



SAINT JOHN



2020 Utility Fund Operating Budget

December 2, 2019

Common Council Meeting

2020 Utility Fund Budget Context

- November 20: Draft Utility Budget to Finance Committee with recommendation to send to Council for approval and 1st and 2nd reading of By-Law amendments.
- Dec 2: Draft Utility Budget to Common Council with recommendation for approval and 1st and 2nd reading of By-Law amendments.
- Dec 16: Utility Budget to Common Council for 3rd reading of By-law amendments.

2020 Utility Fund Budget Context

- 2020 Operating budget based on new Potable Water rate structure and East and West Industrial rate structures.
- No proposed increase for flat rate customers – 2020 Flat Rate \$1,428 per year.
- Major shift in sewer charge, 80.35% of water charge (122% under old rate model)
- Continued focus on Debt Reduction
 - No new debt proposed for 2020
 - This Council & Finance Committee began fiscally prudent practice in 2018
 - Utility debt balance by end of 2020 (\$88,347,000) – **17.78%** reduction from end of 2017 peak (\$107,451,000)
 - Debt projections for end of 2024 (\$62,875,000) – **41.49%** reduction in 7 years from end of 2017 peak in Utility debt.
- 2020 capital funded from 2020 Operating Budget - \$5,120,350

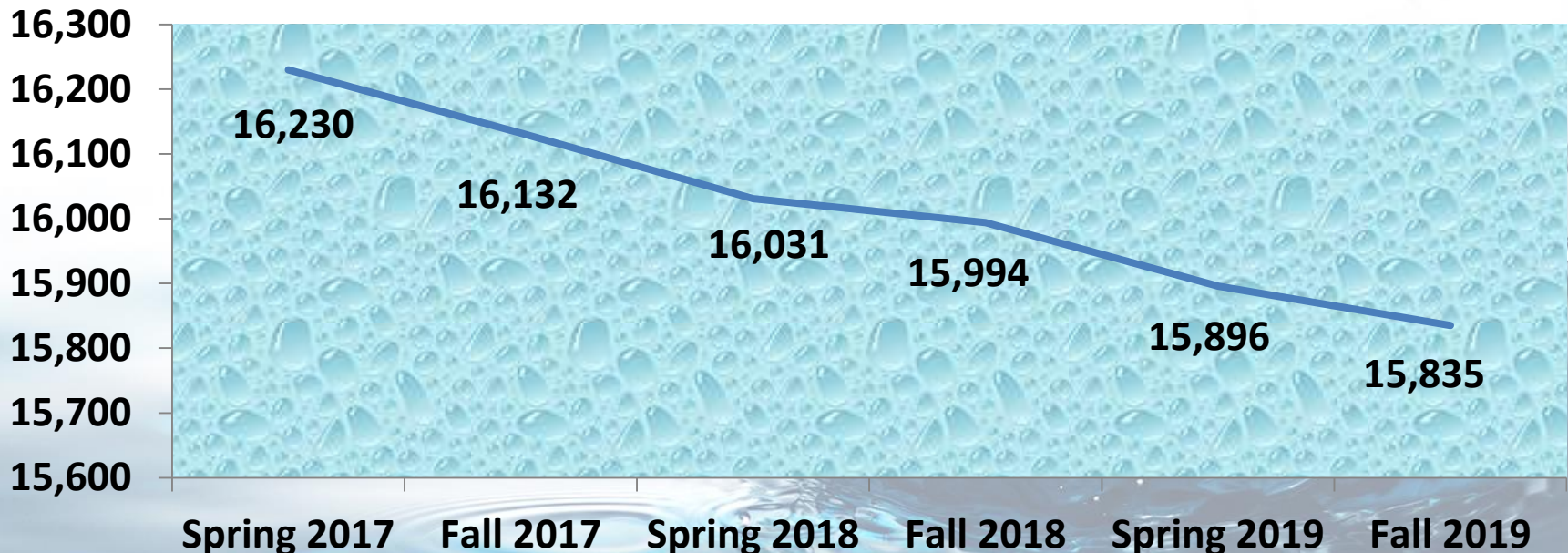
2020 Revenue Budget Overview

- Flat Rate to be held at \$1,428 **NO INCREASE**
- However, continued pressure on Potable users. Flat Rate customers continue to fall, decrease of 395 flat rate customers in last 3 years (\$564,060)

