

TRI-COUNTY WATER BOARD

2025 Budget and Multi-Year Forecast

		<u>2024 YE Forecast</u>	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>2026 Forecast</u>	<u>2027 Forecast</u>	<u>2028 Forecast</u>	<u>2029 Forecast</u>	<u>2030 Forecast</u>
Revenues									
02-7315-6110	BANK INTEREST - Note 1	-\$26,000	-\$26,504	-\$25,000	-\$25,000	-\$25,000	\$0	-\$10,000	-\$20,000
02-7315-6190	REBATES	-\$11,400							
02-7315-6590	Water Revenue - Municipalities - Note 2	-\$1,600,000	-\$1,540,262	-\$1,691,806	-\$1,856,372	-\$2,026,845	-\$2,203,394	-\$2,386,194	-\$2,575,424
02-7315-6591	Capital Replacement - Note 3	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
	Total Revenue	-\$1,787,400	-\$1,716,766	-\$1,866,806	-\$2,031,372	-\$2,201,845	-\$2,353,394	-\$2,546,194	-\$2,745,424
Expenses									
02-7315-7500	HYDRO - Note 4	\$290,000	\$283,000	\$295,800	\$288,660	\$301,716	\$294,433	\$307,750	\$300,322
02-7315-7501	GAS - Note 4	\$29,168	\$31,000	\$29,751	\$31,620	\$30,346	\$32,252	\$30,953	\$32,897
02-7315-7510	INSURANCE - Note 5	\$29,500	\$28,000	\$31,391	\$32,019	\$32,659	\$33,313	\$33,979	\$34,659
02-7315-7511	Property Taxes - Note 6	\$71,945	\$71,961	\$74,120	\$76,343	\$78,634	\$80,993	\$83,423	\$85,925
02-7315-7520	Grounds Maintenance - Phragmites Control - Note 7	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
02-7315-7529	ADMINISTRATION EXPENSE - Note 8	\$8,000	\$8,026	\$8,187	\$8,350	\$8,517	\$8,688	\$8,862	\$9,039
02-7315-7531	Financial Plan - Note 9	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
	Short-term Borrowing Costs				\$0	\$0	\$0	\$0	\$0
02-7315-7532	LICENSES & PERMITS	\$1,410	\$1,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,750	\$1,750
02-7315-7675	LEGAL/Consulting	\$0	\$1,000	\$25,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
02-7315-7676	AUDIT - Note 10	\$3,953	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520	\$5,631
02-7315-7679	Chemicals	\$60,000	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158	\$75,353	\$77,613
02-7315-7680	CONTRACTED SERVICES - OCWA	\$491,985	\$491,985	\$501,825	\$511,861	\$522,098	\$532,540	\$543,191	\$554,055
02-7315-7681	Asset Management - Note 11	\$10,480	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
02-7315-7900	Transfer to Reserves - See Reserve Schedule	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
02-7315-7901	TRANSFER TO (FROM) RESERVES - See Reserve Schedule	-\$159,042	-\$559,331	-\$373,943	-\$14,817	\$576,090	-\$1,677,386	\$1,093,288	\$1,307,958
02-7315-8000	CAPITAL OVER \$10,0000 - see Capital Schedule	\$800,000	\$1,120,125	\$1,041,125	\$860,675	\$412,950	\$2,807,490	\$201,125	\$174,575
	Total Expense	\$1,787,400	\$1,716,766	\$1,866,806	\$2,031,373	\$2,201,845	\$2,353,393	\$2,546,194	\$2,745,424
		<u>-\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-\$0</u>	<u>\$0</u>	<u>-\$0</u>
	Operating Cost / m3	<u>\$0.79</u>	<u>\$0.80</u>	<u>\$0.82</u>	<u>\$0.79</u>	<u>\$0.80</u>	<u>\$0.79</u>	<u>\$0.79</u>	<u>\$0.79</u>
Reserve Forecast									
	Opening Balance		\$1,170,375	\$1,161,333	\$937,390	\$1,072,573	\$1,798,663	\$271,277	\$1,514,565
	To Reserve		\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
	From Reserve		-\$159,042	-\$373,943	-\$14,817	\$576,090	-\$1,677,386	\$1,093,288	\$1,307,958
	Closing Balance		<u>\$1,161,333</u>	<u>\$937,390</u>	<u>\$1,072,573</u>	<u>\$1,798,663</u>	<u>\$271,277</u>	<u>\$1,514,565</u>	<u>\$2,972,523</u>

Notes:

		<u>2024 Budget</u>	<u>2025 Budget</u>	<u>2026 Forecast</u>	<u>2027 Forecast</u>	<u>2028 Forecast</u>	<u>2029 Forecast</u>	<u>2030 Forecast</u>
Note 1	Bank Interest							
	RBC average rate is estimated as per the following	3.5%	3%	3%	3%	3%	3%	3%
		-\$40,647	-\$28,122	-\$32,177	-\$53,960	-\$8,138	-\$45,437	-\$89,176
Note 2	Water Revenue - Municipalities							
		Annual Consumption (m³)	Annual Consumption (m³)	Annual Consumption (m³)	Annual Consumption (m³)	Annual Consumption (m³)	Annual Consumption (m³)	Annual Consumption (m³)
			2023/2024 Avg					
	Chatham-Kent	96,139	8%	93,807	7%			
	Dutton/Dunwich	244,189	19%	234,205	18%			
	Southwest Middlesex	381,735	30%	378,251	30%			
	SWM - Newbury	58,299	5%	48,600	4%			
	West Elgin	482,148	38%	526,808	41%			
		<u>1,262,510</u>	<u>100%</u>	<u>1,281,671</u>	<u>100%</u>			
	Water Rates per m³ as of July 1, 2024	\$ 1.27	\$ 1.37	\$ 1.47	\$ 1.57	\$ 1.67	\$ 1.77	\$ 1.87
	Water Consumption Growth (2%/yr)		1,281,671	1,307,304	1,333,451	1,360,120	1,387,322	1,415,068
Note 3	Capital Replacement - is calculated based on the share of ownership							
	Chatham-Kent	8%	\$ 11,925.00					
	Dutton-Dunwich	19%	\$ 28,710.00					
	Newbury	5%	\$ 7,425.00					
	Southwest Middlesex	25%	\$ 37,080.00					
	West Elgin	43%	\$ 64,860.00					
		<u>100%</u>	<u>\$ 150,000.00</u>					
Note 4	Utilities - Hydro and Gas							
	Applied 2% increase 2024-2030							
Note 5	Insurance							
	6.4% increase for 2025, 2% increase applied for 2026-2030							
Note 6	Property Taxes							
	Applied 3% increase 2024-2030							
Note 7	Grounds Maintenance - Phragmites Control							
	Annual maintenance will continue 2023-2030							
Note 8	Administration Expense							
	Proposing 4% increase in 2024 and 2% increase 2025-2030							
Note 9	Financial Plan							
	Ontario Regulation 453/07 requires preparation of Financial Plan every six years. Last completed 2019.							
Note 10	Audit							
	Three year contract with Scrimgeour & Co. expires in 2025.							
Note 11	Asset Management							
	Software License Fees							

Tri-County WTP

(2024-Year Recommended Capital/Major Maintenance from 2025 to 2030)

The Ontario Clean Water Agency has identified the following capital projects/major maintenance for your review and approval.

