

# PETERBOROUGH UTILITIES COMMISSION

January 15, 2021

COMMISSION AGENDA

2021:01:21

## NOTICE & AGENDA

A MEETING OF THE PETERBOROUGH UTILITIES COMMISSION WILL BE HELD ON **THURSDAY, JANUARY 21, 2021 AT 6:00 P.M.** THE MEETING WILL BE HELD OVER MICROSOFT TEAMS.

### 0.01 **CALL TO ORDER**

### 0.02 **DECLARATION OF PECUNIARY INTEREST**

### 1. **CONSENT AGENDA**

#### 1.01 MINUTES – DECEMBER 10, 2020

### 2. **REPORTS**

#### 2.01 2021 OPERATING AND CAPITAL BUDGET - SECOND READING

#### 2.02 2021 WATER UTILITY RATE SCHEDULE - SECOND READING

### 3. **COMMUNICATIONS**

### 4. **NEW BUSINESS**

### 5. **DATE OF NEXT MEETINGS**

MARCH 25, 2021

### 6. **ADJOURNMENT**

John Stephenson  
President & CEO

MINUTES OF THE **VIRTUAL** MEETING OF THE PETERBOROUGH UTILITIES COMMISSION HELD ON **THURSDAY, DECEMBER 10, 2020 AT 4:00 P.M.** THE MEETING WAS HELD USING MICROSOFT TEAMS.

0.01 **CALL TO ORDER**

0.02 **DECLARATION OF PECUNIARY INTEREST**

1. **CONSENT AGENDA**

1.01 MINUTES – OCTOBER 22, 2020

1.02 OPERATING REPORTS – OCTOBER 2020

2. **REPORTS**

2.01 INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDING SEPTEMBER 30, 2020

2.02 2021 OPERATING AND CAPITAL BUDGET

2.03 2021 WATER UTILITY RATE SCHEDULE

3. **COMMUNICATIONS**

3.01 2021 MEETING SCHEDULE

4. **NEW BUSINESS**

5. **DATE OF NEXT MEETINGS**

JANUARY 21, 2021

6. **ADJOURNMENT**

Chair

Read and approved this

day of

2020

MINUTES OF THE **VIRTUAL** MEETING OF THE PETERBOROUGH UTILITIES COMMISSION HELD ON **THURSDAY, DECEMBER 10, 2020 AT 4:00 P.M.** THE MEETING WAS HELD USING MICROSOFT TEAMS.

Present: Mayor Diane Therrien, Chair  
Councillor Don Vassiliadis, Vice-Chair  
Councillor Gary Baldwin  
Councillor Dean Pappas  
Councillor Steven Wright

Staff members present: Mr. John Stephenson, President & CEO  
Mr. Kyle Davis, CFO  
Mr. Pat Devlin, Vice-President, Water Utility Services  
Mr. David Whitehouse, Vice-President Corporate & Customer Service  
Ms. Patricia Skopelianos, Quality Assurance Manager  
Ms. Chrissy Rusaw, Executive Assistant

1. **CONSENT AGENDA**

1.01 **MINUTES – OCTOBER 22, 2020**

It was moved by Councillor D. Pappas, seconded by Councillor D. Vassiliadis and carried:

“THAT the minutes be approved.”

1.02 **OPERATING REPORTS – OCTOBER 2020**

It was moved by Councillor D. Pappas, seconded by Councillor D. Vassiliadis and carried:

“THAT the operating reports be received.”

2. **REPORTS**

2.01 **INTERIM UNAUDITED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDING SEPTEMBER 30, 2020**

It was moved by Councillor G. Baldwin, seconded by Councillor D. Pappas and carried:

Chair

Read and approved this

day of

2020

“THAT the report be received.”

2.02 2021 OPERATING AND CAPITAL BUDGET

It was moved by Councillor D. Vassiliadis, seconded by Councillor S. Wright and carried:

“**THAT** the 2021 operating and capital budget reflecting a water rate increase of 2.48%, an operating surplus of \$2.76 million, and capital expenditures of \$11.60 million be approved for first reading.”

2.03 2021 WATER UTILITY RATE SCHEDULE

It was moved by Councillor S. Wright, seconded by Councillor G. Baldwin and carried:

“THAT the 2021 Water Utility Rate Schedule reflect ng a water rate increase of 2.48% be approved for first reading.”

3. **COMMUNICATIONS**

3.01 2021 MEETING SCHEDULE

It was moved by Councillor G. Baldwin, seconded by Councillor D. Vassiliadis and carried:

“THAT the 2021 Meeting Schedule be approved.”

4. **NEW BUSINESS**

None

5. **DATE OF NEXT MEETINGS**

JANUARY 21, 2021

Chair

Read and approved this

day of

2020

6. **ADJOURNMENT**

The Chair accepted a motion of adjournment by Councillor G. Baldwin seconded by Councillor D. Pappas at 4:26 p.m.

Chair

Read and approved this

day of

2020

# PETERBOROUGH UTILITIES COMMISSION REPORT

2.01

January 15, 2021

COMMISSION AGENDA  
2021.01.21

## 2021 OPERATING AND CAPITAL BUDGET - SECOND READING

### RECOMMENDATION

**THAT** the 2021 operating and capital budget reflecting a water rate increase of 2.48%, an operating surplus of \$2.76 million, and capital expenditures of \$11.60 million be approved BY THE COMMISSION.

Prepared by: Kyle Davis, CFO and  
Patrick Devlin, Vice-President Water Utility Services

Submitted by: Kyle Davis, CFO

Approved for Submission by: \_\_\_\_\_  
President & CEO

## **Background**

The 2021 operating and capital budget is provided for the Commissions first reading. Upon recommendation by the Commission the 2021 budget and proposed rate schedule will be made available to the public. A public meeting is scheduled for Thursday January 21, 2021 to provide opportunity for comments from the community. At this time the Commission can approve the budget or defer approval pending changes requested.

## **Summary**

In setting this budget, management has taken a multi-year view to ensure that future surpluses remain sustainable. Management reviews consumption data as it becomes available in addition to multi-year capital forecasting and utilizes this information to update the long term forecast for the PUC. In applying this long range approach, management has been able to maintain the rate increase at 2.48% in 2021, compared to a 2.4% increase in 2020.

The proposed budget for 2021 provides for water revenue of \$18.32 million; \$225 thousand more than the 2020 budget of \$18.10 million.

Operating expenditures budgeted for 2021 of \$12.70 million are up 1.1% from the prior budget. The main change year over year is the decrease in operating expenditures at the Riverview Park and Zoo (“RPZ”) relating to the partial reopening that is planned for 2021 in light of the COVID-19 Pandemic. Excluding the RPZ, the total operating expense increase is 2.5% for 2021, in line with the water rate increase and inflationary pressures. This, along with other significant items will be discussed in greater detail later in the report.

