



Proposed 2016 Water / Wastewater Budget

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Date: January 5, 2016





Presentation Overview



- Introduction
- Background
- Strategic Business Plan
- Financial & Proposed Rate
- Questions





Programs & Services:



- Supply & distribute dependable, high quality drinking water;
- Provide consistent, effective wastewater collection & treatment services;
- Contribute to Fire Protection;
- Provide Responsible Environmental Stewardship & lake water protection





Key 2016 Budget Drivers:

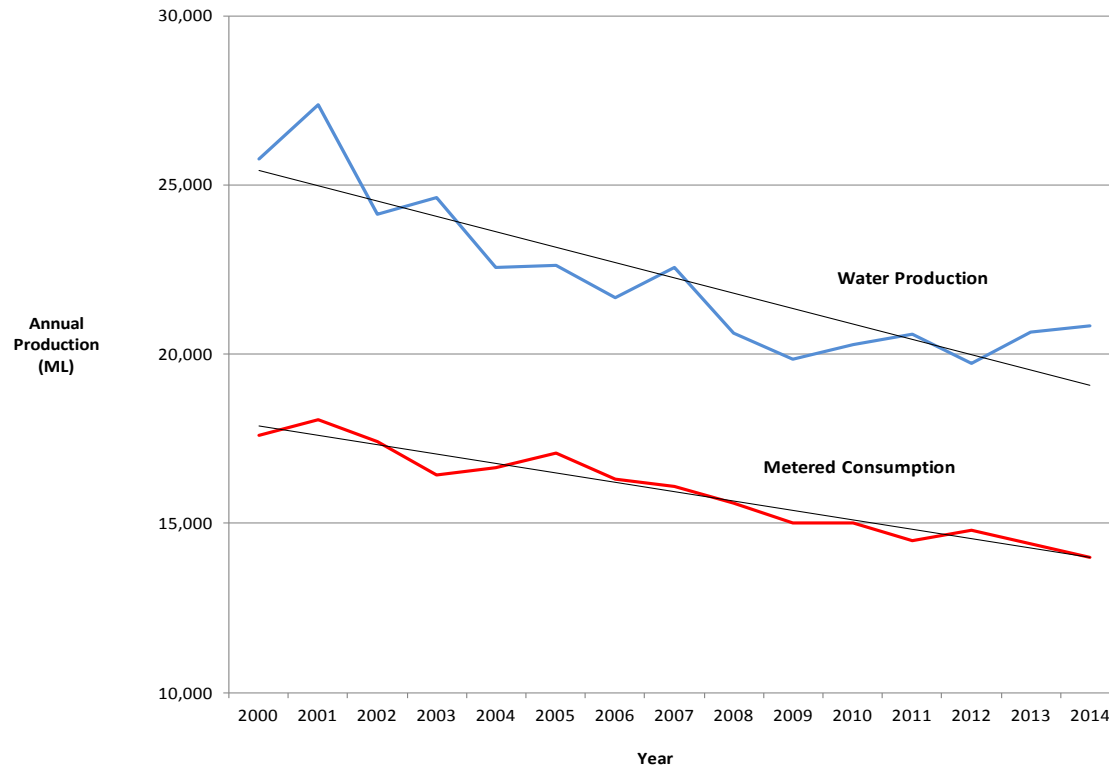
1. Investing to Close Infrastructure Renewal / Replacement Gap;
2. Aging Infrastructure = More Frequent & More Significant Repairs;
3. Incorporating New Programs & Service Improvements;
4. Declining Consumption





Changing Water Consumption

CGS Annual Water Production & Consumption History





Tactical Business Plan



Key Focus Areas:

- Employee
- Customer
- Business





W/WW Benchmarking

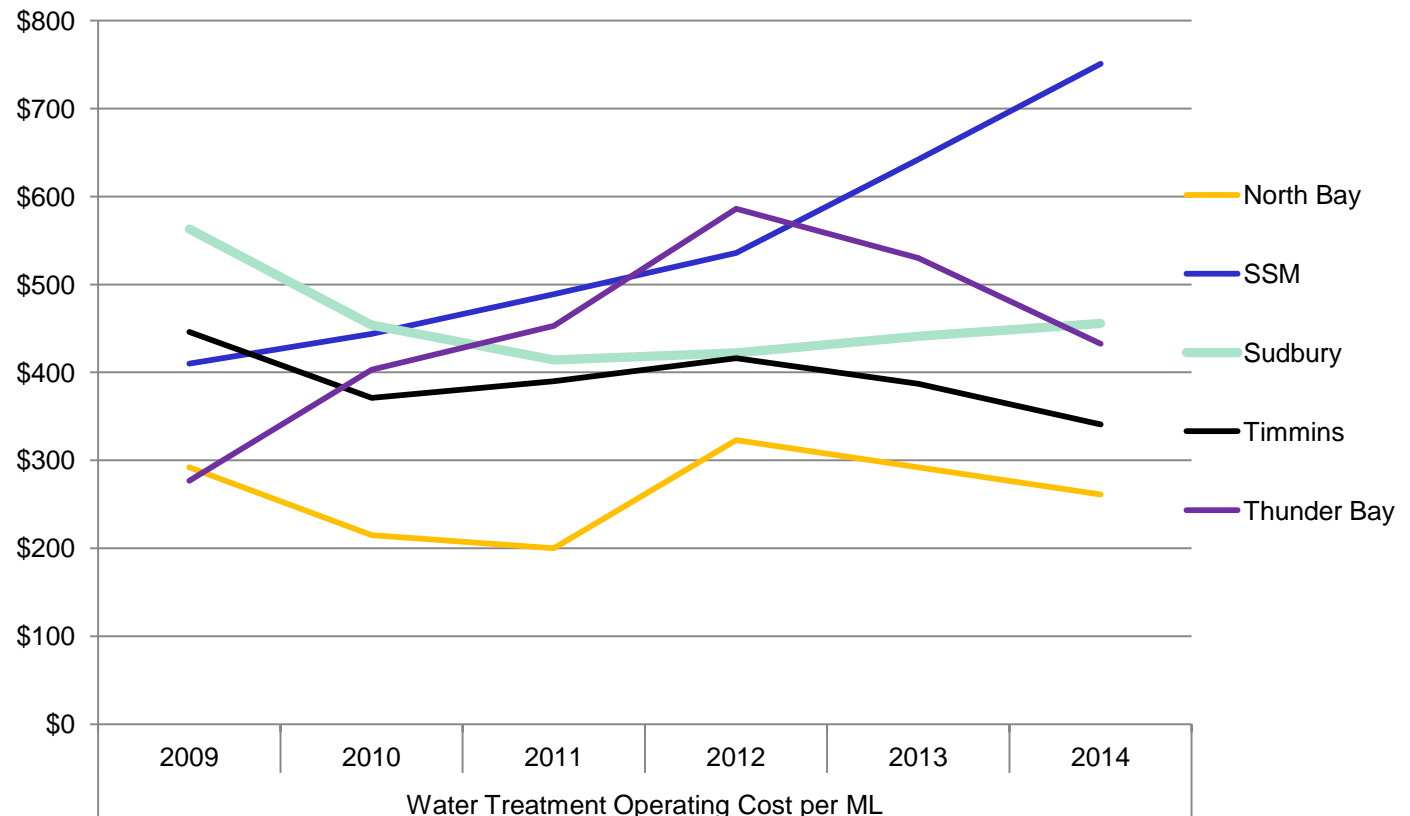


- **Northern Ontario Municipal Comparators;**
 - 4 neighbouring municipalities
- **National Water & Wastewater Benchmarking Initiative (NWWBI);**
 - 43 participating municipalities / utilities across Canada;
 - 20 performance measures in WT, WWT, D/C;
 - Features task forces & work shops



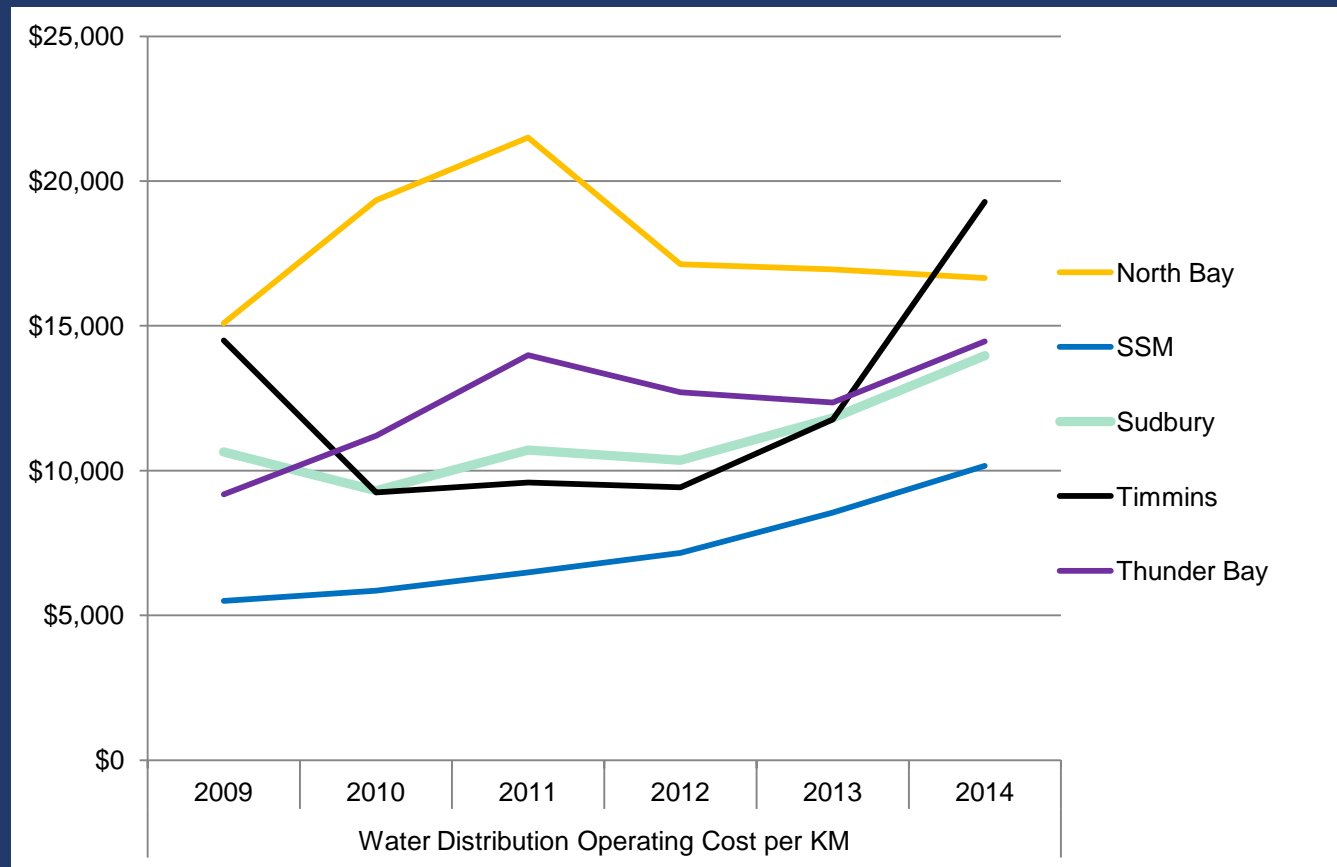
Northern Benchmark Comparisons: Water Treatment Costs

