



2023 Water, Wastewater and Stormwater Budget

2023 RATE BUDGET

Snap Shot

Operating

- **\$272.4 M** Total Program Expenditures
- **\$269.4 M** Rate Revenue
- **\$3.0 M** Non-Rate Revenue

Capital

- **\$255.3 M** Rate Capital Program
 - 46% Water
 - 42% Wastewater
 - 12% Storm
- **\$3.27 B** capital investment forecast (2023 to 2032)
- **\$0.57 B** increase from last year's 10-year forecast

**Impact of Recommended 2023
Rate Increases on a Typical
Residential Bill: 6.49%**

*Based on annual water consumption of
200m³*

2023 Water, Wastewater and Stormwater Budget
2023 RATE OPERATING BUDGET
 By the Numbers

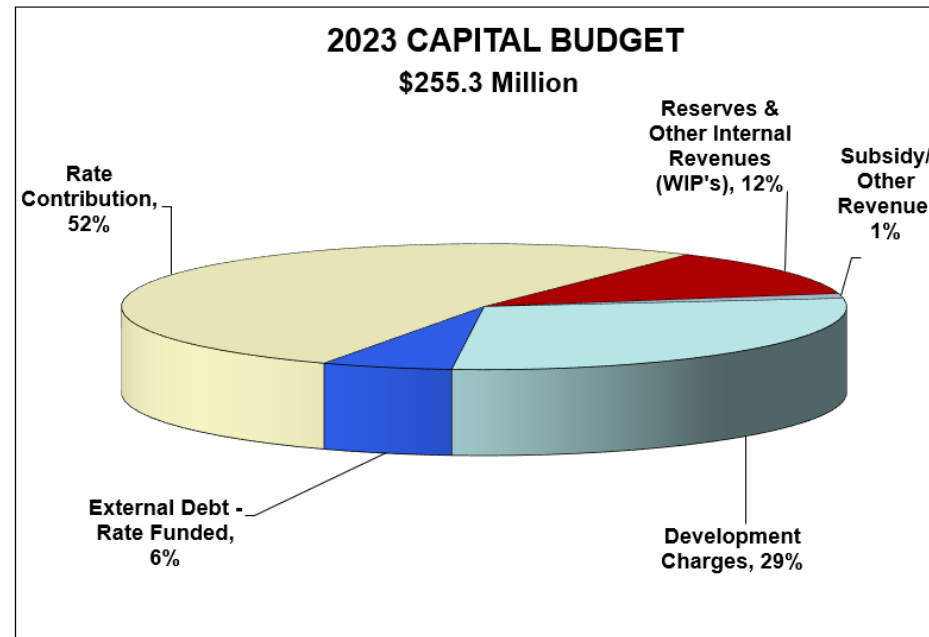
| Summary of the 2023 Operating Budget | | | | |
|--|----------------------------|-----------------------------|--|--------------|
| (\$ millions) | 2022 Restated Budget | 2023 Requested Budget | 2023 Requested / 2022 Restated Change | |
| | | | \$ | % |
| Expenditures | | | | |
| Program Expenditures | \$ 98.4 | \$ 108.5 | \$ 10.1 | 10.3% |
| Capital/Debt / Reserve Financing | \$ 159.4 | \$ 163.9 | \$ 4.5 | 2.8% |
| Total Expenditures | \$ 257.9 | \$ 272.4 | \$ 14.6 | 5.7% |
| Revenues | | | | |
| Rate Revenue | \$ 254.9 | \$ 269.4 | \$ 14.5 | 5.7% |
| Non-Rate Revenue | \$ 2.9 | \$ 3.0 | \$ 0.1 | 3.0% |
| Total Revenue | \$ 257.9 | \$ 272.4 | \$ 14.6 | 5.7% |
| Average Residential Water / Wastewater / Storm Bill | \$ 823.85 | \$ 877.30 | \$ 53.45 | 6.49% |

Note: Anomalies due to rounding

2023 Water, Wastewater and Stormwater Budget
2023 RATE CAPITAL BUDGET
Sources of Funding

\$133.4 M from Operating
\$ 72.8 M Development Charges
\$ 23.9 M Work-in-progress (WIP)
\$ 14.9 M Debt
\$ 7.1 M Reserves
\$ 3.2 M Grants

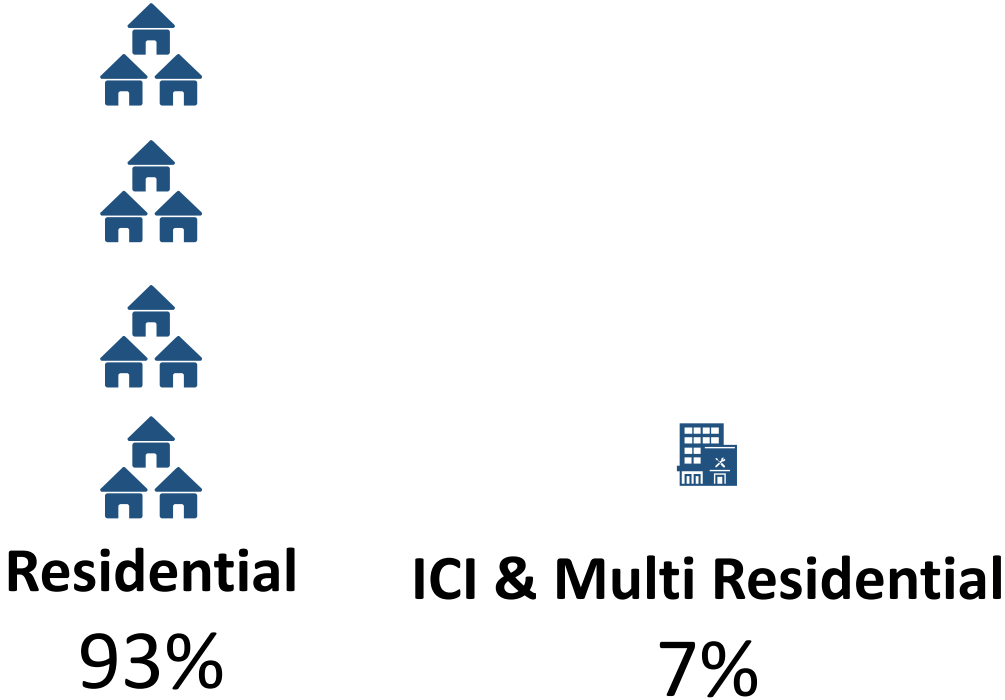
= \$255.3 M Gross Capital Funding



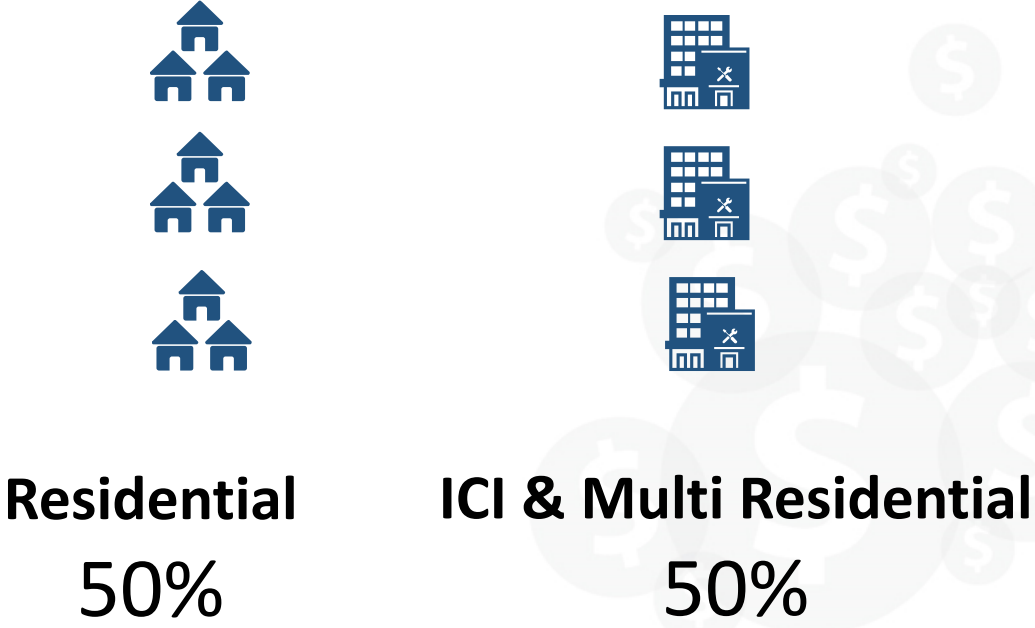
2023 METERED ACCOUNTS & REVENUE BY SECTOR