Ref.	Scope of Work	Cost Estimate						Compliance	DWQMS RA Outcome*	Health & Safety	Repair / Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
		2025	2026	2027	2028	2029	2030									
Treatment Plant																
1	Intake Structure Inspection		\$10,000	\$0	\$0			●	●	●				●	Last inspected in 2021. Recommended every 5 years	
3	SCADA/PLC Upgrades-Based off of 2021 Report	\$200,000	\$0	\$0	\$0			●		●		●			SCADA/PLC/Software Upgrades based on 2021 Study	
4	Chemical Transfer Pump Replacement	\$5,000	\$0	\$5,000	\$0	\$5,000	\$5,000				●				Transfer Pumps for CIP System. Life cycle replacement	
5	Chlorine/Peroxide Feed Pump Replacement				\$8,000	\$0		●			●				Life Cycle Replacement	
6	Chlorine Analyzer Replacement	\$7,000	\$7,500	\$7,500	\$8,000	\$0		●	●		●	●			Life Cycle Replacement, Technology Improvements	
7	Chlorine Gas Dosing System	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500		●	●	●	●	●		Continous Improvement/Inspection/Replacement of old piping	
8	UV System	\$10,000	\$10,000	\$25,000	\$25,000	\$10,000	\$5,000		●		●	●		●	Requires annual service and complete rebuild every 5 years	
9	Storage Tank Inspections	\$0					\$10,000		●		●				Inspection recommended every 5 years	
10	Storage Tanks Interior re-sealing	\$75,000	\$0							●					Recommended in 2019 inspection for 2025	
11	Air Manifold Airline and Card replacement			\$12,000	\$12,000	\$0					●				4 year Life Cycle Replacement	
12	Naturalized Settling Ponds-Phragmites Control	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000			●		●			Continued Control of invasive Phragmites	
13	PALL Health Check				\$15,000	\$15,000	\$15,000				●		●		Annual Health Check on PALL Membrane System	
14	Replacement of PALL Membranes	\$550,000	\$550,000	\$0					●		●				Life Cycle Replacement	
16	Recommendations from "Yellow Water Study"		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000									
Total Estimate - Recommended Capital		\$859,500	\$640,000	\$112,000	\$130,500	\$92,500	\$47,500									
Highlift and Lowlift Pumps & Motors																
3	Highlift motor/pump rebuild	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$20,000		●		●				Rebuilds after regular wear and tear	
4	Lowlift motor/pump rebuild			\$25,000	\$25,000	\$25,000	\$25,000		●		●				Rebuilds after regular wear and tear	
Total Estimate - Recommended Capital		\$25,000	\$25,000	\$50,000	\$50,000	\$25,000	\$45,000									
Structural (includes piping/control, PRV's, Valves, Building envelope, HVAC, chambers)																
1	Raw wetwell maintenance/repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000		●		●		●		Annual contingency for clean out	
2	HVAC Repairs or Upgrades	\$5,000	\$0	\$75,000	\$0	\$10,000	\$10,000				●	●			Repairs and Maintenance to HVAC	
3	Settling Tank Clean Outs		\$15,000	\$0		\$15,000	\$15,000	●							Sediment Tanks need cleaning every 3 years	
4	Lowlift and Associated Building Repairs Fund (IRC BCA Recommendations)	\$40,000	\$10,000	\$50,000	\$30,000	\$0				●	●	●	●		Based off of IRC BCA Report completed 2021	
5	WTP Building Fund (IRC BCA Recommendations)	\$25,000	\$55,000	\$15,000	\$10,000	\$0				●	●	●	●		Based off of IRC BCA Report completed 2021	
Total Estimate - Recommended Capital		\$80,000	\$90,000	\$150,000	\$50,000	\$35,000	\$35,000									
Standpipe, Transmission Main, Remote Chambers																
1	West Lorne Standpipe Refurbishment/Repainting Reserve Contribution	\$0	\$0	\$0	\$2,500,000							●	●		The 2020 Inspection identified that the interior and exterior surfaces require full removal and replacement within 3 to 6 years timeline. Proposes to create reserve for funding of this project. Estimated total project cost of \$1,350,000. A revised quote of \$1,620,000 was received in 2023	
2	Remote Chamber Refurbishment	\$0									●	●	●		Continued Upgrades to Remote Chambers	
3	West Lorne Standpipe Inspection	\$0						●	●						Recommended to Inspect every 5 Years.	
4	UPS Replacement	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500					●			Life cycle replacement to critical UPS	
Total Estimate - Recommended Capital		\$1,500	\$1,500	\$1,500	\$2,501,500	\$1,500	\$1,500									
Operations and Maintenance Contignecy																
1	Strainers:Purchase of Critical Spare Parts	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		●					●		
2	Smart Positioner Inventory	\$5,000	\$0	\$3,000	\$5,000	\$5,000	\$5,000				●			●	Critical Component for filter operation	
3	Pneumatic Actuators	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000		●		●		●		Critical Component for filter operation	
4	Rack Butterfly valves	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000				●		●		Critical Component for filter operation	
5	UPS Replacement	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500				●		●		Important to replace before failure or have inventory	

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			2025	2026	2027	2028	2029									
	6	In-plant Process Motors/Pumps	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000								Placeholder for emergency repairs
	7	Emergency Misc.	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000								Placeholder for emergency repairs
		Total Estimate - Recommended Capital	\$32,500	\$32,500	\$35,500	\$36,550	\$37,500	\$37,500								
		Contingency-5%	\$67,625	\$71,675	\$63,950	\$38,940	\$9,625	\$8,075								
		Total Capital Estimate	\$1,041,125	\$860,675	\$412,950	\$2,807,490	\$201,125	\$174,575								

2025 Recommended Capital Presented by:
2025 Recommended Capital Approved by:

Name: Sam Smith
 Name

* **NOTE:** a requirement of DWQMS v. 2.0 is to consider the outcomes of the risk assessment (RA) documented under Element 8 as part of the system's infrastructure review

Legend:

- H High priority recommended to be completed in upcoming year
- M Medium priority recommended to be completed in 1 to 3 years
- L Low priority recommended to be completed in years 4 to 5