Operating Cost per ML - Water Treatment



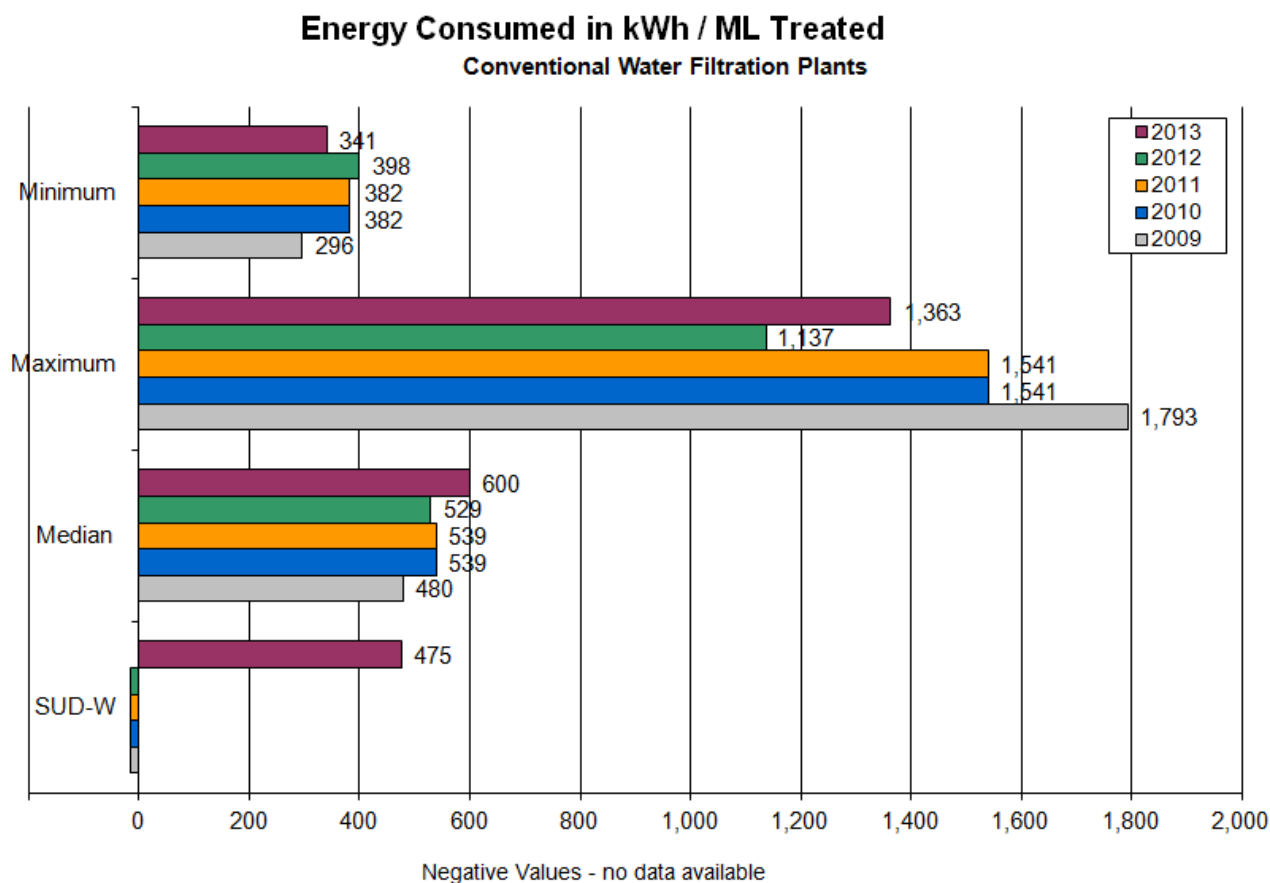


Northern Community Comparitors Water Distribution System Costs



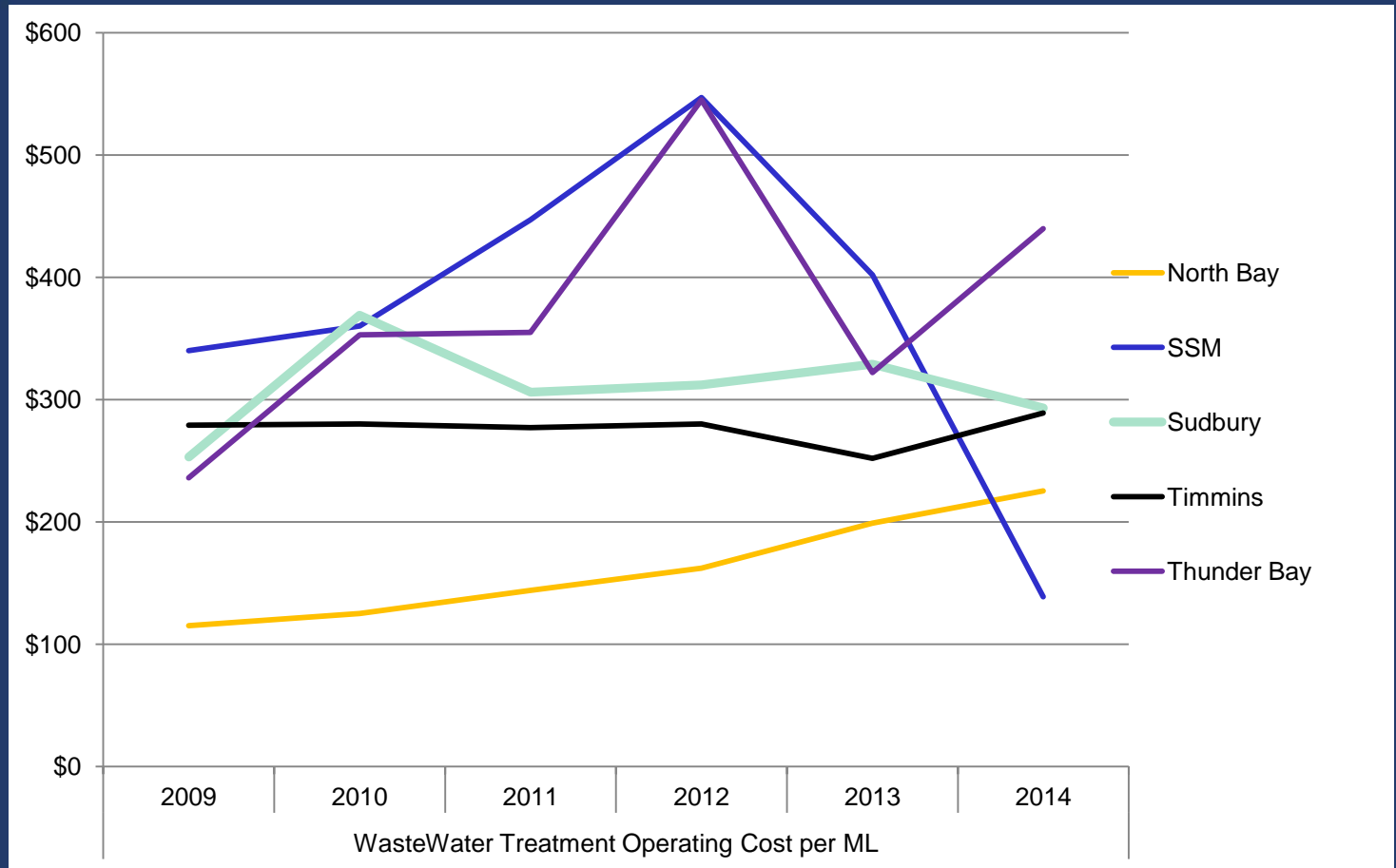


NWWBI Benchmarking Results: Energy Consumed at Water Filtration Plants



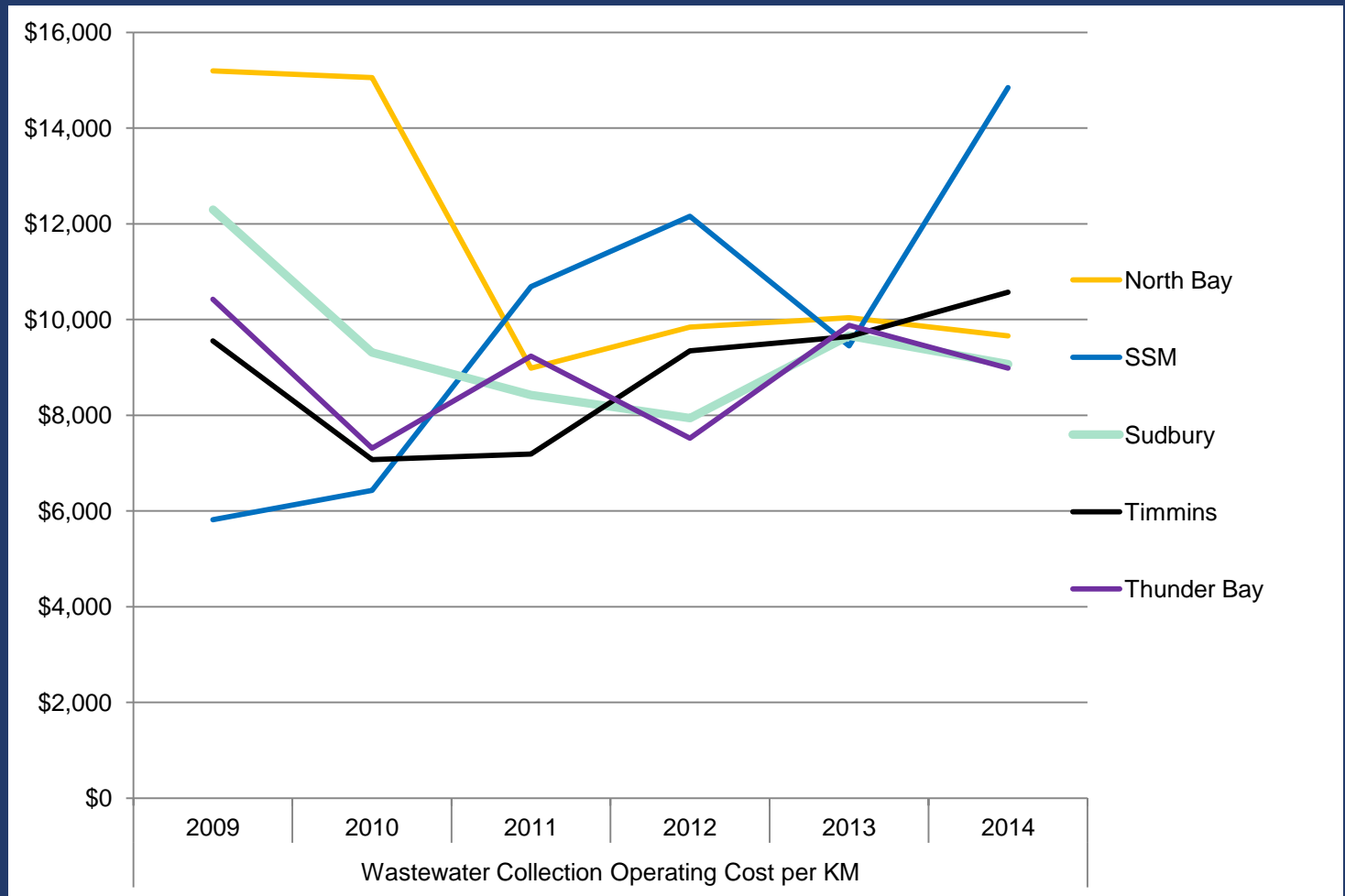


Northern Benchmark Comparisons: Wastewater Treatment Costs



