Regional Municipality of Waterloo
Budget Committee
Minutes

Wednesday, November 18, 2015
2:26 p.m.
Regional Council Chamber
150 Frederick Street, Kitchener

Present were: Chair S. Strickland, L. Armstrong, E. Clarke, D. Craig, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic*

Members absent: J. Mitchell

Motion to Go Into Closed Session

Moved by K. Kiefer
Seconded by L. Armstrong

That a closed meeting of the Budget Committee be held on Wednesday November 18, 2015 at 2:00 p.m. in the Waterloo County Room in accordance with Section 239 of the “Municipal Act, 2001”, for the purposes of considering the following subject matters:

   a) labour relations or employee negotiations

     Carried

Motion to Reconvene into Open Session

Moved by D. Jaworsky
Seconded by S. Foxton

That the meeting reconvene into Open Session at 2:26 p.m.
2008983
Carried

Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

None

Opening Remarks

Chair Sean Strickland provided opening comments, outlining the purpose of the meeting. He added that the estimated assessment growth is less than previously projected and that the current proposed tax rate increase is 3.5% including the preliminary police budget.

Budget Update

COR-FSD-15-20, Executive Summary – 2016 Budget

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, provided a presentation to the Committee; a copy is appended to the original minutes. He summarized the objectives of the meeting, the user rate and property tax budgets being reviewed, and the capital and operating components of each budget.

Presentations

Water/Wastewater Budgets

Nancy Kodousek, Director, Water Services, delivered a presentation to the Committee; a copy is appended to the original minutes.

She provided an overview of local water services, local water supply, water regulations, and the proposed 2016 water operating budget, noting the 1.4% increase in hydro costs. She summarized the annual electricity consumption and costs, and gave an overview of the program initiatives to address innovation, energy reduction and asset management. She noted the water capital budget projects and the key trends, issues and initiatives regarding local water supply.

She responded to a Committee question regarding the extent of increased hydro costs, noting that local distribution companies (LDCs) set the hydro rates and that it’s anticipated that the rates will be increased for 2016. The Committee requested additional information regarding the local rates for review at the next meeting.

She responded to a Committee question regarding a business case for co-generation, advising that the Region is working with the three largest LDCs to develop co-generation options to offset power required.
She noted the new federal regulation requirement for wastewater treatment and summarized the Environmental Enforcement and Laboratory Services offered by the Region. She provided highlights of the wastewater operating budget and outlined the annual electricity consumption and costs for wastewater treatment. She gave an overview of the wastewater capital upgrades and growth-related projects, noting the specific upgrades planned for the Kitchener and Waterloo treatment plants. She noted the key trends, issues and initiatives related to wastewater, as well as the improved impacts on the Grand River. She concluded her presentation by outlining the proposed rates for wholesale water supply and wastewater treatment, as well as the proposed retail water and wastewater rates.

She responded to Committee questions about the completion date for the Waterloo project, the staffing budget issue paper for the Cambridge upgrades and the administration costs associated with the water supply budget.

Thomas Schmidt, Commissioner, Transportation and Environmental Services, provided additional information about fixed costs.

C. Dyer provided an overview of the 2016 user rate budgets and the proposed user rate increases, proposed user fee service charges and the related information papers. He noted the significant capital investments related to water supply and the updated capital budget for water supply, as well as capital funding and financing. He also summarized the 2016 capital budget for wastewater treatment and capital funding and financing for the related projects.

He responded to Committee questions related to adjustments to deal with future debt levels and the possibility to transfer funds between the water and wastewater reserves. The Committee requested that staff consider the option of transferring funds between reserves prior to issuing debt.

C. Dyer noted the timelines for reviewing and approving the user rates budgets and the effective dates for the proposed 2016 user rate increases. He outlined the operating and capital components of the 2016 property tax supported budget. He highlighted the direct regional programs and noted the 2.4% tax rate increase excluding the proposed budget issue papers (at .47%) based on assessment growth of 1.41%. He highlighted the base budget staff complement and base budget adjustments. He summarized the major 2016 budget impacts including the Regional Transportation Master Plan, provincial upload savings, capital financing, and revenue drivers.

The Committee requested a summary of staff hiring proposals, as noted in the budget issue papers.
C. Dyer highlighted the impacts of budgeted transit fare revenues, noting that staff will continue to monitor and will report back to Committee in December. He responded to Committee questions related to the provincial Ontario Works upload and recovery plans for the reduced transit fare revenues.

C. Dyer outlined budget versus actuals data for Provincial Offences Act (POA) fines and red light camera revenue, as well as landfill tipping fee revenue. He summarized the re-stated caseload data for Ontario Works, noting a current four-month decline, the projected additional costs and the offsetting funding sources in 2016. He stated that the Tax Stabilization Reserve Fund (TSRF) will not be required once the Ontario Works costs are completely uploaded by the province in 2018.

The Committee discussed the necessity of the TSRF beyond 2018 and options for use of these funds in a sustainable manner. C. Dyer stated that staff will bring back an overview of the status of reserves and reserve funds at the next meeting; he added that staff will be reviewing reserve and reserve fund policies later in 2016.

The Committee recessed at 4:06 p.m. and reconvened at 4:22 p.m.

C. Dyer responded to a Committee question about preparedness for possible program funding announcements as part of the pending federal budget.

C. Dyer outlined the proposed Waterloo Regional Police Service (WRPS) preliminary budget, noting that the Police Services Board has requested additional budget reductions.

