An aerial photograph of a large, circular water reservoir. The water is a light greenish-blue color. To the right of the reservoir, there is a modern, multi-story building with a curved facade and several circular structures on its roof. The surrounding area is landscaped with green grass and some trees. The overall scene is bright and clear.

# 2008 Water & Wastewater Reserve Study Update

General Committee  
June 9, 2008



# Agenda

- Background
- 2008 Water & Wastewater Reserve Study Update Process
- Total Replacement/Rehabilitation costs from 2009 to 2033
- Projected Reserve Balance
- Summary & Next Steps
- Recommendation

## Background

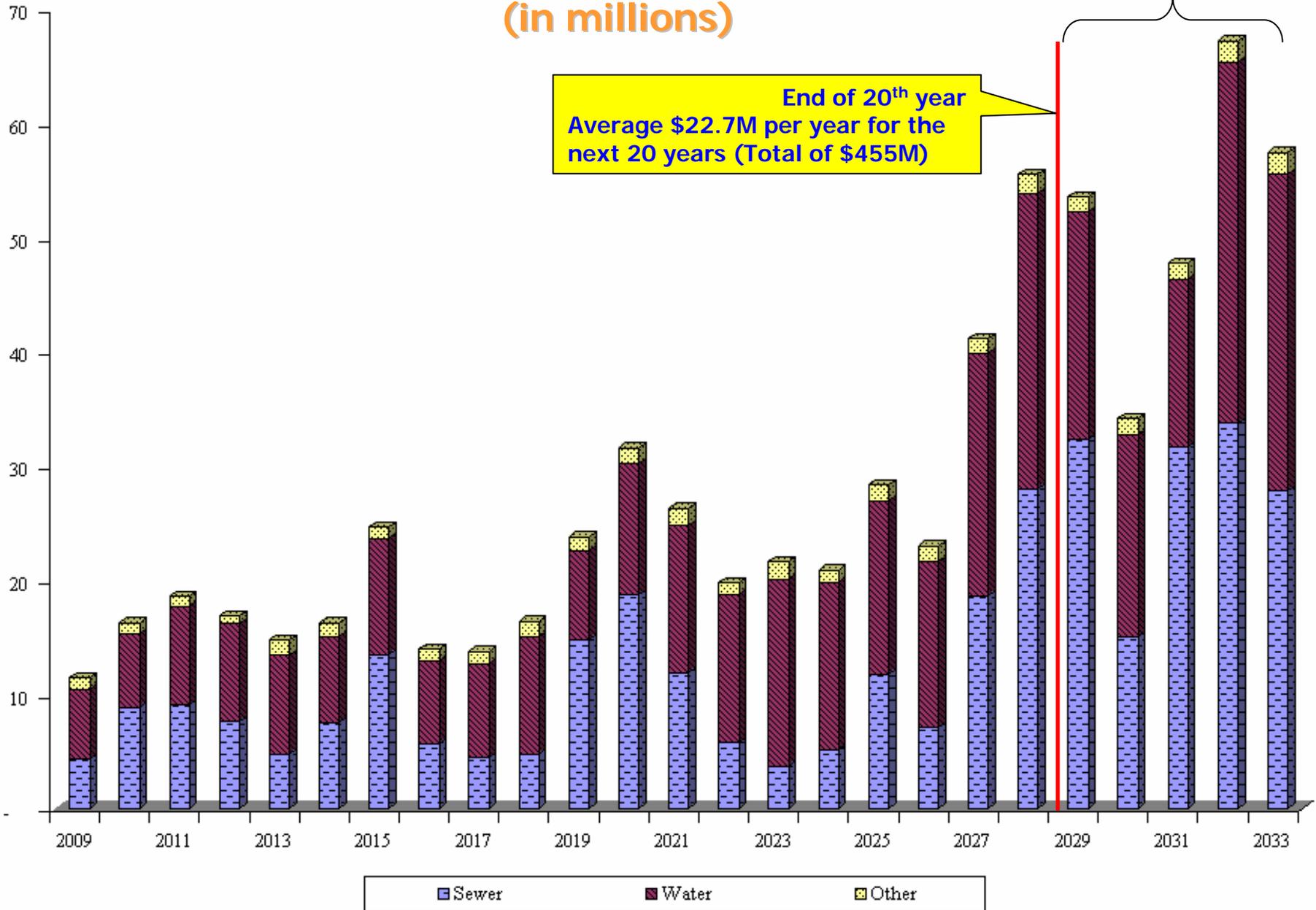
- In October, 2007, Staff presented the Water & Wastewater Reserve Study to General Committee which outlined the need for a Water & Wastewater Infrastructure Surcharge in order to build up the Waterworks Reserves to sustain and address the ongoing replacement and rehabilitation requirements for Waterworks infrastructure
- On November 26, 2007, Council approved a Water & Wastewater Infrastructure Surcharge of  $\$0.4137/\text{m}^3$  to be phased-in over 10 years effective January 1, 2008
- The 10 year phase-in starts with an increase of  $\$0.0827/\text{m}^3$  (20% of total increase) in 2008 and an increase of  $\$0.0621/\text{m}^3$  (15% of total increase) in 2009. The remaining 65% increase of  $\$0.2689$  will be spread evenly over the following 8 years which is equivalent to an increase of  $\$0.0336/\text{m}^3$  per year from 2010 to 2017 inclusive
- With the approved Infrastructure Surcharge, the Reserve Study identified sufficient funds for the next 25 years to year 2032

