

**MALAHIDE WATER
2022 DRAFT BUDGET**

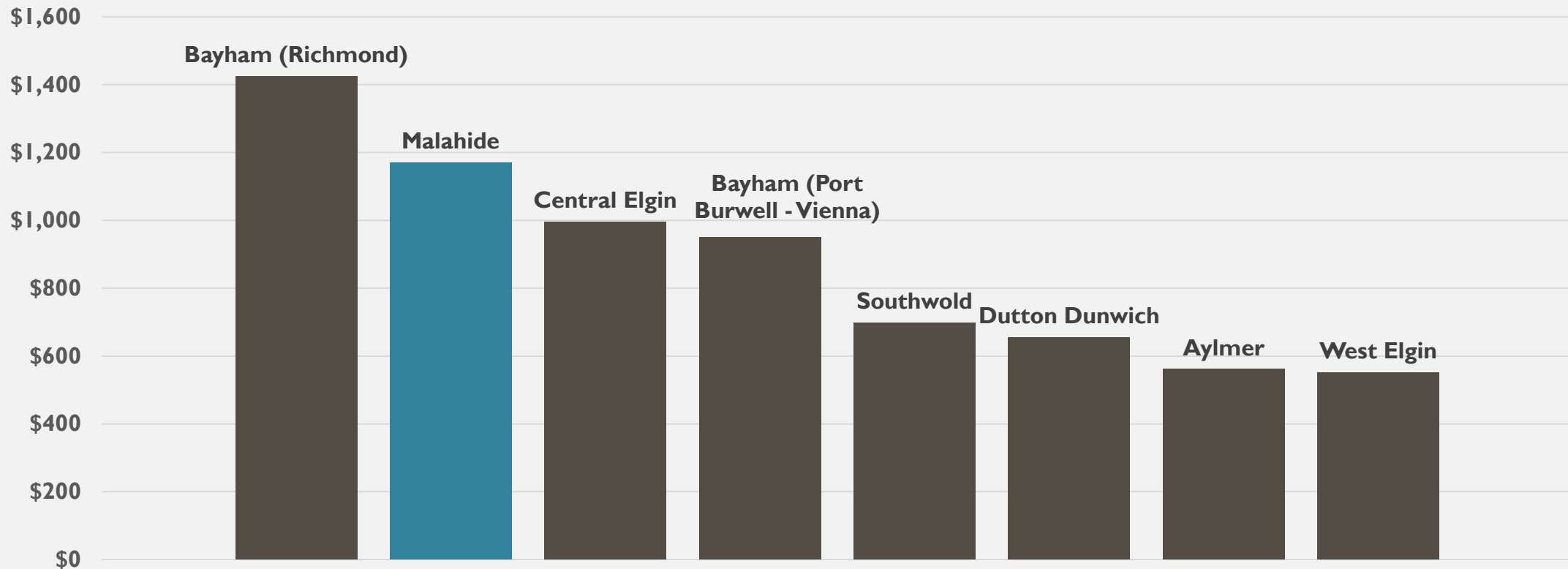
PROPOSED RATE CHANGES

Year	Fixed Charge (per quarter)	Consumption Charge (per cubic metre of water usage)	Average Annual Household Cost (based on 200 cubic metre consumption)
2022*	78.40	4.69	\$1,252
2021	75.40	4.34	\$1,170
2020	72.50	4.02	\$1,094
2019	69.70	3.72	\$1,023
2018	67.00	3.44	\$956
2017	64.40	3.19	\$896
* Subject to approval			

If 2022's rates are approved as proposed, the average household in Malahide would pay an additional \$6.83/month for municipal water.

COMPARATIVE REGIONAL RATES (2021)

Average Annual Household Cost for Municipal Water



Based on 200m³ consumption

2022 BUDGET SUMMARY

How Will Additional Funds Be Spent?

