



HALDIMAND COUNTY

2022 Draft Rate Supported Operating Budget & Capital Forecast Water & Wastewater

Special Council | January 13, 2022



Council Review of the 2022 Draft Budgets

Budget	Review Dates
Rate Supported Operating Budget & Capital Forecast	January 13 th , 2022
Tax Supported Capital Budget and Forecast	March 3 rd (March 4 th , 2022 if required)
Tax Supported Operating Budget	March 31 st (April 1 st , 2022 if required)

Rate Supported Framework/Principles

Budget Guidelines (consistent with 2013 Rate Study cost allocation/recovery principles):

- Full cost recovery of all operating and capital costs;
- 50%/50% recovery model – 50% of net costs recovered from fixed revenues (basic charges); 50% from variable revenues (consumption);
- Leachate costs to be allocated based on relative loading at the treatment plant and recovered 50% from fixed revenues and 50% from variable revenues;
- Annual indexing/review of miscellaneous fees, including bulk water and holding/septic tank rates;
- Rate Stabilization Reserves – allow for flexibility and an additional revenue source for the Capital Replacement Reserve Funds.



HALDIMAND COUNTY

2022 Draft Rate Supported Operating Budget



2022 Rate Budget Drivers

Water User Rate Revenue Increase: \$665,500

Revenue Increases:

- Bulk Water Consumption - \$193,600
- Annual Fire Protection Charge - \$69,500
- Use of Rate Stabilization Reserve - \$300,000

Expenditure Increases:

- Hamilton Water
 - \$130,000 Rate increase
 - \$870,000 Consumption increase
- OCWA Haldimand Share of Contract - \$55,300
- Insurance - \$48,600
- CRRF – Water Contribution - \$129,500

Wastewater User Rate Revenue Increase: \$191,760

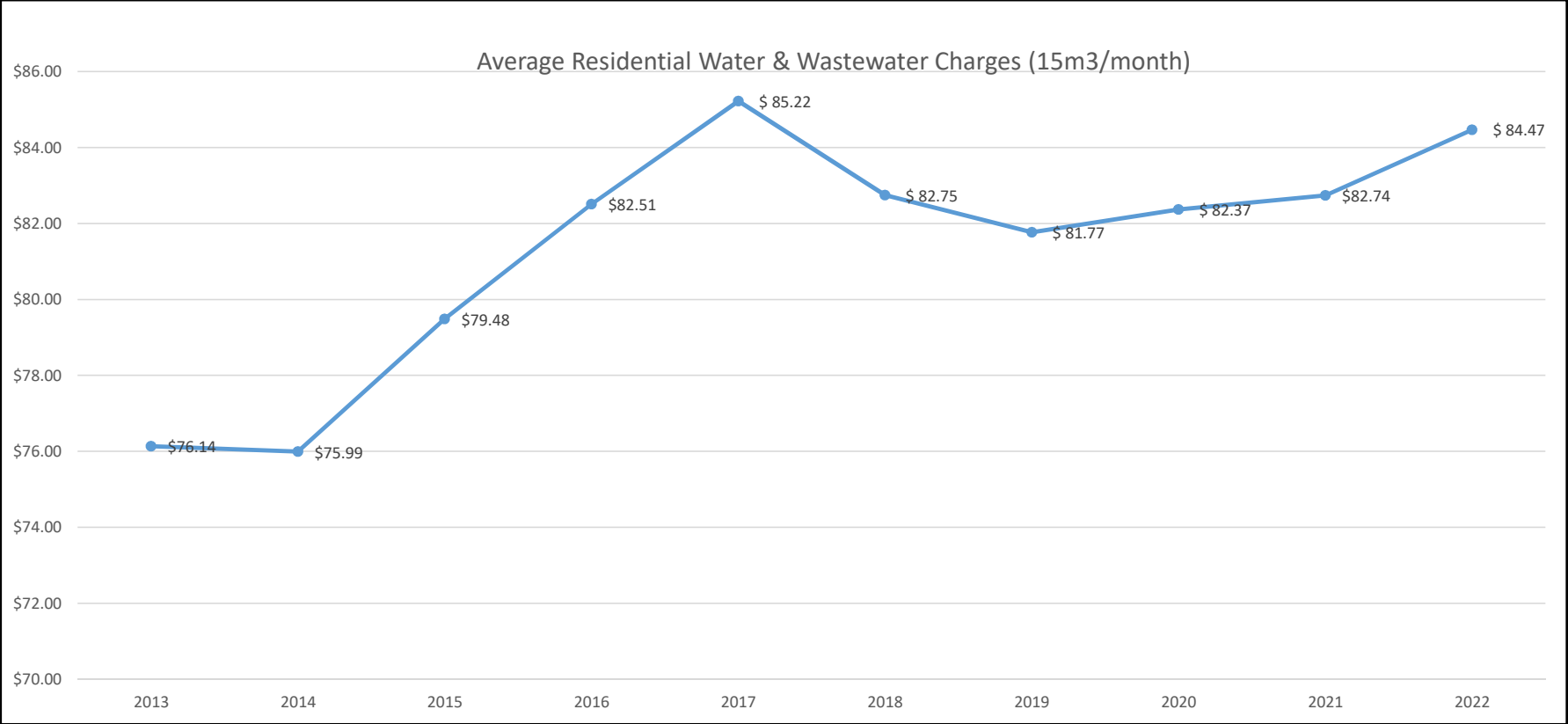
Expenditure Increases:

- Veolia Operating Contract
 - \$75,000 standard contract increase
 - \$81,000 increase for chemical costs
- Insurance - \$32,900

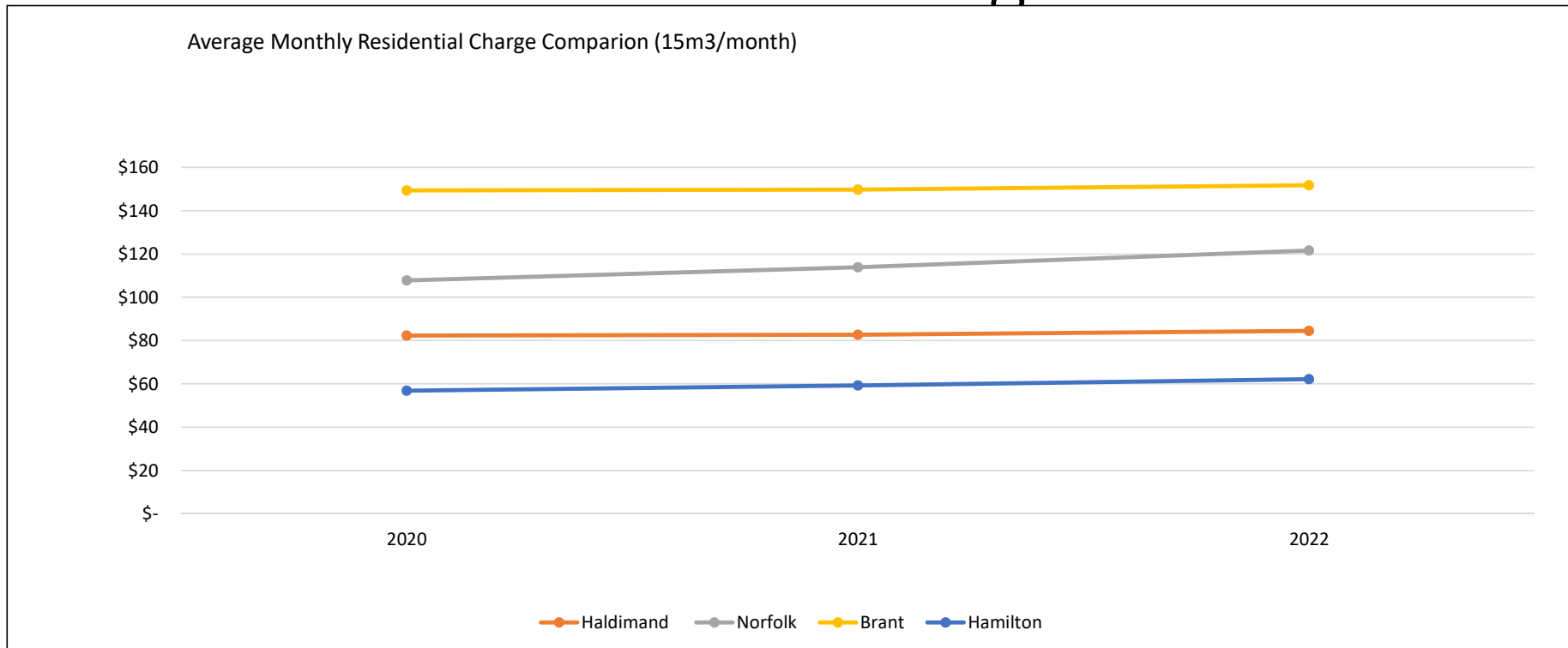
Average Monthly Impact on Users

<i>Projection Based on Proposed 2022 Budget</i>	<i>Approved Budget</i>					<i>Draft Budget</i>	<i>Projections</i>	
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Rate Revenue Requirement	4.0%	0.2%	1.9%	2.7%	3.1%	6.6%	2.9%	0.7%
Growth/Consumption Impacts	0.7%	3.1%	3.1%	1.9%	2.7%	4.5%	1.0%	0.7%
Average Monthly Impact on Users	3.3%	-2.9%	-1.2%	0.7%	0.4%	2.1%	1.9%	0.0%

