

To: UWSS Inc. Board of Directors
From: Rodney Bouchard, UWSS Inc. CEO
Date: January 10, 2024
Re: Proposed 2024 UWSS Inc. Operations and Capital Budget



Recommendation

That the Union Water Supply System Inc. Board of Directors (Board) adopts the Proposed 2024 Operational and Capital Budget for the Union Water Supply System;

And further, that the Board adopts an increase of \$0.0214 per cubic metre for the UWSS Treatment and Transmission Rate (Rate). The new proposed Rate for 2024 would be \$0.7339 per cubic meter.

Report Highlights

- Potable water demand from UWSS is anticipated to be approximately 21,533,000 m³ for 2024. This demand represents an increase of 1.4% over the demand for 2023. It should be noted that 2023 demand was 1.4% higher than 2022 demand to date and it is anticipated that a similar increase in demand will occur in 2024.
- An increase of \$0.0214/m³ is proposed for the UWSS Treatment and Transmission Rate (Rate). The new proposed Rate for 2024 would be \$0.7339/m³.
- UWSS Revenue for 2024 is estimated at \$15,398,000. This includes estimated Rate revenue of \$14,538,000, interest income of \$807,000, property rental revenue of \$30,000, and sundry revenue of \$23,000.
- Operational and Debt Service Expenditures for 2024 are estimated at \$11,724,000. This includes \$3,950,000 for OCWA Operations and Maintenance services, \$2,428,000 for the Sunlife Loan (former MFP Debt) service and projected \$1,050,000 debt service for a proposed (pending Board approval) \$60 million loan to support the construction of a new reservoir and UV treatment facilities.
- 2024 Revenue versus Operational and Debt Service Expenditures are anticipated to result in a surplus of approximately \$3,674,000.
- A cash funded Capital Works, Major Maintenance and Capital Purchase budget of \$8,775,000 is proposed for 2024.
- An estimated draw of \$5.1 million from the UWSS Reserves would be needed to fund the 2024 Cash Funded Capital Program.
- Total reserves for 2023 year end are forecasted to be \$18.4 million.
- The Debt Funded Capital Projects for 2024 include the Reservoir #3 Construction. This project is dependent on securing a \$60 million credit facility, which is subject to further approval by UWSS Inc Board.

1.0 Background:

Since the Transfer Order of January 2001 was put into place, the UWSS Joint Board of Management Board has been responsible for considering and approving an annual budget for the Union Water Supply System. As of January 1, 2024, management of the Union Water Supply System is now the responsibility of Union Water Supply System Inc. Board of Directors and Corporate Officers.

A preliminary version of the proposed 2024 UWSS Operations and Capital Budget package was reviewed with the UWSS Inc. Board of Directors in November 2023. This report provides an updated version of the preliminary budget of November 2023.

UWSS Inc. management is seeking approval of the proposed 2024 UWSS Budget so that critical studies and major capital upgrades and improvements can be initiated without delay.

This budget report is outlined to provide details on the following:

- Anticipated revenue for 2024 from sale of treated water to customers in the municipalities of Leamington, Kingsville, Essex and Lakeshore;
- Anticipated revenue from other sources including rental income from telecom companies for leased space on UWSS water towers and rental income from UWSS Inc. owned property;
- Anticipated operating expenditures for 2024 including estimated costs for operation of the system by the Ontario Clean Water Agency (OCWA), under its contract with UWSS;
- Proposed Cash Funded Capital Works program for 2024;
- Forecasted Operational Expenditures and Capital Works program for 2024-2032.

The Proposed 2024 Budget documents have been prepared based on the discussions with the contracted operator, OCWA, with regard to operational budget, major maintenance needs, and existing operational issues that would require implementation of capital works to resolve. The Budget documents reflect the following:

- The operations and maintenance costs associated with the 5-Year (with option to renew for 5-years) Fixed Fee Operations Agreement between UWSS and OCWA that came into effect on January 1, 2019 and is to be reviewed in 2024;
- The proposed capital budget for 2024 that includes significant capital projects such as retrofitting of Clarifier #4 into a dissolved air flotation clarification unit (DAF #2), engineering and procurement of new backup generating power systems at the water treatment plant and low lift facilities, and a long list of major maintenance and capital upgrades at UWSS facilities.

Details regarding the budget components are discussed below.

2.0 Operating Budget

The UWSS Inc. operating budget includes revenue and expenditures components. Details on revenue sources and expenditures are provided below.

2.1 Revenue

Revenue for the budget process is mainly based on billings from the sale of potable water to customers in the municipalities of Leamington, Kingsville, Essex and Lakeshore. UWSS Inc. potable water sale revenue is derived from treatment and transmission of water. Distribution system related water revenue is collected by the local municipalities. A much smaller component of revenue is based on miscellaneous revenue such as investment income, property rental income, and sundry income. The total estimated revenue for 2024 is \$15,398,000

2.1.1 Wholesale Water Revenue Summary

UWSS Inc. potable water revenue is based on water usage by end users/customers within the UWSS Inc. service area and the UWSS Inc. treatment and transmission water rates.

2.1.1.1 Water Usage

The projected water for 2024 is approximately 21,553,000 m³, which is based on a 1.4% increase over the actual water demand in 2023. It should be noted that 2023 water demand was 1.4% greater than 2022 water demand and it is anticipated that a similar increase in demand will occur in 2024.

