**	**3,419**	**3,465**	**3,510**	**3,556**	**3,601**	**3,646**	**3,693**

Water Volume Forecast (m^3)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing - General Water Users	676,324	676,324	676,324	676,324	676,324	676,324	676,324	676,324	676,324	676,324	676,324
Existing - Large Water Users	864,240	864,240	864,240	864,240	864,240	864,240	864,240	864,240	864,240	864,240	864,240
New - Growth	3,238	9,625	16,012	22,399	28,786	35,173	41,560	47,947	54,334	60,721	67,249
Total	**1,543,802**	**1,550,189**	**1,556,576**	**1,562,963**	**1,569,350**	**1,575,737**	**1,582,124**	**1,588,511**	**1,594,898**	**1,601,285**	**1,607,813**

Table 1-3
Town of Aylmer
2026 to 2036 Wastewater System Forecast

Wastewater Users Forecast

Year	Total Users	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026	45	23	45	45	45	45	45	45	45	45	45	45
2027	45		23	45	45	45	45	45	45	45	45	45
2028	45			23	45	45	45	45	45	45	45	45
2029	45				23	45	45	45	45	45	45	45
2030	45					23	45	45	45	45	45	45
2031	45						23	45	45	45	45	45
2032	45							23	45	45	45	45
2033	45								23	45	45	45
2034	45									23	45	45
2035	46										23	46
2036	46											23
Total	**501**	**23**	**68**	**114**	**159**	**204**	**250**	**295**	**341**	**386**	**431**	**478**
m^3/user	141	141	141	141	141	141	141	141	141	141	141	141
Annual Flow		**3,238**	**9,625**	**16,012**	**22,399**	**28,786**	**35,173**	**41,560**	**47,947**	**54,334**	**60,721**	**67,249**

Wastewater Customer Forecast	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing - General Water Users	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184
Existing - Large Water Users	2	2	2	2	2	2	2	2	2	2	2
New - Growth	23	68	114	159	204	250	295	341	386	431	478
Total	**3,209**	**3,254**	**3,300**	**3,345**	**3,390**	**3,436**	**3,481**	**3,527**	**3,572**	**3,617**	**3,664**

Wastewater Flows Forecast (m^3)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing - General Water Users	692,444	692,444	692,444	692,444	692,444	692,444	692,444	692,444	692,444	692,444	692,444
Existing - Large Water Users	111,160	111,160	111,160	111,160	111,160	111,160	111,160	111,160	111,160	111,160	111,160
New - Growth	3,238	9,625	16,012	22,399	28,786	35,173	41,560	47,947	54,334	60,721	67,249
Total	**806,842**	**813,229**	**819,616**	**826,003**	**832,390**	**838,777**	**845,164**	**851,551**	**857,938**	**864,325**	**870,853**

Note: Above flows are water flows on which the wastewater billing will be calculated

Chapter 2
Capital Infrastructure Needs

2. Capital Infrastructure Needs

2.1 Capital Forecast

Capital forecasts have been provided for the water and wastewater systems and are presented in Tables 2-1 and 2-2 (note: the costs are provided in inflated dollars). The basis for these forecasts is the Town's water and wastewater capital budgets, asset management plan, development charges background study, and discussions with staff.

The following tables provide a summary of the capital works related to water and wastewater services. Table 2-1 presents the water capital forecast summary, and Table 2-2 presents the wastewater capital forecast summary.

Table 2-1
Town of Aylmer
2026 to 2036 Water Capital Forecast Summary (Inflated $)

Description	Total 2026 to 2036	Years Undertaken
Capital Expenditures		
New Water Tower & site works	924,560	2026
Elk St. - Water	261,952	2026
Water tower decommissioning/service	364,000	2028
Truck #3 Replacement	88,000	2028
South, Pine, and Victoria St. Reconstruction	540,000	2028
Pine Street - Queen to Victoria - Reconstruction	338,000	2028
Victoria St N & Warren St - Water St to End - Reconstruction	649,000	2030
Myrtle St - Catfish Cr. to Forest - Reconstruction	731,000	2031
St George - South to Talbot - Reconstruction	852,000	2033
Forest - Elm to John - Reconstruction	845,000	2032
Talbot Street East Watermain	1,043,000	2032 to 2033
Wellington St. - Talbot to South - Roadwork/ Watermain	500,000	2034
Parkview Hghts - Chestnut to Forest - Reconst.	856,000	2035
Lifecycle:		
Recommended Annual Requirement from the Town's Asset Management Plan	4,803,000	2027 to 2036
Studies:		
Water and Wastewater Rate Study and Financial Plan	89,500	2026, 2030, 2034
Total Capital Expenditures	**12,885,012**	

Table 2-2
Town of Aylmer
2026 to 2036 Wastewater Capital Forecast Summary (Inflated $)

Description	Total 2026 to 2036	Years Undertaken
Capital Expenditures		
Sanitary Sewer		
Elk St. - Sanitary Sewer	231,651	2026
South St. Reconstruction	530,000	2026
Pine Street - Queen to Victoria - Reconstruction	525,000	2028
Victoria St N & Warren St - Water St to End - Reconstruction	1,002,000	2030
Myrtle St - Catfish Cr. to Forest - Reconstruction	768,000	2031
Forest - Elm to John - Reconstruction	809,000	2032
St. George Street - S End to Talbot & Oak St - Talbot to Elm - Reconstruction	949,000	2033
Wellington St. - Talbot to South - Roadwork/ Watermain	734,000	2034
Parkview Hghts - Chestnut to Forest - Reconst.	1,315,000	2035
Lagoons		
Optimization and expansion of treatment facility - Phase I	10,700,000	2026
ISF pumps (Intermittent Sand Filter pumps)	52,000	2028
Headworks	10,073,000	2027
Sludge removal from Lagoons	6,095,000	2036
Pumping Stations		
SCADA ($1,800,000 split between water,sanitary collection and sanitary treatment) Pump station rehab to coordinate SCADA (mech)	1,160,467	2026
Forcemain Chamber Repairs	51,000	2027
Studies:		
Water and Wastewater Rate Study and Financial Plan	89,500	2026, 2030, 2034
EA Study - Lagoon Expansion	102,000	2027
Total Capital Expenditures	**35,186,618**	

Chapter 3
Lifecycle Costing

3. Lifecycle Costing

3.1 Overview of Lifecycle Costing

3.1.1 Definition

For many years, lifecycle costing has been used in the field of maintenance engineering and to evaluate the advantages of using alternative materials in construction or production design. The method has gained wider acceptance and use in the areas of industrial decision-making and the management of physical assets.

By definition, lifecycle costs are all the costs which are incurred during the lifecycle of a physical asset, from the time its acquisition is first considered to the time it is taken out of service for disposal or redeployment. The stages which the asset goes through in its lifecycle are specification, design, manufacture (or build), install, commission, operate, maintain and disposal. Figure 3-1 depicts these stages in a schematic form.

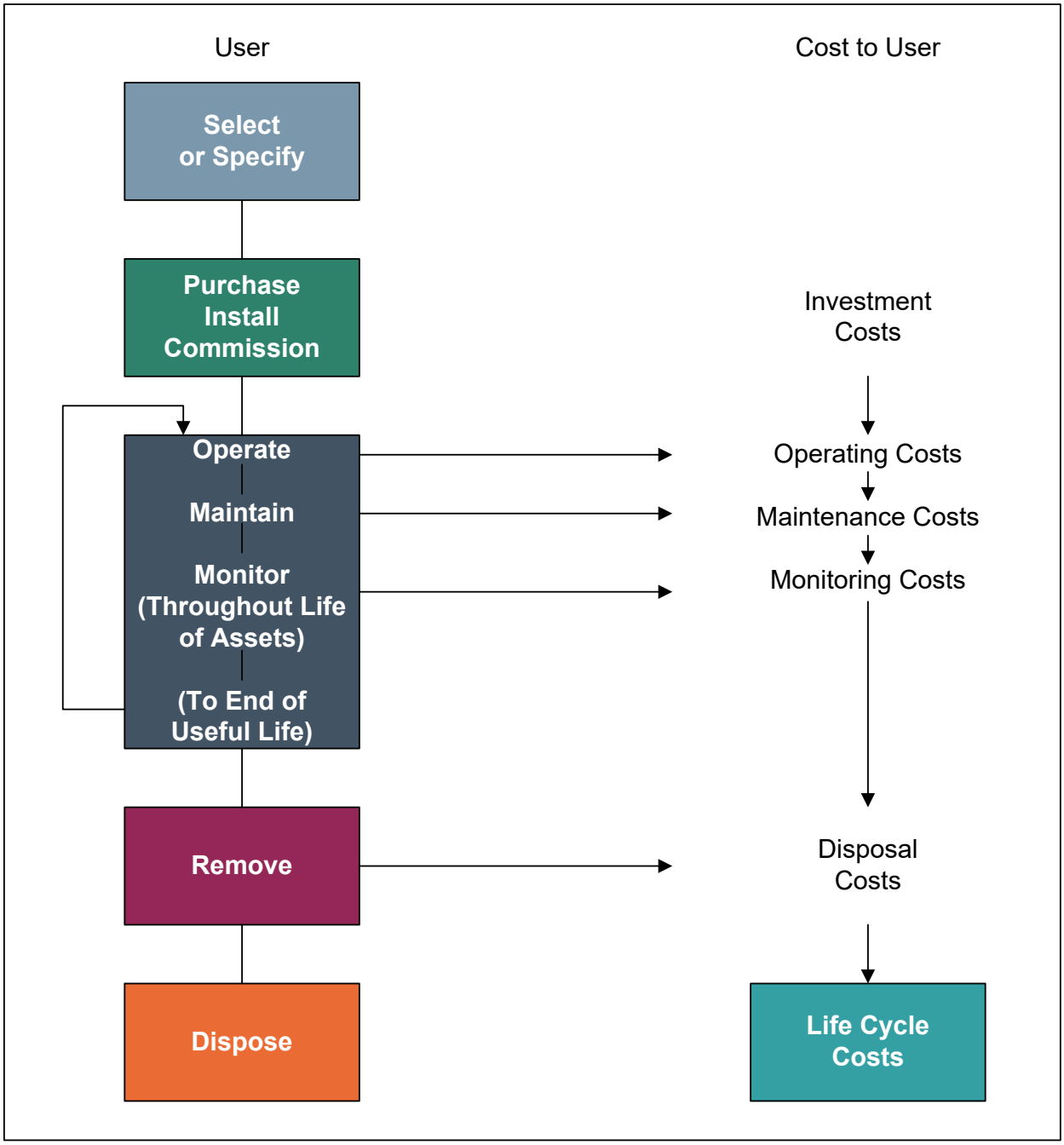
3.1.2 Financing Costs

This section will focus on financing mechanisms in place to fund the costs incurred throughout the asset's life.

In a municipal context, services are provided to benefit tax/rate payers. Acquisition of assets is normally timed in relation to direct needs within the community. At times, economies of scale or technical efficiencies will lead to oversizing an asset to accommodate future growth within the Town. Over the past few decades, new financing techniques such as development charges have been employed based on the underlying principle of having tax/rate payers who benefit directly from the service paying for that service. Operating costs which reflect the cost of the service for that year are charged directly to all existing tax/rate payers who have received the benefit. Operating costs are normally charged through the tax base or user rates.

Capital expenditures are recouped through several methods, with operating budget contributions, development charges, reserves, developer contributions and debentures, being the most common.

Figure 3-1
Lifecycle Costing



New construction related to growth could produce development charges and developer contributions (e.g. works internal to a subdivision which are the responsibility of the developer to construct) to fund a significant portion of projects, where new assets are being acquired to allow growth within the Town to continue. As well, debentures could

be used to fund such works, with the debt charge carrying costs recouped from tax and ratepayers in the future.

Capital construction to replace existing infrastructure, however, is largely not growth-related and will therefore not yield development charges or developer contributions to assist in financing these works. Hence, a municipality will be dependent upon debentures, reserves and contributions from the operating budget to fund these works.

Figure 3-2 depicts the costs of an asset from its initial conception through to replacement and then continues to follow the associated costs through to the next replacement.

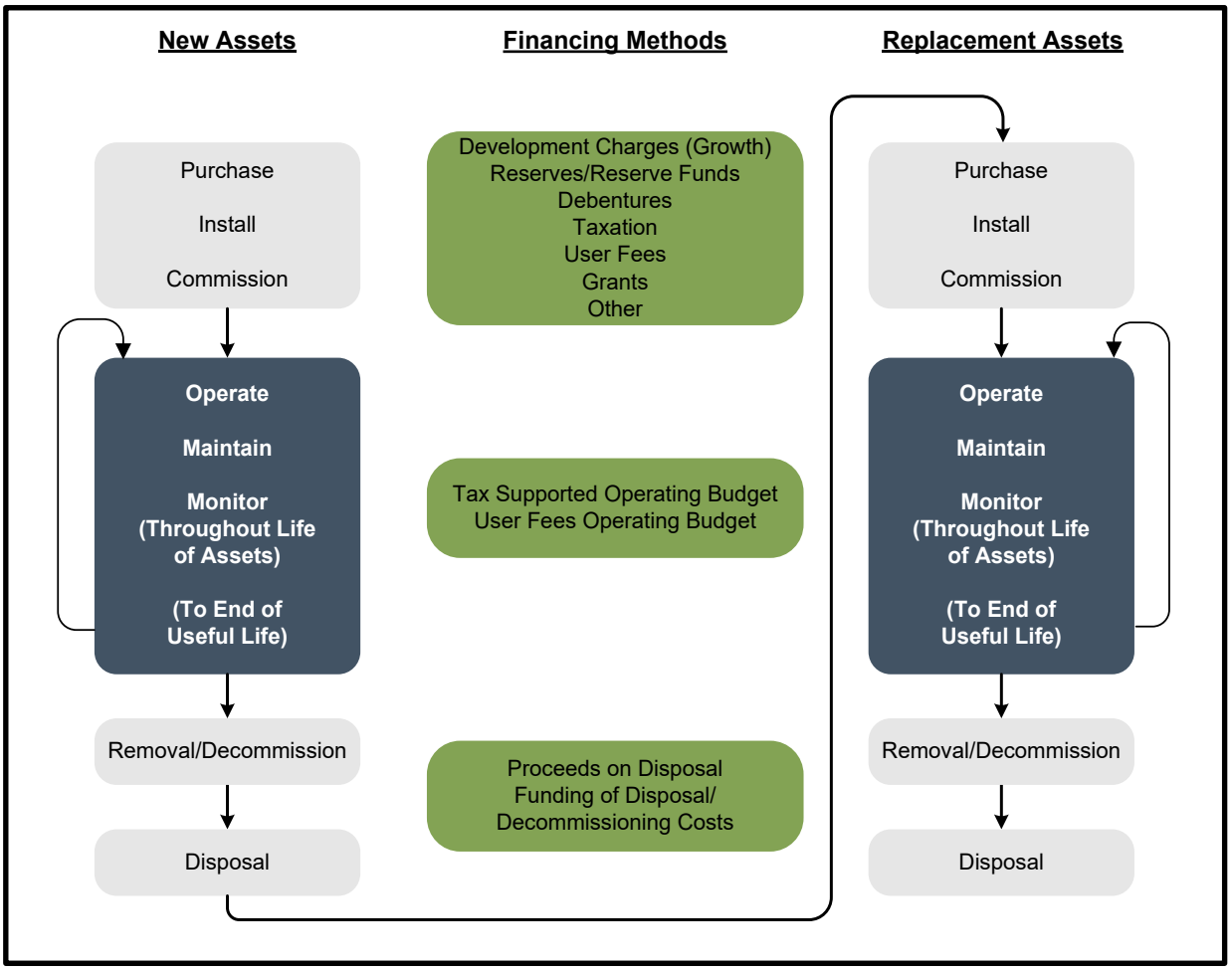
As referred to earlier, growth-related financing methods such as development charges and developer contributions could be utilized to finance the growth-related component of the new asset. These revenues are collected (indirectly) from the new homeowner who benefits directly from the installation of this asset. Other financing methods may be used as well to finance the non-growth-related component of this project, such as reserves which have been collected from past tax/rate payers, operating budget contributions which are collected from existing tax/rate payers and debenturing which will be carried by future tax/rate payers. Ongoing costs for monitoring, operating and maintaining the asset will be charged annually to the existing tax/rate payer.

