

Municipality of Trent Hills

2023 DRAFT WATER & WASTEWATER BUDGET
MEETING DATE: NOVEMBER 22, 2022





Municipality of Trent Hills
2023 Draft Water & Wastewater Budget
Meeting Date: November 22, 2022

Background

The Municipality of Trent Hills has drinking water and wastewater systems located in the communities of Campbellford, Hastings and Warkworth. These systems are considered “user pay” and properties utilizing municipal water and wastewater services and/or are within the mandatory connection areas are subject to the applicable rates, fees and charges.

The Municipal drinking water systems and wastewater systems are operated by the Municipality of Trent Hills in compliance with the Safe Drinking Water Act and the Environmental Protection Act and related Ontario Regulations.

On an annual basis, the Municipality prepares a Budget for Council to authorize expenditures for the year. The Budget is a plan to implement municipal goals and priorities and provides a method to monitor and control income and expenses throughout the year.

The Budget document is organized by three main categories: Operating, Transfers and Capital.

- The Operating Budget includes amounts for activities related to day-to-day operations.
- Transfers are amounts dedicated each year to Reserves to help finance projects over a long-term period. Transfers may be allocated for operating and capital projects.
- The Capital Budget includes amounts for the acquisition or maintenance of assets that provide or support services to residents over many years.

Council approved the financial plan outlined in the Water and Wastewater Rate Study on February 4, 2020, prepared by Watson & Associates Economists Ltd.

2023 Revenue and Expenditure totals have been adjusted to align with the recommendations outlined in the Study.



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Water Operations

The following list outlines an overview of the operational activities the Water Department is responsible for that are included in the annual Budget.

- Administration-software fees for water meter reading, bulk water; bank fees,
- Vehicle Maintenance-3 light duty vehicles, 2 SUVs, 1 trailer
- Filtration Plants-3 water plants to process treated potable water
- Water Towers-3 water towers for offsite storage of treated potable water for consumption and fire protection
- Watermain Maintenance-repairs to maintain infrastructure for distribution system
- Water Service Maintenance-installation, repairs and maintenance of customer water services
- Locates-identifying buried infrastructure for other utility services
- Hydrant Maintenance-flushing and maintaining fire hydrants in accordance with application regulations
- Water Meter Maintenance-installation and repair of customer water meters
- Booster Pumps-operation and maintenance to ensure adequate water pressure in distribution system



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Water-Summary of Gross Revenues and Expenditures Operating, Transfers and Capital Budgets

Operating	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves/ Financing	User Rates
2023	1,965,372	205,590	-	-	1,759,782
2022	1,918,483	183,400	-	-	1,735,083
Total	46,892	22,192	-	-	24,699

Transfers	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves/ Financing	User Rates
2023	248,743	-	-	-	248,743
2022	189,046	-	-	-	189,046
Total	59,697	-	-	-	59,697

Capital	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves/ Financing	User Rates
2023	6,718,505	-	3,804,877	2,913,628	-
2022	662,000	-	-	662,000	-
Total	6,056,505	-	3,804,877	2,251,628	-

Total	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2023	8,932,620	205,590	3,804,877	2,913,628	2,008,525
2022	2,769,529	183,400	-	662,000	1,924,129
Total	6,163,091	22,190	-	2,251,628	84,396

4.39%



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Detailed Water Budget Summary

Description	2022 Budget	2023 Budget	Y:Y Change
Wages & Benefits	644,133	662,643	18,510
Materials & Supplies	307,970	314,120	6,150
Contracted Services	454,488	476,479	21,991
Financial-General	11,911	12,148	237
Debt Payments	499,982	499,982	0
Fees & Charges	(183,400)	(205,590)	(22,190)
Total Operating Budget	1,735,083	1,759,782	24,699

Transfers	2022 Budget	2023 Budget	Y:Y Change
Transfer to Reserve	189,046	248,743	59,697
Total Transfers	189,046	248,743	59,697

Capital	2022 Budget	2023 Budget	Y:Y Change
Capital	662,000	6,718,505	6,056,505
Reserve Revenue	(662,000)	(2,913,628)	(6,056,505)
Grant Revenue	-	(3,804,877)	-
Total Capital	-	-	-

Total (to be recovered from user rate revenue)	1,924,129	2,008,525	84,396
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Notes re Operating Budget

Wages & Benefits-Wages & Benefit adjustments in accordance with corporate COLA adjustments benefit costs.