Average Monthly Impact on Users

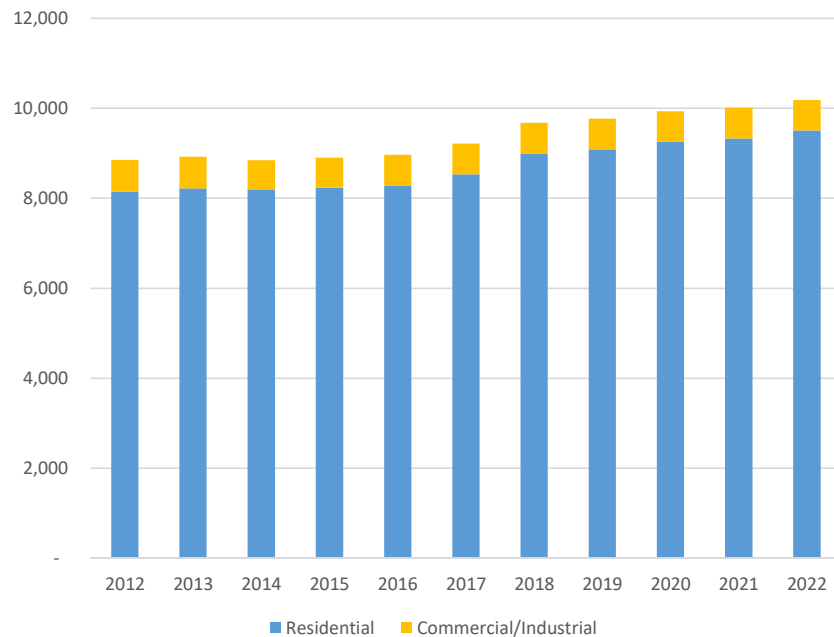


End User Impact Municipal Comparison – Metered Charges

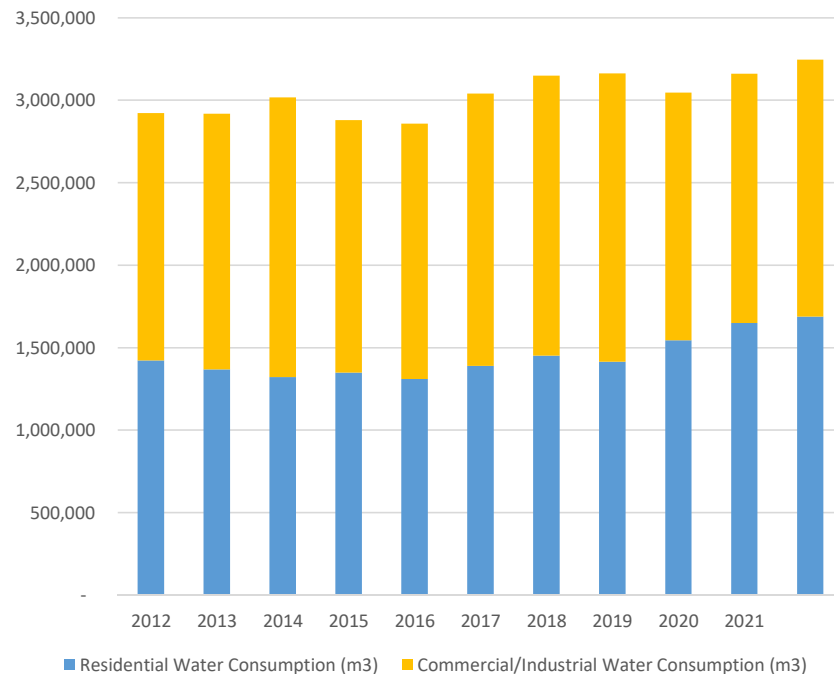


Water Customers and Consumption Comparison

Residential & Commercial/Industrial Water Consumers (#)



Water Consumption (m3)