When the asset requires replacement, the sources of financing will be limited to reserves, debentures and contributions from the operating budget. At this point, the question is raised: "If the cost of replacement is to be assessed against the tax/rate payer who benefits from the replacement of the asset, should the past tax/rate payer pay for this cost or should future rate payers assume this cost?" If the position is taken that the past user has used up the asset, hence they should pay for the cost of replacement, then a charge should be assessed annually through the life of the asset, to have funds available to replace it when the time comes. If the position is taken that the future tax/rate payer should assume this cost, then debenturing and, possibly, a contribution from the operating budget should be used to fund this work.

Charging for the cost of using up an asset is the fundamental concept behind depreciation methods utilized by the private sector. This concept allows for expending the asset as it is used up in the production process. The tracking of these costs forms part of the product's selling price and, hence, end-users are charged for the asset's depreciation. The same concept can be applied in a municipal setting to charge existing

users for the asset's use and set those funds aside in a reserve to finance the cost of replacing the asset in the future.

Figure 3-2
Financing Lifecycle Costs



3.1.3 Costing Methods

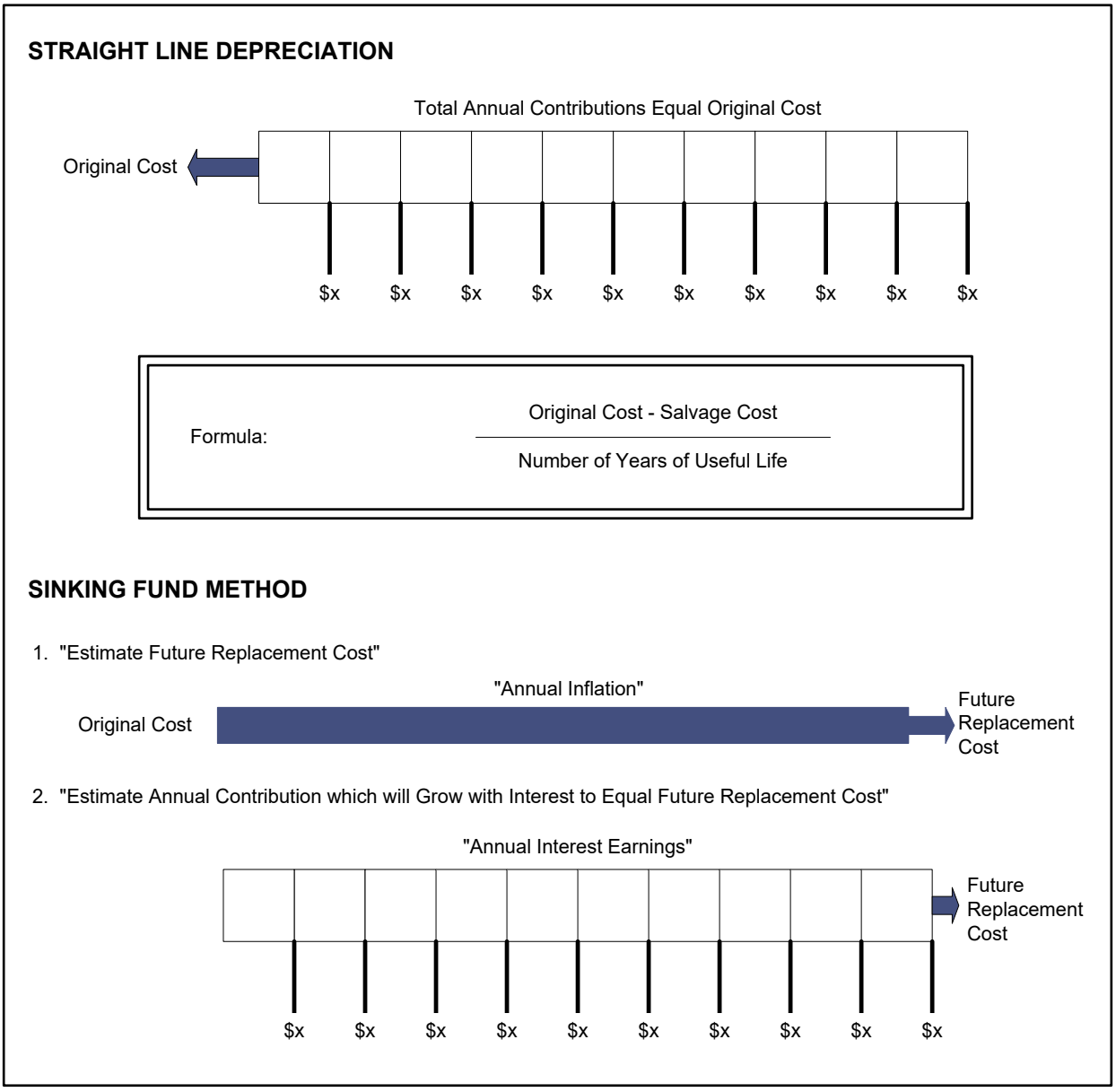
There are two fundamental methods of calculating the cost of the usage of an asset and for the provision of the revenue required when the time comes to retire and replace it. The first method is the Depreciation Method. This method recognizes the reduction in the value of the asset through wear and tear and aging. There are two commonly used forms of depreciation: the straight-line method and the reducing balance method (shown graphically in Figure 3-3).

The straight-line method is calculated by taking the original cost of the asset, subtracting its estimated salvage value (estimated value of the asset at the time it is disposed of) and dividing this by the estimated number of years of useful life. The reducing balance method is calculated by utilizing a fixed percentage rate and this rate is applied annually to the undepreciated balance of the asset value.

The second method of lifecycle costing is the sinking fund method. This method first estimates the future value of the asset at the time of replacement. This is done by inflating the original cost of the asset at an assumed annual inflation rate. A calculation is then performed to determine annual contributions (equal or otherwise) which, when invested, will grow with interest to equal the future replacement cost.

The preferred method used herein for forecasting purposes is the sinking fund method of lifecycle costing.

Figure 3-3



3.2 Impact on Budgets

The Town's 2025 asset management plan outlines the total replacement cost of the Town's water infrastructure to be approximately $64.53 million. The average annual level of investment recommended for water asset lifecycle rehabilitation and replacement needs in the Town's asset management plan is approximately $812,706 per year.

The Town's asset management plan outlines the total replacement cost of the Town's wastewater infrastructure to be approximately $94.07 million. The average annual level of investment recommended for wastewater asset lifecycle rehabilitation and replacement needs in the Town's asset management plan is approximately $1.62 million per year (excluding replacement of the lagoons).

In order to meet these asset management needs, the analysis presented herein provides for additional reserve contributions to set aside funds for future asset replacement requirements. These reserve contributions are based on planned capital expenditures over the forecast period as well as the recommended annual level of investment set out in the asset management plan to ensure that the Town will have funding available for future needs. Table 2-1 outlining the capital forecast for water services includes a dedicated line item for the recommended savings from the asset management plan. Given the higher level of capital investment required for wastewater services, a dedicated line of recommended savings from the asset management plan is not included in Table 2-2; however, the Town plans to save for asset management requirements. The Town is forecasted to save approximately $4.16 million over the forecast period. These savings are shown in the Town's wastewater capital reserve continuity schedule in Table B-5 of Appendix B.

Chapter 4
Capital Cost Financing Options

4. Capital Cost Financing Options

4.1 Summary of Capital Cost Financing Options

Historically, the powers that municipalities had to raise alternative revenues to taxation to fund capital services have been restrictive. Over the past decade, legislative reforms have been introduced. Some of these have expanded municipal powers (e.g. Bill 26 introduced in 1996 to provide for expanded powers for imposing fees and charges), while others appear to restrict them (e.g. Bill 23 in 2022 providing amendments to the D.C.A.).

The Province passed a new *Municipal Act* which came into force on January 1, 2003. Part XII of the Act and O.Reg. 584/06 govern a municipality's ability to impose fees and charges. In contrast to the previous *Municipal Act*, this Act provides municipalities with broadly defined powers and does not differentiate between fees for operating and capital purposes. It is anticipated that the powers to recover capital costs under the previous *Municipal Act* will continue within the new Statutes and Regulations, as indicated by s.9(2) and s.452 of the new *Municipal Act*.

Under s.484 of *Municipal Act, 2001*, the *Local Improvement Act* was repealed with the in-force date of the *Municipal Act* (January 1, 2003). The municipal powers granted under the *Local Improvement Act* now fall under the jurisdiction of the *Municipal Act*. To this end, on December 20, 2002, O.Reg. 390/02 was filed, which allowed for the *Local Improvement Act* to be deemed to remain in force until April 1, 2003. O.Reg. 119/03 was enacted on April 19, 2003, which restored many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

The methods of capital cost recovery available to municipalities are provided as follows:

Recovery Methods	Section Reference
• *Development Charges Act, 1997*	4.2

• *Municipal Act*
  ○ Fees and Charges
  ○ Sewer and Water Area Charges
  ○ Connection Fees
  ○ Local Improvements
	4.3

• Grant Funding	4.4

Recovery Methods	Section Reference
• Existing Reserves/Reserve Funds	4.5
• Debenture Financing	4.6
• Infrastructure Ontario	4.7

4.2 Development Charges Act, 1997

Development charges are a revenue tool used by municipalities to recover the capital costs associated with new development and redevelopment. These costs are in addition to what a developer/builder normally constructs as part of their subdivision (i.e. Local Services). Empowered by the *Development Charges Act, 1997*, municipalities may pass by-laws to impose charges to recover the capital costs associated with development and redevelopment.

The Town currently imposes Development Charges via by-law 78-21 (note: the Town is currently undertaking an update to the D.C. background study and by-law). For projects that are growth-related, this rate study has identified Development Charges as the funding source (i.e. D.C. reserve funds and growth-related debentures to be funded from future D.C. revenues). The *Development Charges Act* includes a number of mandatory exemptions from the charges and as such, some level of funding from the water rates will be required for financing the growth-related capital projects.

Since the inception of the revised *Development Charges Act*, in 1997, the province has expanded the number of mandatory exemptions and discounts required for new development. Should the mandatory exemptions and discounts continue to change with new legislation, the Town may need to reexamine the timing of capital projects to ensure adequate funding is available.

4.3 Municipal Act

Part XII of the *Municipal Act* provides municipalities with broad powers to impose fees and charges via the passage of a by-law. These powers, as presented in s.391(1), include imposing fees or charges:

- “for services or activities provided or done by or on behalf of it;
- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and

- for the use of its property including property under its control."

Restrictions are provided to ensure that the form of the charge is not akin to a poll tax. Any charges not paid under this authority may be added to the tax roll and collected in a like manner. The fees and charges imposed under this part are not appealable to the Ontario Land Tribunal (OLT) (formerly Local Planning Appeal Tribunal (LPAT), formerly O.M.B.).

Section 221 of the previous *Municipal Act* permitted municipalities to impose charges, by by-law, on owners or occupants of land who would or might derive benefit from the construction of sewage (storm and sanitary) or water works being authorized (in a specific benefit area). For a by-law imposed under this section of the previous Act:

- A variety of different means could be used to establish the rate and recovery of the costs and could be imposed by a number of methods at the discretion of Council (i.e. lot size, frontage, number of benefiting properties, etc.);
- Rates could be imposed with respect to costs of major capital works, even though an immediate benefit was not enjoyed;
- Non-abutting owners could be charged;
- Recovery was authorized against existing works, where a new water or sewer main was added to such works, "notwithstanding that the capital costs of existing works has in whole or in part been paid;"
- Charges on individual parcels could be deferred;
- Exemptions could be established;
- Repayment was secured; and
- OLT approval was not required.

While under the new *Municipal Act* no provisions are provided specific to the previous s.221, the intent to allow capital cost recovery through fees and charges is embraced within s.391. The new *Municipal Act* also maintains the ability of municipalities to impose capital charges for water and sewer services on landowners not receiving an immediate benefit from the works. Under s.391(2) of the Act, "a fee or charge imposed under subsection (1) for capital costs related to sewage or water services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time." Also, capital charges imposed under s.391 are not appealable to the OLT on the grounds that the charges are "unfair or unjust."

Section 222 of the previous *Municipal Act* permitted municipalities to pass a by-law requiring buildings to connect to the municipality's sewer and water systems, charging the owner for the cost of constructing services from the mains to the property line. Under the new *Municipal Act*, this power still exists under Part II, General Municipal Powers (s.9 (3) b of the *Municipal Act*). Enforcement and penalties for this use of power are contained in s.427 (1) of the *Municipal Act*.

Under the previous *Local Improvement Act*:

- A variety of different types of works could be undertaken, such as watermain, storm and sanitary sewer projects, supply of electrical light or power, bridge construction, sidewalks, road widening and paving;
- Council could pass a by-law for undertaking such work on petition of a majority of benefiting taxpayers, on a 2/3 vote of Council and on sanitary grounds, based on the recommendation of the Minister of Health. The by-law was required to go to the OLT, which might hold hearings and alter the by-law, particularly if there were objections;
- The entire cost of a work was assessed only upon the lots abutting directly on the work, according to the extent of their respective frontages, using an equal special rate per metre of frontage; and
- As noted, this Act was repealed as of April 1, 2003; however, O.Reg. 119/03 was enacted on April 19, 2003 which restores many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

4.4 Grant Funding

Phase 1 (April 1, 2016 to March 31, 2018)

Funding was provided by the Government of Canada to expressly help municipalities with repair and rehabilitation projects. Funding was mainly provided through the Clean Water and Wastewater Fund (C.W.W.F.) and Public Transit Infrastructure Fund (P.T.I.F.) in Federal Phase 1 projects. The C.W.W.F. was announced in Ontario on September 15, 2016. The Fund was $1.1 billion for water, wastewater, and storm water systems in Ontario. The federal government provided $569 million and Ontario and municipal governments provided $275 million each.

Over 1,300 water, wastewater, and storm water projects have been approved in Ontario through the C.W.W.F. In Ontario, P.T.I.F. accounted for nearly $1.5 billion of the national total of $3.4 billion. The program was allocated by ridership numbers from the Canadian Urban Transit Association. The Association of Municipalities of Ontario (A.M.O.) understands that $1 billion of Ontario's share has been approved.

Phase 2: Next Steps

The federal government announced Phase 2 of its infrastructure funding plan with a total of $180 billion spent over 11 years. In addition to the balance of funding for previous green, social, and public transit infrastructure funds ($20 billion each, including Phase 1), the government added $10.1 billion for trade and transportation infrastructure and $2 billion for rural and northern communities.

In Phase 2, Ontario was eligible for $11.8 billion including $8.3 billion for transit, $2.8 billion for green infrastructure, $407 million for community, culture and recreation and $250 million for rural and northern communities.

Canada Community-Building Fund

The Canada Community-Building Fund is a permanent source of funding provided up front, twice-a-year, to Provinces and Territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility. Every year, the Canada Community-Building Fund provides over $2 billion and supports approximately 2,500 projects in communities across Canada. Each municipality selects how best to direct the funds with the flexibility provided to make strategic investments across 18 different project categories, which include other water and wastewater servicing.

Ontario Government

The Province has taken steps to increase municipal infrastructure funding. The Ontario Community Infrastructure Fund (O.C.I.F.) was increased in 2016 with formula-based support growing to $200 million, and application funding growing to $100 million annually by 2018/2019. As well, $15 million annually will go to the new Connecting Links program to help pay for the construction and repair costs of municipal roads that connect communities to provincial highways. This is on top of the Building Ontario Up investment of $130 billion in public infrastructure over 10 years starting in 2015.

Recently the Province announced funding through a new Ontario Infrastructure Bank. This new, arms-length, board-governed agency will assist investors and institutions to further participate in large-scale infrastructure projects. Ontario is providing $825 million over three years towards the Housing-Enabling Water Systems Fund, which will help municipalities repair, rehabilitate and expand drinking water, wastewater and stormwater infrastructure needed to build more homes.

The Town received $4.56 million in grant funding from the Housing-Enabling Water Systems Fund in September 2024. The grant is intended to fund a portion of the optimization and expansion of the wastewater treatment facility (sanitary lagoon optimization phase 1 project). The Town has also received a grant for phase 2 of the sanitary lagoon optimization project as of January 2026. The grant of approximately $7.21 million from Ontario's Municipal Housing Infrastructure Program's Health & Safety Water Stream will be used to install new headworks.

4.5 Existing Reserves/Reserve Funds

The Town has established reserve funds for water and wastewater capital. The following table summarizes the water and wastewater capital reserve funds utilized in this analysis and their respective estimated balances as of December 31, 2025.

