2008 Water & Wastewater

Operating Plan & Budget

Transportation and Works Committee

February 6, 2008

Reference Agenda Item D1

Water & Wastewater Objectives

- Provide Safe Drinking Water at adequate quantity and acceptable pressure
- Support Population and Employment Growth
- Proactively Manage Assets
- Return Good Quality Effluent to the Environment
- Support for Key Elements of Vision 2026

Water Overview

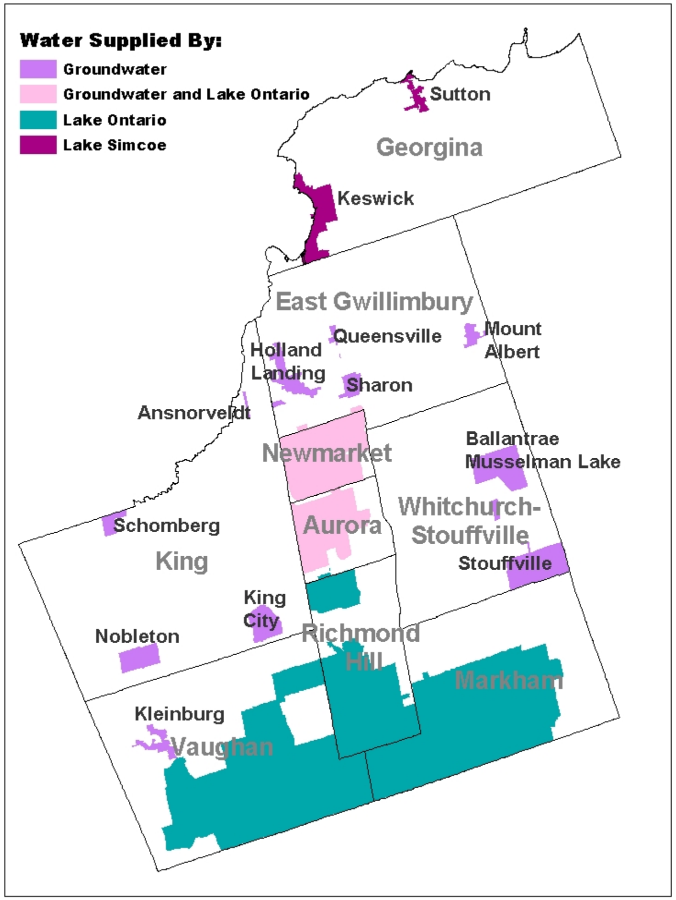
York Water/Yonge St Aquifer System

- Integrated system with groundwater supply from Yonge Street Aquifer and Lake Ontario supply from Peel Region and City of Toronto
- Average flows from Yonge Street Aquifer nearing daily capacity
- Addiitonal water supply to service future growth available from Toronto and Peel purchase agreements
- Provides water supply to approximately 830,000 people in Aurora, East Gwillimbury, Markham, Newmarket, Richmond Hill and Vaughan