A summary of the statement of Financial Activities for the 2021 budget is as follows:

<b>Statement of Financial Activities</b>						
<b>(\$ thousands)</b>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projected</b>	<b>2021 Budget</b>	<b>Budget Change \$</b>	<b>Budget Change %</b>
Revenue						
Water	17,539	18,096	17,896	18,321	225	1.2%
Other	2,891	4,223	2,072	3,860	(363)	-8.6%
	20,430	22,319	19,968	22,181	(138)	-0.6%
Expenses						
Operating Expenses	12,558	12,563	12,161	12,697	134	1.1%
Interest	326	367	367	417	50	13.6%
Amortization	6,185	6,470	6,220	6,300	(170)	-2.6%
	19,069	19,400	18,748	19,414	14	0.1%
Surplus	1,361	2,919	1,220	2,767	(152)	-5.2%

## **Key Assumptions**

The 2021 budget is based on the following key assumptions:

1. Water rates increase by 2.48%, (2020 increase 2.40%).
2. Labour rates will increase by 2.10%, (2020 budget 2.10%).
3. Benefit costs have remained consistent with the 2020 budget plus inflation.
4. Interest rate on cash balances, 0.70% (2020 – 1.70%)
5. Growth in residential customers, 0.50% (2020 – 0.50%)

## **Water Rates**

For 2021, the proposed rate schedule provides for a 2.48% increase to all metered water fixed rates and volumetric charges. The current basic monthly meter charge of \$21.79 per month for most residential customers (5/8" and 3/4" meters) would increase to \$22.33. A copy of the complete 2021 water rate schedule is provided in a separate report.

A summary of the proposed consumption rates is provided in the following table:

Water Consumption Charges					
Block	Volume	Existing Rate per m <sup>3</sup>	Proposed Rate per m <sup>3</sup>	\$ Increase	% Increase
Block 1	0 – 20 m <sup>3</sup>	1.4221	1.4574	0.035	2.48%
Block 2	>20-100 m <sup>3</sup>	1.4909	1.5279	0.037	2.48%
Block 3	>100 – 5,000 m <sup>3</sup>	0.7778	0.7971	0.019	2.48%
Block 4	>5,000 m <sup>3</sup>	0.5364	0.5497	0.013	2.48%

The following table details the monthly water costs for an average residential customer (note residential customers are now billed every two months).

Residential Rate Impact					
	2019 Actual	2020 Budget	2021 Budget	Budget Change \$	Budget Change %
<u>Monthly Bill calculation (5/8 meter)</u>					
Meter Charge (A)	21.28	21.79	22.33	0.54	2.48%
Average Residential Consumption (m <sup>3</sup> )	14.0	14.0	14.0	-	0.00%
Consumption rate (\$/m <sup>3</sup> )	1.3888	1.4221	1.4574	0.04	2.48%
Consumption charge (B)	19.44	19.91	20.40	0.49	2.46%
Total monthly water bill (A+B)	40.72	41.70	42.73	1.03	2.47%

From the table we see the average monthly residential customer bill (water portion) will increase by \$1.03 per month in 2021 compared to the 2020 budget.



## **Sources and Uses of Cash**

The total capital and operating cash requirement for 2021 is \$25.89 million as summarized in the table below:

<b>Total Operating and Capital Expenditures Cash Requirement</b>						
(\$ thousands)	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projected</b>	<b>2021 Actual</b>	<b>Budget Change \$</b>	<b>Budget Change %</b>
Operating	12,558	12,563	12,161	12,697	134	1.1%
Financial	326	367	367	417	50	13.6%
Capital	6,730	8,480	3,908	11,599	3,119	36.8%
Debt retirement	1,376	1,389	1,389	1,302	(87)	-6.3%
Cash required by (from) working capital	13	(93)	217	(130)	(37)	39.8%
<b>Total</b>	<b>21,003</b>	<b>22,706</b>	<b>18,042</b>	<b>25,885</b>	<b>3,179</b>	<b>14.0%</b>

The only significant change compared to the prior year budget is the increase in capital expenditures, primarily due to the rehabilitation work budgeted at the High Street water tower.

The cash resources as provided in the following table for 2021 are budgeted at \$22.18 million, which will result in a \$3.70 million decrease in cash balances during the year.

<b>Cash Resources and Projected Change in Cash</b>						
(\$ thousands)	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projected</b>	<b>2021 Budget</b>	<b>Budget Change \$</b>	<b>Budget Change %</b>
Sale of Water	17,539	18,096	17,896	18,321	225	1.2%
Capital installation charges	214	350	100	350	-	0.0%
Development charges	219	1,542	50	1,437	(105)	-6.8%
Contributions to RP&Z Reserves	19	25	25	25	-	0.0%
Fire protection	650	650	650	650	-	0.0%
Sewer surcharge billings	414	422	422	430	8	1.9%
Riverview Park and Zoo	241	281	25	59	(222)	-79.0%
Interest	336	228	200	184	(44)	-19.3%
Other	380	300	250	300	-	0.0%
Electricity	418	425	350	425	-	0.0%
	20,430	22,319	19,968	22,181	(138)	-0.6%
Debt issuance	-	6,000	6,000	-	(6,000)	
<b>Total Sources of Cash</b>	<b>20,430</b>	<b>28,319</b>	<b>25,968</b>	<b>22,181</b>	<b>(6,138)</b>	<b>-21.7%</b>
<b>Cash Requirements</b>	<b>21,003</b>	<b>22,706</b>	<b>18,042</b>	<b>25,885</b>	<b>3,179</b>	<b>14.0%</b>
<b>Increase (Decrease) in Cash</b>	<b>(573)</b>	<b>5,613</b>	<b>7,926</b>	<b>(3,704)</b>	<b>(9,317)</b>	<b>-166.0%</b>

Revenue from the sale of water is budgeted to be \$18.32 million in 2021, an increase of \$225 thousand or 1.2% above the 2020 budgeted revenues of \$18.10 million.

Capital installation charges represent the value of capital projects completed by builders during the year, assumed by the Commission. Historically this number has been difficult to estimate accurately as it depends on the progression of development by third parties in the community. As non-cash revenue, impacting capital addition levels booked only, this reduction does not represent a financial risk to the utility.

Development charges are budgeted at \$1.44 million for 2021, a decrease of \$105 thousand from the 2020 budget. In 2018, construction began on the Lily Lake subdivision, which contributed to the \$2.12 million in development charges. The 2020 budget had included the commencement of construction on the next phase of the development, however the COVID-19 pandemic delayed the project, and based on current discussions with the developers we are expecting that to begin in 2021.

Electricity revenue represents generation of electricity under a Hydroelectric Contract Initiative (HCI) from the Water Street pump house. The amount budgeted for next year of \$425 thousand is consistent with the 2020 budget.

Sewer surcharge billing fees charged to the City of Peterborough for administration and collection of the sewer surcharge are budgeted at \$430 thousand in 2021 which is a 2% increase over the 2020 budget of \$422 thousand.

The budgeted amount for fire protection remains unchanged in 2021 at \$650 thousand. This fee charged to the City and included in the Fire budget, represents the ongoing cost of maintaining the larger distribution necessary for fire hydrants than would otherwise be required for drinking water needs.

Other income, as presented in the table above includes interest income and miscellaneous items such as change of occupancy fees, customer late payment interest, water vendor revenues, and rental from communication towers installed on PUC property.

