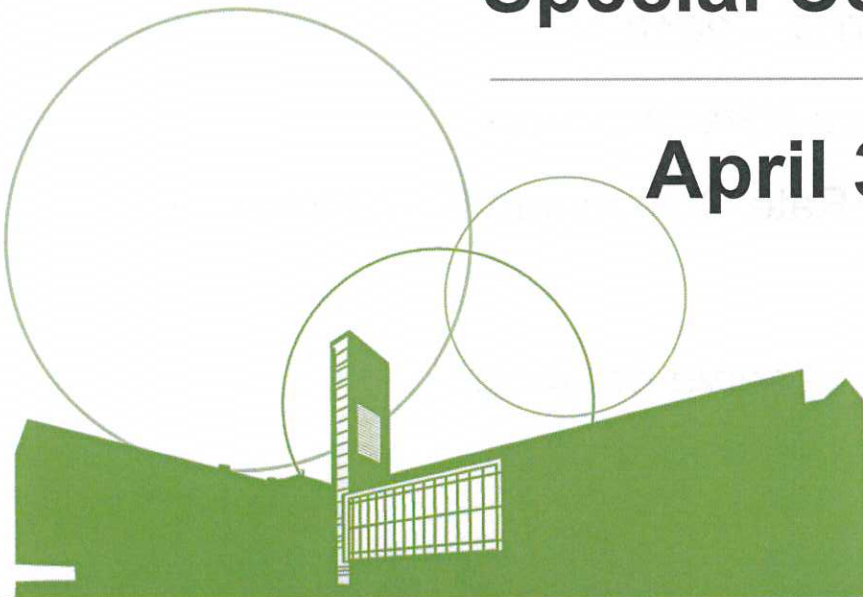


C1
Special Council
April 30/2013
Item 1

2013 Proposed Water and Wastewater/Storm Operating Budget

Special Council Meeting

April 30th, 2013

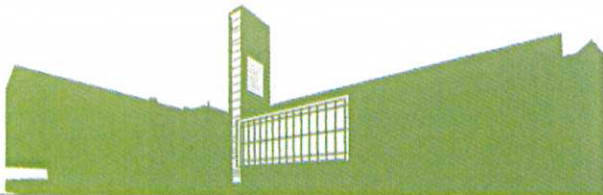


Water
for
Tomorrow



Agenda

- Water and Wastewater/Storm Fast Facts
- Budget Highlights
- Budget Overview
- Region of York Rate Increases: 2012 – 2016
- City and Region Annual Forecasted Rate Increases
- Water and Wastewater Proposed Rate Component Breakdown
- 2013 Municipal Comparison
- Proposed Water and Wastewater Reserve Balances



Water and Wastewater /Storm Fast Facts

- ✓ The City owns and operates two distribution systems: Vaughan Water Distribution System and Kleinburg Water Distribution System.
- ✓ Vaughan purchases its drinking water from the Region of York, who purchases it from the City of Toronto and from the Region of Peel.
- ✓ In 2012 the Vaughan and Kleinburg systems distributed 36,900,000 m³ of billed water.
- ✓ The City of Vaughan is responsible for the maintenance and repair of:
 - 871 kilometers of water mains
 - 852 kilometers of sanitary sewer mains
 - 833 kilometers storm sewers mains



Water and Wastewater/Storm Fast Facts

- ✓ Water and Wastewater billing was in excess of \$94M in 2012 and Contribution to Reserves was \$13.2M.
- ✓ Average household water consumption has decreased from 338 m³ in 2007 to 293 m³ in 2012 attributable to conservation efforts.



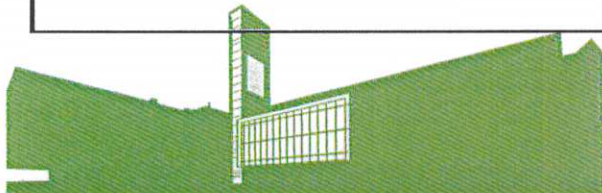
Budget Highlights

✓ The City's combined water / wastewater proposed rate increase is 8.02%.

❖ Region's portion is 6.25% (78%).

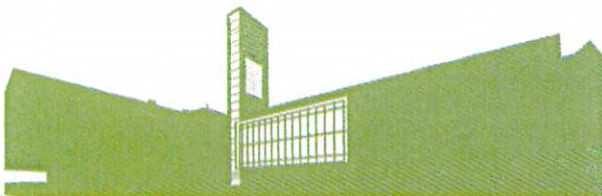
❖ City's portion is 1.77% (22%).