Other Systems

- Georgina with 2 WTPs on Lake Simcoe
- 8 stand alone groundwater supply systems

York Water/Yonge St Aquifer System supplies 93% of our serviced population



Wastewater Overview

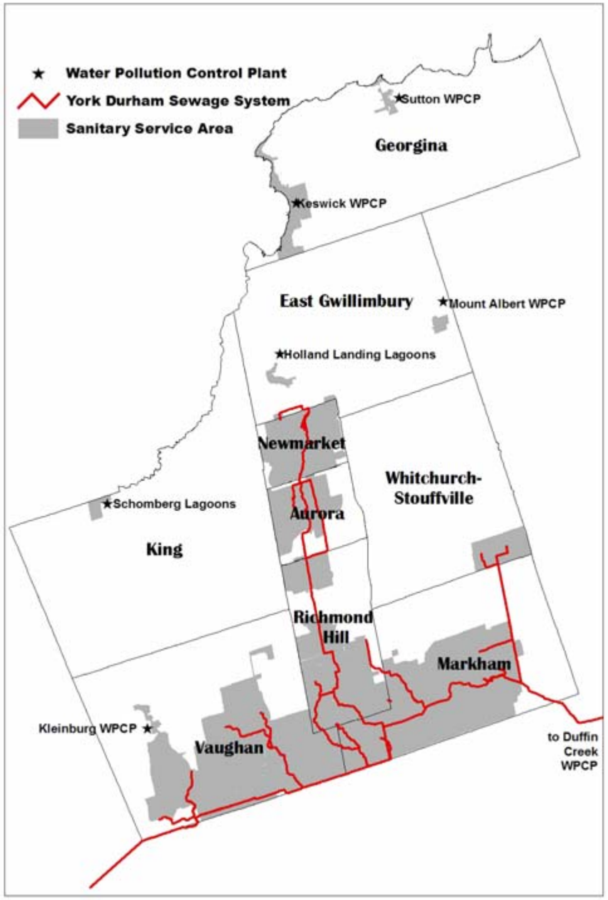
York-Durham Sewage System

- Originally constructed in the 1970's
- Approximately 200 km of sewer and forcemain
- Sewage treated at Duffin Creek Water Pollution Control Plant
- Services a population of approximately 830,000 in Aurora, Markham, Newmarket, Richmond Hill, Vaughan, and Whitchurch-Stouffville

Other Systems

- Six stand alone Water Pollution Control Plants

Expansion of Duffin Creek Water Pollution Control Plant is underway and slated for completion in 2010



2008 Initiatives - W&WW

- Participate in the Source Protection Committees for the two watersheds as required by the Clean Water Act
- Complete a review of the current ISO programs to ensure compliance and optimize to the business needs
- Improved business data accessibility through the completion of the BSmart data management project
- Initiate updated Water for Tomorrow program
- Complete the update to the water and wastewater energy management plan

Water & Wastewater

Operating Rate Budget

2008 Gross Operating Budget Pressures

	Amount	% Change
2007 Gross Operating Budget (including Interdepartmental & Contribution to Capital)	$220.5 M	
Enhancements	$0.0 M	
Growth	$2.6 M	1.2%
Annualization	$17.7 M	8.0%
Mandatory/Legislative	$0.0 M	
Base	$4.0 M	1.8%
Interdepartmental Increase	$0.6 M	0.3%
Contribution to Capital Decrease	($3.4) M	(1.5)%
2008 Gross Operating Budget	$242.0 M	9.8%

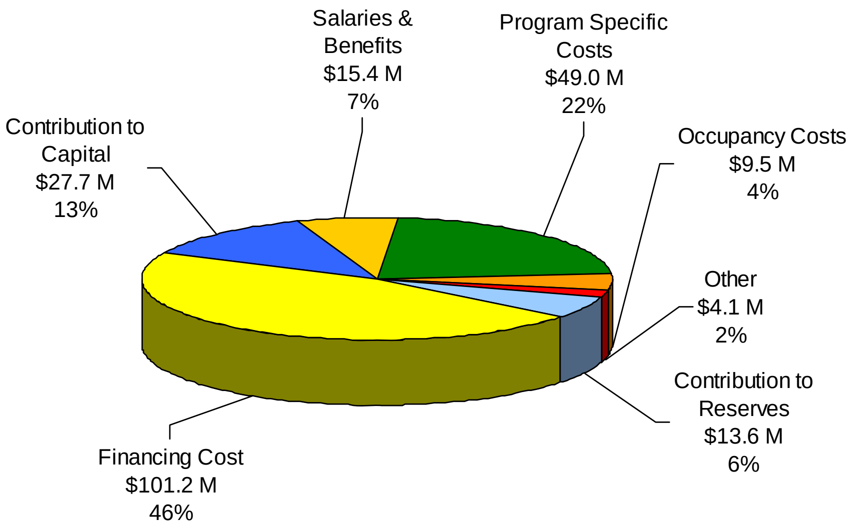
Wastewater Financing costs (YDSS) are the primary driver of the increase in the 2008 operating budget

