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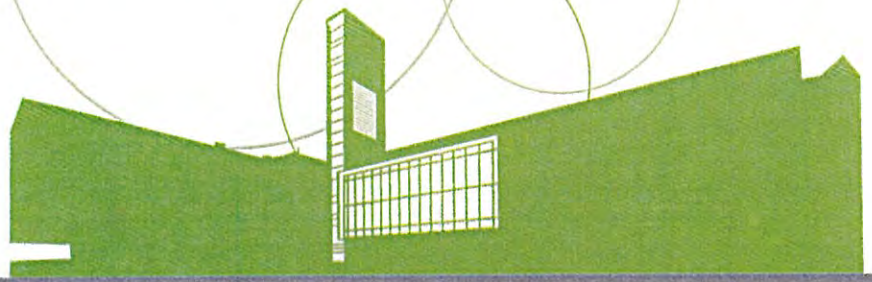
COMMUNICATION
FAA - MAR 31/14
ITEM - 4

Water, Wastewater & Storm Sewer

2014 Draft Operating Budgets and 2015-2017 Plan

Water for Tomorrow



Finance, Administration and Audit Committee
March 31, 2014

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Agenda

- Purpose
- Quick facts and background
- Budget Overview & Highlights
- Resource Requests
- System renewal contributions & funding
- Consumption Rate Breakdown
- 2015-2017 Plan
- Municipal Comparison

Purpose & Objective

- To resource the provision of
  - ✓ Safe drinking water
  - ✓ Effective wastewater collection
  - ✓ and functional storm water management

- Move towards financially viable and sustainable network in line with the Safe Drinking Water Act.

Quick Facts

- The City owns and operates the community's local distribution system
- Region of York supplies water, regional distribution and treatment
- Vaughan services 78,000 Residential and 3,000 Business customers
- In 2013 the City distributed 35,100,000 m^3 of billed potable water
- Average household water conservation resulted in a 14% decease (2013)
- The City's network is valued at $1.5B and consists of:
  - 882 km of water mains,
  - 863 km of sanitary sewer mains
  - 843 km storm sewers mains
  - 100+ Storm Ponds and 2,400 culverts

Initiatives and Conservation Efforts

- License requirements
- SW rate feasibility study
- Consumer efforts & water for tomorrow efforts
- City Efforts on Non-Revenue Water

Budget Summary

The City's combined water / wastewater draft rate increase is 8.85%

- Region's portion is 6.35% ***(72%)***
- City's portion is 2.5% ***(28%)***

	INCREASE SUMMARY BY PERCENT & CENTS PER M^3	
Region of York Cost of Water & Wastewater	6.35%	17.99 ¢
City of Vaughan Operating Costs:		
Infrastructure Contribution to Reserve	1.40%	3.96 ¢
Administration and Overheads	0.45%	1.27 ¢
Unmetered Water	0.33%	0.94 ¢
Joint Services, Financing and Insurance	0.20%	0.58 ¢
Maintenance	0.12%	0.35 ¢
TOTAL 2014 INCREASE	**8.85%**	**25.09 ¢**

Budget Highlights

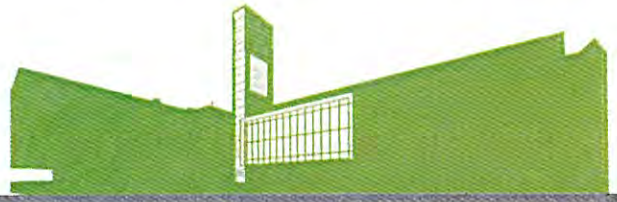
- City's blended rate consists of Water (5.85%) and Wastewater (11.50%)
- Average household impact (300 m^3) is $75.27/Year or $1.44/week

Major Budget Drivers

- Regional service rates increased by 10%, water (7.5%) and wastewater (12.0%).
- Renewal costs are a growing pressure - contributions of $11.7M
- Legislation is progressing toward financial sustainability and full cost recovery

Minor Budget pressures

- Growth assumptions
- Contractual inflation pressures
- Resource requests for service delivery, prevention, asset management, etc.



