



June 12, 2023

Water Rate and  
Sewer Surcharge Update  
2023



# Presentation

- Build on water and wastewater tours that took place on June 2<sup>nd</sup>
- Review changes to the water and wastewater capital plans
- Review water operating and wastewater operating budgets
- Understand changes in usage trends
- Provide a recommended rate increase for water rates
- Review forecasted reserve balances
- Provide total annual cost comparisons
- Forecast future total annual water annual invoices

# Proposed Rates

- Water Rates – Increase of 8%
- Wastewater Surcharge – Remains at 124% of water rate
- Combined estimated increase is 8%

Why higher than the previous forecast of 6%?

- Higher capital costs
- Lower than anticipated usage
- Impact of 0% rate increases

# Water – Changes Since Last Rate Update

- Multi-year capital plan has increased by \$5,000,000 over the previous rate update
  - \$1,060,000 increase within the 2023-2025 window
  - The most notable increase is an additional \$1M estimated to complete the partially grant-funded water filtration upgrade project.
- Water operating budget has decreased combined \$1,333,033 (before debt payments) over the previous rate update. This averages to be about \$133,000 a year.
- A 1% increase in rates generates approximately \$60,000.

# Water Capital Plan

## Water Capital

Project #	Project Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 Year Total
<b>Distribution</b>													
22N.5	Watermain Capital Reinvestment in support of paving program		\$ 100,000	\$ 75,000	\$ 50,000								\$ 225,000
22N.3	Watermain Capital Reinvestment in support of SkyDev	\$ 100,000	\$ 100,000	\$ 500,000									\$ 700,000
23N.2	2nd Ave E/Grey Road 5-1st St E (HP Road) to 1st St SW-Selected Watermain Replacement			\$ 80,000	\$ 800,000	\$ 10,000							\$ 890,000
22N.7	Spring Pressure Zone/Looping Closure Strategy		\$ 19,000	\$ 5,000									\$ 24,000
20N.2	Water System Model Update and Training	\$ 10,000	\$ 10,000			\$ 15,000			\$ 25,000				\$ 60,000
22N.2	Cathodic Protection Rehab	\$ 325,000	\$ 180,000	\$ 225,000	\$ 275,000	\$ 310,000	\$ 270,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 2,285,000
	Condition Assessment Municipal Reservoir					\$ 20,000					\$ 20,000		\$ 40,000
24N.5	Leak Detection Survey		\$ 10,000			\$ 15,000			\$ 15,000			\$ 15,000	\$ 55,000
22N.1	Cross Connection Control Program	\$ 350,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 1,240,000
	Confined Space Equipment			\$ 10,000					\$ 10,000				\$ 20,000
	Fire Hydrant Painting						\$ 90,000			\$ 90,000			\$ 180,000
	Fire Hydrant Flow Testing						\$ 50,000				\$ 50,000		\$ 100,000
24N.3	Water Shop Building Roof Extension			\$ 150,000									\$ 150,000
21N.10	Trunk Main and Valve Chamber Maintenance		\$ 70,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,020,000
23N.4	Water Distribution System New Valve Chambers			\$ 250,000	\$ 250,000								\$ 500,000
	Large Diameter HPC Trunk Main Cond'n Assessment/Replacement FUTURE												\$ -
22N.30	Water Distribution Department Snow Removal Equipment Contribution		\$ 60,000										\$ 60,000
	Water Meters Replacement Tender				\$ 3,500,000								\$ 3,500,000
22N.8	Water Meters Immediate Priority	\$ 30,000											\$ 30,000
23N.5	Water Distribution system SCADA			\$ 30,000	\$ 170,000								\$ 200,000
<b>Treatment</b>													
	Major Pump Replacement (Industrial Pump 3 in 2023)		\$ 100,000						\$ 100,000				\$ 200,000
	Valve Replacement*	*				\$ 40,000			\$ 40,000				\$ 80,000
	Piping rehabilitation/maintenance WTP*	*	*			\$ 250,000			\$ 250,000				\$ 500,000
	Instrumentation Replacement WTP*	*				\$ 30,000		\$ 30,000			\$ 30,000		\$ 90,000
22N.4	Filter Refurb i/c Air Scour,Underdrains/Media/Mechanical Phase 1*	\$ 100,000	\$ 2,560,000	\$ 900,000									\$ 3,560,000
22N.4	Filter Refurb i/c Air Scour,Underdrains/Media/Mechanical Phase 2*			\$ 1,575,000									\$ 1,575,000
22N.10	SCADA Computer and Software Upgrade	\$ 40,000		\$ 90,000					\$ 70,000				\$ 200,000
22N.11	Old Spring System Decommissioning	\$ 20,000											\$ 20,000
22N.6	Facility Transformer		20000	\$ 200,000									\$ 220,000
24N.2	Facility Maintenance i/c Roof			\$ 15,000	\$ 90,000	\$ 65,000	\$ 70,000	\$ 80,000	\$ 25,000	\$ 60,000			\$ 405,000
22N.12	Replacement of Flocculation System	\$ 60,000	\$ 600,000	\$ 30,000	\$ 30,000								\$ 690,000
	Replacement of Sluice Gates					\$ 350,000							\$ 350,000
23N.3	Ultraviolet Units Replacement		\$ 340,000	\$ 300,000									\$ 640,000
	Cybersecurity/Vulnerability Study		\$ 20,000										\$ 20,000
	Hydraulic Lift (Chemical Deliveries)		\$ 30,000										\$ 30,000
	Water Rate Study			\$ 50,000					\$ 50,000				\$ 100,000
	Pump Control Replacements (VFD, Soft Start)*	*				\$ 200,000							\$ 200,000
		\$ 1,005,000	\$ 4,469,000	\$ 4,885,000	\$ 5,265,000	\$ 1,675,000	\$ 600,000	\$ 530,000	\$ 805,000	\$ 370,000	\$ 320,000	\$ 235,000	\$ 20,159,000
													\$ 2,010,000

Costs increased since last rate update  
 Costs decreased since last rate update

# Wastewater – Changes Since Last Update

- Wastewater capital multi-year plan has increased by \$880,000
  - However, over the period 2023-2025, the plan has increased by \$1.4M
  - An additional \$1M is required to complete the intermediate bar screen replacement project.
  - Further out in the forecast, the removal of the second digester has offset the increase in earlier years.
- Wastewater operating budget has decreased combined \$707,245 (before debt payments) over the previous rate update. This averages to be about \$66,000 a year.

