



Budget11

Infrastructure Services Department Water & Wastewater Services

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Water/Wastewater Services

Overview

- Water & Wastewater Services is one of the big three Divisions in the Infrastructure Services Department
- Responsible to provide safe drinking water and wastewater services to approximately 85 percent of the Community
- Responsible for the operation and maintenance of a W/WW inventory of \$2.3 Billion
- 137 FTE
3,075 Part Time Hours
- Gross Budget \$56.5 M
Net Budget \$ 2.9 M - on the tax levy
- Balance covered by W/WW User Fees/Rates




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Water/Wastewater Services

2010 Accomplishments

- Approval of updated Sewer Use Bylaw
- Preventive Plumbing Subsidy program implemented
- South End Rock Tunnel Project completed
- Biosolids Project Commenced
- OPWA Awards for South End Rock Tunnel Project and Levack/Onaping Falls Water Supply Project




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Water/Wastewater Services

2011 Challenges

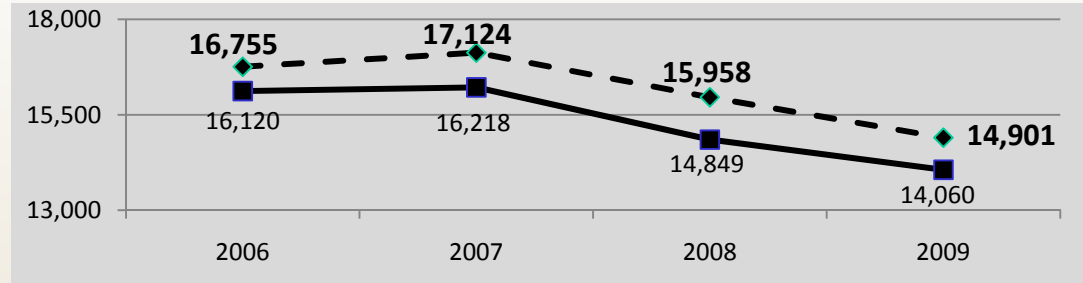
- Financial Sustainability
- Maximize Efficiencies
- Ongoing Regulatory Compliance
- Biosolids Project
- Industrial Lands Strategy



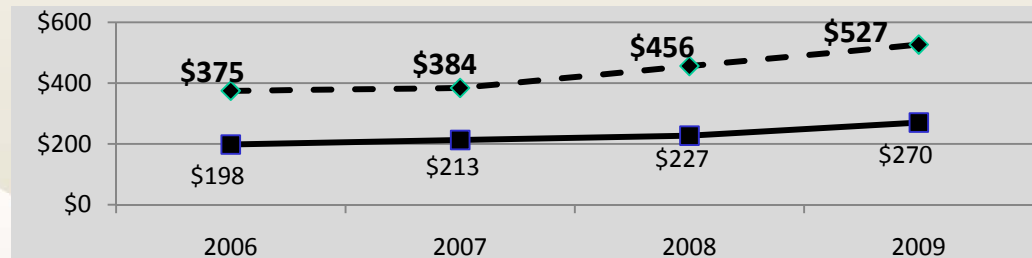

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OMBI Performance Measures: Water Services

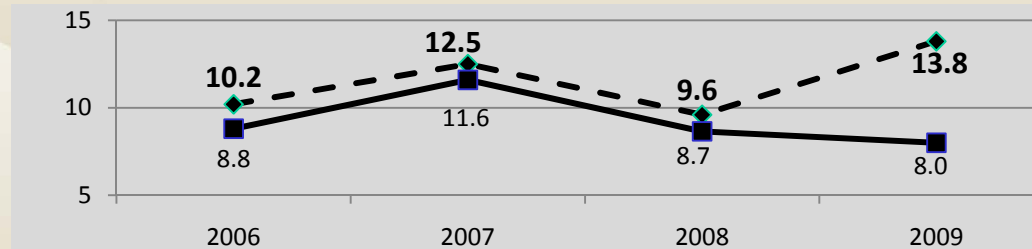
Megalitres of Treated Water
per 100,000 Population