## Cash and Short Term Deposits

Cash is expected to be \$23.04 million by the end of 2020 and \$19.33 million at December 31, 2021. Reserve fund cash included in these totals is expected to increase to \$11.05 million from \$10.17 million projected at the end of 2020.

<b>Cash Summary</b>				
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
(\$ thousands)	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Operating Cash	5,650	9,401	12,862	8,282
Reserves				
- Water treatment plant	8,276	9,133	9,163	10,006
- Development Charges Act	-	-	-	-
- Park and Zoo - Major Capital	596	634	630	660
- Park and Zoo - Animal Care	486	266	274	276
- Park and Zoo - State of Good Repair	102	207	106	107
Total Cash Reserves	9,460	10,240	10,173	11,049
Total Cash	15,110	19,641	23,035	19,331

The year over year change in cash is primarily driven by the annual capital expenditure requirements and the long term debenture financing. Anticipating a larger than typical capital requirement in 2021 the PUC, as budgeted, took on an additional \$6 million debenture in late 2020.

In planning for additional debenture financing, Management utilizes its 10 year forecast to determine when additional funds will be required. Capital expenditures are forecast to increase significantly in 2021 as work on the High Street tank will add approximately \$5.2 million. Management continues to update its capital plan based on up to date planning information and City construction schedules to ensure that appropriate levels of operating cash are maintained. Should information in 2021 reveal a decrease in future capital plans, or additional development charges be received, the need for additional financing may be reduced or deferred to future years.

## **Operating Expenses**

Total expenses in the 2021 budget are \$19.41 million which is \$14 thousand or 0.1% higher than the 2020 budget of \$19.40 million.

Operating expenditures in 2021 are expected to be similar to 2020, with the exception of the Riverview Park and Zoo, which will continue to be impacted by COVID-19 and is discussed in greater detail below. Excluding the RPZ, total operating expenditures are budgeted to be 2.5% above the 2020 budget, in line with the revenue increase of 2.48%. This was especially important in light of the COVID-19 Pandemic, as PUC staff worked to ensure that budgetary increases were kept to a minimum to limit the customer impact.

The changes in expenses for individual operating activities are detailed and discussed more fully below.

<b>Operations and Administration Expense</b>						
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>Change</b>	
(\$ thousands)	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>\$</b>	<b>%</b>
Water treatment and storage	4,216	4,629	4,521	4,766	137	3.0%
Distribution systems	2,581	2,268	2,268	2,324	56	2.5%
Administrative	1,267	1,418	1,418	1,403	-15	-1.1%
Support services	2,556	2,522	2,522	2,615	93	3.7%
Riverview Park and Zoo	1,938	1,726	1,432	1,589	-137	-7.9%
Total operating expenses	12,558	12,563	12,161	12,697	134	1.1%
Financial	326	367	367	417	50	13.6%
Amortization	6,185	6,470	6,220	6,300	-170	-2.6%
Total Expenses	19,069	19,400	18,748	19,414	14	0.1%

## **Water treatment and storage (Schedule A)**

The 2021 budget for the cost of water treatment and storage has increased \$137 thousand or 3.0% from the 2019 budget. As detailed in schedule A of the budgeted financial statements, the majority of the increase is in the water treatment plant operations as maintenance costs are expected to rise in 2021 following savings in 2020 due to delayed work during the pandemic.

## **Distribution Systems (Schedule B)**

The operating budget has increased by \$56 thousand or 2.5% to \$2.32 million in 2020 from \$2.26 million in 2020. The water distribution operating costs are sensitive to weather conditions, such as extreme cold events, as well as what time and/or day of week that work is required to complete repairs. Prior experience has shown the variance in annual expenditures to be primarily due to these factors. The 2021 budget assumes a historical average of weather related activity.

**General Administrative (Schedule C)**

Total General Administrative expenses are budgeted at \$1.40 million, a decrease of \$15 thousand or 1.1% from the 2019 budget.

The decrease is the result of the cancellations of many in person events due to the COVID-19 Pandemic. This includes the annual Children's Water Festival, which is looking into online options for 2021, as well as the cancellation of conferences and in-person attendance at events and training sessions.

**Support Services (Schedule D)**

PUG Services Corp. provides administrative services for both the PUC and Peterborough Utilities Inc. (generation companies). These costs, and costs of Peterborough Utilities Services Inc. are shared by the operating groups to eliminate duplication and allocated to each operating company based on their usage of the service.

The support cost attributable to the PUC for 2020 is budgeted to increase by \$93 thousand or 3.7% from the 2020 budget of \$2.56 million. The largest increase relates to Peterborough Technology Services, as IT costs are budgeted to increase due to increase security costs and work from home requirements.

**Riverview Park & Zoo Operations (Schedule E)**

Riverview Park and Zoo budgeted expenses of \$1.59 million are down \$137 thousand, or 7.9% from the prior year's budget.

The 2021 budget assumes a partial reopening of the Park and Zoo during the summer months. Planned labour and purchases have been reduced significantly in anticipation of both delays in opening, and the operational limitations that may be in effect due to the COVID pandemic. Given that these restrictions will also have an impact on Park and Zoo revenues, it was imperative that the budget decreased discretionary expenditures where available in order to minimize the net impact to the PUC finances, while still being able to maintain the growing costs associated with of animal health and wellness.

**Financial Expense**

Financial expense relates primarily to interest on long-term debenture debt, as well as interest paid on customer security deposits and construction security deposits. The 2021 budget is \$417 thousand as compared to the 2020 budget of \$367 thousand.

## **2021 Capital Budget**

The long-term work plan considered in the 2021 capital budget is based on the following:

- Facility condition assessments, including analysis and risk consideration;
- The 2015 Water Utility Asset Management Plan: and,
- The Long Term Water Utility Master Plan completed in 2019.

The 2015 Linear Infrastructure Asset Management Plan examined the 421,900 metres of existing water main and develops a long-term program of sustainable pipe replacement and rehabilitation. The long-term capital maintenance plans for the other areas, including the Water Treatment Plant (WTP), Water Street Pumphouse & Dam, reservoirs and tanks, booster pumping stations and the RP&Z are developed with regular facility condition assessment studies, trends and equipment evaluation/life expectancies as well as considering recommendations in the Long Term Water Utility Master Plan. Regulatory risks and emerging issues are examined and evaluated to determine the long-term need for new capital works.

The schedule of proposed capital projects for 2021 has been grouped according to functional areas. The timing of some projects, for which the Commission budgets monies, depends on decisions and timing of City projects and private sector development.

A summary of budgeted expenditures by function area is provided below:

<b>Capital Expenditures</b>				
(\$ thousands)	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projected</b>	<b>2021 Budget</b>
Water Treatment Plant	435	384	322	643
Pumphouse and Dam	328	895	410	20
Booster Pumping Stations, Reservoirs and Storage	1,049	555	596	5,334
Trunkmains	74	395	395	75
New Mains - Subdivisions and Streets	162	450	405	340
New Services	86	240	80	290
Distribution Rehabilitation	3,964	4,530	805	3,745
Hydrants	-	42	42	62
Meters	204	637	550	637
Riverview Park and Zoo	428	352	303	453
<b>Total Expenses</b>	<b>6,730</b>	<b>8,480</b>	<b>3,908</b>	<b>11,599</b>

Details of key items included in the above table are as follows:

**Water Treatment Plant**

The Water Treatment Plant is a very large and complex Commission asset. The original basic plant was first constructed in 1921-22 including settling/aeration basins and a clearwell. With the completion of the rehabilitation of the original clearwell/chlorine contact tank in 2016, we can now operate the plant with greater flexibility and redundancy.