Figure 1 depicts the total UWSS water usage trend from 1998-2023

Figure 1

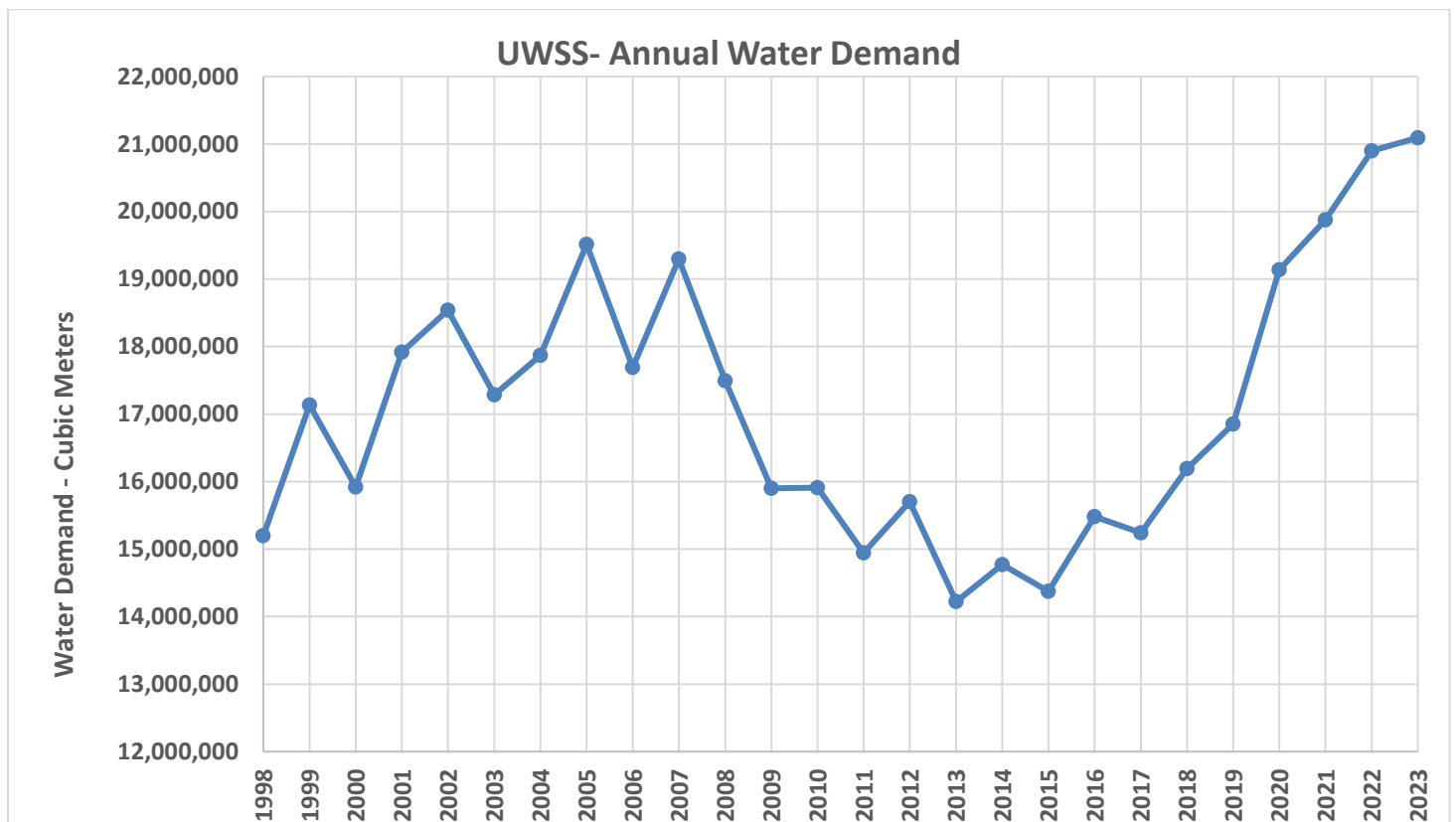


Figure 2 depicts cumulative daily water demand from 1998-2023.

Figure 2

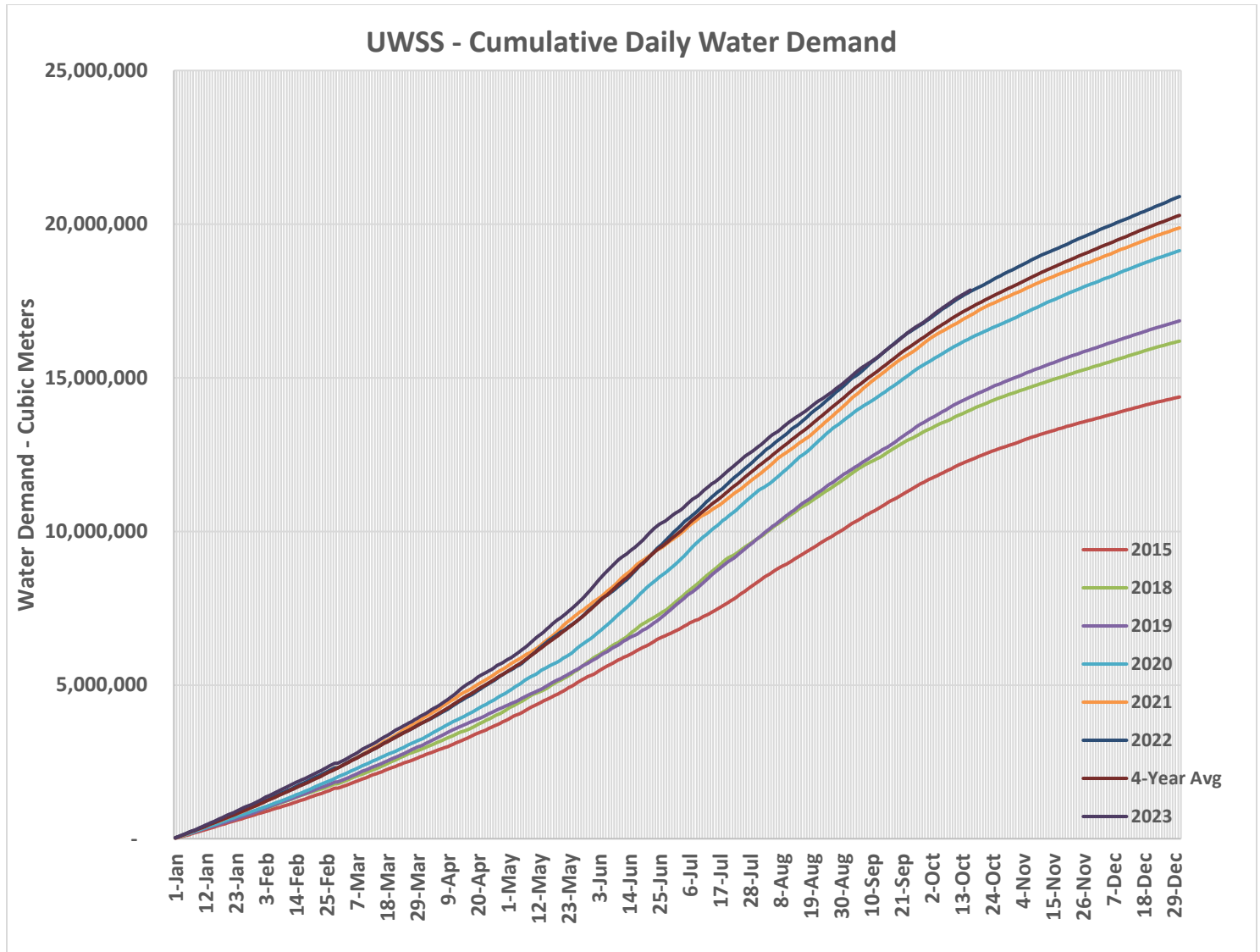
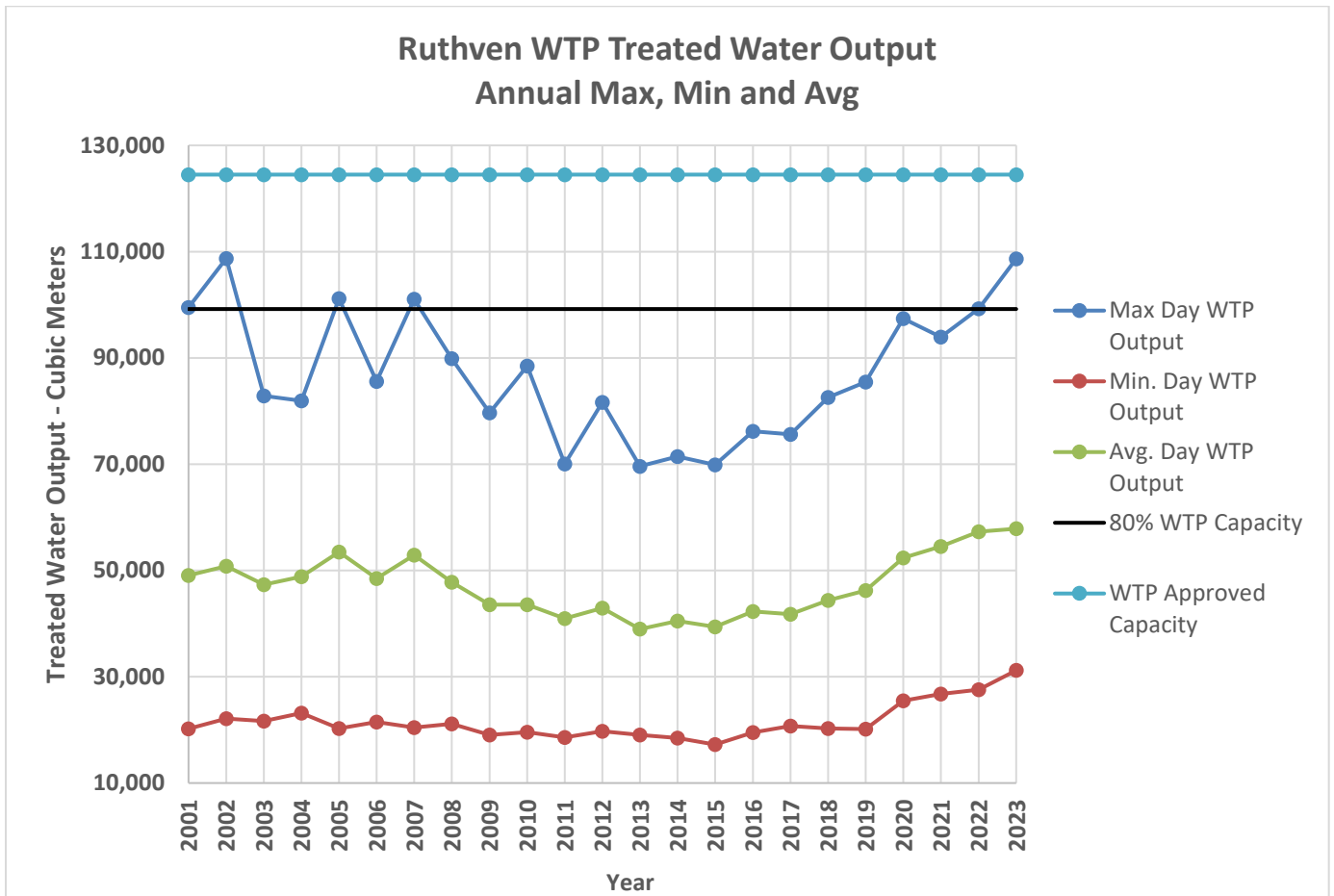