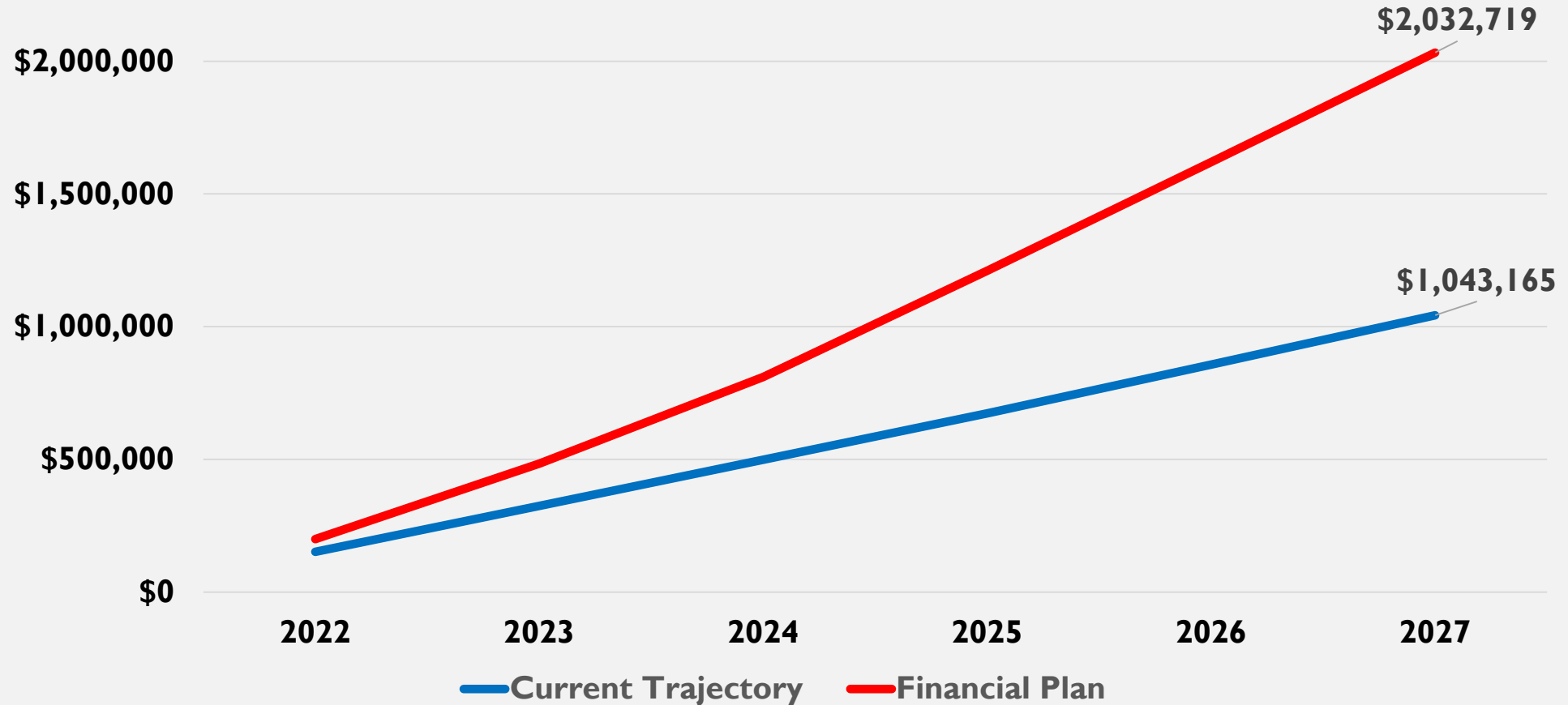
Administrative Costs	\$3,203	Inflationary pressures & addressing existing budget gaps
Booster Station	\$2,000	Existing budget gaps for grass cutting and hydro
System Operations		
Water Supply	\$28,347	Water suppliers rate increases passed onto Malahide
OCWA Contract	(\$2,251)	Removal of excess budget net against inflationary increase to operating contract
Other Items	(\$80)	Rounding adjustment to SCADA budget line
Current and Future Capital	<u>\$47,073</u>	About (60%) the 2022's rate increase pertains to building the Township's capacity to fund capital projects
New Funding Raised in 2022	\$79,292	

WATER SUPPLY

	Along the Lake	West of Aylmer	East of Aylmer	Consolidated
<u>2021 Budget</u>				
Estimated Annual Demand (m ³)	91,000	12,000	85,670	189,000
Rates	<u>3.02</u>	<u>1.2655</u>	<u>2.24*</u>	<u>2.55</u>
Estimated Annual Cost	\$274,820	\$15,183	\$191,900	\$481,903
<u>2022 Budget</u>				
Estimated Annual Demand (m ³)	91,700	12,100	86,400	190,500
Rates	<u>3.15</u>	<u>1.3161</u>	<u>2.37*</u>	<u>2.68</u>
Estimated Annual Cost	\$288,855	\$15,925	\$204,768	\$510,250
Estimated 2022 Budget Impact - Purchases of Water				\$28,347

CAPITAL & RESERVES

Projected Water Reserve Balance



CAPITAL & RESERVES (CONTINUED)

Why continue to pursue the current financial plan's objective to build reserves?

- 1) Having adequate reserve funding saves money in the long-term
 - deferral of capital projects due to inadequate funding leads to increased operating costs
 - debenture financing for asset replacement results in additional interest costs
- 2) Even with prior rate increases, the Township's reserves have been almost completely depleted and insufficient funds are available to fund major capital projects without aid from upper levels of government
- 3) Inadequate reserve contributions will hinder the Township's ability to bring water services to Springfield, if such a direction is pursued
- 4) Capital projects are becoming increasingly expensive which is diminishing the Township's purchasing power
- 5) Upper levels of government look unfavourably upon municipalities who do not actively try to improve their financial position when reviewing grant applications

OPPORTUNITIES FOR IMPROVEMENT

Opportunity	Est. Time of Completion
A Completion of the Springfield Water Feasibility Study	Early 2022
B New Rate Study / Financial Plan including presentation to Council	Late 2022
C Develop the Township's Asset Management Plan so that it can be integrated with the annual water budget	Mid 2022
D Report financial outcomes against the Township's approved rate study	2023
E Improved goal setting and financial performance metrics	2023

QUESTIONS?

