

Municipality of Trent Hills

2020 WATER & WASTEWATER BUDGET
MEETING DATE: FEBRUARY 4, 2020

APPROVED FEBRUARY 4, 2020





Municipality of Trent Hills
2020 Water & Wastewater Budget
Meeting Date: February 4, 2020

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 only those properties utilizing municipal water and wastewater services 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 Operating Budget relates to day-to-day operations, transfers to Reserves plan for longer term goals and the Capital Budget outlines the expenditure plan and related funding for specific projects that will provide or support services to residents over many years.

In 2019, Council approved the engagement of Watson & Associates Economists Ltd. to prepare a Water and Wastewater Rate Study. The Rate Study was received by Council on January 14, 2020 and the 2020 Water and Wastewater Budgets include rates, fees and charges as outlined in the Rate Study.



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Water Operations

The following list provides an overview of the activities the Water Department is responsible for that are included in the annual Budget:

- Administration
- Vehicle Maintenance
- Filtration Plants
- Water Towers
- Watermain Maintenance
- Water Service Maintenance
- Locates
- Hydrant Maintenance
- Water Meter Maintenance
- Booster Pumps
- Capital Planning



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

Operating	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	1,863,382	176,301	-	-	1,687,081
2019	1,863,884	172,800	-	-	1,691,084
Total	(502)	3,501	-	-	(4,003)

Transfers	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	77,604	-	-	-	77,604
2019	15,000	-	-	-	15,000
Total	62,604	-	-	-	62,604

Capital	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	770,000	-	115,194	654,806	-
2019	1,434,973	-	829,344	530,629	75,000
Total	664,973	-	(714,150)	124,177	(75,000)

Total	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	2,710,986	176,301	115,194	654,806	1,764,685
2019	3,313,857	172,800	829,344	530,629	1,781,084
Total	(602,871)	3,501	(714,150)	124,177	(16,399)

Y:Y % Change	(18.2%)	(38.3%)	(.92%)
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Detailed Water Budget Summary

Description	2019 Budget	2020 Budget	Y:Y Change
Wages & Benefits	637,578	657,606	20,028
Materials & Supplies	290,533	281,697	(8,836)
Contracted Services	402,174	413,745	11,571
Financial-General	6,352	10,352	4,000
Debt Payments	527,247	499,982	(27,265)
Fees & Charges	(172,800)	(176,301)	(3,501)
Total Operating Budget	1,691,084	1,687,081	(4,003)

Transfers	2019 Budget	2020 Budget	Y:Y Change
Transfer to Reserve	15,000	77,604	62,604
Total Transfers	15,000	77,604	62,604

Capital	2019 Budget	2020 Budget	Y:Y Change
Capital	1,434,973	770,000	(664,973)
Reserve Revenue	(530,629)	(654,806)	(124,177)
Grant Revenue	(829,344)	(115,194)	714,150
Total Capital	75,000	0	(75,000)

Total (to be recovered from user rate revenue)	1,781,084	1,764,685	(16,399)
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Explanation of Changes (Operating)

Wages & Benefits-Cost of living adjustment, benefits.

Materials & supplies-reduction to training/courses, postage.

Contracted Services-Filtration, watermain and water service contracted services.

Financial-External equipment rentals.

Debt Payments-Internal loan approved in 2019, lower interest rate than original estimate.

Fees & Charges-Includes 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	Campbellford	Doxsee Ave	140,000	115,194	24,806
Equipment	Campbellford	Filter Underdrain Replacement	250,000	0	250,000
Equipment	Campbellford	GAC Replacement	140,000	0	140,000
Equipment	Hastings	GAC Replacement	65,000	0	65,000
Equipment	Hastings	Standpipe Replacement	165,000	0	165,000
Equipment	Warkworth	Treatment Plant Equipment	10,000	0	10,000
Total			770,000	115,194	654,806

Grant Revenue-OCIF Formula Based Funding.

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.



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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.



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Monthly Water Service Charges & Volumetric (Consumption) Rates

Description	% of customers	2019 Rate (\$)	2020 Rate (\$)	Monthly Change (\$)
Service Charge 19mm (3/4")	97.21%	27.16	28.03	.87
Service Charge 25mm (1")	1.34%	61.10	47.65	(13.45)
Service Charge 37mm (1 1/2")	.47%	141.08	92.50	(48.58)
Service Charge 50mm (2")	.80%	335.67	148.55	(187.12)
Service Charge 75mm (3")	.15%	598.12	280.29	(317.83)
Service Charge 100mm (4")	.04%	1190.94	468.09	(722.85)
Service Charge 150mm (6")	.00%	2238.56	933.37	(1305.19)
Volumetric Rate		1.15	1.19	.04

The monthly service charges which are differentiated by meter size, have been revised for meter sizes greater than 19mm to reflect the available service capacity based on American Water Works Association (AWWA) meter factors and industry best practices.



