

2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget



2024 RATE BUDGET

Snap Shot

Operating

- **\$303.3 M** Total Program and Financial Expenditures
- **\$295.7 M** Rate Revenue
- **\$7.7 M** Non-Rate Revenue

Capital

- **\$285.9 M** Rate Capital Program
 - 45% Water
 - 37% Wastewater
 - 18% Storm
- **\$4.14 B** capital investment forecast (2024 to 2033)
- **\$0.87 B** increase from last year's 10-year forecast

Note: Anomalies due to rounding



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

2024 RATE OPERATING BUDGET

By the Numbers

Summary of the 2024 Operating Budget				
(\$ millions)	2023 Restated Budget	2024 Requested Budget	2024 Requested / 2023 Restated Change	
			\$	%
Expenditures				
Program Expenditures	\$ 108.5	\$ 121.1	\$ 12.6	11.6%
Capital/Debt / Reserve Financing	\$ 163.9	\$ 182.2	\$ 18.3	11.2%
Total Expenditures	\$ 272.4	\$ 303.3	\$ 30.9	11.3%
Revenues				
Rate Revenue	\$ 269.4	\$ 295.7	\$ 26.3	9.7%
Non-Rate Revenue	\$ 3.0	\$ 7.7	\$ 4.7	153.1%
Total Revenue	\$ 272.4	\$ 303.3	\$ 30.9	11.3%
Average Residential Water / Wastewater / Storm Bill	\$ 877.30	\$ 965.40	\$ 88.10	10.04%

Note: Anomalies due to rounding

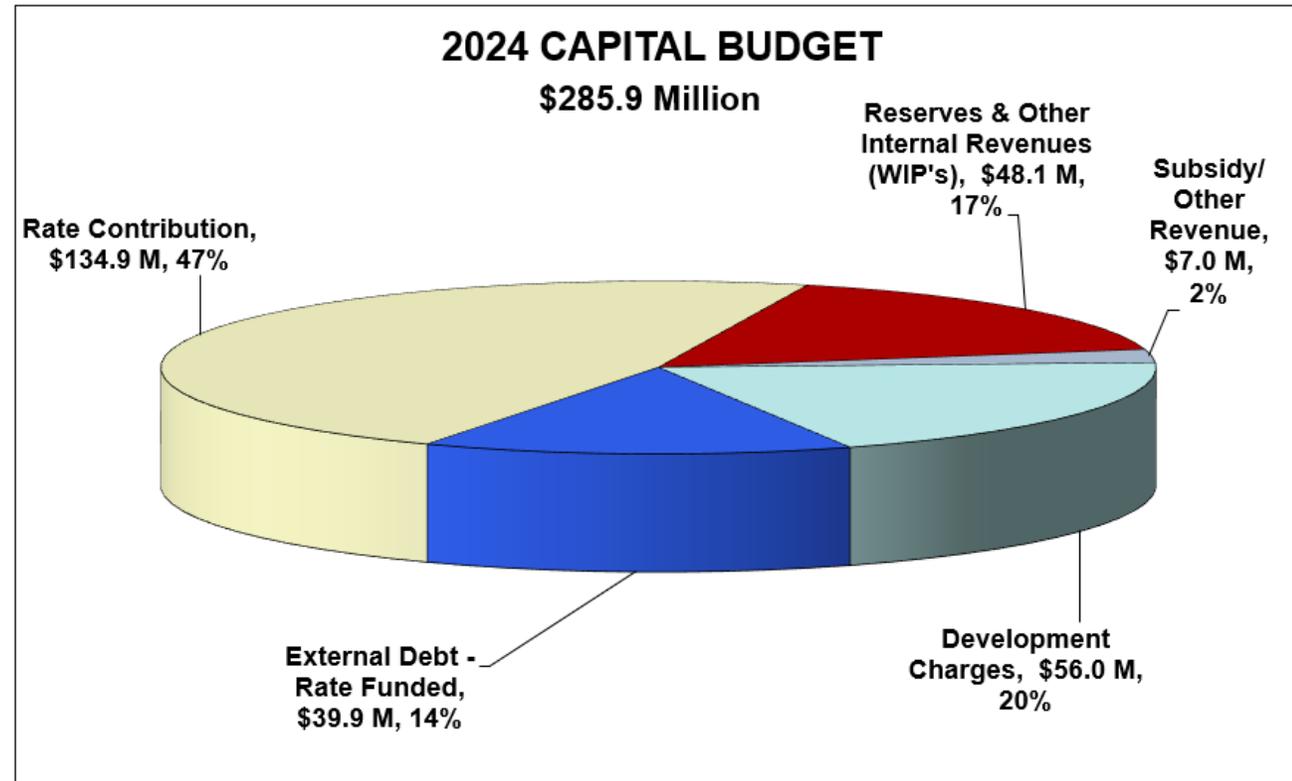


2024 RATE CAPITAL BUDGET

Sources of Funding

- \$134.9 M** from Operating
- \$ 56.0 M** Development Charges
- \$ 46.1 M** Work-in-progress (WIP)
- \$ 39.9 M** Debt
- \$ 2.0 M** Reserves
- \$ 7.0 M** Other Revenue

= \$285.9 M Gross Capital Funding



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

2024 RATE BUDGET

Average Residential Rate Increase

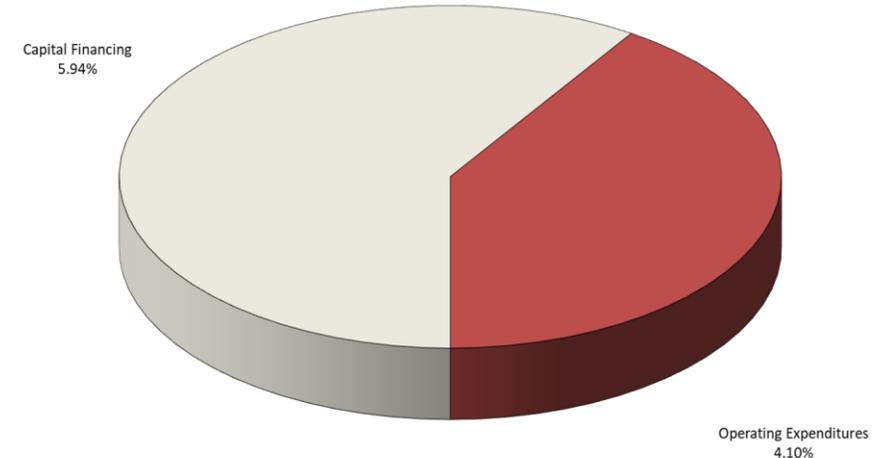
From Preliminary Outlook of 19.79% to 10.04%

- Changes in capital investments result in
 - \$9 M Decrease in Debt charges
 - \$10 M Decrease in Rate operating budget contribution
- Increase in program expenditures of \$8 M
- Increase in reserve contribution and Ontario government funding towards DC Exemptions
 - \$13 M from Reserves
 - \$4.6 M New Building Faster Fund

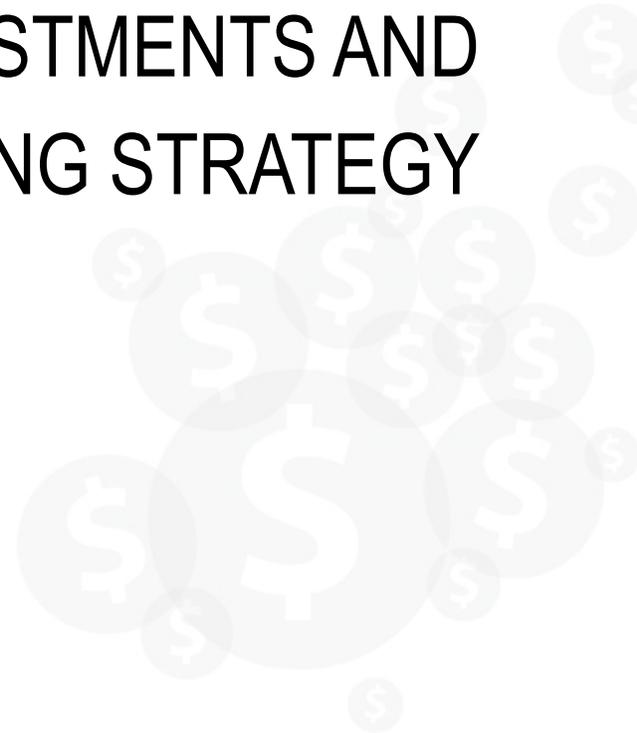
Note: Anomalies due to rounding

Impact of Recommended 2024 Rate Increases on a Typical Residential Bill: 10.04%
Based on annual water consumption of 200m³