Table 4-1
Town of Aylmer
Water and Wastewater Reserves and Reserve Funds
As of December 31, 2025

Reserve	Dec. 31 2025
Water	
Capital Reserve	4,697,661
Development Charges Reserve Fund	1,105,712
Wastewater	
Capital Reserve	2,208,418
Development Charges Reserve Fund	1,228,460

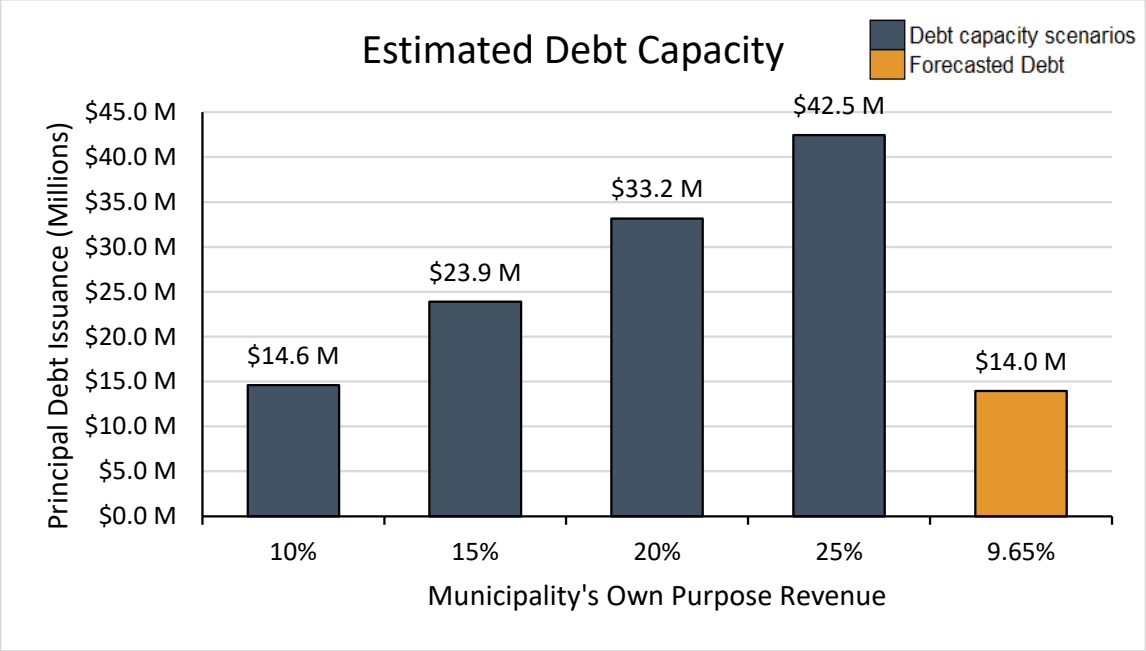
4.6 Debenture Financing

Although it is not a direct method of minimizing the overall cost to the ratepayer, debentures are used by municipalities to assist in cash flowing large capital expenditures.

The Ministry of Municipal Affairs regulates the level of debt incurred by Ontario municipalities, through its powers established under the *Municipal Act*. Ontario Regulation 403/02 provides the current rules respecting municipal debt and financial obligations. Through the rules established under these regulations, a municipality's debt capacity is capped at a level where no more than 25% of the municipality's own purpose revenue may be allotted for servicing the debt (i.e. debt charges). The Town of Aylmer's calculation on Debt Capacity is shown on Schedule 81 of the Town's most recent Financial Information Return (F.I.R.). This calculates the Town's estimated annual repayment limit of approximately $3.40 million. Based upon 20-year financing at an assumed rate of 4.57%, and after the forecasted debenture related to police services as identified in the Town's 2026 D.C. study, the available debt for the Town is approximately $42.45 million. Although the Town is capped at a level where no more than 25% of the municipality's own purpose revenue may be allotted to servicing the debt, municipalities often aim to fall below 25%. Figure 4-1 details the available debt for the Town based on 10%, 15%, 20%, and 25%.

With respect to new debt issuances, the analysis presented herein forecasts the need for approximately $13.96 million in debt for wastewater services over the forecast period, comprised of approximately $6.10 million in non-growth-related debt and $7.86 million in growth-related debt. There are no anticipated new water debt issuances. Based on the forecasted debt issuances, the Town would be allotting approximately 9.65% of its own purpose revenue for all Town-wide debenture issuances.

Figure 4-1
Town of Aylmer
Estimated Debt Capacity Scenarios



4.7 Infrastructure Ontario

Infrastructure Ontario (I.O.) is an arms-length crown corporation, which supports the Ontario government's goals of modernizing and maximizing the value of public infrastructure. Its lending program was established as a tool to offer low-cost and longer-term financing to assist municipalities in modernizing and renewing their infrastructure. I.O. combines the infrastructure renewal needs of municipalities into an infrastructure investment "pool." I.O. will raise investment capital to finance loans to the public sector by selling Infrastructure Renewal Bonds to individual and institutional investors.

I.O. provides access to infrastructure capital that would not otherwise be available to smaller borrowers. Larger borrowers receive longer loan terms than they could get in the financial markets. They can also save on costs such as legal fees and underwriting commissions. Under the I.O. approach, all borrowers receive the same low interest rate. I.O. will enter into a financial agreement with each municipality, subject to technical and credit reviews, for a loan up to the maximum amount of the loan request.

To be eligible to receive these loans, municipalities must submit a formal application along with pertinent financial information. Allotments are prioritized and distributed based upon the Province's assessment of need.

4.7.1 Housing-Enabling Water Infrastructure Lending Stream

On November 28, 2024, the Province and I.O. announced the Housing-Enabling Water Infrastructure (H.E.W.I.) lending stream. This lending stream will provide up to $1.0 billion in loans to municipalities for projects to construct, expand, and rehabilitate drinking water, wastewater, and stormwater infrastructure to enable new housing development. Eligible projects under this stream include:

- Potable Water Assets: Treatment plants, reservoirs, local pipes, distribution system watermains, municipal service lines, and pump stations.
- Wastewater Assets: Lagoon systems, pump stations, lift stations, linear assets, treatment plants, storage tanks, and collection systems.
- Stormwater Assets: Management facilities and linear assets such as conveyance piping, ditches, and culverts.

Key features of this lending stream include lower interest rates, the option to defer interest payments during the construction phase of a project, and extended amortization periods (up to 40 years). Additionally, municipalities have the flexibility to issue multiple debentures in sequence over the 40-year period (i.e., split terms during debentures) and to pay down the principal between sequential debentures. This program started accepting applications on December 2, 2024, and is being administered on a "first-come-first-served" basis until the maximum program amount is reached.

4.8 Recommended Capital Financing Approach

Of the various funding alternatives provided in this section, the following are recommended for further consideration by the Town for the capital expenditures (inflated) provided in Chapter 2:

Table 4-2
Town of Aylmer
Capital Forecasting Financing Sources (2026 to 2036)
Inflated $

Description	Water	Wastewater
Provincial/Federal Grants	-	11,768,750
Development Charges Reserve Fund	2,055,000	4,033,000
Non-Growth Related Debenture Requirements	-	6,095,000
Growth Related Debenture Requirements	-	7,864,250
Water Reserve	10,830,012	-
Wastewater Reserve	-	5,425,618
Total Capital Financing	**12,885,012**	**35,186,618**

Tables 4-3 and 4-4 provide for the full capital expenditure and funding programs by year for the water and wastewater systems, respectively.

Table 4-3
Town of Aylmer
Capital Budget Forecast – Water (inflated $)

Description	Budget	Total	Forecast									
	2026		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
New Water Tower & site works	924,560	-	-	-	-	-	-	-	-	-	-	-
Elk St. - Water	261,952	-	-	-	-	-	-	-	-	-	-	-
Water tower decommissioning/service	-	364,000	-	364,000	-	-	-	-	-	-	-	-
Truck #3 Replacement	-	88,000	-	88,000	-	-	-	-	-	-	-	-
South, Pine, and Victoria St. Reconstruction	540,000	-	-	-	-	-	-	-	-	-	-	-
Pine Street - Queen to Victoria - Reconstruction	-	338,000	-	338,000	-	-	-	-	-	-	-	-
Victoria St N & Warren St - Water St to End - Reconstruction	-	649,000	-	-	-	649,000	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Reconstruction	-	731,000	-	-	-	-	731,000	-	-	-	-	-
St George - South to Talbot - Reconstruction	-	852,000	-	-	-	-	-	-	852,000	-	-	-
Forest - Elm to John - Reconstruction	-	845,000	-	-	-	-	-	845,000	-	-	-	-
Talbot Street East Watermain	-	1,043,000	-	-	-	-	-	84,000	959,000	-	-	-
Wellington St. - Talbot to South - Roadwork/ Watermain	-	500,000	-	-	-	-	-	-	-	500,000	-	-
Parkview Hghts - Chestnut to Forest - Reconst.	-	856,000	-	-	-	-	-	-	-	-	856,000	-
Lifecycle:		-	-	-	-	-	-	-	-	-	-	-
Recommended Annual Requirement from the Town's Asset Management Plan	-	4,803,000	829,000	55,000	862,000	200,000	166,000	683,000	481,000	420,000	116,000	991,000
Studies:		-	-	-	-	-	-	-	-	-	-	-
Water and Wastewater Rate Study and Financial Plan	27,500	62,000	-	-	-	30,000	-	-	-	32,000	-	-
Total Capital Expenditures	**1,754,012**	**11,131,000**	**829,000**	**845,000**	**862,000**	**879,000**	**897,000**	**1,612,000**	**2,292,000**	**952,000**	**972,000**	**991,000**
Capital Financing												
Provincial/Federal Grants		-										
Development Charges Reserve Fund	-	2,055,000	-	-	-	-	-	696,750	1,358,250	-	-	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Water Reserve	1,754,012	9,076,000	829,000	845,000	862,000	879,000	897,000	915,250	933,750	952,000	972,000	991,000
Total Capital Financing	**1,754,012**	**11,131,000**	**829,000**	**845,000**	**862,000**	**879,000**	**897,000**	**1,612,000**	**2,292,000**	**952,000**	**972,000**	**991,000**

Table 4-4
Town of Aylmer
Capital Budget Forecast – Wastewater (inflated $)

Description	Budget 2026	Total	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
Sanitary Sewer	-	-	-	-	-	-	-	-	-	-	-	-
Elk St. - Sanitary Sewer	231,651	-	-	-	-	-	-	-	-	-	-	-
South St. Reconstruction	530,000	-	-	-	-	-	-	-	-	-	-	-
Pine Street - Queen to Victoria - Reconstruction	-	525,000	-	525,000	-	-	-	-	-	-	-	-
Victoria St N & Warren St - Water St to End - Reconstruction	-	1,002,000	-	-	-	1,002,000	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Reconstruction	-	768,000	-	-	-	-	768,000	-	-	-	-	-
Forest - Elm to John - Reconstruction	-	809,000	-	-	-	-	-	809,000	-	-	-	-
St. George Street - S End to Talbot & Oak St - Talbot to Elm - Reconstruction	-	949,000	-	-	-	-	-	-	949,000	-	-	-
Wellington St. - Talbot to South - Roadwork/ Watermain	-	734,000	-	-	-	-	-	-	-	734,000	-	-
Parkview Hghts - Chestnut to Forest - Reconst.	-	1,315,000	-	-	-	-	-	-	-	-	1,315,000	-
Lagoons	-	-	-	-	-	-	-	-	-	-	-	-
Optimization and expansion of treatment facility - Phase I	10,700,000	-	-	-	-	-	-	-	-	-	-	-
ISF pumps (Intermittent Sand Filter pumps)	-	52,000	-	52,000	-	-	-	-	-	-	-	-
Headworks	-	10,073,000	10,073,000	-	-	-	-	-	-	-	-	-
Sludge removal from Lagoons	-	6,095,000	-	-	-	-	-	-	-	-	-	6,095,000
Pumping Stations	-	-	-	-	-	-	-	-	-	-	-	-
SCADA - Pump station rehab to coordinate SCADA (mech)	1,160,467	-	-	-	-	-	-	-	-	-	-	-
Forcemain Chamber Repairs	-	51,000	51,000	-	-	-	-	-	-	-	-	-
Studies:		-	-	-	-	-	-	-	-	-	-	-
Water and Wastewater Rate Study and Financial Plan	27,500	62,000	-	-	-	30,000	-	-	-	32,000	-	-
EA Study - Lagoon Expansion	-	102,000	102,000	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	**12,649,618**	**22,537,000**	**10,226,000**	**577,000**	**-**	**1,032,000**	**768,000**	**809,000**	**949,000**	**766,000**	**1,315,000**	**6,095,000**
Capital Financing												
Provincial/Federal Grants	4,560,000	7,208,750	7,208,750									
Development Charges Reserve Fund	1,670,000	2,363,000	102,000	525,000	-	1,002,000	-	-	-	734,000	-	-
Non-Growth Related Debenture Requirements	-	6,095,000	-	-	-	-	-	-	-	-	-	6,095,000
Growth Related Debenture Requirements	5,000,000	2,864,250	2,864,250	-	-	-	-	-	-	-	-	-
Wastewater Reserve	1,419,618	4,006,000	51,000	52,000	-	30,000	768,000	809,000	949,000	32,000	1,315,000	-
Total Capital Financing	**12,649,618**	**22,537,000**	**10,226,000**	**577,000**	**-**	**1,032,000**	**768,000**	**809,000**	**949,000**	**766,000**	**1,315,000**	**6,095,000**

Chapter 5
Overview of Expenditures and Revenues

5. Overview of Expenditures and Revenues

5.1 Water Operating Expenditures

In this report, the forecast water budget figures (2027 to 2036) are based on the 2026 water operating budget. The costs for each component of the operating budget have been reviewed with staff to establish inflationary adjustments. Annual water operating expenditures are assumed to increase by 2% per annum, while the utilities, fuel, and other material expenditures are assumed to increase by 5% per annum. Wages, salaries, and benefits are assumed to increase by 3% in 2027, and 2% per annum thereafter.

Annual contributions have been made to the water capital reserve over the forecast period to reduce the need for additional debt to finance the capital program and meet asset management replacement needs.

The Town purchases water from the Aylmer Secondary System, which receives treated water from the Elgin Area Primary Water Supply System. Water purchases have been estimated based on the anticipated volumes identified in Table 1-2. Table 5-1 summarizes the purchased water calculation based on the average water loss of 13% from 2023 to 2025 and the forecasted Aylmer Secondary System water rates.

5.2 Water Operating Revenues

Other than base charge revenues, which are detailed in Section 6.5, the Town is not forecasted to collect any additional revenues. Table 5-2 provides the operating budget for the water system.