Operating Cost for the
Treatment of Drinking Water
per Megalitre Treated



Number of Water Main
Breaks per 100 Kilometres of
Distribution Pipe

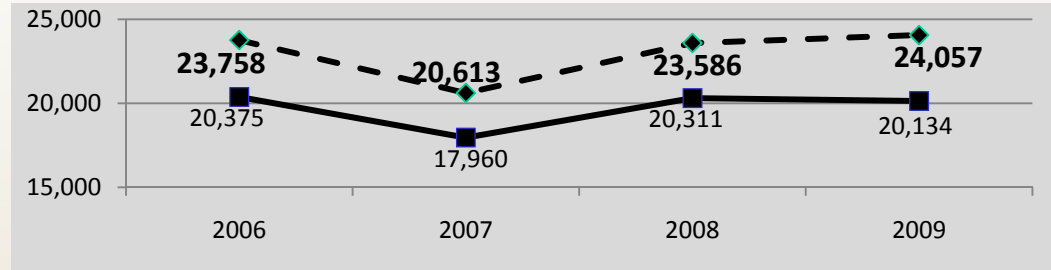


— Provincial Median
--- CGS

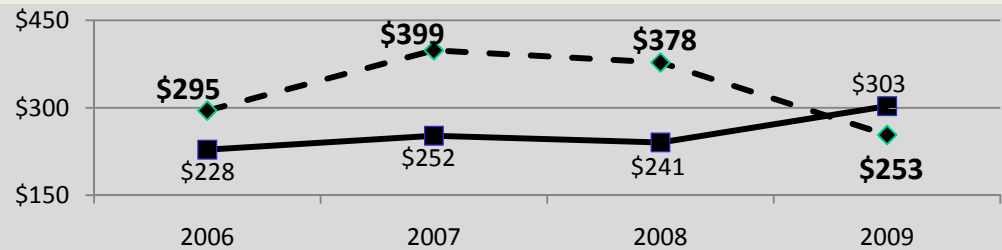
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OMBI Performance Measures: Wastewater Services

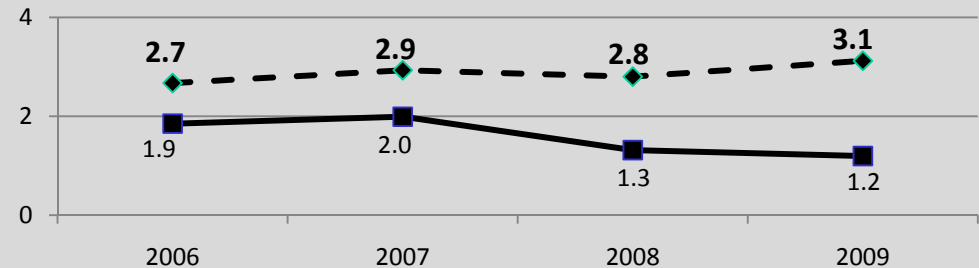
Megalitres of Wastewater
Treated per 100,000
Population



Operating Cost of Wastewater
Treatment and Disposal per
Megalitre Treated



Number of Wastewater Main
Backups per 100 Kilometres of
Wastewater Main Pipe



— Provincial Median
--- CGS

Summary
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Proposed 2011 Water / Wastewater Budget



Water/Wastewater Services:

Customer Needs Become Service Revenue Needs





Water/Wastewater Services: Current Issues



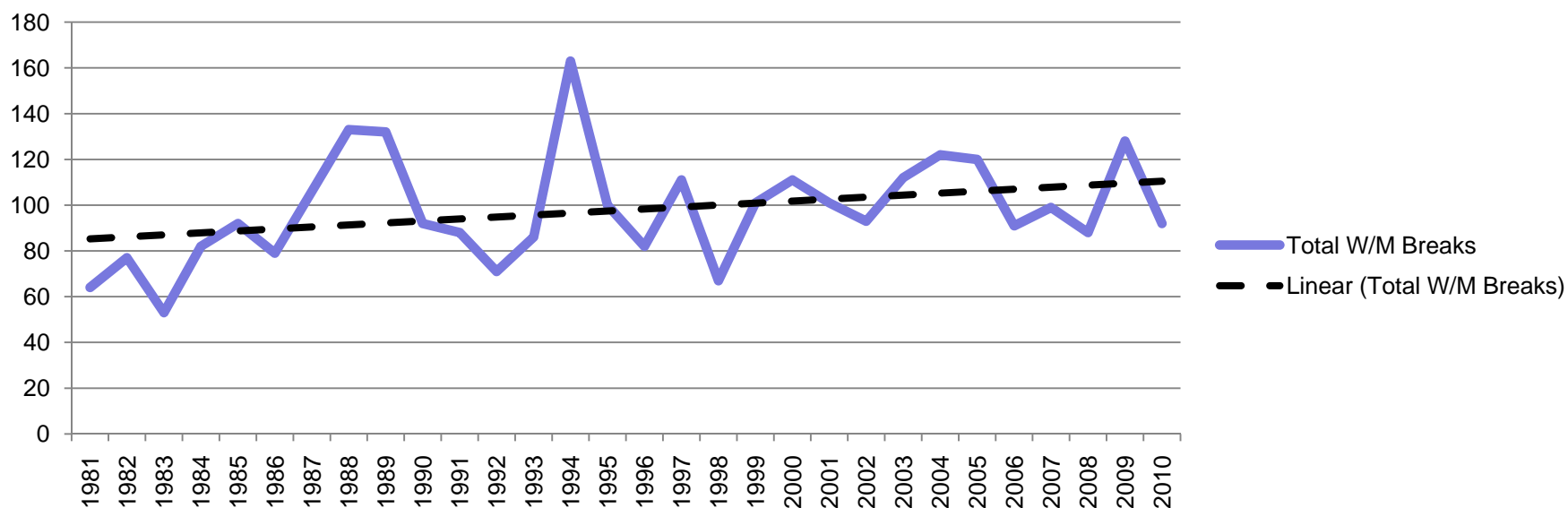
- Regulatory Compliance results continue to improve
- Source Control Program - implementation in 2011
- Operating costs impacted by aging infrastructure



