



2025 Utility Budgets



October 30 & 31, 2024



Agenda

- Introduction
- FTE
- Electric Utility
- Wastewater (Sewer) Utility
- Water Utility
- Asset Management
- Summary





Costs for a Typical Residential Home

Recommended Operational Rate Increase	2024 Annual	2025 Proposed	2025 Annual Increase	2025 Monthly Increase
Electric – 4.66%	\$1,762.80	\$1,844.95	\$ 82.15	\$ 6.85
Sewer – 6.08%	\$ 440.64	\$ 467.43	\$ 26.79	\$ 2.23
Water – 4.00%	<u>\$ 974.70</u>	<u>\$1,013.69</u>	<u>\$ 38.99</u>	<u>\$ 3.25</u>
Total	\$3,178.14	\$3,326.07	\$147.93	\$12.33

Annualized financial impact on a typical residential home is 4.65% over the previous year



Electric Utility





2025 Operations Budget



Revenues \$15.93 million

Expenses \$16.64 million

Deficit **\$706,852**

Required rate increase of 4.66%



2025 Operations Budget



Operational Budget Increase: \$585,393 – 4.04%

– Fortis Increase	\$ 434K
– New Utility Clerk	\$ 56K
– Pole Yard Security	\$ 50K
– Contractual Compensation	\$ 48K



Revenue Generation/Cost Saving Ideas

- Revenue Generation
 - Explore new rate class for commercial EV Charging Stations
 - Review Pole Contact Agreements

Capital Budget



2025 Capital Plan \$2,714,600

- Radio & Repeater System Replacement
- Fibre System Upgrades
- Parkdale (13609 Dickson Ave) Offsite Improvements**
- Service Connections & Capacity Upgrades
- James Avenue Property Upgrades
- Wharton Underground Upgrades
- Kelly/Wharton/Brown Streetlight Upgrades
- Pole Replacements

**Per previous Council direction

5-year average \$2,565,000



Projected Future Capital Reserve Summary

	2024	2025	2026	2027	2028	2029
Reserves	4,012,902	2,671,758	1,664,514	27,970	541,426	54,882
Surplus	5,231,889	5,231,889	4,728,796	4,206,059	2,162,906	1,098,536
	9,244,791	7,903,647	6,393,310	4,234,029	2,704,332	1,153,418

Sanitary Sewer Utility





2025 Operations Budget



Revenues \$2.79 million

Expenses \$2.89 million

Deficit **\$ 108,081**

Required rate increase of 6.08%



2025 Operations Budget



Operational Budget Increase: \$136,990 – 4.97%

- Primary Clarifier debt payments \$ 91K
- New Utility Clerk \$ 8K
- Contractual compensation \$ 30K



Revenue Generation/Cost Saving Ideas

- Revenue Generation
 - Explore alternative billing models
- Cost Saving Ideas
 - Transition Sani-dump operations to a NPO or 3rd party



Capital Budget



2025 Capital Plan \$6,028,360

- Primary Clarifier – construction
- Filter Building Renovation
- Parkdale (13609 Dickson Ave) Offsite Improvements**
- Connecting Communities Sewer Expansion**
- Treatment Plant Pump Replacements & Upgrades
- Headworks Fine Screen Spare
- Treatment Plant Capacity & Renewal Upgrades
- Sludge Bin

**Per previous Council direction

5-year average \$2,809,900



Capital Budget - Borrowing



WWTP – Capacity & Renewal Upgrades (Bioreactor)

- Sewer Capital budget \$4,821,100 (2027 Construction)
- Public assent required (AAP or Referendum) – 2nd or 3rd Quarter of 2026
- Estimated annual debt payments \$390,313
 - Rate increase of 22.16%**
 - Approx. \$97.65 annual increase per typical household

****Borrowing would occur in 2027 with rate increase in 2028**



Projected Future Capital Reserve Summary

	2024	2025	2026	2027	2028	2029
DCC's	1,604,060	1,640,422	1,682,154	1,724,312	1,766,900	1,814,922
Reserves	2,279,098	43,648	329,748	818,767	1,312,773	1,811,818
Surplus	746,683	642,106	585,892	527,991	468,353	406,927
	4,629,841	2,326,176	2,597,794	3,071,070	3,548,026	4,033,667



Water Utility





2025 Operations Budget



Revenues \$7.74 million

Expenses \$7.96 million

Deficit \$ 222,468

Required rate increase of 4.00%



2025 Operations Budget



Operational Budget Increase: \$205,590 – 4.20%

- Chemicals & Coagulants \$110K
- New Utility Clerk \$ 8K
- Contractual Compensation \$ 84K



Revenue Generation/Cost Saving Ideas

- Revenue Generation
 - Explore expanding Seasonal Water Service to include Agricultural Water users that do not have Farm Status



Capital Budget



2025 Capital Plan

\$5,895,800

- Isintok Dam Spillway – Construction
- Thirsk Dam Safety Improvements
- Dam Safety Upgrades – Design (Headwaters 1 & Garnet)
- Prairie Valley Rd Watermain Replacement (Morrow to Cartwright)
- Victoria Rd System Separation Upgrade – Construction
- Lamella Block Replacement
- PRV Above Ground Upgrades – Design & Construction
- WTP Pump Replacements
- WTP Control Upgrades – Design
- Source Water Protection Plan
- Cathodic Protection Upgrades
- Parkdale (13609 Dickson Ave) Offsite Improvements**

5-year average

\$5,821,800

**Per previous Council direction



Projected Future Capital Reserve Summary

	2024	2025	2026	2027	2028	2029
DCC's	707,331	515,819	577,009	638,933	706,600	780,079
Reserves	144,565	43,421	517,596	566,608	979,219	243,306
Surplus	223,984	289,170	155,462	17,742	-124,109	-270,215
	1,075,879	848,410	1,250,067	1,223,283	1,561,710	753,170