Materials & Supplies-Memberships, Licenses, Parts, Fuel, Chemicals, etc

Contracted Services-Insurance, Connectivity, Hydro, Telephone, other related contracted services.

Financial-External equipment rentals.

Debt Payments-Payments for infrastructure projects.

Fees & Charges-Bulk water sales, connection/disconnection fees, late payment charges.



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Water Capital

Category	Location	Description	Project Budget	Revenue Grants	Revenue Reserves
Construction	Hastings	Park St. Watermain Repl	273,500	-	273,500
Construction	Hastings	Wellington St-Watermain Repl	200,000	-	200,000
Construction	Hastings	Standpipe Upgrades	3,500,000	1,913,363	1,586,637
Construction	Hastings	Second Watermain Crossing	2,068,068	1,891,514	176,554
Treatment	Hastings	Chlorinator Replacement	50,000	-	50,000
Construction	Campbellford	Ranney St. N-Renewal	335,841	-	335,841
Construction	Campbellford	Seymour Quarry Rd	191,096	-	191,096
Treatment	Warkworth	Generator and Instrumentation	100,000	-	100,000
Total			6,718,505	3,804,877	2,913,628

As per Water & Wastewater Study Report prepared by Watson, Capital to be funded from Reserves/Reserve Funds. Reserve and Reserve Fund contributions are derived from Connection Charges and annual Budget contributions.

Notes:

- **Park St Watermain Replacement**-funded by Water Reserve.
- **Wellington St Watermain Replacement**-Front-End/Cost Sharing Agreement: Water Reserve to initially fund capital works.
- **Hastings Standpipe**: ICIP Green Stream I: Federal & Provincial Grant Revenue \$ 1,913,363; balance to be funded through Water Reserve and/or borrowing.
- **Hastings Second Watermain Crossing**: ICIP Green Stream II: Federal & Provincial Grant Revenue \$ 1,516,514; OCIF Formula Based Funding 2022 to 2024 \$ 375,000; balance to be funded from Water Reserve.
- **Hastings Chlorinator Replacement**-regular Capital, funded by Water Reserve
- **Ranney St. N Renewal**-Water portion of project only shown above, funded by Water Reserve.
- **Seymour Quarry Road**-Water portion of project only shown above, funded by Water Reserve.
- **Warkworth Generator**-regular Capital, funded by Water Reserve.



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Summary of Water Debt Payments

Annual Payments	Year of Expiration
\$ 113,390	2024
\$ 108,493	2026
\$ 47,122	2027
\$ 57,788	2030
\$ 173,189	2039
\$ 499,982	

Annual payments include principal and interest.

Water Debt Payments represent 25.44% of the Water Operating Budget.



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Monthly Water Service Charges & Volumetric (Consumption) Rates

Description	% of customers	2022 Rate (\$)	2023 Rate (\$)	Monthly Change (\$)
Service Charge 19mm (3/4")	97.02%	29.85	30.81	.96
Service Charge 25mm (1")	1.47%	50.75	52.37	1.62
Service Charge 37mm (1 1/2")	.35%	98.51	101.66	3.15
Service Charge 50mm (2")	.98%	158.21	163.28	5.07
Service Charge 75mm (3")	.14%	298.52	308.07	9.55
Service Charge 100mm (4")	.04%	498.52	514.48	15.96
Service Charge 150mm (6")	.00%	994.06	1025.87	31.81

Volumetric Rate m ³	1.26	1.30	.04
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Water Consumption Flat Rate-Residential (11 cubic meters X \$ 1.30)	14.30
Water Consumption Flat Rate-Non-Residential (45 cubic meters X \$ 1.30)	58.50

The monthly service charges are differentiated by meter size, based on American Water Works Association (AWWA) meter factors and industry best practices.



