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Municipality of Trent Hills Water and Wastewater Rates 2009 - 2013

AGENDA

- **Review of Repairs/Upgrades and Financial Highlights**
- **Review of Challenges**
- **Options Considered**
- **Recommended Rate Structure**
- **Questions???**

HISTORY – REPAIRS/UPGRADES COMPLETED

- \$ 7.9 Million Retrofit of Campbellford Wastewater
- \$ 3.2 Million Retrofit of Hastings Wastewater
- \$ 3.2 Million Upgrade to the Hastings Water
- .6 Million Upgrade to the Campbellford Water
- .5 Million Upgrade to the Warkworth Water
- \$ 2.1 Million spent on water distribution/wastewater collection projects

These investments were required to maintain compliance with environmental regulations

There was a minimum amount of reserves available to do this work



How Water and Wastewater Operate in Trent Hills

- 3 Separate Water Systems
- 3 Separate Wastewater Systems
- User Pay

Rate History

2005 - Water meters installed and a new rate structure was implemented

(focus on user pay...use less, pay less)

Leak Detection program was required as many homeowners were not prepared for a system where their bill was based on consumption.

Rate History Continued

The 2005 Rate Study recommended significant rate increases in 2006, 2007 and 2008 which were NOT implemented for the following reasons:

- Council and staff were sourcing grant funding assistance
- Council directed staff to review and amend capital plans to reduce rates
- Council directed staff to review the option of blending rates (with a phase in option)
- A development charges study was undertaken and implemented that will assist in paying for “growth related costs



Grants

- Approximately \$700,000 was received from the Federal and Provincial Governments for 2002 Water Plant Upgrades
- \$500,000 was received from the Provincial Government for the Hastings Wastewater Plant repairs
- \$1,000,000 capital grant from the Provincial Government which will be applied to water and wastewater construction program already underway.

Challenges

- Many sanitary and storm sewers are combined in Campbellford (estimated costs to replace in the \$ millions)
- Potential need for lagoon replacement/retrofit in Warkworth
- Water main replacement program necessary in Hastings
- Water tower needs to be “re-lined” in Campbellford
- Completion of Bio-Solids Storage facility (under review)
- Ongoing infiltration issues
- Additional river crossing for water pipes in Hastings

Existing rates do not generate enough revenues to address these challenges

2005 Rate Study – Recommended Increases

	Water			Wastewater		
	Campbellford	Hastings	Warkworth	Campbellford	Hastings	Warkworth
2005	2.5%	15%	15%	15%	20%	25%
2006	2.5%	15%	15%	15%	20%	25%
2007	2.5%	15%	15%	7%	20%	20%
2008	2.5%	3%	5%	5%	5%	2.5%
Avg - 2015	2.5%	6.1%	5.8%	5.3%	7.5%	7.8%



Results of Capital Program Review

We have postponed all **non-critical** capital works (unless it is grant funded) for
5 years.



Water & Wastewater Rate Options

Option #1:

Continue with existing capital plans and local rates

Option #2:

Reduce capital plans and continue local rates

Option #3:

Reduce capital plans and balanced rates

2009 Water/Wastewater Budgets

Option #1 – Existing Capital Plan & Local Rates

	Campbellford Water	Campbellford Wastewater	Hastings Water	Hastings Wastewater	Warkworth Water	Warkworth Wastewater
Revenues	\$ (1,125,747)	\$(957,031)	\$(423,970)	\$(386,012)	\$(230,352)	\$ (77,969)
Operating Costs	610,576	735,595	283,811	363,063	208,201	105,561
Debt Repayment Costs	47,122	610,111	170,856	83,744	113,418	44,525
Capital Costs	410,549	202,735	114,700	21,200	50,000	10,001
(Surplus)/ Deficit	\$ (57,500)	\$ 591,410	\$ 145,397	\$ 291,513	\$ 141,174	\$ 82,118

2009 Water/Wastewater Budgets

Option #2 – Reduced Capital Plans & Local Rates

	Campbellford Water	Campbellford Wastewater	Hastings Water	Hastings Wastewater	Warkworth Water	Warkworth Wastewater
Revenues	\$ (1,124,352)	\$ (957,031)	\$(423,970)	\$ (395,012)	\$(230,442)	\$ (77,969)
Operating Costs	607,076	721,652	284,811	363,063	210,201	92,561
Debt Repayment Costs	47,121	637,001	170,856	83,744	106,825	41,747
Capital Costs	25,000	42,825	5,000	21,200	5,000	0
(Surplus)/ Deficit	\$ (445,154)	\$ 444,447	\$ 36,697	\$ 72,995	\$ 91,584	\$ 56,339

Water/Wastewater Cost Comparison

CAMPBELLFORD

Based on Monthly Billing @ 15 Cubic Meters

Year	Option #1	Option #2	Option #3
2008	\$ 76	\$ 69	\$ 69
2009	78	79	74
2010	80	83	79
2011	82	84	87
2012	84	86	94
2013	87	87	103

Water/Wastewater Cost Comparison

HASTINGS

Based on Monthly Billing @ 15 Cubic Meters

Year	Option #1	Option #2	Option #3
2008	\$161	\$125	\$125
2009	170	124	118
2010	177	131	113
2011	183	144	109
2012	191	158	106
2013	198	173	103

Water/Wastewater Cost Comparison

WARCKWORTH

Based on Monthly Billing @ 15 Cubic Meters

Year	Option #1	Option #2	Option #3
2008	\$ 85	\$ 85	\$ 87
2009	89	130	86
2010	92	133	87
2011	96	133	90
2012	99	133	96
2013	102	133	103



Benefits of Balanced Rates

- Rates for all three urban centres will be competitive with other communities in the area
- There will be financial capacity to undertake the repairs that are necessary in all three urban centres
- Healthy urban centres are vital as the taxes generated in those communities will result in stable tax rates
- Allow Council to make responsible environmental decisions

Other Municipality Comparisons

Based on Monthly Billing @ 15 Cubic Meters

Municipality	Total
Norwood	\$74
Havelock	77
Brighton	42
Marmora	69
Quinte West	36
Port Hope	36
Cobourg	41
Peterborough	57

90% of responders stated rates would be increasing substantially in next year.



Thank you & Questions