# Wastewater Capital Plan

## Wastewater Capital

Project #	Project Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 year total
<b>WWTP</b>													
22O.1	Clarifier mechanical maintenance	\$ 50,000	CO	\$ 50,000		\$ 50,000		\$ 50,000		\$ 50,000			\$ 250,000
24O.3	Digester Cleanout				\$ 300,000			\$ 300,000				\$ 300,000	\$ 900,000
23O.2	Storage Tank Biosolids Cleanout			\$ 150,000			\$ 150,000			\$ 150,000			\$ 450,000
23O.3	WWTP Site Building, HVAC and Roof Repairs		\$ 20,000	\$ 105,000	\$ 20,000	\$ 40,000	\$ 10,000						\$ 195,000
22O.2	WWTP Instrumentation/SCADA	\$ 40,000	CO	\$ 40,000			\$ 150,000			\$ 40,000			\$ 270,000
22O.3	Process Mechanical i/c Biogas Equipment	\$ 100,000		\$ 40,000		\$ 220,000							\$ 360,000
23O.1	Process Electrical i/c Gas Detection		\$ 70,000			\$ 45,000							\$ 115,000
	Process Structural esp Clarifiers					\$ 150,000							\$ 150,000
22O.4	Intermediate Bar Screens	\$ 80,000	\$ 100,000	\$ 900,000	\$ 900,000								\$ 1,980,000
22O.6	Automatic Rain/Weather Gauge	Grant : 10,000	CO										
	Cybersecurity/Vulnerability Study		\$ 20,000										\$ 20,000
	Second Digester	FUTURE											\$ -
<b>COLLECTION</b>													
22O.10	4th Ave W Sewer 28th St Apartments	\$ 100,000	CO Developer										\$ 100,000
16O.4	Storm Water Separation Program	\$ 70,000	\$ 50,000	\$ 25,000	\$ 30,000	\$ 25,000	\$ 30,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 355,000
18O.3	PLC and Communications Upgrades	\$ 75,000	CO WSPS										\$ 75,000
	WSPS, Future Upgrade/Rehab	FUTURE											\$ -
21O.1	Collection System Capital Reinvestment	\$ 650,000	\$ 50,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,850,000
	Sanitary Collection System TV Inspection		\$ 60,000		\$ 60,000		\$ 60,000		\$ 60,000		\$ 60,000		\$ 300,000
21O.2	Minor Pumping Station Rehab	\$ 300,000		\$ 200,000				\$ 300,000					\$ 800,000
	Sanitary Sewer Portable Tracked Camera					\$ 60,000							\$ 60,000
18O.8	East Bayshore SPS Upgrade Construction	\$ 1,800,000											\$ 1,800,000
23O.6	CLI Approval Requirements		\$ 30,000		\$ 20,000		\$ 40,000						\$ 90,000
22O.5	Sanitary Sewer Modelling	Grant : 40,000	CO										\$ -
22O.7	Improved Sewage Bypass Monitoring	Grant : 140,000	CO										\$ -
		\$ 3,265,000	\$ 400,000	\$ 1,860,000	\$ 1,680,000	\$ 940,000	\$ 790,000	\$ 1,025,000	\$ 435,000	\$ 615,000	\$ 735,000	\$ 375,000	\$ 12,120,000

Costs increased since last rate update

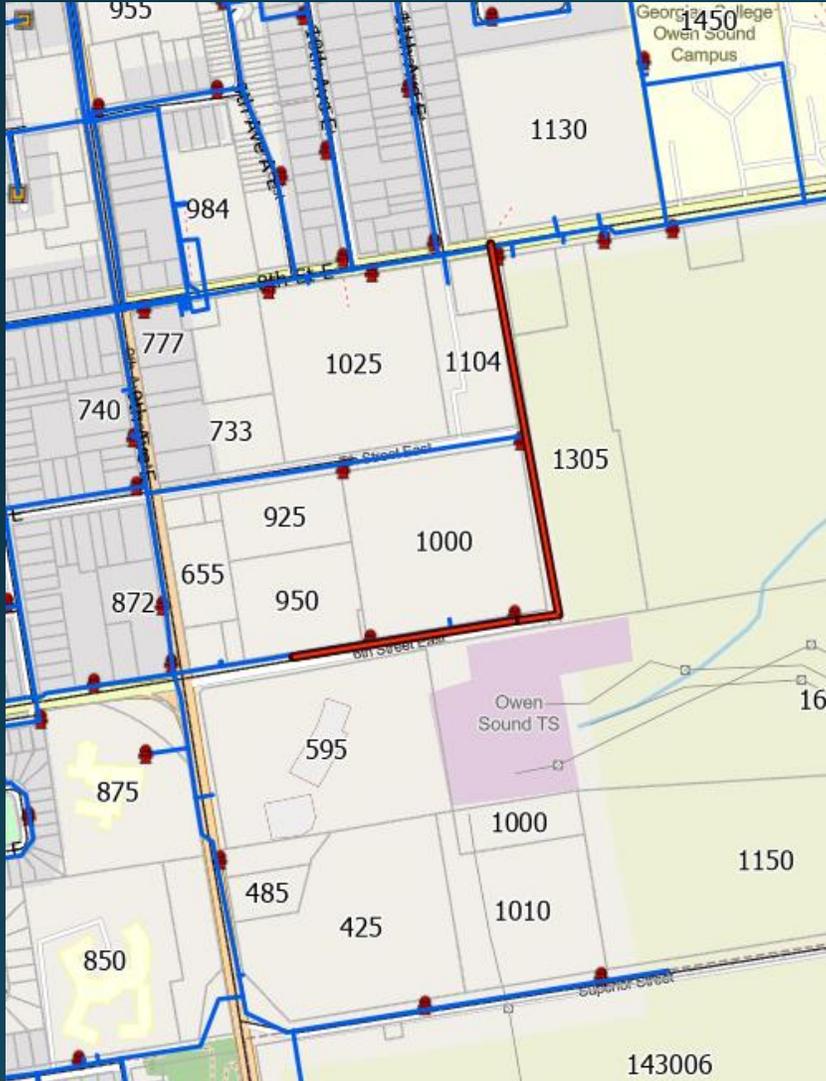
Costs decreased since last rate update

# Multi-Infrastructure Projects

- Multiple funding sources applied to each project as applicable
  - Water and Wastewater Rates
  - Tax Levy funds Road, Storm Sewer, Sidewalk, and Streetlight components
  - Development Charges (DCs) cover infrastructure expansion
  - Developer direct contribution when DCs do not cover upgrades triggered by development