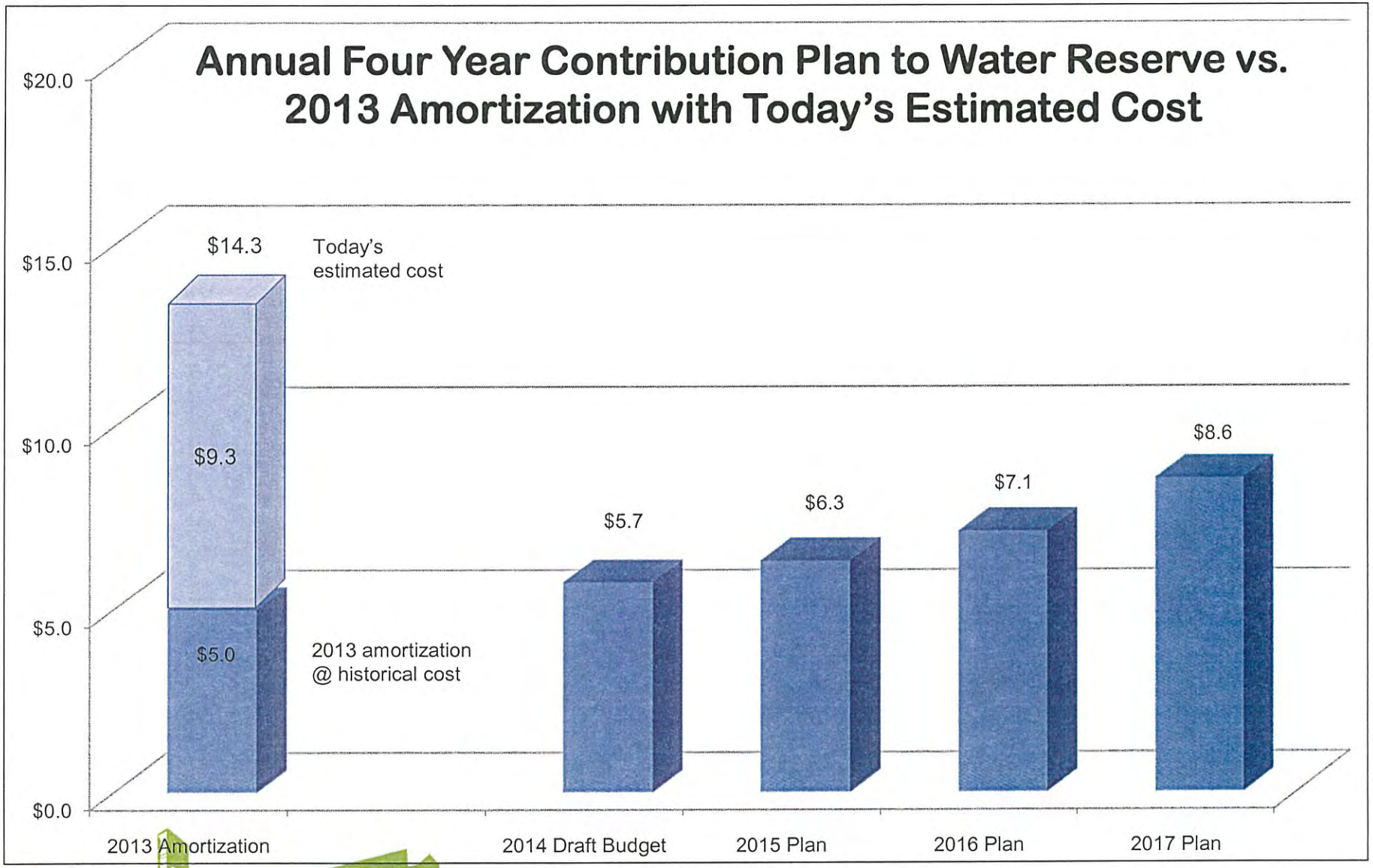
Region of York Rate Increases: 2012 – 2015

- ✓ At the Regional Council Meeting of May 5, 2011 Council approved
- ✓ An annual blended rate increase of 10% for water and wastewater user fees for the three year period from April 1, 2012 to March 31, 2015.
- ✓ Factors driving the rate increase include:
  - ➢ increased cost of purchased water from Toronto and Peel,
  - ➢ need to build reserves for capital asset replacement and rate stabilization
  - ➢ contribution to the capital program
  - ➢ decreased water consumption per capita