Drivers of 10.04% Rate Increase

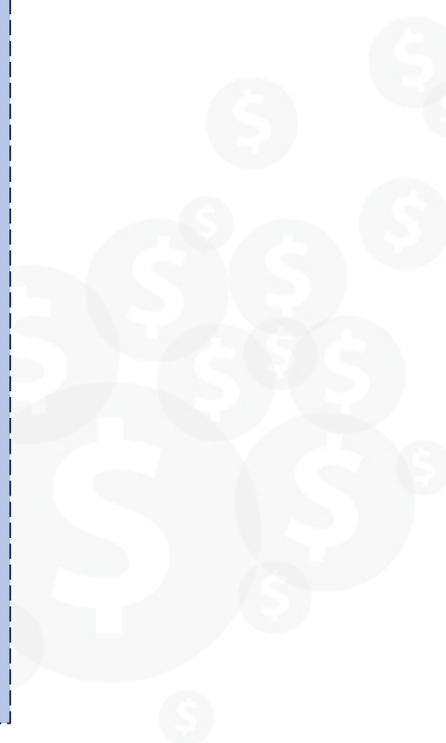
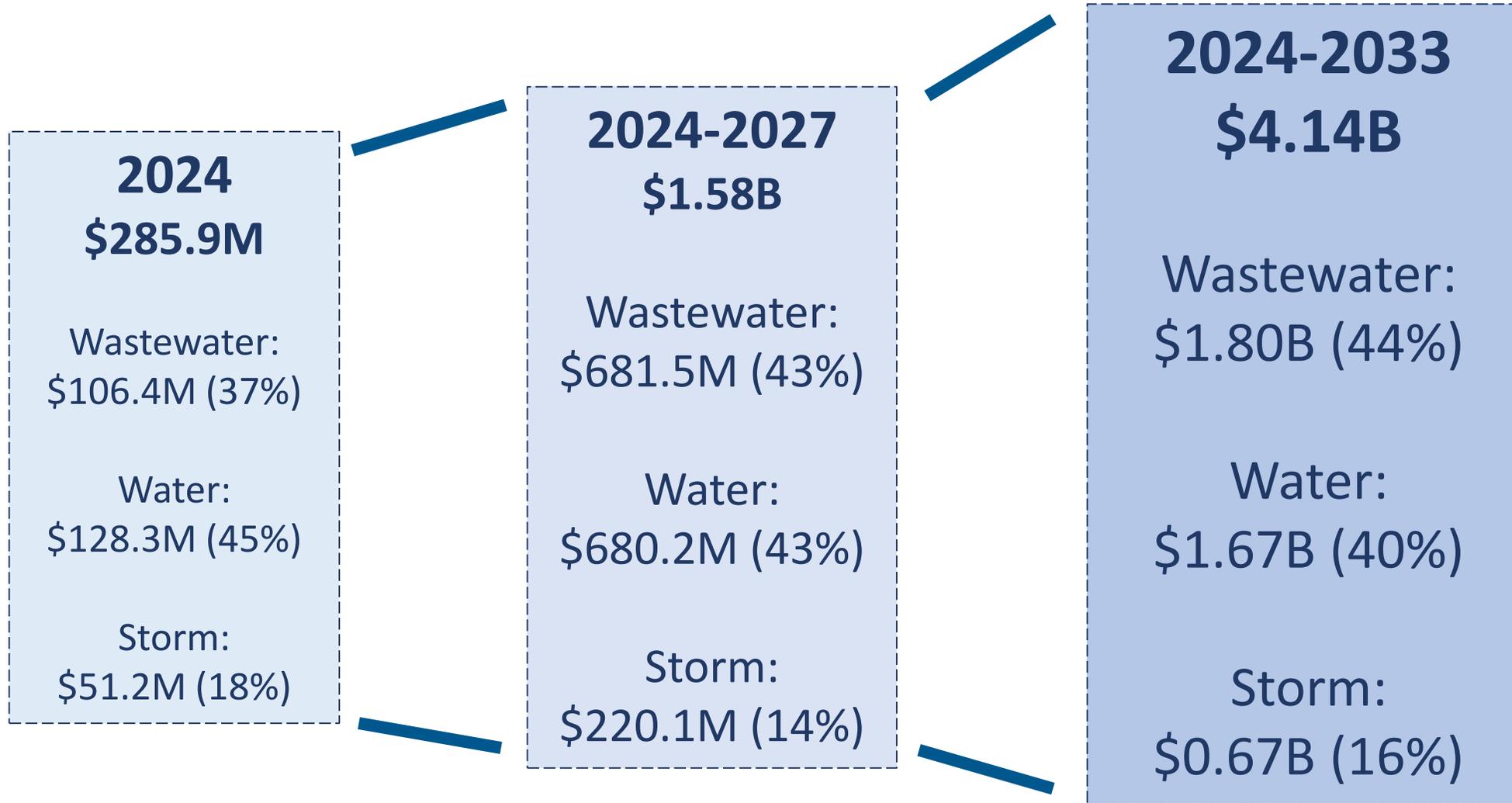


CAPITAL INVESTMENTS AND FINANCING STRATEGY



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget 10 YEAR CAPITAL PROGRAM

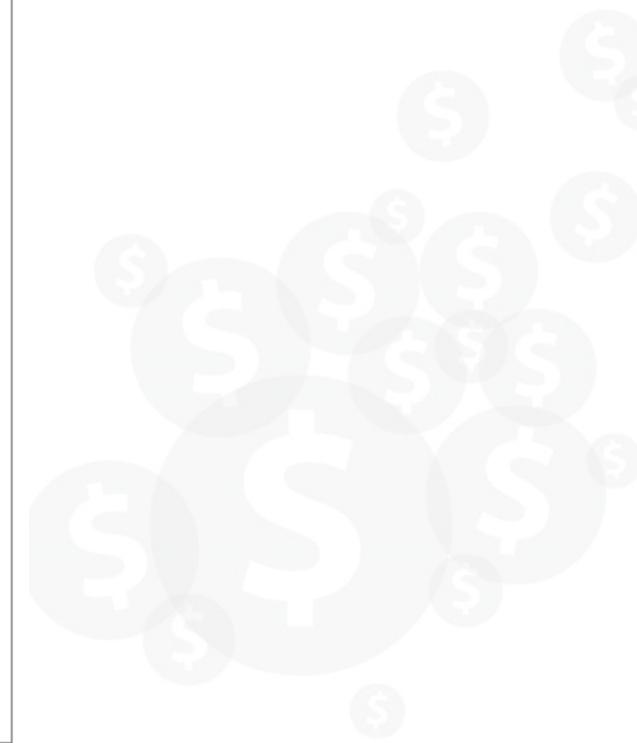
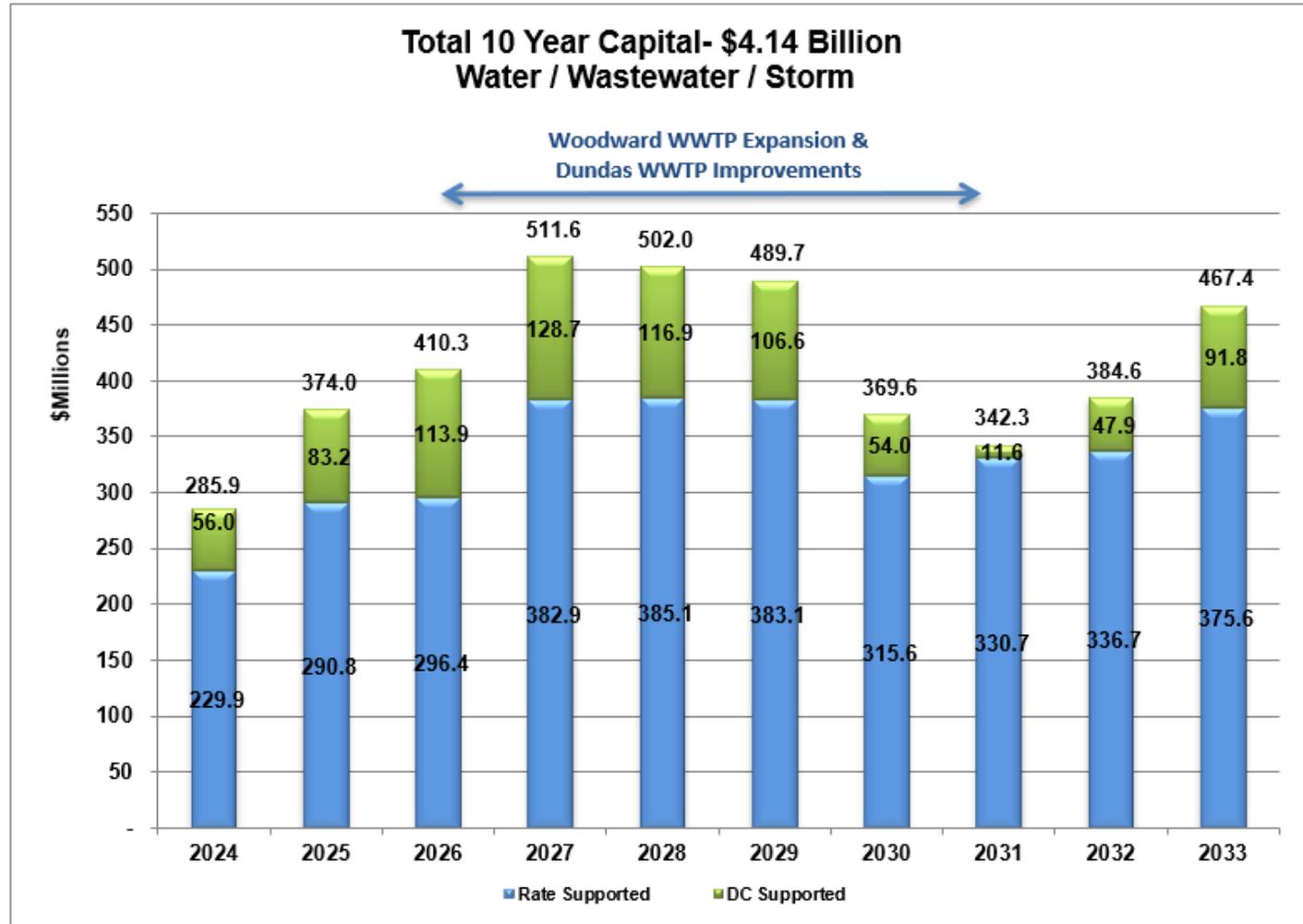
At a Glance