Capital Budget - Funding



Proposed 2025 – 2029 Capital Plan	<u>\$29,109,000</u>	
Proposed Funding Sources:		
Growing Communities Fund	\$ 415,000	
Development Cost Charges	250,000	
Water Capital Reserve	<u>4,667,900</u>	
	\$ 5,332,900	(18.3% of capital plan)
Debt	5,596,600	
Grants	<u>18,179,500</u>	
	<u>\$29,109,000</u>	

Asset Management





Asset Management

In 2020 Council committed to the following annual rate increases specific for asset management reserve contributions:

Sewer	3.5%	*
Water	5.0%	**

Additionally, Adhoc contributions to the electric capital reserve have been made as follows:

2020 – 3.5%; 2022 – 1.75% and 2024 – 3.0%

* Annual contributions deferred for 2023 and 2024 – however, \$53,152 allocated in 2024

** Annual contributions deferred for 2023 and 2024



Asset Management Annual Contributions to Reserves

	2020	2021	2022	2023	2024
Water	173,980	372,090	589,538	589,538	589,538
Sewer	49,130	103,770	157,627	157,627	210,779
Electric	404,722	404,722	626,132	626,132	1,073,456
	627,832	880,582	1,373,297	1,373,297	1,873,773



Asset Management Projected Reserve levels – No Additional Annual Contributions

	2025	2026	2027	2028	2029
Water	43,421	517,596	566,608	979,219	243,306
Sewer	43,648	329,748	818,767	1,312,773	1,811,818
Electric	2,671,758	1,664,514	27,970	541,426	54,882
	2,758,827	2,511,858	1,413,344	2,833,418	2,110,006



Costs for a Typical Residential Home No Further Asset Management Contributions

Recommended Rate Increases	2024 Annual	2025 Annual	2025 Increase
Water – 4.00%	\$975 /year	\$1,014 /year	\$ 38.99 / year \$ 3.25 / month
Sewer – 6.08%	\$441 /year	\$467 /year	\$ 26.79 / year \$ 2.23 / month
Electric – 4.66%	<u>\$1,763 /year</u>	<u>\$1,845 /year</u>	\$ 82.15 / year \$ 6.85 / month
Annualized impact – 4.65%	\$3,179 /year	\$3,326 /year	\$ 147.93 / year \$ 12.33 / month



Asset Management – Option #1

Contributions of 1% water, 1% sewer and 1% Electric

	2024	2025	2026	2027	2028	2029
Water	589,538	645,155	701,329	758,064	815,367	873,243
Sewer	210,779	228,392	246,181	264,148	282,294	300,622
Electric	1,073,456	1,225,143	1,378,347	1,533,083	1,689,366	1,847,212
	1,873,773	2,098,690	2,325,857	2,555,295	2,787,027	3,021,077

Estimated reserve balances based on additional 1% water, sewer and electric asset management contributions

	2024	2025	2026	2027	2028	2029
Water	144,565	99,039	629,387	735,134	1,205,048	527,011
Sewer	2,279,098	61,261	365,150	872,135	1,384,287	1,901,661
Electric	4,012,902	2,823,445	1,969,405	487,597	1,157,336	828,638
	6,436,565	2,983,744	2,963,942	2,094,865	3,746,672	3,257,309



Costs for a Typical Residential Home Option #1

Recommended Rate Increases	2024 Annual	2025 Annual	2025 Increase
Water – 5.00%	\$975 /year	\$1,023 /year	\$ 48.74 / year \$ 4.06 / month
Sewer – 7.08%	\$441 /year	\$472 /year	\$ 31.20 / year \$ 2.60 / month
Electric – 5.66%	<u>\$1,763 /year</u>	<u>\$1,863 /year</u>	\$ 99.77 / year \$ 8.31 / month
Annualized impact – 5.65%	\$3,179 /year	\$3,358 /year	\$ 179.71 / year \$ 14.98 / month



Asset Management – Option #2

Contributions of 5% water, 3.5% sewer and 1% Electric

	2024	2025	2026	2027	2028	2029
Water	589,538	867,625	1,159,616	1,466,207	1,788,128	2,126,145
Sewer	210,779	272,423	336,225	402,260	470,606	541,344
Electric	1,073,456	1,225,143	1,378,347	1,533,083	1,689,366	1,847,212
	1,873,773	2,365,191	2,874,188	3,401,550	3,948,100	4,514,701

Estimated reserve balances based on additional 5.0% water, 3.5% sewer and 1.0% electric asset management contributions

	2024	2025	2026	2027	2028	2029
Water	144,565	321,508	1,087,675	1,443,277	2,177,809	1,779,913
Sewer	2,279,098	105,292	455,194	1,010,248	1,572,600	2,142,384
Electric	4,012,902	2,823,445	1,969,405	487,597	1,157,336	828,638
	6,436,565	3,250,246	3,512,274	2,941,122	4,907,745	4,750,934



Costs for a Typical Residential Home Option #2

Recommended Rate Increases	2024 Annual	2025 Annual	2025 Increase
Water – 9.00%	\$975 /year	\$1,062 /year	\$ 87.72 / year \$ 7.31 / month
Sewer – 9.58%	\$441 /year	\$483 /year	\$ 42.21 / year \$ 3.52 / month
Electric – 5.66%	<u>\$1,763 /year</u>	<u>\$1,863 /year</u>	\$ 99.77 / year \$ 8.31 / month
Annualized impact – 7.23%	\$3,179 /year	\$3,408 /year	\$ 229.70 / year \$ 19.14 / month