2014 New Complement Summary

Description	NET FTE	2014 Budget Impact $	FTEs	Annual Budget Impact
Water Asset Management Coordinator (Engineering Services)	0.50	$28,550	0.25	$54,095
Manager of Corporate Asset Management (Engineering Services) (0.43 FTE Approved through Operating)	0.29	$20,940	0.15	$41,880
Finance (Water Clerk) (0.4 FTE Approved through Operating)	0.60	$37,080	0.45	$48,775
Backflow Prevention Administrator (Public Works)	1.00	$47,240	0.50	$88,880
Environmental Program Planner (FTE Transfer from Public Works - Waste Management)	1.00	$93,090	1.00	$93,090
Sewer Use Compliance & By-Law Coordinator (Public Works)	1.00	$47,240	0.50	$88,880
Manager of Corporate Asset Management (Engineering Services) (0.43 FTE Approved through Operating)	0.29	$20,940	0.15	$41,880
Wastewater Asset Management Coordinator (Engineering Services)	0.50	$28,550	0.25	$54,095
TOTALS	**5.18**	**$323,630**	**3.25**	**$511,575**

Annual Four Year Contribution Plan to Water Reserve vs. 2013 Amortization with Today's Estimated Cost



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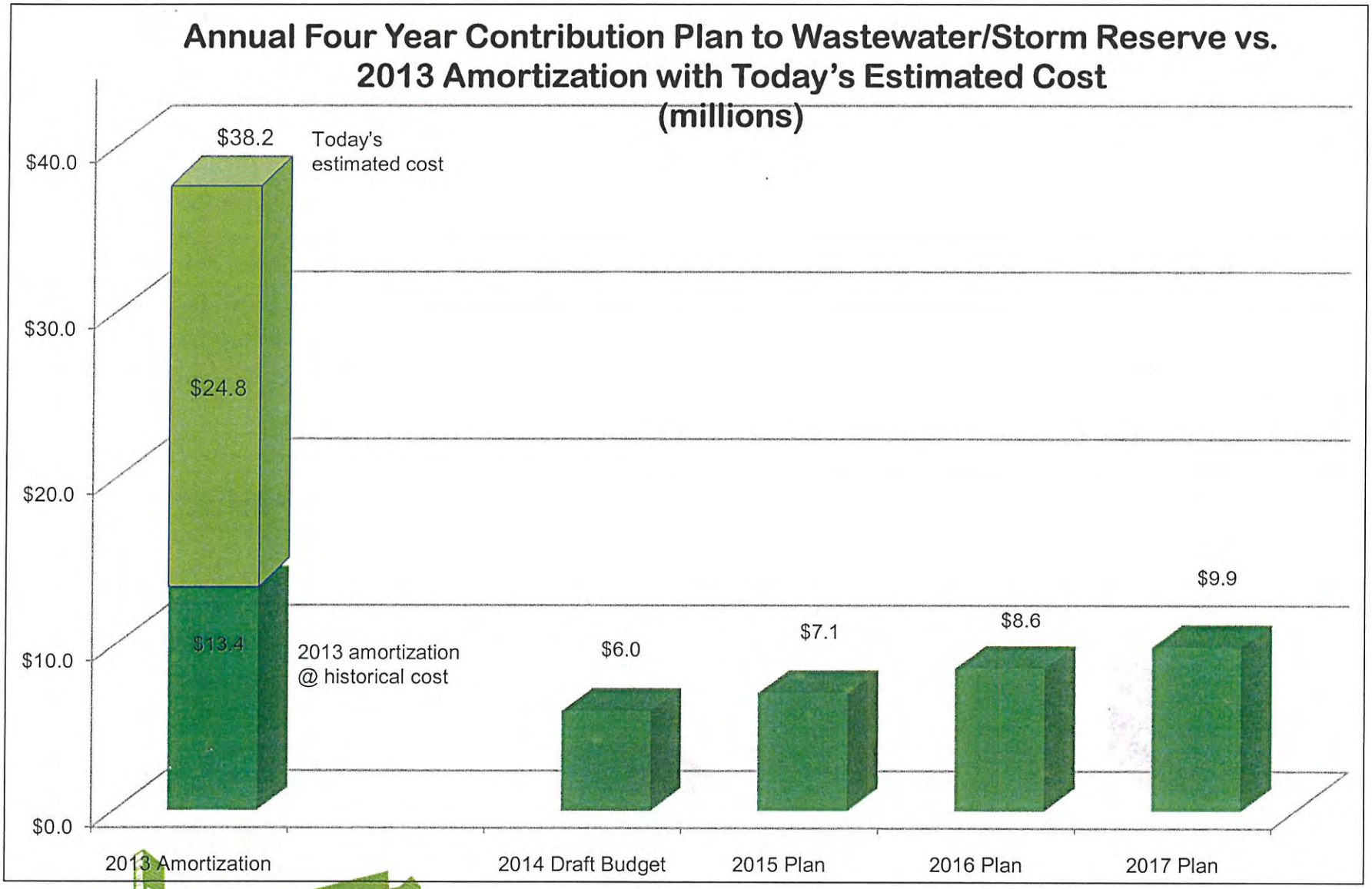
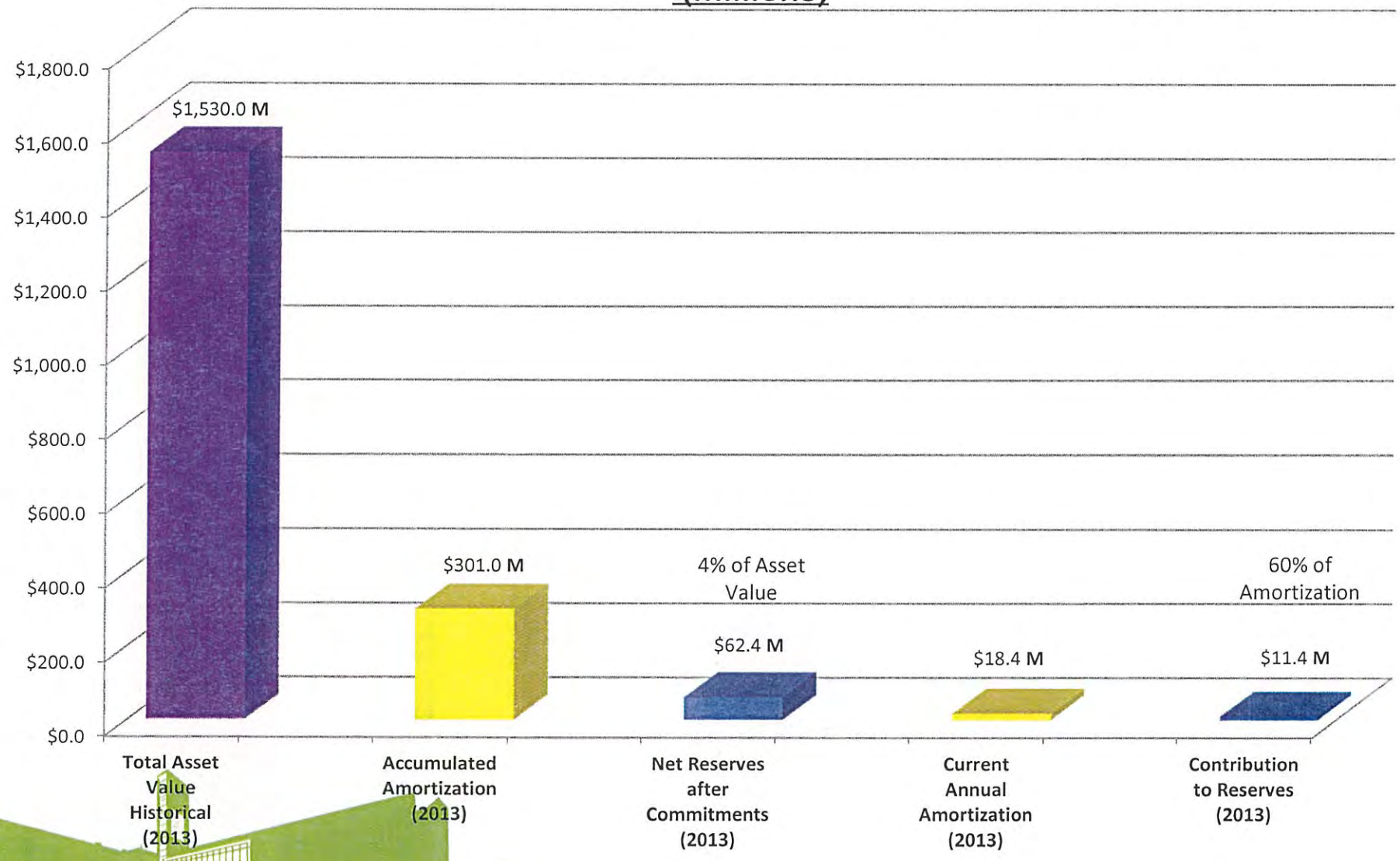
Annual Four Year Contribution Plan to Wastewater/Storm Reserve vs. 2013 Amortization with Today's Estimated Cost (millions)



