

# Municipality of West Grey

## Budget Request

Request: ADM-07-2022 – Water sewer rates and borrowing

Department: Administration

Year: 2022

Included in draft budget

Proposed addition to budget

Description
<b>Budget Request Form</b>
<b>Nature of request:</b>
Review of water sewer capital connections rates and potential borrowing
<b>Justification:</b>
<p>Based on the draft water and wastewater 5 year capital plan to build capacity in the Durham water/sewer system, presented by the engineers at the January 4, 2021 special council meeting, attached is one financing scenario which includes:</p> <ul style="list-style-type: none"><li>- an annual increase of 3% on the capital and financing charges on the quarterly and monthly Durham water/sewer bills;</li><li>- increase capital connection fees to \$3,000 for water and \$3,000 for sewer.</li></ul> <p>This funding scenario shows that by 2029 the system would have an annual shortfall of approximately \$232,000 and insufficient reserve balances. Staff are continuing to review the various capital projects and their timing in order to develop alternate scenarios, including potential provincial funding sources, however the need for an increase in the capital connection charges will continue to be required in order to sufficiently fund the capacity for growth required in the system.</p> <p>The recommendation is to give notice at the February 1<sup>st</sup> council meeting of the intention to pass a bylaw to change the water/sewer rates as noted above.</p>
<b>Consequences of not funding:</b>
If the water/sewer rates are not adjusted the system will not have sufficient revenues to be self-funded or capital projects will need to be delayed.
<b>Alignment with council priority of strategic plan</b>

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Pillar: Build a better future  Goal: Vibrant community  Strategy: Develop funding strategies for long-term asset management						
	<b>2022 Mandatory</b>	<b>2022 One-time</b>	<b>2022 Growth</b>	<b>2022 Service level</b>	<b>2023 One-time</b>	<b>2023 Service level</b>
<b>Capital Expenditure</b>						
<b>Operating Expenditure</b>						
<b>Funding Source</b>						
Tax Levy						
Reserves						
Grant						
Fees						
Other						