**Budget Issue Papers**

C. Dyer provided an overview of the 2016 Budget Issue Papers, noting that the budget impact is $2.13 million and, if approved, would have a tax rate impact of .47%. He gave an overview of the budget issue papers, including those with no levy impact. The budget issue papers include the Conestoga College U-Pass; Transit Service to Family and Children’s Services; Mobility Plus business plan, Paramedic Services enhancements, and Capital Levy Reserve Fund (CLRF).

T. Schmidt responded to Committee questions related to anticipated bus traffic increases once the multiplex facility is built in Cambridge.

* B. Vrbanovic left the meeting at 4:38 p.m.

C. Dyer outlined the 2016 Capital Spending Adjustments. S. Strickland commended staff for reviewing capital spending and determining areas for adjustment. He requested more detail about the Airport’s proposed capital projects and suggested that an airport improvement fee be considered to cover costs.

2008983
Mike Murray, Chief Administrative Officer, advised that the airport currently charges a passenger facilitation fee. The Committee requested additional information about airport fees and funding.

* B. Vrbanovic returned to the meeting at 4:50 p.m.

C. Dyer highlighted Capital Expenditures by major programs and responded to Committee questions about the status of roads capital projects, specifically, River Road and King Street in Cambridge. S. Strickland requested more information on projects that have been deferred in the 2016 capital plan. Staff will prepare additional information about road project deferrals.

C. Dyer highlighted the following:

- Funding and Financing of the Capital Program
- Growth related Capital Financing Strategies
- Justifications/rationale for borrowing for capital and the areas for targeting debt issues
- Total Debt Outstanding – historical data
- Projected Debt Outstanding as part of the 2016-2025 Capital Plan
- Reserve and Reserve Fund Balances per Capita (noting that Waterloo is low relative to comparator Regions)
- Debt Per Capita – Regional Comparators (noting that Waterloo is high relative to comparator Regions)

He provided his concluding comments, including:

- 2016 Preliminary Funding for Regional Services
- Key Messages for User Rate Budgets
- Key Messages for Tax Supported Budget
- Potential Budget Adjustments
- Overview of the Budget Cycle, Schedule and the next Budget meeting

C. Dyer responded to a Committee question about the comparator municipalities data used, specifically when gathering information about reserve and reserve fund balances per capita. He added that staff intends to bring forward capital financing guidelines for the Committee’s consideration in mid-2016.
Next Meeting – December 16, 2015

Adjourn

Moved by K. Redman

Seconded by S. Shantz

That the meeting adjourn at 5:07 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny
2016 Budget Update

Region of Waterloo

Presentation to Budget Committee
November 18, 2015
2016 Regional Budget

Objectives of today's meeting

- Review of 2016 User Rate Budgets
- Review 2016 Tax Supported Operating Budget and 2016-2025 Capital Program
- Respond to Councillor requests
- Public Input
• Links to Regional website

- Preliminary budget book:

- Budget Issue Papers:

- Committee agenda (staff report and information papers):
The Region's Budgets

**User Rate Budgets**
- Wholesale water supply and wastewater treatment
- Retail function in two townships
- Funded in full from user rates
- Earlier approval to allow area municipalities to set retail rates

**Property Tax Budget**
- All other services
- Net expenditure (after all other revenue sources) funded from property taxes
- Includes Police Services
Types of Budgets

Capital

- Investment in capital assets, incl. land, facilities, infrastructure, vehicles, technology and equipment
- Funding: grants, development charges, property taxes and user rates

Operating

- Expenditure: compensation, materials & supplies, services, utilities, debt servicing
- Revenue: grants/subsidies, user fees and charges, property taxes
User Rate Budgets

- Water Supply
- Wastewater Treatment
- Water Distribution
- Wastewater Collection
1. Budget Book
   - Water Supply (pg. 164)
   - Wastewater Treatment (pg. 174)
   - Retail Water Distribution & Wastewater Collection (pg. 183)

2. Information papers
   - Water Supply (pg. 27)
   - Wastewater Treatment (pg. 33)
   - Retail Water Distribution & Wastewater Collection (pg. 39)
   - Councillor Requests Info paper (pg. 42)

3. Budget issue papers (pg. 21 and 25 of Section 4)
<table>
<thead>
<tr>
<th></th>
<th>Operating expenditure</th>
<th>Debt servicing</th>
<th>Subtotal Operating</th>
<th>Capital reserve contribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>$31.5</td>
<td>$2.6</td>
<td>$34.1</td>
<td>$20.1</td>
<td>$54.2</td>
</tr>
<tr>
<td>Wastewater Treatment</td>
<td>$34.9</td>
<td>$9.8</td>
<td>$44.7</td>
<td>$29.6</td>
<td>$74.3</td>
</tr>
<tr>
<td>Waster Distribution</td>
<td>$1.6</td>
<td>-</td>
<td>$1.7</td>
<td>$0.4</td>
<td>$2.1</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>$0.9</td>
<td>-</td>
<td>$0.9</td>
<td>$0.2</td>
<td>$1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$68.9</strong></td>
<td><strong>$12.4</strong></td>
<td><strong>$81.4</strong></td>
<td><strong>$50.3</strong></td>
<td><strong>$131.7</strong></td>
</tr>
</tbody>
</table>
## Proposed User Rate Increases