Where the \$ come from

Metered Accounts by Sector



Consumption by Sector

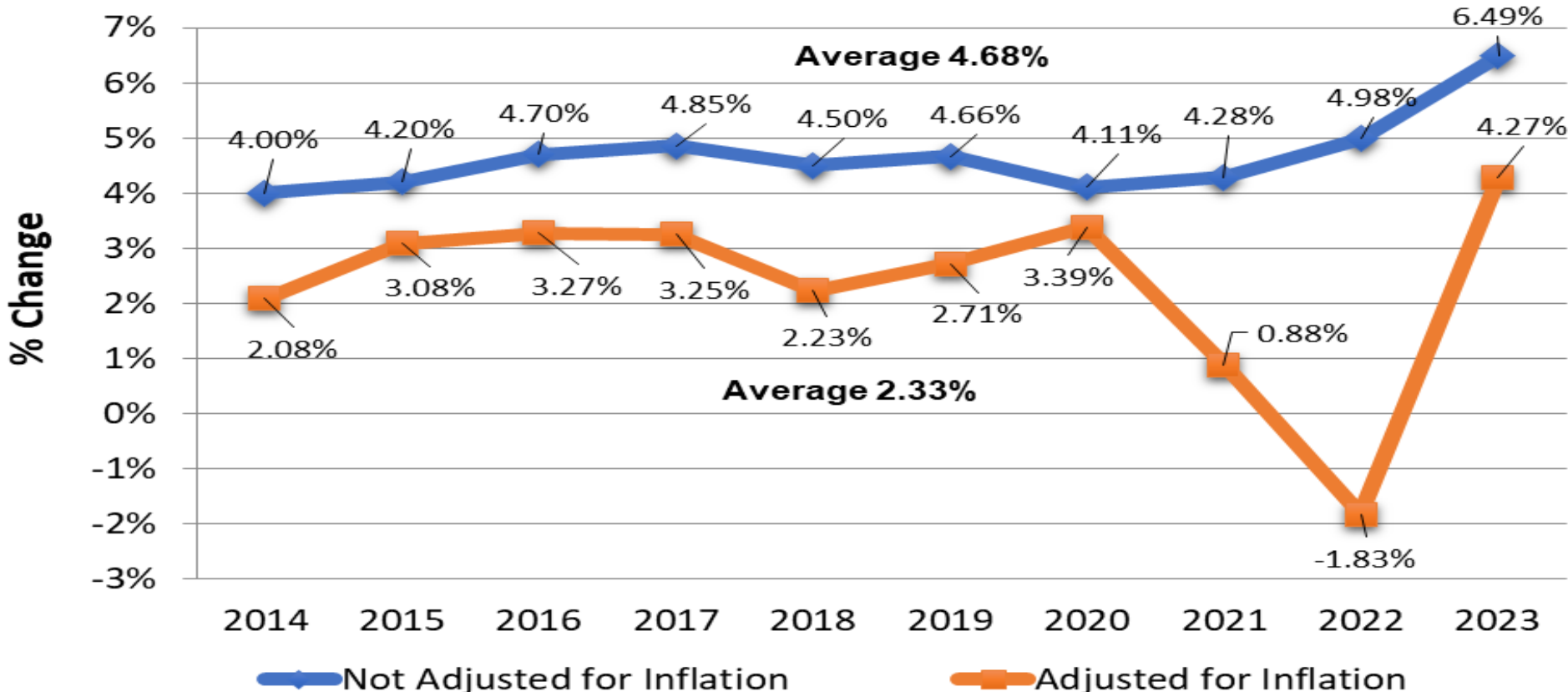


FINANCING STRATEGY



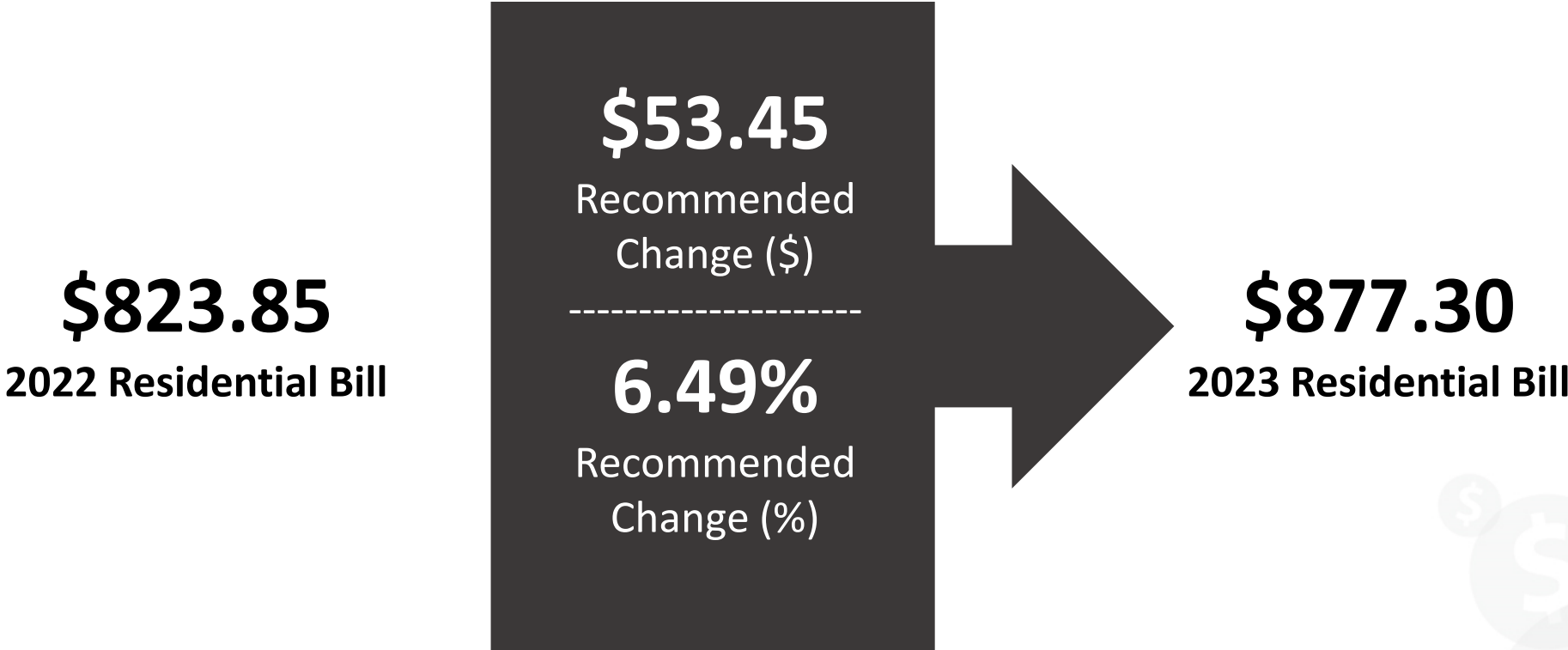
10 YEAR RATE INCREASE TREND

Water & Wastewater/Storm Rate Changes 2014 to 2023



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Average Res. Increase | \$ 23.22 | \$ 24.10 | \$ 28.55 | \$ 30.60 | \$ 29.75 | \$ 32.20 | \$ 29.70 | \$ 32.20 | \$ 39.05 | \$ 53.45 |

2023 Water, Wastewater and Stormwater Budget
2023 RESIDENTIAL AVERAGE BILL

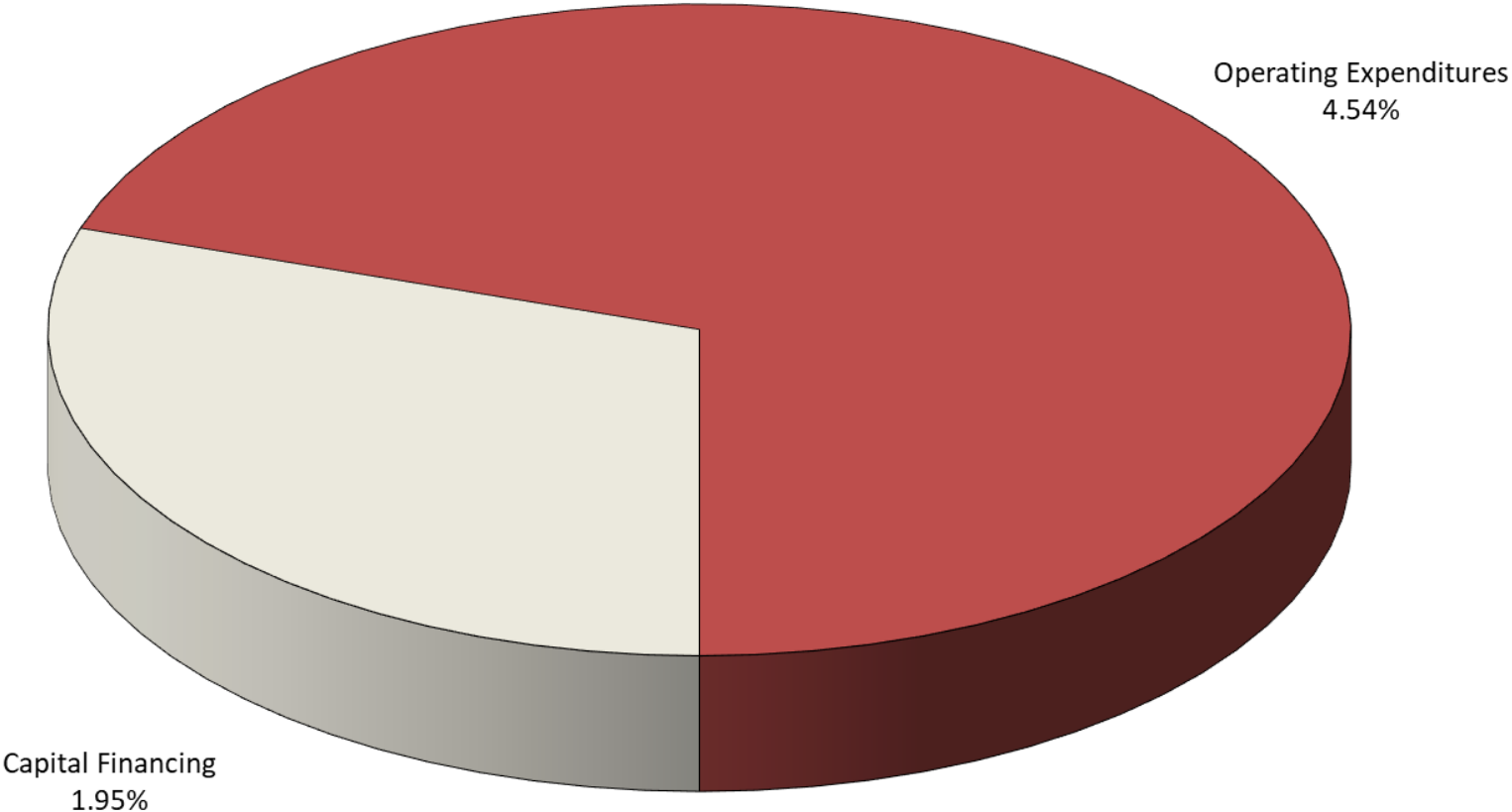


**Impact of Recommended 2023 Water and Wastewater/Storm Rate
Increases on a Typical Residential Bill: 6.49%**
Based on annual water consumption of 200m³