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

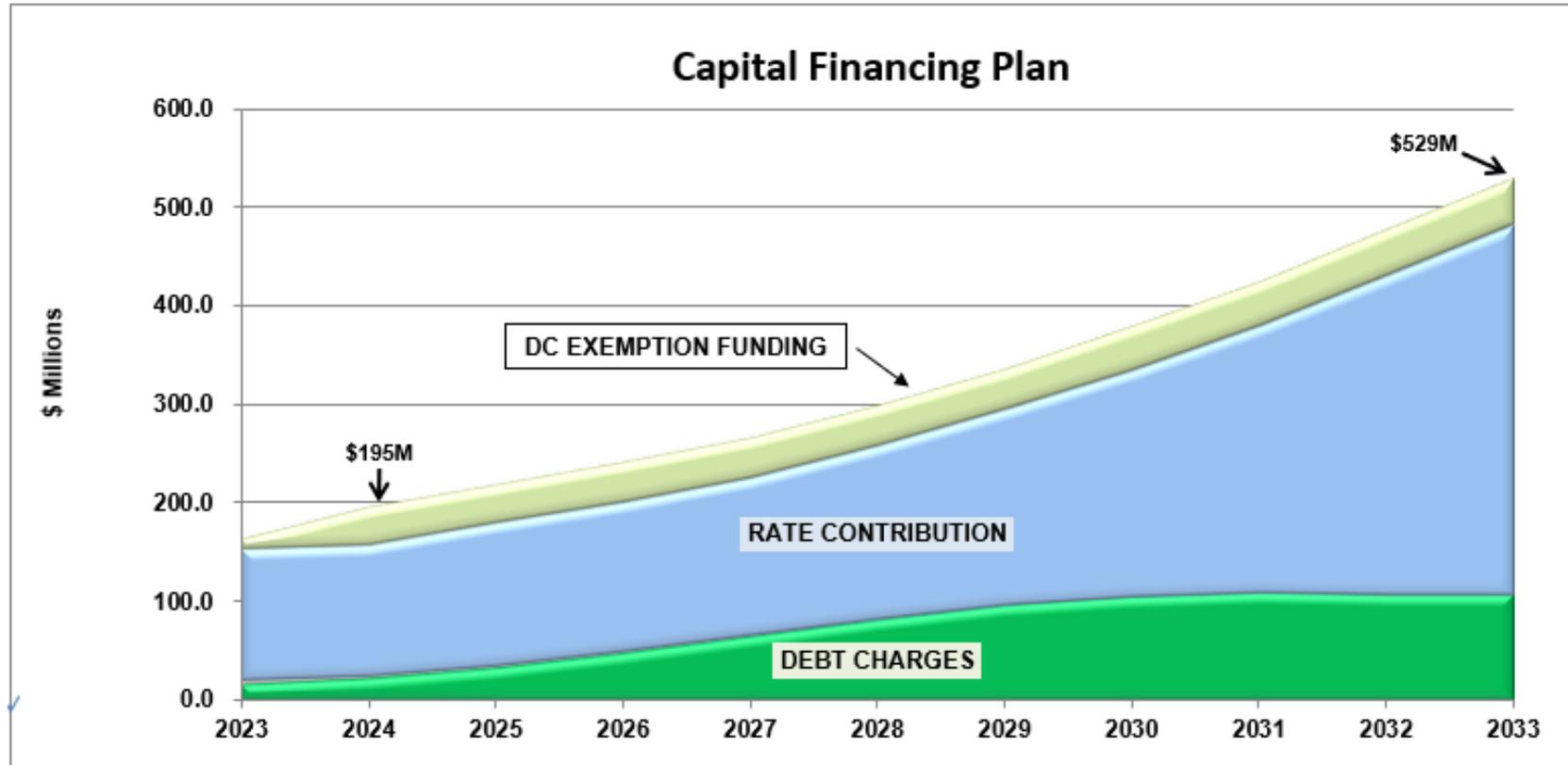
10 YEAR CAPITAL PROGRAM

How much do we plan to spend?



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget 10 YEAR FINANCING STRATEGY

How will we pay for it?



**Impact of capital on operating budget increasing from
\$195M in 2024 to \$529M in 2033**

Largely due to increase in capital construction

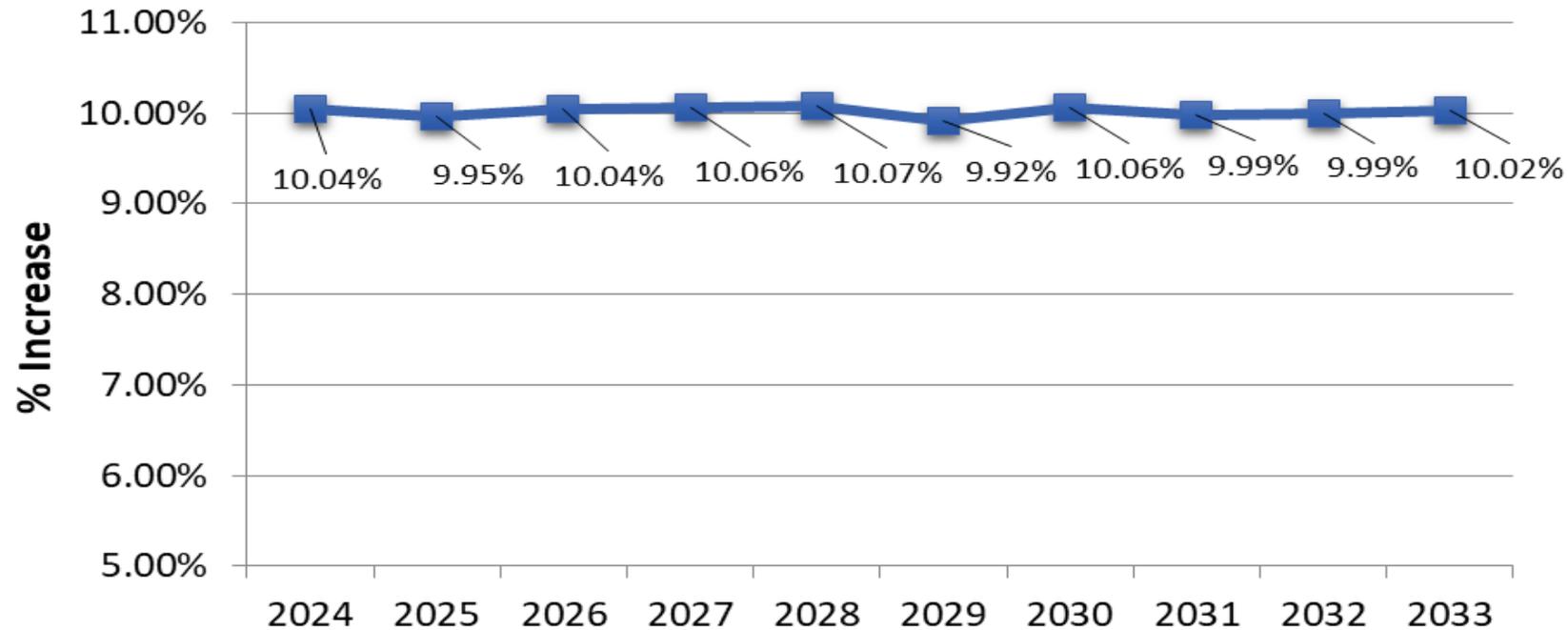


2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

10 YEAR FINANCING STRATEGY

What do residential rate increases look like?