INCREASE SUMMARY BY PERCENT & CENTS			
Region of York Cost of Water and Wastewater	6.25%	16.39 ¢	78%
City of Vaughan Operating Costs:			
Unmetered Water	0.32%	0.84 ¢	} 22%
Maintenance	-0.59%	-1.55 ¢	
Administration, Financing and Overheads	0.90%	2.37 ¢	
Joint Services	0.03%	0.07 ¢	
Total City of Vaughan Operating Costs Increase	0.66%	1.73 ¢	
City of Vaughan Infrastructure Contribution to Reserve	1.11%	2.91 ¢	
Total 2013 Increase	8.02%	21.03 ¢	100%



Budget Highlights

- ✓ Region of York increased their water rate by 7.7% and their wastewater rate by 12.0 % for a combined rate increase of 10.0%.
 - ✓ Water billings will generate a net contribution of \$5.3M to the water reserve.
 - ✓ Wastewater/storm billings will generate a net contribution of \$6.0M to the wastewater reserve.
- ✓ The residential impact on an average household consumption of 300 m³ of water per year is an additional \$63.22 or \$5.27 per month.
- ✓ The City's portion of the residential impact on an average household consumption of 300 m³ of water per year represents \$13.92 or \$1.16 per month.

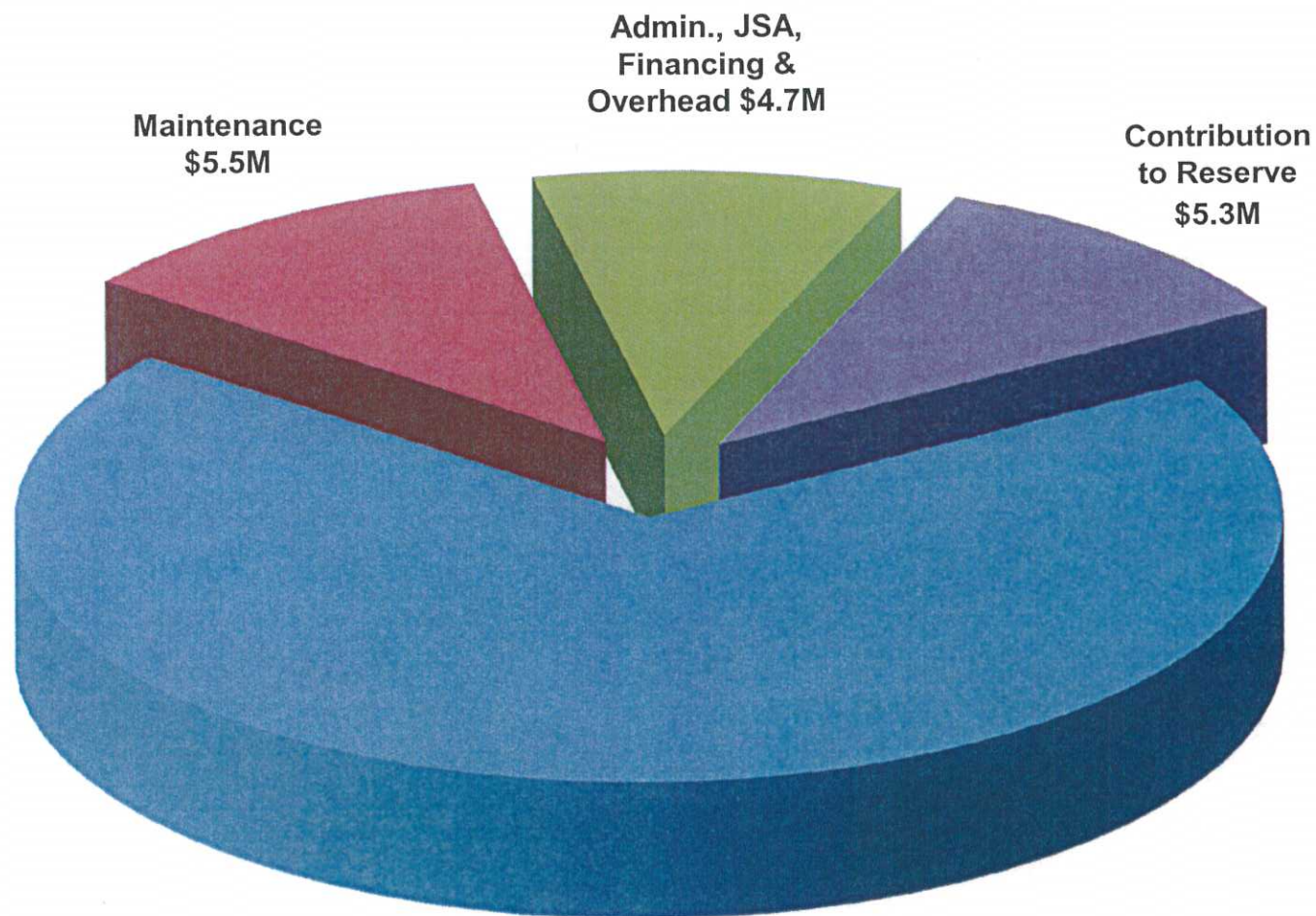


Budget Overview – Water

	2013 Proposed <u>Budget</u>	2012 <u>Budget</u>	<u>Change</u>	
Water Revenues	\$48.7M	\$45.0M	8.2%	Growth / Rate Increase