Figure 3 depicts the maximum, minimum and average daily treated water output from the UWSS' Ruthven Water Treatment Plant for the years 2001-2023.

Figure 3



2.1.1.2 Wholesale Water Rates

For the 2024 budgeting process, it is proposed that an increase of \$0.0214 per cubic meter be applied to the UWSS bulk treatment and transmission rate. This would result in a 2024 rate of \$0.7339 per cubic meter.

Based on the anticipated water demand of 21,553,000 m³ of potable water for 2024, and the estimated water loss of 8%, the bulk rate water revenue is estimated at \$14,538,000.

2.1.2 Miscellaneous Revenue

Miscellaneous revenue includes income from investments and sundry income.

Interest income:	\$ 807,000
Property Rental Revenue:	\$ 30,000
Sundry revenue:	<u>\$ 23,000</u>
<i>Total Misc. Revenue:</i>	<i>\$ 860,000</i>

Sundry revenue is revenue received from various sources such as lease of space on water towers for telecommunications equipment. The property rental revenue is revenue from recently acquired property that is being leased to a tenant.

2.1.3 Revenue Summary

Total UWSS Inc. projected revenues from all categories are as follows:

Bulk Water Rate Revenue:	\$14,538,000
Miscellaneous Revenue :	<u>\$ 860,000</u>
<i>Total Estimated Revenue for 2024:</i>	<i>\$15,398,000</i>

2.2 Expenditures

Expenditures for the Union Water Supply System (UWSS) consist of a) *Fixed Expenditures*, which includes the OCWA operations contract, UWSS Administration and debt service; and b) *Programs and Studies* that are proposed for 2024. The total projected expenditures for 2024 is budgeted at approximately at \$11,724,000.

2.2.1 Fixed Expenditures

Fixed expenditures for the budget process include the OCWA Operations Budget, UWSS Administrative Budget, and Debt Service. The total fixed expenditures for 2024 is budgeted at \$11,257,000. The fixed expenditures consist of the following components

OCWA Operations Budget:	\$3,950,000
UWSS Administrative Budget:	\$ 876,000
Legal/Professional Fees:	\$ 250,000
Municipal Agency Fees:	\$ 123,000

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Residuals Ponds Maintenance:	\$ 200,000
CO2 Gas Bulk Purchase Contract:	\$ 110,000
Watermain Repairs:	\$ 100,000
Unforeseen Repairs:	\$ 100,000
Water Quality/Corrosion Monitoring Program:	\$ 50,000
Land Transfer Tax:	\$ 147,000
Property Taxes:	\$ 175,000
Electricity and Natural Gas:	<u>\$ 1,700,000</u>
<i>Total Operations, Administrative, Energy:</i>	<i>\$7,780,000</i>
Debt Service:	
Sunlife Debt (MFP Debt):	<u>\$2,429,000</u>
\$60 Million Credit Facility:	<u>\$1,050,000</u>
<i>Total Debt Service:</i>	<i><u>\$3,479,000</u></i>
<i>Total Fixed Costs:</i>	<i>\$11,259,000</i>

2.2.2 Programs and Studies

A number of Programs and Studies are included in the 2024 Budget. These studies are designed to achieve one of the following goals:

- Assess and identify improvements to operational processes to improve cost efficiencies potentially resulting in decrease of fixed operations costs such as electricity costs and chemical costs;
- Evaluate water demand and water usage by various sectors including residential, commercial, industrial, and food processing/greenhouse industry to assess future capital infrastructure needs;
- Evaluate water quality to for potential issues such as toxic algae in raw water, nitrification issues in larger distribution systems, etc.
- Evaluate new technologies that may benefit UWSS' operations

For the 2024 budget year, \$830,000 has been allocated to Programs and Studies. The following studies are proposed or currently in place.