# Water Capital Projects

# 9<sup>th</sup> Ave East Watermain: Superior St to 10<sup>th</sup> St E



- Provides backup water supply for large southeast commercial/industrial area
- Involves the design and construction of a new "looping" watermain.
- Phase 1 – contract awarded; value \$1M
- Phase 2 – 2024 – Looping on future Easement Budget: \$2.06M
- Phase 3 – contingent on future Connecting Link grant funding. Also includes:
  - New and replacement sidewalk
  - 138m of sanitary sewer replacement
  - Road and stormwater infrastructure

# WTP Filter Refurbishment

Increase the useful life of all four (4) filters and improve capacity during wet weather events.

- Filter media and underdrain replacement
- Air scour system installation
- Valve, piping, and mechanical replacement
- Instrumentation
- Pump control equipment.

Received \$3M of "Green Stream" grant funding in 2021.

Includes HVAC improvements to eliminate mold growth and a new access hatch into the Plant 1 filter clear well.

Budget: \$5.04M



# Flocculation System Repairs

The flocculation system causes particulate in the water to coagulate (clump together) so that the filters can remove the particles more easily.

Part of a multi-year program to replace aging infrastructure.

The failure of the walking beam flocculator for filter number one requires a substantial rebuild, reported to Operations Committee in March 2023.

Currently pursuing procurement options.

Budget: \$660,000



# Major Pump Replacement

To add a variable frequency drive (VFD) to Industrial High Lift Pump P3 at the Water Treatment Plant.

Without VFD, this powerful pump creates pressure surges which could damage watermains. Its removal from duty rotation reduces high lift fire flow capacity.

Pump P3 is intended to undergo rehabilitation as part of the 10-year plan; this item has been slated for 2023.

Budget: \$100,000



# Watermain Capital Reinvestment in Support of Development

## Municipal Pressure Zone work

Realignment of Watermain at East Bayshore Road and 32<sup>nd</sup> Street East

Replacement of ductile iron watermain at 32nd Street East for supply security and water quality for development lands

## Industrial Pressure Zone work

Replacement of 32nd Street East Industrial asbestos cement watermain.

Flexible scheduling depending on development. Costs are approximate.

Budget: \$700,000



# Water Shop Roof Extension

The Water Shop was constructed in 2001 and houses Water Distribution Staff, equipment and material.

Includes roof extension and enclosure of storage area located on the loading dock to better protect the equipment stored there.

Budget \$150,000



# Snow Removal Equipment: Water Contribution

Fire hydrants need to be kept clear of snow to ensure that the hydrant is available for fire suppression purposes. Historically, this has been completed by Water Distribution Staff with snow shovels.

As watermain breaks often occur in the winter, it can take upwards of a week to complete the hydrant clearing, in the meantime increasing the risk that fire hydrants may be inaccessible in emergency situations.

The equipment would also be used to remove snow at bus stops, water and sewage pumping stations, the water reservoir, and other locations. A snow removal strategy is being developed.

Budget: \$60,000



# Wastewater Capital Projects

# Minor Wastewater Pumping Station Rehab

Rehabilitation of the 27th Street West Sewage Pumping Station includes

- Electrical replacement
- Physical rehabilitation of station
- Pumps and associated mechanical.

The station is poorly configured and has a single pump, resulting in frequent call-outs for service.

Pump downtime/failure increases risk of basement flooding.

Budget: \$350,000



# Wastewater CLI-ECA Approval Requirements

City obtained its first Consolidated Environmental Compliance Approval (CLI-ECA) for the Sanitary Sewage Collection System and the Storm Sewer system in December 2022.

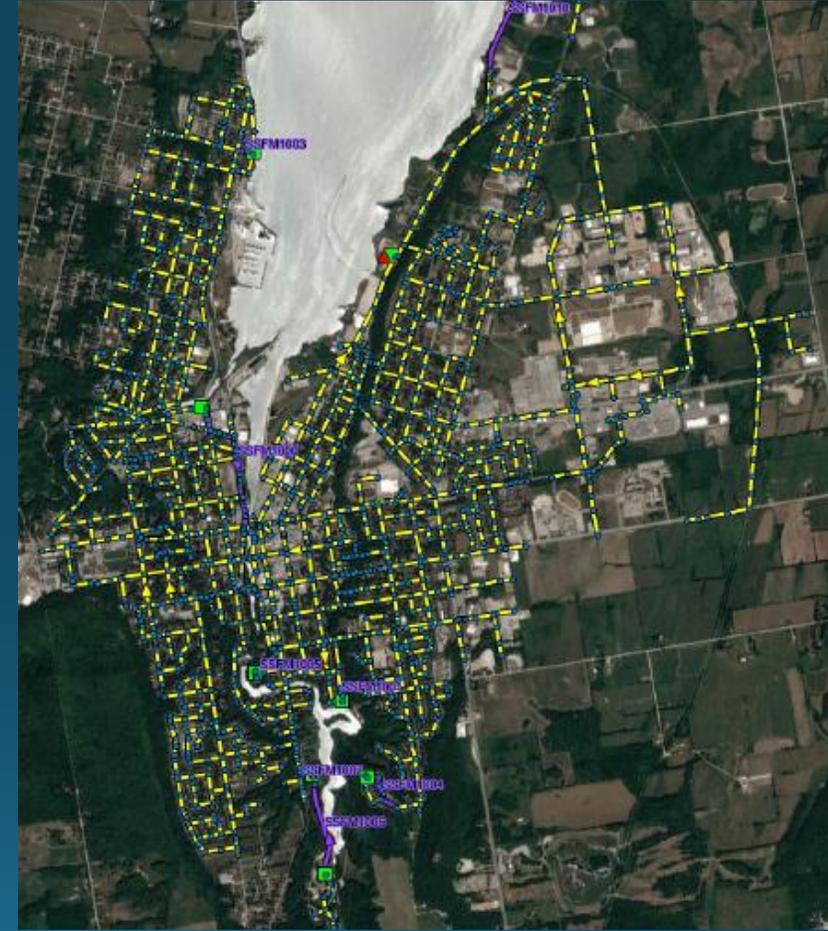
Approval lays out requirements for operations, maintenance, approvals, and capital planning, summarized in a report to the Operations Committee in March 2023.