<table>
<thead>
<tr>
<th>Service</th>
<th>2015 approved user fee increase</th>
<th>Proposed 2016 user fee increase from 2015 forecast</th>
<th>Current estimate of 2016 user rate increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>4.9%</td>
<td>3.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Wastewater treatment</td>
<td>7.9%</td>
<td>6.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Water distribution</td>
<td>8.9%</td>
<td>8.9%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>5.9%</td>
<td>5.9%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>
## Proposed Service Charges

<table>
<thead>
<tr>
<th></th>
<th>2015 approved service charge</th>
<th>Proposed 2016 monthly service charge from 2015 models</th>
<th>Current estimate of 2016 monthly service charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water distribution</td>
<td>$8.00</td>
<td>$8.00</td>
<td>$8.00</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>$6.00</td>
<td>$7.00</td>
<td>$6.00</td>
</tr>
</tbody>
</table>
• Four information papers

• Councillor Requests information paper:
  – Impact of 0.5% and 1.0% reduction in proposed rate increases
  – Water and Wastewater reserves
• Significant capital investments underway, but...benefitting growth occurs over an extended period of time, and hence so will the RDC collections

• Given relatively low capital reserve balances and lower than anticipated RDC collections, staff have prepared an updated financing strategy
Water Supply 2016-2025 Capital Budget ($419.4 M)

- Watermains: $71.0
- Planning & Studies: $53.0
- Upgrades, Expansion & New Facilities: $127.6
- Infrastructure Replacement: $167.8
## 2016-2025 Capital Budget

### Water Supply

<table>
<thead>
<tr>
<th>Growth-related Water Capital Works</th>
<th>Growth Related Debt ($ m)</th>
<th>Year of Debt Issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Upgrades</td>
<td>$26.8</td>
<td>2019-2025</td>
</tr>
<tr>
<td>Pumping and Storage Facilities System Expansion</td>
<td>$10.0</td>
<td>2021-2025</td>
</tr>
<tr>
<td>Production Treatment Facilities System Expansion</td>
<td>$10.0</td>
<td>2021-2025</td>
</tr>
<tr>
<td>Long Term Water Supply Aquifer Storage and Recovery Stages 1 and 2</td>
<td>$7.1</td>
<td>2022-2025</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$53.9</strong></td>
<td></td>
</tr>
</tbody>
</table>
Wastewater Treatment 2016-2025 Capital Budget ($724.3 M)

- Biosolids $83.8
- Planning & Studies $12.3
- Infrastructure Replacement $85.3
- Upgrades, Expansion & New Facilities $542.9
2016 - 2025 Capital Program Financing
Wastewater Treatment ($724 m)

- Debt
- Reserves

User rates
RDC

$ millions

$0
$50
$100
$150
$200
$250
$300
$350
$400
$450

Region of Waterloo
## 2016-2025 Capital Budget
### Wastewater Treatment

<table>
<thead>
<tr>
<th>Growth Related Wastewater Capital Works</th>
<th>Growth Related Debt ($ m)</th>
<th>Years of Debt Issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galt Process Upgrades &amp; Expansion</td>
<td>$19.0</td>
<td>2016-2025</td>
</tr>
<tr>
<td>Waterloo Process Upgrades</td>
<td>$1.6</td>
<td>2016-2017</td>
</tr>
<tr>
<td>Kitchener Process Upgrades</td>
<td>$66.9</td>
<td>2016-2025</td>
</tr>
<tr>
<td>Waterloo Expansion</td>
<td>$148.0</td>
<td>2017-2025</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$235.5</strong></td>
<td></td>
</tr>
</tbody>
</table>
Capital program financing

Spread the cost of long term infrastructure investments over a broader group of users

Provide more capacity in the Wastewater Reserve to manage in-year revenue fluctuations

Benefits of strategy

Improved matching to RDC collections

Allows for annual updating based on changing conditions
2016 User Rate Budgets
Next Steps

Nov 18
User rate budget review

Dec 16
Approval of user rate budgets and rates

March 1
New rates come into effect
2016 Property Tax Supported Budget

Operating
- Major budget drivers
  - Issue Papers and Information Papers

Capital
- Overview of major projects
  - Capital financing plan
Definition:

The funding required to deliver the existing Council-approved service levels
## 2016 Budget Continuity

<table>
<thead>
<tr>
<th>TAX SUPPORTED OPERATING BUDGET DIRECT REGIONAL PROGRAMS</th>
<th>$ million</th>
<th>Tax rate impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; benefits</td>
<td>$7.0</td>
<td></td>
</tr>
<tr>
<td>Regional Transportation Master Plan (net of OW upload)</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Capital financing (debt servicing + reserve contributions)</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>Grand River Transit revenue adjustment</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>Waste collection contracts</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Base budget reductions</td>
<td>(1.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$15.3</strong></td>
<td><strong>3.34%</strong></td>
</tr>
<tr>
<td>Assessment growth (Region’s share of 1.41%)</td>
<td></td>
<td>-0.94%</td>
</tr>
<tr>
<td><strong>Total tax impact of direct regional programs</strong></td>
<td></td>
<td><strong>2.40%</strong></td>
</tr>
<tr>
<td>Budget issue papers</td>
<td></td>
<td><strong>0.47%</strong></td>
</tr>
</tbody>
</table>
## 2016 Base Budget Staff Complement

