

Water and Waste Department 2018 Preliminary Operating Budget

**Presentation to Standing Policy Committee on
Water and Waste, Riverbank Management and
the Environment**

Tuesday, November 28, 2017

Water and Waste Department Services

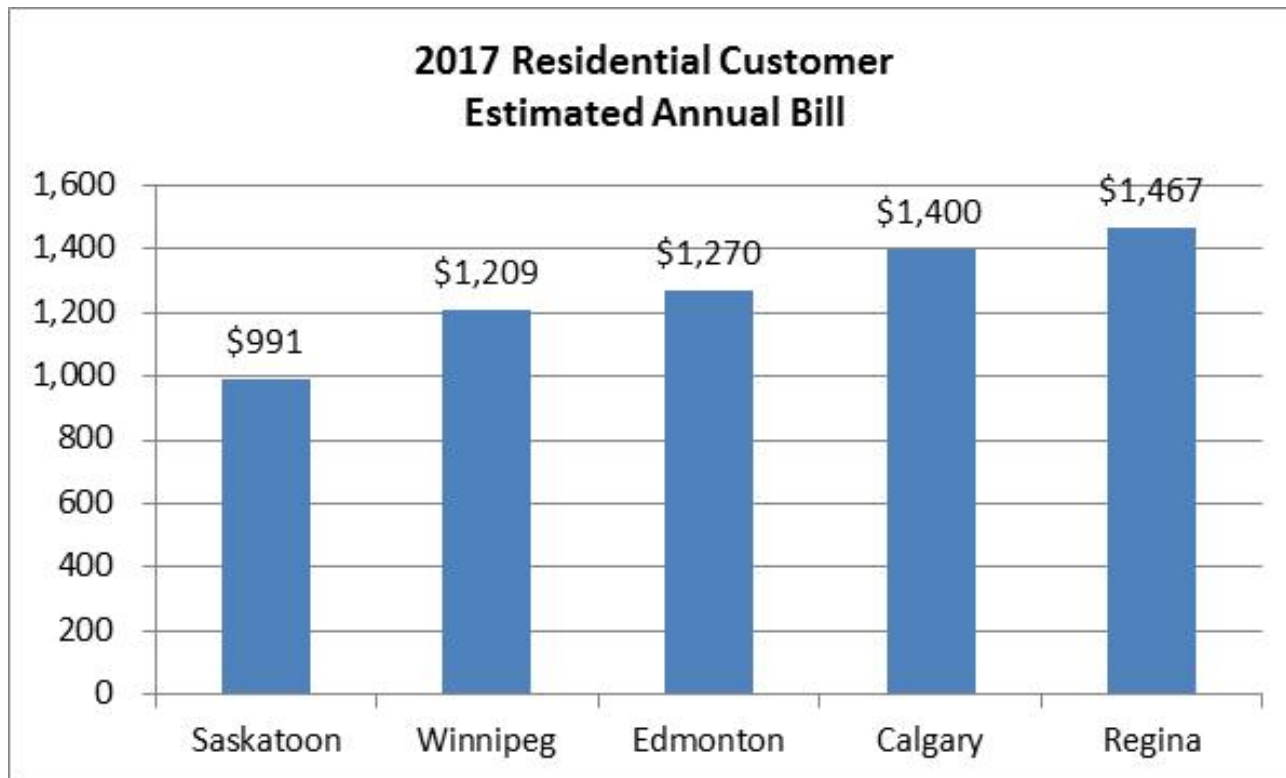
- Water supply, treatment and distribution
- Sewage collection and treatment
- Land drainage and flood control
- Solid waste collection and disposal
- Recycling and waste diversion
- 2018 budget operating costs of approximately \$344M

2018 Fees and Charges

The following rates are proposed to increase above inflation, effective March 1, 2018