2023 requirements:

- Preparation of Significant Drinking Water Threat Assessment Report for upcoming sanitary and storm sewer works.
- Assessment of conformance to Procedures F-5-1 and F-5-5, relating to combined sewage overflow events, controls and monitoring.
- Establish fees/charges for new Environment Compliance Approvals, a process that was downloaded from the MECF to the City

Additional requirements for 2025 and 2027 are included in the 10-year plan.

Budget: \$30,000



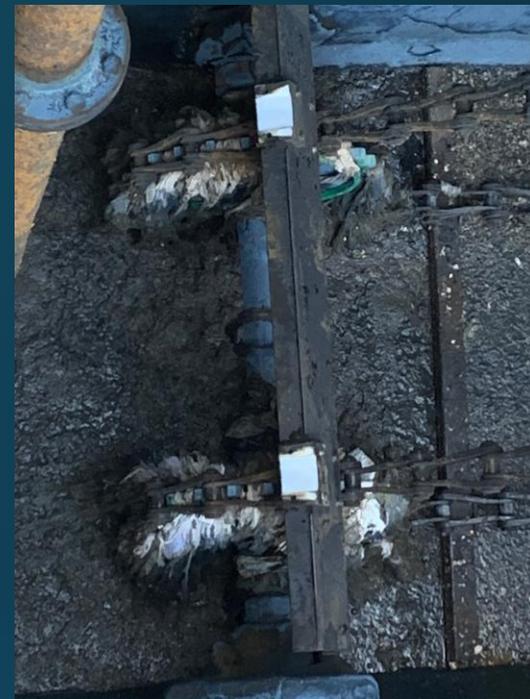
# Intermediate Bar Screens

Bar Screens at the Wastewater Treatment Plant remove coarse materials such as wipes/rags, sticks, and other debris, before grit removal and clarification to prevent damage to downstream treatment components. Insufficient screening allows debris build-up in the biosolids digester and storage tanks; clean-outs cost over \$150,000 for a storage tank and \$300,000 for the digester.

New Intermediate fine screening equipment would:

- Decrease the frequency of digester and storage tank cleanouts.
- Reduce damage to mechanical equipment, like pumps, drive sprockets, motors, drive chains, etc.
- Reduce staff time required to deal with breakdowns.
- Reduce the risk of digester failure due to trash preventing recirculation.
- Lessen the likelihood of biosolids rejection by haulers and receivers.
- Reduces risk to treatment media (\$1M replacement value).

Budget: \$1.9M



# Telfer Creek Servicing - Capital Contribution

City front-ending contribution for watermain and sanitary sewer oversizing on future 20<sup>th</sup> Ave E through Telfer Creek Subdivision, subject to entering into a Subdivision Agreement with the developer.

Watermain will provide supply development lands northwest and north of the Telfer Creek Subdivision.

The sanitary sewer will serve undeveloped lands north of the Telfer Creek Subdivision.

The City will recover costs from the developers of the lands to the north.

Budget: \$510,000



# Water Operating Costs

- Gross Operating Budget is approximately \$4.3M before transfers to reserves.
- Total costs related to staff time: \$2,300,000
  - 1/3 total wages for Manager of Public Works
  - Water Distribution Superintendent
  - Water Treatment Superintendent
  - 3 full-time plant operators
  - 5 full-time water distribution operators
  - 1 full-time contract backflow prevention position
- Operating Costs for Water Treatment after staff: \$700,000
- Operating Costs for Water Distribution after staff: \$540,000
- Debt Payments
- Levy for Conservation Authority
- Insurance

# Water Expenditure Forecast

APPENDIX X  
TABLE X

CITY OF OWEN SOUND

SUMMARY OF OPERATING EXPENSES - WATER

All Service Areas											
	Adjustment Factor	2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected
<b>Operating Expenditures</b>											
<b>Annual Gross Operating Expenditures</b>											
Salaries/Benefits/Wages	2%	\$ 2,321,403	\$ 2,367,831	\$ 2,415,188	\$ 2,463,491	\$ 2,512,761	\$ 2,563,016	\$ 2,614,277	\$ 2,666,562	\$ 2,719,894	\$ 2,774,291
Materials/Contracts/Services	5%	\$ 1,256,826	\$ 1,319,667	\$ 1,385,651	\$ 1,454,933	\$ 1,527,680	\$ 1,604,064	\$ 1,684,267	\$ 1,768,480	\$ 1,856,904	\$ 1,949,750
Hydro/Utilities	5%	\$ 406,000	\$ 426,300	\$ 447,615	\$ 469,996	\$ 493,496	\$ 518,170	\$ 544,079	\$ 571,283	\$ 599,847	\$ 629,839
Transfer to Reserve Fund	0%										
<b>Subtotal Annual Operating Costs</b>		<b>\$ 3,984,229</b>	<b>\$ 4,113,798</b>	<b>\$ 4,248,453</b>	<b>\$ 4,388,420</b>	<b>\$ 4,533,937</b>	<b>\$ 4,685,251</b>	<b>\$ 4,842,623</b>	<b>\$ 5,006,326</b>	<b>\$ 5,176,645</b>	<b>\$ 5,353,880</b>
<b>Debenture Costs</b>											
Budget Debt Service Costs		\$ 387,684	\$ 387,684	\$ 387,684	\$ 387,684	\$ 255,621	\$ 255,621	\$ 255,621	\$ 255,621	\$ 255,621	\$ 255,621
Debt Finance for New Capital											
<b>Subtotal Annual Debentures</b>		<b>\$ 387,684</b>	<b>\$ 387,684</b>	<b>\$ 387,684</b>	<b>\$ 387,684</b>	<b>\$ 255,621</b>					
<b>Total Annual Operating Costs</b>		<b>\$ 4,371,913</b>	<b>\$ 4,501,482</b>	<b>\$ 4,636,137</b>	<b>\$ 4,776,104</b>	<b>\$ 4,789,558</b>	<b>\$ 4,940,872</b>	<b>\$ 5,098,244</b>	<b>\$ 5,261,947</b>	<b>\$ 5,432,266</b>	<b>\$ 5,609,501</b>
<b>Non-Metered Rate Revenues</b>	2%	<b>\$ (60,000)</b>	<b>\$ (60,000)</b>	<b>\$ (61,200)</b>	<b>\$ (62,424)</b>	<b>\$ (63,672)</b>	<b>\$ (64,946)</b>	<b>\$ (66,245)</b>	<b>\$ (67,570)</b>	<b>\$ (68,921)</b>	<b>\$ (70,300)</b>
<b>TOTAL NET OPERATING COSTS</b>		<b>\$ 4,311,913</b>	<b>\$ 4,441,482</b>	<b>\$ 4,574,937</b>	<b>\$ 4,713,680</b>	<b>\$ 4,725,885</b>	<b>\$ 4,875,926</b>	<b>\$ 5,031,999</b>	<b>\$ 5,194,377</b>	<b>\$ 5,363,345</b>	<b>\$ 5,539,202</b>