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

Water Consumption	2019 Dollars	2020 Dollars	Increase Dollars
5 m3	32.91	33.98	1.07
10 m3	38.66	39.93	1.27
15 m3	44.41	45.88	1.47
25 m3	55.91	57.78	1.87
35 m3	67.41	69.68	2.27
50 m3	84.66	87.53	2.87



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Other Water Rates, Fees, Charges

Description	2019	2020	Change
Account Changes/New Customer Account Set Up	\$ 10.00	\$ 10.00	No Change
Account Status Request (Owner/Lawyer)	No Charge	No Charge	No Change
Bulk Water Charge	Cubic meter \$ 3.16	Cubic meter \$ 3.25	\$.09
	1000 imp gallon \$ 14.38	1000 imp gallon \$ 14.77	\$.39
Bulk Water Key Deposit	\$ 25.00	\$ 25.00	No Change
Disconnection/Reconnection			
o Regular Business Hours	\$ 43.00	\$ 43.00	\$ 0.00
o After Regular Business Hours	\$ 253.00	\$ 258.00	\$ 5.00
Fire Protection Line Charge	Various	Monthly service charge based on water Meter size	Various
Hydrant Rental (each; annual; Municipal)	\$ 250.00	\$ 250.00	No Change
Late Payment Charge	5%	5%	No Change
Meters (New)	Labour/material/equip	Labour/material/equip	No change
Non metered Seasonal per month	\$ 84.00	\$ 55.00	(\$ 29.00)
Removal of Services/Abandonment	Labour/material/equip	Labour/material/equip	No Change
Returned Item (NSF, Stop Payment)	\$ 35.00	\$ 35.00	No Change
Service Installations (New) From watermain to property line. No oversize watermain charges.	Labour/material/equip	Labour/material/equip	No Change
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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Wastewater Operations

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

- Administration
- Vehicle Maintenance
- Sewer Flushing
- Sewer Collapse/Laterals
- CCTV
- Sewer Repairs
- Flow Monitoring
- Sewer Locates
- Treatment
- Pumping Stations
- Manholes
- Capital Planning



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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
2020	1,792,755	3,600	-	-	1,789,155
2019	1,776,699	3,500	-	-	1,773,199
Total	16,056	(100)	-	-	15,956

Transfers	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	468,535	-	-	-	468,535
2019	64,300	-	-	-	64,300
Total	404,235	-	-	-	404,235

Capital	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	643,000	-	191,990	451,010	-
2019	1,177,449	-	194,155	600,294	383,000
Total	(534,449)		(2,165)	(149,284)	(383,000)

Total	Expenditures	Revenue			
		Fees/Chgs	Grants	Reserves	User Rates
2020	2,904,290	3,600	191,990	451,010	2,257,690
2019	3,018,448	3,500	194,155	600,294	2,220,499
Total	(114,158)	100	(2,165)	(149,284)	37,191

Y:Y % Change	(3.8%)	(19%)			1.67%
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Detailed Wastewater Budget Summary

Description	2019 Budget	2020 Budget	Y:Y Change
Wages & Benefits	433,790	447,178	13,388
Materials & Supplies	195,920	200,126	4,206
Contracted Services	550,248	556,396	6,148
Financial-General	300	300	0
Debt Payments	596,441	588,755	(7,686)
Fees & Charges	(3,500)	(3,600)	(100)
Total Operating Budget	1,773,199	1,789,155	15,956

Transfers	2019 Budget	2020 Budget	Y:Y Change
Transfer to Reserve	64,300	468,535	404,235
Total Transfers	64,300	468,535	404,235

Capital	2019 Budget	2020 Budget	Y:Y Change
Capital	1,177,449	643,000	(534,449)
Reserve Revenue	(600,294)	(451,010)	149,284
Grant Revenue	(194,155)	(191,990)	2,165
Total Capital	383,000	0	(383,000)

Total (to be recovered from user rate revenue)	2,220,499	2,257,690	37,191
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Explanation of Changes (Operating)

Wages & Benefits-Cost of living adjustment, benefits.

Materials & supplies-Chemicals.

Contracted Services-Treatment.

Debt Payments-Change in annual interest amount payable.

Fees & Charges-Wastewater connections, miscellaneous revenue.