Water Purchases	<u>34.3</u>	<u>31.6</u>	<u>8.5%</u>	Region of York 7.7% rate increase / growth
Gross Margin	14.4	13.4	7.5%	
Other Revenues	1.1	1.3	-15.4%	
Maintenance	5.5	5.5	----	
Administration, Financing and Overheads	<u>4.7</u>	<u>4.4</u>	<u>6.8%</u>	
Contribution to Reserve	<u><u>\$5.3M</u></u>	<u><u>\$4.8M</u></u>	<u><u>10.4%</u></u>	



2013 Proposed Budget – Water Expenses

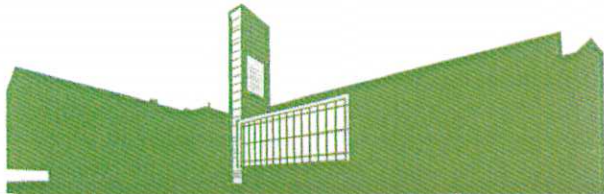


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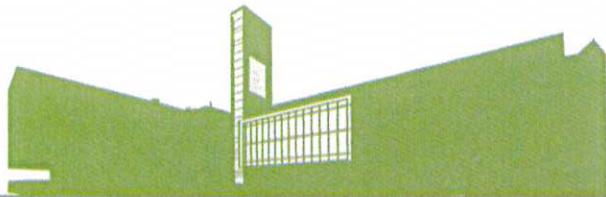
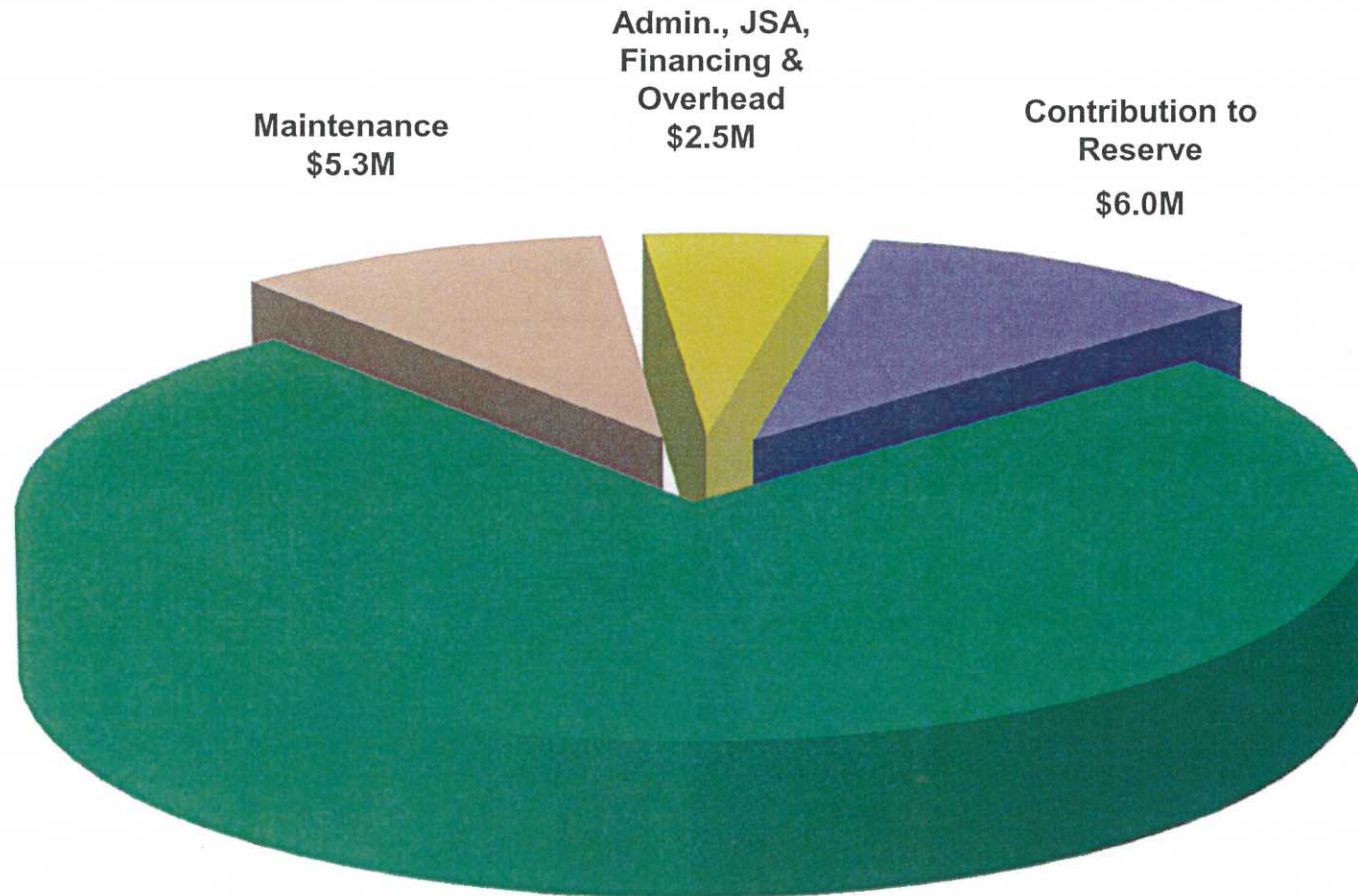
Region of York Water
Purchases \$34.3M