# Wastewater Operating Costs

- Gross Operating Budget is approximately \$4.9M before transfers to reserves.
- Total costs related to staff time: \$1,600,000
  - 1/3 total wages for Manager of Public Works
  - Wastewater Treatment Superintendent
  - 3 full-time wastewater treatment operators
  - 2 full-time collection operators
- Operating Costs for Wastewater Treatment after staff: \$1,600,000
- Operating Costs for Wastewater Collection after staff: \$250,000
- Debt Payments
- Insurance

# Wastewater Expenditure Forecast

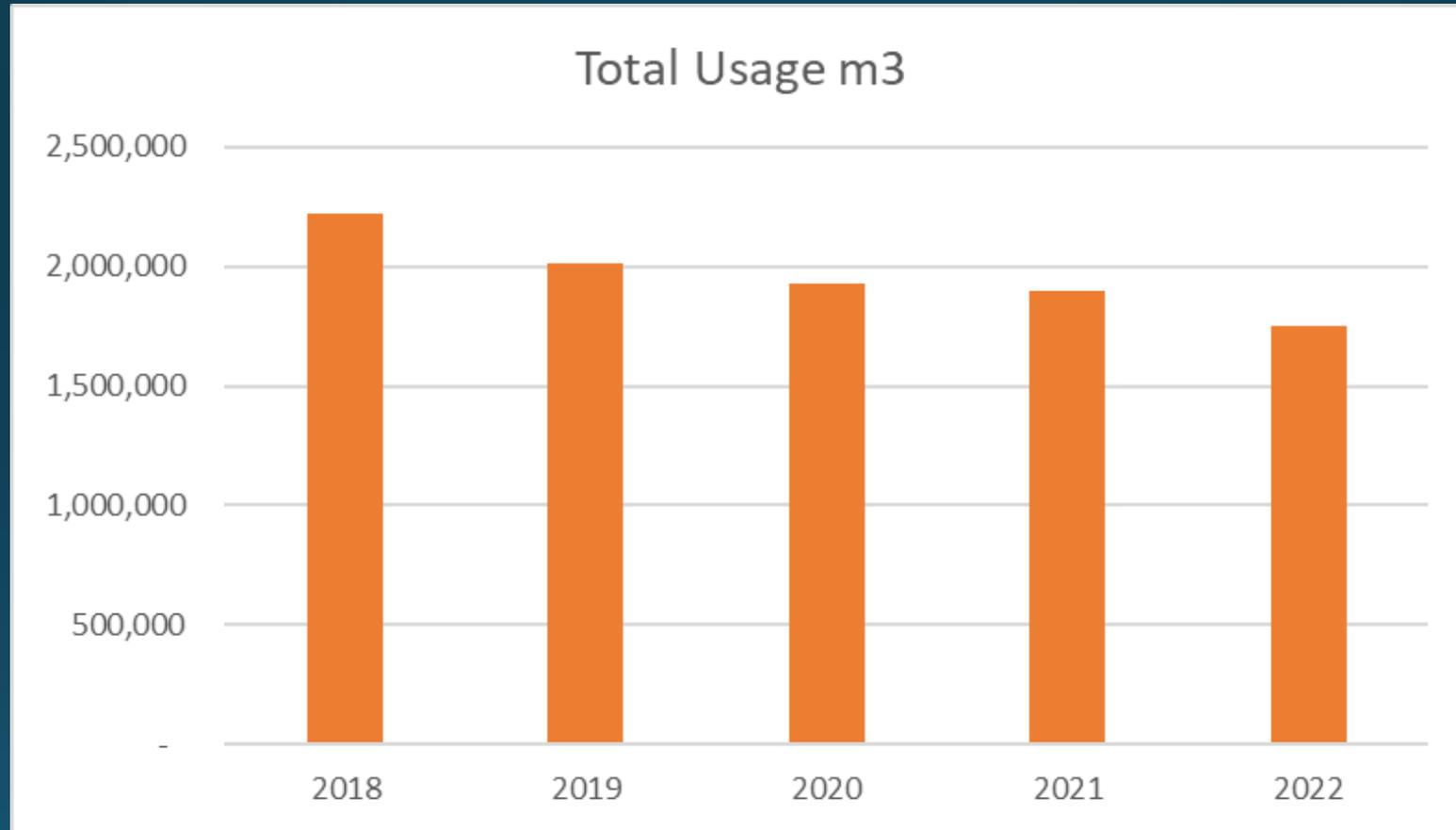
APPENDIX X  
TABLE X

CITY OF OWEN SOUND

SUMMARY OF OPERATING EXPENSES - WASTEWATER

All Service Areas											
	Adjustment Factor	2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected
<b>Operating Expenditures</b>											
<b>Annual Gross Operating Expenditures</b>											
Salaries/Benefits/Wages	2%	\$ 1,611,429	\$ 1,643,658	\$ 1,676,531	\$ 1,710,061	\$ 1,744,263	\$ 1,779,148	\$ 1,814,731	\$ 1,851,025	\$ 1,888,046	\$ 1,925,807
Materials/Contracts/Services	5%	\$ 1,457,761	\$ 1,530,649	\$ 1,607,182	\$ 1,687,541	\$ 1,771,918	\$ 1,860,513	\$ 1,953,539	\$ 2,051,216	\$ 2,153,777	\$ 2,261,466
Hydro/Utilities	5%	\$ 525,000	\$ 551,250	\$ 578,813	\$ 607,753	\$ 638,141	\$ 670,048	\$ 703,550	\$ 738,728	\$ 775,664	\$ 814,447
Transfer to Reserve Fund	0%	\$ -									
<b>Subtotal Annual Operating Costs</b>		<b>\$ 3,594,190</b>	<b>\$ 3,725,557</b>	<b>\$ 3,862,525</b>	<b>\$ 4,005,355</b>	<b>\$ 4,154,321</b>	<b>\$ 4,309,709</b>	<b>\$ 4,471,820</b>	<b>\$ 4,640,969</b>	<b>\$ 4,817,487</b>	<b>\$ 5,001,720</b>
<b>Debenture Costs</b>											
Budget Debt Service Costs		\$ 1,531,132	\$ 1,407,896	\$ 1,247,603	\$ 1,206,866	\$ 1,206,866	\$ 1,206,866	\$ 1,130,666	\$ 1,130,666	\$ 1,130,666	\$ 1,130,666
Debt Finance for New Capital				\$ 263,769	\$ 263,769	\$ 263,769	\$ 263,769	\$ 263,769	\$ 263,769	\$ 263,769	\$ 263,769
<b>Subtotal Annual Debentures</b>		<b>\$ 1,531,132</b>	<b>\$ 1,407,896</b>	<b>\$ 1,511,372</b>	<b>\$ 1,470,635</b>	<b>\$ 1,470,635</b>	<b>\$ 1,470,635</b>	<b>\$ 1,394,435</b>	<b>\$ 1,394,435</b>	<b>\$ 1,394,435</b>	<b>\$ 1,394,435</b>
<b>Total Annual Operating Costs</b>		<b>\$ 5,125,322</b>	<b>\$ 5,133,453</b>	<b>\$ 5,373,896</b>	<b>\$ 5,475,990</b>	<b>\$ 5,624,956</b>	<b>\$ 5,780,344</b>	<b>\$ 5,866,255</b>	<b>\$ 6,035,404</b>	<b>\$ 6,211,922</b>	<b>\$ 6,396,155</b>
<b>DC Revenues to Fund WWTP Debt</b>	0%	<b>\$ (204,000)</b>									
<b>TOTAL NET OPERATING COSTS</b>		<b>\$ 4,921,322</b>	<b>\$ 4,929,453</b>	<b>\$ 5,169,896</b>	<b>\$ 5,271,990</b>	<b>\$ 5,420,956</b>	<b>\$ 5,576,344</b>	<b>\$ 5,662,255</b>	<b>\$ 5,831,404</b>	<b>\$ 6,007,922</b>	<b>\$ 6,192,155</b>