Table 5-1
Town of Aylmer
Purchased Water Forecast

Water Purchase Forecast (m^3)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Billable Volume	1,543,802	1,550,189	1,556,576	1,562,963	1,569,350	1,575,737	1,582,124	1,588,511	1,594,898	1,601,285	1,607,813
Assumed Water Loss	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Total Purchased Water	**1,779,562**	**1,786,924**	**1,794,286**	**1,801,649**	**1,809,011**	**1,816,374**	**1,823,736**	**1,831,098**	**1,838,461**	**1,845,823**	**1,853,348**
Annual Increase to Wholesale Rate		3.3%	3.2%	3.7%	3.6%	3.5%	3.4%	3.5%	3.5%	3.5%	3.5%
Wholesale Rate	$1.5100	$1.5600	$1.6100	$1.6700	$1.7300	$1.7900	$1.8500	$1.9148	$1.9818	$2.0511	$2.1229
Total	**$2,687,138**	**$2,787,601**	**$2,888,801**	**$3,008,753**	**$3,129,589**	**$3,251,309**	**$3,373,912**	**$3,506,096**	**$3,643,400**	**$3,786,020**	**$3,934,505**

Table 5-2
Town of Aylmer
Operating Budget Forecast – Water (inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Expenditures											
Operating Costs											
Salaries, Wages & Benefits											
Salaries & Wages - Full Time	330,534	340,500	347,300	354,200	361,300	368,500	375,900	383,400	391,100	398,900	406,900
Self Funded Health Benefits	975	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Canada Pension - Full Time	13,010	13,400	13,700	14,000	14,300	14,600	14,900	15,200	15,500	15,800	16,100
Unemployment Insurance - Full T	4,088	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100
Health Benefits	25,705	26,500	27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,100	31,700
Group Life Premiums & other taxable benefits	4,311	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300
Long Term Disability Premiums.	9,887	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	12,000
OMERS Pension - Full Time	34,562	35,600	36,300	37,000	37,700	38,500	39,300	40,100	40,900	41,700	42,500
Workers Compensation - Full Tim	11,156	11,500	11,700	11,900	12,100	12,300	12,500	12,800	13,100	13,400	13,700
Ontario Health Tax - Full Time	6,445	6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500
ADM, Materials & Supplies											
Training Travel & Other											
Association Fees	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Travel Expenses	750	800	800	800	800	800	800	800	800	800	800
Tuition Fees, Workshops, Training	8,000	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000
Office Supplies & Printing	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Administrative											
Telephone	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800
Comm Devices/Cell Phones	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
SCADA/Cable/IT expense	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Hardware/Software Equipment	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Protective Clothing	515	500	500	500	500	500	500	500	500	500	500
Liabilty Insurance	28,900	29,500	30,100	30,700	31,300	31,900	32,500	33,200	33,900	34,600	35,300
Professional Fees and Charges											
Legal Fees	1,545	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Engineering	4,035	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Consultants	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Vehicles and Equipment											
Gas or Diesel	3,575	3,800	4,000	4,200	4,400	4,600	4,800	5,000	5,300	5,600	5,900
Vehicle Repair & Maintenance	1,030	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000
Vehicle Insurance	750	800	800	800	800	800	800	800	800	800	800
R&M, Tools & Supplies											
Equipment & Tool Purchases	20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800	24,300
Buildings											
Janitorial Supplies	515	500	500	500	500	500	500	500	500	500	500
Repairs, Alterations, Services	45,000	45,900	46,800	47,700	48,700	49,700	50,700	51,700	52,700	53,800	54,900
Meter Services/Repairs	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Water Meter Purchases	45,000	45,900	46,800	47,700	48,700	49,700	50,700	51,700	52,700	53,800	54,900
Hydro Costs	5,000	5,300	5,600	5,900	6,200	6,500	6,800	7,100	7,500	7,900	8,300
Water Costs	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
Gas/Oil Costs	2,500	2,600	2,700	2,800	2,900	3,000	3,200	3,400	3,600	3,800	4,000
Property Insurance	25,170	25,700	26,200	26,700	27,200	27,700	28,300	28,900	29,500	30,100	30,700

Table 5-2 (Continued)
Town of Aylmer
Operating Budget Forecast – Water (inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water and Sewer Materials											
Water Testing	12,500	12,800	13,100	13,400	13,700	14,000	14,300	14,600	14,900	15,200	15,500
Water purchase - Primary	2,687,138	2,787,601	2,888,801	3,008,753	3,129,589	3,251,309	3,373,912	3,506,096	3,643,400	3,786,020	3,934,505
Contracted Services		-	-	-	-	-	-	-	-	-	-
Computer - Hardware & Software	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
Erie Thames - Water billing cha	125,660	128,200	130,800	133,400	136,100	138,800	141,600	144,400	147,300	150,200	153,200
Equipment Rental & Leases	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Sub Total Operating	**3,481,576**	**3,603,101**	**3,721,001**	**3,857,753**	**3,995,989**	**4,135,309**	**4,276,012**	**4,426,596**	**4,582,900**	**4,744,820**	**4,912,905**
Capital-Related											
Existing Debt (Principal) - Growth Related											
Existing Debt (Interest) - Growth Related											
New Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667
Existing Debt (Interest) - Non-Growth Related	277,961	256,163	234,993	212,569	190,771	168,974	147,565	125,379	103,582	81,785	60,137
New Non-Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	728,623	756,373	788,310	803,847	818,483	833,257	863,314	885,638	903,238	916,618	925,761
Sub Total Capital Related	**1,453,251**	**1,459,203**	**1,469,970**	**1,463,082**	**1,455,921**	**1,448,898**	**1,457,545**	**1,457,684**	**1,453,487**	**1,445,070**	**1,432,564**
Total Expenditures	**4,934,827**	**5,062,305**	**5,190,971**	**5,320,836**	**5,451,911**	**5,584,207**	**5,733,557**	**5,884,279**	**6,036,386**	**6,189,890**	**6,345,469**
Revenues											
Base Charge	476,268	491,573	507,301	523,460	540,063	557,121	574,646	592,648	611,140	630,136	649,798
Total Operating Revenue	**476,268**	**491,573**	**507,301**	**523,460**	**540,063**	**557,121**	**574,646**	**592,648**	**611,140**	**630,136**	**649,798**
Water Billing Recovery - Total	**4,458,559**	**4,570,731**	**4,683,670**	**4,797,376**	**4,911,847**	**5,027,085**	**5,158,911**	**5,291,631**	**5,425,246**	**5,559,754**	**5,695,671**

5.3 Wastewater Operating Expenditures

In this report, the forecast wastewater budget figures (2027 to 2036) are based on the 2026 wastewater operating budget. The costs for each component of the operating budget have been reviewed with staff to establish inflationary adjustments. Annual wastewater operating expenditures are assumed to increase by 2% per annum, while the utilities, fuel, and other material expenditures are assumed to increase by 5% per annum. Wages, salaries, and benefits are assumed to increase by 3% in 2027, and 2% per annum thereafter.

Annual contributions have been made to the wastewater capital reserve over the forecast period to reduce the need for additional debt financing of the capital program, while also providing funds for future asset management replacement needs.

5.4 Wastewater Operating Revenues

Other than base charge revenues, which are detailed in Section 6.5, the Town is not forecasted to collect any additional wastewater revenues. However, annual contributions from the wastewater development charges reserve fund are forecasted to pay for future growth-related debenture payments. Table 5-3 provides the operating budget for the wastewater system.

Table 5-3
Town of Aylmer
Operating Budget Forecast – Wastewater (inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Expenditures											
Operating Costs											
Salaries, Wages & Benefits											
Salaries & Wages - Full Time	83,038	85,500	87,200	88,900	90,700	92,500	94,400	96,300	98,200	100,200	102,200
Canada Pension - Full Time	3,360	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
Unemployment Insurance - Full Time	1,095	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
OMERS Pension - Full Time	8,984	9,300	9,500	9,700	9,900	10,100	10,300	10,500	10,700	10,900	11,100
Workers Compensation - Part Time	2,760	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700
Ontario Health Tax - Full Time	1,619	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
ADM, Materials & Supplies											
Tuition Fees, Workshops, Training	1,030	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Training Travel & Other											
SCADA/Cable/IT expense	36,000	36,700	37,400	38,100	38,900	39,700	40,500	41,300	42,100	42,900	43,800
Liabilty Insurance	22,120	22,600	23,100	23,600	24,100	24,600	25,100	25,600	26,100	26,600	27,100
Administrative											
Legal Fees	1,545	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Engineering	7,210	7,400	7,500	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100
Consultants	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Professional Fees and Charges											
Repairs & Maintenance - Other	111,950	117,500	123,400	129,600	136,100	142,900	150,000	157,500	165,400	173,700	182,400
R&M, Tools & Supplies											
Hydro Costs	187,100	196,500	206,300	216,600	227,400	238,800	250,700	263,200	276,400	290,200	304,700
Property Tax-Treatment-Lagoons	65,667	67,000	68,300	69,700	71,100	72,500	74,000	75,500	77,000	78,500	80,100
Water Costs	2,500	2,600	2,700	2,800	2,900	3,000	3,200	3,400	3,600	3,800	4,000
Property Insurance	3,542	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
Buildings											
Material & Supplies	2,060	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
House connections	35,000	35,700	36,400	37,100	37,800	38,600	39,400	40,200	41,000	41,800	42,600
Sanitary Sewer Maintenance	24,720	26,000	27,300	28,700	30,100	31,600	33,200	34,900	36,600	38,400	40,300
Sanitary Sewer Cleaning	51,500	52,500	53,600	54,700	55,800	56,900	58,000	59,200	60,400	61,600	62,800
Contracted Services											
OCWA - Lagoon Operations	177,654	181,200	184,800	188,500	192,300	196,100	200,000	204,000	208,100	212,300	216,500
OCWA - Lagoons OPC Operations	53,155	54,200	55,300	56,400	57,500	58,700	59,900	61,100	62,300	63,500	64,800
OCWA - Pumping Station Operations	110,294	112,500	114,800	117,100	119,400	121,800	124,200	126,700	129,200	131,800	134,400
OCWA - Sand Filter Operations	58,920	60,100	61,300	62,500	63,800	65,100	66,400	67,700	69,100	70,500	71,900
Sub Total Operating	**1,054,883**	**1,087,000**	**1,119,000**	**1,152,200**	**1,186,600**	**1,222,300**	**1,259,300**	**1,297,700**	**1,337,400**	**1,378,500**	**1,421,200**

Table 5-3 (Continued)
Town of Aylmer
Operating Budget Forecast – Wastewater (inflated $)

Description	Budget	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital-Related											
Existing Debt (Principal) - Growth Related											
Existing Debt (Interest) - Growth Related											
New Growth Related Debt (Principal)		158,216	256,080	267,783	280,021	292,818	306,199	320,193	334,825	350,127	366,128
New Growth Related Debt (Interest)		228,500	352,166	340,463	328,225	315,428	302,047	288,053	273,420	258,119	242,118
Existing Debt (Principal) - Non-Growth Related											
Existing Debt (Interest) - Non-Growth Related											
New Non-Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	603,492	653,186	704,579	756,385	816,964	878,054	939,694	1,010,338	1,081,740	1,153,842	1,235,661
Sub Total Capital Related	**603,492**	**1,039,902**	**1,312,825**	**1,364,631**	**1,425,210**	**1,486,300**	**1,547,940**	**1,618,584**	**1,689,985**	**1,762,088**	**1,843,907**
Total Expenditures	**1,658,375**	**2,126,902**	**2,431,825**	**2,516,831**	**2,611,810**	**2,708,600**	**2,807,240**	**2,916,284**	**3,027,385**	**3,140,588**	**3,265,107**
Revenues											
Base Charge	262,537	276,373	290,896	306,139	322,135	338,922	356,535	375,016	394,405	414,745	436,185
Contributions from Development Charges Reserve Fund	-	386,716	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246
Total Operating Revenue	**262,537**	**663,089**	**899,142**	**914,385**	**930,381**	**947,167**	**964,781**	**983,262**	**1,002,651**	**1,022,990**	**1,044,431**
Wastewater Billing Recovery - Total	**1,395,837**	**1,463,813**	**1,532,683**	**1,602,447**	**1,681,429**	**1,761,433**	**1,842,458**	**1,933,022**	**2,024,735**	**2,117,597**	**2,220,676**

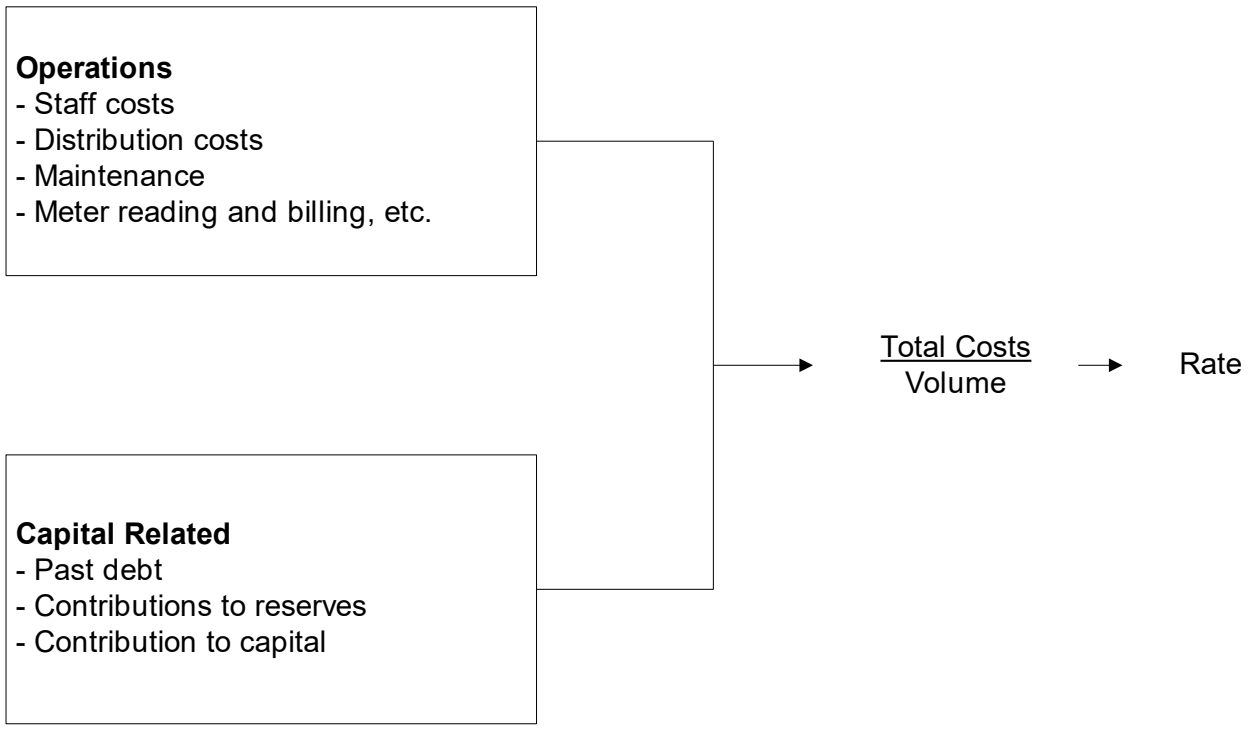
Chapter 6
Pricing Structures

6. Pricing Structures

6.1 Introduction

Rates, in their simplest form, can be defined as total costs to maintain the utility function divided by the total expected volume to be generated for the period. Total costs are usually a combination of operating costs (e.g. staff costs, distribution costs, maintenance, administration, etc.) and capital-related costs (e.g. past debt to finance capital projects, transfers to reserves to finance future expenditures, etc.). The schematic below provides a simplified illustration of the rate calculation for water.

"Annual Costs"



These operating and capital expenditures will vary over time. Examples of factors that will affect the expenditures over time are provided below.

Operations

- Inflation;
- Increased maintenance as system ages; and

- Changes to provincial legislation.

Capital Related

- New capital will be built as areas expand;
- Replacement capital needed as system ages; and
- Financing of capital costs are a function of policy regarding reserves and direct financing from rates (pay as you go), debt and user pay methods (development charges, *Municipal Act*).

6.2 Alternative Pricing Structures

Throughout Ontario, and as well, Canada, the use of pricing mechanisms varies between municipalities. The use of a particular form of pricing depends upon numerous factors, including Council preference, administrative structure, surplus/deficit system capacities, economic/demographic conditions, to name a few.

Municipalities within Ontario have two basic forms of collecting revenues for water purposes, those being through incorporation of the costs within the tax rate charged on property assessment and/or through the establishment of a specific water rate billed to the customer. Within the rate methods, there are five basic rate structures employed along with other variations:

- Flat Rate (non-metered customers);
- Constant Rate;
- Declining Block Rate;
- Increasing (or Inverted) Block Rate;
- Hump Back Block Rate; and
- Base Charges.

The definitions and general application of the various methods are as follows:

Property Assessment: This method incorporates the total costs of providing water into the general requisition or the assessment base of the municipality. This form of collection is a "wealth tax," as payment increases directly with the value of property owned and bears no necessary relationship to actual consumption. This form is easy to administer as the costs to be recovered are incorporated in the calculation for all general services, normally collected through property taxes.

Flat Rate: This rate is a constant charge applicable to all customers served. The charge is calculated by dividing the total number of user households and other entities (e.g. businesses) into the costs to be recovered. This method does not recognize differences in actual consumption but provides for a uniform spreading of costs across all users. Some municipalities define users into different classes of similar consumption patterns, that is, a commercial user, residential user and industrial user, and charge a flat rate by class. Each user is then billed on a periodic basis. No meters are required to facilitate this method, but an accurate estimate of the number of users is required. This method ensures set revenue for the collection period but is not sensitive to consumption, hence may cause a shortfall or surplus of revenues collected.

Constant Rate: This rate is a volume-based rate, in which the consumer pays the same price per unit consumed, regardless of the volume. The price per unit is calculated by dividing the total cost of the service by the total volume used by total consumers. The bill to the consumer climbs uniformly as the consumption increases. This form of rate requires the use of meters to record the volume consumed by each user. This method closely aligns the revenue recovery with consumption. Revenue collected varies directly with the consumption volume.

Declining Block Rates: This rate structure charges a successively lower price for set volumes, as consumption increases through a series of "blocks." That is to say that within set volume ranges, or blocks, the charge per unit is set at one rate. Within the next volume range, the charge per unit decreases to a lower rate, and so on. Typically, the first, or first and second blocks cover residential and light commercial uses. Subsequent blocks normally are used for heavier commercial and industrial uses. This rate structure requires the use of meters to record the volume consumed by each type of user. This method requires the collection and analysis of consumption patterns by user classification to establish rates at a level which does not over or under collect revenue from rate payers.