The total capital budget of \$643 thousand consists of a preliminary design report for the installation of a Raw Water Ozone feed system. Through Pilot Plant research the Water Treatment Plant has determined the addition of Ozone in the Raw Water will improve water quality by reducing Trihalomethanes, Haloacetic Acids, Taste and Odour (our number one customer complaint). In addition to the Ozone preliminary design capital costs also include the replacement of two PVC liners in two onsite bulk chemical storage tanks. It also includes fuel system upgrades required to bring Water Treatment Plant's back up diesel pumps/generator to TSSA standards.

**Pumphouse and Dam**

The Water Street Pumphouse represents a critical structure on the Commission's list of assets. There remains a growing list of minor improvements for the Pumphouse that will be addressed in 2021. A comprehensive rehabilitation project is planned in future capital budgets to complete concrete repairs on the dam structure, piers, gains, and trash rack structure.

### **Booster Pumping Stations, Reservoirs and Elevated Water Storage Tanks**

The 1957 High Street Elevated Tank is the oldest elevated tank in the Peterborough Drinking Water System. High Street Elevated Tank requires exterior painting and interior relining in addition to inlet pipe and safety upgrades. This work is planned to commence in 2021 at an estimated cost of \$5.2 million and is the majority of the total capital costs identified in this category.

The Long Term Water Utility Master Plan, completed in 2019, does not recommend any additional major repair/replacement activities for the existing booster pumping stations, reservoirs and elevated water storage tanks for the near future.

### **Trunk Water Mains**

Trunk water mains deliver large amounts of water throughout the city and they are the delivery infrastructure to supply local distribution mains. A larger trunk water main extension is planned to connect pressure zone 3W and 3N through the Lily Lake Development area, largely being completed by the associated developers.

### **Distribution Rehabilitation**

The 453,000 metres of underground piping infrastructure represents a larger asset replacement cost than the entire WTP. Our piping system is consistent with an older community with the oldest in-service pipe being 1883 vintage. The 2021 program proposes rehabilitation of approximately 5,000 metres of pipe and is in line with the latest Linear Asset Management Plan, which was recently updated in 2015. This plan addresses the replacement of a backlog of pipe theoretically beyond its useful life. The Plan establishes full cement-mortar lining rehabilitation by the end of 2023. After this time, the cement-mortar lining program will cease and replacement would be the prevalent program to ensure distribution system sustainability.

### **Water Meters**

The multi-year \$10 million program to install water meters for existing residential customers commenced in early 2011 and is now complete. Ongoing maintenance and repairs will continue throughout 2021 and future years.

### **Riverview Park & Zoo**

The planned 2021 capital program for the Park and Zoo continues our focus on the maintenance/repair of existing facilities and includes some projects postponed in 2020. Projects include additional rehabilitation to the Dobbin Building area and work on animal exhibits. The largest single expenditure for the 2021 budget is for enhancements to the main parking lot and roads to support the implementation of the Park and Zoo's Development Plan, and more specifically the Membership Plan. Other significant projects include modifications to the main entrance gates to the zoo area to address CAZA accreditation requirements, and the addition of an accessible pathway/ramp from the main parking lot to the playground.



## **Details and Costs**

Details and cost estimates for major projects not already approved will be submitted to the Commission for approval prior to the work.

## **RISK EVALUATION**

### **1. 2021 Capital Program**

#### **(i) Water Treatment Plant and Water Street Pumphouse and Dam**

Monies have been allocated for routine and general improvements at the Water Street Dam and Pumphouse to prevent additional degradation and will extend the lifespan of the structure.

#### **(ii) Water Distribution System (Storage and Pumping)**

The ultimate completion of the High Street Water Tower rehabilitation project will reduce the risk of MECF non-compliance and increase the longevity of critical infrastructure.

#### **(iii) Water Distribution System (Linear Infrastructure)**

The rehabilitation (cement-mortar lining) program will be completed over the next three years. The levels for 2021 were established based on the revised Linear Asset Management Plan coupled with the Water Utility Asset Management Plan. This significant investment will provide safe and reliable drinking water to our customers for many years into the future.

### **2. Revenue Uncertainty**

The financial assumptions that carry the most risk are the customer consumption level and the development charges.

Given the factors impacting consumption, including but not limited to the change to metered rates, weather and annual changes in precipitation and conservation activities, setting a base consumption level is key to anticipating future results. There is a risk that consumption levels will decrease as customers further embrace conservation programs and higher efficiency products. The effect of changes in consumption is partially mitigated by the fact that approximately 50% of the water revenue is derived from the base charge and is not consumption based.

Our experience thus far with metered rates has shown us that weather patterns are the largest predictor of consumption levels. Consumption throughout the non-summer months has remained consistent year over year, while consumption from May through August has varied up to 25% depending upon the year. This budget utilizes average consumption levels experienced over the past three years.

The development charges are based on management's best estimate for the timing and size of future developments. The amounts budgeted for 2021 include the further development of the Lily Lake subdivision, with future developments projected in the ten year plan. If development was to change in either the size of the project, or the timeline for completion, these could have material impacts on the development charges included in the budget, as well as minor impacts on the growth of the customer base. In reviewing this risk, Management reviewed the impact that further development delays could have on the operations of the PUC.

### **3. Long Term Rate Sustainability**

In recent years several utilities across the Province and Country have been forced to implement substantial rate increases to pay for increased infrastructure cost. To mitigate this risk, the PUC utilizes its long term planning process.

Long-term planning is an integral part of the PUC's financial forecast. The long-term planning process relies on data from the asset management plan and forecasts consumption, revenue, capital and operating costs over a ten year horizon to ensure long-term financial viability. The two main planning documents maintained by the PUC are the 10 year capital plan and a long term financial forecast.