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**Examples of Monthly Water Billing Amounts
 Residential Customers 19mm (3/4")
 Includes Service Charges and Consumption**

Water Consumption	2022 Dollars SC \$ 29.85 Vol \$ 1.26	2023 Dollars SC \$ 30.81 Vol \$ 1.30	Increase Dollars
5 m ³	36.15	37.31	1.16
10 m ³	42.45	43.81	1.36
15 m ³	48.75	50.31	1.56
25 m ³	61.35	63.31	1.96
35 m ³	73.95	76.31	2.36
50 m ³	92.85	95.81	2.96



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Wastewater Operations

The following list outlines an overview of the operational activities the Wastewater Department is responsible for that are included in the annual Budget:

- Administration-software fees
- Vehicle Maintenance-1 light duty vehicle, 1 van
- Sewer Flushing-cleaning sewer mains within collection system
- Sewer Collapse/Laterals-repairs to sewer mains up to property lines
- CCTV-inspection of sewer mains (covering entire system over 5 year period)
- Sewer Repairs-repairs to sewer mains as a result of CCTV inspections
- Flow Monitoring-at wastewater plants and pumping stations to optimize processes
- Sewer Locates-identifying buried infrastructure for other utility services
- Treatment-2 wastewater treatment plants, 1 stabilization pond
- Pumping Stations-9 wastewater pumping stations, conveying raw sewage to plants
- Manholes-inspections, maintenance to ensure adequate access to sewer mains



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**Wastewater-Summary of Gross Revenues and Expenditures
 Operating, Transfers and Capital Budgets**

Operating	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2023	1,842,547	3,900	-	-	1,838,647
2022	1,825,395	3,800	-	-	1,821,595
Total	17,152	100			17,052

Transfers	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2023	733,336	-	-	-	733,336
2022	641,501	-	-	-	641,501
Total	91,835	-	-	-	91,835

Capital	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2023	617,421	-	-	617,421	-
2022	431,000	-	-	431,000	-
Total	186,421		-	186,421	-

Total	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2023	3,193,304	3,900	-	617,421	2,571,983
2022	2,897,896	3,800	-	431,000	2,463,096
Total	295,408	100	-	186,421	108,887

4.42%



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Detailed Wastewater Budget Summary

Description	2022 Budget	2023 Budget	Y:Y Change
Wages & Benefits	453,220	454,361	1,141
Materials & Supplies	209,492	213,074	3,582
Contracted Services	589,776	610,149	20,373
Financial-General	312	318	6
Debt Payments	572,595	564,645	(7,950)
Fees & Charges	(3,800)	(3,900)	(100)
Total Operating Budget	1,821,595	1,838,647	17,052

Transfers	2022 Budget	2023 Budget	Y:Y Change
Transfer to Reserve	641,501	733,336	91,835
Total Transfers	641,501	733,336	91,835

Capital	2022 Budget	2023 Budget	Y:Y Change
Capital	431,000	617,421	186,421
Reserve Revenue	(431,000)	(617,421)	(186,421)
Total Capital	-	-	-

Total (to be recovered from user rate revenue)	2,463,096	2,571,983	108,887
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Notes re Operating Budget

Wages & Benefits-Wages & Benefit adjustments in accordance with corporate COLA adjustments benefit costs.

Materials & Supplies-Memberships, Licenses, Parts, Fuel, Chemicals, etc

Contracted Services-Insurance, Connectivity, Hydro, Telephone, other related contracted services.

Financial-External equipment rentals.

Debt Payments-Payments for infrastructure projects.

Fees & Charges-Connection/disconnection fees.



