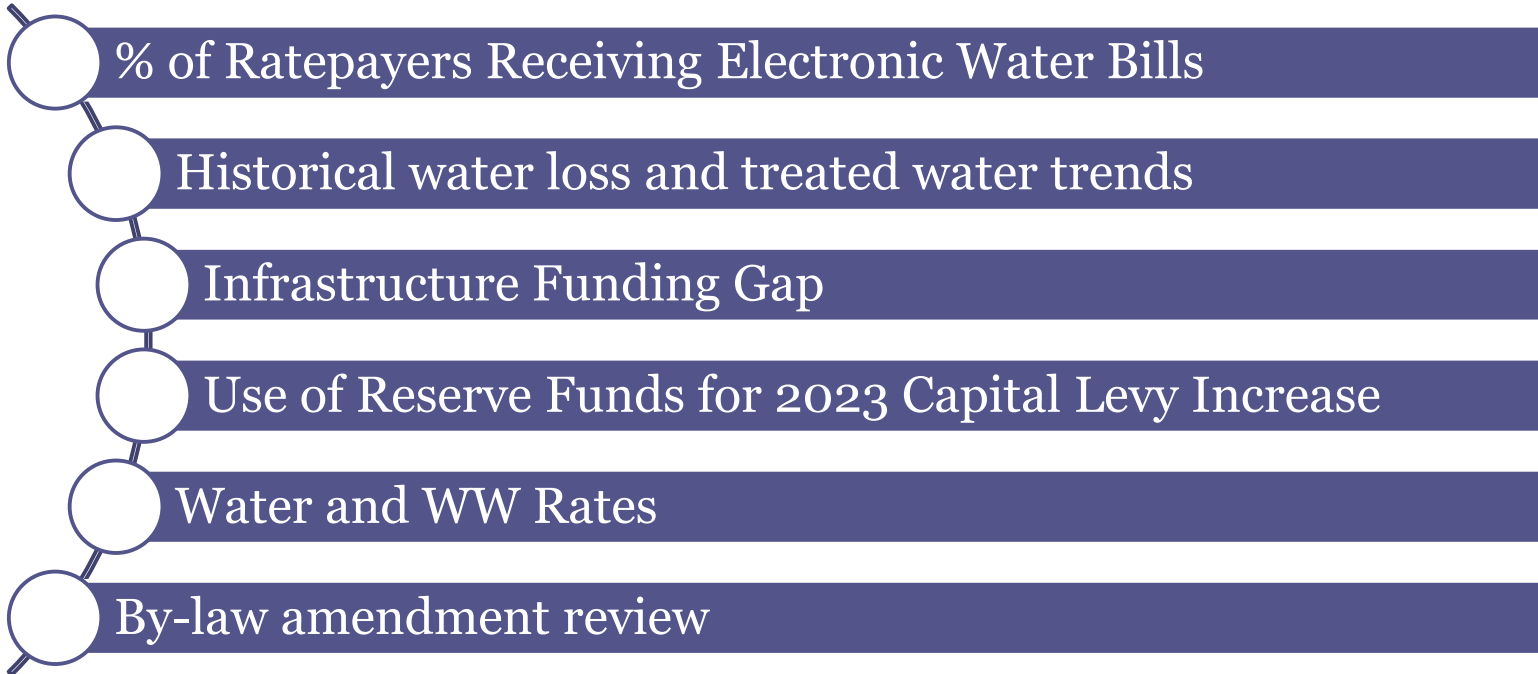


# 2023 Water and Wastewater Budget and Calculated Rates

Special Committee Meeting  
January 9, 2022

# Agenda

- 
- % of Ratepayers Receiving Electronic Water Bills
  - Historical water loss and treated water trends
  - Infrastructure Funding Gap
  - Use of Reserve Funds for 2023 Capital Levy Increase
  - Water and WW Rates
  - By-law amendment review