	2017 Approved	2018 - Proposed
Tipping Fees:		
Residential solid waste delivered to Brady Road 4R Winnipeg Depot (Small loads)	\$63.00/tonne with \$15 minimum per load	\$64.00/tonne with \$20.00 minimum per load
Solid waste delivered to Brady Road Resource Management Facility (Commercial)	\$72.00/tonne with \$15 minimum per load	\$78.00/tonne with \$20.00 minimum per load
Asbestos delivered to Brady Road Resource Management Facility	\$168.00/tonne with \$15 minimum per load	\$170.00/tonne with a minimum per load of \$20.00
Dead animal stock delivered to Brady Road Resource Management Facility	\$72.00/tonne with \$15 minimum per load	\$78.00/tonne with \$20.00 minimum per load
Solid waste from municipalities outside the City of Winnipeg	\$72.00/tonne with \$15 minimum per load	\$78.00/tonne with \$20.00 minimum per load
Charitable organizations (demonstrating 70% diversion)	\$25.50/tonne with \$15 minimum per load	\$27.00/tonne with \$20.00 minimum per load
Other Fees:		
Extra garbage bags (surplus waste) that do not fit in containers - up to 3 standard-sized garbage bags	\$15.00/pick up	\$20.00/pick up

Residential Customer Estimated 2017 Annual Water and Sewer Bill



Water Services

Water Supply and Treatment

- Intake
- Aqueduct
- Storage (Deacon, in-town reservoirs)
- Water treatment
- Pumping

Water Distribution

- Water mains
- Hydrants
- Valves
- Service pipes
- Meters
- Public water fill stations

Business Processes

- Operation
- Maintenance
- 24/7 emergency services
- Capital planning and delivery
- Development approvals, permits and inspections
- Regulatory compliance testing and reporting
- Customer service
- Water conservation programs
- Meters and billing

Water Services

Contributing Departments

Water and Waste 100%

Operating Budget (in million dollars)	2017 Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service revenue	127.630	132.356	135.521	137.497
Provincial funding (service specific)	0.872	0.765	0.765	0.765
Revenues	128.502	133.121	136.287	138.263
Salaries and benefits	31.459	32.384	33.364	34.154
Services	20.989	20.683	21.237	21.694
Material, parts and supplies	15.365	16.417	17.769	18.182
Assets and purchases	1.005	1.048	0.956	0.957
Debt and finance charges	13.127	13.288	13.490	13.701
Grants, transfers and other	38.339	39.822	41.781	43.097
Recoveries	(6.979)	(8.108)	(8.521)	(8.678)
Expenses	113.305	115.533	120.076	123.107
Surplus/(Deficit)	15.197	17.588	16.211	15.155

Revenue increase of \$4.62 M Primarily due to increase in 2018 water rates as approved by Council on April 27, 2016.

Expense increase of \$2.23 M Primarily due to an increased transfer to the watermain reserve and the utility dividend, and increases in salaries and chemicals. Costs are partially offset by an increase in departmental recoveries.

Wastewater Services

Sewage Collection

- Service pipes
- Sewers
- Manholes
- Interceptors
- Lift stations
- CSO management

Sewage Treatment

- Treatment plants
- Biosolids disposal
- Hauled wastewater disposal facilities

Business Processes

- Operation
- Maintenance
- Capital planning and delivery
- Development approvals, permits and inspections
- Regulatory compliance testing and reporting
- Customer service
- By-law inspection and enforcement

Wastewater Services

Contributing Departments

Water and Waste 100%

Operating Budget (in million dollars)	2017 Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service revenue	180.864	197.706	213.766	220.656
Provincial funding (service specific)	0.385	0.336	0.336	0.336
Revenues	181.250	198.041	214.102	220.992
Salaries and benefits	34.202	33.802	35.268	36.172
Services	28.448	27.896	29.258	31.097
Material, parts and supplies	11.504	11.228	11.123	12.274
Assets and purchases	0.072	0.080	0.148	0.211
Debt and finance charges	1.295	1.431	6.465	15.240
Grants, transfers and other	83.356	83.323	94.263	98.024
Recoveries	(1.914)	(1.928)	(1.936)	(1.948)
Expenses	156.963	155.832	174.588	191.071
Surplus/(Deficit)	24.287	42.209	39.514	29.921

Revenue increase of \$16.791 M Primarily due to increase in 2018 sewer rates as approved by Council on April 27, 2016.