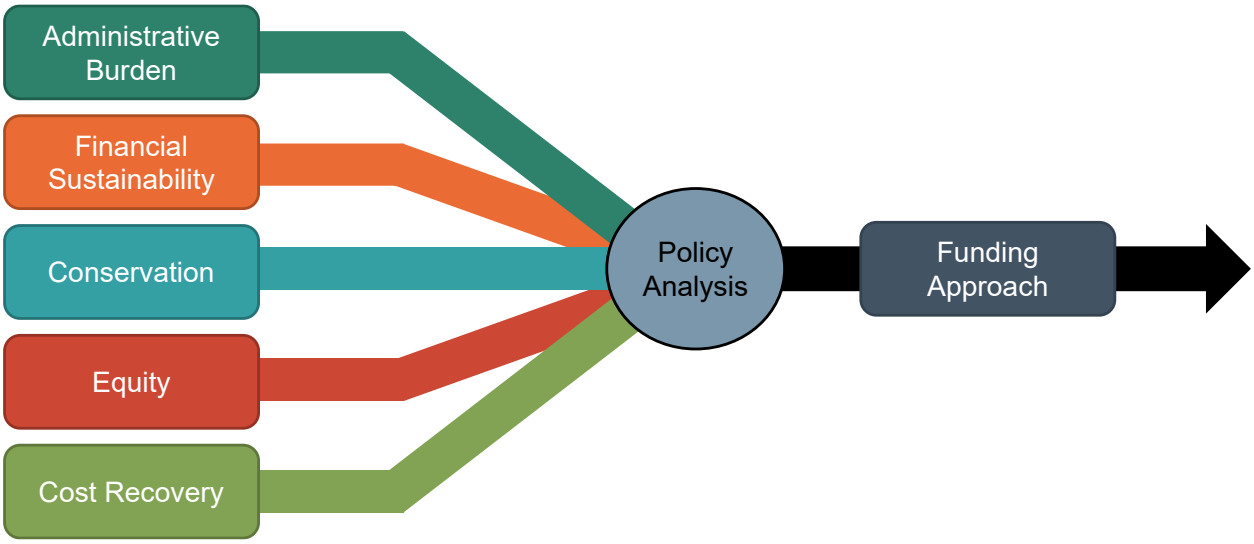
Increasing or Inverted Block Rates: The increasing block rate works essentially the same way as the declining block rate, except that the price of water in successive blocks increases rather than declines. Under this method the consumer's bill rises faster with higher volumes used. This rate structure also requires the use of meters to record the volume consumed by each user. This method requires, as with the declining block structure, the collection and analysis of consumption patterns by user classification to establish rates at a level which does not over or under collect from rate payers.

The Hump Back Rate: The hump back rate is a combination of an increasing block rate and the declining block rate. Under this method the consumer's bill rises with higher volumes used up to a certain level and then begins to fall for volumes in excess of levels set for the increasing block rate.

6.3 Assessment of Alternative Pricing Structures

The adoption by a municipality or utility of any one particular pricing structure is normally a function of a variety of administrative, social, demographic and financial factors. The number of factors, and the weighting each particular factor receives, can vary between municipalities. The following is a review of some of the more prevalent factors.

Figure 6-1
Factors in Assessing Rate Structures and Funding Approaches



Cost Recovery

Cost recovery is a prime factor in establishing a particular pricing structure. Costs can be loosely defined into different categories: operations, maintenance, capital, financing and administration. These costs often vary between municipalities and even within a municipality, based on consumption patterns, infrastructure age, economic growth, etc.

The pricing alternatives defined earlier can all achieve the cost recovery goal, but some do so more precisely than others. Fixed pricing structures, such as Property

Assessment and Flat Rate, are established on the value of property or on the number of units present in the municipality, but do not adjust in accordance with consumption. Thus, if actual consumption for the year is greater than projected, the municipality incurs a higher cost of production, but the revenue base remains static (since it was determined at the beginning of the year), thus potentially providing a funding shortfall. Conversely, if the consumption level declines below projections, fixed pricing structures will produce more revenue than actual costs incurred.

The other pricing methods (declining block, constant rate, increasing block) are consumption-based and generally will generate revenues in proportion to actual consumption.

Administration

Administration is defined herein as the staffing, equipment and supplies required to support the undertaking of a particular pricing strategy. This factor not only addresses the physical tangible requirements to support the collection of the revenues, but also the intangible requirements, such as policy development.

The easiest pricing structure to support is the Property Assessment structure. As municipalities undertake the process of calculating property tax bills and the collection process for their general services, the incorporation of the water costs into this calculation would have virtually no impact on the administrative process and structure.

The Flat Rate pricing structure is relatively easy to administer as well. It is normally calculated to collect a set amount, either on a monthly, quarterly, semi-annual or annual basis, and is billed directly to the customer. The impact on administration centres mostly on the accounts receivable or billing area of the municipality, but normally requires minor additional staff or operating costs to undertake.

The three remaining methods, those being Increasing Block Rate, Constant Rate and Declining Block Rate, have a more dramatic effect on administration. These methods are dependent upon actual consumption and hence involve a major structure in place to administer. First, meters must be installed in all existing units in the municipality, and units to be subsequently built must be required to include these meters. Second, meter readings must be undertaken periodically. Hence staff must be available for this purpose or a service contract must be negotiated. Third, the billings process must be expanded to accommodate this process. Billing must be done per a defined period,

requiring staff to produce the bills. Lastly, either through increased staffing or by service contract, an annual maintenance program must be set up to ensure meters are working effectively in recording consumed volumes.

The benefit derived from the installation of meters is that information on consumption patterns becomes available. This information provides benefit to administration in calculating rates which will ensure revenue recovery. Additionally, when planning what services are to be constructed in future years, the municipality or utility has documented consumption patterns distinctive to its own situation, which can be used to project sizing of growth-related works.

Equity

Equity is always a consideration in the establishment of pricing structures but its definition can vary depending on a municipality's circumstances and based on the subjective interpretation of those involved. For example: is the price charged to a particular class of rate payer consistent with those of a similar class in surrounding municipalities; through the pricing structure does one class of rate payer pay more than another class; should one pay based on ability to pay, or on the basis that a unit of water costs the same to supply no matter who consumes it; etc.? There are many interpretations. Equity therefore must be viewed broadly in light of many factors as part of achieving what is best for the municipality as a whole.

Conservation

In today's society, conservation of natural resources is increasingly being more highly valued. Controversy continuously focuses on the preservation of non-renewable resources and on the proper management of renewable resources. Conservation is also a concept which applies to a municipality facing physical limitations in the amount of water which can be supplied to an area. As well, financial constraints can encourage conservation in a municipality where the cost of providing each additional unit is increasing.

Pricing structures such as property assessment and flat rate do not, in themselves, encourage conservation. In fact, depending on the price which is charged, they may even encourage resource "squandering," either because consumers, without the price discipline, consume water at will, or the customer wants to get his money's worth and hence adopts more liberal consumption patterns. The fundamental reason for this is that

the price paid for the service bears no direct relationship to the volume consumed and hence is viewed as a "tax," instead of being viewed as the price of a purchased commodity.

The Declining Block Rate provides a decreasing incentive towards conservation. By creating awareness of volumes consumed, the consumer can reduce his total costs by restricting consumption; however, the incentive lessens as more water is consumed, because the marginal cost per unit declines as the consumer enters the next block pricing range. Similarly, those whose consumption level is at the top end of a block have less incentive to reduce consumption.

The Constant Rate structure presents the customer with a linear relationship between consumption and the cost thereof. As the consumer pays a fixed cost per unit, his bill will vary directly with the amount consumed. This method presents tangible incentive for consumers to conserve water. As metering provides direct feedback as to usage patterns and the consumer has direct control over the total amount paid for the commodity, the consumer is encouraged to use only those volumes that are reasonably required.

The Inverted Block method presents the most effective pricing method for encouraging conservation. Through this method, the price per unit consumed increases as total volumes consumed grow. The consumer becomes aware of consumption through metering with the charges increasing dramatically with usage. Hence, there normally is awareness that exercising control over usage can produce significant savings. This method not only encourages conservation methods, but may also penalize legitimate high-volume users if not properly structured.

Figure 6-2 provides a schematic representation of the various rate structures (note property tax as a basis for revenue recovery has not been presented for comparison, as the proportion of taxes paid varies in direct proportion to the market value of the property). The graphs on the left-hand side of the figure present the cost per unit for each additional amount of water consumed. The right-hand side of the figure presents the impact on the customer's bill as the volume of water increases. Following the schematic is a table summarizing each rate structure.

Figure 6-2

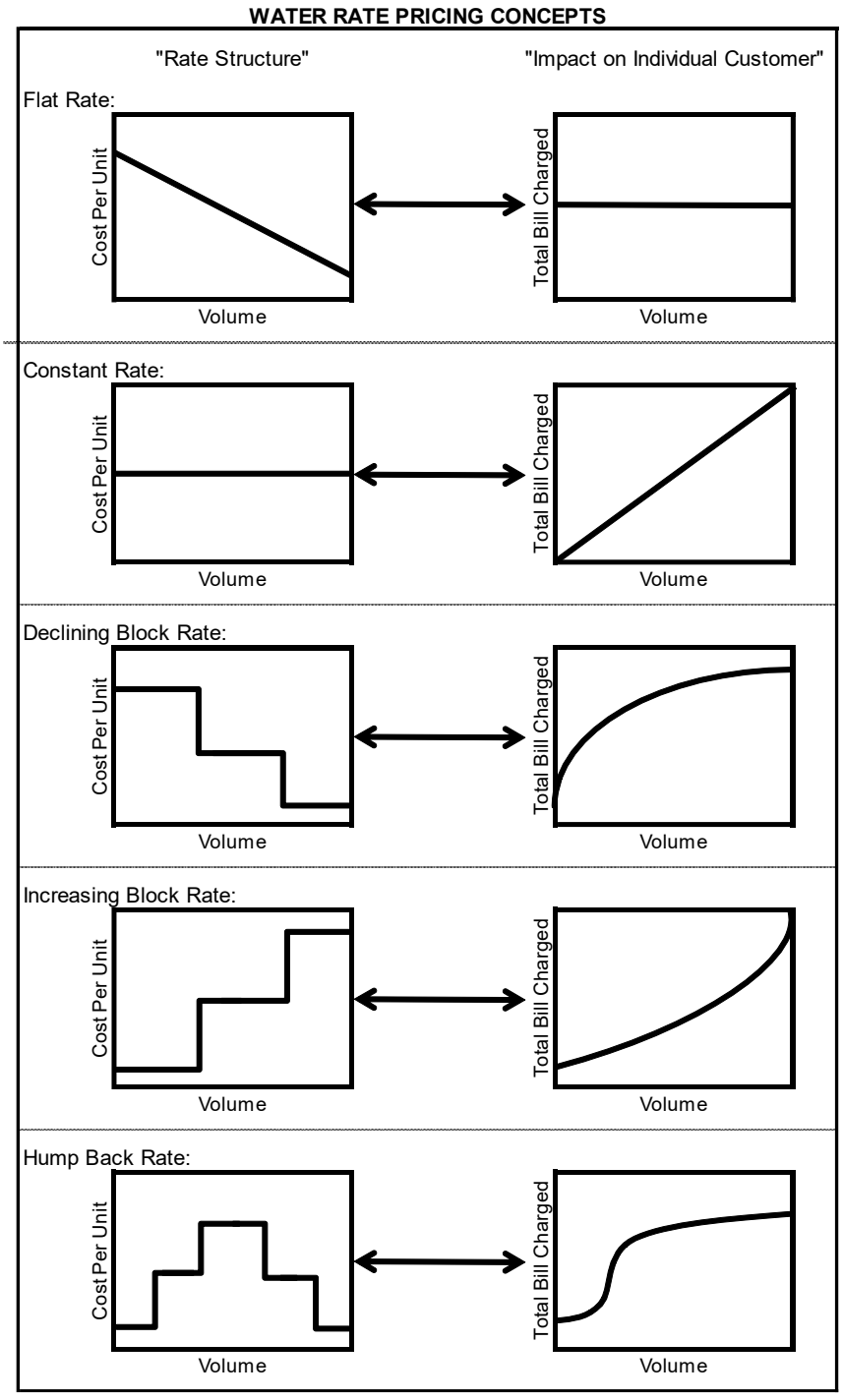

WATER RATE PRICING CONCEPTS
"Rate Structure"
"Impact on Individual Customer"
Flat Rate:
Cost Per Unit
Volume
Total Bill Charged
Volume
Constant Rate:
Cost Per Unit
Volume
Total Bill Charged
Volume
Declining Block Rate:
Cost Per Unit
Volume
Total Bill Charged
Volume
Increasing Block Rate:
Cost Per Unit
Volume
Total Bill Charged
Volume
Hump Back Rate:
Cost Per Unit
Volume
Total Bill Charged
Volume

Figure 6-3
Summary of Various Rate Structures and their Impact on Customer Bills as Volume Usage Increases

Rate Structure	Cost Per Unit As Volume Increases	Impact On Customer Bill As Volume Increases
Flat Rate	Cost per unit decreases as more volume consumed	Bill remains the same no matter how much volume is consumed
Constant Rate	Cost per unit remains the same	Bill increases in direct proportion to consumption
Declining Block	Cost per unit decreases as threshold targets are achieved	Bill increases at a slower rate as volumes increase
Increasing Block	Cost per unit increases as threshold targets are achieved	Bill increases at a faster rate as volumes increase
Hump Back Rate	Combination of an increasing block at the lower consumption volumes and then converts to a declining block for the high consumption	Bill increases at a faster rate at the lower consumption amounts and then slows as volumes increase

6.4 Rate Structures in Ontario

In a past survey of over 170 municipalities (approximately half of the municipalities who provide water and/or sewer), all forms of rate structures are in use by Ontario municipalities. The most common rate structure is the constant rate (for metered municipalities). Most municipalities (approximately 92%) who have volume rate structures also impose a base monthly charge.

Historically, the development of a base charge often reflected either the recovery of meter reading/billing/collection costs, plus administration or those costs plus certain fixed costs (such as capital contributions or reserve contributions). More recently, many municipalities have started to establish base charges based on ensuring a secure portion of the revenue stream which does not vary with volume consumption. Selection

of the quantum of the base charge is a matter of policy selected by individual municipalities.

6.5 Recommended Rate Structures

Based on the foregoing, it is recommended that the Town continue the same rate structure in the future for both water and wastewater (base monthly charge, as well as a volume charge on a per cubic metre (cu.m) basis).

There are significant investments required for the wastewater system in 2026 and 2027 for the wastewater treatment facility optimization and expansion projects, as well as at the end of the forecast period for sludge removal from the lagoons.

To meet the needs of the system, the water base charge is forecasted to increase by 2% annually over the forecast period to 2036, and the wastewater base charge rate increases are anticipated to be 4% annually over the forecast period to 2036.

The forecasted base charges and corresponding revenue for water and wastewater base charges are provided in Tables 6-1 and 6-2, respectively. The volume rates for water and wastewater are presented in Chapter 7.