2007 / 08 Budget Overview - Water & Wastewater Operating

2007

GROSS EXPENDITURES

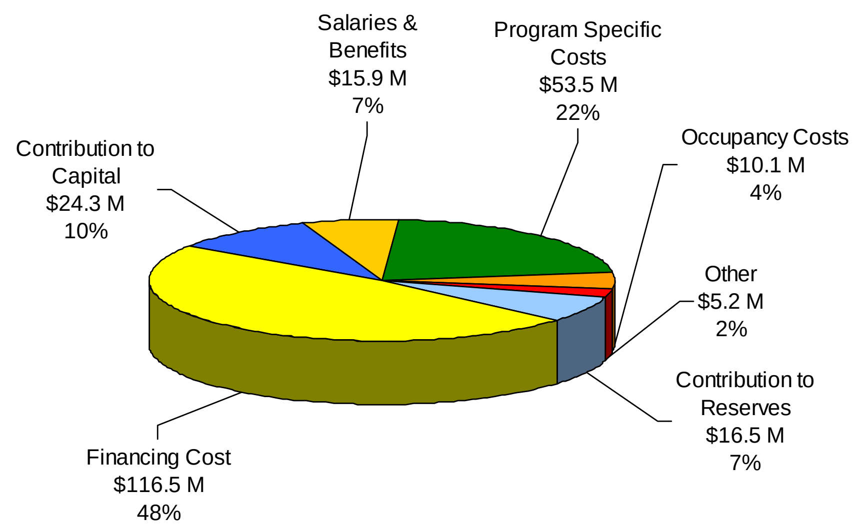
$220.5 Million



2008

GROSS EXPENDITURES

$242.0 Million



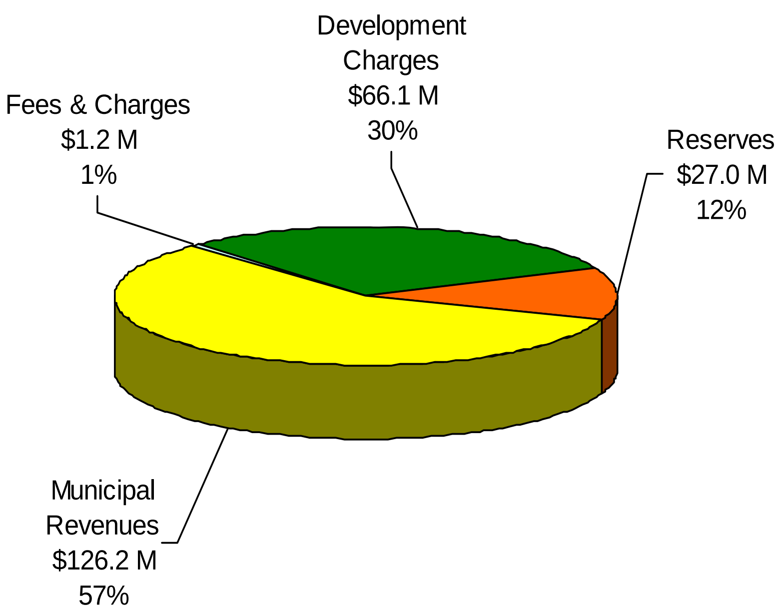
65% of the operating expenditures relate to infrastructure capital and financing costs