2024 - 2033 Financing Strategy Average Residential Increase



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget 10 YEAR FINANCING STRATEGY

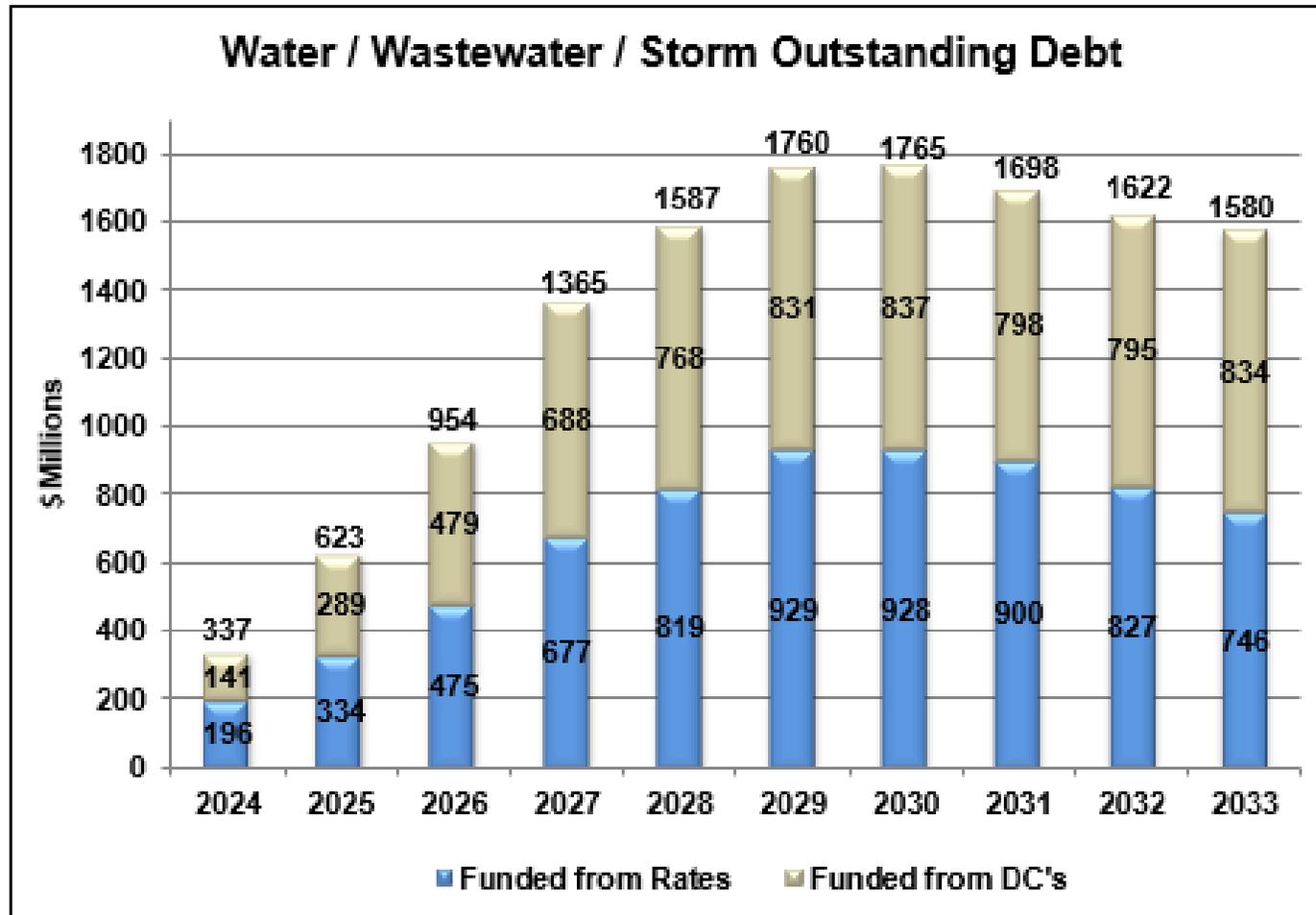
2024 - 2033 Financing Strategy Average Residential Increase



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

10 YEAR FINANCING STRATEGY

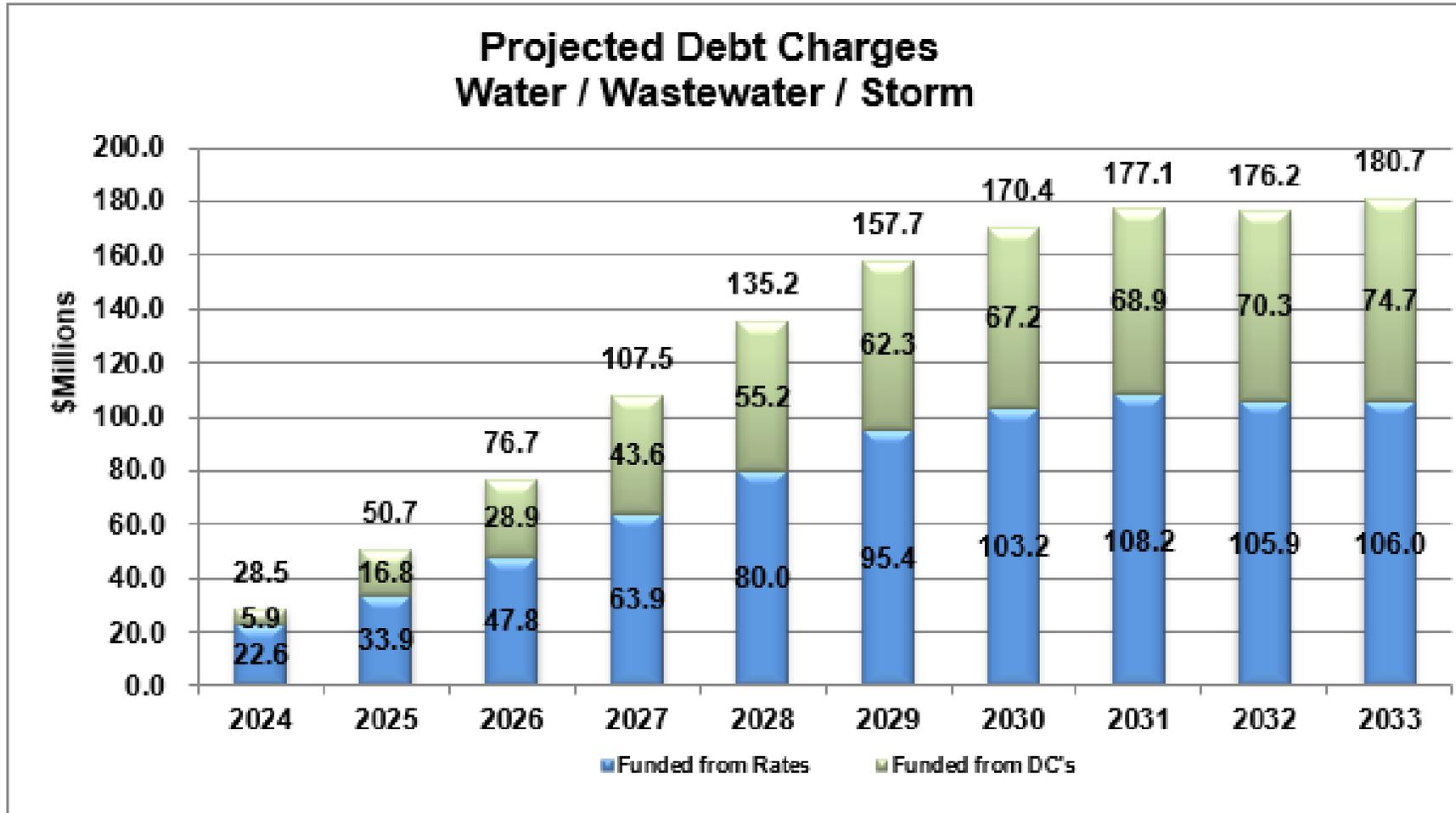
What does our rate budget debt look like?