Table 6-1
Town of Aylmer
Base Charge Forecast – Water

Water	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	3,215	3,215	3,215	3,215	3,215	3,215	3,215	3,215	3,215	3,215	3,215
New	23	68	114	159	204	250	295	341	386	431	478
Total Customers	**3,238**	**3,283**	**3,329**	**3,374**	**3,419**	**3,465**	**3,510**	**3,556**	**3,601**	**3,646**	**3,693**
Total Annual Revenue	**$476,268**	**$491,573**	**$507,301**	**$523,460**	**$540,063**	**$557,121**	**$574,646**	**$592,648**	**$611,140**	**$630,136**	**$649,798**

16 mm (5/8") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890
New	23	68	114	159	204	250	295	341	386	431	478
Subtotal Customers	**2,913**	**2,958**	**3,004**	**3,049**	**3,094**	**3,140**	**3,185**	**3,231**	**3,276**	**3,321**	**3,368**
Monthly Base Charge	$10.41	$10.62	$10.83	$11.05	$11.27	$11.49	$11.72	$11.96	$12.20	$12.44	$12.69
Annual Base Charge	$124.92	$127.42	$129.97	$132.57	$135.22	$137.92	$140.68	$143.49	$146.36	$149.29	$152.28
Total Annual Revenue	**$363,892**	**$376,950**	**$390,385**	**$404,206**	**$418,424**	**$433,049**	**$448,092**	**$463,563**	**$479,474**	**$495,836**	**$512,813**

19 mm (3/4") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	193	193	193	193	193	193	193	193	193	193	193
New											
Subtotal Customers	**193**	**193**	**193**	**193**	**193**	**193**	**193**	**193**	**193**	**193**	**193**
Monthly Base Charge	$10.41	$10.62	$10.83	$11.05	$11.27	$11.49	$11.72	$11.96	$12.20	$12.44	$12.69
Annual Base Charge	$124.92	$127.42	$129.97	$132.57	$135.22	$137.92	$140.68	$143.49	$146.36	$149.29	$152.28
Total Annual Revenue	**$24,110**	**$24,592**	**$25,084**	**$25,585**	**$26,097**	**$26,619**	**$27,151**	**$27,694**	**$28,248**	**$28,813**	**$29,389**

25 mm (1") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	49	49	49	49	49	49	49	49	49	49	49
New											
Subtotal Customers	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**
Monthly Base Charge	$17.39	$17.74	$18.09	$18.45	$18.82	$19.20	$19.58	$19.98	$20.38	$20.78	$21.20
Annual Base Charge	$208.68	$212.85	$217.11	$221.45	$225.88	$230.40	$235.01	$239.71	$244.50	$249.39	$254.38
Total Annual Revenue	**$10,225**	**$10,430**	**$10,638**	**$10,851**	**$11,068**	**$11,290**	**$11,515**	**$11,746**	**$11,981**	**$12,220**	**$12,465**

38 mm (1 1/2") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	35	35	35	35	35	35	35	35	35	35	35
New											
Subtotal Customers	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**
Monthly Base Charge	$30.97	$31.59	$32.22	$32.87	$33.52	$34.19	$34.88	$35.57	$36.29	$37.01	$37.75
Annual Base Charge	$371.64	$379.07	$386.65	$394.39	$402.28	$410.32	$418.53	$426.90	$435.44	$444.14	$453.03
Total Annual Revenue	**$13,007**	**$13,268**	**$13,533**	**$13,804**	**$14,080**	**$14,361**	**$14,648**	**$14,941**	**$15,240**	**$15,545**	**$15,856**

50 mm (2") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	35	35	35	35	35	35	35	35	35	35	35
New											
Subtotal Customers	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**
Monthly Base Charge	$71.89	$73.33	$74.79	$76.29	$77.82	$79.37	$80.96	$82.58	$84.23	$85.92	$87.63
Annual Base Charge	$862.68	$879.93	$897.53	$915.48	$933.79	$952.47	$971.52	$990.95	$1,010.77	$1,030.98	$1,051.60
Total Annual Revenue	**$30,194**	**$30,798**	**$31,414**	**$32,042**	**$32,683**	**$33,336**	**$34,003**	**$34,683**	**$35,377**	**$36,084**	**$36,806**

76 mm (3") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	4	4	4	4	4	4	4	4	4	4	4
New											
Subtotal Customers	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Monthly Base Charge	$131.31	$133.94	$136.61	$139.35	$142.13	$144.98	$147.88	$150.83	$153.85	$156.93	$160.07
Annual Base Charge	$1,575.72	$1,607.23	$1,639.38	$1,672.17	$1,705.61	$1,739.72	$1,774.52	$1,810.01	$1,846.21	$1,883.13	$1,920.79
Total Annual Revenue	**$6,303**	**$6,429**	**$6,558**	**$6,689**	**$6,822**	**$6,959**	**$7,098**	**$7,240**	**$7,385**	**$7,533**	**$7,683**

100 mm (4") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	4	4	4	4	4	4	4	4	4	4	4
New											
Subtotal Customers	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Monthly Base Charge	$227.01	$231.55	$236.18	$240.90	$245.72	$250.64	$255.65	$260.76	$265.98	$271.30	$276.72
Annual Base Charge	$2,724.12	$2,778.60	$2,834.17	$2,890.86	$2,948.68	$3,007.65	$3,067.80	$3,129.16	$3,191.74	$3,255.58	$3,320.69
Total Annual Revenue	**$10,896**	**$11,114**	**$11,337**	**$11,563**	**$11,795**	**$12,031**	**$12,271**	**$12,517**	**$12,767**	**$13,022**	**$13,283**

150 mm (6") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	3	3	3	3	3	3	3	3	3	3	3
New											
Subtotal Customers	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
Monthly Base Charge	$274.86	$280.36	$285.96	$291.68	$297.52	$303.47	$309.54	$315.73	$322.04	$328.48	$335.05
Annual Base Charge	$3,298.32	$3,364.29	$3,431.57	$3,500.20	$3,570.21	$3,641.61	$3,714.44	$3,788.73	$3,864.51	$3,941.80	$4,020.63
Total Annual Revenue	**$9,895**	**$10,093**	**$10,295**	**$10,501**	**$10,711**	**$10,925**	**$11,143**	**$11,366**	**$11,594**	**$11,825**	**$12,062**

200 mm (8") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	2	2	2	2	2	2	2	2	2	2	2
New											
Subtotal Customers	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Monthly Base Charge	$322.73	$329.18	$335.77	$342.48	$349.33	$356.32	$363.45	$370.72	$378.13	$385.69	$393.41
Annual Base Charge	$3,872.76	$3,950.22	$4,029.22	$4,109.80	$4,192.00	$4,275.84	$4,361.36	$4,448.58	$4,537.56	$4,628.31	$4,720.87
Total Annual Revenue	**$7,746**	**$7,900**	**$8,058**	**$8,220**	**$8,384**	**$8,552**	**$8,723**	**$8,897**	**$9,075**	**$9,257**	**$9,442**

Table 6-2
Town of Aylmer
Base Charge Forecast – Wastewater

Wastewater	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
New	23	68	114	159	204	250	295	341	386	431	478
Subtotal Customers	**3,209**	**3,254**	**3,300**	**3,345**	**3,390**	**3,436**	**3,481**	**3,527**	**3,572**	**3,617**	**3,664**
Total Annual Revenue	**$262,537**	**$276,373**	**$290,896**	**$306,139**	**$322,135**	**$338,922**	**$356,535**	**$375,016**	**$394,405**	**$414,745**	**$436,185**

16 mm (5/8") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
New	23	68	114	159	204	250	295	341	386	431	478
Subtotal Customers	**2,890**	**2,935**	**2,981**	**3,026**	**3,071**	**3,117**	**3,162**	**3,208**	**3,253**	**3,298**	**3,345**
Monthly Base Charge	$5.89	$6.13	$6.37	$6.63	$6.89	$7.17	$7.45	$7.75	$8.06	$8.38	$8.72
Annual Base Charge	$70.68	$73.51	$76.45	$79.51	$82.69	$85.99	$89.43	$93.01	$96.73	$100.60	$104.62
Total Annual Revenue	**$204,265**	**$215,770**	**$227,869**	**$240,591**	**$253,965**	**$268,025**	**$282,803**	**$298,334**	**$314,655**	**$331,805**	**$349,928**

19 mm (3/4") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	194	194	194	194	194	194	194	194	194	194	194
New											
Subtotal Customers	**194**	**194**	**194**	**194**	**194**	**194**	**194**	**194**	**194**	**194**	**194**
Monthly Base Charge	$5.89	$6.13	$6.37	$6.63	$6.89	$7.17	$7.45	$7.75	$8.06	$8.38	$8.72
Annual Base Charge	$70.68	$73.51	$76.45	$79.51	$82.69	$85.99	$89.43	$93.01	$96.73	$100.60	$104.62
Total Annual Revenue	**$13,712**	**$14,260**	**$14,831**	**$15,424**	**$16,041**	**$16,683**	**$17,350**	**$18,044**	**$18,766**	**$19,516**	**$20,297**

25 mm (1") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	50	50	50	50	50	50	50	50	50	50	50
New											
Subtotal Customers	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**
Monthly Base Charge	$9.15	$9.52	$9.90	$10.29	$10.70	$11.13	$11.58	$12.04	$12.52	$13.02	$13.54
Annual Base Charge	$109.80	$114.19	$118.76	$123.51	$128.45	$133.59	$138.93	$144.49	$150.27	$156.28	$162.53
Total Annual Revenue	**$5,490**	**$5,710**	**$5,938**	**$6,176**	**$6,423**	**$6,679**	**$6,947**	**$7,224**	**$7,513**	**$7,814**	**$8,127**

38 mm (1 1/2") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	34	34	34	34	34	34	34	34	34	34	34
New											
Subtotal Customers	**34**	**34**	**34**	**34**	**34**	**34**	**34**	**34**	**34**	**34**	**34**
Monthly Base Charge	$17.01	$17.69	$18.40	$19.13	$19.90	$20.70	$21.52	$22.38	$23.28	$24.21	$25.18
Annual Base Charge	$204.12	$212.28	$220.78	$229.61	$238.79	$248.34	$258.28	$268.61	$279.35	$290.53	$302.15
Total Annual Revenue	**$6,940**	**$7,218**	**$7,506**	**$7,807**	**$8,119**	**$8,444**	**$8,781**	**$9,133**	**$9,498**	**$9,878**	**$10,273**

50 mm (2") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	32	32	32	32	32	32	32	32	32	32	32
New											
Subtotal Customers	**32**	**32**	**32**	**32**	**32**	**32**	**32**	**32**	**32**	**32**	**32**
Monthly Base Charge	$40.96	$42.60	$44.30	$46.07	$47.92	$49.83	$51.83	$53.90	$56.06	$58.30	$60.63
Annual Base Charge	$491.52	$511.18	$531.63	$552.89	$575.01	$598.01	$621.93	$646.81	$672.68	$699.59	$727.57
Total Annual Revenue	**$15,729**	**$16,358**	**$17,012**	**$17,693**	**$18,400**	**$19,136**	**$19,902**	**$20,698**	**$21,526**	**$22,387**	**$23,282**

76 mm (3") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	3	3	3	3	3	3	3	3	3	3	3
New											
Subtotal Customers	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
Monthly Base Charge	$74.83	$77.82	$80.94	$84.17	$87.54	$91.04	$94.68	$98.47	$102.41	$106.51	$110.77
Annual Base Charge	$897.96	$933.88	$971.23	$1,010.08	$1,050.49	$1,092.51	$1,136.21	$1,181.65	$1,228.92	$1,278.08	$1,329.20
Total Annual Revenue	**$2,694**	**$2,802**	**$2,914**	**$3,030**	**$3,151**	**$3,278**	**$3,409**	**$3,545**	**$3,687**	**$3,834**	**$3,988**

100 mm (4") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	3	3	3	3	3	3	3	3	3	3	3
New											
Subtotal Customers	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
Monthly Base Charge	$129.34	$134.51	$139.89	$145.49	$151.31	$157.36	$163.66	$170.20	$177.01	$184.09	$191.45
Annual Base Charge	$1,552.08	$1,614.16	$1,678.73	$1,745.88	$1,815.71	$1,888.34	$1,963.88	$2,042.43	$2,124.13	$2,209.09	$2,297.46
Total Annual Revenue	**$4,656**	**$4,842**	**$5,036**	**$5,238**	**$5,447**	**$5,665**	**$5,892**	**$6,127**	**$6,372**	**$6,627**	**$6,892**

150 mm (6") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	1	1	1	1	1	1	1	1	1	1	1
New											
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Monthly Base Charge	$202.60	$210.70	$219.13	$227.90	$237.01	$246.49	$256.35	$266.61	$277.27	$288.36	$299.90
Annual Base Charge	$2,431.20	$2,528.45	$2,629.59	$2,734.77	$2,844.16	$2,957.93	$3,076.24	$3,199.29	$3,327.27	$3,460.36	$3,598.77
Total Annual Revenue	**$2,431**	**$2,528**	**$2,630**	**$2,735**	**$2,844**	**$2,958**	**$3,076**	**$3,199**	**$3,327**	**$3,460**	**$3,599**

200 mm (8") Meter Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Existing	2	2	2	2	2	2	2	2	2	2	2
New											
Subtotal Customers	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Monthly Base Charge	$275.84	$286.87	$298.35	$310.28	$322.69	$335.60	$349.03	$362.99	$377.51	$392.61	$408.31
Annual Base Charge	$3,310.08	$3,442.48	$3,580.18	$3,723.39	$3,872.33	$4,027.22	$4,188.31	$4,355.84	$4,530.07	$4,711.28	$4,899.73
Total Annual Revenue	**$6,620**	**$6,885**	**$7,160**	**$7,447**	**$7,745**	**$8,054**	**$8,377**	**$8,712**	**$9,060**	**$9,423**	**$9,799**

Chapter 7
Analysis of Water and Wastewater Rates and Policy Matters

7. Analysis of Water and Wastewater Rates and Policy Matters

7.1 Introduction

To summarize the analysis undertaken thus far, Chapters 2 and 3 reviewed capital-related issues and responds to the provincial directives to maintain and upgrade infrastructure to required levels. Chapter 4 provided a review of capital financing options, to which water and wastewater reserve contributions and debentures will be the predominant basis for financing future capital replacements. Chapter 5 established the 10-year operating forecast of expenditures, including an annual capital reserve contribution. Chapter 6 established the anticipated base charges over the forecast period. The base charge revenues are to ensure that fixed costs are recovered regardless of the amount of volume used by customers. This chapter will provide for the calculation of the volume rates over the forecast period. These calculations will be based on the net operating expenditures (the variable costs) provided in Chapter 5, divided by the water consumption forecast and wastewater volumes provided in section 1.8.

7.2 Water Rates

Based on the discussion of rate structures provided in section 6.5 and the recommendation to continue with the present structure, the rates are calculated by taking the net recoverable amounts from Table 5-2 (the product of total expenditures less non-rate revenues and deduct the base charge amounts provided in section 6.5) and completes the calculation by dividing them by the volumes resulting in the forecasted rates. The volume rates are anticipated to increase at a rate of 2% per year over the entire forecast period for general water users and large water users (note: the Town's bulk water rates have also been forecasted to increase at a rate of 2% per year). The volume rates are presented in Table 7-1. Detailed calculations on the volume rates are provided in Appendix A. A summary of the recommended base charges and volume rates, along with the total annual bill for an average residential user (141 cu.m. of water usage) per year, is as follows:

Table 7-1
Town of Aylmer
Average Annual Residential Water Bill
(Based on an Annual usage of 141 cu.m.)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Monthly Base Charge	$10.41	$10.62	$10.83	$11.05	$11.27	$11.49	$11.72	$11.96	$12.20	$12.44	$12.69
Annual Base Charge Bill	**$124.92**	**$127.42**	**$129.97**	**$132.57**	**$135.22**	**$137.92**	**$140.68**	**$143.49**	**$146.36**	**$149.29**	**$152.28**
Volume Charge - General Water User (per cu.m)	$3.00	$3.06	$3.12	$3.18	$3.24	$3.30	$3.37	$3.44	$3.51	$3.58	$3.65
Volume (cu.m)	141	141	141	141	141	141	141	141	141	141	141
Annual Volume Bill	**$423.00**	**$431.46**	**$439.92**	**$448.38**	**$456.84**	**$465.30**	**$475.17**	**$485.04**	**$494.91**	**$504.78**	**$514.65**
Total Annual Bill	**$547.92**	**$558.88**	**$569.89**	**$580.95**	**$592.06**	**$603.22**	**$615.85**	**$628.53**	**$641.27**	**$654.07**	**$666.93**
% Increase - Base Charge		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
% Increase - Volume Rate		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
% Increase - Total Annual Bill		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

7.3 Wastewater Rates

Similar to water, the calculation of the wastewater rates takes the net recoverable amounts (after deducting base charge revenues) from Table 5-3 and completes the calculation by dividing them by the volumes, resulting in the forecast rates. The volume rates are anticipated to increase at a rate of 4% per year over the entire forecast period. The volume rates are presented in Table 7-2. Detailed calculations on the volume rates are provided in Appendix B. A summary of the recommended base charges and volume rates, along with the total annual bill for an average residential user (141 cu.m.) per year, are as follows:

Table 7-2
Town of Aylmer
Average Annual Residential Wastewater Bill
(Based on an Annual usage of 141 cu.m.)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Monthly Base Charge	$5.89	$6.13	$6.37	$6.63	$6.89	$7.17	$7.45	$7.75	$8.06	$8.38	$8.72
Annual Base Charge Bill	**$70.68**	**$73.51**	**$76.45**	**$79.51**	**$82.69**	**$85.99**	**$89.43**	**$93.01**	**$96.73**	**$100.60**	**$104.62**
Non-Metered Sewage User (per cu.m)	$1.73	$1.80	$1.87	$1.94	$2.02	$2.10	$2.18	$2.27	$2.36	$2.45	$2.55
Volume (cu.m)	141	141	141	141	141	141	141	141	141	141	141
Annual Volume Bill	**$243.93**	**$253.80**	**$263.67**	**$273.54**	**$284.82**	**$296.10**	**$307.38**	**$320.07**	**$332.76**	**$345.45**	**$359.55**
Total Annual Bill	**$314.61**	**$327.31**	**$340.12**	**$353.05**	**$367.51**	**$382.09**	**$396.81**	**$413.08**	**$429.49**	**$446.05**	**$464.17**
% Increase - Base Charge		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
% Increase - Volume Rate		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
% Increase - Total Annual Bill		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

7.4 Forecast of Combined Water and Wastewater Impact for the Average Residential Customer

Based on the foregoing information, the combined impact of the water and wastewater base charge and volume rate charges results in, on average, a 3% annual increase on the combined bill every year over the forecast period. Table 7-3 presents the forecast combined annual bill for residential customers.