2007 / 08 Budget Overview – Water & Wastewater Operating

2007

GROSS REVENUES

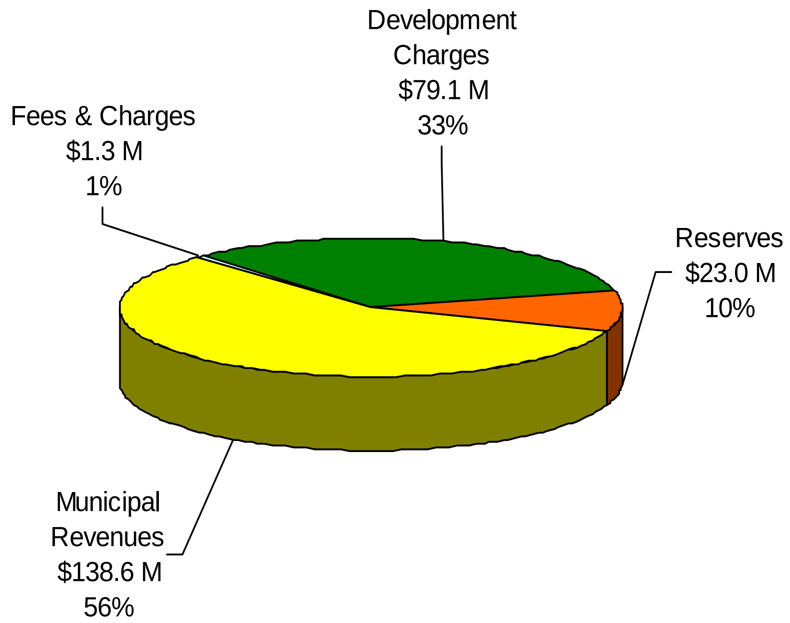
$220.5 Million



2008

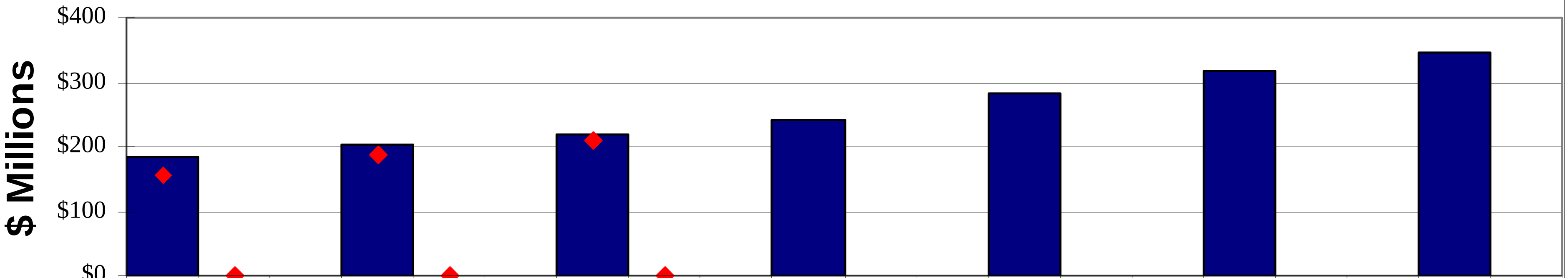
GROSS REVENUES

$242.0 Million



W&WW Operating Budget Trend

Gross/Net Budget and Actual Trend

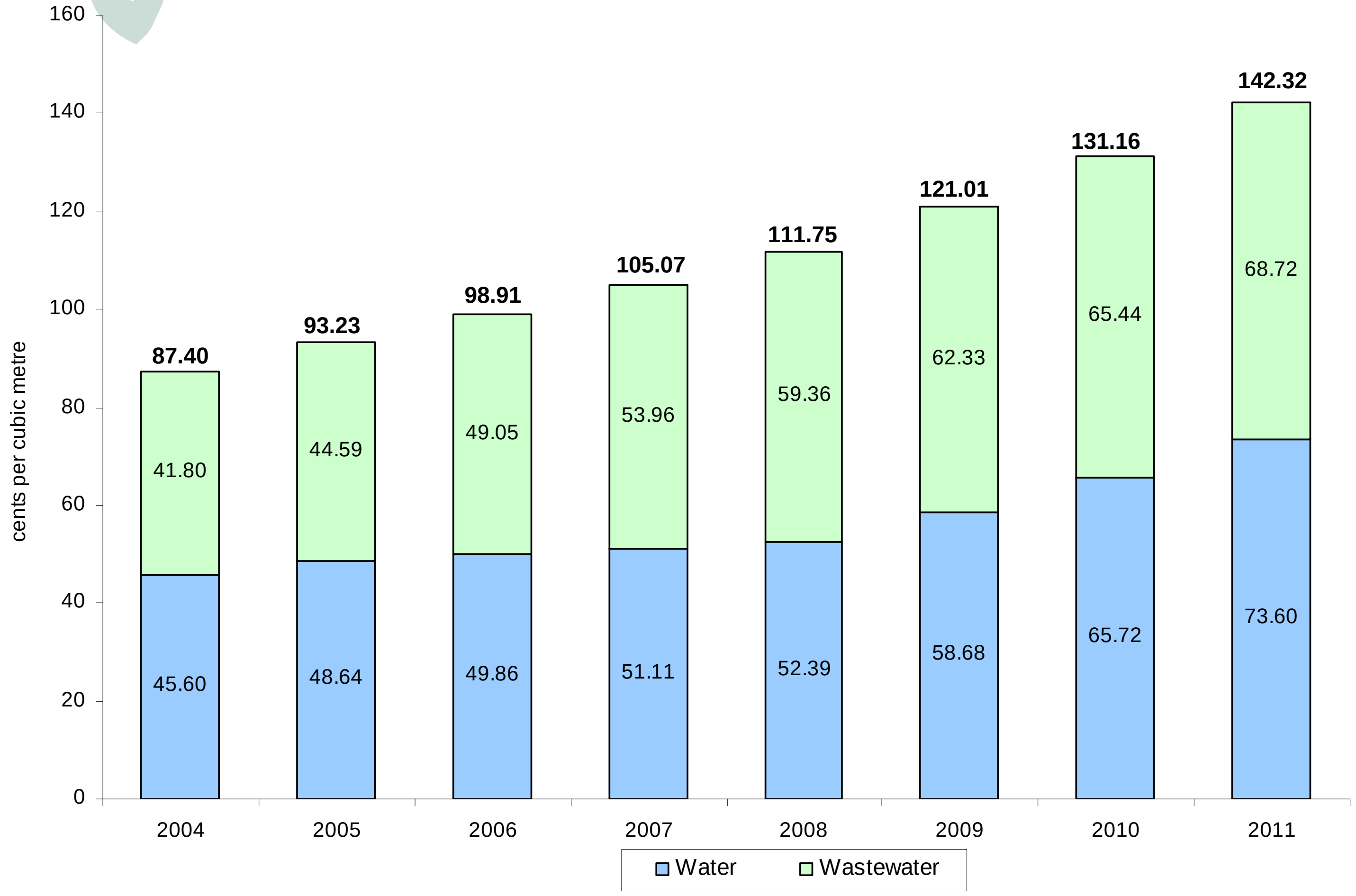


	2005 Gross	2005 Net	2006 Gross	2006 Net	2007 Gross	2007 Net	2008 Gross	2008 Net	2009 Gross	2009 Net	2010 Gross	2010 Net	2011 Gross	2011 Net
Budget	$185.0	$0.0	$203.8	$0.0	$220.5	$0.0	$242.0	$0.0	$282.2	$0.0	$319.0	$0.0	$346.8	$0.0
Actuals	$156.6	$0.0	$186.7	$0.0	$210.2	$0.0								

Year

Increased gross operating expenditures budgeted in 2008 through 2011 are primarily driven by financing costs for planned capital works