<table>
<thead>
<tr>
<th></th>
<th>Permanent</th>
<th>Temporary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015 Final Budget</strong></td>
<td>2,782.1</td>
<td>120.1</td>
<td>2,902.2</td>
</tr>
<tr>
<td><strong>2015 Council-approved additions</strong></td>
<td></td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>2015 Temporary contract expirations</strong></td>
<td></td>
<td>-6.4</td>
<td>-6.4</td>
</tr>
<tr>
<td><strong>2016 Base budget reductions</strong></td>
<td>-3.2</td>
<td>-4.5</td>
<td>-7.7</td>
</tr>
<tr>
<td><strong>Restatement corrections</strong></td>
<td>3.2</td>
<td>-2.0</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>2016 Base budget</strong></td>
<td>2,782.1</td>
<td>108.2</td>
<td>2,890.3</td>
</tr>
<tr>
<td><strong>Net change</strong></td>
<td>0.0</td>
<td>-11.9</td>
<td>-11.9</td>
</tr>
</tbody>
</table>
**Base Budget Adjustments**

- Ongoing effort to seek efficiencies and cost savings without impacting service levels

<table>
<thead>
<tr>
<th>Base Budget Review Reductions ($millions)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax levy</td>
<td>$2.1</td>
<td>$1.9</td>
<td>$2.5</td>
<td>$1.9</td>
<td>$1.3</td>
<td>$9.7</td>
</tr>
<tr>
<td>User rates</td>
<td>0.7</td>
<td>1.2</td>
<td>1.3</td>
<td>0.5</td>
<td>0.9</td>
<td>$4.6</td>
</tr>
<tr>
<td>Total</td>
<td>$2.8</td>
<td>$3.1</td>
<td>$3.8</td>
<td>$2.4</td>
<td>$2.2</td>
<td>$14.3</td>
</tr>
</tbody>
</table>
Average assessment growth = 2.26%
Major 2016 Budget Impacts

• 1.5% urban levy increase required annually for the next 3 years, followed by 0.75% in 2019
• Required to cover all operating and capital financing costs relating to ION Rapid Transit and aBRT, and costs related to GRT service level expansion
• Provincial upload offset
Major 2016 Budget Impacts

- Ontario Works (OW) benefits being uploaded from 2010 to 2019
- OW cost sharing ratio for 2016: 94.2% / 5.8%
- Additional $1.7 million upload savings in 2016
- Court Security upload from 2012 to 2018 ($4.7 million) with revenue credited to the Police Budget
Capital financing

- Both transfers to capital and debt servicing
- Significant investment in capital assets
  - Renewal, refurbishment and replacement
  - Expansion related to growth
- Working towards full bus replacement from reserves
- Building lifecycle provision
Major 2016 Budget Impacts

Revenue drivers

- Provincial funding +$5.6m
- GRT fare revenue variance adjustment -$1.8m
## 2015-2016 Budgeted GRT fare revenue analysis ($000’s)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 fare Budget</td>
<td>$32,539</td>
<td>$552</td>
<td>$450</td>
<td>$600</td>
<td>($1,750)</td>
<td>$32,391</td>
</tr>
</tbody>
</table>

**Budget Impacts:**

- **2015 fare Budget**
- **Plus:** annualiz. of 2015 service expansion
- **Plus:** annualiz. of 2015 fare increase
- **Plus:** proposed 4% fare increase on July 1, 2016
- **Less:** adj. to reflect 2015 revenue variance
- **2016 fare revenue budget**
POA & Red Light Camera Revenue

Red Light Camera & POA Revenue Budget vs Actual ($m) 2013 - 2015

- Red Light Camera (budget)
- Red Light Camera (actual)
- POA Revenue (budget)
- POA Revenue (actual)

2013 - 2016 revenue estimations and actuals for POA and Red Light Camera.
Landfill Tipping Fees

Waste Management Tipping Fee Revenue*
Budget vs Actual ($m)
2012-2015

*includes user fees
Information Papers

1. 2016 Ontario Works Allowances & Benefits and Tax Stabilization Reserve Fund Projection (pg. 47)

2. Preliminary 2016 Police Services Budget (pg. 56)
Ontario Works
Allowances & Benefits

Provincial Reporting of Caseload

- New Report
- SDMTCaseload
- SAMS Caseload (original)
Ontario Works
Allowances & Benefits

Impact of change in reported caseload

<table>
<thead>
<tr>
<th></th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Expenditures ($m)</td>
<td>$63.6</td>
<td>$66.8</td>
<td>$69.2</td>
</tr>
<tr>
<td>Previous Caseload</td>
<td>8,514</td>
<td>8,427</td>
<td>8,918</td>
</tr>
<tr>
<td>Cost per case</td>
<td>$622.84</td>
<td>$660.94</td>
<td>$646.24</td>
</tr>
<tr>
<td>New Caseload</td>
<td>8,440</td>
<td>8,370</td>
<td>8,700</td>
</tr>
<tr>
<td>Cost per case</td>
<td>$628.30</td>
<td>$665.44</td>
<td>$662.43</td>
</tr>
<tr>
<td>% change</td>
<td>0.88%</td>
<td>0.68%</td>
<td>2.51%</td>
</tr>
</tbody>
</table>
Ontario Works
Allowances & Benefits

Monthly Caseload (2012-2015)