New WTP Reservoir #3 Engineering	\$ 75,000
UWSS-WUC Water Service Redundancy-Conceptual:	\$ 70,000
Peaking Plant Environmental Assessment:	\$ 40,000
Lake Erie HAB Monitoring Project:	\$ 50,000
Asset Management Policy and Plan	\$ 30,000
Leak Detection Study :	\$125,000
Service Level Review:	\$ 50,000
DAF #1 Optimization and WTP Capacity Testing:	<u>\$ 25,000</u>
<i>Total:</i>	<i>\$465,000</i>

2.2.3 Operating Expenditure Summary

Fixed Expenditures:	\$11,259,000
Programs and Studies:	<u>\$ 465,000</u>
<i>Total Operating Expenditures for 2024:</i>	<i>\$11,724,000</i>

2.3 Operating Budget Summary

A comparison of Revenue versus Expenditures for 2024 budget is as follows. It should be noted that the total estimated expenditures also include the proposed budget for operational Programs and Studies of \$830,000.

Total Estimated Revenue:	\$15,398,000
Total Estimated Expenditures:	<u>\$11,724,000</u>
<i>Surplus/(Deficit):</i>	<i>\$ 3,674,000</i>

3.0 Capital Program

The proposed Capital Program for 2024 is budgeted at \$8,775,000. This includes “cash funded” capital purchases, capital works and major maintenance, and debt funded capital projects.

3.1 Cash Funded Capital Works and Major Maintenance:

The following major cash funded capital works projects are proposed for 2024:

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Low Lift Pump #2 Rehab	\$40,000
Low Lift Pump #4 Rehab	\$40,000
Travelling Screen #4 Purchase and Install	\$320,000
Electric Car Charger Install - WTP	\$25,000
Carbon Scrubber System Upgrades	\$50,000
Grounds Improvements	\$100,000
Outbuilding Improvements	\$100,000
Coagulant Storage Expansion	\$120,000
Filters #1 & #3 Control Console Upgrades	\$120,000
Wastewater Pond/ System Upgrades	\$250,000
High Lift Pump #7 (new)	\$650,000
Treatment Plant Improvements/Elevator - Design & Eng.	\$150,000
Water Treatment Plant Expansion - Prelim Design/Engineering	\$350,000
Dissolved Air Flotation #2 - (Est. total cost: \$7.5 million)	\$3,750,000
Cottam Booster Valve Upgrades for Pumps	\$60,000
SCADA System Improvements	\$40,000
UWSS Wide Communication System Improvements	\$30,000
Security System Improvements	\$30,000
Back Up Generators for Water Towers	\$50,000
Albuna Water Tower Capacity Improvement Project	\$250,000
Distribution System Components	\$250,000
Master Water Meter Chamber Improvements	\$500,000
Kingsville Water Tower Utility Building (new)	\$150,000
Cottam 300mm Watermain Replacement-Prelim Design	\$200,000
Water Quality Monitoring Equipment Improvements	\$50,000
Fencing Upgrades	\$50,000
General Electrical Upgrades	\$75,000
Facility Enhancements - General	\$150,000
Backup Power System Upgrades (2-year project)	<u>\$750,000</u>

Total Cash Funded Capital Works/Maintenance for 2024: \$8,700,000

3.2 Capital Equipment Purchases (Cash Funded)

The following major capital purchases are proposed for 2024:

Vehicle	<u>\$75,000</u>
<i>Total Cash Funded Equip. Purchases for 2024:</i>	<i>\$75,000</i>

3.3 Debt Funded Capital Projects

Proposed debt funded projects for 2024 consist solely of the Reservoir #3 construction project. The estimated total cost for this project is \$45 to 50 million. UWSS Inc. has received a funding proposal from a financial institution for a \$60 million credit facility that is under consideration. The project requires Board approval to proceed and to secure necessary debt funding. If approved, construction of the reservoir would be initiated in early Summer 2024 for completion by Spring 2026.

4.0 Budget Summary

The proposed 2024 budget is summarized as follows:

Total Estimated Revenue: (includes wholesale rate revenue and miscellaneous revenue)	\$15,358,000
Total Estimated Operating Expenditures: (includes Operations Contract, UWSS Admin, Programs & Studies)	<u>(\$11,724,000)</u>
Revenue versus Operating Expenditures: Surplus/ (Deficit)	\$3,674,000
Capital Program: (includes Capital Purchases and Capital Works)	<u>(\$8,775,000)</u>
NET SURPLUS/ (DEFICIT) : (Operating surplus/deficit less Capital Program)	(\$5,101,000)

The cash funded capital program for 2024 will be funded through 2024 Revenue and UWSS Reserves.

5.0 Cash, Reserves and Debt

Cash and Reserves for UWSS as of January 1, 2024 are estimated to be approximately \$25.1 million dollars. It should be noted that of the estimated \$25.1 million in available cash and reserves for 2024, approximately \$10 million is dedicated to UWSS Settlement Reserve, which is associated with the 2006 settlement that was reached regarding the MFP debt. Although the UWSS Board has authority to use these funds as it sees fit, the intent is to keep these funds in an interest bearing account to offset the annual MFP Debt obligation and to function as a Rate Stabilizing Reserve Fund.

The 2024 UWSS Operating and Capital Budget projects a Net Deficit of \$5.1 million for 2024 year end. Thus, it is anticipated that UWSS reserves at the end of 2024 will decrease to approximately \$20 million. The total UWSS long term debt balance as of January 1, 2024 is \$6,259,000 and consists solely of the Sunlife Loan (aka former MFP Debt) that has a term date of 2026. At the end of 2024, this debt will decrease to \$4,407,000.

6.0 Proposed 10-Year Capital Works Program

UWSS Inc. management, with assistance and input from OCWA Operations Staff has developed a proposed 10-year Capital Works Plan (2024-2033) for the UWSS. This Plan reflects the intention to undertake upgrades and improvements to the UWSS to address lifecycle replacement/upgrade issues and to improve water treatment, storage and transmission efficiencies.