Budget Overview – Wastewater /Storm

	2013 Proposed <u>Budget</u>	2012 <u>Budget</u>	<u>Change</u>	
Wastewater Revenues	\$54.4M	\$48.8M	11.5%	Growth / Rate Increase
Wastewater Expenses	<u>41.3</u>	<u>36.4</u>	<u>13.5%</u>	Region of York 12.0% rate increase / growth
Gross Margin	13.1	12.4	5.6%	
Other Revenues	0.7	0.6	16.7%	
Maintenance	5.3	5.5	-3.6%	
Administration, Financing and Overheads	<u>2.5</u>	<u>2.4</u>	<u>4.2%</u>	
Contribution to Reserve	<u><u>\$6.0M</u></u>	<u><u>\$5.1M</u></u>	<u><u>17.6%</u></u>	



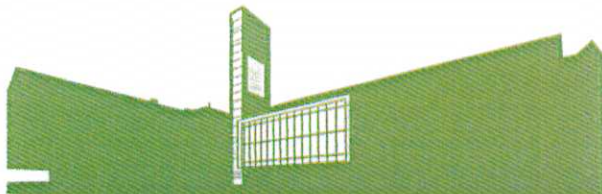
2013 Proposed Budget – Wastewater/Storm Expenses



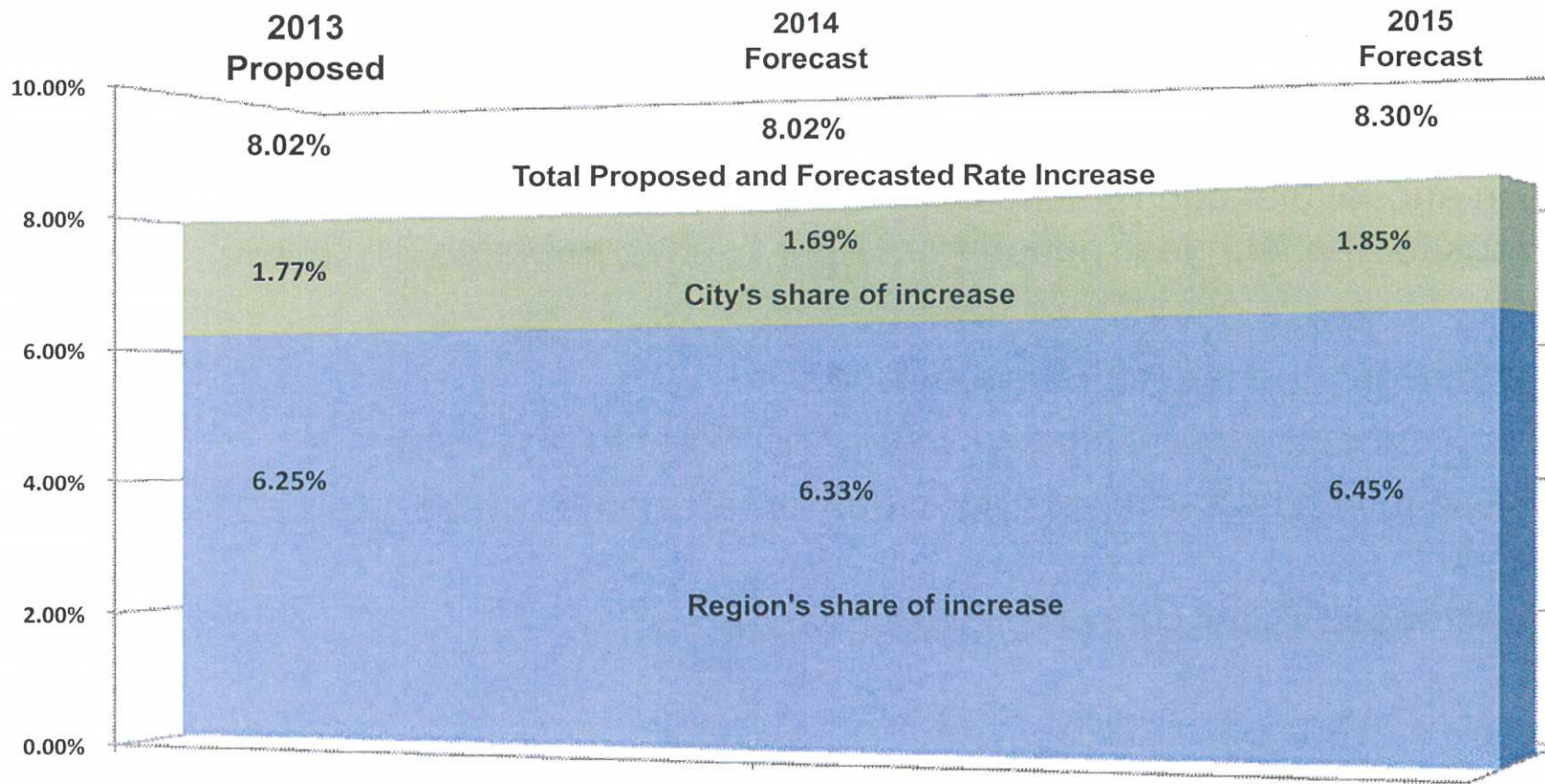
Region of York
Wastewater Expenses
\$41.3M

Region of York Rate Increases – 2012 - 2016

- ✓ At the Regional Council Meeting of May 5, 2011, the Finance and Administration Committee recommended and Council approved:
 - An annual blended rate increase of 10% for water and wastewater user fees for the four year period from April 1, 2012 to March 31, 2016.
- ✓ 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 and
 - decreased water consumption per capita