Caseload

Sept-08
## Ontario Works Allowances & Benefits

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontario Works Allowances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Monthly Caseload *</td>
<td>8,400</td>
<td>8,700</td>
<td>300</td>
</tr>
<tr>
<td>Cost per Case</td>
<td>$666.96</td>
<td>$669.14</td>
<td>$2.18</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$67,230,000</td>
<td>$69,858,000</td>
<td>$2,628,000</td>
</tr>
<tr>
<td>Mandatory Benefits</td>
<td>2,135,000</td>
<td>2,135,000</td>
<td></td>
</tr>
<tr>
<td>Discretionary Benefits</td>
<td>4,467,000</td>
<td>4,467,000</td>
<td></td>
</tr>
<tr>
<td>Transitional Child Benefit</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td></td>
</tr>
<tr>
<td>Benefits to Non Recipients</td>
<td>250,000</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>Transportation Allowance</td>
<td>746,000</td>
<td>746,000</td>
<td></td>
</tr>
<tr>
<td>Energy Assistance Programs</td>
<td>412,000</td>
<td>412,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$76,740,000</td>
<td>$79,368,000</td>
<td>$2,628,000</td>
</tr>
</tbody>
</table>

* Caseload based on Provincial Report
Increased cost to Region of higher caseload and rate increase is more than offset by upload savings.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in provincial subsidy</td>
<td>$4.486</td>
</tr>
<tr>
<td>Decrease in tax levy funding</td>
<td>-$1.342</td>
</tr>
<tr>
<td>Decrease in TSRF contribution</td>
<td>-0.516</td>
</tr>
<tr>
<td>Net changes in funding</td>
<td>$2.628</td>
</tr>
</tbody>
</table>
Tax Stabilization Reserve Fund projection

<table>
<thead>
<tr>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Actual</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
</tbody>
</table>

2014 Actual: $8
2015: $7
2016: $7
2017: $8
2018: $10
## Waterloo Regional Police Services Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved</td>
<td>Preliminary</td>
<td>Change</td>
<td>Change</td>
</tr>
<tr>
<td>Expenditure</td>
<td>$158.7</td>
<td>$165.4</td>
<td>$6.7</td>
<td>4.22%</td>
</tr>
<tr>
<td>Revenue</td>
<td>13.1</td>
<td>13.9</td>
<td>0.8</td>
<td>6.47%</td>
</tr>
<tr>
<td>Property Tax Requirement</td>
<td>$145.6</td>
<td>$151.5</td>
<td>$5.9</td>
<td>4.02%</td>
</tr>
<tr>
<td>Tax Rate Impact</td>
<td>0.58%</td>
<td>0.83%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
• Preliminary budget presented to the PSB on November 4
• PSB requested further reductions be identified
• PSB meets again on December 2
• Presentation to Budget Committee on December 16
Budget Issue Papers

• Section 4 of Budget binder
• Service expansion/enhancement requests
• Budget Issue Papers provide details of the request, including costs/revenues, staffing requirements and implications of not approving
• Appendix C

• Budget impact: $2.13 m or 0.47% tax rate impact

• Some recommended issues have no tax levy impact as they are funded from reserves, capital projects, offsetting expenditure reductions, or offsetting revenue increases
# Proposed Budget Issue Papers

**No Levy Impact**

<table>
<thead>
<tr>
<th>Dept/Div</th>
<th>Description</th>
<th>Annualized Levy Impact</th>
<th>2016 operating budget impact</th>
<th>2016 sources of funding - capital budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($000s)</td>
<td>Property taxes</td>
<td>Reserves</td>
<td>Capital</td>
</tr>
<tr>
<td><strong>Budget Issue Papers - No Levy Impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR/Facilities</td>
<td>Capital plan delivery - convert 2 temporary project managers to permanent</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR/Facilities</td>
<td>Facilities maintenance efficiency - replace external contractors with 2 permanent FTEs</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR/Facilities</td>
<td>Facilities Asset Planning - add 1.0 permanent FTE</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDL/Legal Services</td>
<td>Convert temporary contract Solicitor, Rapid transit to Permanent Solicitor, Real Property</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDL/Legal Services</td>
<td>Convert two temporary contract Property Agent positions to permanent</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TES/Water Services</td>
<td>Convert Technologist, Water Efficiency from temporary to permanent</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TES/Water Services</td>
<td>Water capital program - temporary positions</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Proposed Budget Issue Papers

### Levy Impact

<table>
<thead>
<tr>
<th>Budget Issue Papers - 2016 Levy Impact</th>
<th>2016 operating budget impact</th>
<th>2016 sources of funding - capital budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annualized Levy Impact</strong></td>
<td>$3,402</td>
<td>$2,130</td>
</tr>
<tr>
<td>COR/Facilities Management</td>
<td>Facilities Maintenance and Reliability Planning Engineer</td>
<td>$143</td>
</tr>
<tr>
<td>PDL/POA Court</td>
<td>Prosecutions Clerk II, 1 year extension</td>
<td>$0</td>
</tr>
<tr>
<td>PDL/Community Planning</td>
<td>Community wide Climate adaptation plan</td>
<td>$0</td>
</tr>
<tr>
<td>PDL/Council &amp; Administrative Services</td>
<td>Develop a privacy/information management training program for corporate staff</td>
<td>$0</td>
</tr>
<tr>
<td>CSD/Seniors' Services</td>
<td>Quality and Risk Management Coordinator</td>
<td>$125</td>
</tr>
<tr>
<td>PHE/Paramedic Services</td>
<td>Addition of 1 - 24 hour Ambulance</td>
<td>$811</td>
</tr>
<tr>
<td>TES/Transit Services</td>
<td>Implement MobilityPlus Business Plan (Year 2 from 2015 BIP)</td>
<td>$309</td>
</tr>
<tr>
<td>TES/Transit Services</td>
<td>Implement Conestoga College U-PASS Service</td>
<td>$1,108</td>
</tr>
<tr>
<td>TES/Transit Services</td>
<td>Transit Service to Family &amp; Children’s Services on Hanson Avenue</td>
<td>$156</td>
</tr>
<tr>
<td>Corporate Financial</td>
<td>Capital Financing - increase contribution to CLRF for non-debenturable projects</td>
<td>$750</td>
</tr>
</tbody>
</table>
Public Transit