2023 Water, Wastewater and Stormwater Budget

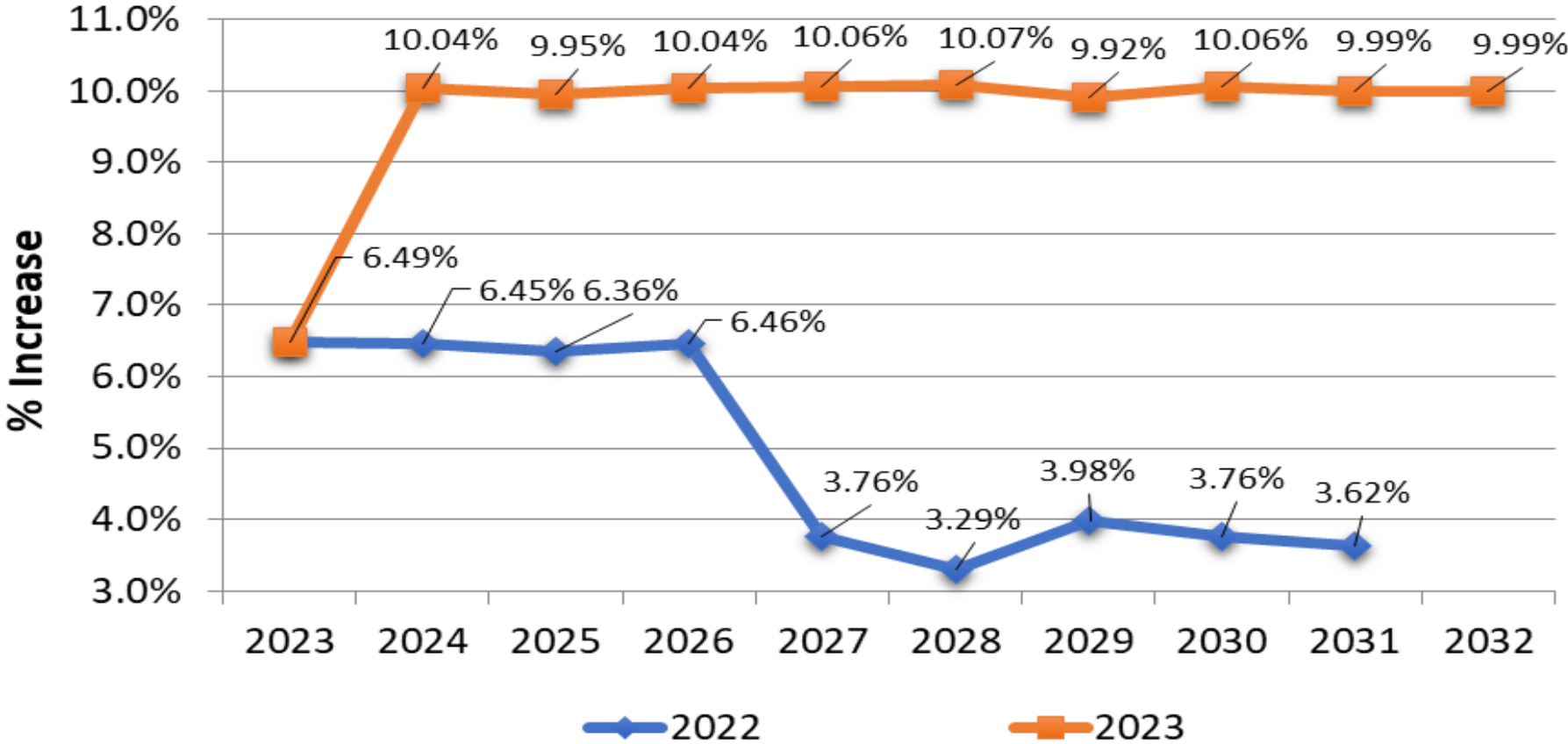
2023 RATE INCREASE DRIVERS

Drivers of 6.49% Rate Increase



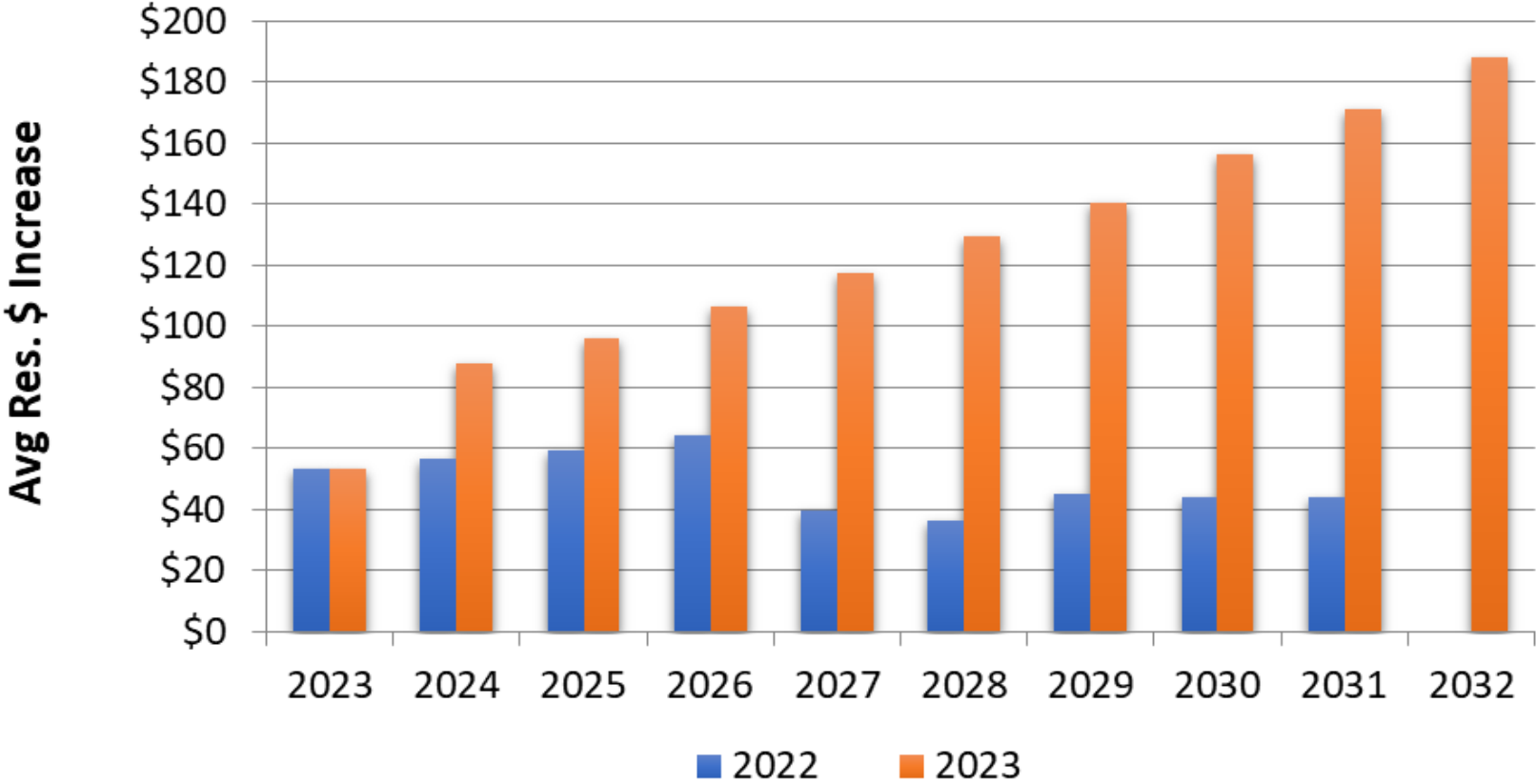
2023 RATE SUPPORTED FINANCING STRATEGY

2022 vs 2023 Financing Strategy Average Residential Increase

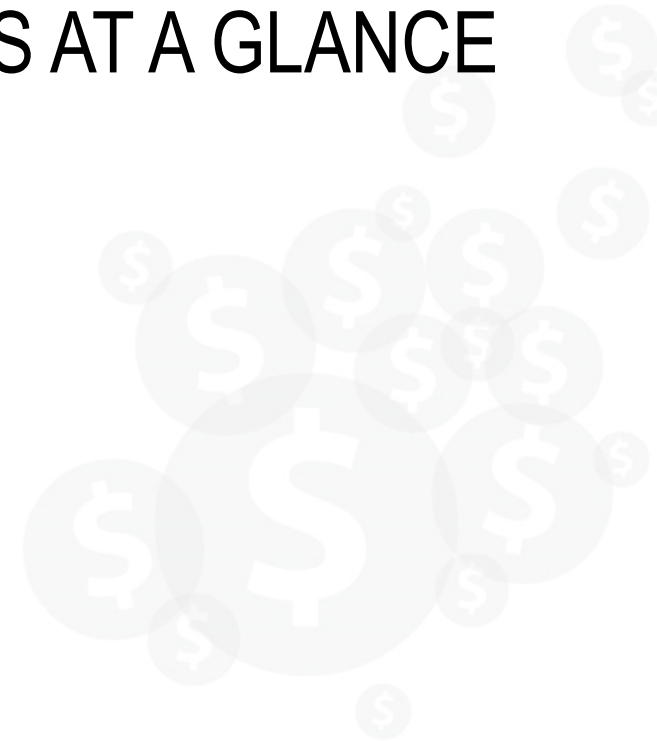


2023 RATE SUPPORTED FINANCING STRATEGY

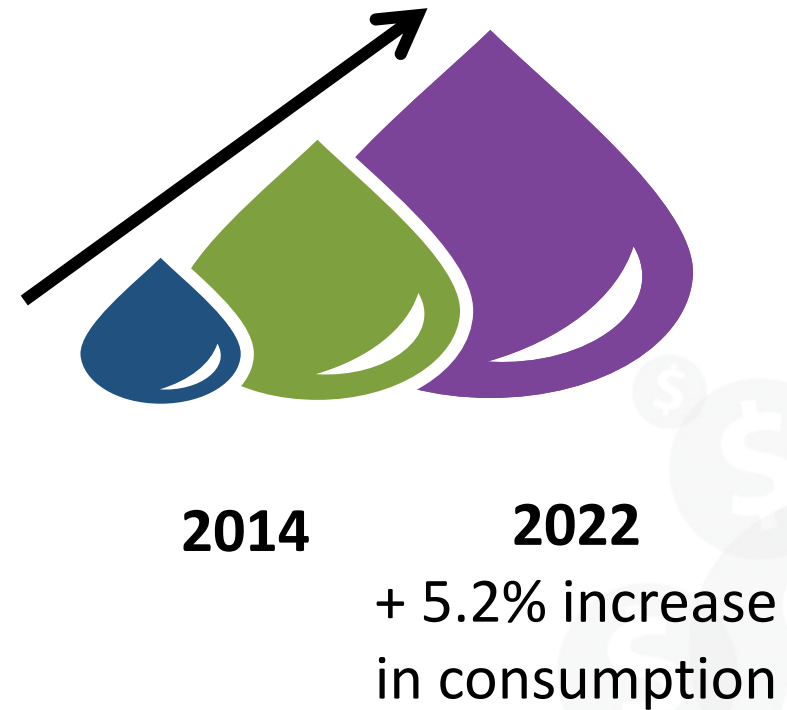
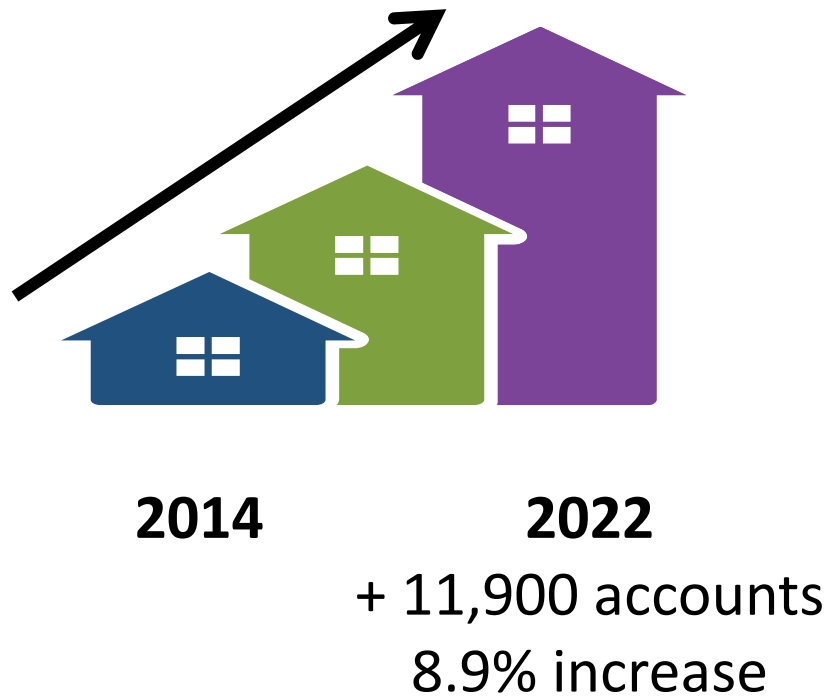
2022 vs 2023 Financing Strategy Average Residential Increase



CONSUMPTION TRENDS AT A GLANCE



2023 Water, Wastewater and Stormwater Budget
RESIDENTIAL WATER CONSUMPTION