Water/Wastewater Services: Watermain Breaks



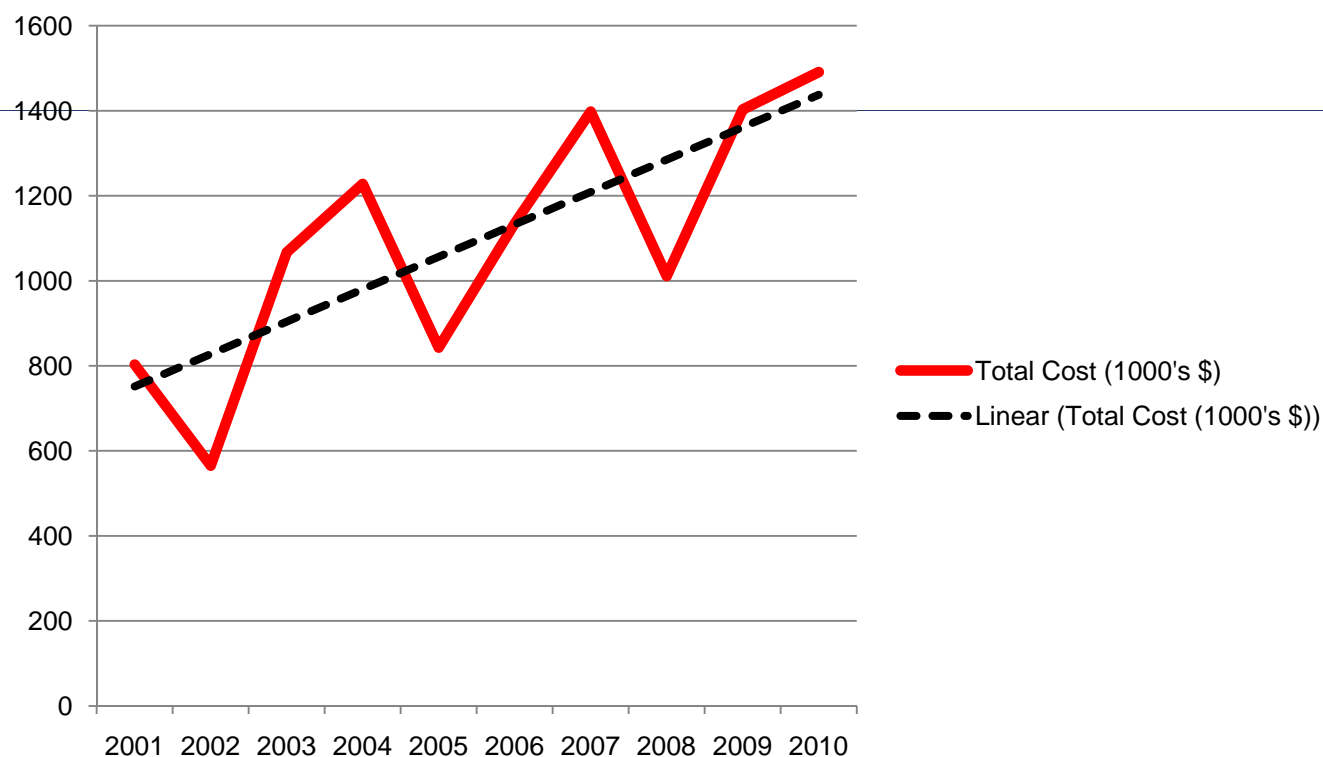
**Total Watermain Breaks
1981 - 2010**





Water/Wastewater Services: Cost of Watermain Repairs

**Watermain Break Repair Costs:
Total Cost (1000's \$)**



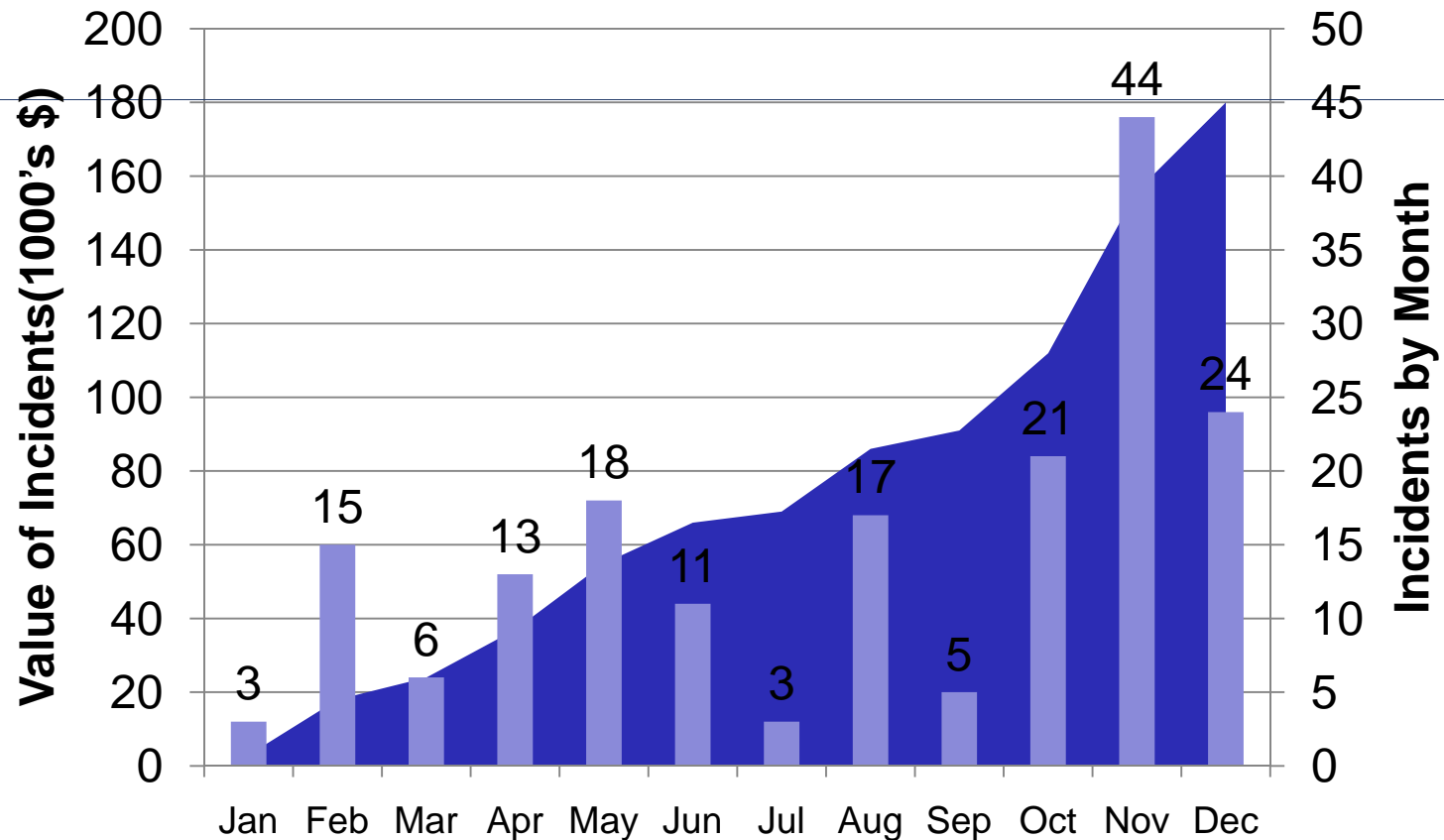


Water/Wastewater Services: Meter Tampering





Water/Wastewater Services: Costs of Meter Tampering





Water/Wastewater Services: Strategic Efficiency Initiatives



- Project Management
- Inter-departmental Coordination
- Budget realignment
- Alternative Procurement Strategies
- Develop in-house CEU training
- Completed 2nd Strategic Tactical Plan
- Defines the strategic priorities for W/WW