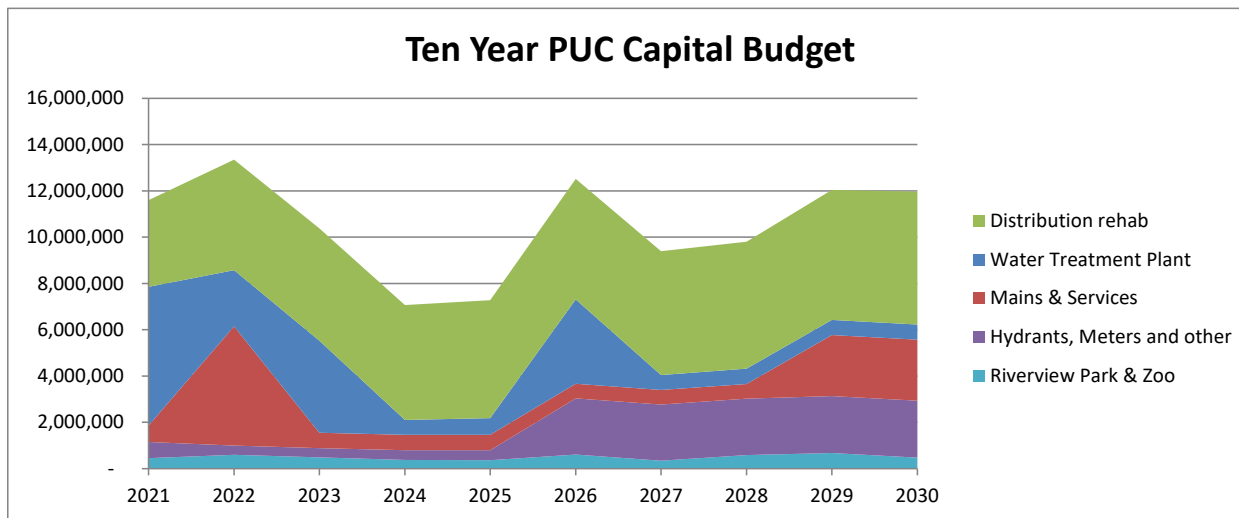
The PUC considers all sources of funding in support of the operating and capital programs with the goal of maintaining stable and reasonable rates and appropriate working capital. The PUC works towards achieving these goals by considering the following factors:

- The transfer of available reserve funds for qualifying capital programs;
- Contributed capital;
- Rate increases; and,
- Long-term borrowing.

When recommending rate increases and long-term borrowing the PUC strives to ensure:

- Equitable allocation of capital costs to current and future rate payers;
- Rate stability and planning; and,
- Minimum working capital requirements

The 10 year capital plan is critical to the long term financial plan. Updated annually as part of the PUC budget process, a summary is provided in the chart below:



As mentioned in the 2021 Capital Budget section, the 10 year capital plan is developed using input from various documents such as facility condition assessments as well as other studies and employing analysis and consideration of risk. As such, the timing of capital expenditures is not necessarily linear as evidenced by the spike of capital spending in 2021 and 2022 and again in 2026.

Attachments: Appendix A – PUC 2021 Operating budget

## **Appendix A**

### **PETERBOROUGH UTILITIES COMMISSION 2021 BUDGET FINANCIAL STATEMENTS**

TABLE OF CONTENTS	
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN ACCUMULATED SURPLUS	2
STATEMENT OF CHANGES IN FINANCIAL POSITION	3
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS	4
SCHEDULE A - COST OF WATER TREATMENT AND STORAGE	5
SCHEDULE B - DISTRIBUTION SYSTEM	5
SCHEDULE C - ADMINISTRATIVE	5
SCHEDULE D - SUPPORT SERVICES	6
SCHEDULE E - STATEMENT OF OPERATIONS FOR RIVERVIEW PARK AND ZOO	6
SCHEDULE F - CONTINUITY SCHEDULE OF RESERVE FUNDS	7

**PETERBOROUGH UTILITIES COMMISSION  
STATEMENT OF FINANCIAL POSITION**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>
<b>FINANCIAL ASSETS</b>				
Cash and short-term deposits	5,650,000	9,401,000	12,862,000	8,282,000
Cash held in reserve funds	9,459,000	10,240,000	10,173,000	11,049,000
Accounts receivable -				
Customer accounts	955,000	900,000	1,100,000	1,100,000
Sewer surcharge	904,000	891,000	1,100,000	1,100,000
Sundry	286,000	450,000	400,000	450,000
Unbilled revenue on customer accounts	1,362,000	1,400,000	1,400,000	1,400,000
Unbilled sewer surcharge	1,300,000	1,386,000	1,380,000	1,400,000
	<b>19,916,000</b>	<b>24,668,000</b>	<b>28,415,000</b>	<b>24,781,000</b>
<b>LIABILITIES</b>				
Accounts payable and accrued charges	2,923,000	2,600,000	2,500,000	2,700,000
Sewer surcharge payable	2,971,000	3,100,000	3,500,000	3,500,000
Debt - due to the Corporation of the City of Peterborough	9,606,000	14,217,000	14,217,000	12,915,000
Customer deposits	714,000	650,000	750,000	750,000
	<b>16,214,000</b>	<b>20,567,000</b>	<b>20,967,000</b>	<b>19,865,000</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,702,000</b>	<b>4,101,000</b>	<b>7,448,000</b>	<b>4,916,000</b>
<b>NON-FINANCIAL ASSETS</b>				
<b>TANGIBLE CAPITAL ASSETS:</b>				
Water treatment plant and reservoirs	51,025,000	54,863,000	52,353,000	58,350,000
Water distribution system	182,521,000	186,743,000	184,798,000	189,947,000
Riverview Park and Zoo	11,287,000	11,378,000	11,590,000	12,043,000
Other	17,000	17,000	17,000	17,000
	<b>244,850,000</b>	<b>253,001,000</b>	<b>248,758,000</b>	<b>260,357,000</b>
Less: Accumulated amortization	123,168,000	129,738,000	129,388,000	135,688,000
	<b>121,682,000</b>	<b>123,263,000</b>	<b>119,370,000</b>	<b>124,669,000</b>
Construction in progress	443,000	2,000,000	443,000	443,000
	<b>122,125,000</b>	<b>125,263,000</b>	<b>119,813,000</b>	<b>125,112,000</b>
Inventories	423,000	400,000	500,000	500,000
Prepaid expenses	291,000	-	-	-
	<b>122,839,000</b>	<b>125,663,000</b>	<b>120,313,000</b>	<b>125,612,000</b>
<b>ACCUMULATED SURPLUS</b>	<b>126,541,000</b>	<b>129,764,000</b>	<b>127,761,000</b>	<b>130,528,000</b>