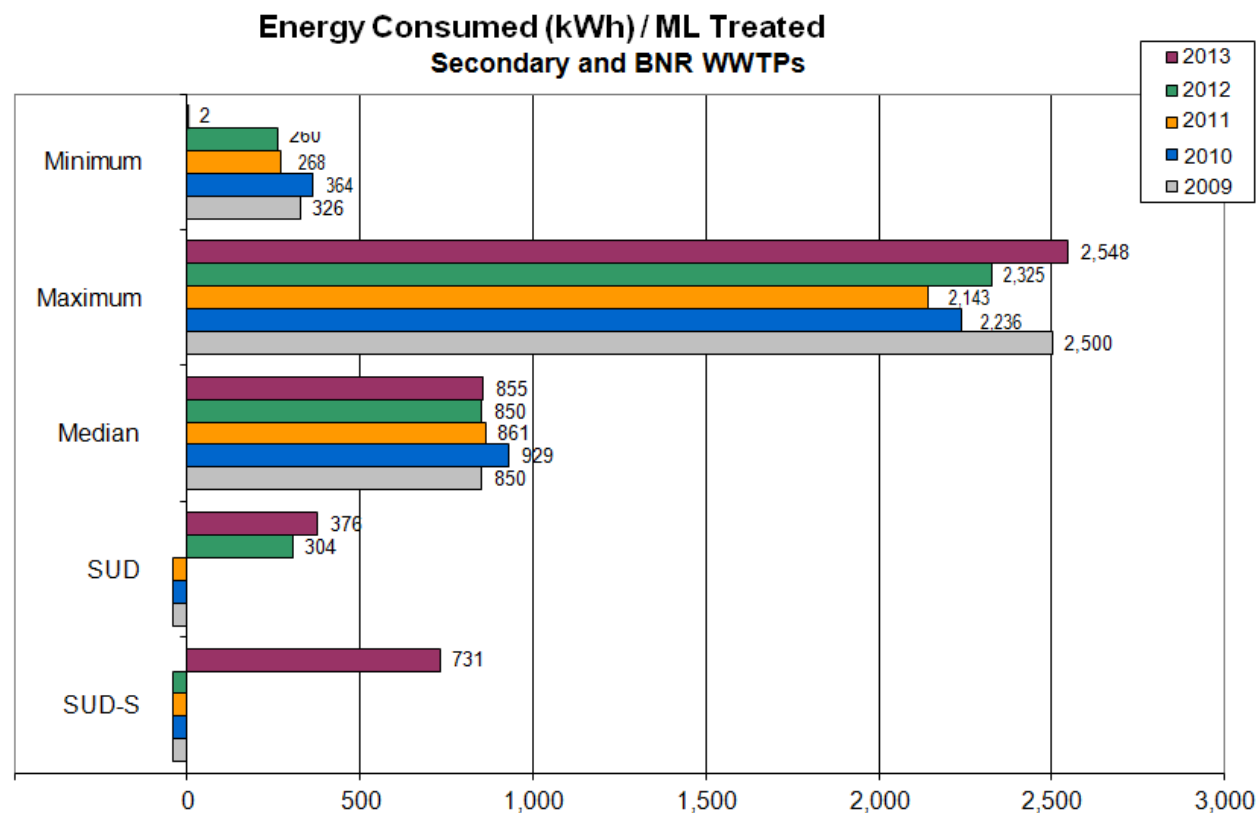


Northern Benchmark Comparisons: Wastewater Collection System Costs





NWWBI Benchmarking Results: Energy Consumed at Wastewater Plants

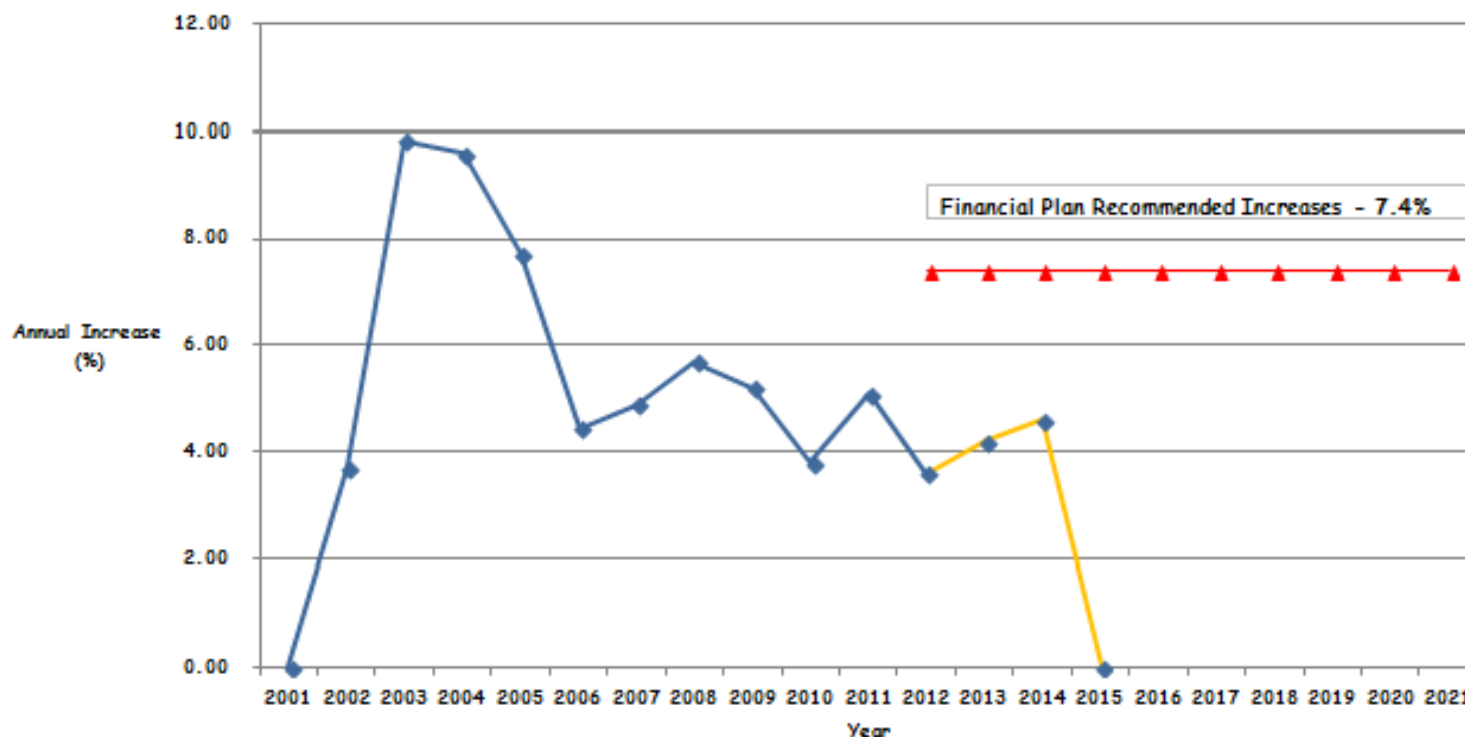


Negative Values - no data available



CGS Rate History: Financial Plan Recommended Increases for Sustainable Systems

W/WW Rate History





Proposed 2016 Budget:

Continuing Phase-in of AWWA recommended **Fire Protection Costs** from Municipal Levy;

Compensating for Impact of **Consumption declines**;

Eliminating freezes on fixed residential service charges (2012 through 2015);

Finalizing **Biosolids** Phase-In;

Changes to **miscellaneous user fees** & programs



Proposed Capital Highlights

- **Roads Project Coordination:** \$2.7 M in sewer main & \$7.2M in water main projects in co-ordination with the roads projects;
- **Trenchless technology:** \$2.4 M in pipe lining programs;
- \$800,000 committed for future introduction of **Automated Water Meter** (AMA) technology;
- \$8.4 M for **Copper Cliff Wastewater System** upgrades;
- \$4.9 M in **Repayments and Funding** for previously approved projects.