Expense decrease of (\$1.131 M) Primarily due to an increase in transfer to Environmental Projects Reserve Fund and sewer utility dividend offset by a decrease in the transfer to land drainage, landfill tipping fees from diversion of biosolids, and transfer to Sewer System Rehabilitation reserve.

Land Drainage and Flood Control

Land Drainage

- Curb inlets
- Land drainage sewers
- Stormwater retention basins
- Underpass stations
- Storm relief sewers

Flood Control

- Primary line of defense (diking)
- Flood pumping stations
- Temporary pumping
- Temporary diking (sandbag or clay)

Waterways Management

- Waterways permits, inspections and enforcement
- Riverbank monitoring and prioritization of stabilization works

Business Processes

- Operation and maintenance
- Capital planning and delivery
- Development approvals, permits and inspections
- Flood level projections
- Customer service (including temporary diking assistance)

Land Drainage and Flood Control

Contributing Departments

Water and Waste	90%
Planning, Property and Development	7%
Public Works	3%

Operating Budget (in million dollars)	2017 Adopted Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service Revenue	11.859	6.119	6.158	5.732
Revenues	11.859	6.119	6.158	5.732
Salaries and Benefits	2.358	2.392	2.423	2.455
Services	2.460	2.495	2.531	2.578
Material, parts and supplies	0.768	0.792	0.796	0.778
Assets and purchases	0.003	0.003	0.003	0.004
Debt and finance charges	1.054	0.844	0.824	0.347
Grants, transfers and other	0.066	0.041	0.041	0.041
Recoveries	-	-	-	-
Operating Expenses	6.709	6.568	6.618	6.202
Transfer to Capital	6.586	-	0.705	0.727
Total Expenses	13.296	6.568	7.323	6.929
Mill Rate Support/(Contribution)	1.436	0.449	1.165	1.197

Total Mill Rate Support decrease of (\$0.99M) due to program reductions for riverbank stabilization and roadwork land drainage.

Solid Waste Collection

Collection Services

- Automated garbage carts
- Multi family bins
- Bulky and surplus waste
- Dead animals
- Appliances with ozone depleting substances

Business Processes

- Operation
- Capital planning and delivery
- Customer service
- By-law inspection and enforcement

Solid Waste Collection

Contributing Departments

Water and Waste 100%

Operating Budget (in million dollars)	2017 Adopted Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service revenue	1.112	1.115	1.121	1.126
Revenues	1.112	1.115	1.121	1.126
Salaries and benefits	0.907	0.932	0.948	0.964
Services	19.383	20.997	21.848	22.704
Material, parts and supplies	0.049	0.036	0.037	0.037
Assets and purchases	0.209	0.239	0.242	0.244
Debt and finance charges	0.008	0.008	0.008	0.008
Grants, transfers and other	0.065	0.124	0.124	0.124
Recoveries	(0.017)	-	(0.017)	(0.018)
Operating Expenses	20.604	22.335	23.188	24.063
Transfer to Capital	-	-	-	-
Total Expenses	20.604	22.335	23.188	24.063
Mill Rate Support/(Contribution)	19.492	21.220	22.068	22.938

Revenue remains stable.

Expense increase of \$1.731 M due to increase in garbage collection costs as a result of full year of the new contracts.