# Treated Water History

<b>Treated Water Taking</b>	<b>Total Treated (m3)</b>	<b>Average Day (m3/d)</b>	<b>Max Day (m3/d)</b>	<b>Max Day % of PTTW allowable (78,700 m3/d)</b>
2021	7,411,731	20,306	35,837	46%
2020	7,053,621	19,272	27,527	35%
2019	7,392,707	20,254	33,137	42%
2018	7,146,560	19,573	27,074	34%
2017	6,788,663	18,597	28,655	36%
2016	7,564,121	20,720	27,290	35%
2015	10,228,009	28,019	39,128	50%
2014	10,337,724	28,335	41,399	52%
2013	10,578,115	28,962	43,235	55%
2012	11,659,907	31,910	51,534	65%
2011	12,563,903	34,408	51,450	65%

# Infrastructure Funding Gap

## Core Assets

### 2022 Asset Management Update

	Replacement Cost	Annual Shortfall Millions
Bridges & culverts	91,379,508	1.0
Road Network	531,903,911	16.1
Storm Wastewater Network	266,286,039	1.8
	671,307,205	2.7
Water Network	600,933,038	5.8
<b>Total</b>	<b>2,161,809,701</b>	<b>27,475,982</b>

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### 2014 Asset Management Update

Note: not adjusted to 2023 dollars as reported	2014 Replacement Cost	2014 Reported Shortfall Millions
Bridges & culverts	119,200,000	15.33
Road Network	560,000,000	
Storm Sewer Wastewater Network	124,000,000	4.33
	114,000,000	2.69
Water	188,600,000	-1.21
Treatment Facilities	172,000,000	1.58

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# Forecast Based on Preliminary Budget

					Based on Preliminary Budget						
					2023	2024	2025	2026	2027		Total Reserves Used
Preliminary Net Revenue Required					25,805,500	27,235,900	28,970,100	30,752,800	32,636,700		
Less: Use of Reserves Towards Capital Levy					(205,400)	-	-	-	-		(205,400)
Net Revenue Required - Water & WW					25,600,100	27,235,900	28,970,100	30,752,800	32,636,700		
Year over Year Change - \$					1,340,900	1,635,800	1,734,200	1,782,700	1,883,900		
Year over Year Change - %					5.53%	6.39%	6.37%	6.15%	6.13%		
Operating					2.68%	1.71%	1.68%	1.65%	1.63%		
Capital					2.85%	4.68%	4.69%	4.50%	4.50%		
					<b>5.53%</b>	<b>6.39%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>		

# Forecast Based Additional Reserves in 2023 to Fund Full 2023 Capital Impact

	Based on Using Additional Reserves in 2023					Total Reserves Used
	2023	2024	2025	2026	2027	
Preliminary Net Revenue Required	25,805,500	27,235,900	28,970,100	30,752,800	32,636,700	
Less: Use of Reserves Towards Capital Levy	(746,000)	-	-	-	-	(746,000)
Net Revenue Required - Water & WW	25,059,500	27,235,900	28,970,100	30,752,800	32,636,700	
Year over Year Change - \$	800,300	2,176,400	1,734,200	1,782,700	1,883,900	
Year over Year Change - %	3.30%	8.68%	6.37%	6.15%	6.13%	
Operating	2.68%	1.74%	1.68%	1.65%	1.63%	
Capital	0.62%	6.94%	4.69%	4.50%	4.50%	
	<b>3.30%</b>	<b>8.68%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	
<b>Forecast before use of additional reserves</b>	<b>5.53%</b>	<b>6.39%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	
(Reduction) / Increase After Use of Addt'l Reserves	-2.23%	2.30%	0.00%	0.00%	0.00%	

# Based on Using Additional Reserves in 2023 to Fund Full Impact of Capital and Maintain Use of Prior Year Reserve

	Based on Using Additional Reserves in 2023 to Fund Full Impact of Capital and Maintain Use of Prior Year Reserve					Total Reserves Used
	2023	2024	2025	2026	2027	
Preliminary Net Revenue Required	25,805,500	27,235,900	28,970,100	30,752,800	32,636,700	
Less: Use of Reserves Towards Capital Levy	(896,000)	-	-	-	-	(896,000)
Net Revenue Required - Water & WW	24,909,500	27,235,900	28,970,100	30,752,800	32,636,700	
Year over Year Change - \$	650,300	2,326,400	1,734,200	1,782,700	1,883,900	
Year over Year Change - %	2.68%	9.34%	6.37%	6.15%	6.13%	
Operating	2.68%	1.75%	1.68%	1.65%	1.63%	
Capital	0.00%	7.58%	4.69%	4.50%	4.50%	
	<b>2.68%</b>	<b>9.34%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	
<b>Forecast before use of additional reserves</b>	<b>5.53%</b>	<b>6.39%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	
(Reduction) / Increase After Use of Addt'l Reserves	-2.85%	2.95%	0.00%	0.00%	0.00%	