# Usage Statistics

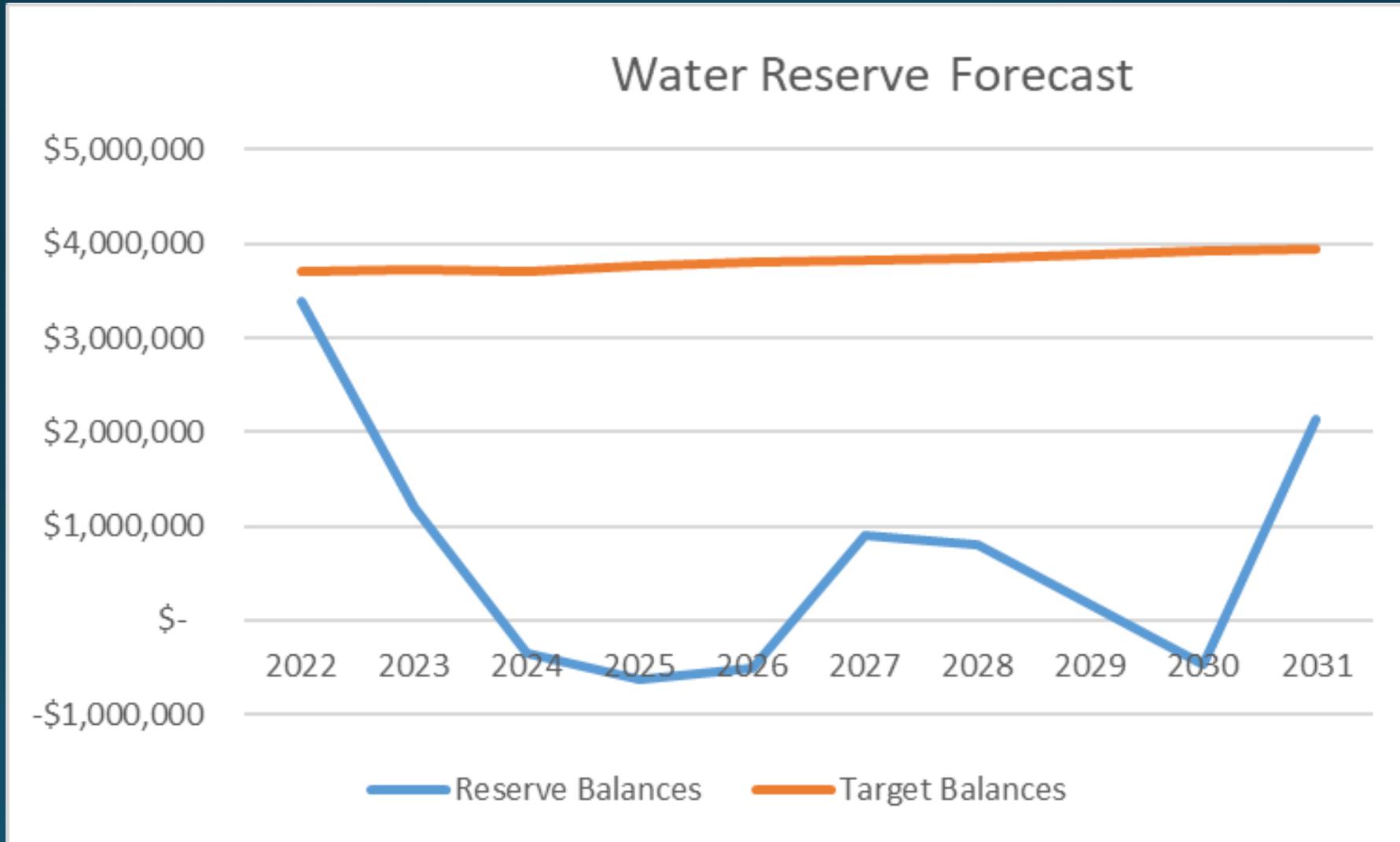


# Rate Calculation

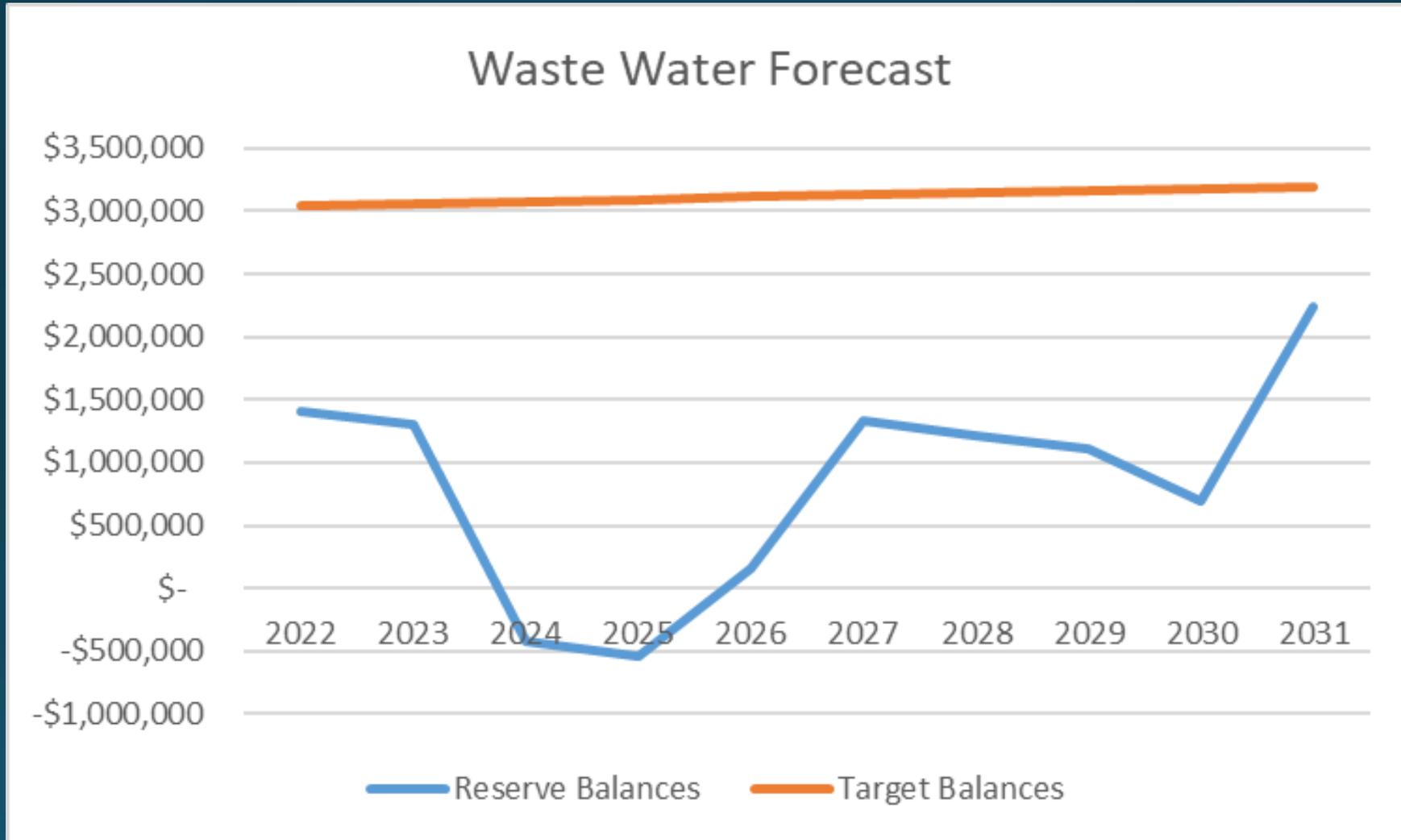
- Rates are calculated to smooth increase over time and ensure that the average reserve balance remains above zero.
- In some years, surplus rate revenue is transferred into the reserve while in other years, drawdowns of the reserve are required.
- Fluctuation and timing of capital spending result in the variation of funding needs.
- The current model requires an 8% increase in water rates over the forecasted period, with a gradually declining wastewater surcharge starting in 2026.
- The forecast predicts a combined bill increase of 8% annually for the next five to ten years.