Solid Waste Disposal

Services/Facilities

- Brady Road Resource Management Facility
- Landfill gas capture/flaring system
- 33 closed landfills

Business Processes

- Operation
- Maintenance
- Capital planning and delivery
- Regulatory compliance testing and reporting
- Billing

Solid Waste Disposal

Contributing Departments

Water and Waste 100 %

Operating Budget (in million dollars)	2017 Adopted Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service revenue	14.953	14.970	15.233	15.590
Provincial funding (service specific)	1.987	0.062	0.062	0.062
Revenues	16.940	15.031	15.295	15.652
Salaries and benefits	3.247	3.502	3.570	3.645
Services	7.501	7.647	8.024	8.561
Material, parts and supplies	0.605	0.660	0.666	0.688
Assets and purchases	0.095	0.095	0.095	0.095
Debt and finance charges	0.396	0.430	0.433	0.435
Grants, transfers and other	0.905	0.801	0.807	0.819
Recoveries	(0.005)	(0.025)	(0.025)	(0.025)
Expenses	12.744	13.109	13.569	14.218
Surplus/(Deficit)	4.197	1.922	1.725	1.433

Revenue decrease of \$1.91 M Decreases in tipping fees from diversion of biosolids and a refinement of service based view, partially offset by an increase in tipping fee rates.

Expense increase of \$0.37 M Increases in fleet, equipment and salary costs offset by decrease in leachate treatment and hauling.

Recycling and Waste Diversion

Services/Facilities

- Recycling collection
- Recycling processing / sales
- Curbside yard waste collection and composting
- Waste diversion depots (Christmas tree, 24-7 community recycling depots)
- 4R Winnipeg Depots
- Biosolids composting pilot

Business Processes

- Operation
- Capital planning and delivery
- Customer service
- Stakeholder participation

Recycling and Waste Diversion

Contributing Departments

Water and Waste 100 %

Operating Budget (in million dollars)	2017 Adopted Budget	2018 Preliminary Budget	2019 Projection	2020 Projection
Service revenue	24.334	26.389	27.572	29.398
Provincial funding (service specific)	3.208	4.901	4.967	5.062
Revenues	27.542	31.290	32.539	34.460
Salaries and benefits	5.603	5.727	5.765	5.886
Services	23.914	28.016	29.044	30.356
Material, parts and supplies	0.472	0.593	0.600	0.606
Assets and purchases	0.268	0.317	0.323	0.329
Debt and finance charges	2.774	2.787	2.791	2.796
Grants, transfers and other	0.098	0.161	0.161	0.161
Recoveries	(1.125)	(0.637)	(0.637)	(0.676)
Expenses	32.004	36.965	38.047	39.458
Surplus/(Deficit)	(4.462)	(5.675)	(5.508)	(4.998)

Revenue increase of \$3.75 M Increases in sale of recyclables, MMSM funding grant, waste diversion fee and refinement of service-based view.

Expense increase of \$4.96 M Increases due to a full year of new recycling collection and processing contracts partially offset by decrease in recoveries.

Water and Waste Department Full-Time Equivalent (FTEs) – Traditional Basis

	2017 Adopted Budget	2018 Preliminary	Increase / (Decrease)		2019 Projection	2020 Projection
			Change	%		
Water Utility	607.87	608.05	0.18	0.0%	610.64	610.64
Wastewater Utility	264.68	263.78	(0.90)	-0.3%	269.98	269.98
Solid Waste Utility	85.96	90.10	4.14	4.6%	89.10	89.10
Garbage Collection (tax supported)	15.50	15.35	(0.15)	-1.0%	15.00	15.00
Total before recoveries	974.01	977.28	3.27	0.3%	984.72	984.72
FTEs recovered from capital	(2.00)	(5.42)			(5.00)	(5.00)
Total change in operational FTEs	972.01	971.86	(0.15)	0.0%	979.72	979.72

Reserves

- **Water Utility**
 - Water main renewal reserve (WRR)
- **Sewer Utility**
 - Sewer system rehabilitation reserve (SSRR)
 - Environmental projects reserve (EPR)
- **Solid Waste Utility**
 - Landfill rehabilitation reserve (LRR)
 - Waste diversion reserve (WDR)

Note: Refer to Appendix 3 page 37 in the budget documents.

Questions?