## 2008 Water & Wastewater Reserve Study Update Process

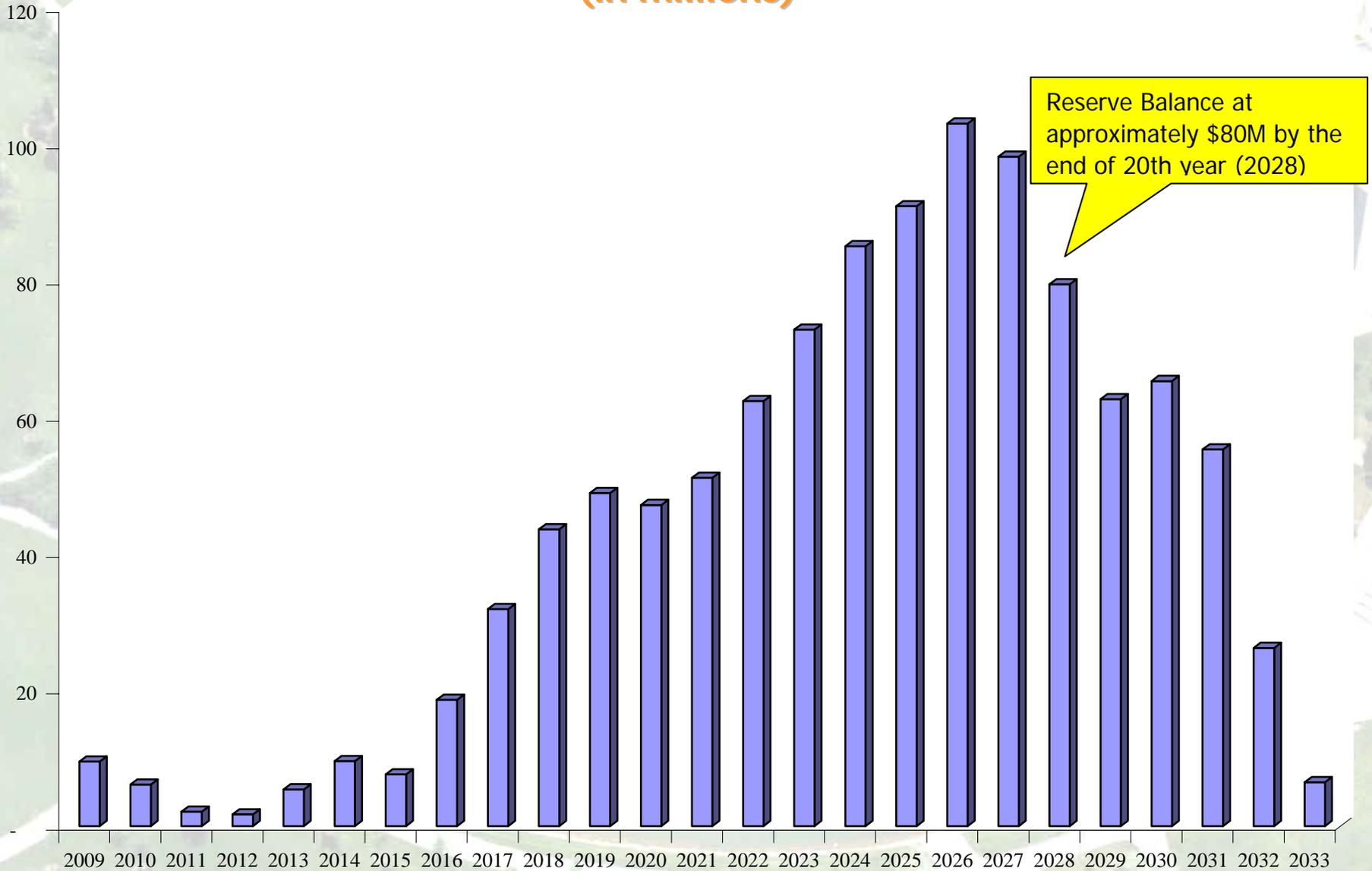
- The 2008 Update covers the next 25 years from 2009 to 2033
- Includes assets to the end of 2007
- Since the Water & Wastewater Reserve Study was approved in November 2007, the 2007 Reserve Study already incorporated the financial implications from the 2008 Operating and Capital Budgets