**PETERBOROUGH UTILITIES COMMISSION**  
**STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN ACCUMULATED SURPLUS**

	2019 Actual	2020 Budget	2020 Projection	2021 Budget	Change vs Budget	Change vs Budget
<b>REVENUE</b>						
Revenue from sale of water	17,539,000	18,096,000	17,896,000	18,321,000	225,000	1.2%
Capital installation charges	214,000	350,000	100,000	350,000	-	0.0%
Development charges	219,000	1,542,000	50,000	1,437,000	(105,000)	-6.8%
Contributions to RP&Z Reserve Funds	19,000	25,000	25,000	25,000	-	0.0%
Fire protection	650,000	650,000	650,000	650,000	-	0.0%
Sewer surcharge billings	414,000	422,000	422,000	430,000	8,000	1.9%
Riverview Park and Zoo - Schedule E	241,000	281,000	25,000	59,000	(222,000)	-79.0%
Interest income	336,000	228,000	200,000	184,000	(44,000)	-19.3%
Other	380,000	300,000	250,000	300,000	-	0.0%
Electricity	418,000	425,000	350,000	425,000	-	0.0%
	20,430,000	22,319,000	19,968,000	22,181,000	(138,000)	-0.6%
<b>OPERATING EXPENSES</b>						
Water treatment and storage (Schedule A)	4,216,000	4,629,000	4,521,000	4,766,000	137,000	3.0%
Distribution Systems (Schedule B)	2,581,000	2,268,000	2,268,000	2,324,000	56,000	2.5%
Administrative (Schedule C)	1,267,000	1,418,000	1,418,000	1,403,000	(15,000)	-1.1%
Support Services (Schedule D)	2,556,000	2,522,000	2,522,000	2,615,000	93,000	3.7%
Riverview Park and Zoo (Schedule E)	1,938,000	1,726,000	1,432,000	1,589,000	(137,000)	-7.9%
<b>TOTAL OPERATING EXPENSES</b>	12,558,000	12,563,000	12,161,000	12,697,000	134,000	1.1%
<b>OTHER EXPENSES</b>						
Interest	326,000	367,000	367,000	417,000	50,000	13.6%
Amortization	6,185,000	6,470,000	6,220,000	6,300,000	(170,000)	-2.6%
<b>TOTAL EXPENSES</b>	19,069,000	19,400,000	18,748,000	19,414,000	14,000	0.1%
<b>SURPLUS</b>	1,361,000	2,919,000	1,220,000	2,767,000	(152,000)	-5.2%
<b>OPENING ACCUMULATED SURPLUS</b>	125,180,000	126,845,000	126,541,000	127,761,000	916,000	0.7%
<b>CLOSING ACCUMULATED SURPLUS</b>	126,541,000	129,764,000	127,761,000	130,528,000	764,000	0.6%
<b>SUMMARY OF SURPLUS BY ACTIVITY</b>						
Operating Activities	1,903,000	1,473,000	1,283,000	1,634,000	161,000	10.9%
Operating Activities - RP&Z	(1,697,000)	(1,445,000)	(1,407,000)	(1,530,000)	(85,000)	5.9%
Reserve Fund Activities	941,000	2,541,000	1,244,000	2,313,000	(228,000)	-9.0%
Contributed Capital Activities	214,000	350,000	100,000	350,000	-	0.0%
	1,361,000	2,919,000	1,220,000	2,767,000	(152,000)	-5.2%

**PETERBOROUGH UTILITIES COMMISSION  
STATEMENT OF CHANGES IN FINANCIAL POSITION**

	2019 Actual	2020 Budget	2020 Projection	2021 Budget	Change vs Budget	Change vs Budget
<b>OPERATIONS</b>						
Surplus	1,361,000	2,919,000	1,220,000	2,767,000	(152,000)	-5.2%
Add/(less): items not requiring cash						
Amortization	6,185,000	6,470,000	6,220,000	6,300,000	(170,000)	-2.6%
Capital installation charges	(214,000)	(350,000)	(100,000)	(350,000)	-	0.0%
	7,332,000	9,039,000	7,340,000	8,717,000	(322,000)	-3.6%
Change in non-cash working capital items	(13,000)	93,000	(217,000)	130,000	37,000	39.8%
	7,319,000	9,132,000	7,123,000	8,847,000	(285,000)	-3.1%
<b>INVESTING ACTIVITIES</b>						
Additions to tangible capital assets	(6,731,000)	(8,480,000)	(3,908,000)	(11,599,000)	(3,119,000)	36.8%
Net of contributed capital	214,000	350,000	100,000	350,000	-	0.0%
	(6,517,000)	(8,130,000)	(3,808,000)	(11,249,000)	(3,119,000)	38.4%
<b>FINANCING ACTIVITIES</b>						
Debentures issued	-	6,000,000	6,000,000	-	(6,000,000)	-100.0%
Decrease in debenture debt	(1,376,000)	(1,389,000)	(1,389,000)	(1,302,000)	87,000	-6.3%
	(1,376,000)	4,611,000	4,611,000	(1,302,000)	(5,913,000)	-128.2%
<b>NET CHANGE DURING THE PERIOD</b>	(574,000)	5,613,000	7,926,000	(3,704,000)	(9,317,000)	-166.0%
<b>CASH POSITION - BEGINNING OF YEAR</b>	15,683,000	14,028,000	15,109,000	23,035,000	9,007,000	64.2%
<b>CASH POSITION - END OF PERIOD</b>	15,109,000	19,641,000	23,035,000	19,331,000	(310,000)	-1.6%
<b>Ending cash balance comprised of the following:</b>						
Unrestricted cash	5,650,000	9,401,000	12,862,000	8,282,000		
Restricted cash						
Water Treatment Plant, Restricted Reserve Fund	8,276,000	9,133,000	9,163,000	10,006,000		
Development Charges Act, Restricted Reserve Fund	-	-	-	-		
Park and Zoo Major Projects, Restricted Reserve Fund	595,000	634,000	630,000	660,000		
Park and Zoo Animal Care, Restricted Reserve Fund	486,000	266,000	274,000	276,000		
Park and Zoo State of Good Repair Reserve Fund	102,000	207,000	106,000	107,000		
	15,109,000	19,641,000	23,035,000	19,331,000		
<b>Change in non-cash working capital items comprised of the following:</b>						
Accounts receivable	54,000	(1,000)	(455,000)	(50,000)		
Unbilled revenue and sewer surcharges	(95,000)	(6,000)	(118,000)	(20,000)		
Inventories	(60,000)	-	(77,000)	-		
Prepaid expenses	(285,000)	-	291,000	-		
Accounts payable	275,000	100,000	106,000	200,000		
Deposits	98,000	-	36,000	-		
	(13,000)	93,000	(217,000)	130,000		

**PETERBOROUGH UTILITIES COMMISSION  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>
Surplus	1,361,000	2,919,000	1,220,000	2,767,000
Acquisition of Tangible Capital Assets	(6,731,000)	(8,480,000)	(3,908,000)	(11,599,000)
Amortization of Tangible Capital Assets	6,185,000	6,470,000	6,220,000	6,300,000
Decrease (increase) in inventories	(60,000)	-	(77,000)	-
Decrease (increase) in Prepaid Expenses	(285,000)	-	291,000	-
	470,000	909,000	3,746,000	(2,532,000)
Net Financial Assets, beginning of year	3,232,000	3,192,000	3,702,000	7,448,000
<b>Net Financial Assets, end of period</b>	<b>3,702,000</b>	<b>4,101,000</b>	<b>7,448,000</b>	<b>4,916,000</b>



**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE A  
COST OF WATER TREATMENT AND STORAGE**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>	<b>Change vs Budget</b>	<b>Change vs Budget</b>
Process Waste Treatment	\$ 224,000	\$ 278,000	\$ 270,000	\$ 262,000	(16,000)	-5.8%
Water Treatment Plant	3,218,000	3,569,000	3,469,000	3,716,000	147,000	4.1%
Pump house/Dam	359,000	368,000	368,000	382,000	14,000	3.8%
Pumping station	226,000	223,000	223,000	222,000	(1,000)	-0.4%
Reservoirs	189,000	191,000	191,000	184,000	(7,000)	-3.7%
	<b>\$ 4,216,000</b>	<b>\$ 4,629,000</b>	<b>\$ 4,521,000</b>	<b>\$ 4,766,000</b>	<b>137,000</b>	<b>3.0%</b>