Water/Wastewater Services: Strategic Efficiency Initiatives

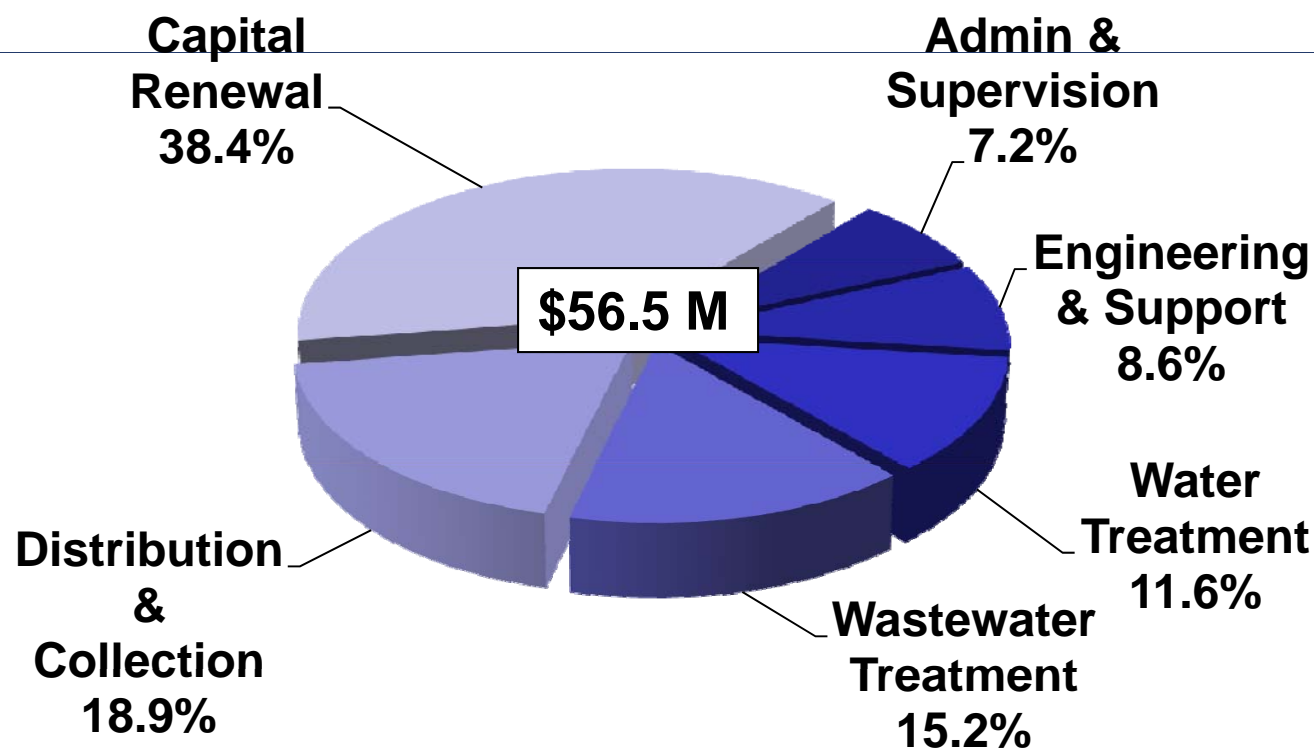


- Plant Process Optimization including energy, chemicals & Bypass Reduction Plan
- Master Plan - long term servicing plan, rationalizing infrastructure
- Strategic Technology & Business Improvement Study:
 - In-depth interviews of front line staff
 - Looking for ways to work smarter
 - Leveraging technology, lean business processes to improve efficiency



Water & Wastewater Services:

Proposed 2011 Operating Budget Allocations





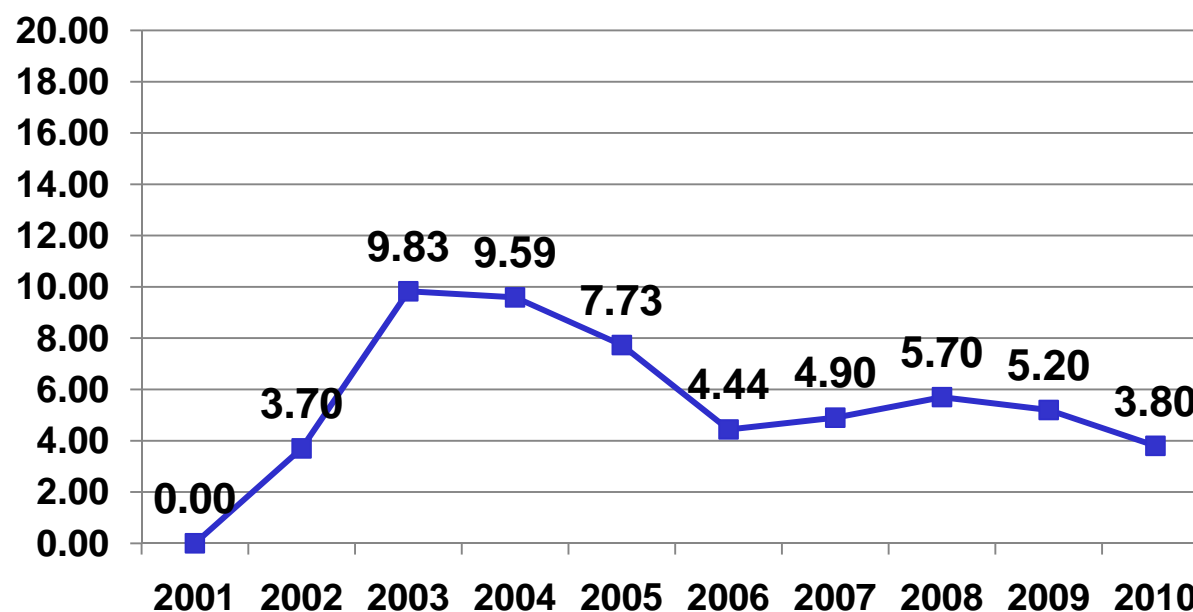
Water & Wastewater Services:

Overall Rate History



**W/WW Rate History
2001 - 2010**

■ Increase - %





Proposed 2011 Water / Wastewater Budget



Water / Wastewater Budget



Proposed Increases:

Water Rate	5.2%
Fixed Water Rate	5.2%
Wastewater Surcharge	1.8%
Fixed Wastewater Rate	1.8%

Overall Increase of 3.4%



Water / Wastewater Budget



Impact on Typical Residence
(per cubic metre) 2011 Increase from 2010

	2010	2011	Annual Increase
Uniform Water Rate	\$1.023	\$1.076	\$0.053
Wastewater Rate	\$1.156	\$1.177	\$0.021
Total per Cubic Metre	\$2.179	\$2.253	\$0.074
Fixed Monthly Charge (water)	\$14.86	\$15.63	\$0.77
Fixed Monthly Charge (wastewater)	\$16.79	\$17.10	\$0.31



Water / Wastewater Budget

Impact on Typical Residence (estimated 360 m³)
2011 Increase from 2010



	2010	2011	Annual Increase \$	Annual Increase %
Water Consumption Chgs	\$368.28	\$387.36	\$19.08	5.2%
Annual Fixed Water Chgs	\$178.32	\$187.56	\$9.24	5.2%
Wastewater Consumption Chgs	\$416.16	\$423.77	\$7.61	1.8%
Annual Fixed Wastewater Chgs	\$201.50	\$205.19	\$3.69	1.8%
Total Water and Wastewater Costs	\$1,164.26	\$1,203.88	\$39.62	3.4%



Water and Wastewater Breakdown of Overall Increase of 3.4% or \$40 per Annum



SCAMP	2.4%	\$1.2 M
Contractual increases	2.7%	\$1.4 M
Reduction in internally allocated charges	<u>(3.7%)</u>	<u>(\$1.9M)</u>
Base Rate Increase	1.4%	\$0.7 M
Consumption decrease	<u>2.0%</u>	
Overall WWW Increase	<u>3.4%</u>	



Water / Wastewater Budget Next Steps

Capital Enhancement Option



2012 Capital Requirement per Financial Plan	\$27.0 M
2011 Capital Funding	\$23.5 M
Differential (Sustainability Gap)	\$3.5 M



Water / Wastewater Budget Next Steps



Capital Enhancement Option

	OPTION 1	OPTION 2
	Increase capital spending by 25% of \$3.5 M sustainability gap	Increase capital spending by 50% of \$3.5 M sustainability gap
Water	\$125,000	\$250,000
Wastewater	\$750,000	\$1,500,000
Total Increase	\$875,000	\$1,750,000
Additional Rate Increase	1.7%	3.5%



Water / Wastewater Budget Next Steps



Capital Enhancement Option

	OPTION 1	OPTION 2
	Increase capital spending by 25% of \$3.5 M sustainability gap	Increase capital spending by 50% of \$3.5 M sustainability gap
Base Rate Increase	3.4%	3.4%
Additional Capital Increase	1.7%	3.5%
Overall WWW Rate Increase	5.1%	6.9%



Water & Wastewater Services: Questions?



CGS W/WW Services Mission Statement:

“The City of Greater Sudbury’s Water and Wastewater Services Division is committed to providing its customers with safe, reliable, and environmentally responsible municipal water and wastewater services with a sustainable, cost effective approach”.