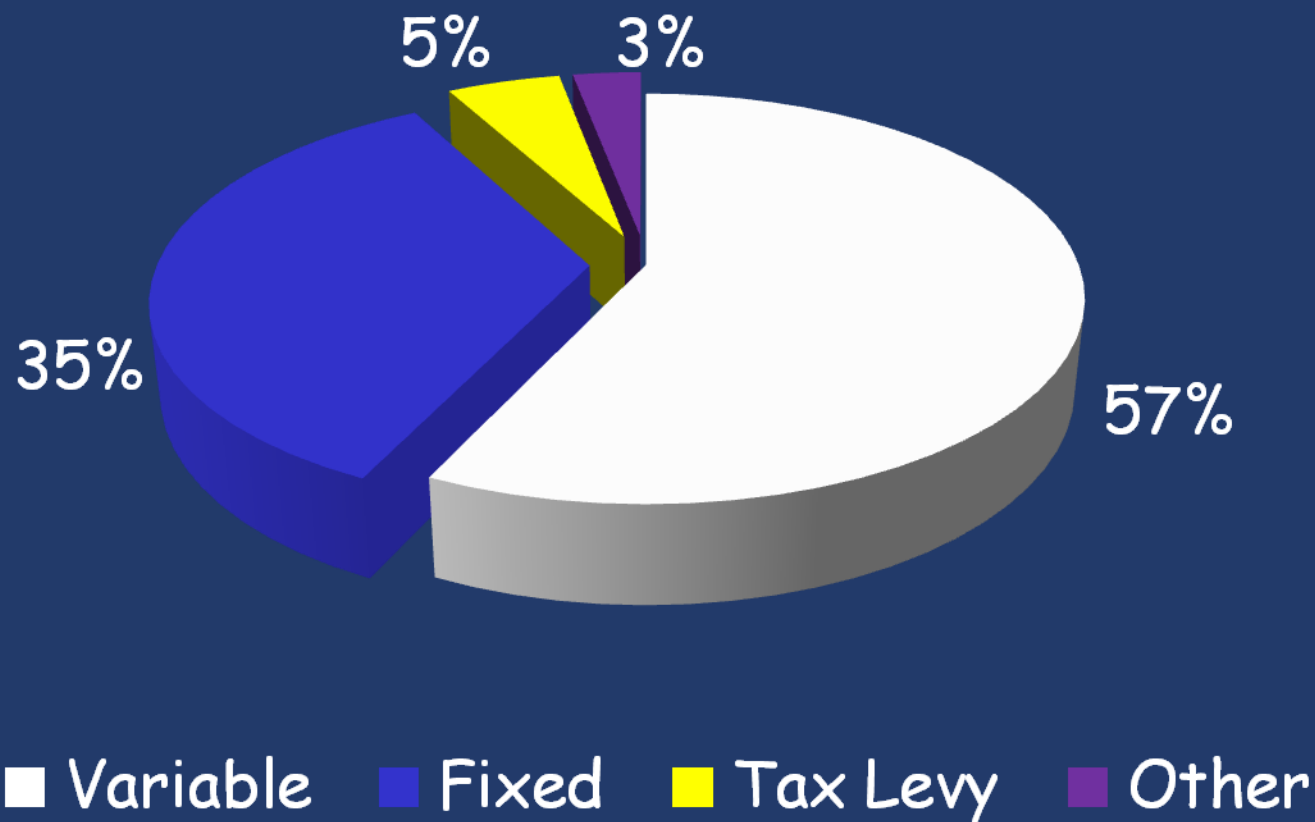


2016 Water / Wastewater Budget

Presented by: Ed Stankiewicz

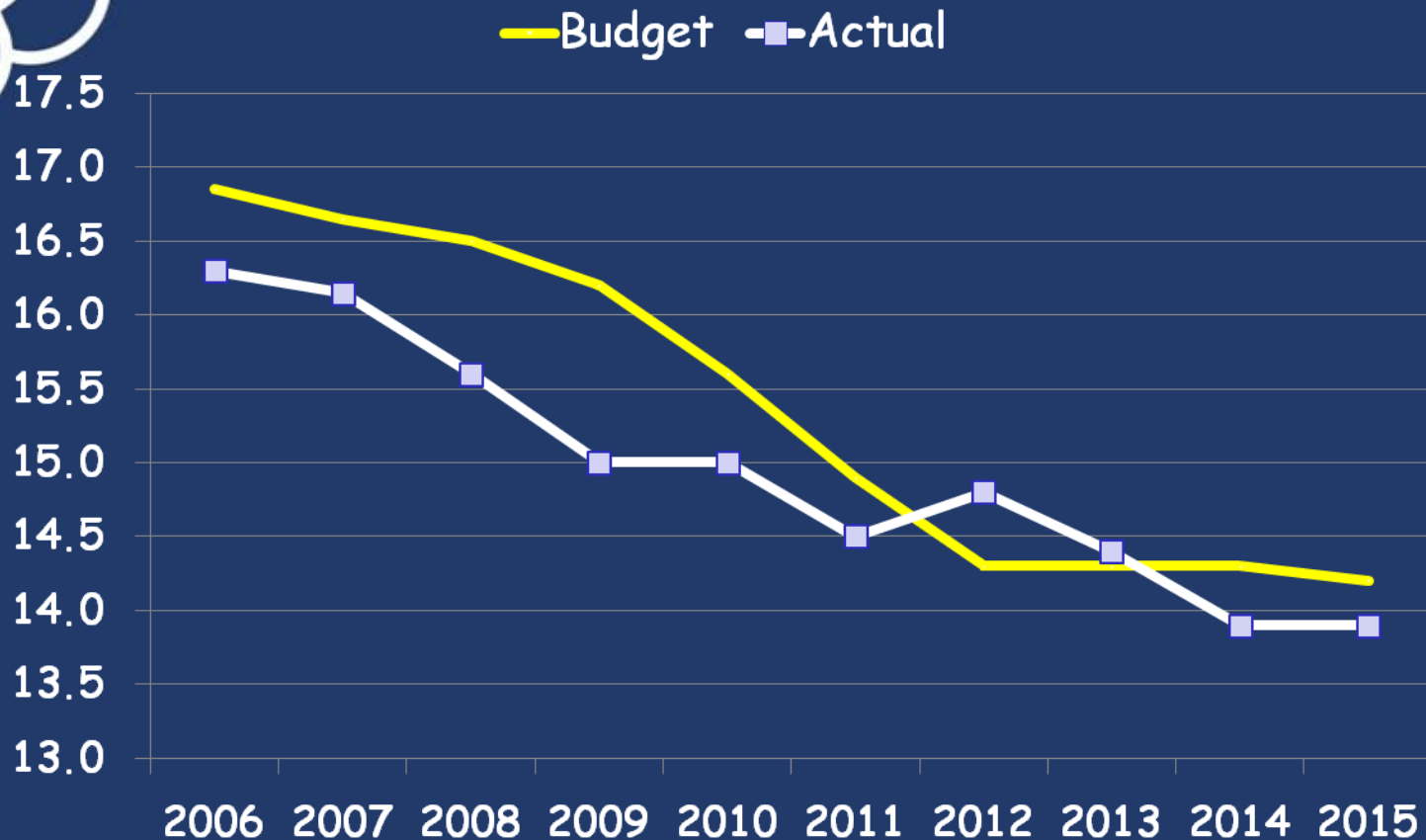


2016 Base Budget: Sources of Revenue \$69.1 Million





Consumption Declines



Water Consumption History in ('000's Cu M)



Water / Wastewater Budget

2016 Base Budget Rates

(Residence using 200 cubic metres)



	2015	2016
Water Rate (variable per cubic metre)	\$1.244	\$1.351
Water Fixed Service Charge (per month)	\$15.71	\$16.96
Wastewater Surcharge	119.5%	115.7%



Water / Wastewater Budget



2015 Base Budget Increases:

(Residence using 200 cubic metres)

WWW Base Budget Increase

6.4%

\$62



Water and Wastewater

Breakdown of Overall Residential
Increase of 6.4% or \$62 per Annum

Maintaining Services	3.8%
Biosolids Phase-in	0.9%
Decreased Consumption	0.9%
Increased Capital Investments	<u>0.8%</u>
Overall WWW Increase	<u><u>6.4%</u></u>



Sustainable Capital Funding

- 2002 - SCAMP developed
- 2011 - WWW LTFP SCAMP revised
- Capital funding to increase until equal to 2% of replacement value



Capital Funding Gap