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

10 YEAR FINANCING STRATEGY

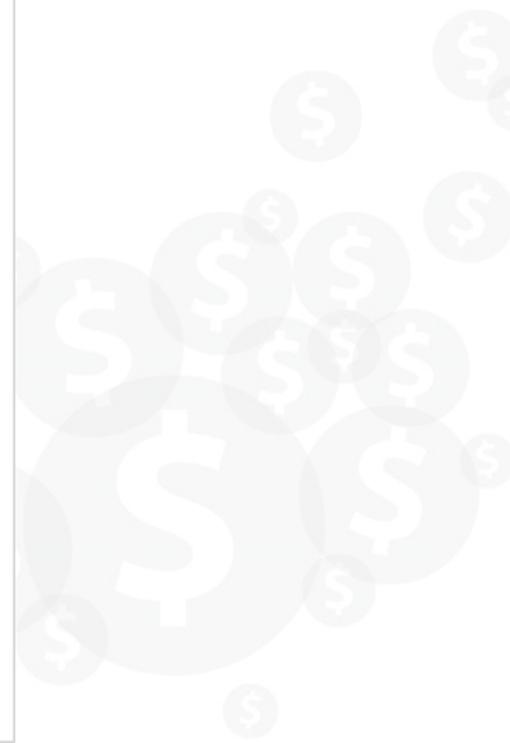
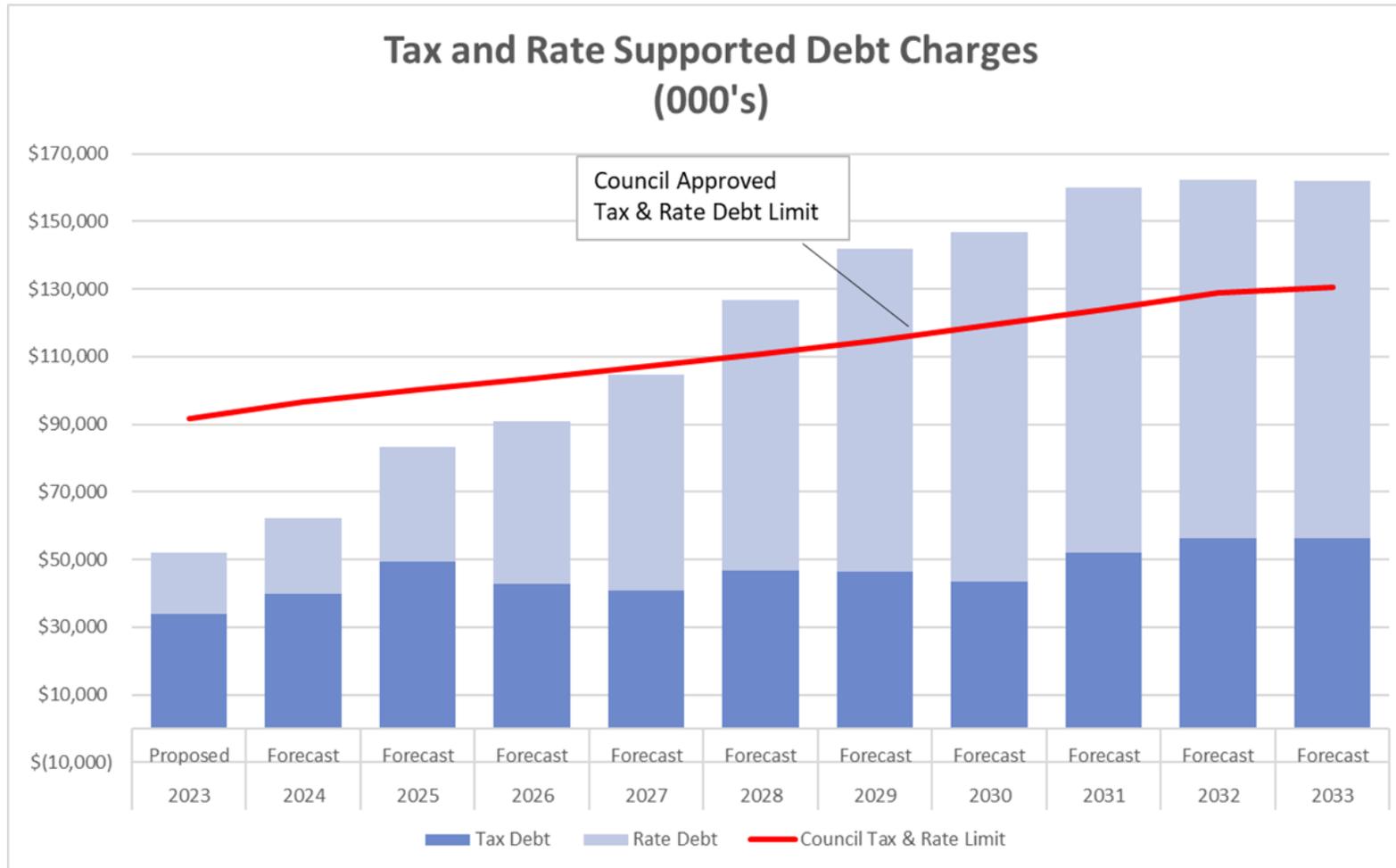
What is the cost of our rate supported debt?



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

10 YEAR FINANCING STRATEGY

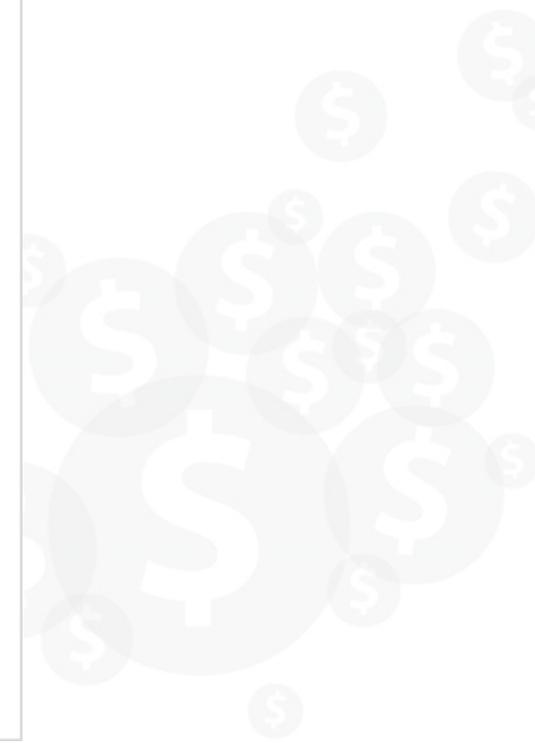
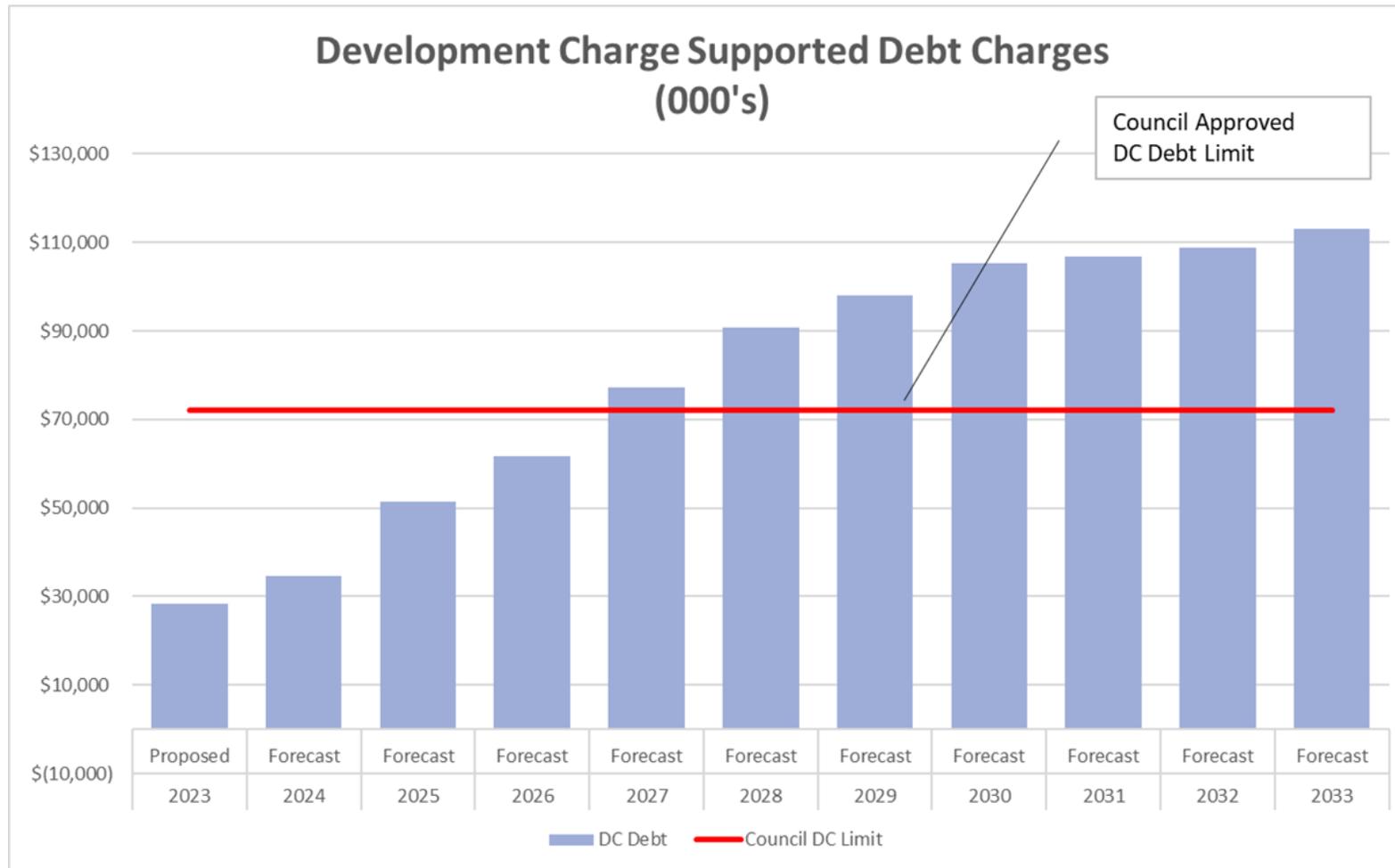
What is the cost of our debt?