4 YEAR WATER CONSUMPTION FORECAST (M³)



2022 → 2025
SLIGHT GROWTH
Residential



2022 → 2025
SLIGHT DECLINE
ICI/ Multi Res



(Aldershot
Water Only)

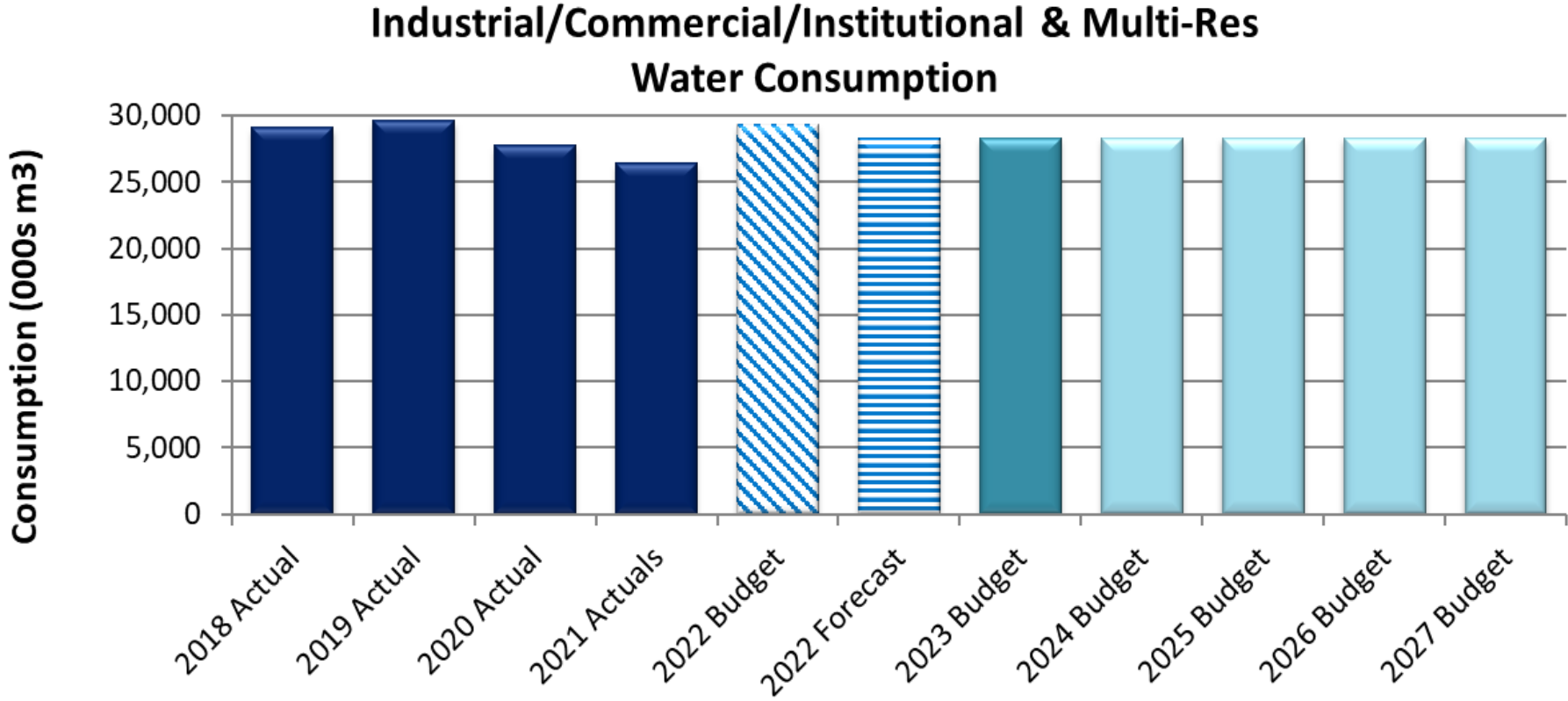
2022 → 2025
CONSISTENT



(Caledonia & Cayuga
Water Only)

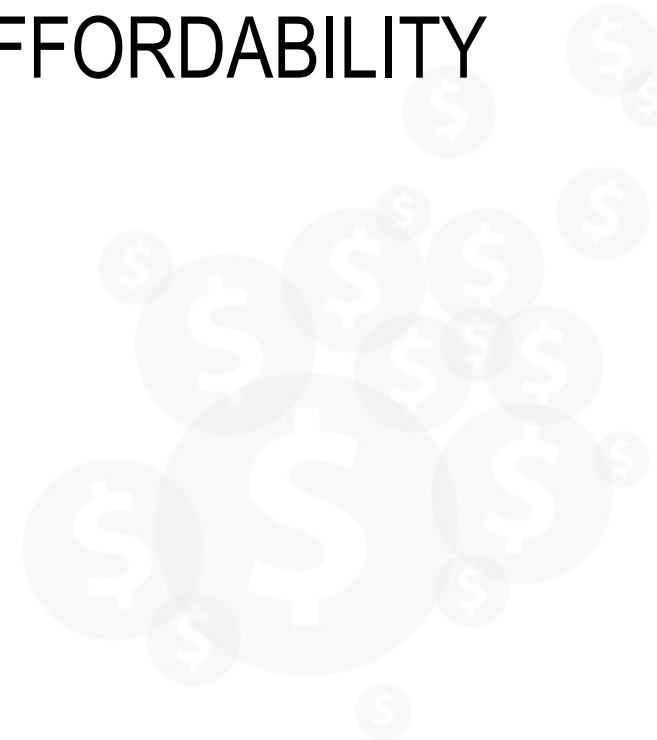
2022 → 2025
SLIGHT GROWTH

2023 Water, Wastewater and Stormwater Budget ICI & MR CONSUMPTION FORECAST



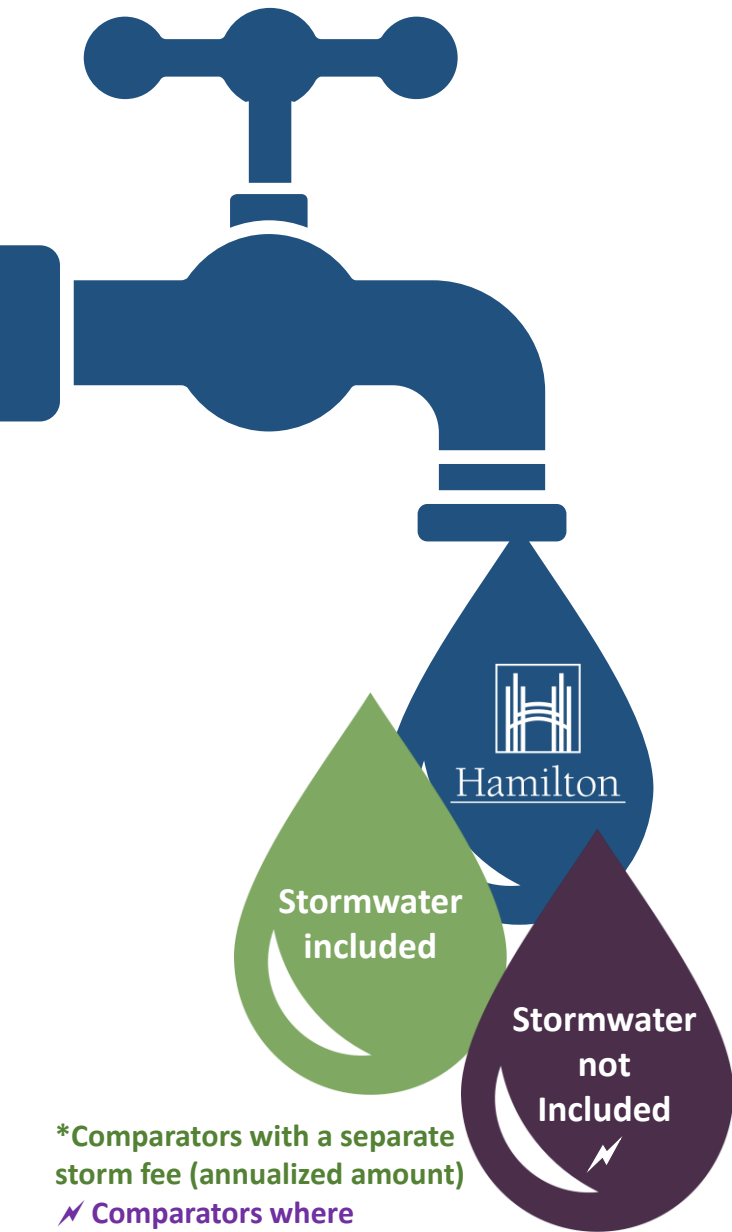
Budgeted consumption has been decreased for the 2023 Budget to just over 28M m³

MUNICIPAL COMPARATORS AFFORDABILITY



2023 Water, Wastewater and Stormwater Budget

HOW DOES HAMILTON COMPARE?