• Conestoga College U-Pass (pg. 57)
  – Nine expansion buses required
  – Operating costs funded by U-Pass fee revenue and the property tax levy
  – Significant annualization cost
  – Capital costs funded by development charges and the property tax levy
Public Transit

• Transit service to Family & Children's Services (Hanson Ave.) (pg. 61)
  – Additional 3000 service hours required annually
  – Funded by ridership revenue and the property tax levy

• Mobility Plus business plan (pg. 52)
  – Additional 6000 service hours required annually as well as two additional vehicles and 1.3 drivers
  – Funded by the property tax levy (current revenue & GRT reserve)
Paramedic Services (pg. 45)

- Call volumes and response times increasing
- Addition of 1 – 24 hour ambulance
  - Use of TSRF to mitigate operating impact due to lag in subsidy funding
  - 90% of capital costs are eligible for DC funding, interim funding from equipment reserve
Capital Levy Reserve Fund (CLRF) (pg. 63)

- Recommendation to increase the CLRF contribution in 2016
- Minimize debt financing for projects in a variety of program areas with limited or no capital reserves
Proposed 2016-2025 Tax Supported Capital Program

- ION Rapid Transit
- Roads rehabilitation and expansion
- Lifecycle work at facilities and housing sites
- Grand River Transit vehicles, facilities
- Waste Management
- Paramedic Services
- Cultural Sites

10 year investment plan = $2.1 b
## 2016 capital spending adjustments

<table>
<thead>
<tr>
<th>Program area</th>
<th>2016 capital expenditure projection from 2015 budget</th>
<th>Proposed 2016 capital expenditure</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid Transit</td>
<td>110.1</td>
<td>103.3</td>
<td>(6.8)</td>
</tr>
<tr>
<td>Transportation</td>
<td>109.0</td>
<td>108.6</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>32.0</td>
<td>14.2</td>
<td>(17.8)</td>
</tr>
<tr>
<td>Waste Management</td>
<td>15.6</td>
<td>10.8</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Transit Services</td>
<td>13.8</td>
<td>9.8</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Waterloo Region Housing</td>
<td>8.7</td>
<td>5.1</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Region of Waterloo International Airport</td>
<td>7.3</td>
<td>4.6</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Children's Services</td>
<td>2.5</td>
<td>1.9</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Paramedic Services</td>
<td>2.3</td>
<td>1.2</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Information Technology Services</td>
<td>2.2</td>
<td>1.6</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Economic Development</td>
<td>1.5</td>
<td>0.7</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Planning</td>
<td>1.0</td>
<td>1.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Non-Profit Co-op Housing</td>
<td>0.0</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Other</td>
<td>3.9</td>
<td>3.7</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>310.0</strong></td>
<td><strong>270.7</strong></td>
<td><strong>(39.3)</strong></td>
</tr>
</tbody>
</table>
Capital Expenditure

Tax supported total expenditure
2016-2025 capital plan ($2.1b)

$millions

- Public Transit: $588 (28%)
- Roads: $937 (45%)
- Waste Management: $128 (6%)
- Facilities: $219 (10%)
- Everything else: $237 (11%)
# Capital Funding & Financing

## FUNDING

- **Grants / Subsidies / Recoveries**
  - Contributions from other levels of government and third parties

- **Development Charges**
  - Directly from Reserve Funds
  - Debentures

- **Property taxes**
  - Transferred from Operating Budget
  - Directly from Reserves
  - Debentures
Tax supported funding & financing
2016-2025 capital plan ($2.1b)

Development Charges
$0.511 b
24%

Debenture
$102.5
5%

Reserve
$474.8
23%

Debenture
$592.7
28%

Grants, subsidies, recoveries
$505.5
24%

Reserve
$408.7
19%

Other
$0.505 b
15%

Contributions from Operating
$25.6
1%

Property Tax
$1.094 b
34%
Similar to User Rates, staff have prepared an updated financing strategy to better match costs with RDC collections.
Growth related capital financing strategies

Adjust timing of certain projects
- Voice Radio Infrastructure Upgrade
- Breslau Paramedic Services station

Interim financing from other sources until RDCs are available
- Library Collections
- New ambulances

Debt finance the growth related shares of major projects
- Northfield Drive GRT maintenance facility
- Certain road expansion projects
Why borrow for capital?

- Allows for capital investments to proceed without significant property tax/user rate fluctuations.
- Spreads the cost over a longer term or the useful life of the asset.
- Those benefiting from the infrastructure pay for it.
- Increasing assessment base each year to cover the fixed cost.
Borrowing considerations...