# Based on Using a Transition Plan to Phase Out Use of Reserves 2023-27

	Based on Using a Transition Plan to Phase Out Use of Reserves					Total Reserves Used
	2023	2024	2025	2026	2027	
Preliminary Net Revenue Required	25,805,500	27,235,900	28,970,100	30,752,800	32,636,700	
Less: Use of Reserves Towards Capital Levy	(583,800)	(408,700)	(291,900)	(116,760)	-	(1,401,160)
Net Revenue Required - Water & WW	25,221,700	26,827,200	28,678,200	30,636,040	32,636,700	
Year over Year Change - \$	962,500	1,605,500	1,851,000	1,957,840	2,000,660	
Year over Year Change - %	3.97%	6.37%	6.90%	6.83%	6.53%	
Operating	2.68%	1.73%	1.70%	1.67%	1.63%	
Capital	1.29%	4.63%	5.20%	5.16%	4.90%	
	<b>3.97%</b>	<b>6.37%</b>	<b>6.90%</b>	<b>6.83%</b>	<b>6.53%</b>	
<b>Forecast before use of additional reserves</b>	<b>5.53%</b>	<b>6.39%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	
(Reduction) / Increase After Use of Addtl Reserves	-1.56%	-0.02%	0.53%	0.67%	0.40%	



# Summary of Options

	2023	2024	2025	2026	2027	Use of Reserves 2023-2027
<b>Preliminary Budget</b>						
Operating	2.68%	1.71%	1.68%	1.65%	1.63%	
Capital	2.85%	4.68%	4.69%	4.50%	4.50%	
	<b>5.53%</b>	<b>6.39%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	\$ 205,400
<b>Additional Reserves in 2023 to Fund Full 2023 Capital Impact</b>						
Operating	2.68%	1.74%	1.68%	1.65%	1.63%	
Capital	0.62%	6.94%	4.69%	4.50%	4.50%	
	<b>3.30%</b>	<b>8.68%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	\$ 746,000
Change from Preliminary Forecast	-2.23%	2.30%	0.00%	0.00%	0.00%	
<b>Additional Reserves in 2023 to Fund Full Capital Impact Plus Maintain Prior Year Use of Reserves</b>						
Operating	2.68%	1.75%	1.68%	1.65%	1.63%	
Capital	0.00%	7.58%	4.69%	4.50%	4.50%	
	<b>2.68%</b>	<b>9.34%</b>	<b>6.37%</b>	<b>6.15%</b>	<b>6.13%</b>	\$ 896,000
Change from Preliminary Forecast	-2.85%	2.95%	0.00%	0.00%	0.00%	
<b>Additional Reserves 2023-2026</b>						
Operating	2.68%	1.73%	1.70%	1.67%	1.63%	
Capital	1.29%	4.63%	5.20%	5.16%	4.90%	
	<b>3.97%</b>	<b>6.37%</b>	<b>6.90%</b>	<b>6.83%</b>	<b>6.53%</b>	\$ 1,401,160
Change from Preliminary Forecast	-1.56%	-0.02%	0.53%	0.67%	0.40%	

# Summary Impact to Rates

	<b>Variable Rate</b>	<b>Sanitary Sewer Rate</b>	<b>Annual Bill 14m3</b>
Option #1 Preliminary Budgt 205k Reserve	1.48	96.35	1,110.72
Option #2 746k Reserve	1.45	96.25	1,087.56
Option #3 896 Reserve	1.44	96.22	1,080.60
Option #4 - 1.4 Reserve	1.46	96.26	1,088.04

# By-law amendment

- Grandfathering out of tenant agreements currently clause 10 of bylaw:

“The Chief financial Officer may accept a direction by way of application from a Property Owner that notice of the account shall be given to a tenant of the Property Owner.”

# **Questions/Discussion**