**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE B  
DISTRIBUTION SYSTEM**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>	<b>Change vs Budget</b>	<b>Change vs Budget</b>
Trunk mains	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	-	0.0%
Distribution mains	362,000	413,000	338,000	490,000	77,000	18.6%
Locate & records	355,000	179,000	260,000	222,000	43,000	24.0%
Flushing	46,000	64,000	64,000	67,000	3,000	4.7%
Valves and boxes	156,000	244,000	244,000	250,000	6,000	2.5%
General maintenance	206,000	214,000	214,000	174,000	(40,000)	-18.7%
Hydrants	271,000	257,000	257,000	255,000	(2,000)	-0.8%
Service pipes	954,000	665,000	665,000	676,000	11,000	1.7%
Meters	62,000	117,000	117,000	122,000	5,000	4.3%
Water Distribution Engineering	169,000	100,000	94,000	53,000	(47,000)	-47.0%
	<b>\$ 2,581,000</b>	<b>\$ 2,268,000</b>	<b>\$ 2,268,000</b>	<b>\$ 2,324,000</b>	<b>56,000</b>	<b>2.5%</b>

**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE C  
GENERAL ADMINISTRATIVE**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>	<b>Change vs Budget</b>	<b>Change vs Budget</b>
Advertising and public relations	\$ 36,000	\$ 17,000	\$ 17,000	\$ 17,000	-	0.0%
Water conservation	52,000	56,000	56,000	39,000	(17,000)	-30.4%
Donations	23,000	25,000	25,000	25,000	-	0.0%
Commission expenses	2,000	4,000	4,000	4,000	-	0.0%
Building Rent	394,000	433,000	433,000	423,000	(10,000)	-2.3%
Insurance	374,000	404,000	404,000	444,000	40,000	9.9%
Software & equipment rental	104,000	169,000	169,000	166,000	(3,000)	-1.8%
Professional fees	38,000	61,000	61,000	61,000	-	0.0%
Memberships	20,000	20,000	20,000	15,000	(5,000)	-25.0%
Property taxes	195,000	199,000	199,000	198,000	(1,000)	-0.5%
Miscellaneous	29,000	30,000	30,000	11,000	(19,000)	-63.3%
	<b>\$ 1,267,000</b>	<b>\$ 1,418,000</b>	<b>\$ 1,418,000</b>	<b>\$ 1,403,000</b>	<b>(15,000)</b>	<b>-1.1%</b>

**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE D  
SUPPORT SERVICES**

	2019 Actual	2020 Budget	2020 Projection	2021 Budget	Change vs Budget	Change vs Budget
Finance	\$ 93,000	\$ 85,000	\$ 85,000	\$ 87,000	2,000	2.4%
Administration	711,000	581,000	581,000	608,000	27,000	4.6%
Peterborough Technology Services	548,000	577,000	577,000	630,000	53,000	9.2%
Customer Service	733,000	773,000	773,000	780,000	7,000	0.9%
Billing Integration and Infrastructure	165,000	170,000	170,000	161,000	(9,000)	-5.3%
Human Resources	207,000	232,000	232,000	248,000	16,000	6.9%
Purchasing	99,000	104,000	104,000	101,000	(3,000)	-2.9%
	<b>\$ 2,556,000</b>	<b>\$ 2,522,000</b>	<b>\$ 2,522,000</b>	<b>\$ 2,615,000</b>	<b>93,000</b>	<b>3.7%</b>

**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE E  
STATEMENT OF OPERATIONS FOR RIVERVIEW PARK and ZOO**

	2019 Actual	2020 Budget	2020 Projection	2021 Budget	Change vs Budget	Change vs Budget
<b>REVENUE</b>						
Train	\$ 106,000	\$ 130,000	\$ -	\$ -	(130,000)	-100.0%
Miscellaneous	135,000	151,000	25,000	59,000	(92,000)	-60.9%
<b>Total revenue</b>	<b>241,000</b>	<b>281,000</b>	<b>25,000</b>	<b>59,000</b>	<b>(222,000)</b>	<b>-79.0%</b>
<b>EXPENSES</b>						
Maintenance Park	678,000	650,000	400,000	592,000	(58,000)	-8.9%
Maintenance Train	98,000	94,000	-	3,000	(91,000)	-96.8%
Animal Care and Zoo Maintenance	1,162,000	982,000	1,032,000	994,000	12,000	1.2%
<b>Total operating expenses</b>	<b>1,938,000</b>	<b>1,726,000</b>	<b>1,432,000</b>	<b>1,589,000</b>	<b>(137,000)</b>	<b>-7.9%</b>
Contribution to State of Good Repair Fund	-	50,000	-	-	(50,000)	0.0%
	<b>1,938,000</b>	<b>1,776,000</b>	<b>1,432,000</b>	<b>1,589,000</b>	<b>(187,000)</b>	<b>-10.5%</b>
<b>NET EXPENSES FOR PERIOD</b>	<b>\$ 1,697,000</b>	<b>\$ 1,495,000</b>	<b>\$ 1,407,000</b>	<b>\$ 1,530,000</b>	<b>35,000</b>	<b>2.3%</b>

**PETERBOROUGH UTILITIES COMMISSION  
SCHEDULE F  
CONTINUITY SCHEDULE OF RESERVE FUNDS**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projection</b>	<b>2021 Budget</b>
<b>WATER TREATMENT PLANT RESERVE FUND</b>				
Opening balance	7,374,000	8,225,000	8,276,000	9,163,000
Contributions	728,000	755,000	746,000	764,000
Interest	174,000	153,000	141,000	79,000
Transfers to General Fund	-	-	-	-
Closing Balance	8,276,000	9,133,000	9,163,000	10,006,000
<b>DEVELOPMENT CHARGES RESERVE FUND</b>				
Opening balance	-	-	-	-
Contributions	219,000	1,542,000	50,000	1,437,000
Interest	3,000	-	-	-
Transfers to General Fund	(222,000)	(1,542,000)	(50,000)	(1,437,000)
Closing Balance	-	-	-	-
<b>RIVERVIEW PARK &amp; ZOO MAJOR PROJECTS RESERVE FUND</b>				
Opening balance	563,000	598,000	595,000	630,000
Contributions	19,000	25,000	25,000	25,000
Interest	13,000	11,000	10,000	5,000
Transfers to General Fund	-	-	-	-
Closing Balance	595,000	634,000	630,000	660,000
<b>RIVERVIEW PARK &amp; ZOO ANIMAL CARE RESERVE FUND</b>				
Opening balance	476,000	264,000	486,000	274,000
Contributions	-	-	-	-
Interest	10,000	2,000	8,000	2,000
Transfers to General Fund	-	-	(220,000)	-
Closing Balance	486,000	266,000	274,000	276,000
<b>RIVERVIEW PARK &amp; ZOO STATE OF GOOD REPAIR FUND</b>				
Opening balance	100,000	154,000	102,000	106,000
Contributions	-	50,000	-	-
Interest	2,000	3,000	4,000	1,000
Transfers to General Fund	-	-	-	-
Closing Balance	102,000	207,000	106,000	107,000
<b>TOTAL RESERVE FUND BALANCE</b>	<b>9,459,000</b>	<b>10,240,000</b>	<b>10,173,000</b>	<b>11,049,000</b>