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Wastewater Capital

Category	Location	Description	Project Budget	Revenue Grants	Revenue Reserves
Construction	Campbellford	Doxsee Ave	233,000	191,990	41,010
Equipment	Campbellford	Aeration Upgrades	140,000	0	140,000
Equipment	Campbellford	Centrifuge Rebuild	30,000	0	30,000
Equipment	Campbellford	Roof Repairs	15,000	0	15,000
Equipment	Campbellford	Portable Camera	12,500	0	12,500
Equipment	Hastings	Disinfection Upgrades	170,000	0	170,000
Equipment	Hastings	Main Pumping Stn Upgrades	20,000	0	20,000
Equipment	Hastings	Portable Camera	12,500	0	12,500
Equipment	Warkworth	Portable Camera	10,000	0	10,000
Total			643,000	191,990	451,010

Grant Revenue-OCIF Formula Based Funding

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.



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Summary of Wastewater Debt Payments

Annual Payments	Year of Expiration
28,348	2024
32,239	2027
57,788	2030
314,454	2031
155,926	2033
588,755	

Annual payments include principal and interest.



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Monthly Wastewater Service Charges & Volumetric (Consumption) Rates

Description	% of customers	2019 Rate (\$)	2020 Rate (\$)	Monthly Change (\$)
Service Charge 19mm (3/4")	98.74%	46.72	48.03	1.31
Service Charge 25mm (1")	.61%	105.09	81.66	(23.43)
Service Charge 37mm (1 1/2")	.22%	242.66	158.51	(84.15)
Service Charge 50mm (2")	.35%	577.35	254.58	(322.77)
Service Charge 75mm (3")	.09%	1028.77	480.35	(548.42)
Service Charge 100mm (4")	.00%	2048.42	802.18	(1246.24)
Service Charge 150mm (6")	.00%	3850.32	1599.55	(2250.77)
Volumetric Rate		1.98	2.03	.05

Wastewater Consumption Flat Rate-Residential (11 cubic meters X \$ 2.03)	22.33
Wastewater Consumption Flat Rate-Non-Residential (45 cubic meters X \$ 2.03)	91.35

The monthly service charges which are differentiated by meter size, have been revised for meter sizes greater than 19mm to reflect the available service capacity based on American Water Works Association (AWWA) meter factors and industry best practices.

Sewer Surcharge in 2019 of 172% converted to monthly rate for comparative purposes.

Wastewater Consumption Flat Rates incorporate the average monthly water consumption for residential and/or non-residential as outlined in the most recent Water and Wastewater Rate Study received by Council.



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

Wastewater Consumption	2019 Dollars	2020 Dollars	Increase Dollars
5 m3	56.62	58.18	1.56
10 m3	66.52	68.33	1.81
15 m3	76.42	78.48	2.06
25 m3	96.22	98.78	2.56
35 m3	116.02	119.08	3.06
50 m3	145.72	149.53	3.81



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Other Wastewater Rates, Fees, Charges

Description	2019	2020	Change
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
Leachate/Waste Processing/m3			
o Low Strength	\$ 12.85	\$ 13.58	\$.73
o High Strength	\$ 24.96	\$ 26.35	\$ 1.39
o Imported Waste	\$ 35.00	\$ 35.00	No Change
Private Wastewater Lateral Video Inspection and/or clearing of debris <small>Private property, using municipal resources</small>	\$ 200.00	\$ 200.00	No Change
Removal of Services/Abandonment	Labour/material/equip	Labour/material/equip	No Change
Returned Item (NSF, Stop Payment)	\$ 35.00	\$ 35.00	No Change
Service Installations (New) <small>To property line</small>	Labour/material/equip	Labour/material/equip	No Change
Wastewater Connection Inspection Fee <small>Existing wastewater service (due to repair/alteration)</small>	\$ 50.00	\$ 50.00	No Change



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

Consumption 10 m3	2019 Dollars	2020 Dollars	Increase Dollars
Water Service Charge	27.16	28.03	.87
Water Consumption	11.50	11.90	.40
Wastewater Service Charge	46.72	48.03	1.31
Wastewater Consumption	<u>19.80</u>	<u>20.30</u>	<u>.50</u>
Total	105.18	108.26	3.08



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

Consumption	2019	2020	Increase
15 m3	Dollars	Dollars	Dollars
Water Service Charge	27.16	28.03	.87
Water Consumption	17.25	17.85	.60
Wastewater Service Charge	46.72	48.03	1.31
Wastewater Consumption	<u>29.70</u>	<u>30.45</u>	<u>.75</u>
Total	120.83	124.36	3.53