Annual Sustainable Capital Funding Required per Financial Plan	\$58.0 M
2016 Capital Base Funding	\$25.9 M
Differential (Funding Gap)	(\$32.1M)

LTFP Recommended 7.4% WWWW increase per year for 10 years



Water / Wastewater Budget Enhancement Option



Options	Base Budget	Option 1
2016 Base Budget	6.4%	6.4%
Option 1: Enhance Capital Envelopes	-	1.0%
Overall Increase - %	6.4%	7.4%
Overall Increase - \$	\$62	\$71
Total Annual bill - \$	\$1,022	\$1,031



Water/Wastewater Cost Summary

Northern Ontario > 40,000 Population



	Res	Comm	Ind	Ind
Volume (m3)	200	10,000	30,000	100,000
Meter Size	5/8"	2"	3"	4"
Sudbury	\$960	\$30,616	\$88,538	\$283,403
North Bay	\$1,120	\$20,259	\$55,162	\$177,320
Thunder Bay	\$1,049	\$22,865	\$61,995	\$190,414
Timmins	\$781	\$26,828	\$80,483	\$268,275
SSM	\$839	\$27,322	\$74,290	\$237,214
Median	\$960	\$26,828	\$74,290	\$237,414
Average	\$950	\$25,578	\$72,094	\$231,325
BMA Survey Median	\$902	\$28,207	\$81,841	\$264,178
BMA Survey Average	\$922	\$30,734	\$89,511	\$289,874



Next Steps

Tonight

- ☐ Approval of WWWW Budget and user fee rates

January 12th, 2016

- ☐ WWWW Rate By-law Approved by Council



Questions?