*Kitchener: \$1,566 (\$208)

⚡ Norfolk: \$1,539

⚡ West-Lincoln: \$1,263

⚡ Cambridge: \$1,199

*London: \$1,183 (\$216)

*Waterloo: \$1,083 (\$115)

⚡ Haldimand: \$1,062

*Guelph: \$1,068 (\$84)

⚡ St. Catharines: \$1,050

⚡ Brantford: \$981

⚡ Halton: \$952

⚡ Durham: \$937

Toronto: \$852

Hamilton: \$824

*Peel: \$699 (\$113)

2022 Water Bill
Residential
200m³/ (year)

Survey Average
\$1,084

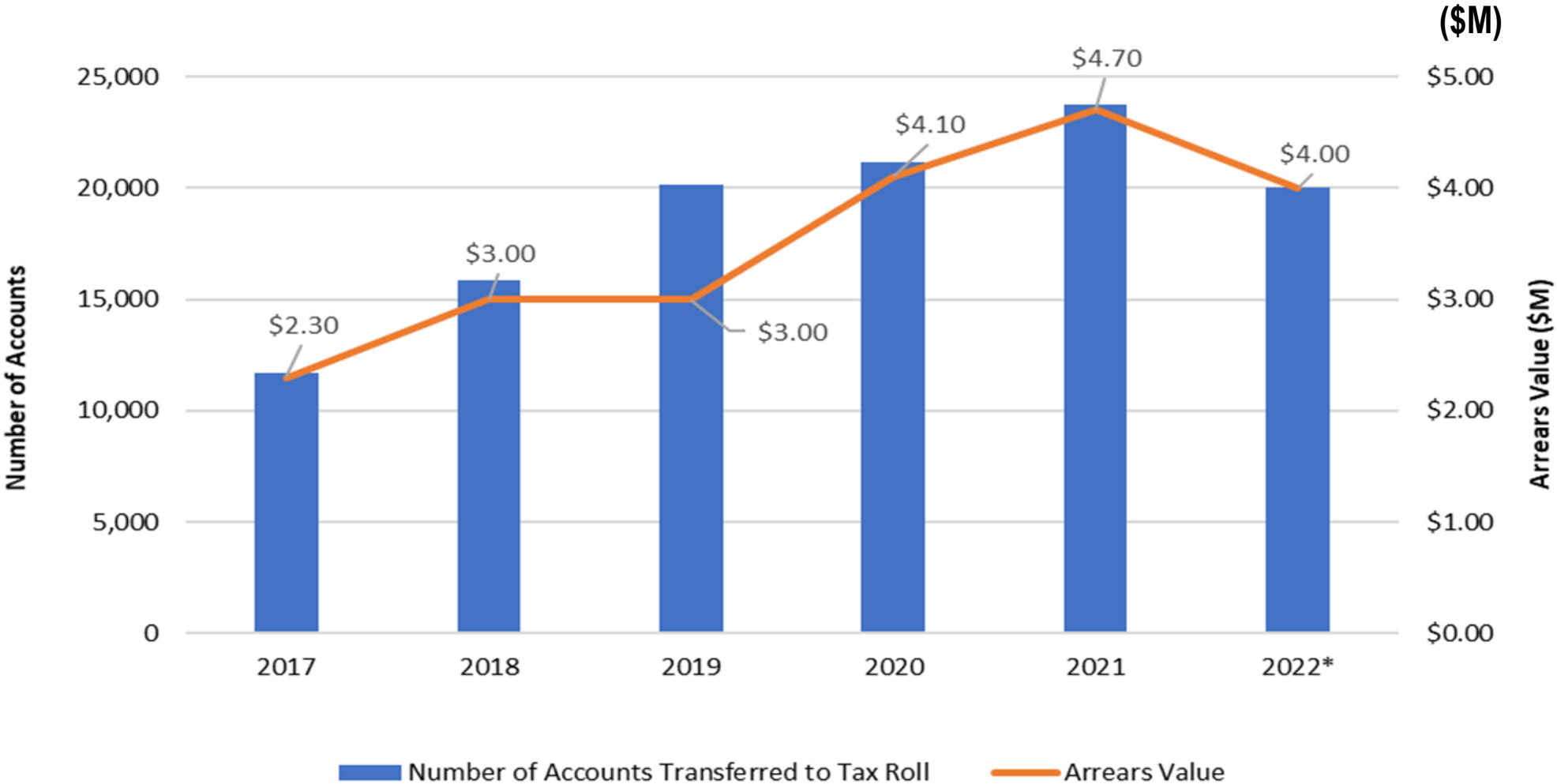
Hamilton provides three services for less than some municipalities which offer two

*Comparators with a separate storm fee (annualized amount)

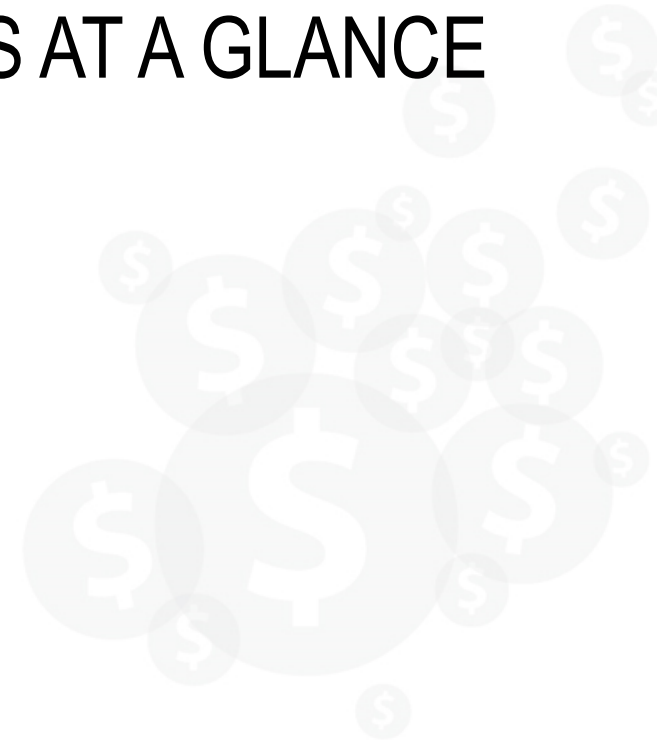
⚡ Comparators where Stormwater funded by property tax

