



# THE CITY OF WINDSOR

**MISSION STATEMENT:**

*“The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships”*

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## NOTICE OF COUNCIL DECISION

**Windsor City Council adopted the following resolution at its meeting held June 28, 2010**

CR243/2010

That the revised recommendation forwarded to City Council on June 28, 2010 by administration at the Windsor Utilities Commission (WUC), “Option 2 – the reduced Capital Option” (attached hereto as Appendix A), which was not supported by WUC, **BE APPROVED** as the financially viable 6-Year Financial Plan, and further, that administration **BE DIRECTED** to forward this resolution to the Ministry of Municipal Affairs and Housing.

**Report No. 14792 MU/10720 19**

Carried.

Councillors Brister, Lewenza and Jones voting nay.  
Mayor Francis was absent from the meeting.

Appendices

Option 2 – the reduced Capital Option

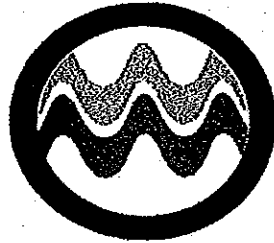
*Steve Vlachodimos*

Deputy City Clerk/Senior Manager of Council Services

June 29, 2010

/jr

CR243/2010  
June 28, 2010



**WINDSOR  
UTILITIES  
COMMISSION**

**Windsor Utilities Commission  
Financial Plan  
2010-2015  
Water Division  
Revised Recommendation To City Council  
Option # 2- Reduced Capital Option**

**VERSION  
# 2**



WINDSOR  
UTILITIES  
COMMISSION

Windsor Utilities Commission  
Financial Plan- Water Division  
2010-2015

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Windsor Utilities Commission  
Cash Flow Forecast  
Water Treatment and Distribution Division



	<u>2010</u> <u>Budget</u>	<u>2011</u> <u>Forecast</u>	<u>2012</u> <u>Forecast</u>	<u>2013</u> <u>Forecast</u>	<u>2014</u> <u>Forecast</u>	<u>2015</u> <u>Forecast</u>
<b><u>BREAKDOWN OF EXPENDITURES</u></b>						
Capital Asset Acquisitions (1)	14,193,233	15,500,000	16,600,000	17,700,000	41,200,000	19,900,000
Cost of Production	4,790,049	4,908,813	5,083,565	5,268,070	5,471,488	5,686,715
Operating Expenses	19,400,831	19,674,691	20,026,950	20,628,899	21,180,037	21,846,108
<i>Financing Expenses</i>						
Existing Debenture Repayments (2)	1,624,857	1,687,857	18,911,000	2,000,000	2,000,000	2,000,000
New Debenture Repayments (3)					(21,624,000)	864,960
New Debenture Financing (3)			(20,000,000)			30,000
Debenture Financing (2)	132,954	146,812	206,812			2,097,440
Financing Interest Expenses (4)	2,288,932	2,100,000	2,000,000	1,000,000	1,548,720	4,992,400
Debenture Interest Expense (5)	4,016,743	3,934,669	1,117,812	3,000,000	(18,075,280)	52,425,223
<i>Total Financing Expenses (Income)</i>	<u>42,400,856</u>	<u>44,018,172</u>	<u>42,828,326</u>	<u>46,596,969</u>	<u>49,776,245</u>	<u>52,425,223</u>
Total Expenditures Forecasted						
<b><u>BREAKDOWN OF REVENUES</u></b>						
Total Water Rate Revenues (6)	41,451,462	42,994,447	44,586,519	46,227,700	48,445,643	50,856,641
Other Miscellaneous Revenues	949,646	702,716	691,006	696,124	706,505	717,055
Total Revenues Forecasted	<u>42,401,108</u>	<u>43,697,162</u>	<u>45,277,525</u>	<u>46,923,824</u>	<u>49,152,148</u>	<u>51,573,696</u>
TOTAL NET CASH FLOW			<u>2,449,198</u>	<u>326,855</u>	<u>(624,098)</u>	<u>(851,527)</u>
ESTIMATED CASH BALANCE AT END OF YEAR	(770,304)	(1,091,313)	1,357,885	1,684,740	1,060,642	209,115

NOTES

- (1) Capital is reflected by recent amendments to WUC master plan report for deferral of reservoir to 2014 and growth water mains to beyond plan period
- (2) Assumes existing debenture payments in 2011 and 2012 are paid and refinanced over 10 year term at 5% interest rate
- (3) Assumes new debentures are issued for reservoir project forecasted in 2014 and repaid over 25 years with 6% annual interest rate
- (4) Includes interest from bank overdraft balances
- (5) Includes existing and new debentures interest expenses
- (6) No water rate increases have been made for 2010 and 3% increase to residential bill (usage 22 cubic metres per month) in 2011- 2013 and 4% increase in 2014 and 2015

