



Township of
**Leeds and the
Thousand Islands**

Council Report

Meeting Date: 2025-01-13

Department: Corporate Services

Report Number: Corporate Services-2025-003

Submitted By: Philip Reniers

Approved By: Stephen Donachey

Subject: 2025 Water and Wastewater Operating and Capital Budgets

Recommendation:

That Council receive Corporate Services Report 2025-003 – 2025 Water and Wastewater Operating and Capital Budgets; and

That Council approve the 2025 proposed Water operating budget of \$376,100; and

That Council approve the 2025 proposed Wastewater operating budget of \$354,400; and

That Council approve the increases to water and wastewater rates in accordance with the rate study, effective for the January 2025 billing cycle; and

That Council approve the Water and Wastewater capital budget of \$3,320,100; and

That Council approval of the 2025 Water and Wastewater capital budget as proposed does not constitute approval for staff to proceed with any capital project funded in part, or in whole, through a grant; and

That Council direct staff to report to Council on the success or failure of any grant applications authorized by Council in respect to any capital project and provide proposed options in respect of the applicable project for Council's consideration.

Background:

The proposed 2025 water and wastewater operating and capital budgets were presented to Council at the Committee of the Whole meeting on January 6, 2025,

through Corporate Services Report 2024-032 – 2025 Draft Water and Wastewater Operating and Capital Budgets.

The water and wastewater utilities service the Village of Lansdowne. The utilities are self-funded services, meaning that the rates charged for the services are intended to recover the operating and capital costs to provide the services. The utility services are not included in the property tax levy calculation and only the residents and properties using the utilities pay for the services.

Analysis:

The proposed 2025 gross operating budgets for water and wastewater is \$376,100 and \$354,400 respectively, for a total of \$730,500. The budget has increased by \$42,400, or 6% over 2024.

Water

The proposed 2025 gross operating budget for water is \$376,100. This is an increase of \$21,500, or 6% over 2024. Excluding the transfer to reserve fund, the operating expenditures have increased by \$25,300, or 10%. This is largely driven by the financial plan study (rate study) that is required to be completed in 2025 for rates starting in 2026. The rate study is estimated at \$20,000 in the proposed water budget.

Water – Draft operating budget by segment:

	2025 Budget	2024 Budget	Change (\$)	Change (%)
Revenue				
User Fees	(361,300)	(347,300)	(14,000)	4%
Other Revenue	(14,800)	(7,300)	(7,500)	103%
Total Revenue	(376,100)	(354,600)	(21,500)	6%
Expenses				
OCWA contract	166,100	161,200	4,900	3%
Maintenance (OCWA)	55,000	55,000	-	0%
Insurance	15,100	14,400	700	5%
Other supplies and expenses	47,900	28,200	19,700	70%
Total operating expenses	284,100	258,800	25,300	10%
Transfer to reserve fund	92,000	95,800	(3,800)	-4%
Total Expenses	376,100	354,600	21,500	6%
Net Budget	-	-	-	-

Wastewater

The proposed 2025 gross operating budget for wastewater is \$354,400. This is an increase of \$20,900, or 6% over 2024. Excluding the transfer to reserve fund, the operating expenditures have increased by \$62,800, or 30%. This is a result of an increase to projected maintenance work as proposed by OCWA, which includes

\$25,000 for a zyme trial, as well as the financial plan study (rate study) that needs to be completed in 2025, estimated at \$20,000 in the proposed wastewater budget.

Wastewater – Draft operating budget by segment:

	2025 Budget	2024 Budget	Change (\$)	Change (%)
Revenue				
User Fees	(338,800)	(325,700)	(13,100)	4%
Other Revenue	(15,600)	(7,800)	(7,800)	100%
Total Revenue	(354,400)	(333,500)	(20,900)	6%
Expenses				
OCWA contract	140,900	136,800	4,100	3%
Maintenance (OCWA)	70,000	31,500	38,500	122%
Insurance	15,100	14,400	700	5%
Other supplies and expenses	46,200	26,700	19,500	73%
Total operating expenses	272,200	209,400	62,800	30%
Transfer to reserve fund	82,200	124,100	(41,900)	-34%
Total Expenses	354,400	333,500	20,900	6%
Net Budget	-	-	-	-

Capital

The 2025 proposed water and wastewater capital budget, including carry forward from 2024, is \$3.3 million. The capital budget and funding plan is summarized in the table below:

	2025 Draft Budget w/ Carry Forward	Funding			
		Reserve Funds	Debt	Grant	Total
Water - Capital Projects					
Water meters	2,200	2,200	-	-	2,200
HVAC Well #1 & #2 (OCWA)	6,000	6,000	-	-	6,000
Water storage and distribution system upgrade	3,151,100	-	850,800	2,300,300	3,151,100
Total Water	3,159,300	8,200	850,800	2,300,300	3,159,300
Wastewater - Capital Project					
Lansdowne sewage pump station	10,800	10,800	-	-	10,800
Sanitary Municipal Class EA	150,000	150,000	-	-	150,000
Total Wastewater	160,800	160,800	-	-	160,800
Total Water and Wastewater	3,320,100	169,000	850,800	2,300,300	3,320,100

The 2025 budget document includes a 10-year financial plan that outlines the estimated capital requirements and projected funding plan going forward.

Alternatives:

None.

Financial Implications:

The proposed 2025 Water and Wastewater operating and capital budgets will yield the financial implications outlined below.

User Rates

To meet the budgeted revenues, the proposed increases to the water and wastewater rates, to be effective for the January 2025 billing cycle, are summarized in the following tables. These rates are in accordance with the most recent study as previously approved by Council.

1 1/2" Meter or Less

	2025 Rate	2024 Rate	Change (\$)	Change (%)
Water				
Water flat rate (Base)***	\$ 89.14	\$ 86.12	\$ 3.02	3.5%
Water per m3 (Volume)	\$ 2.94	\$ 2.90	\$ 0.04	1.4%
Wastewater				
Sewer flat rate (Base)***	\$ 84.16	\$ 81.31	\$ 2.85	3.5%
Sewer per m3 (Volume)	\$ 2.48	\$ 2.45	\$ 0.03	1.2%
Total Combined				
Flat rate (Base)***	\$ 173.30	\$ 167.43	\$ 5.87	3.5%
Per m3 (Volume)	\$ 5.42	\$ 5.35	\$ 0.07	1.3%

***Flat monthly charge includes 15 m3

2" Meter or Greater

	2025 Rate	2024 Rate	Change (\$)	Change (%)
Water				
Water flat rate (Base)***	\$ 108.23	\$ 104.57	\$ 3.66	3.5%
Water per m3 (Volume)	\$ 3.89	\$ 3.84	\$ 0.05	1.3%
Wastewater				
Sewer flat rate (Base)***	\$ 102.19	\$ 98.73	\$ 3.46	3.5%
Sewer per m3 (Volume)	\$ 3.33	\$ 3.29	\$ 0.04	1.2%
Total Combined				
Flat rate (Base)***	\$ 210.42	\$ 203.30	\$ 7.12	3.5%
Per m3 (Volume)	\$ 7.22	\$ 7.13	\$ 0.09	1.3%

***Flat monthly charge includes 15 m3

Operating Budgets

- Gross budgets of \$376,100 and \$354,400 for water and wastewater, respectively.
- Reserve fund contributions totaling \$174,200 as follows:
 - Water Reserve Fund \$92,000

- Wastewater Reserve Fund \$82,200

Capital Budget

- Total capital budget of \$3.3 million including expected carry forward budget
- Reserve fund withdrawals totaling \$169,000 to fund capital projects:
 - \$8,200 from the Water Reserve Fund
 - \$160,000 from the Wastewater Reserve Fund
- Debt issuance of \$850,800 for the Water Storage and Distribution System upgrade project for 2025 spending.
 - Total debt issuance for this project is estimated to total \$1.2 million, with an estimated annual repayment cost to service of \$70,600.
 - The project is dependent upon receiving grant funding from the Province. Staff will report to Council on the outcome of the grant application in due course and seek Council's direction and authorization regarding proceeding with the project.
- Appendix D of the draft budget binder outlines a 10-year financial plan for Water and Wastewater Capital

Relevant Policy or Legislation:

2021 Water and Wastewater Rate Study

Strategic Plan Alignment:

Council adopted the Township of Leeds and the Thousand Islands Strategic Plan (2021-2031) at its regular meeting held on November 8, 2021. The initiative contained within this report supports the following Strategic Pillars as set out in the Strategic Plan:

- Delivering Effective and Accountable Government
- Promoting Quality of Life and Environmental Stewardship
- Growing a Liveable Community with Great Services
- Fostering Jobs and Economic Development

Consultations:

This report was reviewed in consultation with:

- David Holliday, Director of Operations and Infrastructure

Attachments:

None.