# Total Replacement/Rehabilitation Costs from 2009-2033 (in millions)

After 2028, average \$52M per year for the next 5 years (Total \$260M)



# Projected Reserve Balance (in millions)



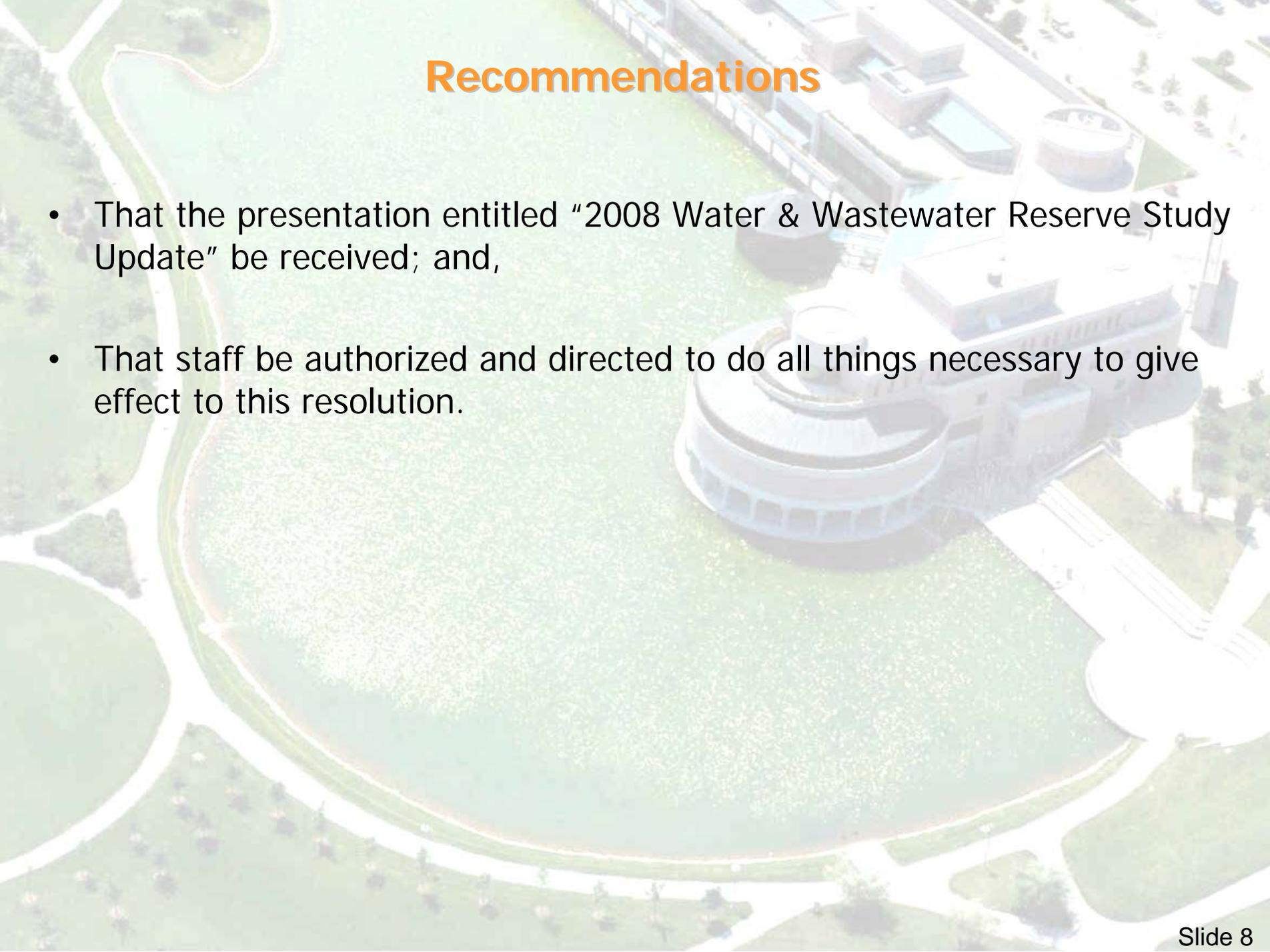
# Summary & Next Steps

## Summary

- The 2008 update identified sufficient funds for the next 25 years to year 2033

## Next Steps

- The 2009 replacement/rehabilitation requirements as identified in the Reserve Study will establish the basis for the 2009 capital submissions contingent on condition assessments
- Jun. - DHF review of the 2009 proposed capital budget
- Sept. – CCC review of the 2009 proposed capital budget
- Oct. – Meeting with the Mayor and the Budget Chief
- Oct. to Dec. – Budget Sub-Committee review of the 2009 Budget



## Recommendations

- That the presentation entitled “2008 Water & Wastewater Reserve Study Update” be received; and,
- That staff be authorized and directed to do all things necessary to give effect to this resolution.