- The resulting debt servicing costs
- Fiscal flexibility in the future
- The need for balance
- Legislative provisions

The need for balance

Fiscal flexibility in the future

Legislative provisions

The resulting debt servicing costs
2016-2025 Capital Plan
Sources of Financing for Major Infrastructure

- Housing Services
- Waste Management
- Transit Services
- Facilities
- Transportation
- Water Services

Sources of Financing:
- Grants, Subsidies & Recoveries
- Levy Debt
- Levy Contributions from Operating
- User Rate Reserves
- UR Debt
- RDC's
- RDC Debt
Total debt outstanding

$ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value ($ millions)</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>500</td>
<td>600</td>
</tr>
</tbody>
</table>
Projected debt outstanding

2016-2025 Capital Plan
$ millions

$1,000
$800
$600
$400
$200
$0


RDC's
User Rates
Taxation
## Reserve and Reserve Fund Balances per Capita

<table>
<thead>
<tr>
<th>Region</th>
<th>Reserve and Reserve Fund Balances per Capita*</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td>$1,596</td>
</tr>
<tr>
<td>Halton</td>
<td>$1,511</td>
</tr>
<tr>
<td>Durham</td>
<td>$1,382</td>
</tr>
<tr>
<td>Peel</td>
<td>$1,099</td>
</tr>
<tr>
<td>Niagara</td>
<td>$621</td>
</tr>
<tr>
<td><strong>Waterloo</strong></td>
<td><strong>$475</strong></td>
</tr>
</tbody>
</table>

source: 2014 Financial Information Return data

* excludes Development Charge reserve funds
## Debt per capita

### Regional comparators

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td>$1,411</td>
<td>$1,807</td>
<td>$2,057</td>
<td>$2,345</td>
<td>$2,649</td>
</tr>
<tr>
<td>Waterloo</td>
<td>376</td>
<td>392</td>
<td>490</td>
<td>760</td>
<td>1,086</td>
</tr>
<tr>
<td>Peel</td>
<td>472</td>
<td>483</td>
<td>960</td>
<td>1,108</td>
<td>1,052</td>
</tr>
<tr>
<td>Halton</td>
<td>357</td>
<td>521</td>
<td>659</td>
<td>604</td>
<td>609</td>
</tr>
<tr>
<td>Niagara</td>
<td>666</td>
<td>616</td>
<td>544</td>
<td>513</td>
<td>605</td>
</tr>
<tr>
<td>Durham</td>
<td>262</td>
<td>246</td>
<td>323</td>
<td>340</td>
<td>356</td>
</tr>
</tbody>
</table>
Concluding Comments
2016 Preliminary Funding for Regional Services

$ millions

- Transit
- Income Support
- Wastewater
- Housing
- Transportation
- Water
- Waste Management
- Planning, Dev't & Legislative Services
- Paramedic Services
- Seniors' Services
- Public Health
- General Support
- Children's Services
- Assessment Delivery
- POA
- Airport

Property Taxes
Provincial & Federal Subsidies
Fees & Charges
User Rate Budgets:

• Wholesale water rate increase is lower than projections from last year
• Other rate increases consistent with projections from last year
• Retail wastewater monthly service charge for 2016 ($6.00) lower than projection from last year ($7.00)
• Updated capital financing plan
Tax Supported Budget:

- Reduced capital expenditure in 2016
- Updated capital financing plan
- Lower assessment growth
- GRT revenue adjustment
- Base position including issue papers of 2.86% (excluding Police)
Potential budget adjustments:

- Fuel prices
- Major revenues
  - POA fines
  - Landfill tipping fees
  - GRT fare revenue
  - Payments-in-lieu of taxes
The Budget Cycle

- Budget analysis and preparation
- Preliminary Budget Book
- Variance monitoring and reporting
- Budget Committee review, public input
- Council approval
2016 Budget Schedule

- Oct. 21: Budget Committee overview
- Early November: Print Budget Book
- Nov. 18: Budget Committee Detailed Review and Public Input
- Dec. 16: Budget Committee approval of user rate budgets, 2nd Public Input, WRPS and GRCA
- Jan. 13/16: Tax Budget approval, user fees & charges approval
GRCA presentation
Approval of User Rate Budgets
Major revenue items: GRT fares, Tipping Fees, POA
Assessment Growth
Fuel prices
Police Budget presentation
Proposed Fees & Charges
Reserve & Reserve Fund Projections
Councillor Requests
Water Services

Water and Wastewater

2016 User Rate Budget Update
Water Services

- Water Supply & Wastewater Treatment
- Distribution & Collection (North Dumfries & Wellesley)
Water Supply

Overview

Water Supply Systems
• 1 Surface Water
• 20 Ground Water Supply Systems & over 100 Ground Water Wells
• Supply 54 Million Cubic Meters
Water Regulations

Safe Drinking Water Act (2002)
• Mandatory Accreditation of Operating Authority

Clean Water Act (2006)
• Ongoing Programs: Curb the Salt, Rural Water Quality, Well Assessments
• Incentive programs approval late 2016
Water Operating Budget

• Operating Budget: $34.1 million (1.4 % increase)

• Savings from 2015 Operating Budget - $303,000 Water O&M

• Focus on Regulatory Compliance, Optimization & Asset Management
### Water Operating Budget - Hydro

#### Water Pumping and Treatment

**Annual Electricity Consumption & Cost**

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity Consumption (kWh)</th>
<th>Electricity Cost ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>48,865,202</td>
<td>$5,767,999</td>
</tr>
<tr>
<td>2012</td>
<td>48,489,746</td>
<td>$5,958,142</td>
</tr>
<tr>
<td>2013</td>
<td>47,945,564</td>
<td>$6,586,272</td>
</tr>
<tr>
<td>2014</td>
<td>47,525,272</td>
<td>$6,611,071</td>
</tr>
<tr>
<td>2015 Projected</td>
<td>46,405,924</td>
<td>$6,881,074</td>
</tr>
</tbody>
</table>