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10 YEAR FINANCING STRATEGY

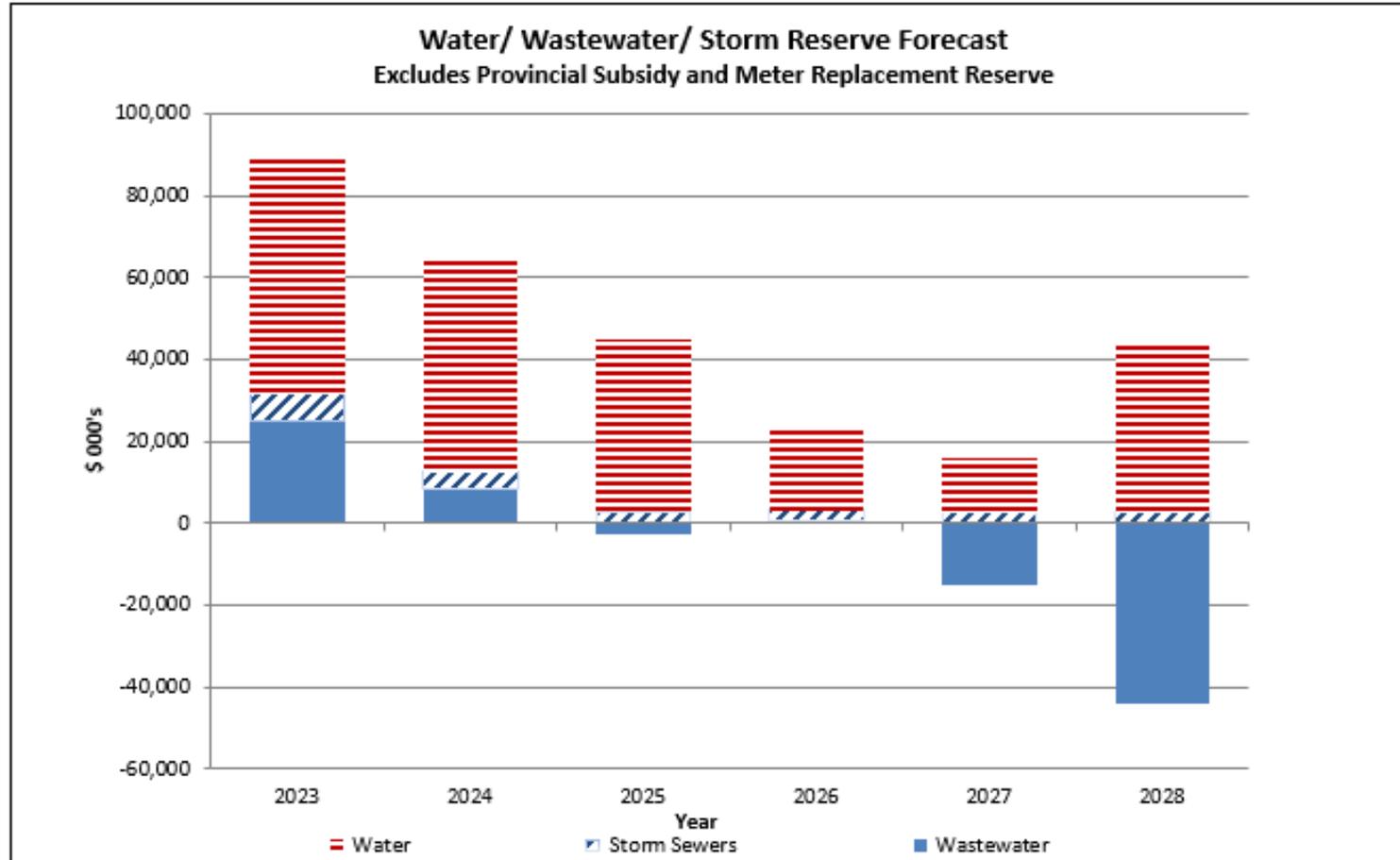
What is the cost of our DC debt?



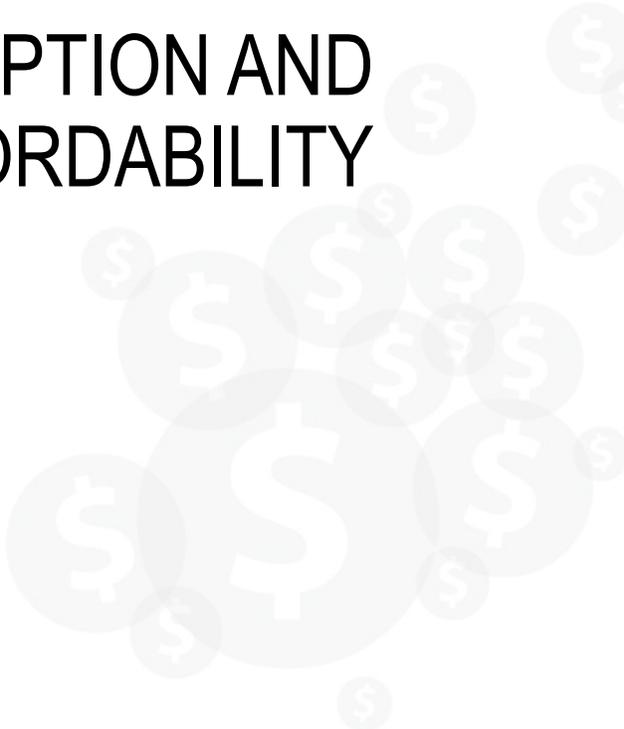
2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

10 YEAR FINANCING STRATEGY

How much reserves will we use?



CONSUMPTION AND AFFORDABILITY



2024 METERED ACCOUNTS & REVENUE BY SECTOR

Where the \$ comes from

Metered Accounts by Sector



Residential
93%



ICI & Multi Residential
7%

Consumption by Sector

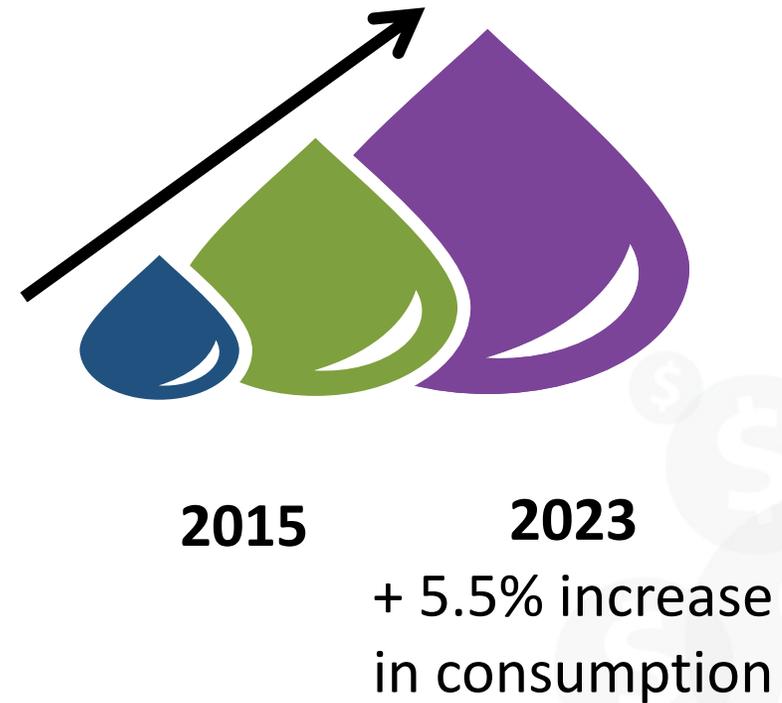
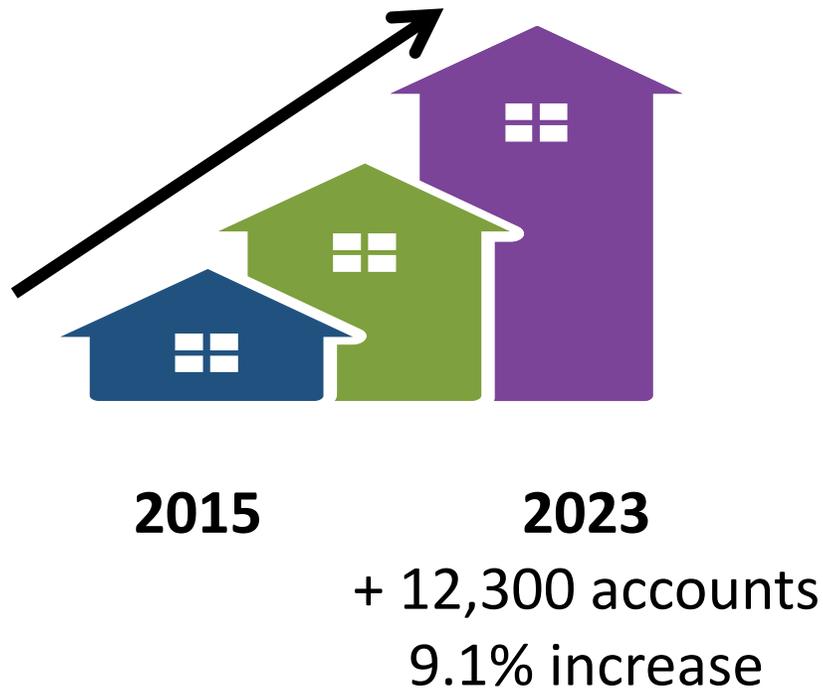


Residential
50%



ICI & Multi Residential
50%

2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget
RESIDENTIAL WATER CONSUMPTION



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget 4 YEAR WATER CONSUMPTION FORECAST (M³)



2024 → 2027
SLIGHT GROWTH
Residential



2024 → 2027
CONSISTENT
ICI/ Multi Res



(Aldershot
Water Only)