The Proposed 10-Year Capital Plan is included as Appendix B to this Report. The Plan identifies the proposed works for each year and the anticipated value of the works. The total proposed rate and Reserve funded (aka Cash Funded) capital works expenditures for 2024-2033 are projected at \$37.7 million. Proposed debt funded capital works for this period is valued at \$156.5 million and includes the proposed Reservoir #3/ UV project in 2024-2026 (\$45 million), replacement and upsizing of 12-inch watermain to Cottam in 2025-2026 (\$13 million) and new peaking water treatment plant in 2026-2028 (\$62.5 million).

7.0 Closing Comments

It is the UWSS Inc. management's opinion that the 2024 Budget presented in this report provides a Budget for UWSS that is fiscally prudent while also providing for the major maintenance and lifecycle replacements needed to ensure that UWSS facilities and operations are effective and sustainable for the future.

Respectfully submitted,



Rodney Bouchard, CEO
Union Water Supply System Inc.

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**2024 UWSS Inc. DRAFT OPERATIONS AND CAPITAL
BUDGET TABLES AND DETAILS**

**UNION WATER SUPPLY SYSTEM
2024 DRAFT BUDGET
Budget Summary**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	As of December 31st, 2023	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget
REVENUE										
Senior Government Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wholesale Rate Billings	\$15,130,476	\$14,538,366	\$16,308,366	\$17,429,901	\$18,991,850	\$20,695,418	\$22,553,531	\$24,580,296	\$26,791,117	\$29,202,804
Interest Income	\$986,000	\$807,000	\$700,980	\$497,711	\$447,623	\$522,978	\$594,614	\$672,009	\$812,702	\$998,719
Sundry revenue	\$22,731	\$23,186	\$23,649	\$24,122	\$24,605	\$25,097	\$25,599	\$26,111	\$26,633	\$27,166
Property Rental Revenue	\$70,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Study Revenue	\$72,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Rate Income - Greenhouse Sector	\$0	\$0	\$961,666	\$990,516	\$1,040,042	\$1,092,044	\$1,146,646	\$1,203,979	\$1,264,178	\$1,327,387
TOTAL REVENUES	\$16,281,207	\$15,398,552	\$17,062,995	\$17,951,734	\$19,464,078	\$21,243,493	\$23,173,743	\$25,278,416	\$27,630,452	\$30,228,689
OPERATING EXPENDITURE										
General Administration	\$501,350	\$876,500	\$1,124,995	\$1,343,960	\$1,376,612	\$1,410,133	\$1,444,550	\$1,479,888	\$1,516,177	\$1,553,444
Municipal Service Fees (Agency Agreement)	\$50,000	\$121,875	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Miscellaneous Legal/Professional fees	\$185,000	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693
OCWA Operating Contract	\$3,831,155	\$3,949,661	\$4,068,151	\$4,190,195	\$4,315,901	\$4,445,378	\$4,578,740	\$4,716,102	\$4,857,585	\$5,003,312
Programs and Studies	\$730,500	\$465,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Operational/Maintenance/Upgrades - General	\$275,000	\$450,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Property Taxes	\$162,690	\$175,000	\$178,500	\$182,070	\$185,711	\$189,426	\$193,214	\$197,078	\$201,020	\$205,040
Land Transfer Tax	\$147,255	\$147,255	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CO2 Liquefied Gas Procurement	\$65,000	\$110,000	\$112,200	\$114,444	\$116,733	\$119,068	\$121,449	\$123,878	\$126,355	\$128,883
Electricity and Natural Gas	\$1,625,000	\$1,700,000	\$1,785,000	\$1,874,250	\$1,967,963	\$2,066,361	\$2,169,679	\$2,278,163	\$2,392,071	\$2,511,674
TOTAL OPERATING EXPENDITURES	\$7,572,950	\$8,245,291	\$8,126,346	\$8,570,144	\$8,836,102	\$9,111,742	\$9,397,449	\$9,693,622	\$10,000,676	\$10,319,046
Debt Service - Sunlife Loan	\$2,408,934	\$2,428,392	\$2,449,323	\$2,467,669	\$0	\$0	\$0	\$0	\$0	\$0
\$60 Million Construction Loan/Facility* (estimated)	\$0	\$1,050,000	\$2,100,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000
Cottam WM replacement loan - \$12million @ 3% for 10yrs					\$2,100,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000
TOTAL DEBT SERVICE EXPENDITURES	\$2,408,934	\$3,478,392	\$4,549,323	\$6,677,669	\$6,310,000	\$8,420,000	\$8,420,000	\$8,420,000	\$9,170,000	\$10,170,000
CASH FUNDED CAPITAL EXPENDITURES										
Capital Upgrades, Major Maintenance, and Purchases	\$1,722,200	\$8,775,000	\$10,195,000	\$4,135,000	\$2,165,000	\$1,665,000	\$3,145,000	\$3,145,000	\$3,145,000	\$3,145,000
TOTAL CASH FUNDED CAPITAL EXPENDITURES	\$1,722,200	\$8,775,000	\$10,195,000	\$4,135,000	\$2,165,000	\$1,665,000	\$3,145,000	\$3,145,000	\$3,145,000	\$3,145,000
NET SURPLUS/(DEFICIT)	\$4,577,123	(\$5,100,131)	(\$5,807,674)	(\$1,431,079)	\$2,152,976	\$2,046,750	\$2,211,294	\$4,019,794	\$5,314,775	\$6,594,642
RESERVES										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
General Fund/Reserves	\$20,551,000	\$25,128,123	\$20,027,992	\$14,220,318	\$12,789,239	\$14,942,215	\$16,988,966	\$19,200,260	\$23,220,054	\$28,534,829
Addition/(subtraction) from Operations Budget.	\$4,577,123	-\$5,100,131	-\$5,807,674	-\$1,431,079	\$2,152,976	\$2,046,750	\$2,211,294	\$4,019,794	\$5,314,775	\$6,594,642
General Fund/Reserves Total	\$25,128,123	\$20,027,992	\$14,220,318	\$12,789,239	\$14,942,215	\$16,988,966	\$19,200,260	\$23,220,054	\$28,534,829	\$35,129,471
Capital Reserves	\$0	\$0	\$19,000,000	\$22,000,000	-\$3,000,000	-\$6,500,000	-\$6,500,000	-\$12,500,000	-\$19,500,000	-\$3,500,000
Capital Funds - Addition	\$0	\$30,000,000	\$30,000,000	\$0	\$30,000,000	\$30,000,000	\$0	\$0	\$20,000,000	\$0
Debt Funded Capital Projects - Expenditures	\$0	-\$11,000,000	-\$27,000,000	-\$25,000,000	-\$33,500,000	-\$30,000,000	-\$6,000,000	-\$7,000,000	-\$4,000,000	-\$3,000,000
Total Capital Reserves	\$0	\$19,000,000	\$22,000,000	-\$3,000,000	-\$6,500,000	-\$6,500,000	-\$12,500,000	-\$19,500,000	-\$3,500,000	\$63,758,942
Total Reserves	\$25,128,123	\$39,027,992	\$36,220,318	\$9,789,239	\$8,442,215	\$10,488,966	\$6,700,260	\$3,720,054	\$25,034,829	\$98,888,414
DEBT										
Debt										
Sunlife Debt	\$6,259,451	\$4,406,948	\$2,310,158	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**UNION WATER SUPPLY SYSTEM
2024 DRAFT BUDGET
Operational Revenue and Expenditures Budget**