Water and Wastewater/Storm Asset Value and Reserve Balance

(millions)



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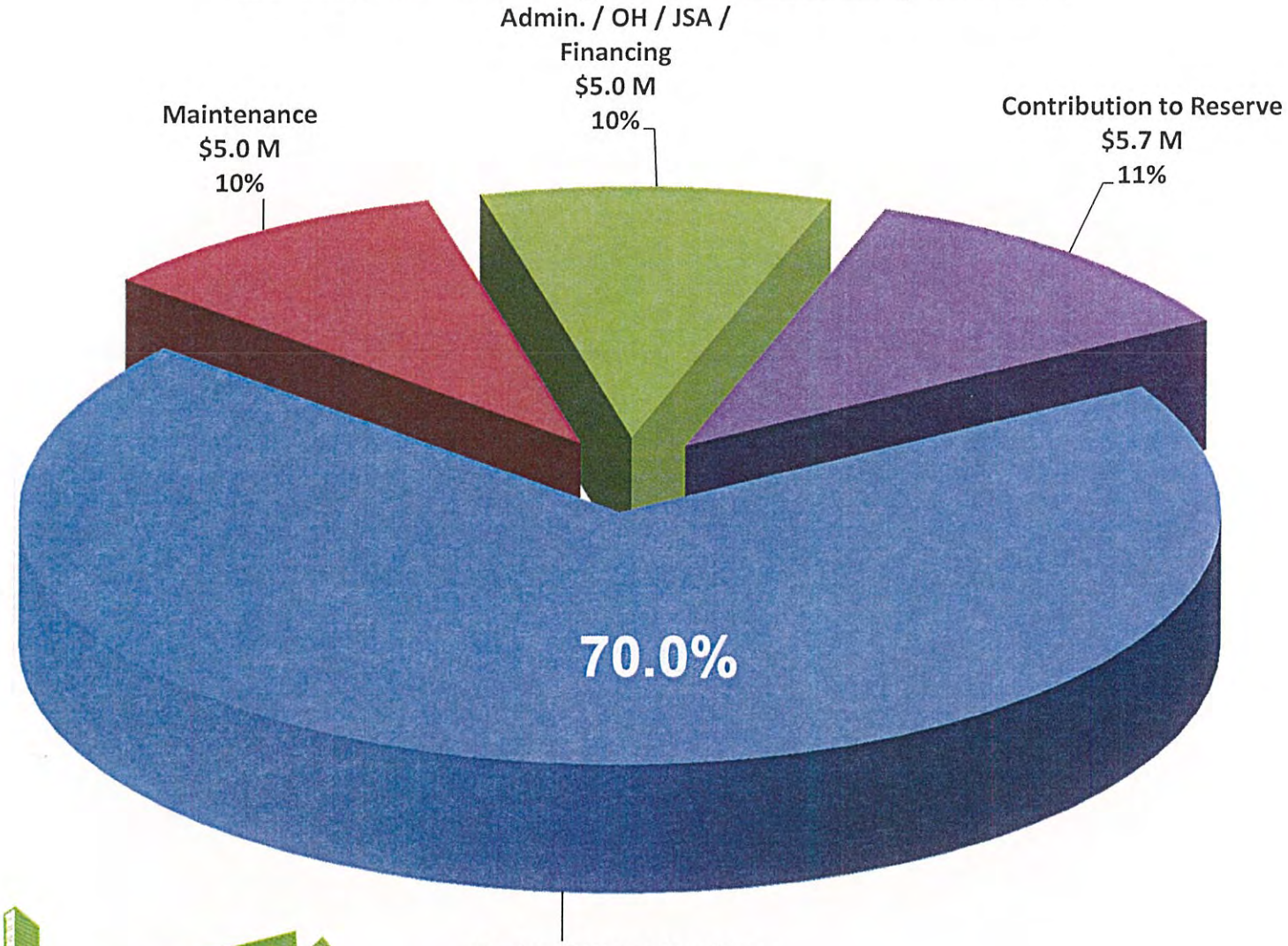
2014 Draft Budget – Water Expenses