2024 → 2027
CONSISTENT

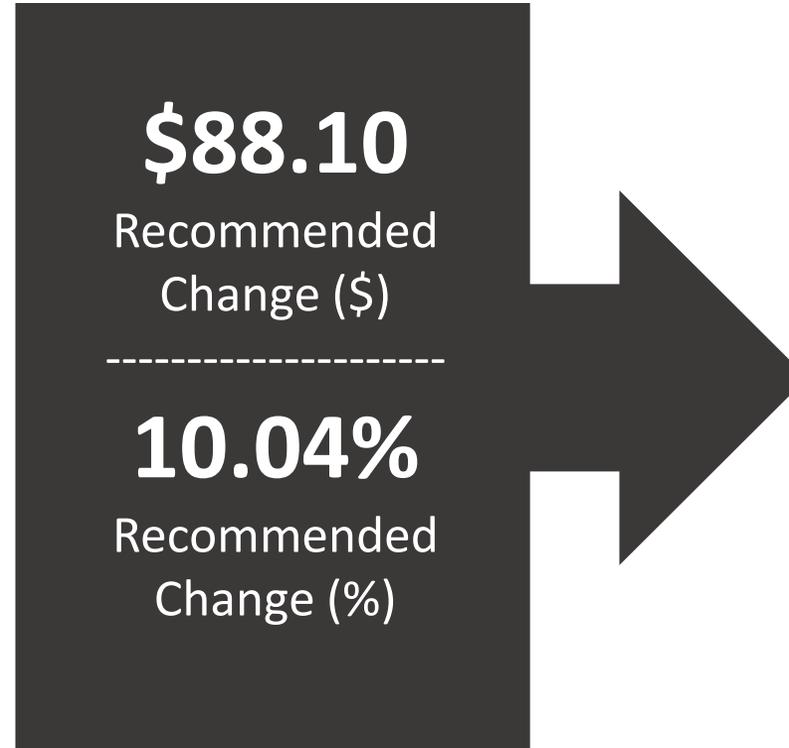


(Caledonia & Cayuga
Water Only)

2024 → 2027
CONSISTENT

2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget
2024 AVERAGE RESIDENTIAL BILL

\$877.30
2023 Residential Bill

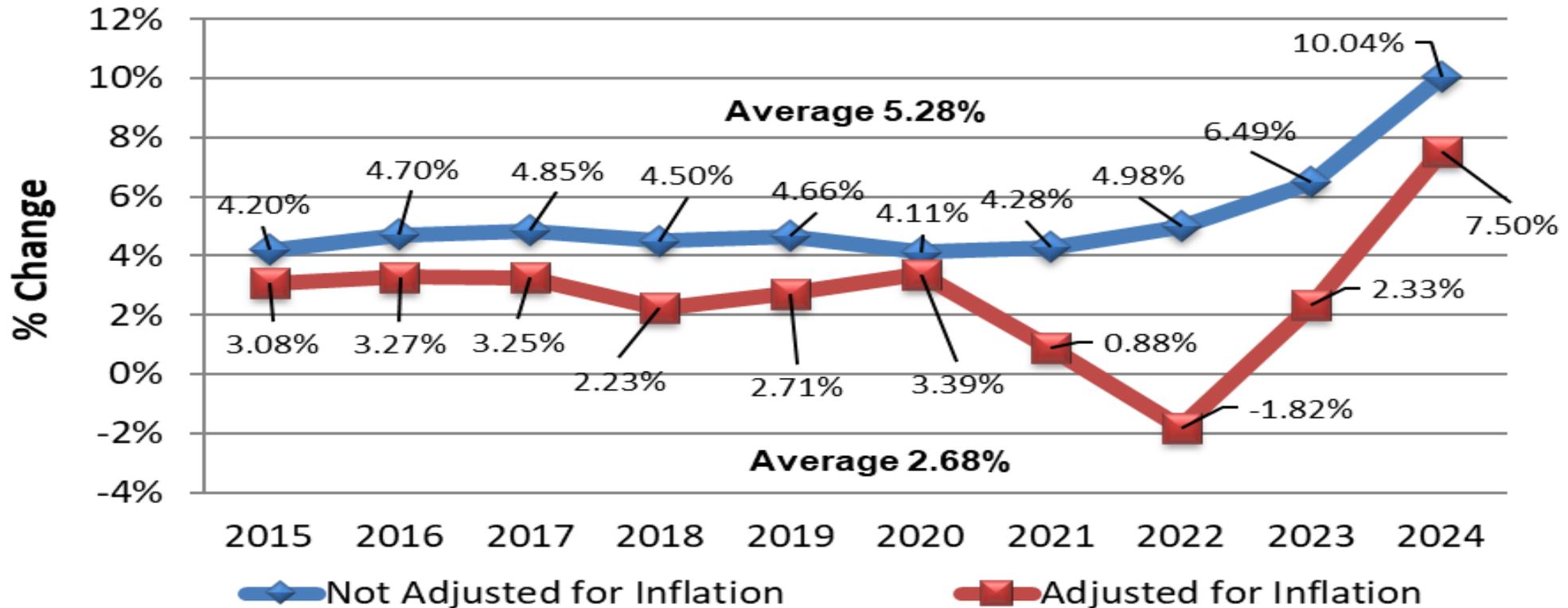


\$965.40
2024 Residential Bill

**Impact of Recommended 2024 Water and Wastewater/Storm Rate
Increases on a Typical Residential Bill: 10.04%**
Based on annual water consumption of 200m³

2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget
10 YEAR RATE INCREASE TREND

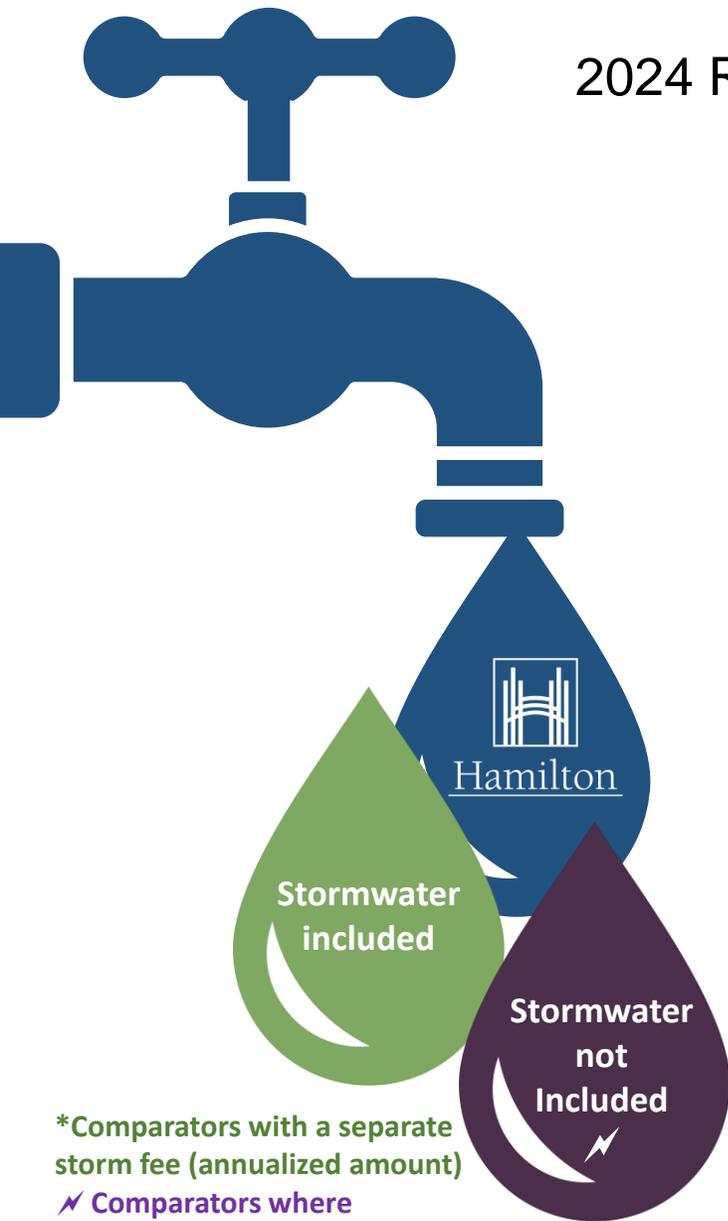
**Water & Wastewater/Storm Rate Changes
 2015 to 2024**



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Average Res. Increase	\$ 24.10	\$ 28.55	\$ 30.60	\$ 29.75	\$ 32.20	\$ 29.70	\$ 32.20	\$ 39.05	\$ 53.45	\$ 88.10

2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

HOW DOES HAMILTON COMPARE?