Number	Account Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
		As of Dec. 31st, 2023	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
REVENUE ACCOUNTS											
FEES REVENUE											
0700-3700	Wholesale Rate Billings	\$15,130,476	\$14,538,366	\$16,308,366	\$17,429,901	\$18,991,850	\$20,695,418	\$22,553,531	\$24,580,296	\$26,791,117	\$29,202,804
	Capital Rate Income	\$0	\$0	\$961,666	\$990,516	\$1,040,042	\$1,092,044	\$1,146,646	\$1,203,979	\$1,264,178	\$1,327,387
		\$15,130,476	\$14,538,366	\$16,308,366	\$17,429,901	\$18,991,850	\$20,695,418	\$22,553,531	\$24,580,296	\$26,791,117	\$29,202,804
MISCELLANEOUS REVENUES											
0700-4100	Interest Income	\$986,000	\$807,000	\$700,980	\$497,711	\$447,623	\$522,978	\$594,614	\$672,009	\$812,702	\$998,719
0700-3999	Sundry revenue	\$22,731	\$23,186	\$23,649	\$24,122	\$24,605	\$25,097	\$25,599	\$26,111	\$26,633	\$27,166
	Property Rental Revenue	\$70,000	\$30,000	\$30,000							
	Municipal Study Revenue	\$72,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$1,150,731	\$860,186	\$754,629	\$521,834	\$472,228	\$548,074	\$620,213	\$698,120	\$839,335	\$1,025,885
	TOTAL REVENUES :	\$16,281,207	\$15,398,552	\$17,062,995	\$17,951,734	\$19,464,078	\$21,243,493	\$23,173,743	\$25,278,416	\$27,630,452	\$30,228,689
EXPENDITURE ACCOUNTS											
WAGES AND BENEFITS											
0700-5000	Salaried	\$205,000	\$375,000	\$575,000	\$750,000	\$765,000	\$780,300	\$795,906	\$811,824	\$828,061	\$844,622
	Director compensation	\$0	\$65,000	\$68,250	\$71,663	\$75,246	\$79,008	\$82,958	\$87,106	\$91,462	\$96,035
0700-5200 to 5210	Benefits - Full time	\$72,000	\$95,000	\$130,000	\$160,000	\$163,200	\$166,464	\$169,793	\$173,189	\$176,653	\$180,186
	Benefits - Part time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$277,000	\$535,000	\$773,250	\$981,663	\$1,003,446	\$1,025,772	\$1,048,658	\$1,072,119	\$1,096,175	\$1,120,842
OFFICE OVERHEAD, RENTS AND SERVICES											
0700-7010	Office supplies	\$750	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534
0700-7015	Board expenses	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668
0700-7020	Dues, Memberships, Subsc	\$6,000	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501
0700-7030	Travel & Mileage	\$1,200	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
0700-7040	Professional Development	\$5,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669
0700-7050	Conferences	\$17,000	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337
0700-7052	Meeting Expenses	\$1,200	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
0700-7070	Uniforms/Clothing	\$200	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534
0700-7950	Professional Services Fees	\$185,000	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693
0700-7959-002070	Audit Fees	\$7,500	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	\$14,491	\$14,926	\$15,373	\$15,835
0700-7080 & 7085	Operational Purchases/Maint.	\$25,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669
0700-7110	Communications	\$2,500	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167
0700-7120	Postage & Courier	\$500	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
0700-7130	Advertising & Promotion	\$5,000	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879	\$8,115	\$8,358	\$8,609	\$8,867
0700-7140	Insurance	\$30,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339
0700-7130	Donations & Grants	\$4,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
0700-7240	Tech Hardware Maintenance (SCADA, etc)	\$40,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006
0700-7250	Tech Hardware Purchases (non-TCA)	\$10,000	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668
0700-7260	Software Licensing and Support	\$40,000	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671
0700-7270	Software Purchases	\$6,000	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668
0700-7290	Telecom Maintenance	\$7,500	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668
	Vehicle Expenses	\$10,000	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	\$14,491	\$14,926	\$15,373	\$15,835
	Other Expenses	\$5,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
		\$409,350	\$591,500	\$609,245	\$627,522	\$646,348	\$665,738	\$685,711	\$706,282	\$727,470	\$749,295
0700-6720	OCWA Operating Union	\$3,831,155	\$3,949,661	\$4,068,151	\$4,190,195	\$4,315,901	\$4,445,378	\$4,578,740	\$4,716,102	\$4,857,585	\$5,003,312
0700-6750	Property Taxes	\$162,690	\$175,000	\$178,500	\$182,070	\$185,711	\$189,426	\$193,214	\$197,078	\$201,020	\$205,040
	Land Transfer Tax-Transfer of Assets to UWSS, Inc.	\$147,255	\$147,255								
0700-7380	Municipal Service Fees (Agency Agreement)	\$50,000	\$121,875	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
0700-7410 & 7420	Electricity and Natural Gas	\$1,625,000	\$1,700,000	\$1,785,000	\$1,874,250	\$1,967,963	\$2,066,361	\$2,169,679	\$2,278,163	\$2,392,071	\$2,511,674
0700-7400-002077	CO2 Gas Bulk Purchase	\$65,000	\$110,000	\$112,200	\$114,444	\$116,733	\$119,068	\$121,449	\$123,878	\$126,355	\$128,883
0700-7989-002075	Operational Programs & Studies	\$730,500	\$465,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
0700-8133-002074	Residuals Ponds Maintenance	\$30,000	\$200,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
0700-7961-002075	Water Quality/Corrosion Program	\$45,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
0700-8134-002074	Watermain Repairs	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
0700-8134-002074	Unforeseen Repairs	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	TOTAL OPERATIONAL EXPENDITURES:	\$7,572,950	\$8,245,291	\$8,026,346	\$8,470,144	\$8,736,102	\$9,011,742	\$9,297,449	\$9,593,622	\$9,900,676	\$10,219,046
NET OPERATIONAL SURPLUS/(DEFICIT)		\$8,708,257	\$7,153,261	\$9,036,649	\$9,481,590	\$10,727,976	\$12,231,750	\$13,876,294	\$15,684,794	\$17,729,775	\$20,009,642
DEBT SERVICE											
0700-6000 & 6100	Sun Life Debt Obligation	\$2,408,934	\$2,428,392	\$2,449,323	\$2,467,669	\$0	\$0	\$0	\$0	\$0	\$0
	\$60 Million Construction Loan/Facility	\$0	\$1,050,000	\$2,100,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000
	Water Treatment Plant Expansion Financing - \$60 million					\$2,100,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000	\$4,210,000
	TOTAL DEBT SERVICE:	\$2,408,934	\$3,478,392	\$4,549,323	\$6,677,669	\$6,310,000	\$8,420,000	\$8,420,000	\$8,420,000	\$8,420,000	\$8,420,000
SURPLUS/(DEFICIT) AFTER DEBT		\$6,299,323	\$3,674,869	\$4,487,326	\$2,803,921	\$4,417,976	\$3,811,750	\$5,456,294	\$7,264,794	\$9,309,775	\$11,589,642