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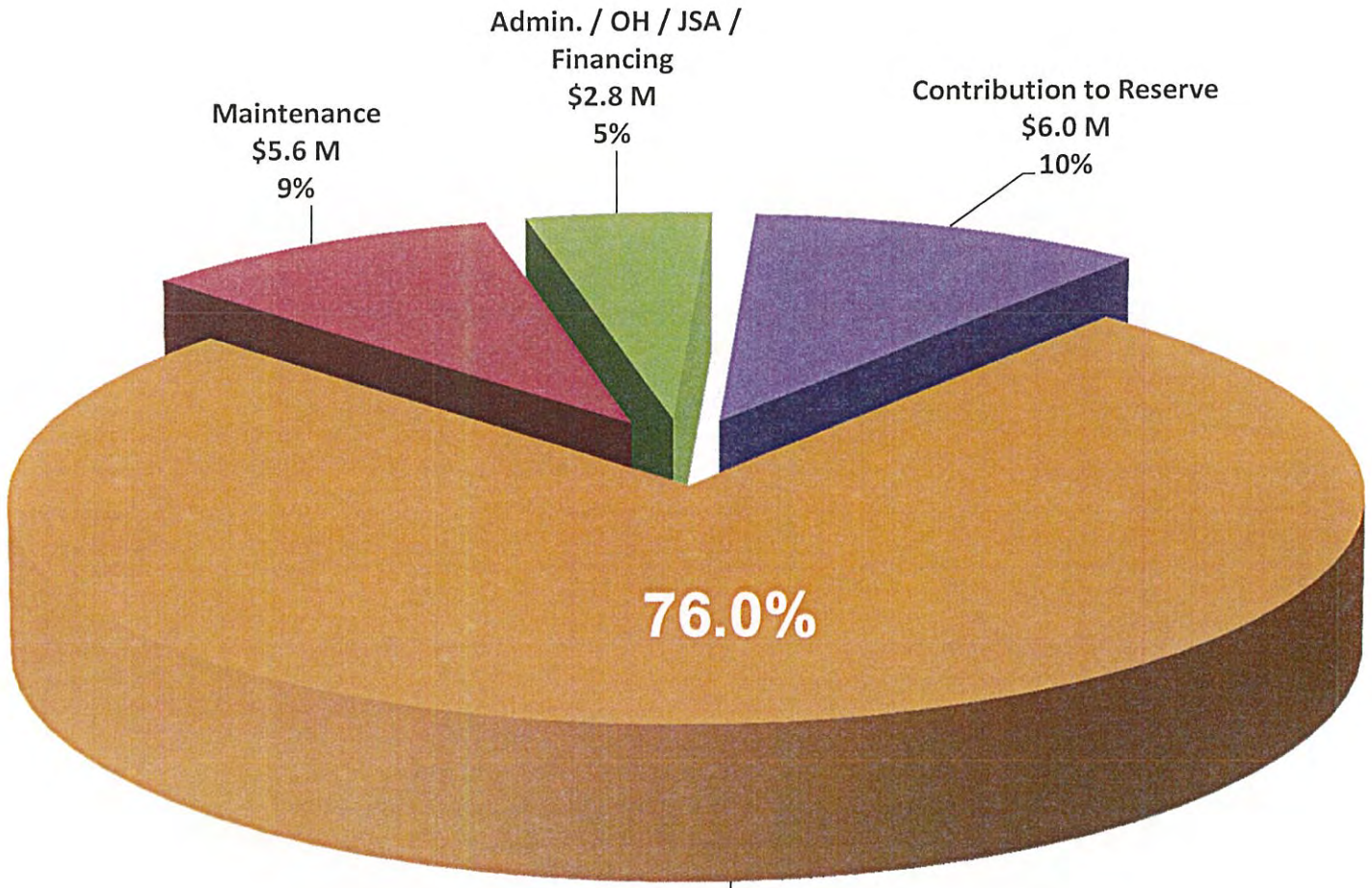
2014 Draft Budget – Wastewater/Storm Sewer Expenses