- *Kitchener: \$1,628 (\$225)
- ⚡ Norfolk: \$1,627
- ⚡ West-Lincoln: \$1,316
- ⚡ Cambridge: \$1,245
- *London: \$1,197 (\$216)
- ⚡ St. Catharines: \$1,143
- *Waterloo: \$1,136 (\$123)
- *Guelph: \$1,103 (\$91)
- ⚡ Haldimand: \$1,082
- ⚡ Brantford: \$1,003
- ⚡ Halton: \$991
- ⚡ Durham: \$977
- Toronto: \$877
- Hamilton: \$860**
- *Peel: \$744 (\$117)

2023 Water Bill
Residential
200m³/ (year)

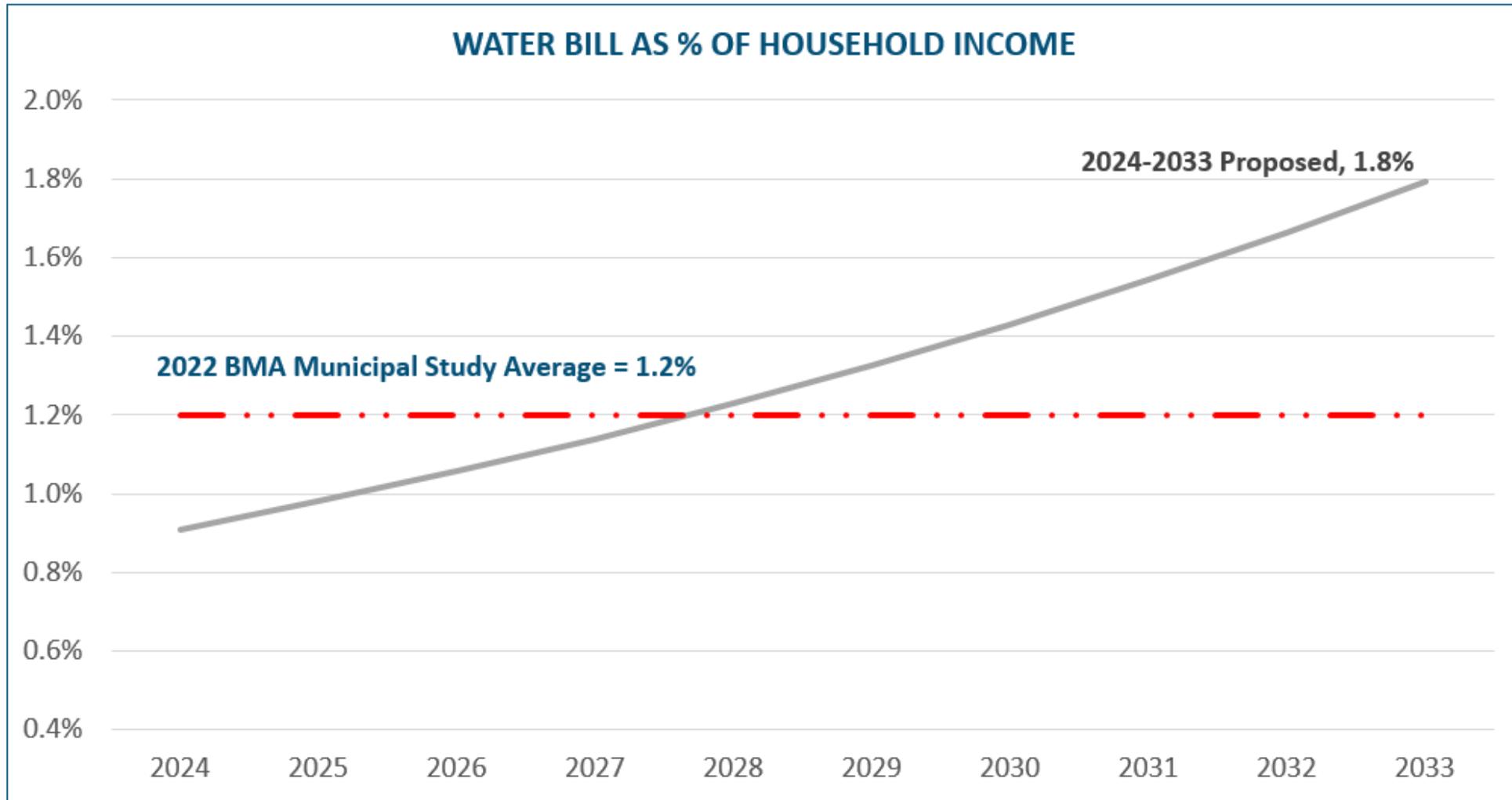
Survey Average
\$1,129

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

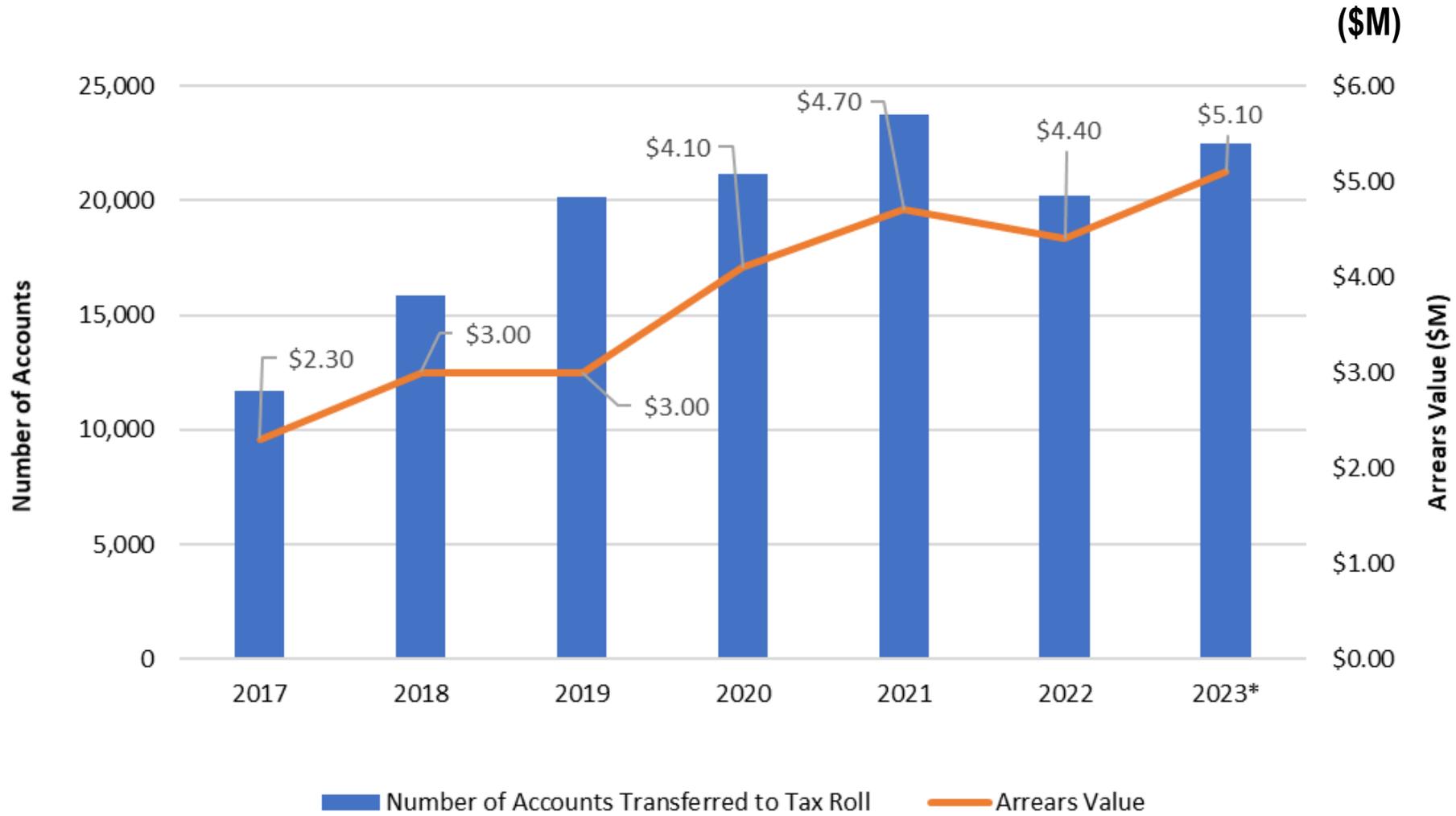
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AFFORDABILITY



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

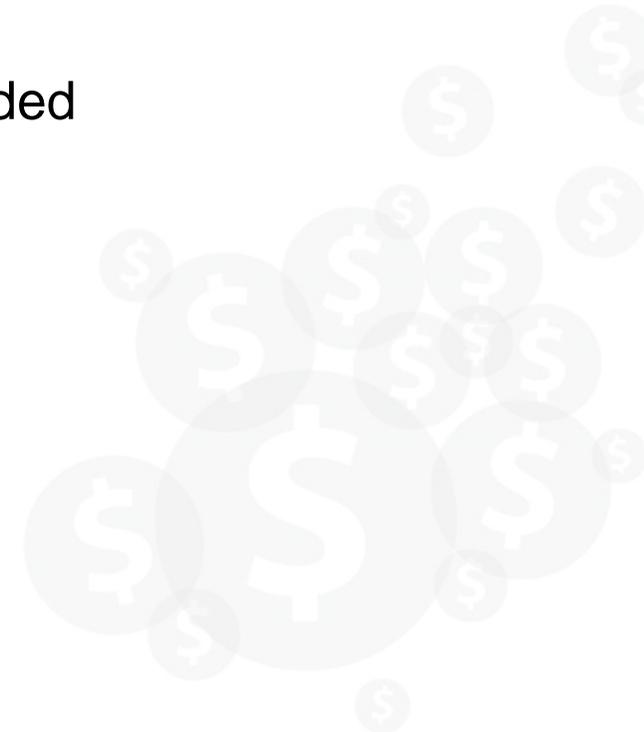
ARREARS TAX ROLL TRANSFERS



2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

NEXT STEPS

- | | |
|-------------------|---|
| November 22, 2023 | Council Approval of 2024 Rate Budget, if approved at GIC meeting on November 21, 2023 |
| November 27, 2023 | GIC Rate Budget Meeting, if needed |
| December 13, 2023 | Council Approval of 2024 Rate Budget, if needed |



THANK YOU