---

Region of Waterloo Water Services | www.regionofwaterloo.ca/water
Program Initiatives

Innovation
• Studies; GUDI Terms of Reference

Energy Reduction Initiatives
• Coordination with local hydro utilities

Asset Management
• Implement Improved Work Practices
Water Capital Budget

Highlights

2016 - 2025 Capital Program: $419 million

Projects include:

• Source Protection $45M
• Infrastructure Replacement $168M
• Water Mains $71M
• Upgrades/Expansions $128M
Water Supply Summary

Key Trends

• Increases in hydro rates

Issues

• Compliance to Regulations
• Asset Management

Initiatives

• Energy Management Studies
• Optimization Studies
• Infrastructure reinvestment
• Implement Master Plan Recommendations
Wastewater Treatment

13 Wastewater Treatment Plants

1 Biosolids Handling Facility

6 Pumping Stations
Environmental Enforcement & Laboratory Services

Enforcement

- Update of Sewer Use By Law
- Spills Response
- Surcharge Agreements

Laboratory Services

- Total of 45,000 Water, Wastewater and Industrial Samples
- Total of 147,000 Water Tests, 40,000 Wastewater Tests & 16,000 Industrial Tests
Wastewater Operating Budget Highlights

- Operating Program: $44.7 Million (0.6 % increase)
  - Savings from 2015 Operating Budget -> $576,000 Wastewater O&M
  - Fluctuations of Wastewater Volume based on Weather Conditions
  - New Biosolids Tender
Wastewater Operating Budget - Hydro

Wastewater Pumping & Treatment
Annual Electricity Consumption & Cost

Electricity Consumption (kWh)

- 2011: 30,023,666 kWh, $3,463,395
- 2012: 30,788,115 kWh, $3,677,276
- 2013: 35,018,356 kWh, $4,642,649
- 2014: 37,760,559 kWh, $5,111,914
- 2015 Projected: 38,428,595 kWh, $5,605,143

Electricity Cost ($)

- 2011: $3,463,395
- 2012: $3,677,276
- 2013: $4,642,649
- 2014: $5,111,914
- 2015 Projected: $5,605,143

Region of Waterloo Water Services | www.regionofwaterloo.ca/water
Wastewater Capital Highlights

- 2016 -2025 Capital Program: $724 Million
- Major Treatment Upgrade:
  - Waterloo WWTP
  - Kitchener WWTP
  - Galt WWTP
- Growth Related:
  - Baden-New Hamburg WWTP
  - Waterloo (& St Jacobs) WWTP
Wastewater Treatment Plants

Kitchener

$247M Remaining in Upgrades (total $370M)

- Upgraded to Tertiary Treatment Level
- Improve Equipment Reliability & Sustainability
- Improve Effluent & Water Quality in the Grand River
Wastewater Treatment Plants

Waterloo

$ 6.2 M Remaining in Upgrades to Treatment Plant (total $120M)

- Improve Equipment Reliability & Sustainability
- Improve Effluent & Water Quality in the Grand River
Wastewater Summary

Key Trends
• Impacts of Wet Weather Fluctuations
• Impact of large increase in hydro rate (hydro 24% of O&M budget)

Issues
• Compliance to Regulations
• Asset Management

Initiatives
• Energy Management Studies (Cogeneration)
• Update to Wastewater & Biosolids Master Plans
Wastewater Summary

- Impacts to the Environment

Improvement in Effluent Quality & Positive Impact on the Grand River

![Graph showing Unionized Ammonia concentrations over different years.](image-url)
# Household Impact of Wholesale Rate Increases

## Recommended 2016 User Rate

Based on annual household consumption of 204m$^3$

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of wholesale water</td>
<td>$198</td>
<td>$204 (+2.9%)</td>
<td>$6</td>
</tr>
<tr>
<td>$1.0060/m$^3$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of wholesale wastewater</td>
<td>$190</td>
<td>$204 (+6.9%)</td>
<td>$13</td>
</tr>
<tr>
<td>$1.0092/m$^3$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Annual Cost Impact:** $19 per household
Distribution & Collection Services

Provide distribution services

• 70 km distribution water main
• Implementation of new Regional By Law
  • 14-013 Supply & Distribution of Water in the Township of North Dumfries and Wellesley (Backflow Prevention Program)

Provide collection services

• 46 km of sanitary sewer
• Implementation of amendments to Sewer Use By Law
  • 1-90 Prohibit Regulate & Control the Discharge of Waters and Wastes into Bodies of Water within the Regional Area or into the Regional Sanitary Truck Sewers, Trunk Sewer System or Sewage Treatment Works and all Tributary Sewer Systems and to Regulate and Control Extensions, Alterations or Enlargement to the Sewer System of any Area Municipality
Household Impact of Retail Rate Increases

Recommended 2016 User Rate

Based on annual household consumption of 204 m³

Cost of water

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$532</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$573 (+8.9%)</td>
<td>$41</td>
</tr>
</tbody>
</table>

Cost of wastewater

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$432</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$456 (+5.9%)</td>
<td>$24</td>
</tr>
</tbody>
</table>

Annual Cost: Total is $1,029 (Impact $65)
Questions?