Table 7-3
Town of Aylmer
Forecasted Annual Residential Water and Wastewater Bill (Based on an annual usage of 141 cu.m.)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water											
Monthly Base Charge	$10.41	$10.62	$10.83	$11.05	$11.27	$11.49	$11.72	$11.96	$12.20	$12.44	$12.69
Volume Rate - General Water User (per cu.m)	$3.00	$3.06	$3.12	$3.18	$3.24	$3.30	$3.37	$3.44	$3.51	$3.58	$3.65
Annual Base Charge Bill	**$124.92**	**$127.42**	**$129.97**	**$132.57**	**$135.22**	**$137.92**	**$140.68**	**$143.49**	**$146.36**	**$149.29**	**$152.28**
Annual Volume Bill	**$423.00**	**$431.46**	**$439.92**	**$448.38**	**$456.84**	**$465.30**	**$475.17**	**$485.04**	**$494.91**	**$504.78**	**$514.65**
Total Water Bill	**$547.92**	**$558.88**	**$569.89**	**$580.95**	**$592.06**	**$603.22**	**$615.85**	**$628.53**	**$641.27**	**$654.07**	**$666.93**
Annual % Increase - Water Bill		**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**
Large Water User (per cu.m)	**$2.80**	**$2.86**	**$2.92**	**$2.98**	**$3.04**	**$3.10**	**$3.17**	**$3.24**	**$3.31**	**$3.38**	**$3.45**
Bulk Water Rates (per cu.m)	**$3.30**	**$3.36**	**$3.42**	**$3.48**	**$3.54**	**$3.60**	**$3.67**	**$3.74**	**$3.81**	**$3.88**	**$3.95**
Wastewater											
Monthly Base Charge	$5.89	$6.13	$6.37	$6.63	$6.89	$7.17	$7.45	$7.75	$8.06	$8.38	$8.72
Non-Metered Sewage User (per cu.m)	$1.73	$1.80	$1.87	$1.94	$2.02	$2.10	$2.18	$2.27	$2.36	$2.45	$2.55
Annual Base Charge Bill	**$70.68**	**$73.51**	**$76.45**	**$79.51**	**$82.69**	**$85.99**	**$89.43**	**$93.01**	**$96.73**	**$100.60**	**$104.62**
Annual Volume Bill	**$243.93**	**$253.80**	**$263.67**	**$273.54**	**$284.82**	**$296.10**	**$307.38**	**$320.07**	**$332.76**	**$345.45**	**$359.55**
Total Wastewater Bill	**$314.61**	**$327.31**	**$340.12**	**$353.05**	**$367.51**	**$382.09**	**$396.81**	**$413.08**	**$429.49**	**$446.05**	**$464.17**
Annual % Increase - Wastewater Bill		**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**	**4.00%**
Total Combined Bill	**$862.53**	**$886.19**	**$910.00**	**$933.99**	**$959.56**	**$985.31**	**$1,012.66**	**$1,041.61**	**$1,070.76**	**$1,100.12**	**$1,131.10**
Annual % Increase - Combined Bill		**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**	**3%**

Chapter 8
Recommendations

8. Recommendations

As presented within this report, capital and operating expenditures have been identified and forecast over a ten-year period for water and wastewater services.

Based upon the foregoing, the following recommendations are identified for consideration by the Town's Council:

1. That Council provide for the recovery of all water and wastewater costs through full cost recovery rates.
2. That Council consider the Capital Plan for water and wastewater as provided in Tables 2-1 and 2-2 and the associated Capital Financing Plan as set out in Tables 4-3 and 4-4.
3. That Council consider the base charges provided in Table 6-1 for the water system.
4. That Council consider the base charges provided in Table 6-2 for the wastewater system.
5. That Council consider the volume rates for water and wastewater as provided in Tables 7-1 and 7-2, respectively.

Appendices

Appendix A
Detailed Water Rate Calculations

Appendix A: Detailed Water Rate Calculations

Table A-1
Town of Aylmer
Water Capital Budget Forecast (Uninflated $)

Description	Budget 2026	Total	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
New Water Tower & site works	924,560	-										
Elk St. - Water	261,952	-										
Water tower decommissioning/service		350,000		350,000								
Truck #3 Replacement		85,000		85,000								
South, Pine, and Victoria St. Reconstruction	540,000	-										
Pine Street - Queen to Victoria - Reconstruction		325,000		325,000								
Victoria St N & Warren St - Water St to End - Reconstruction		600,000				600,000						
Myrtle St - Catfish Cr. to Forest - Reconstruction		662,000					662,000					
St George - South to Talbot - Reconstruction		742,000							742,000			
Forest - Elm to John - Reconstruction		750,000						750,000				
Talbot Street East Watermain		910,000						75,000	835,000			
Wellington St. - Talbot to South - Roadwork/ Watermain		427,000								427,000		
Parkview Hghts - Chestnut to Forest - Reconst.		716,000									716,000	
Lifecycle:		-										
Recommended Annual Requirement from the Town's Asset Management Plan		4,306,560	812,706	52,706	812,706	185,206	150,706	606,456	418,456	358,206	96,706	812,706
Studies:		-										
Water and Wastewater Rate Study and Financial Plan	27,500	55,000				27,500				27,500		
Total Capital Expenditures	**1,754,012**	**9,928,560**	**812,706**	**812,706**	**812,706**	**812,706**	**812,706**	**1,431,456**	**1,995,456**	**812,706**	**812,706**	**812,706**

Table A-2
Town of Aylmer
Water Capital Budget Forecast (Inflated $)

Description	Budget	Total	Forecast									
	2026		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
New Water Tower & site works	924,560	-	-	-	-	-	-	-	-	-	-	-
Elk St. - Water	261,952	-	-	-	-	-	-	-	-	-	-	-
Water tower decommissioning/service	-	364,000	-	364,000	-	-	-	-	-	-	-	-
Truck #3 Replacement	-	88,000	-	88,000	-	-	-	-	-	-	-	-
South, Pine, and Victoria St. Reconstruction	540,000	-	-	-	-	-	-	-	-	-	-	-
Pine Street - Queen to Victoria - Reconstruction	-	338,000	-	338,000	-	-	-	-	-	-	-	-
Victoria St N & Warren St - Water St to End - Reconstruction	-	649,000	-	-	-	649,000	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Reconstruction	-	731,000	-	-	-	-	731,000	-	-	-	-	-
St George - South to Talbot - Reconstruction	-	852,000	-	-	-	-	-	-	852,000	-	-	-
Forest - Elm to John - Reconstruction	-	845,000	-	-	-	-	-	845,000	-	-	-	-
Talbot Street East Watermain	-	1,043,000	-	-	-	-	-	84,000	959,000	-	-	-
Wellington St. - Talbot to South - Roadwork/ Watermain	-	500,000	-	-	-	-	-	-	-	500,000	-	-
Parkview Hghts - Chestnut to Forest - Reconst.	-	856,000	-	-	-	-	-	-	-	-	856,000	-
Lifecycle:		-	-	-	-	-	-	-	-	-	-	-
Recommended Annual Requirement from the Town's Asset Management Plan	-	4,803,000	829,000	55,000	862,000	200,000	166,000	683,000	481,000	420,000	116,000	991,000
Studies:		-	-	-	-	-	-	-	-	-	-	-
Water and Wastewater Rate Study and Financial Plan	27,500	62,000	-	-	-	30,000	-	-	-	32,000	-	-
Total Capital Expenditures	**1,754,012**	**11,131,000**	**829,000**	**845,000**	**862,000**	**879,000**	**897,000**	**1,612,000**	**2,292,000**	**952,000**	**972,000**	**991,000**
Capital Financing												
Provincial/Federal Grants		-										
Development Charges Reserve Fund	-	2,055,000	-	-	-	-	-	696,750	1,358,250	-	-	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Water Reserve	1,754,012	9,076,000	829,000	845,000	862,000	879,000	897,000	915,250	933,750	952,000	972,000	991,000
Total Capital Financing	**1,754,012**	**11,131,000**	**829,000**	**845,000**	**862,000**	**879,000**	**897,000**	**1,612,000**	**2,292,000**	**952,000**	**972,000**	**991,000**

Table A-3
Town of Aylmer
Schedule of Non-Growth Related Water Debenture Repayments (Inflated $)

Debenture Year	2026	Principal (Inflated)	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026		-	-	-	-	-	-	-	-	-	-	-
2027		-		-	-	-	-	-	-	-	-	-
2028		-			-	-	-	-	-	-	-	-
2029		-				-	-	-	-	-	-	-
2030		-					-	-	-	-	-	-
2031		-						-	-	-	-	-
2032		-							-	-	-	-
2033		-								-	-	-
2034		-									-	-
2035		-										-
2036		-										
Total Annual Debt Charges	-	-	-	-	-	-	-	-	-	-	-	-

Table A-4
Town of Aylmer
Schedule of Growth Related Water Debenture Repayments (Inflated $)

Debenture Year	2026	Principal (Inflated)	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026		-	-	-	-	-	-	-	-	-	-	-
2027		-		-	-	-	-	-	-	-	-	-
2028		-			-	-	-	-	-	-	-	-
2029		-				-	-	-	-	-	-	-
2030		-					-	-	-	-	-	-
2031		-						-	-	-	-	-
2032		-							-	-	-	-
2033		-								-	-	-
2034		-									-	-
2035		-										-
2036		-										
Total Annual Debt Charges	-	-	-	-	-	-	-	-	-	-	-	-

Table A-5
Town of Aylmer
Water General Capital Reserve Fund Continuity (Inflated $)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Opening Balance	4,697,661	3,745,718	3,746,553	3,763,660	3,779,618	3,793,483	3,804,335	3,827,447	3,854,921	3,882,282	3,903,438
Transfer from Operating	728,623	756,373	788,310	803,847	818,483	833,257	863,314	885,638	903,238	916,618	925,761
Transfer to Capital	1,754,012	829,000	845,000	862,000	879,000	897,000	915,250	933,750	952,000	972,000	991,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**3,672,273**	**3,673,091**	**3,689,863**	**3,705,507**	**3,719,101**	**3,729,740**	**3,752,399**	**3,779,334**	**3,806,159**	**3,826,900**	**3,838,199**
Interest	73,445	73,462	73,797	74,110	74,382	74,595	75,048	75,587	76,123	76,538	76,764

Table A-6
Town of Aylmer
Water Development Charges Reserve Fund Continuity (Inflated $)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Opening Balance	1,105,712	1,194,959	1,287,327	1,382,904	1,481,796	1,584,077	1,689,869	1,088,572	(197,956)	(123,258)	(45,507)
Development Charge Proceeds	65,817	67,126	68,461	69,837	71,221	72,657	74,109	75,603	77,115	78,643	80,224
Transfer to Capital	-	-	-	-	-	-	696,750	1,358,250	-	-	-
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**1,171,529**	**1,262,086**	**1,355,788**	**1,452,741**	**1,553,017**	**1,656,734**	**1,067,228**	**(194,075)**	**(120,841)**	**(44,615)**	**34,717**
Interest	23,431	25,242	27,116	29,055	31,060	33,135	21,345	(3,881)	(2,417)	(892)	694
Required from Development Charges	-	-	-	-	-	-	696,750	1,358,250	-	-	-

Table A-7
Town of Aylmer
Water Operating Budget Forecast (Inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Expenditures											
Operating Costs											
Salaries, Wages & Benefits											
Salaries & Wages - Full Time	330,534	340,500	347,300	354,200	361,300	368,500	375,900	383,400	391,100	398,900	406,900
Self Funded Health Benefits	975	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Canada Pension - Full Time	13,010	13,400	13,700	14,000	14,300	14,600	14,900	15,200	15,500	15,800	16,100
Unemployment Insurance - Full T	4,088	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100
Health Benefits	25,705	26,500	27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,100	31,700
Group Life Premiums & other taxable benefits	4,311	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300
Long Term Disability Premiums.	9,887	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	12,000
OMERS Pension - Full Time	34,562	35,600	36,300	37,000	37,700	38,500	39,300	40,100	40,900	41,700	42,500
Workers Compensation - Full Tim	11,156	11,500	11,700	11,900	12,100	12,300	12,500	12,800	13,100	13,400	13,700
Ontario Health Tax - Full Time	6,445	6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400	7,500
ADM, Materials & Supplies											
Training Travel & Other											
Association Fees	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Travel Expenses	750	800	800	800	800	800	800	800	800	800	800
Tuition Fees, Workshops, Training	8,000	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000
Office Supplies & Printing	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Administrative											
Telephone	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800
Comm Devices/Cell Phones	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
SCADA/Cable/IT expense	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
Hardware/Software Equipment	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Protective Clothing	515	500	500	500	500	500	500	500	500	500	500
Liabilty Insurance	28,900	29,500	30,100	30,700	31,300	31,900	32,500	33,200	33,900	34,600	35,300
Professional Fees and Charges											
Legal Fees	1,545	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Engineering	4,035	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000
Consultants	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Vehicles and Equipment											
Gas or Diesel	3,575	3,800	4,000	4,200	4,400	4,600	4,800	5,000	5,300	5,600	5,900
Vehicle Repair & Maintenance	1,030	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000
Vehicle Insurance	750	800	800	800	800	800	800	800	800	800	800
R&M, Tools & Supplies											
Equipment & Tool Purchases	20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800	24,300
Buildings											
Janitorial Supplies	515	500	500	500	500	500	500	500	500	500	500
Repairs, Alterations, Services	45,000	45,900	46,800	47,700	48,700	49,700	50,700	51,700	52,700	53,800	54,900
Meter Services/Repairs	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Water Meter Purchases	45,000	45,900	46,800	47,700	48,700	49,700	50,700	51,700	52,700	53,800	54,900
Hydro Costs	5,000	5,300	5,600	5,900	6,200	6,500	6,800	7,100	7,500	7,900	8,300
Water Costs	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
Gas/Oil Costs	2,500	2,600	2,700	2,800	2,900	3,000	3,200	3,400	3,600	3,800	4,000
Property Insurance	25,170	25,700	26,200	26,700	27,200	27,700	28,300	28,900	29,500	30,100	30,700

Table A-7 (Continued)
Town of Aylmer
Water Operating Budget Forecast (Inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water and Sewer Materials											
Water Testing	12,500	12,800	13,100	13,400	13,700	14,000	14,300	14,600	14,900	15,200	15,500
Water purchase - Primary	2,687,138	2,787,601	2,888,801	3,008,753	3,129,589	3,251,309	3,373,912	3,506,096	3,643,400	3,786,020	3,934,505
Contracted Services		-	-	-	-	-	-	-	-	-	-
Computer - Hardware & Software	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
Erie Thames - Water billing cha	125,660	128,200	130,800	133,400	136,100	138,800	141,600	144,400	147,300	150,200	153,200
Equipment Rental & Leases	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Sub Total Operating	**3,481,576**	**3,603,101**	**3,721,001**	**3,857,753**	**3,995,989**	**4,135,309**	**4,276,012**	**4,426,596**	**4,582,900**	**4,744,820**	**4,912,905**
Capital-Related											
Existing Debt (Principal) - Growth Related											
Existing Debt (Interest) - Growth Related											
New Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667	446,667
Existing Debt (Interest) - Non-Growth Related	277,961	256,163	234,993	212,569	190,771	168,974	147,565	125,379	103,582	81,785	60,137
New Non-Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	728,623	756,373	788,310	803,847	818,483	833,257	863,314	885,638	903,238	916,618	925,761
Sub Total Capital Related	**1,453,251**	**1,459,203**	**1,469,970**	**1,463,082**	**1,455,921**	**1,448,898**	**1,457,545**	**1,457,684**	**1,453,487**	**1,445,070**	**1,432,564**
Total Expenditures	**4,934,827**	**5,062,305**	**5,190,971**	**5,320,836**	**5,451,911**	**5,584,207**	**5,733,557**	**5,884,279**	**6,036,386**	**6,189,890**	**6,345,469**
Revenues											
Base Charge	476,268	491,573	507,301	523,460	540,063	557,121	574,646	592,648	611,140	630,136	649,798
Total Operating Revenue	**476,268**	**491,573**	**507,301**	**523,460**	**540,063**	**557,121**	**574,646**	**592,648**	**611,140**	**630,136**	**649,798**
Water Billing Recovery - Total	**4,458,559**	**4,570,731**	**4,683,670**	**4,797,376**	**4,911,847**	**5,027,085**	**5,158,911**	**5,291,631**	**5,425,246**	**5,559,754**	**5,695,671**