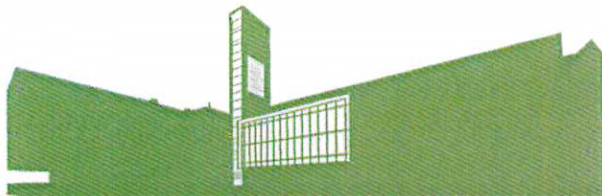


City and Region Annual Forecasted Rate Increases

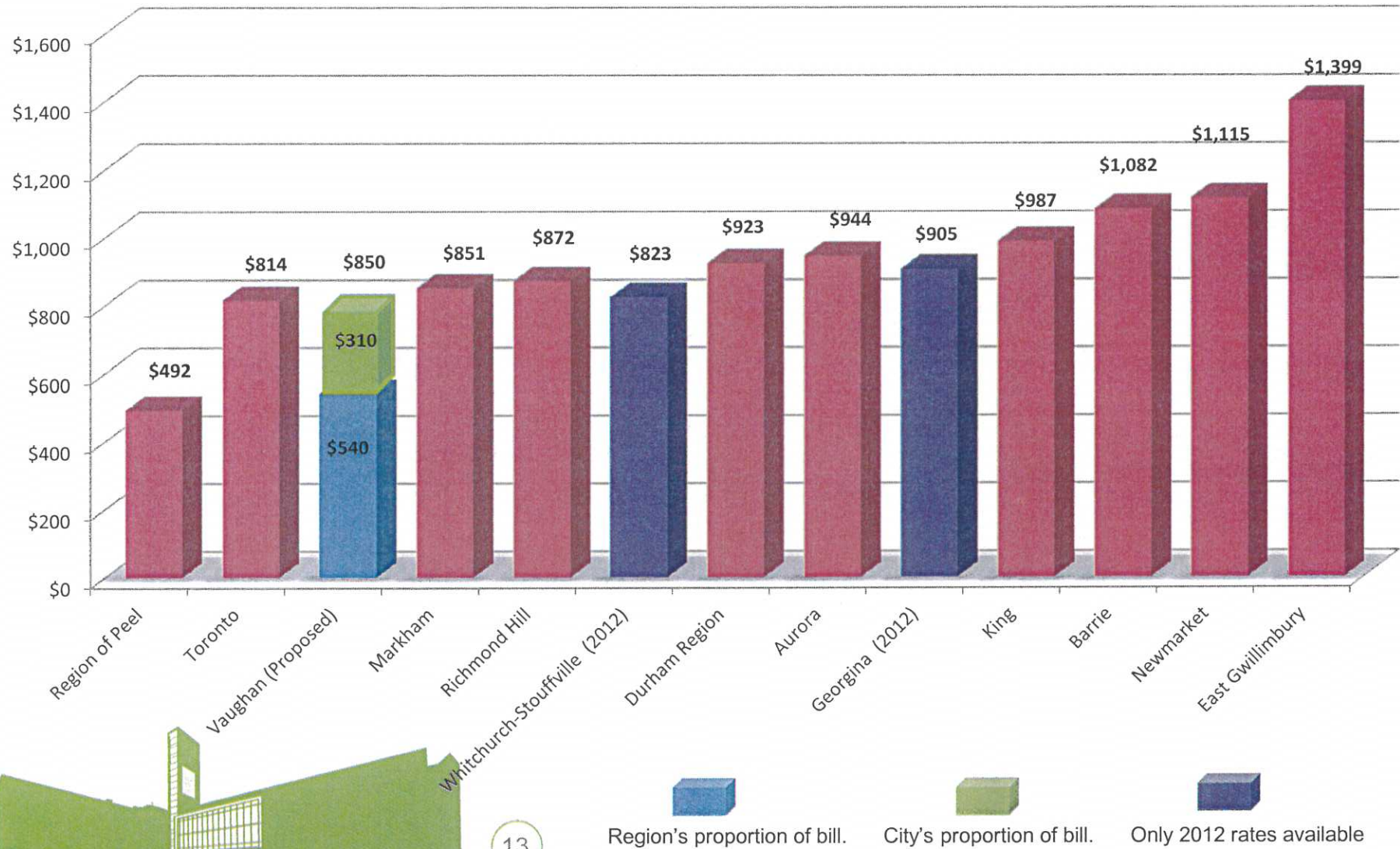


Water and Wastewater Proposed Rate Component Breakdown

<u>Rate Components</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Regional Purchased Services	\$0.8087	\$0.9910	\$1.7997
Unmetered Water	0.1188	0.00	0.1188
Maintenance	0.1283	0.1319	0.2602
Admin./Financing/Overheads	0.1257	0.0704	0.1961
Contribution to Reserves	<u>0.1483</u>	<u>0.3116</u>	<u>0.4599</u>
Total	<u>\$1.3298</u>	<u>\$1.5049</u>	<u>\$2.8347</u>