**WINDSOR UTILITIES COMMISSION  
CAPITAL BUDGET  
2010-2015**



**WINDSOR  
UTILITIES  
COMMISSION**

DESCRIPTION	Budget 2010	FIVE YEAR FORECAST					Five Year Forecast
		Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	
<b>WUC Watermain Projects</b>							
Total WUC Watermain Projects	2,735,310	5,844,732	6,078,521	6,412,954	6,541,213	6,672,037	31,549,458
<b>City Watermain Projects</b>							
Total City Watermain Projects	6,464,690	6,555,268	5,521,479	8,195,556	9,613,174	8,386,313	38,271,790
Total Watermain Renewal and Improvements	9,200,000	12,400,000	11,600,000	14,608,510	16,154,387	15,058,350	69,821,248
<b>Growth Related Capital Work</b>							
Growth Treatment Facilities-Reservoir					21,624,000		21,624,000
Total Growth Projects					21,624,000		21,624,000
<b>Engineering Projects</b>							
Total Engineering Projects		316,404	10,400		226,800		553,604
<b>Transmission and Distribution Projects</b>							
Total Transmission and Distribution Projects	459,728	193,800	197,600	199,600	205,200	154,000	950,200
<b>Meter Projects</b>							
Total Meter Projects	1,381,505	1,530,000	1,560,000	1,560,000	1,620,000	1,650,000	7,920,000
<b>Water Treatment Facilities</b>							
SCADA System	1,500,000						
AJ Brian Pumping Station	1,325,000	1,059,796	937,810	153,700	156,600	29,150	2,337,056
Albert H. Weeks WTP	16,000		405,600	53,000	216,000		674,600
Generator Building					351,000		433,500
Pressure Stations			102,000				102,000
George Avenue Reservoir and Pumping Station			76,500				76,500
Hanna Water Tower			312,000				312,000
JF Cook Reservoir and Pumping Station	311,000	1,058,970	1,058,970	410,750	72,317		1,542,037
Old WTP		339,120	714,440	508,896			1,562,456
Total Water Treatment Facilities	3,152,000	1,059,796	3,232,000	1,331,890	1,369,613	3,037,650	10,030,949
<b>TOTAL CAPITAL BUDGET</b>	14,193,233	15,500,000	16,600,000	17,700,000	41,200,000	49,900,000	110,900,000

**WATER TREATMENT AND DISTRIBUTION  
OPERATING BUDGET 2010**  
For the Period Ending December 31, 2010

	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
<b>REVENUE FROM WATER RATES</b>	4,451,762	4,994,447	4,586,519	4,227,700	4,445,643	5,856,641
<b>TOTAL REVENUES</b>	949,646	702,716	691,006	696,124	706,505	717,055
<b>OTHER REVENUES</b>	4,790,049	4,908,813	5,083,565	5,268,070	5,471,488	5,686,715
<b>COST OF PRODUCTION</b>	37,611,058	38,788,350	40,193,960	41,655,753	43,680,659	45,886,981
<b>GROSS INCOME</b>	20,208,716	20,522,971	20,917,644	21,564,128	22,162,027	22,377,198
<b>OPERATING EXPENSES</b>	17,402,342	18,265,379	19,276,316	20,091,626	21,518,632	23,009,783
<b>OPERATING INCOME</b>	2,800,374	2,257,592	1,641,328	1,472,502	643,395	(1,632,585)
Depreciation	5,730,777	6,131,738	6,642,766	7,066,274	7,664,793	8,155,813
Debt Interest Expense	2,258,932	2,100,000	2,000,000	1,000,000	1,548,720	2,097,440
Interest Expense	132,954	146,812	205,812	-	-	30,000
<b>NET INCOME</b>	8,122,662	8,378,549	8,349,567	8,066,274	9,213,513	10,283,253
	9,279,680	9,886,830	10,426,748	12,025,351	12,305,119	12,726,530