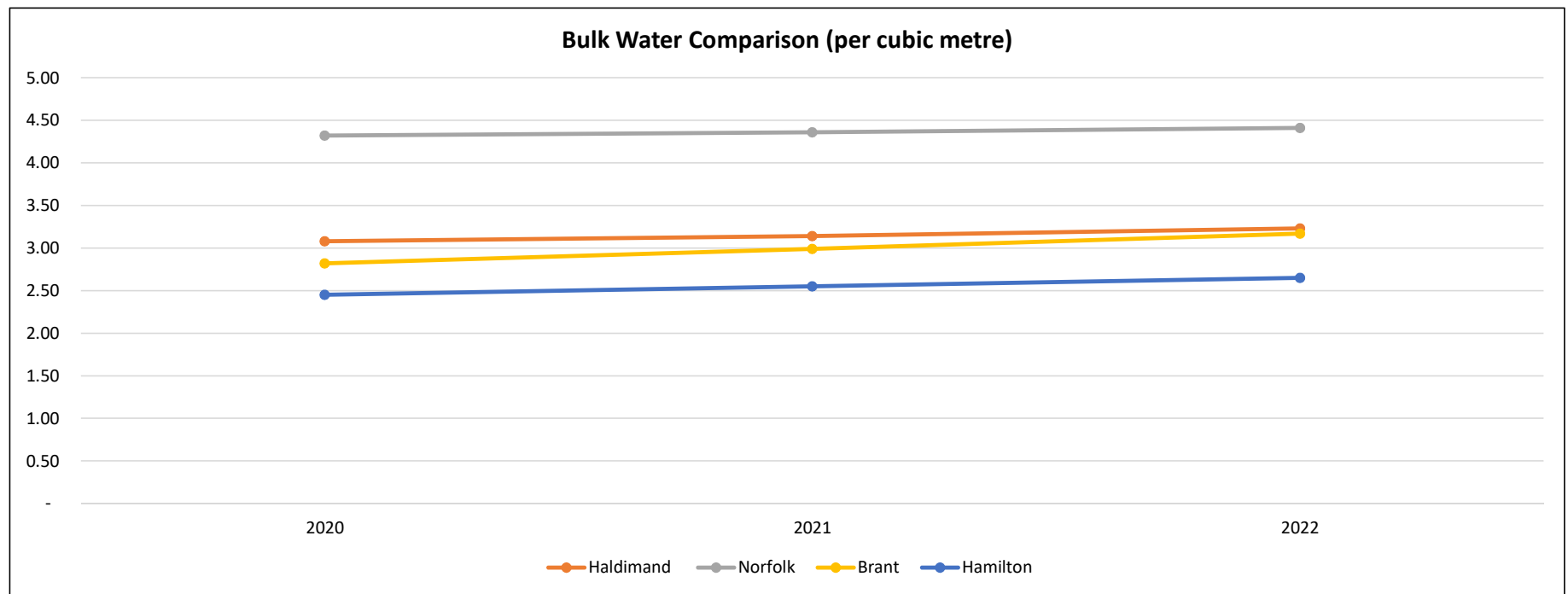


Impact on Bulk Water Rate

Bulk Water Rate (per cubic metre)	2021 Rate	2022 Rate	Change	
Controlled by Haldimand County				
Bulk Water Rate (charged to hauler)	\$3.14	\$3.23	\$0.09	3.0%
Monthly Administration Fee (charged to hauler)	\$17.97	\$18.51	\$0.54	3.0%
Per Load Impact on a "Typical End User" (13.6 m³ or 3,000 gallon load)				
Water Commodity (determined by Haldimand County)	\$42.78	\$44.06	\$1.28	3.0%
Estimated hauler delivery charge (determined by hauler)	\$85.45	\$88.01	\$2.56	3.0%
Total "End User" estimated cost	\$128.23	\$132.08	\$3.85	3.0%

**assumes 3,000 gallons (approximately 13.6 cubic metres), an equivalent increase to the delivery charge, and excludes any administration fees*

Municipal Comparison – Bulk Water Charges



Impact on Holding/Septic Charges

Holding/Septic/Portable Toilet Tank Treatment Charge (per cubic metre)	2021	2022	Change	
Controlled by Haldimand County				
Proposed Rate (charged to hauler)	\$15.00	\$15.45	\$0.45	3.0%
Monthly Administration Fee (charged to hauler)	\$17.97	\$18.51	\$0.54	3.0%
Per Load Impact on "Typical End User" (9.1 m³ or 2,000 gallon load)*				