Table A-8
Town of Aylmer
Water Rate Forecast

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Water Billing Recovery	4,458,559	4,570,731	4,683,670	4,797,376	4,911,847	5,027,085	5,158,911	5,291,631	5,425,246	5,559,754	5,695,671
Total Weighted Volume (m^3)	1,486,186	1,493,703	1,501,176	1,508,609	1,516,002	1,523,359	1,530,834	1,538,265	1,545,654	1,553,004	1,560,458
Constant Rate - General User per m3	**3.00**	**3.06**	**3.12**	**3.18**	**3.24**	**3.30**	**3.37**	**3.44**	**3.51**	**3.58**	**3.65**
Constant Rate - Large User per m3	**2.80**	**2.86**	**2.92**	**2.98**	**3.04**	**3.10**	**3.17**	**3.24**	**3.31**	**3.38**	**3.45**
Bulk Water Rate	**3.30**	**3.36**	**3.42**	**3.48**	**3.54**	**3.60**	**3.67**	**3.74**	**3.81**	**3.88**	**3.95**
Annual Percentage Change		**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**

Appendix B
Detailed Wastewater Rate Calculations

Appendix B: Detailed Wastewater Rate Calculations

Table B-1
Town of Aylmer
Wastewater Capital Budget Forecast (Uninflated $)

Description	Budget 2026	Total	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
Sanitary Sewer		-										
Elk St. - Sanitary Sewer	231,651	-										
South St. Reconstruction	530,000	-										
Pine Street - Queen to Victoria - Reconstruction		505,000		505,000								
Victoria St N & Warren St - Water St to End - Reconstruction		926,000				926,000						
Myrtle St - Catfish Cr. to Forest - Reconstruction		696,000					696,000					
Forest - Elm to John - Reconstruction		718,000						718,000				
St. George Street - S End to Talbot & Oak St - Talbot to Elm - Reconstruction		826,000							826,000			
Wellington St. - Talbot to South - Roadwork/ Watermain		626,185								626,185		
Parkview Hghts - Chestnut to Forest - Reconst.		1,100,000									1,100,000	
Lagoons		-										
Optimization and expansion of treatment facility - Phase I	10,700,000	-										
ISF pumps (Intermittent Sand Filter pumps)		50,000		50,000								
Headworks		9,875,000	9,875,000									
Sludge removal from Lagoons		5,000,000										5,000,000
Pumping Stations		-										
SCADA - Pump station rehab to coordinate SCADA (mech)	1,160,467	-										
Forcemain Chamber Repairs		50,000	50,000									
Studies:		-										
Water and Wastewater Rate Study and Financial Plan	27,500	55,000				27,500				27,500		
EA Study - Lagoon Expansion		100,000	100,000									
Total Capital Expenditures	**12,649,618**	**20,527,185**	**10,025,000**	**555,000**	**-**	**953,500**	**696,000**	**718,000**	**826,000**	**653,685**	**1,100,000**	**5,000,000**

Table B-2
Town of Aylmer
Wastewater Capital Budget Forecast (Inflated $)

Description	Budget 2026	Total	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Expenditures												
Sanitary Sewer	-	-	-	-	-	-	-	-	-	-	-	-
Elk St. - Sanitary Sewer	231,651	-	-	-	-	-	-	-	-	-	-	-
South St. Reconstruction	530,000	-	-	-	-	-	-	-	-	-	-	-
Pine Street - Queen to Victoria - Reconstruction	-	525,000	-	525,000	-	-	-	-	-	-	-	-
Victoria St N & Warren St - Water St to End - Reconstruction	-	1,002,000	-	-	-	1,002,000	-	-	-	-	-	-
Myrtle St - Catfish Cr. to Forest - Reconstruction	-	768,000	-	-	-	-	768,000	-	-	-	-	-
Forest - Elm to John - Reconstruction	-	809,000	-	-	-	-	-	809,000	-	-	-	-
St. George Street - S End to Talbot & Oak St - Talbot to Elm - Reconstruction	-	949,000	-	-	-	-	-	-	949,000	-	-	-
Wellington St. - Talbot to South - Roadwork/ Watermain	-	734,000	-	-	-	-	-	-	-	734,000	-	-
Parkview Hghts - Chestnut to Forest - Reconst.	-	1,315,000	-	-	-	-	-	-	-	-	1,315,000	-
Lagoons	-	-	-	-	-	-	-	-	-	-	-	-
Optimization and expansion of treatment facility - Phase I	10,700,000	-	-	-	-	-	-	-	-	-	-	-
ISF pumps (Intermittent Sand Filter pumps)	-	52,000	-	52,000	-	-	-	-	-	-	-	-
Headworks	-	10,073,000	10,073,000	-	-	-	-	-	-	-	-	-
Sludge removal from Lagoons	-	6,095,000	-	-	-	-	-	-	-	-	-	6,095,000
Pumping Stations	-	-	-	-	-	-	-	-	-	-	-	-
SCADA - Pump station rehab to coordinate SCADA (mech)	1,160,467	-	-	-	-	-	-	-	-	-	-	-
Forcemain Chamber Repairs	-	51,000	51,000	-	-	-	-	-	-	-	-	-
Studies:		-	-	-	-	-	-	-	-	-	-	-
Water and Wastewater Rate Study and Financial Plan	27,500	62,000	-	-	-	30,000	-	-	-	32,000	-	-
EA Study - Lagoon Expansion	-	102,000	102,000	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	**12,649,618**	**22,537,000**	**10,226,000**	**577,000**	**-**	**1,032,000**	**768,000**	**809,000**	**949,000**	**766,000**	**1,315,000**	**6,095,000**
Capital Financing												
Provincial/Federal Grants	4,560,000	7,208,750	7,208,750									
Development Charges Reserve Fund	1,670,000	2,363,000	102,000	525,000	-	1,002,000	-	-	-	734,000	-	-
Non-Growth Related Debenture Requirements	-	6,095,000	-	-	-	-	-	-	-	-	-	6,095,000
Growth Related Debenture Requirements	5,000,000	2,864,250	2,864,250	-	-	-	-	-	-	-	-	-
Wastewater Reserve	1,419,618	4,006,000	51,000	52,000	-	30,000	768,000	809,000	949,000	32,000	1,315,000	-
Total Capital Financing	**12,649,618**	**22,537,000**	**10,226,000**	**577,000**	**-**	**1,032,000**	**768,000**	**809,000**	**949,000**	**766,000**	**1,315,000**	**6,095,000**

Table B-3
Town of Aylmer
Schedule of Non-Growth Related Wastewater Debenture Repayments (Inflated $)

Debenture Year	2026	Principal (Inflated)	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026		-	-	-	-	-	-	-	-	-	-	-
2027		-		-	-	-	-	-	-	-	-	-
2028		-			-	-	-	-	-	-	-	-
2029		-				-	-	-	-	-	-	-
2030		-					-	-	-	-	-	-
2031		-						-	-	-	-	-
2032		-							-	-	-	-
2033		-								-	-	-
2034		-									-	-
2035		-										-
2036		6,095,000										
Total Annual Debt Charges	**-**	**6,095,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Table B-4
Town of Aylmer
Schedule of Growth Related Wastewater Debenture Repayments (Inflated $)

Debenture Year	2026	Principal (Inflated)	Forecast									
			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2026		5,000,000	386,716	386,716	386,716	386,716	386,716	386,716	386,716	386,716	386,716	386,716
2027		2,864,250		221,530	221,530	221,530	221,530	221,530	221,530	221,530	221,530	221,530
2028		-			-	-	-	-	-	-	-	-
2029		-				-	-	-	-	-	-	-
2030		-					-	-	-	-	-	-
2031		-						-	-	-	-	-
2032		-							-	-	-	-
2033		-								-	-	-
2034		-									-	-
2035		-										-
2036		-										
Total Annual Debt Charges	**-**	**7,864,250**	**386,716**	**608,246**	**608,246**	**608,246**	**608,246**	**608,246**	**608,246**	**608,246**	**608,246**	**608,246**

Table B-5
Town of Aylmer
Wastewater Capital Reserve Fund Continuity (Inflated $)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Opening Balance	2,208,418	1,420,137	2,062,770	2,769,656	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	2,956,819
Transfer from Operating	603,492	653,186	704,579	756,385	816,964	878,054	939,694	1,010,338	1,081,740	1,153,842	1,235,661
Transfer to Capital	1,419,618	51,000	52,000	-	30,000	768,000	809,000	949,000	32,000	1,315,000	
Savings for Asset Management Lifecycle Replacements				526,041	846,964	170,054	190,694	121,338	1,109,739		1,192,480
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**1,392,291**	**2,022,323**	**2,715,349**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**2,898,842**	**3,000,000**
Interest	27,846	40,446	54,307	60,000	60,000	60,000	60,000	60,000	60,000	57,977	60,000
Closing Balance Including Savings for Asset Management Lifecycle Replacements	**1,392,291**	**2,022,323**	**2,715,349**	**3,526,041**	**3,846,964**	**3,170,054**	**3,190,694**	**3,121,338**	**4,109,739**	**2,898,842**	**4,192,480**

Table B-6
Town of Aylmer
Wastewater Development Charges Reserve Fund Continuity (Inflated $)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Opening Balance	1,228,460	123,546	212,934	(341,609)	(359,793)	(1,388,208)	(1,402,729)	(1,404,856)	(1,394,088)	(2,118,611)	(2,095,506)
Development Charge Proceeds	562,664	573,928	585,401	597,117	609,050	621,230	633,665	646,349	659,264	672,439	685,901
Transfer to Capital	1,670,000	102,000	525,000	-	1,002,000	-	-	-	734,000	-	-
Transfer to Operating	-	386,716	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246
Closing Balance	**121,124**	**208,759**	**(334,911)**	**(352,738)**	**(1,360,989)**	**(1,375,224)**	**(1,377,310)**	**(1,366,753)**	**(2,077,070)**	**(2,054,418)**	**(2,017,851)**
Interest	2,422	4,175	(6,698)	(7,055)	(27,220)	(27,504)	(27,546)	(27,335)	(41,541)	(41,088)	(40,357)
Required from Development Charges	11,230,000	10,175,000	525,000	-	1,002,000	-	-	-	734,000	-	-

Table B-7
Town of Aylmer
Wastewater Operating Budget Forecast (Inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Expenditures											
Operating Costs											
Salaries, Wages & Benefits											
Salaries & Wages - Full Time	83,038	85,500	87,200	88,900	90,700	92,500	94,400	96,300	98,200	100,200	102,200
Canada Pension - Full Time	3,360	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
Unemployment Insurance - Full Time	1,095	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
OMERS Pension - Full Time	8,984	9,300	9,500	9,700	9,900	10,100	10,300	10,500	10,700	10,900	11,100
Workers Compensation - Part Time	2,760	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700
Ontario Health Tax - Full Time	1,619	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
ADM, Materials & Supplies											
Tuition Fees, Workshops, Training	1,030	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Training Travel & Other											
SCADA/Cable/IT expense	36,000	36,700	37,400	38,100	38,900	39,700	40,500	41,300	42,100	42,900	43,800
Liabilty Insurance	22,120	22,600	23,100	23,600	24,100	24,600	25,100	25,600	26,100	26,600	27,100
Administrative											
Legal Fees	1,545	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Engineering	7,210	7,400	7,500	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100
Consultants	2,060	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Professional Fees and Charges											
Repairs & Maintenance - Other	111,950	117,500	123,400	129,600	136,100	142,900	150,000	157,500	165,400	173,700	182,400
R&M, Tools & Supplies											
Hydro Costs	187,100	196,500	206,300	216,600	227,400	238,800	250,700	263,200	276,400	290,200	304,700
Property Tax-Treatment-Lagoons	65,667	67,000	68,300	69,700	71,100	72,500	74,000	75,500	77,000	78,500	80,100
Water Costs	2,500	2,600	2,700	2,800	2,900	3,000	3,200	3,400	3,600	3,800	4,000
Property Insurance	3,542	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500
Buildings											
Material & Supplies	2,060	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,200
House connections	35,000	35,700	36,400	37,100	37,800	38,600	39,400	40,200	41,000	41,800	42,600
Sanitary Sewer Maintenance	24,720	26,000	27,300	28,700	30,100	31,600	33,200	34,900	36,600	38,400	40,300
Sanitary Sewer Cleaning	51,500	52,500	53,600	54,700	55,800	56,900	58,000	59,200	60,400	61,600	62,800
Contracted Services											
OCWA - Lagoon Operations	177,654	181,200	184,800	188,500	192,300	196,100	200,000	204,000	208,100	212,300	216,500
OCWA - Lagoons OPC Operations	53,155	54,200	55,300	56,400	57,500	58,700	59,900	61,100	62,300	63,500	64,800
OCWA - Pumping Station Operations	110,294	112,500	114,800	117,100	119,400	121,800	124,200	126,700	129,200	131,800	134,400
OCWA - Sand Filter Operations	58,920	60,100	61,300	62,500	63,800	65,100	66,400	67,700	69,100	70,500	71,900
Sub Total Operating	**1,054,883**	**1,087,000**	**1,119,000**	**1,152,200**	**1,186,600**	**1,222,300**	**1,259,300**	**1,297,700**	**1,337,400**	**1,378,500**	**1,421,200**

Table B-7 (Continued)
Town of Aylmer
Wastewater Operating Budget Forecast (Inflated $)

Description	Budget 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital-Related											
Existing Debt (Principal) - Growth Related											
Existing Debt (Interest) - Growth Related											
New Growth Related Debt (Principal)		158,216	256,080	267,783	280,021	292,818	306,199	320,193	334,825	350,127	366,128
New Growth Related Debt (Interest)		228,500	352,166	340,463	328,225	315,428	302,047	288,053	273,420	258,119	242,118
Existing Debt (Principal) - Non-Growth Related											
Existing Debt (Interest) - Non-Growth Related											
New Non-Growth Related Debt (Principal)		-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)		-	-	-	-	-	-	-	-	-	-
Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	603,492	653,186	704,579	756,385	816,964	878,054	939,694	1,010,338	1,081,740	1,153,842	1,235,661
Sub Total Capital Related	**603,492**	**1,039,902**	**1,312,825**	**1,364,631**	**1,425,210**	**1,486,300**	**1,547,940**	**1,618,584**	**1,689,985**	**1,762,088**	**1,843,907**
Total Expenditures	**1,658,375**	**2,126,902**	**2,431,825**	**2,516,831**	**2,611,810**	**2,708,600**	**2,807,240**	**2,916,284**	**3,027,385**	**3,140,588**	**3,265,107**
Revenues											
Base Charge	262,537	276,373	290,896	306,139	322,135	338,922	356,535	375,016	394,405	414,745	436,185
Contributions from Development Charges Reserve Fund	-	386,716	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246	608,246
Total Operating Revenue	**262,537**	**663,089**	**899,142**	**914,385**	**930,381**	**947,167**	**964,781**	**983,262**	**1,002,651**	**1,022,990**	**1,044,431**
Wastewater Billing Recovery - Total	**1,395,837**	**1,463,813**	**1,532,683**	**1,602,447**	**1,681,429**	**1,761,433**	**1,842,458**	**1,933,022**	**2,024,735**	**2,117,597**	**2,220,676**

Table B-8
Town of Aylmer
Wastewater Rate Forecast

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Wastewater Billing Recovery	1,395,837	1,463,813	1,532,683	1,602,447	1,681,429	1,761,433	1,842,458	1,933,022	2,024,735	2,117,597	2,220,676
Total Volume (m^3)	806,842	813,229	819,616	826,003	832,390	838,777	845,164	851,551	857,938	864,325	870,853
Constant Rate	**1.73**	**1.80**	**1.87**	**1.94**	**2.02**	**2.10**	**2.18**	**2.27**	**2.36**	**2.45**	**2.55**
Annual Percentage Change		**4%**	**4%**	**4%**	**4%**	**4%**	**4%**	**4%**	**4%**	**4%**	**4%**