# PETERBOROUGH UTILITIES COMMISSION REPORT

January 15, 2021

2.02

COMMISSION AGENDA  
2021.01.21

## 2021 WATER UTILITY RATE SCHEDULE - SECOND READING

### RECOMMENDATION

**THAT** the 2021 Water Utility Rate Schedule reflecting a water rate increase of 2.48% be approved BY THE COMMISSION

Prepared by: Kyle Davis, CFO

Submitted by: Kyle Davis, CFO

Approved for Submission by: \_\_\_\_\_  
President & CEO

**Background**

The 2021 Operating and Capital Budget has been presented to the Commission under a separate report. As detailed in the report, the 2021 budget proposes a 2.48% rate increase on both fixed and variable consumption charges across all rate classes. A copy of the complete Water Utility Rate Schedule for the Peterborough Utilities Commission, effective January 22, 2021, is included as Appendix A

**Summary**

As noted above, the 2021 Budget includes a 2.48% rate increase for the basic meter charge as well as the consumption charge for all consumption levels. In addition to this increase, the following items are noted:

- Administrative and late charges, such as set up fees, letters of reference and statement of accounts have been held with a 0% increase in 2020, and have seen no increase since 2016.
- Non-Payment of account fees, such as late fees and disconnection fees have also been held with a 0% increase in 2020, and have seen no increase since 2016.
- Development charges will be increased in January according to the prescribed inflationary index of 2.3%.

Attachments: Appendix A – PUC Water Utility Rate Schedule



# Water Utility Rate Schedule

Peterborough  
Effective January 22, 2021

## Metered Services

Monthly charges are based on the Basic Charge plus Consumption Charges at rates listed below.

### Basic Charge based on size of meter

15 mm (5/8")	\$ 22.33 /mo
20 mm (3/4")	\$ 22.33 /mo
25 mm (1")	\$ 41.14 /mo
40 mm (1-1/2")	\$ 70.52 /mo
50 mm (2")	\$ 99.90 /mo
75 mm (3")	\$ 178.65 /mo
100 mm (4")	\$ 361.23 /mo
150 mm (6")	\$ 626.86 /mo
200 mm (8")	\$ 892.46 /mo
250 mm (10")	\$ 1,246.48 /mo
300 mm (12")	\$ 1,769.99 /mo

### Consumption Charges (Monthly Consumption)

0 – 20 m <sup>3</sup>	\$ 1.4574 / m <sup>3</sup>
>20 – 100 m <sup>3</sup>	\$ 1.5279 / m <sup>3</sup>
>100 – 5,000 m <sup>3</sup>	\$ 0.7971 / m <sup>3</sup>
> 5,000 m <sup>3</sup>	\$ 0.5497 / m <sup>3</sup>

## Sewer Surcharge

A sewer surcharge, proportional to water charges, is billed and collected on behalf of the City of Peterborough. For clarification regarding this charge, please call Peterborough City Hall at 705-742-7771.

### Turn-on/Turn-off service

There is no charge for this service during normal business hours, unless it is required on a repeat basis; for instance, annually. Please give us 24 hours advance notice for this free service.

Occasional, during normal working hours,  
turn on or off no charge

Repeat, during normal working hours,  
turn on or off \$63.50

Repeat or Annual Service, after hours  
(except emergencies), turn on or off,  
Actual cost, \$155.00 min. charge

### Snowbirds

A \$63.50 fee will apply for customers who wish to have their service disconnected during the winter months; a \$63.50 fee will also apply for reconnection of the service. During the months when the water service is off, the applicable Basic Charge will still apply. Once the service is re-connected, Basic and Consumption Charges will resume.

### Seasonal Water Meters

Seasonal water meters that service parks, cemeteries and sports fields that are removed in the Fall and re-installed in the spring will incur the \$155 fee for both the installation and removal of the meter. During the months when the meter has been removed, no Basic or Consumption Charges will apply. Once the meter has been re-installed, Basic and Consumption Charges will resume.

### Fire Flow Tests

During non-freezing periods \$335 / test

During freezing periods  
Time and material, \$335 minimum

### Cross-Connection Fees

Certified Backflow Prevention Device Tester  
Registration Fee \$100 / year

Transient Certified Backflow Prevention Device Tester  
Registration Fee \$50 / 30 days

Test Tag Fee \$25  
Test tags expire 5 years after first being affixed to a backflow prevention device. Authorized test tags are only available from PUC. Only Registered Testers may purchase test tags.

Late Filing Fee \$100 / report  
Applies to any report that is not submitted within the specified time-period or for any person not renewing their Certified Backflow Prevention Device Tester Registration within 30 days of expiry.

## **Specific Service Charges**

### **Customer Administration**

Account set up	\$	30.00
Credit Reference check	\$	19.50
Letter of Reference	\$	15.00
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate Invoices (bill reprint)	\$	15.00
Easement Letter	\$	15.00
Over Due Notice Charge	\$	15.00
Returned Cheque Fee	\$	35.00
Tax Roll Water	\$	25.00
Tax Roll City	\$	25.00

### **Non-Payment of Account**

Late Payment Charge Monthly	%	1.50
Late Payment Charge Annually	%	19.56
Collection Visit (No disconnect)	\$	30.00
Disconnection for Non Payment Fee	\$	63.50
Reconnection Fee After Disconnect	\$	63.50
After Hours Reconnection Fee (minimum)	\$	155.00

### **Other**

Special Meter Reads	\$	30.00
Manipulating water bypass	\$	2,000.00



## WATER CAPITAL CHARGES

Effective January 22, 2021

### Frontage Charges

Residential, Commercial and Institutional	\$466 / metre
Industrial	\$466 / metre
Re-development	same as above

### Non-Abutting Frontage Charges

Residential - Single Family	\$3,431 each
Multi-residential, Commercial, Industrial, Institutional (by formula)	Min. frontage* (m) x \$3,431 (\$) ÷ 15.24 (m)
* Minimum frontage as required by City of Peterborough Zoning By-Law	

### Service Connections

Residential - 20 mm, Restoration costs extra	\$3,123 each
Residential - 25 mm (low pressure areas), Restoration costs extra	\$3,123 each
All other services - 25 mm and larger	Actual Costs, Minimum charge \$3,123

Subdivision Inspection Charges	\$126 per lot
--------------------------------	---------------

## WATER UTILITY DEVELOPMENT CHARGES

Effective January 1, 2021

### Residential

	Res. A	Res. B	Res.C
Planning Area	Singles & Semis	Other Multiples	Apart- ments
1. Auburn North	\$2,378	\$2,051	\$1,395
2. Jackson	\$2,786	\$2,401	\$1,633
3. Carnegie West (Zone 3N)	\$2,310	\$1,991	\$1,353
4. Chemong	\$1,836	\$1,583	\$1,077
5. Lily Lake	\$2,718	\$2,343	\$1,593
6. Liftlock	\$1,861	\$1,604	\$1,091
7. Coldsprings	\$2,341	\$2,017	\$1,372
8. Outside Planning Areas	\$1,503	\$1,295	\$882
9. Carnegie East (Zone 2)	\$713	\$615	\$418
10. Chemong East	\$1,084	\$935	\$636

**Non-Residential**, all planning areas . . . . \$6.15 /m<sup>2</sup>

Rates are subject to change.