UNION WATER SUPPLY SYSTEM
2024 DRAFT BUDGET
Capital Program Budget

Item Description	Studies	Treatment Plant Upgrades & Renewals	Low Lift Upgrades	Cottam Booster Upgrades	SCADA / Communication/ Security System Upgrades	Storage and Transmission Facilities	General/ Various Facilities	TOTAL	FUNDING SOURCE		Comments
									Reserves	Debt	
STUDIES & OPERATIONAL PROGRAMS											
Lake Erie HAB Monitoring Study	\$50,000							\$50,000	\$50,000	\$0	Grant Funded work with GLIER
Leak Detection Study	\$125,000							\$125,000	\$125,000	\$0	New Study
UWSS-WUC Water Service Redundancy - Conceptual Design	\$70,000							\$70,000	\$70,000	\$0	Multi Year Study - Completion in Spring 2024
New Ruthven WTP Reservoir #3 Study/ Preliminary Engineering	\$75,000							\$75,000	\$75,000	\$0	Completion of Indicative Design
Peaking Plant EA	\$40,000							\$40,000	\$40,000	\$0	Started in 2023 - Report to be issued Feb. 2024
Asset Management Policy and Asset Management Plan Development	\$30,000							\$30,000	\$30,000	\$0	Started in 2023-Completion in Feb 2024
Service Level Review	\$50,000							\$50,000	\$50,000	\$0	Start in January 2024
DAF #1 Optimization and WTP Capacity Testing	\$25,000							\$25,000	\$25,000	\$0	Continuation from 2023
Total Studies/Programs	\$465,000							\$465,000	\$465,000	\$0	
CASH FUNDED CAPITAL PROGRAM - 2024											
Capital Works and Major Maintenance											
Low Lift Pump #2 Rehab			\$40,000					\$40,000	\$40,000	\$0	Regular Preventative Maintenance
Low Lift Pump #4 Rehab			\$40,000					\$40,000	\$40,000	\$0	Regular Preventative Maintenance
Travelling Screen #4 Purchase and Install			\$320,000					\$320,000	\$320,000	\$0	New Travelling Screen
Electric Car Charger Install - WTP		\$25,000						\$25,000	\$25,000	\$0	Install at Water Treatment Plant-for staff use
Carbon Scrubber System Upgrades		\$50,000						\$50,000	\$50,000	\$0	Needs to be upgraded - Old system
Grounds Improvements		\$100,000						\$100,000	\$100,000	\$0	Various ground improvements at WTP
Outbuilding Improvements		\$100,000						\$100,000	\$100,000	\$0	Various bldg improvements at WTP
Coagulant Storage Expansion		\$120,000						\$120,000	\$120,000	\$0	Additional Coagulant storage needed
Filters #1 & #3 Control Console Upgrades		\$120,000						\$120,000	\$120,000	\$0	Part 2 of Filter Console Upgrades-Filters 1-4
Wastewater Pond/ System Upgrades		\$250,000						\$250,000	\$250,000	\$0	Storage/Drying Pad for Residuals Pond Materials
High Lift Pump #7 (new)		\$650,000						\$650,000	\$650,000	\$0	New Pump in North Clearwell
Water Treatment Plant Façade Improvements/Elevator - Design & Eng.		\$150,000						\$150,000	\$150,000	\$0	Multi Year Project
Water Treatment Plant Expansion - Prelim Design/Engineering		\$350,000						\$350,000	\$350,000	\$0	New Proposed WTP Expansion-Multi Year Project
Dissolved Air Flotation (DAF) #2 - Est. total cost: \$7.5 million		\$3,750,000						\$3,750,000	\$3,750,000	\$0	Retrofit of Clarifier #4- Project start 2024 and finish Spring 2025
Cottam Booster Valve Upgrades for Pumps				\$60,000				\$60,000	\$60,000	\$0	New Valves needed to accommodate new VFDs
SCADA System Improvements					\$40,000			\$40,000	\$40,000	\$0	Various System wide improvements as needed
UWSS Wide Communication System Improvements					\$30,000			\$30,000	\$30,000	\$0	Various System wide improvements as needed
Security System Improvements					\$30,000			\$30,000	\$30,000	\$0	Various System wide improvements as needed
Back Up Generators for Water Towers						\$50,000		\$50,000	\$50,000	\$0	New Backup Generators for instruments at WTs
Albuna Water Tower Capacity Improvement Project						\$250,000		\$250,000	\$250,000	\$0	Identify and implement improvements for Capacity Issues
Distribution System Components						\$250,000		\$250,000	\$250,000	\$0	Various- Valves/Smart Hydrants/etc.
Master Water Meter Chamber Improvements						\$500,000		\$500,000	\$500,000	\$0	Multi Year Improvement Project for 16 Billing Meter Chambers
Kingsville Water Tower Utility Building (new)						\$150,000		\$150,000	\$150,000	\$0	New Utility Bldg for Equipment
Cottam 300mm Watermain Replacement-Prelim Design/Engineering						\$200,000		\$200,000	\$200,000	\$0	Prelim Engineering - Multi year project
Water Quality Monitoring Equipment Improvements							\$50,000	\$50,000	\$50,000	\$0	New Turbidity/Chlorine/Pressure Analyzers as needed
Fencing Upgrades							\$50,000	\$50,000	\$50,000	\$0	New Fencing at WTP and Low Lift
General Electrical Upgrades							\$75,000	\$75,000	\$75,000	\$0	Various Upgrades as Needed
Facility Enhancements - General							\$150,000	\$150,000	\$150,000	\$0	General Improvements at any UWSS Facility as Identified
Backup Power System Upgrades-2 year project. Est. total cost: \$2.5 million							\$750,000	\$750,000	\$750,000	\$0	New Backup Generators - Multi Year Project
Total Capital Works and Major Maintenance Expenditures - 2024		\$5,665,000	\$400,000	\$60,000	\$100,000	\$1,400,000	\$1,075,000	\$8,700,000	\$8,700,000	\$0	
Capital - Equipment Purchases											
Vehicle							\$75,000	\$75,000	\$75,000	\$0	Vehicle for use by new proposed staff
Total New Capital Purchases - 2024							\$75,000	\$75,000	\$75,000	\$0	
Total Cash Funded Capital Program Expenditures- 2024		\$5,665,000	\$400,000	\$60,000	\$100,000	\$1,400,000	\$1,150,000	\$8,775,000	\$8,775,000	\$0	
DEBT FUNDED CAPITAL PROJECTS											
Reservoir #3 Detailed Design and Construction (2024-2026)							\$10,000,000	\$10,000,000	\$0	\$10,000,000	Project dependent on securing loan and Board approval
Estimated Total Debt Funded Project Expenditures - 2024		\$0	\$0	\$0	\$0	\$10,000,000	\$0	\$10,000,000	\$0	\$10,000,000	