2013 Municipal Comparison Total Water/Wastewater bill based on an average household consumption of 300 m³ per year.



Year-Over-Year Annual Cost for a Household consuming 300 m³

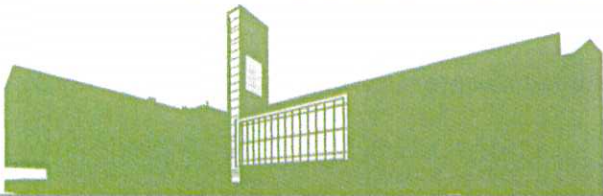
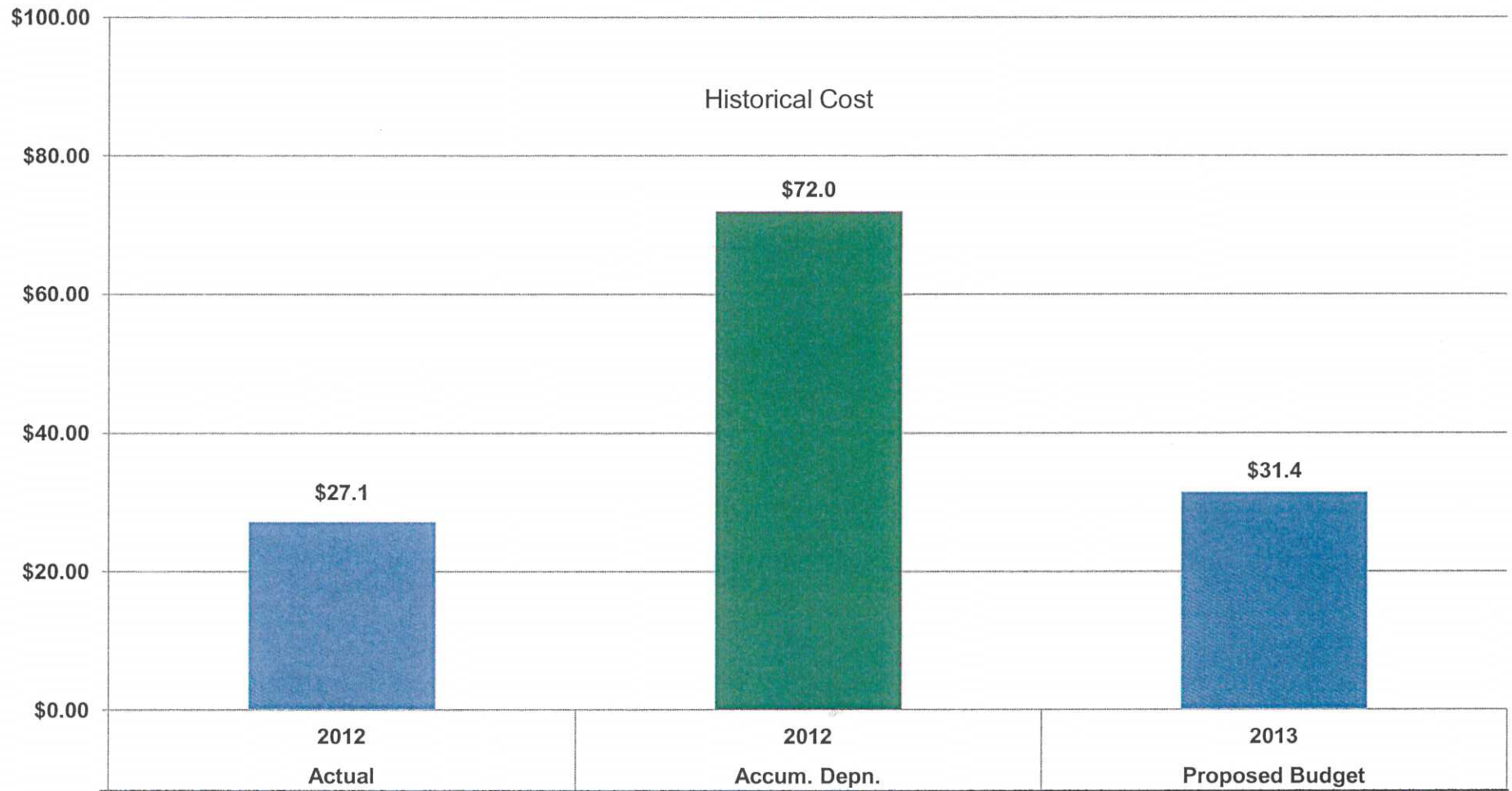
<u>Municipality/Region</u>	<u>2013 ⁽¹⁾</u>	<u>2012</u>	<u>Year Over Year Change \$</u>	<u>Year Over Year Change %</u>
Region of Peel	\$492	\$462	\$30	6.49%
Toronto	\$814	\$747	\$67	9.00%
Vaughan (Proposed)	\$850	\$787	\$63	8.02%
Markham	\$851	\$788	\$63	7.99%
Richmond Hill	\$872	\$808	\$64	7.97%
Whitchurch-Stouffville	N/A	\$823	-----	-----
Durham Region	\$923	\$850	\$73	8.60%
Aurora	\$944	\$862	\$82	9.49%
Georgina	N/A	\$905	-----	-----
King	\$987	\$932	\$56	5.99%
Barrie	\$1,082	\$1,000	\$82	8.21%
Newmarket	\$1,115	\$1,027	\$87	8.50%
East Gwillimbury	\$1,399	\$1,314	\$85	6.47%

(1) Calculations are based on Municipal and Region approved Water and Wastewater rates.

