



BUDGET BACKGROUNDER WATER AND SANITARY SEWER BUDGETS

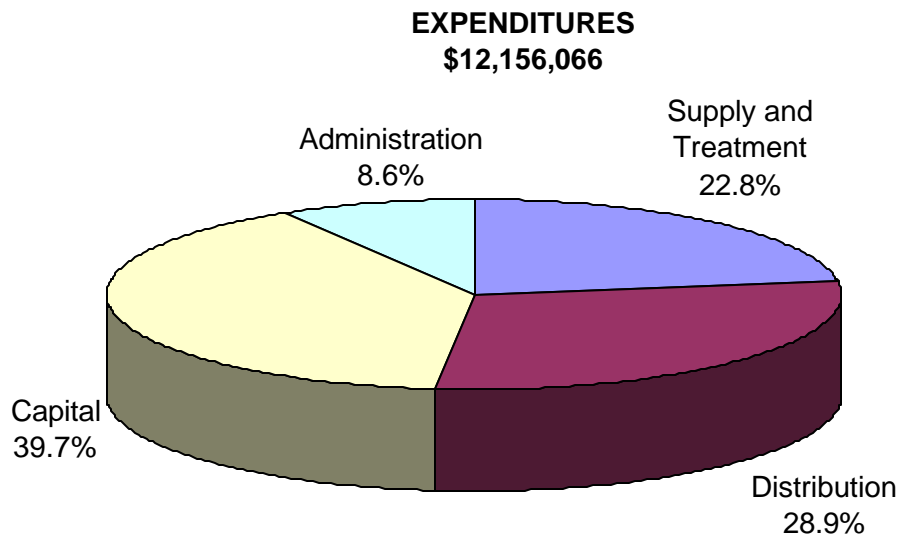
February 28, 2005

CITY COUNCIL FINALIZES 2005 WATER AND SANITARY SEWER OPERATING AND CAPITAL BUDGETS

City Council adopted General Government Committee Report No. 2005-02 on February 28, 2005.

OPERATING BUDGET

The Water and Sanitary Sewer Operating Budget expenditures in the adopted budget total \$12,156,066.

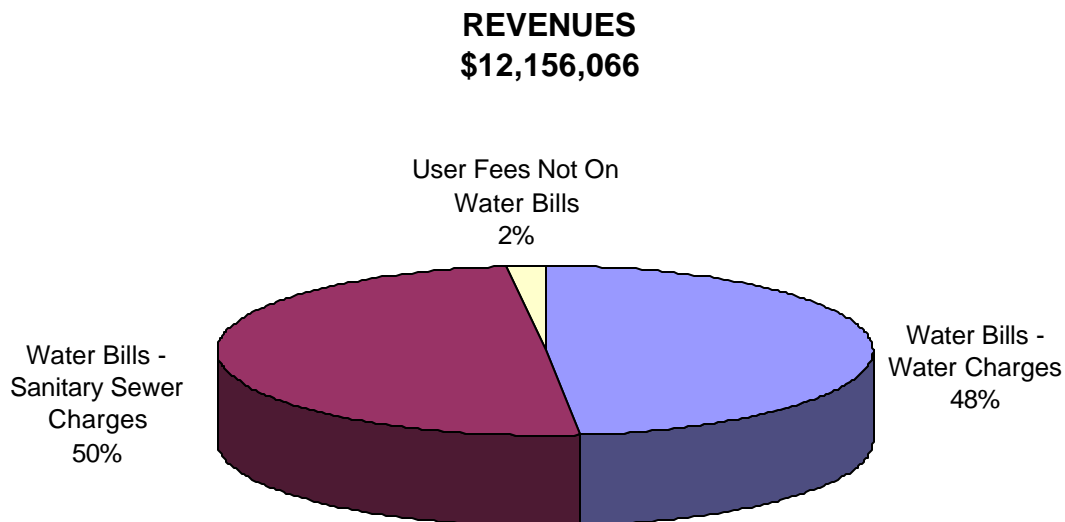


The budget continues to implement new measures to ensure compliance with the *Safe Drinking Water Act* and the *Sustainable Water and Sewage System Act*, both passed by the Province during 2002.

The 2005 Water and Sanitary Sewer Budget expenditures are up by about \$988,000 with the majority of the increase being an additional \$722,000 investment in the Infrastructure

Replacement Program.

Recent increases to water rates will ensure that the full cost recovery requirements of the *Sustainable Water and Sewage System Act* are satisfied. The City of North Bay implemented a full cost recovery system in 2000. The rate increases will result in an increase of \$3.11 for a typical flat rate monthly water bill. The monthly rate will increase from \$42.01 to \$45.12



These revenues do not include an estimated total of \$660,000 being collected in 2005 by a Water Filtration Surcharge and applied to reduce the amount the City will have to borrow for the new plant scheduled to commence construction in 2005. The amount of the surcharge will be reduced effective March 1, 2005 from 18.2% to 13.0% of the gross water component of the water bill.

CAPITAL BUDGET

The 2005 Water and Sanitary Sewer Capital Budget includes 16 projects totaling \$5,335,000 including the following:

\$2,500,000 for upgrading and improvements to the septage receiving and treatment system at the Wastewater Treatment Plant on Memorial Drive

\$1,150,000 for the water and sanitary sewer portion of a \$2,600,000 Infrastructure Replacement Program

\$725,000 for ongoing maintenance and improvements to the water treatment plant, waste water treatment plant and pump stations

\$760,000 for vehicles, equipment, land purchases and planning studies

\$200,000 for new programs introduced in 2003 for watermain cleaning, reaming & relining; watermain loop-in or automatic flow improvements and hydrant rehabilitations

CAPITAL BUDGET – WATER FILTRATION PLANT

A new water filtration plant is scheduled to commence construction in 2005. The following is a summary of the latest budget estimates:

		Water Filtration Plant Construction - Revenues / Expenditures / Debt		
		<u>2004 and prior</u>	<u>2005 to 2008</u>	<u>Total</u>
Expenditures	Gross	1,590,000	44,706,000	46,296,000
Revenues	Provincial Confirmed	(495,000)	(14,493,000)	(14,988,000)
	Provincial Confirmed- Northern Ontario Heritage Fund		(3,720,000)	(3,720,000)
	Federal Pending	(495,000)	(14,493,000)	(14,988,000)
	Surcharge on Water Bills	(600,000)	(2,000,000)	(2,600,000)
Debt	Net	0	10,000,000	10,000,000

The debt is scheduled to be issued in 2007 and the current surcharge introduced in 2003 will continue until the City's share of the debt is paid off in 2027.

For Further Information:

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