Treatment Cost (determined by Haldimand)	\$136.38	\$140.47	\$4.09	3.0%
Estimated hauler delivery charge (determined by Hauler)	\$91.57	\$94.32	\$2.75	3.0%
Total "End User" cost	\$227.95	\$234.78	\$6.84	3.0%

**based on 2,000 gallon load (approximately 9.1 cubic meters, an equivalent increase to the delivery charge and excludes any administration fees*

HALDIMAND COUNTY

2022 Draft Rate Supported Capital Budget and Forecast



2022 Draft Rate Supported Capital Budget

Focus on Corporate Strategic Objectives and Long Term Financial Plans

Key Principles of Rate Supported Capital Budget

- Replacement/Rehabilitation Focus
- Studies/Reviews
- Provide Service Capacity for Anticipated Growth
- Focus on Financing of Projects over the forecast – Water vs. Wastewater

Gross Capital Expenditure Summary

Gross Expenditures	2021 Budget Average Annual Gross Expenditures	2022 Draft Budget Average Annual Gross Expenditures
Water System	\$4.5 Million	\$12.8 Million
Wastewater System	<u>\$8.2 Million</u>	<u>\$9.9 Million</u>
Total	<u>\$12.7 Million</u>	<u>\$22.7 Million</u>

2022 Capital Forecast – Major Projects

Water Projects

Projects related to providing water to Norfolk:

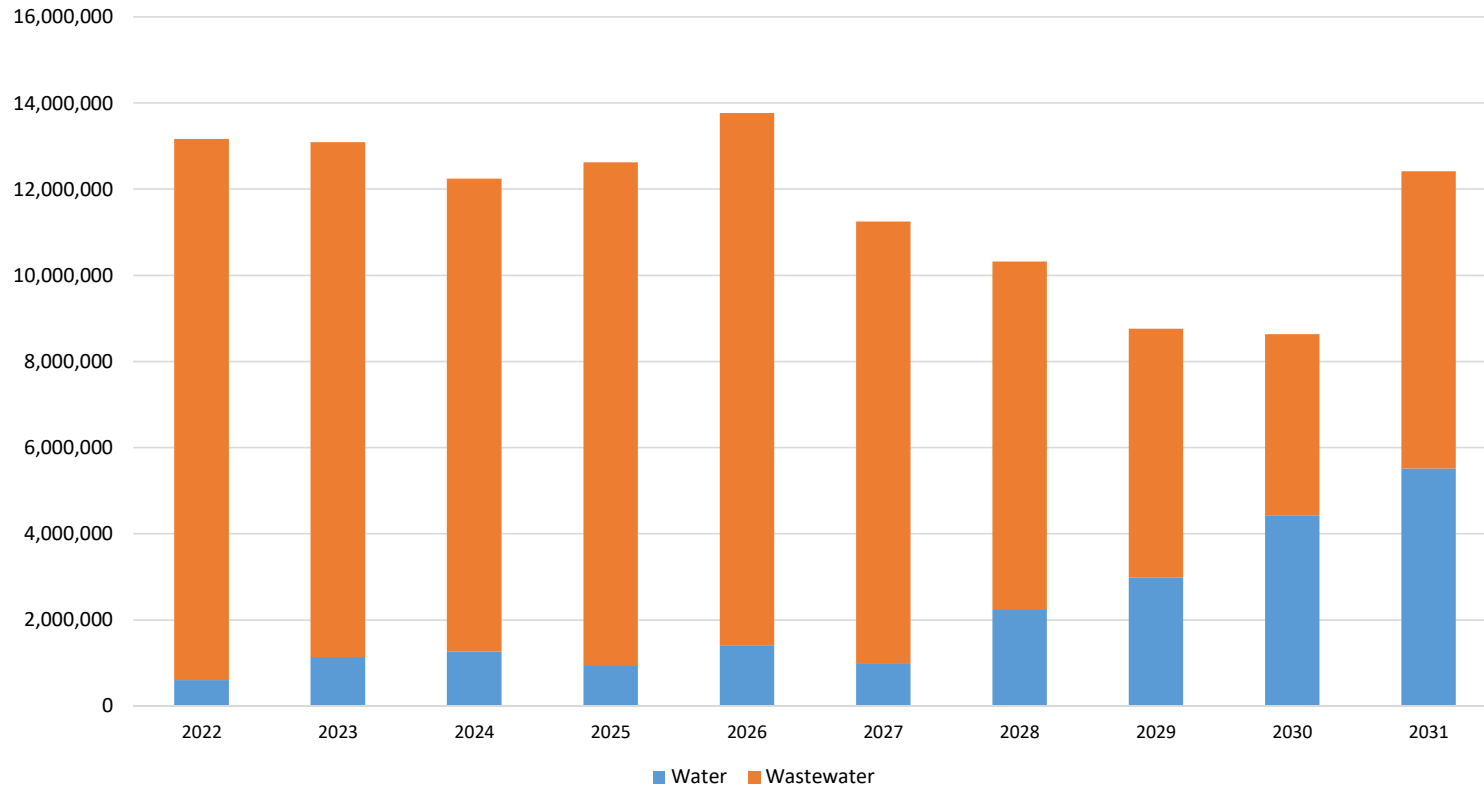
- Nanticoke Water Treatment Plant Capacity Expansion - \$60 million (2022 and 2023)
- Nanticoke Transmission Main Service Extension – Lake Erie Industrial Park - \$3.5 million (2022)
- Nanticoke Transmission Main Service Extension – Townsend - \$4 million (2022)