# Water Reserve Balances



# Wastewater Reserve Balances



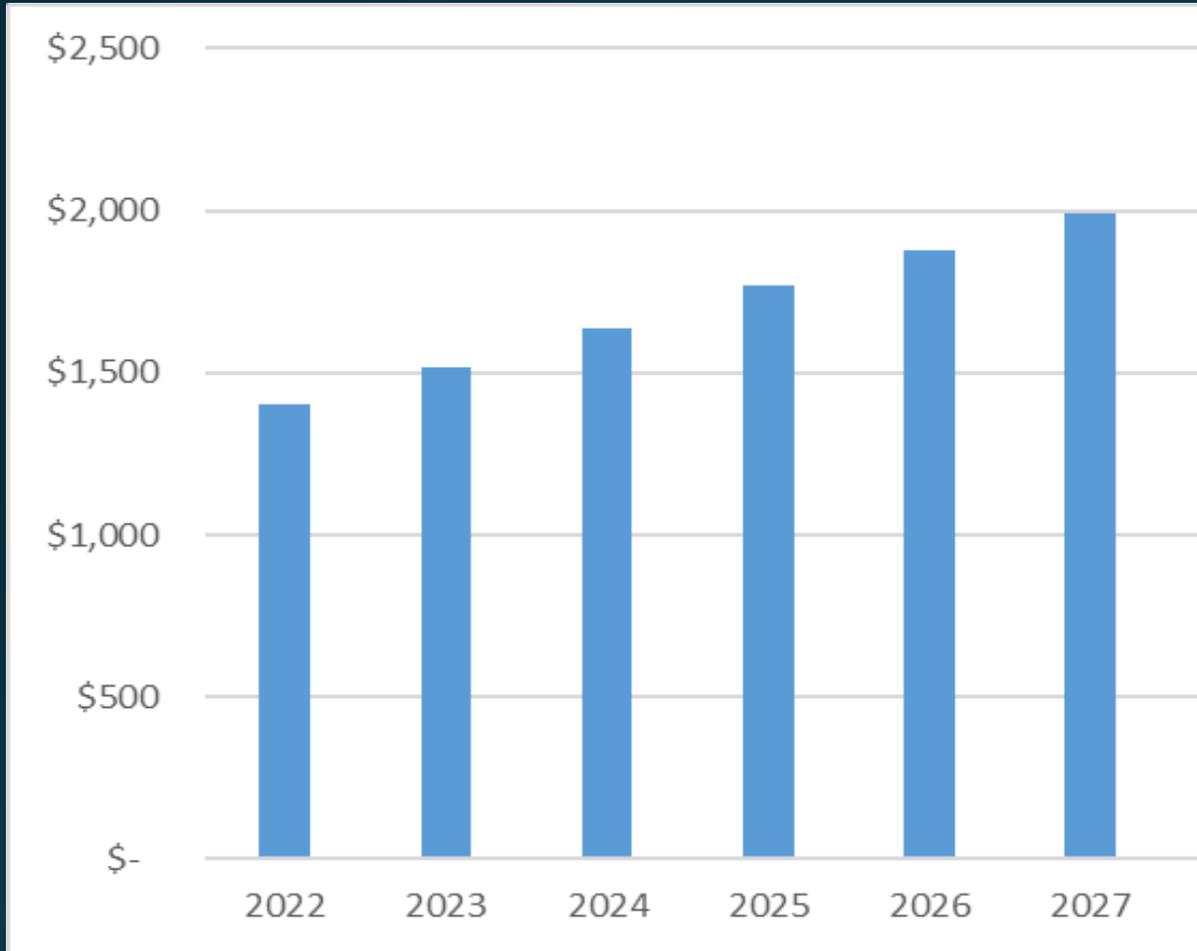
# Impact to the Average User – 2023/24

	2022	Increase	2023	Variance
Water Rate	\$ 1.52	8%	\$ 1.64	
Quarterly Usage	50 m <sup>3</sup>		50 m <sup>3</sup>	
Variable Portion	\$ 76.00		\$ 82.08	
Fixed Portion	\$ 80.76	8%	\$ 87.22	
<b>Total Water Usage</b>	<b>\$ 156.76</b>		<b>\$ 169.30</b>	
Total Sewer Surcharge	124%		124%	
	\$ 194.38	8%	\$ 209.93	
<b>Total Quarterly Invoice</b>	<b>\$ 351.14</b>	<b>8%</b>	<b>\$ 379.23</b>	<b>\$ 28.09 Per Billing Cycle</b>
			<b>\$ 1,516.94</b>	<b>\$ 112.37 Per Year</b>
			<b>\$ 126.41</b>	<b>\$ 9.36 Per Month</b>

# Comparator Communities

<b>Municipality</b>	<b>Estimated total water charges for 200m3 annual usage for normal residential (5/8") meter</b>
Town of South Bruce Peninsula	\$2,187.08
Municipality of Meaford	\$2,111.04
Township of Georgian Bluffs	\$1,708.44
Municipality of Strathroy-Caradoc	\$1,505.04
The Town of the Blue Mountains	\$1,421.10
City of Owen Sound	\$1,408.08
Saugeen Shores	\$1,401.84
Town of Collingwood	\$1,262.32
The Town of Orangeville	\$1,089.80
City of Brockville	\$839.56

## Impact to User – Total Water Bill



- The total water bill is anticipated to increase 8% per year until it reaches approximately \$2,300 annually or \$191 per month in 2030.
- A new comprehensive financial plan will be undertaken in 2025.

# Water Meters Replacement Project

Many of the City's 7,409 water meters were installed in the early 1990s and are due for replacement. This project has been in the long-term plan should occur in 2025 for the following reasons:

- Increasing number of meters requiring maintenance or replacement, increasing operating costs.
- Older meters tend to read less than the actual volume, especially at low flows, resulting in lost revenue.
- Water staff time (and cost) to maintain and replace meters continues to increase, yet a service list backlog has developed.
- Faulty/non-reading meters increases Corporate Services staff time to arrange service.
- Current meter reading method and interval does not allow for early detection of leaks or highly accurate calculations for excess use, i.e., when customers run water to prevent freezing.
- Replacement parts are becoming harder to obtain.

Budget: \$3.5M

# Water Meters: Project Benefits/Features

Project would be delivered with a “turnkey” approach, reducing time and effort.

Improved technology would decrease reading effort and costs; new meters would be radio-read. This would allow for a more frequent reading and billing schedule and reduce the need for manual reads.

Data from the readers would be downloadable, and alarms could be assigned (i.e., unusual flows).

Make tracking water losses more accurate, especially for homes running water to prevent freezing in winter.

A larger-scale project should reduce unit costs, simplify processes and reduce implementation time over an incremental approach.



# Tentative Project Timeline