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Wastewater Capital

Category	Location	Description	Project Budget	Revenue Grants	Revenue Reserves
Construction	Hastings	Park St.-Lateral Works	50,000	-	50,000
Construction	Hastings	Wellington St.-Lateral Works	25,000	-	25,000
Treatment	Hastings	Treatment Plant MCC Upgrades	100,000	-	100,000
Construction	Campbellford	Ranney St. N-Renewal	406,313	-	406,313
Construction	Campbellford	Seymour Quarry Rd	26,108	-	26,108
Treatment	Warkworth	Pumping Station Upgrades	10,000	-	10,000
Total			617,421	-	617,421

As per Water & Wastewater Study Report prepared by Watson, Capital to be funded from Reserves/Reserve Funds. Reserve and Reserve Fund contributions are derived from Connection Charges and annual Budget contributions.

Notes:

- **Parks St Lateral Works**-funded by Wastewater Reserve.
- **Wellington St Lateral Works**-Front-End/Cost Sharing Agreement: Wastewater Reserve to initially fund capital works.
- **Hastings Treatment Plant MCC Upgrades**-funded by Wastewater Reserves
- **Ranney St. N Renewal**-Wastewater portion of project only shown above, funded by Wastewater Reserve
- **Seymour Quarry Road**-Wastewater portion of project only shown above, funded by Wastewater Reserve
- **Warkworth Pumping Station Upgrades**-funded by Wastewater Reserve.



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Summary of Wastewater Debt Payments

Annual Payments	Year of Expiration
\$ 28,347	2024
\$ 32,239	2027
\$ 57,787	2030
\$ 290,347	*2031
\$ 155,925	2033
\$ 564,645	

Annual payments include principal and interest.

*Serial Debenture

Wastewater Debt Payments represent 30.64% of the Wastewater Operating Budget.



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**Monthly Wastewater Service Charges &
 Volumetric (Consumption) Rates**

Description	% of customers	2022 Rate (\$)	2023 Rate (\$)	Monthly Change (\$)
Service Charge 19mm (3/4")	97.7%	50.79	52.22	1.43
Service Charge 25mm (1")	1.3%	86.34	88.78	2.44
Service Charge 37mm (1 1/2")	.40%	167.60	172.33	4.73
Service Charge 50mm (2")	1.1%	269.17	276.77	7.60
Service Charge 75mm (3")	.10%	507.86	522.21	14.35
Service Charge 100mm (4")	.00%	848.13	872.09	23.96
Service Charge 150mm (6")	.00%	1691.19	1738.96	47.77

Volumetric Rate m ³	2.15	2.21	.06
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Wastewater Consumption Flat Rate-Residential (11 cubic meters X \$ 2.21)	24.31
Wastewater Consumption Flat Rate-Non-Residential (45 cubic meters X \$ 2.21)	99.45

The monthly service charges differentiated by meter size, based on American Water Works Association (AWWA) meter factors and industry best practices.



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**Examples of Wastewater Billing Amounts
 Residential Customers 19mm (3/4")
 Includes Service Charges and Consumption**

Wastewater Consumption	2022 Dollars SC \$ 50.79 Vol \$ 2.15	2022 Dollars SC \$ 52.22 Vol \$ 2.21	Increase Dollars (Monthly)
5 m ³	61.54	63.27	1.73
10 m ³	72.29	74.32	2.03
15 m ³	83.04	85.37	2.33
25 m ³	104.54	107.47	2.93
35 m ³	126.04	129.57	3.53
50 m ³	158.29	162.72	4.43



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**Combined Monthly Water & Wastewater Charges
 Residential Customers 19mm (3/4")
 Example 1**

Consumption 10 m³	2022 Dollars	2023 Dollars	Increase Dollars
Water Service Charge	29.85	30.81	.96
Water Consumption	12.60	13.00	.40
Sewer Service Charge	50.79	52.22	1.43
Sewer Consumption	21.50	22.10	.60
Total Monthly	114.74	118.13	3.39
Total Annual	1,376.88	1,417.56	40.68



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**Combined Monthly Water & Wastewater Charges
 Residential Customers 19mm (3/4")
 Example 2**