**UWSS 10 -YEAR CAPITAL
PLAN TABLES AND DETAILS**

Windows & Doors Replacement												
New Equipment												
Portable Backup Generator for Low Lift, Water Towers, Emergency	\$ 50,000											\$ 50,000
Cottam Reservoir & Booster PS												
Reservoir												\$ -
Booster Pump 1	\$ 20,000											\$ 20,000
Booster Pump 2	\$ 20,000											\$ 20,000
Booster Pump 3	\$ 20,000											\$ 20,000
Booster Pump 4												\$ -
VFDs for Pumps 1-4												\$ -
Surge Tanks (2)												\$ -
Compressor												\$ -
Reservoir Cover Regrading/Repairs												\$ -
Rechlorination system upgrades												\$ -
Passive Mixing System Install												\$ -
Distribution System												
Leamington Tower												\$ -
Albuna Tower	\$ 250,000			\$ 500,000								\$ 750,000
Kingsville Tower												\$ -
Essex Tower												\$ -
Distribution System Components	\$ 250,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000							\$ 850,000
Master Water Meter Chamber Upgrades	\$ 500,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000							\$ 3,500,000
Wastewater Treatment System												
Wastewater Pond /Wastewater System Upgrades	\$ 250,000											\$ 250,000
Residuals Management system (see new capital works)												\$ -
												\$ -
Contingency - Non-identified Major Maintenance						\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Vehicles and Equipment Purchases												
Trucks/SUVs/Cars	\$ 75,000	\$ 100,000										\$ 175,000
Speciality Truck/Vehicle for Distribution Maintenance Crew		\$ 150,000										\$ 150,000
Speciality Equipment for Distribution Maintenance Crew		\$ 100,000	\$ 500,000									\$ 600,000
												\$ -
NEW CAPITAL PROJECTS												
Cash Funded Project												\$ -
DAF #2 - Detailed Design/Tender/Construction	\$ 3,750,000	\$ 3,750,000										\$ 7,500,000
Kingsville Water Tower Utility Building	\$ 150,000											\$ 150,000
Backup Power System Upgrades (e.g. new generators, etc)	\$ 750,000	\$ 2,250,000										\$ 3,000,000
Treatment Plant Facade upgrades and elevator	\$ 150,000	\$ 1,500,000										\$ 1,650,000
Cottam Water Main Upgrades - Prelim. Design and Engineering	\$ 200,000	\$ 250,000										\$ 450,000
Water Treatment Plant Capacity Expansion - Prelim Design and Eng.	\$ 350,000	\$ 500,000										\$ 850,000
Residuals management system upgrades			\$ 2,000,000									\$ 2,000,000
<i>Contingency (non-identified capital works estimate)</i>						\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
												\$ -
Debt Funded Project												\$ -
New Reservoir #3	\$ 10,000,000	\$ 25,000,000	\$ 10,000,000									\$ 45,000,000
UV Disinfection - In-reservoir UV vault		\$ 3,000,000	\$ 3,000,000									\$ 6,000,000
New Admin Bldg - Maintenance Shop and Yard		\$ 500,000	\$ 3,500,000	\$ 3,000,000								\$ 7,000,000
Cottam Water Main Upgrades - Construction		\$ 3,000,000	\$ 10,000,000									\$ 13,000,000
Water Treatment Plant Capacity Expansion - Detailed		\$ 500,000	\$ 2,000,000	\$ 30,000,000	\$ 30,000,000							\$ 62,500,000
Cottam Booster Expansion						\$ 6,000,000	\$ 4,000,000					\$ 10,000,000
Seacliff Water main replacement							\$ 3,000,000	\$ 2,000,000				\$ 5,000,000
Low Lift Upgrades / New Raw Water Line to WTP								\$ 2,000,000	\$ 3,000,000	\$ 3,000,000		\$ 8,000,000
												\$ -
<i>Subtotal Capital and Major Maintenance</i>	\$3,350,000	\$1,595,000	\$1,635,000	\$2,165,000	\$1,665,000	\$1,145,000	\$1,145,000	\$1,145,000	\$1,145,000	\$1,145,000	\$1,145,000	\$ 16,135,000
<i>Total Cash Funded New Capital Projects</i>	\$5,425,000	\$8,600,000	\$2,500,000	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$ 21,525,000
Total Cash Funded New Capital and Major Maintenance	\$8,775,000	\$10,195,000	\$4,135,000	\$2,165,000	\$1,665,000	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000	\$2,145,000	\$ 37,660,000
												\$ -
Total Debt Funded Capital	\$10,000,000	\$32,000,000	\$28,500,000	\$33,000,000	\$30,000,000	\$6,000,000	\$7,000,000	\$4,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$ 156,500,000
												\$ -
TOTAL CAPITAL, STUDIES AND NEW CAPITAL	\$ 18,775,000	\$ 42,195,000	\$ 32,635,000	\$ 35,165,000	\$ 31,665,000	\$ 8,145,000	\$ 9,145,000	\$ 6,145,000	\$ 5,145,000	\$ 5,145,000	\$ 5,145,000	\$ 194,160,000