Wastewater Projects

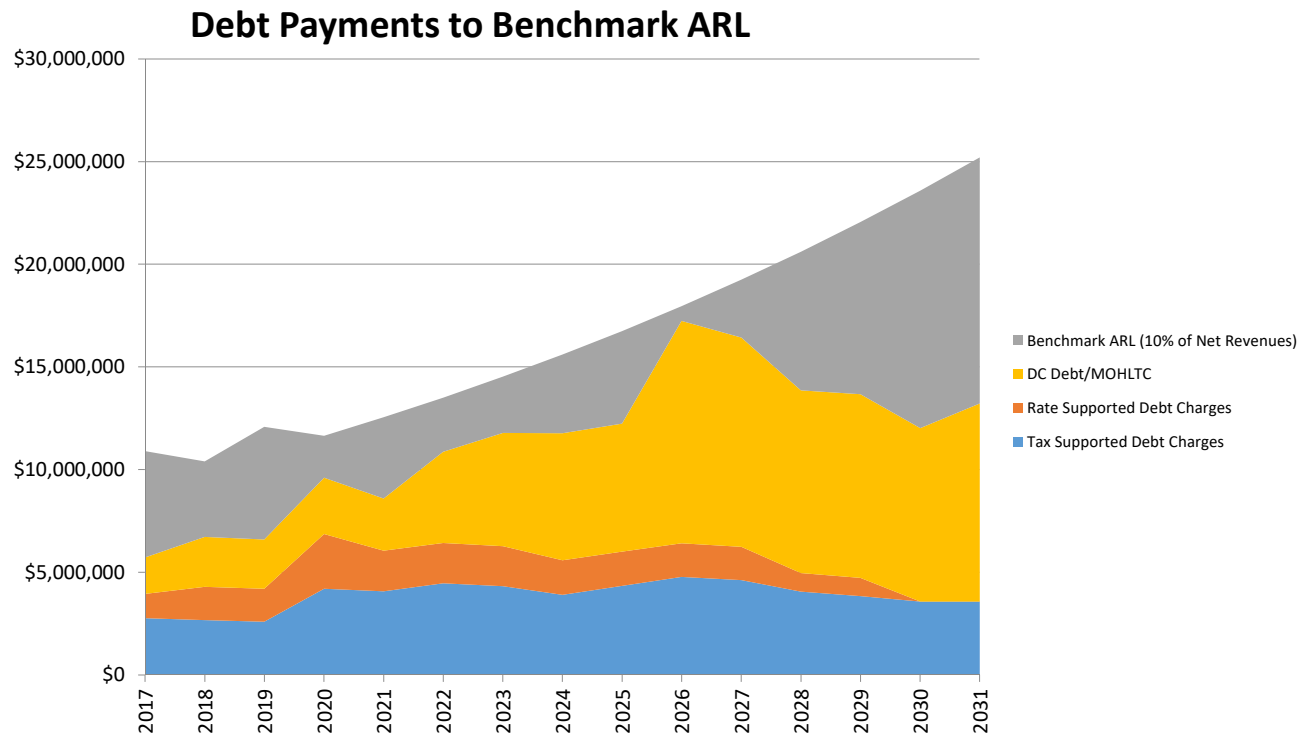
- Caledonia Nairne Street Forcemain Reconstruction – Additional budget of \$4.4 million (2022)
- Caledonia Wastewater Treatment Plan Expansion - \$45 million (2025)