2023 Water, Wastewater and Stormwater Budget

ARREARS TAX ROLL TRANSFERS

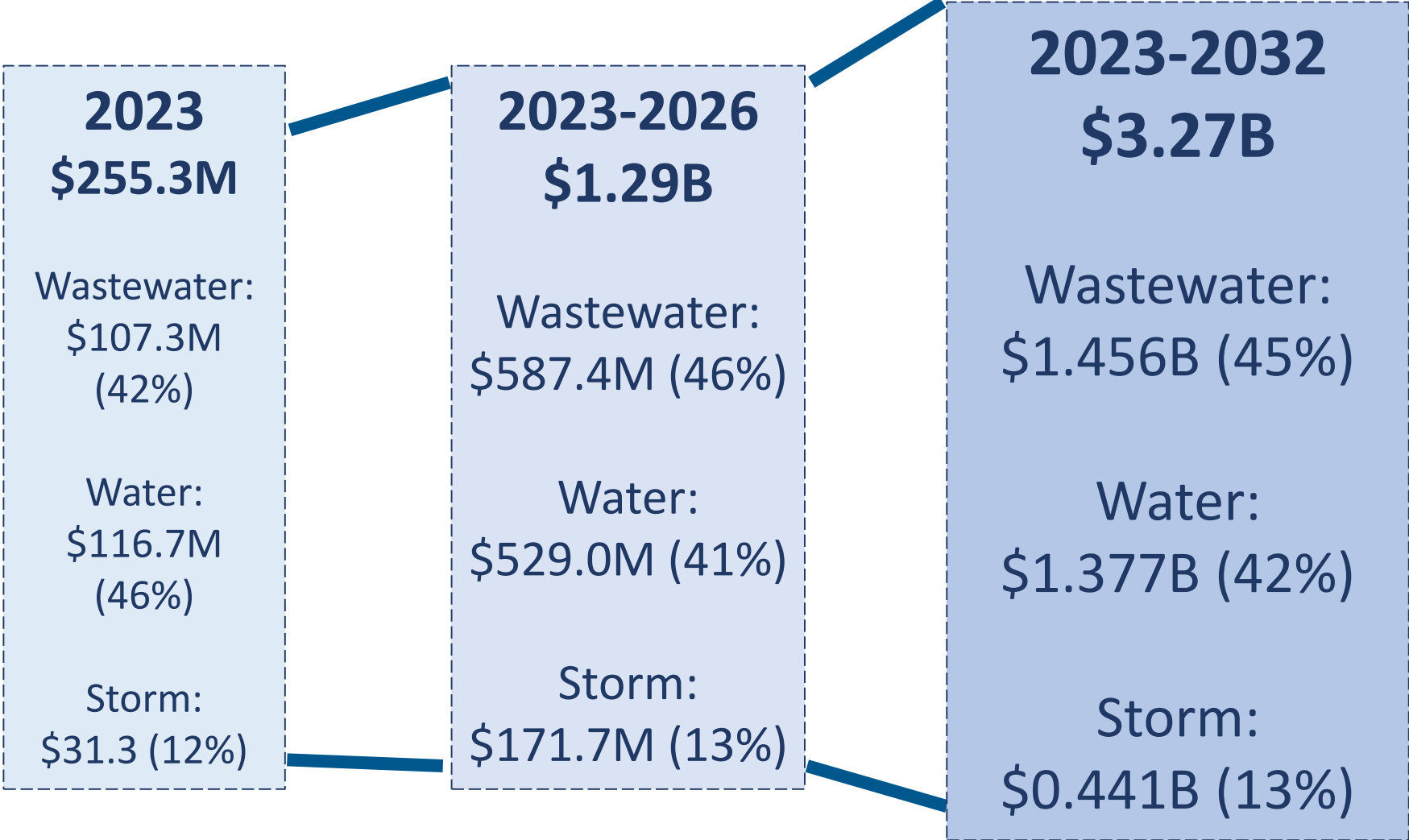


CAPITAL INVESTMENTS AT A GLANCE



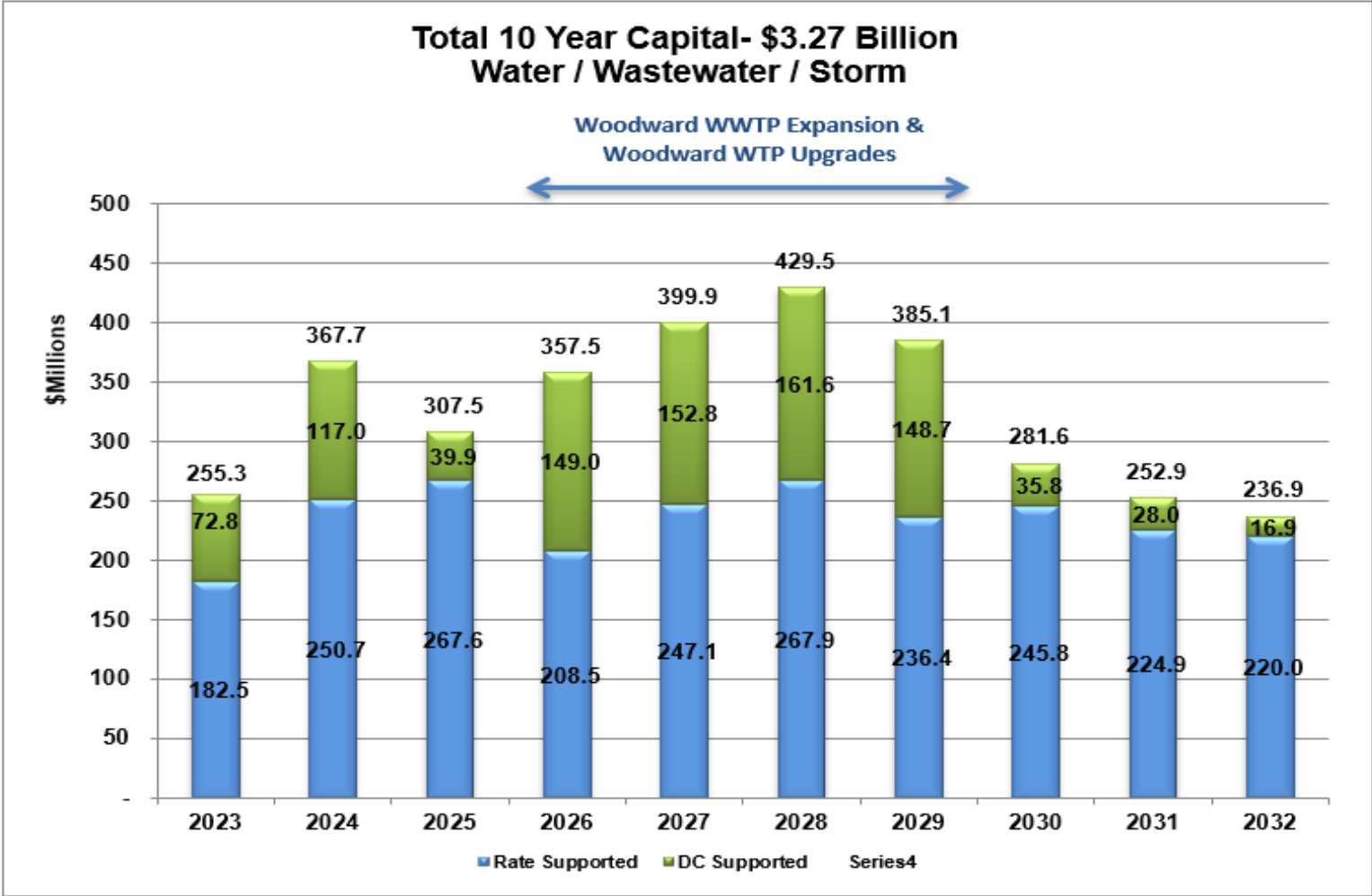
2023 Water, Wastewater and Stormwater Budget LONG TERM CAPITAL PROGRAM

At a Glance



10 YEAR CAPITAL PROGRAM

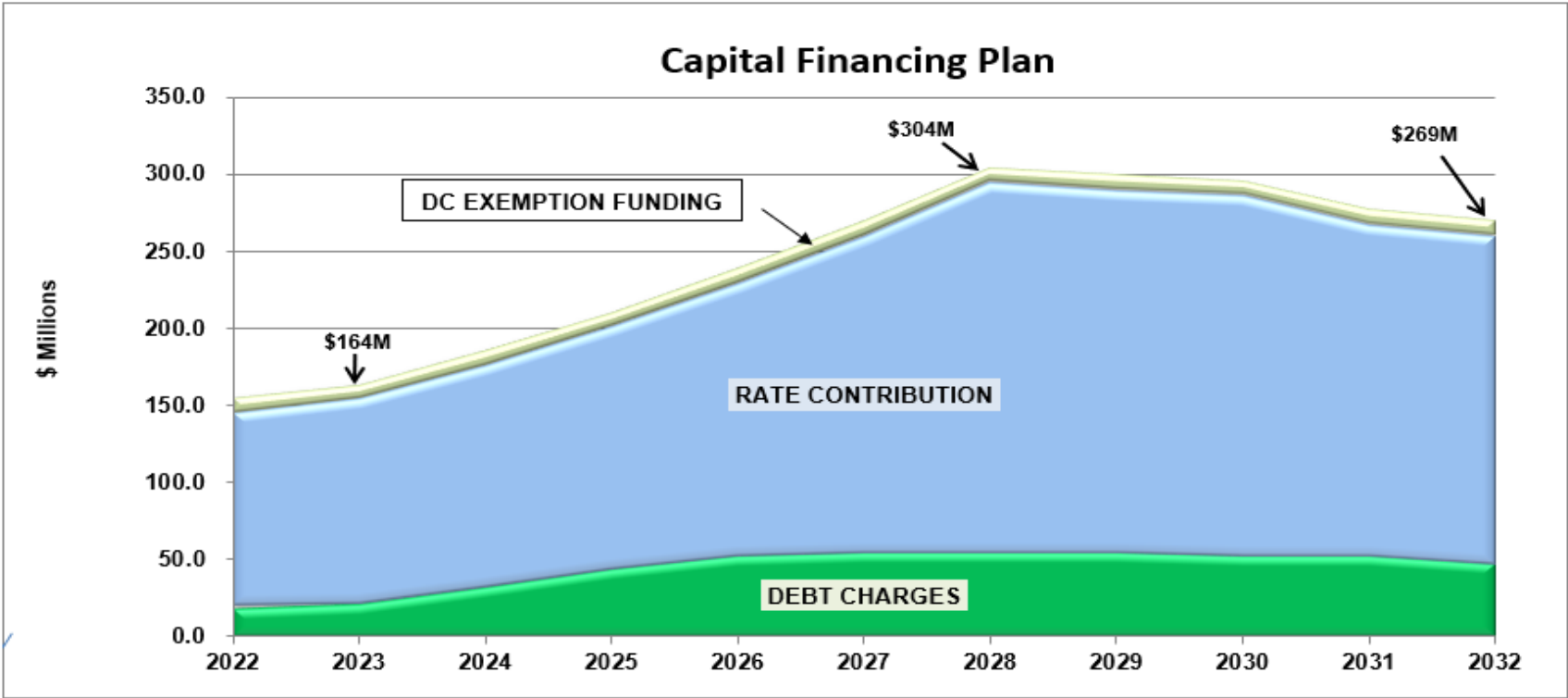
How much we plan to spend



2023 Water, Wastewater and Stormwater Budget

10 YEAR CAPITAL STRATEGY

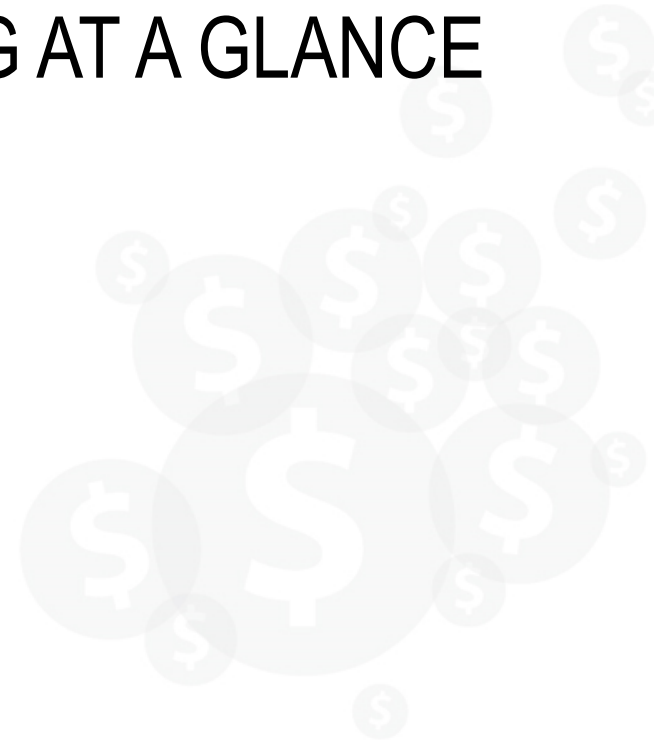
How will we pay for it



Contribution to capital increasing from \$164M in 2023 to \$269M in 2032
Largely due to increase in capital construction