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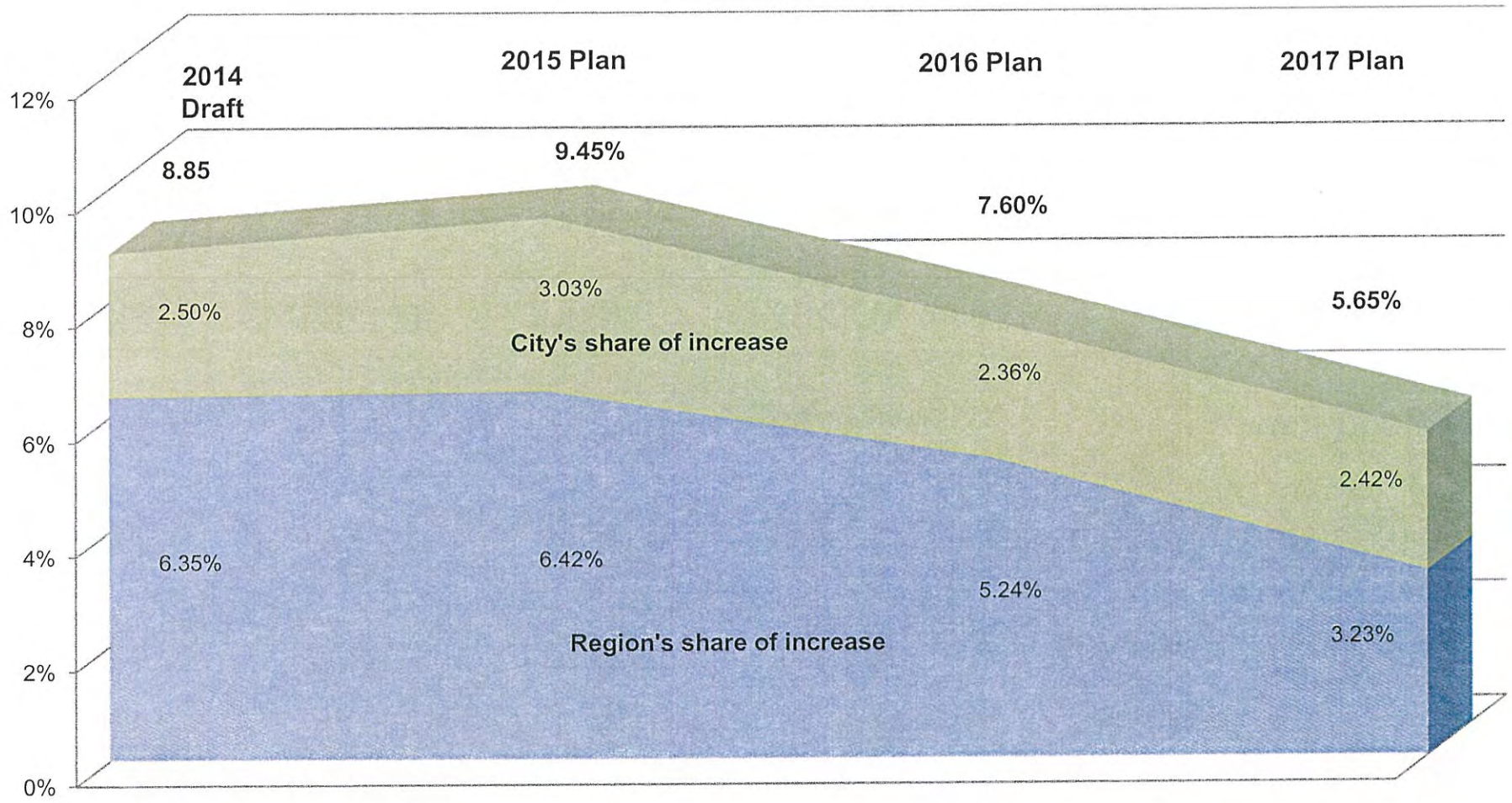
Water and Wastewater Draft Rate Component Breakdown ($/M^3)

Rate Components	Water	Wastewater	Combined	% Share
Regional Purchased Services	$0.8697	$1.1099	$1.9796	64.1%
Unmetered Water	0.1282	0.00	0.1282	4.2%
Maintenance	0.1203	0.1425	0.2628	8.5%
Admin./Financing/Overheads	0.1336	0.0784	0.2120	6.9%
Contribution to Reserves	0.1557	0.3473	0.5030	16.3%
Total	**$1.4075**	**$1.6781**	**$3.0856**	**100.0%**