**Windsor Utilities Commission  
Water Revenues and Residential Bill Impact  
Five Year Water Rate Model**

	2010	2011	2012	2013	2014	2015
(No Rate Increases)						
Fixed Meter Charges	17,028,295	17,028,295	17,028,295	17,028,295	17,028,295	17,028,295
Water Consumption Charges	8,799,347	9,824,834	10,883,402	11,975,051	13,483,662	15,084,594
Summer Levy Revenues	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Watermain Levy	11,622,439	12,083,908	12,560,264	13,051,505	13,721,380	14,450,800
Wholesale Revenues	2,801,382	2,857,410	2,914,558	2,972,849	3,032,306	3,092,952
<b>Total Revenues</b>	<b>41,451,462</b>	<b>42,994,447</b>	<b>44,586,519</b>	<b>46,227,700</b>	<b>48,445,643</b>	<b>50,856,641</b>
<i>Summarized Breakdown:</i>						
Water Retail Revenues	27,027,642	28,053,129	29,111,697	30,203,345	31,691,957	33,312,889
Total Wholesale Revenues	2,801,382	2,857,410	2,914,558	2,972,849	3,032,306	3,092,952
Watermain Replacement Levy	11,622,439	12,083,908	12,560,264	13,051,505	13,721,380	14,450,800
<b>Total Revenues</b>	<b>41,451,462</b>	<b>42,994,447</b>	<b>44,586,519</b>	<b>46,227,700</b>	<b>48,445,643</b>	<b>50,856,641</b>

Average Monthly Residential Bill (based upon 22 m3)	\$ 32.90	\$ 33.89	\$ 34.91	\$ 35.97	\$ 37.40	\$ 38.96
\$ Change Per Month from Previous Year	\$	\$ 0.99	\$ 1.02	\$ 1.06	\$ 1.43	\$ 1.56
% Increase From Previous Year		3%	3%	3%	4%	4%
Water Consumption Rate (per cubic metre)	\$ 0.266	\$ 0.297	\$ 0.329	\$ 0.362	\$ 0.407	\$ 0.456

Revenue Stats:

Budget Billed Windsor (m3) 33,080,251

Windsor Utilities Commission  
Residential Bill Impact- Per Monthly Water Usage

Monthly Usage	Current Bill- 2010	Proposed Bill- 2011	Difference	% Difference
10 cu. mtrs	\$28.28	\$28.72	\$0.44	1.55 %
15 cu. mtrs.	\$30.20	\$30.88	\$0.68	2.25 %
20 cu. mtrs.	\$32.13	\$33.03	\$0.90	2.80 %
22 cu. mtrs.	\$32.90	\$33.89	\$0.99	3.01 %
25 cu. mtrs.	\$34.06	\$35.18	\$1.12	3.29 %
30 cu. mtrs.	\$35.99	\$37.34	\$1.35	3.75 %

# WINDSOR UTILITIES COMMISSION

Balance Sheet  
(In thousands of dollars)



WINDSOR  
UTILITIES  
COMMISSION

(in 000's)	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
<b>Assets</b>						
Current assets:						
Cash	-	-	1,358	1,685	1,061	209
Accounts receivable	3,300	3,399	3,501	3,606	3,750	3,900
Unbilled revenue	2,500	2,575	2,652	2,732	2,841	2,955
Due from related parties	1,300	1,400	1,500	1,500	1,500	1,500
Supplies inventory	356	356	356	356	356	356
Deposits and prepaid expenses	397	397	397	397	397	397
	7,853	8,127	9,764	10,276	9,905	9,317
Property, plant and equipment (net)	170,983	180,352	190,309	200,943	234,478	246,222
Work in progress	50	50	50	50	50	50
<b>TOTAL ASSETS</b>	<b>178,886</b>	<b>188,529</b>	<b>200,123</b>	<b>211,268</b>	<b>244,433</b>	<b>255,589</b>
<b>Liabilities and Equity</b>						
Current liabilities:						
Bank indebtedness	770	1,091	5,878	5,404	4,505	3,120
Accounts payable and accrued liabilities	5,377	6,761	3,500	4,000	5,000	6,500
Due to related parties	1,212	2,500	2,000	2,000	2,865	2,865
Current portion of debentures and debt	4,322	18,911	11,378	11,404	12,370	12,485
	11,681	29,263	11,378	11,404	12,370	12,485
Long-term liabilities:						
Debentures and long term debt	18,840	-	18,000	16,000	34,759	31,894
Vested sick leave	10	8	6	5	4	2
Employee future benefits	15,318	16,084	16,889	17,733	18,620	19,551
	34,168	16,092	34,895	33,738	53,383	51,447
Equity:						
Contributed capital	62,104	62,354	62,604	62,854	63,104	63,354
Retained earnings	70,933	80,820	91,246	103,272	115,577	128,303
	133,037	143,174	153,850	166,126	178,681	191,657
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>178,886</b>	<b>188,529</b>	<b>200,123</b>	<b>211,268</b>	<b>244,433</b>	<b>255,589</b>