

Utility Infrastructure Fees FAQs

1. Why weren't residents notified before adding charges?

There is no excuse for the Town's lack of communication on this new initiative, and we unreservedly apologize for not having done so prior to the charges being implemented.

2. What are the fees for?

In order to maintain and upgrade our utility infrastructure, the Town has taken out loans to pay for these large updates. To pay for the loans (and thereby the updates themselves), the fees were added to utility bills to pay them back over a long period of time. These are the projects that we are currently paying for:

- a. **41st Avenue Cast Iron Replacement-** [\$975,000]: This project includes the replacement of water supply and sewer pipes deep underground including laterals and curb stop valves to each residence, streets, sidewalks and curbs, and street lighting augmentation.
- b. **Downtown Pipe Relining & Cleaning-** [\$160,000]: This project uses a technology to clean and line the existing pipes rather than excavate and replace infrastructure (at a much higher cost) to extend the life of the utilities.
- c. **Lagoon Sludge Removal (3 Cells)-** [\$650,000]: The lagoons are an essential part of the wastewater treatment system. These ponds slowly lose capacity due to sludge buildup and occasionally require excavation to restore the capacity and retention times of the lagoons.

3. Why aren't they included with property taxes? What do our property taxes actually cover?

For decades, the money from property taxes helped pay for our town's utility services; simply put, for many years taxes have subsidized utilities. But even with taxes and the bills people pay for these utilities, it hasn't been enough to cover all the costs. Prices for everything have gone up, we're offering more services than before, and our utilities need some upgrades to maintain the services you deserve.

So, the Town decided to change how we do things. We want our utility services to be able to pay for themselves with the fees we charge, without relying so much on property taxes. This is a common approach many municipalities take, and we're planning to adopt it gradually over a few years.

Property taxes help fund a great deal of services in our community, from recreation and roads to emergency services, waste collection, infrastructure, and so much more. But there's a limit to how far that money can stretch. That's why we have utility fees. In the past, the system was set up in a way that meant the costs were covered mainly through property taxes, which not everyone pays. This meant that the funding for utility services wasn't as evenly distributed among all users as it could be.

We believe it's fairer for the people who use these services to pay for them, including the costs of making any improvements. This way, whether or not you own property, if you use the services, you'll help cover the costs. This change means everyone who benefits from our utilities will also share in the responsibility of maintaining and upgrading them.

4. Why haven't I seen a reduction on my property taxes with the charges now showing up on my utility bill?

The reason you haven't seen a reduction in your property taxes, despite now seeing charges on your utility bill, is because the overall budgetary needs of the municipality have not decreased. Property taxes contribute to a wider range of other essential municipal services, including but not limited to roads, emergency services, infrastructure development, and recreational facilities. Since the costs associated with these services have not diminished, the revenue generated from property taxes continues to be fully utilized to support these critical areas. Essentially, the introduction of specific charges on utility bills has not reduced the overall financial needs of the municipality for maintaining and improving public services and infrastructure. These specialized utility fees however are going directly to the projects they are referring to, instead of just a wide array of upgrades. Once those upgrades are complete and the loans are paid off, the fees disappear, unlike property taxes that are always present for municipal services that continue to be needed and requested by taxpayers.

5. How long will the fees be on the bill?

The fees will exist on the utility bills until the loans are paid in full.* Each loan has a different length:

- **41st Avenue Cast Iron Replacement-** 10 years
- **Downtown Pipe Relining & Cleaning-** 5 years
- **Lagoon Sludge Removal (3 Cells)-** 5 years

*The times for each may be reduced or even eliminated should the Town receive any grant funding.

6. I don't live on or near 41st Avenue. Why am I paying for a "41st Ave Cast Iron Replacement?"

Our entire utility infrastructure is one huge system of interconnected pipes. While you may not live on 41st Ave, the entire system is connected, and what affects one location affects the system everyone uses, and improvements to any part of our system contribute to the overall reliability and efficiency for all users, no matter where they live in proximity to the upgrade.

7. Why does Taber have the highest utility fees in our area? Lethbridge is cheaper and they also have metered water.

Each town or city decides its own utility prices based on several factors. These include how big the place is, how many people are using the services, the unique geography impacting how utilities are provided, how much it costs to keep the infrastructure running smoothly or to make improvements, and where the utilities come from. Because of these differences, even if Taber and Lethbridge both charge for utility usage, the costs might not match up exactly. It's hard to compare utility prices directly between different areas because they're all dealing with their own unique set of challenges and costs. Some municipalities may appear "cheaper" or "more expensive" than others, but there's no truly equal way to compare one municipal utility service to another.

8. This is a big hit to seniors and others on tight budgets.

We understand that any new fees can be particularly challenging for seniors and others managing tight budgets, and we are doubly aware that these fees have come at a time when many are feeling the effects of inflation. Unfortunately, there was no perfect time to add these fees where someone wouldn't be affected. These decisions are made with careful consideration of the need to maintain and improve essential services while balancing financial impacts on all residents. However, the Town has been aggressively applying for grants to help subsidize these projects in the hope that we can remove or reduce the fees to utility users. If and when we receive any grant funding, those cost savings will be passed on to utility users by either the reduction or elimination of any fees for those projects we get grants for.

9. After these three projects are complete, are you going to add more fees for other projects?

Infrastructure maintenance and upgrades are ongoing to ensure our community has reliable and efficient services. It's difficult to promise that there won't be any new fees in the future. However, we're committed to transparency and better communication moving forward. If new fees are necessary, we'll make sure to inform everyone well in advance. We are deeply sorry that this was not the case in this instance.

10. What about the Secondary Clarifier Fee that was on my 2023 bills, but not my 2024 bill? What happened to it?

Will that fee come back? Also, what is the Secondary Clarifier?

The estimated cost for the Secondary Clarifier was \$3.4 million. We received \$1,233,520 from the Alberta Municipal Water/Wastewater Partnership (AMWWP) Grant (36.38% of the total cost of the project), reducing the burden on utility users to \$2,166,480 (the total amount the Town borrowed for this project). The Town decided to remove that fee from utility bills for 2024 because of the grant, and work to pay off the other three projects (though we are aggressively seeking grants for those as well). The Secondary Clarifier fee will return in January 2025, but the fee will be reduced to reflect the lower amount we had to borrow thanks to the grant.

A secondary clarifier in the water or wastewater treatment process is like a giant settling tank. After wastewater has been treated with bacteria to break down the pollutants (this happens in what's called the secondary treatment phase), it's still not completely clean. It contains tiny particles and bacteria that need to be removed. That's where the secondary clarifier comes in. The water is slowed down in this tank, allowing those tiny particles and any remaining bacteria to settle at the bottom. This settling process separates the cleaner water from the solids. The clear water on top can then move on to the next stage of treatment or be discharged if it meets the environmental standards, while the solids collected at the bottom are removed and treated further. Think of it like letting a muddy glass of water sit still. Over time, the mud settles to the bottom, leaving clearer water on top. That's essentially what the secondary clarifier does, but on a much larger scale and for wastewater.