City and Region Annual Plan Combined Rate Increases



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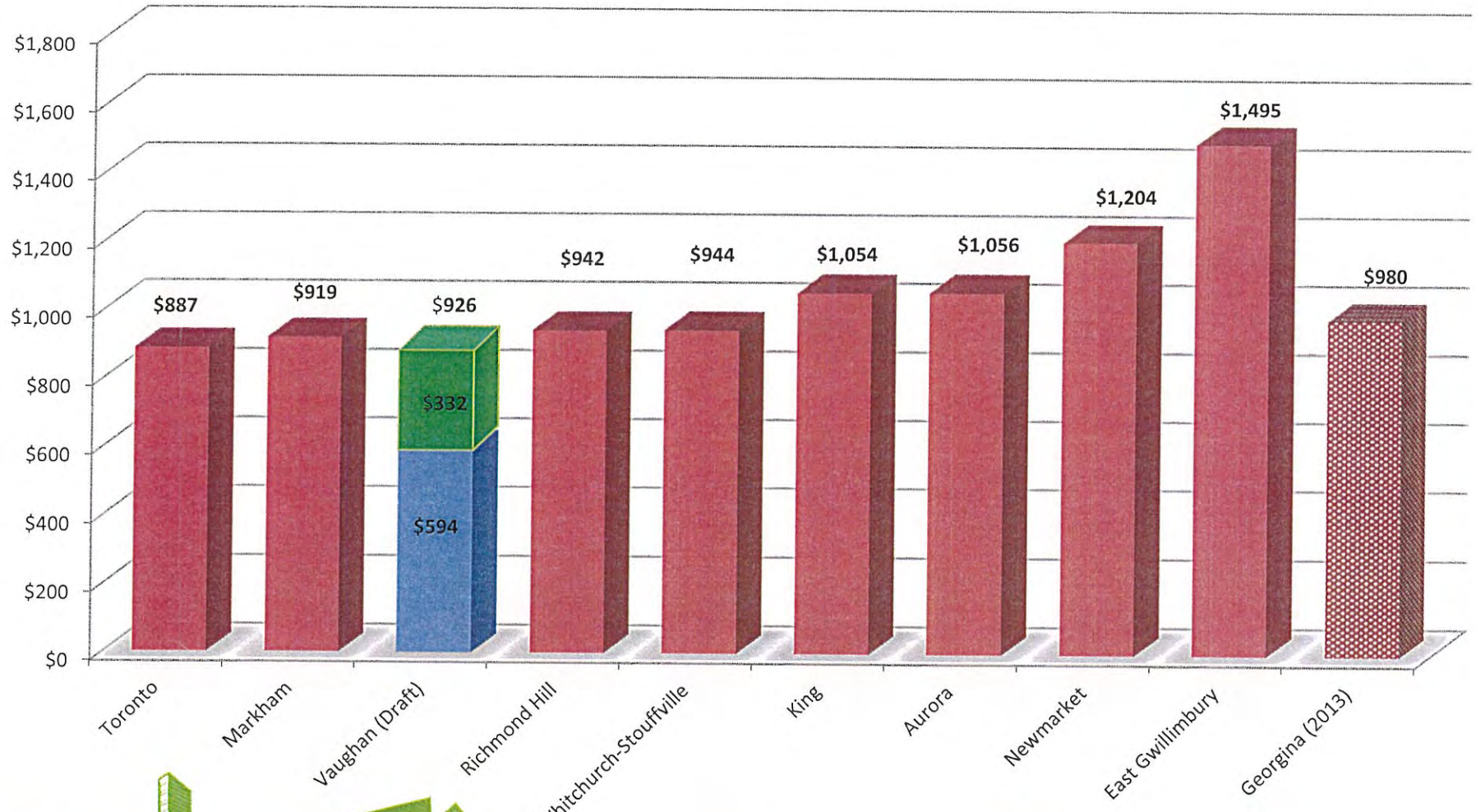
2014 Municipal Comparison Total Water/Wastewater bill based on household consumption of 300 M^3 per year.



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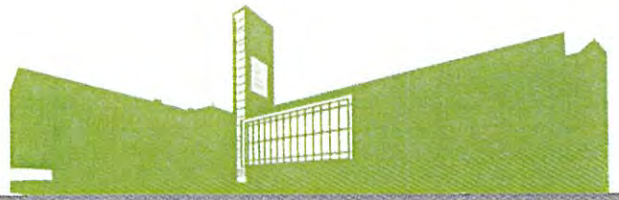
Discussion
Q & A

Thank You