N/A – Not Available

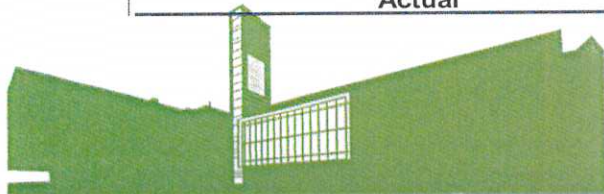
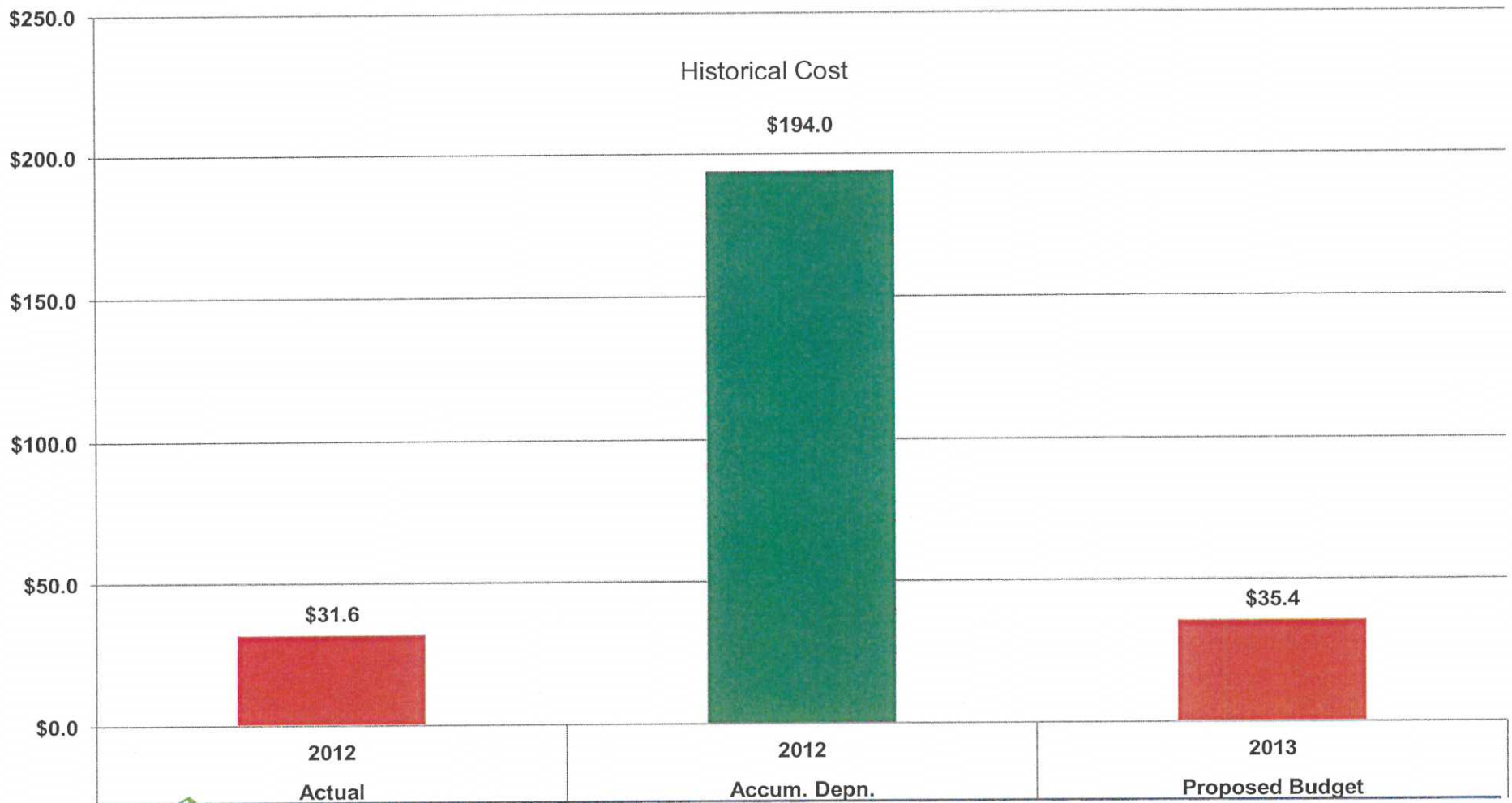
Accumulated Proposed Water Reserve Balance

(millions)



Accumulated Proposed Wastewater Reserve Balance

(millions)



Discussion Q & A

Thank You