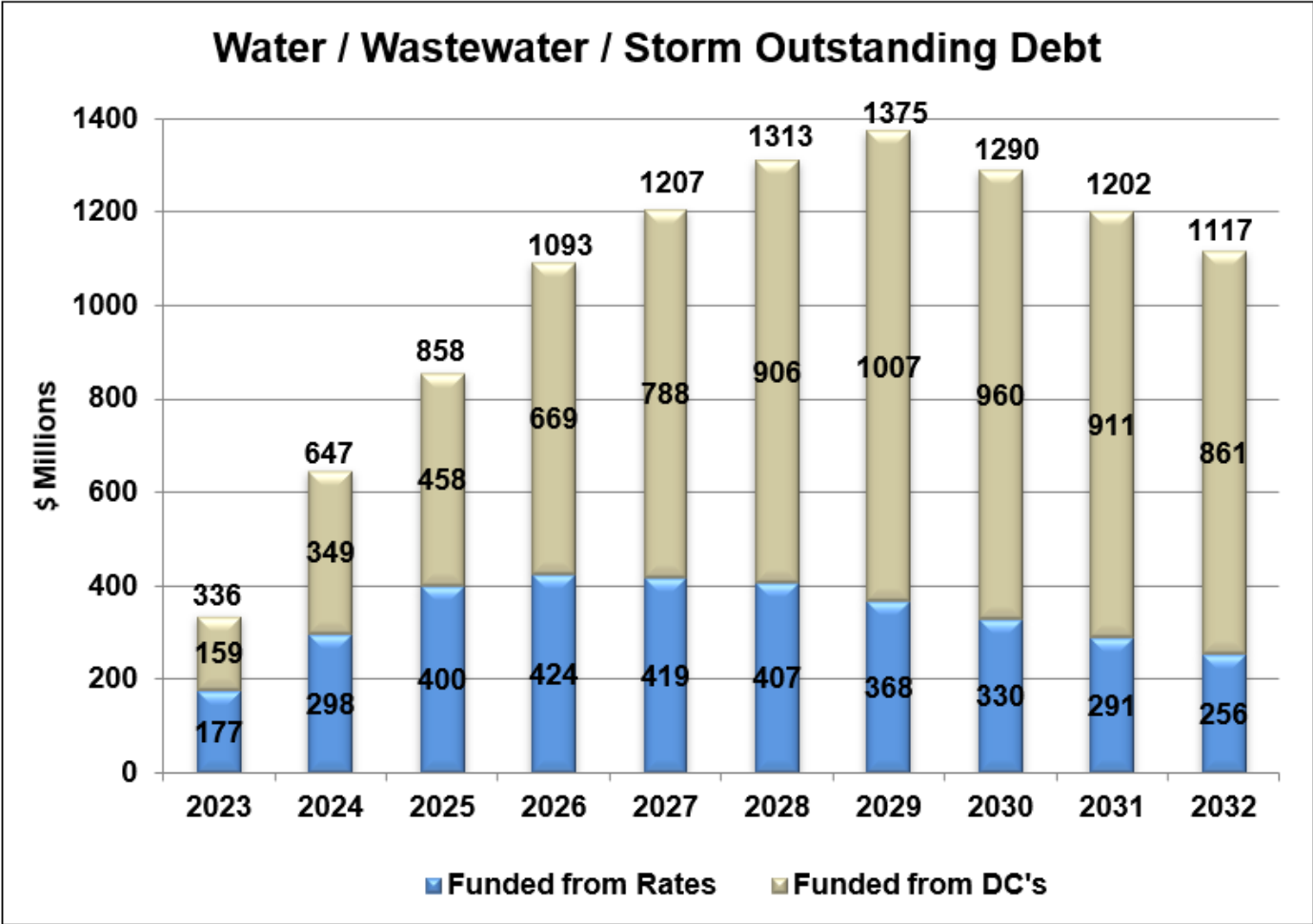


DEBT FUNDING AT A GLANCE

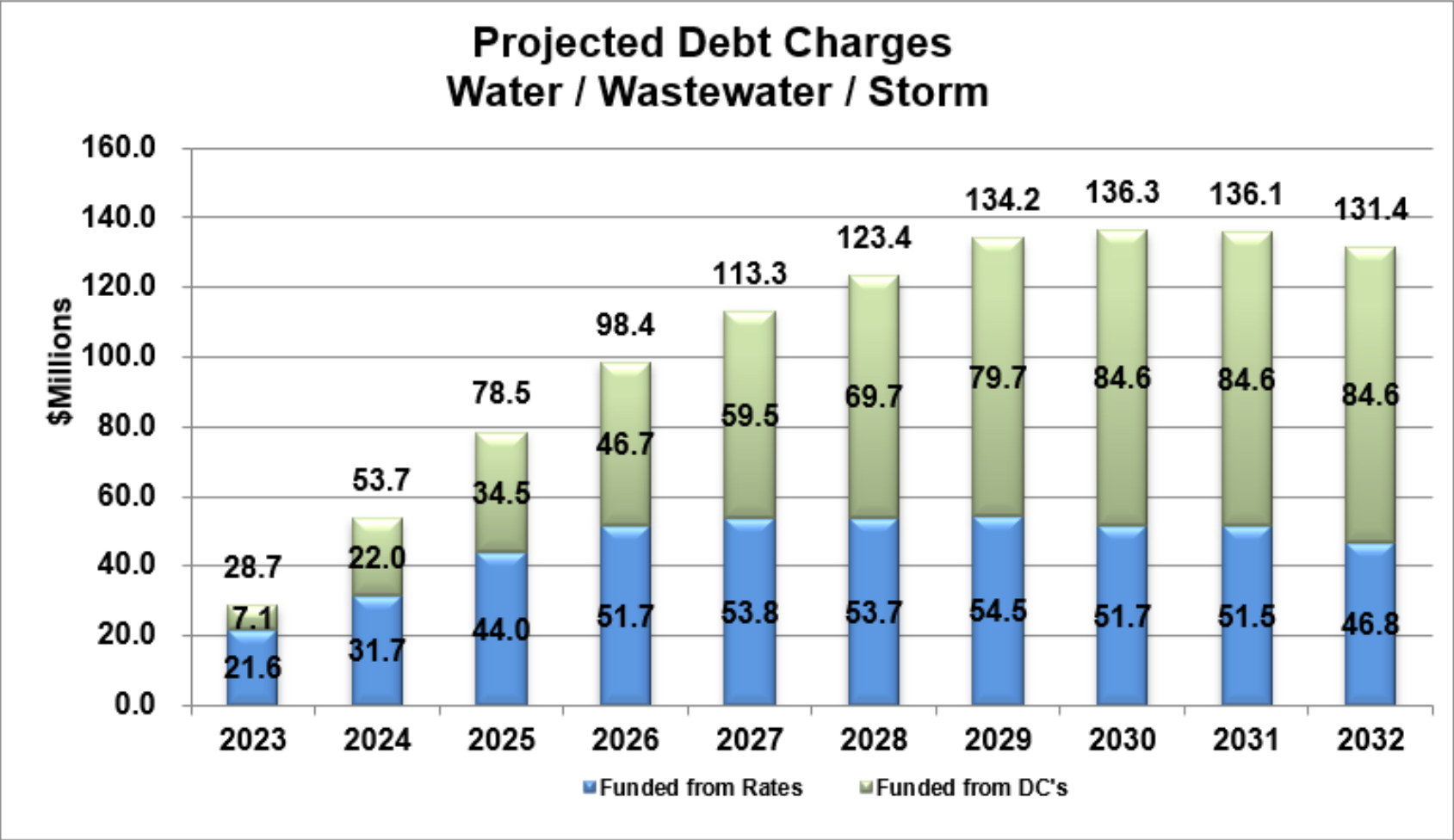


10 YEAR CAPITAL STRATEGY

What does our debt look like?



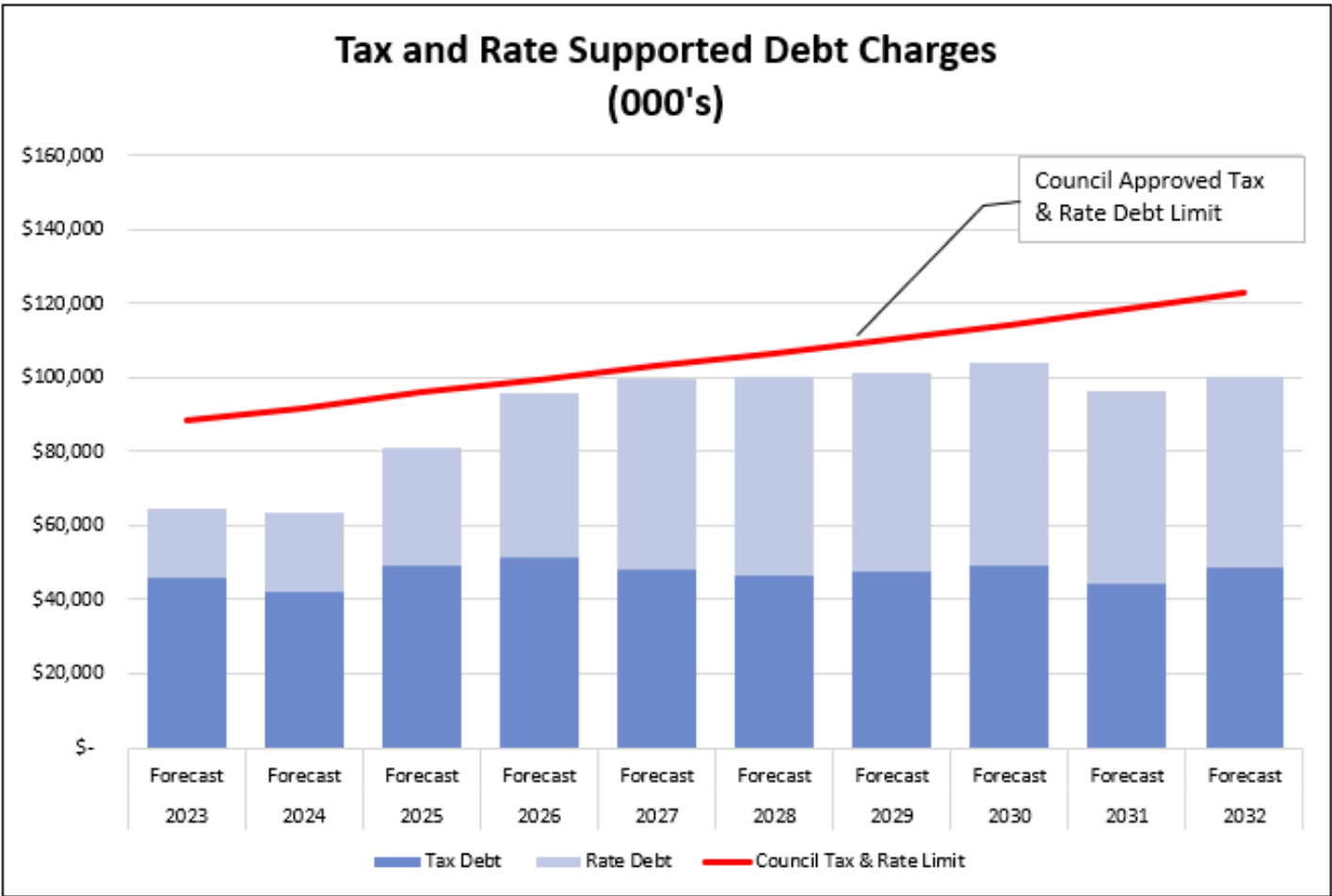
2023 Water, Wastewater and Stormwater Budget
10 YEAR CAPITAL STRATEGY
 How much does our debt cost?