Consumption	2022	2023	Increase
15 m³	Dollars	Dollars	Dollars
Water Service Charge	29.85	30.81	.96
Water Consumption	18.90	19.50	.60
Sewer Service Charge	50.79	52.22	1.43
Sewer Consumption	32.25	33.15	.90
Total Monthly	131.79	135.68	3.89
Total Annual	1,581.48	1,628.16	46.68



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**Other Water and Wastewater
 Rates, Fees, Charges**

Category	Description	2022	2023	Change
Water & Wastewater Administration	Account Changes/New Customer Account Set Up	\$ 10.00	\$ 10.00	No change
	Account Status Request (Owner/Lawyer)	No Charge	No Charge	No change
	Late Payment Charge	5%	5%	No change
	Returned Item (NSF, Stop Payment)	\$ 35.00	\$ 35.00	No change
	Water/Sewer Arrears Transfer to Tax Account	\$ 25.00	\$ 25.00	No change
	Removal of Services/Abandonment	Labour/material/equip	Labour/material/equip	No change
	Service Installations (New) From water or sewer main to property line. No oversize watermain charges.	Labour/material/equip	Labour/material/equip	No change



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**Other Water and Wastewater
 Rates, Fees, Charges**

Category	Description	2022	2023	Change
Water	Bulk Water Charge	Cubic meter \$ 3.48 1000 imp gal \$ 15.80	Cubic meter \$ 3.59 1000 imp gal \$ 16.30	\$.11 \$.50
	Bulk Water Key Deposit	\$ 25.00	\$ 25.00	No change
	Disconnection/Reconnection			
	o Regular Business Hours	\$ 45.00	\$ 48.00	\$ 3.00
	o After Regular Business Hours	\$ 269.00	\$ 288.00	\$ 19.00
	Water-Fire Protection Line Charge	Monthly service charge based on water meter size	Monthly service charge based on water meter size	Various
	Hydrant Rental (each; annual; Municipal)	\$ 250.00	\$ 250.00	No change
	Meters (New)	Labour/material/equip	Labour/material/equip	No change
	Non-Metered Seasonal per month	\$ 59.00	\$ 60.00	\$ 1.00
	Temporary Water Service	Labour/material/equip	Labour/material/equip	No change
Thawing Frozen Lines/Meter	Labour/material/equip \$ 50.00 minimum	Labour/material/equip \$ 50.00 minimum	No change	
Water Connection Inspection Fee Existing water service (due to repair/alteration)	\$ 50.00	\$ 50.00	No change	



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**Other Water and Wastewater
 Rates, Fees, Charges**

Category	Description	2022	2023	Change
Wastewater	Leachate/Waste Processing/m ³			
	o Low Strength	\$ 14.08	\$ 14.78	\$.70
	o High Strength	\$ 27.32	\$ 28.69	\$ 1.37
	o Imported/Abnormal Waste	\$ 35.00	\$ 36.75	\$ 1.75
	Sanitary Lateral/Main Video Inspection and/or clearing of debris For pipes up to 125mm (5") in size	\$ 200.00	\$ 200.00	No change
Sanitary Lateral/Main Video Inspection and/or clearing of debris For pipes larger than 125mm (5") in size	First hour	\$ 300.00	First hour \$ 300.00	No change
	Add'l hours	\$ 100.00	Add'l hours \$ 100.00	No change
Wastewater Connection Inspection Fee Existing wastewater service (due to repair/alteration)		\$ 50.00	\$ 50.00	No change



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Budget Procedure

The 2023 Draft Water and Wastewater Budgets will appear on three Council Agendas as follows:

- November 22, 2022
- December 13, 2022
- January 10, 2023 (target approval date)

The public are invited to observe the proceedings of each meeting and will be given the opportunity to provide comments following the Council meetings by completing the online form entitled:

“2023 Draft Water and Wastewater Budget – Comment Submission”

trenthills.ca/Water-Wastewater-Budget

Comments received before December 6, 2022 will be included on the December 13, 2022 Council Agenda.
Comments received before January 3, 2023 will be included on the January 10, 2023 Council Agenda.