Impact on Capital Replacement Reserve Funds

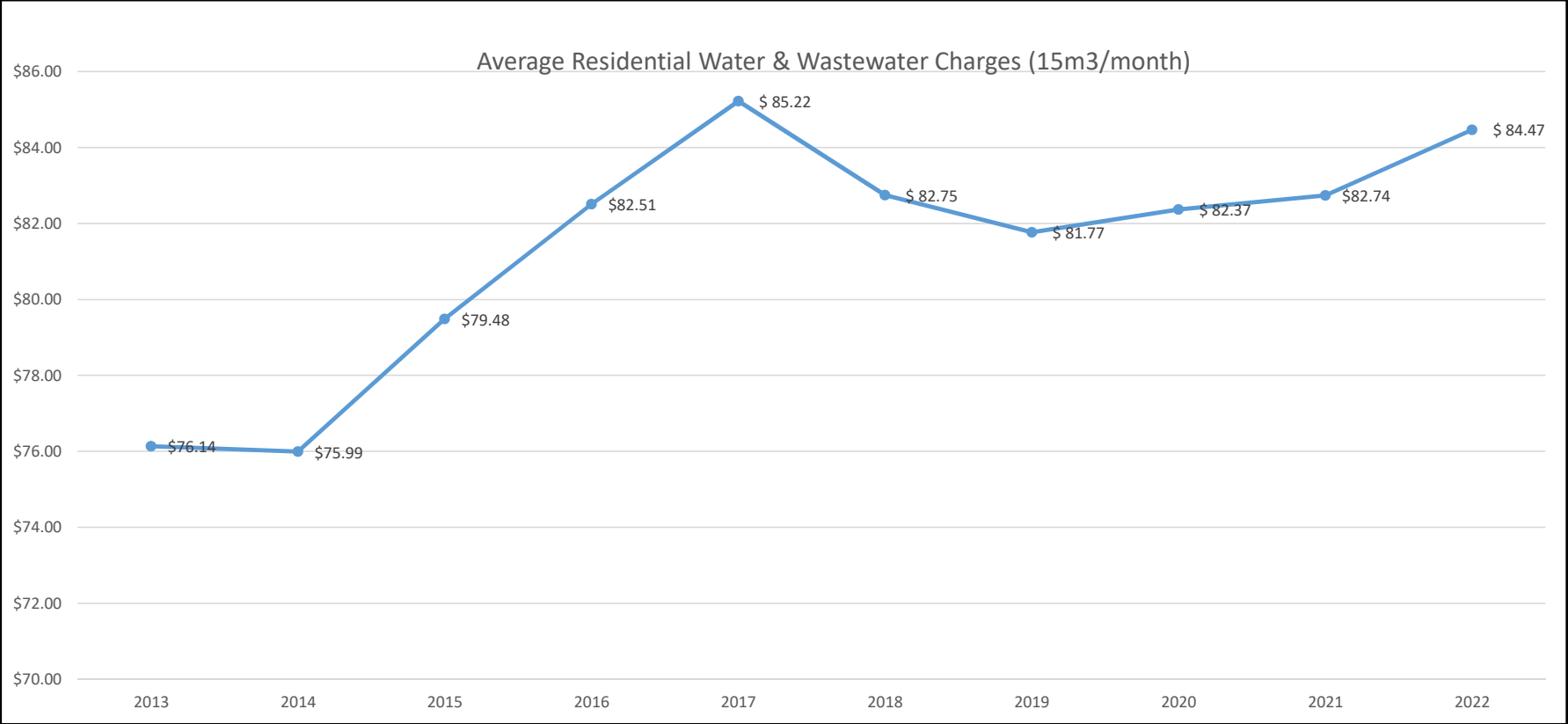
Forecasted Capital Replacement Reserve Fund Balances



Impact on Long Term Debt Payments



Average Monthly Increase on Customers



Future Issues and Challenges

- Impacts of additional customers and/or consumption patterns related to residential growth
- Impacts of changes in Consumption by Large Industrial Users or conversion to raw water
- Gas Tax Allocation
- Updated Rate Study
- Long Range Asset Management
- Ongoing Performance Evaluations of Facilities
- Leachate Treatment Volumes
- Available Balances in Capital Replacement and Rate Stabilization Reserves