2023 Water, Wastewater and Stormwater Budget

10 YEAR CAPITAL STRATEGY

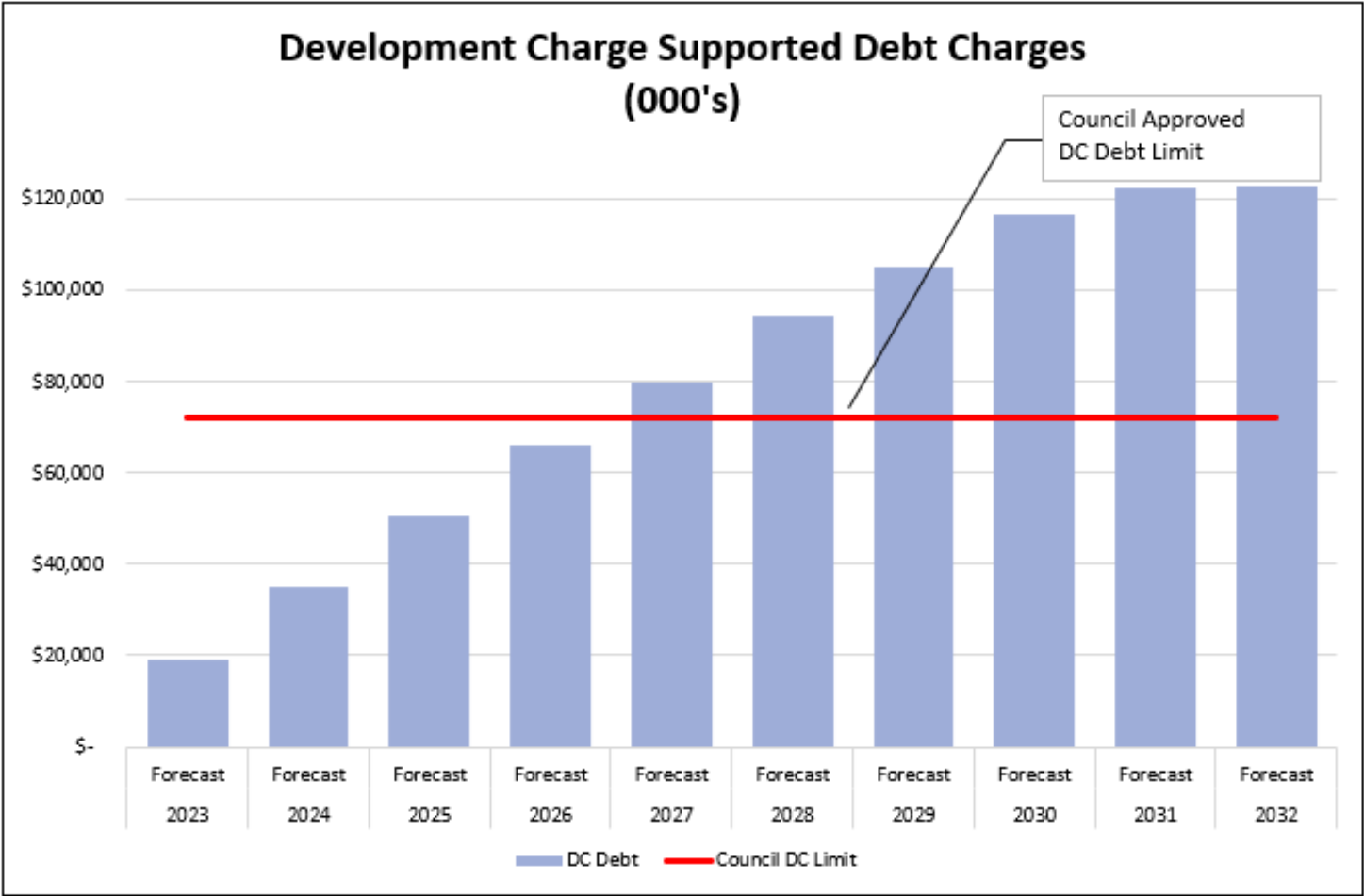
How much does our debt cost?



2023 Water, Wastewater and Stormwater Budget

10 YEAR CAPITAL STRATEGY

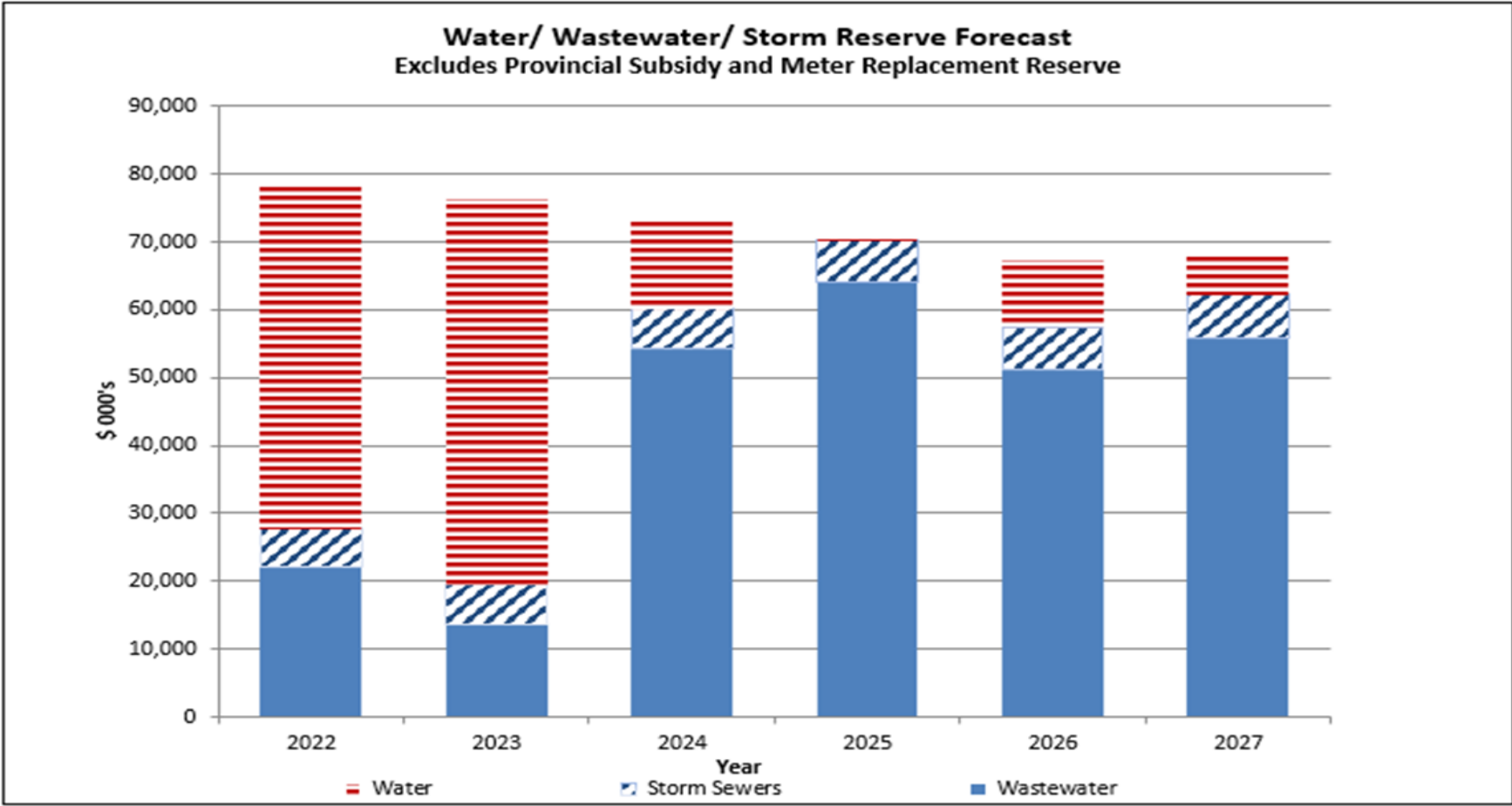
How much does our debt cost?



2023 Water, Wastewater and Stormwater Budget

10 YEAR CAPITAL STRATEGY

How much reserves will we use?



2023 Water, Wastewater and Stormwater Budget

PROPOSED NEXT STEPS

| | |
|------------------|--------------------------------------|
| December 2, 2022 | GIC Rate Budget Meeting (note 1) |
| December 7, 2022 | Council Approval of 2023 Rate Budget |

Note:
1. If needed





THANK YOU