**RATE
INCREASE**

Need Growth

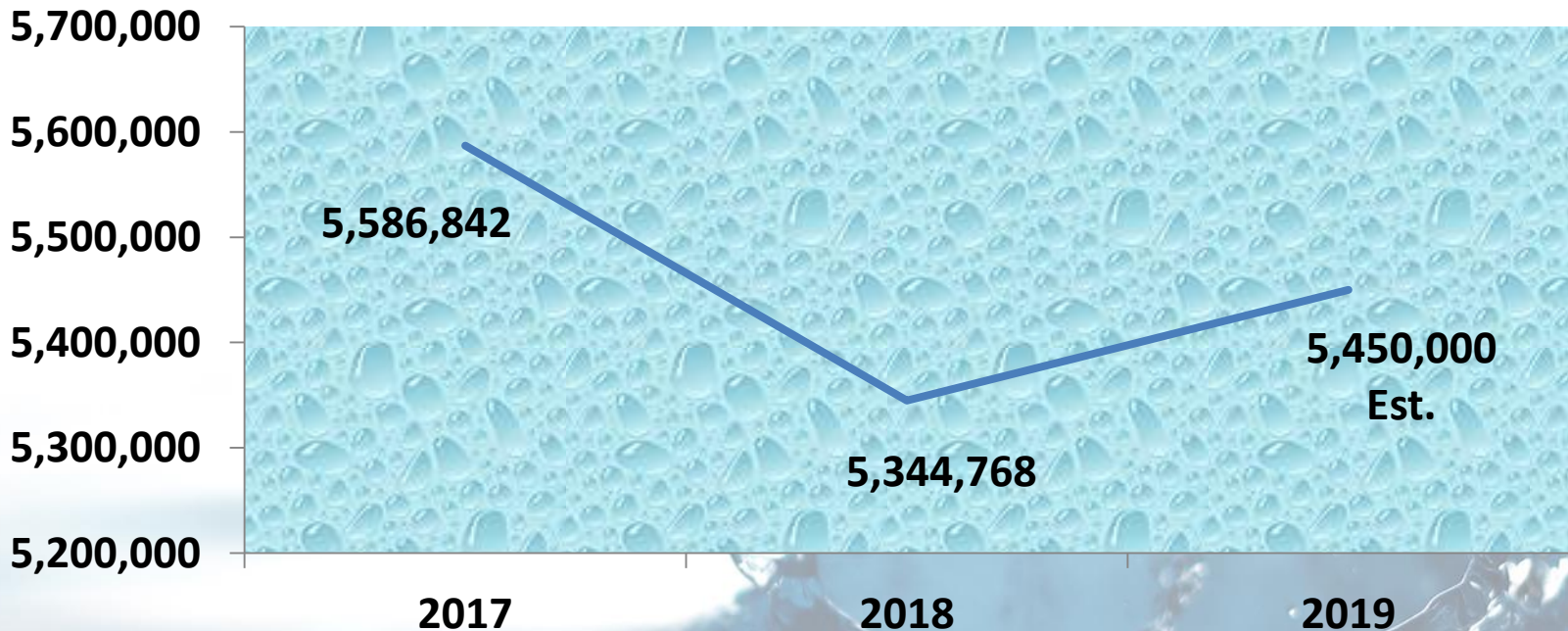
Number of Flat Rate Billings



2020 Revenue Budget Overview

- Flat Rate decrease not being made up in Meter consumption.

Non Industrial - Meter Consumption



2020 Budget Initiatives

- Safety and Security

- Workplace improvements (fall arrest) at various underground vaults and chambers.
- Improvement in fencing, security and access at various water and wastewater facilities.

- Instrumentation and Electrical

- Replace key electronic equipment at 30 water facilities and 32 wastewater facilities.
- Replace 8 key communication links to and from various water and wastewater facilities and replace 133 communication radios at water and wastewater facilities throughout the City.



2020 Budget Initiatives

Potable Water

- Cleaning, inspection and maintenance on 2 of 10 water storage reservoirs.
- Fire Hydrant Painting Program (repaint approx. 800 of the 2,100 in inventory) Focus area - Uptown and Millidgeville.
- Key water transmission main interconnections for further improvements in water system reliability.
- Inspection of dams in accordance with Canadian Dam Safety Association Guidelines.
- Protection of the environment through the addition of containment around electrical transformer.
- Water bottle filling station as part of the sea can container that is being constructed and support deployment at various events.



2020 Budget Initiatives

Wastewater

- Dredging cells 1 and 2 at the Lancaster Lagoon to improve operational efficiency and effectiveness.
- Concrete maintenance and electrical upgrades at the Eastern Wastewater Treatment Facility
- Continuation of newly established video inspection and flushing program. Video inspection will inspect another 65kms (15% of inventory)



2020 Utility Fund Budget

Recommendation

It is recommended that Common Council:

- **RESOLVE** that the estimated revenue for the Water and Sewerage Utility for the year 2020 in the amount of **\$48,702,000** be adopted (Appendix “A”);
- **RESOLVE** that the estimate of expenses for the Water and Sewerage Utility for the year 2020 in the amount of **\$48,702,000** be approved (Appendix “A”); and
- Give first and second reading to the two Amendments to the *Water & Sewerage By-Law* attached to M&C No. 2019-318 (Appendix “B” and “C”).