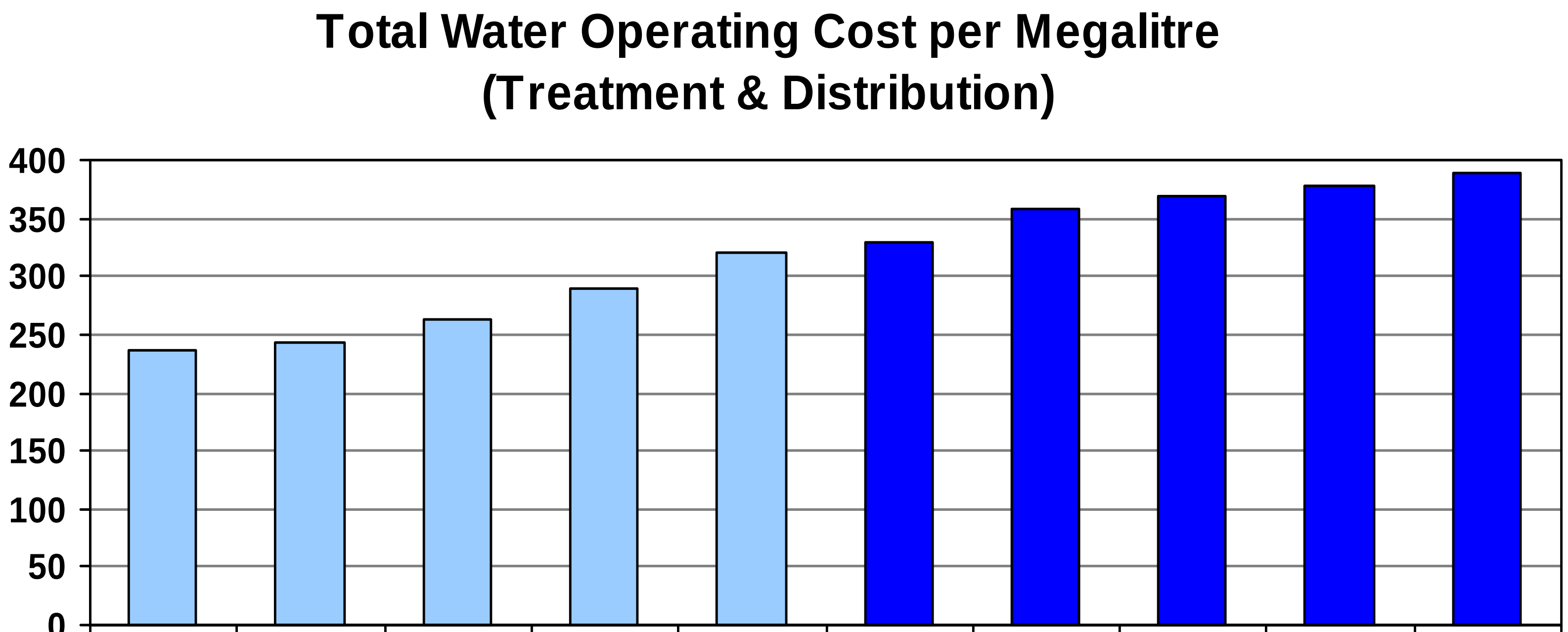
Water and Wastewater Rates



2008 rates were approved by Council in December 2007

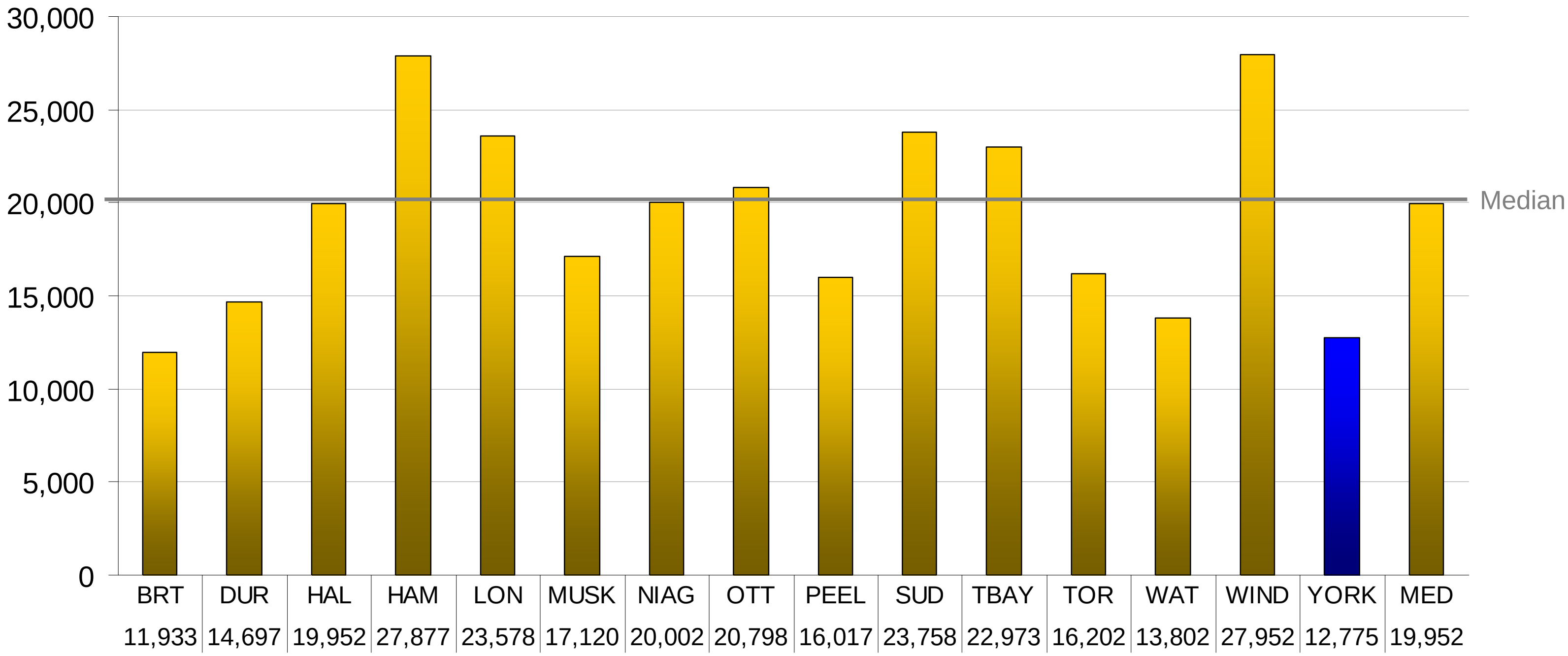
Water & Wastewater Performance Measurements (KPI's & OMBI)

2008 Key Performance Indicator - Water



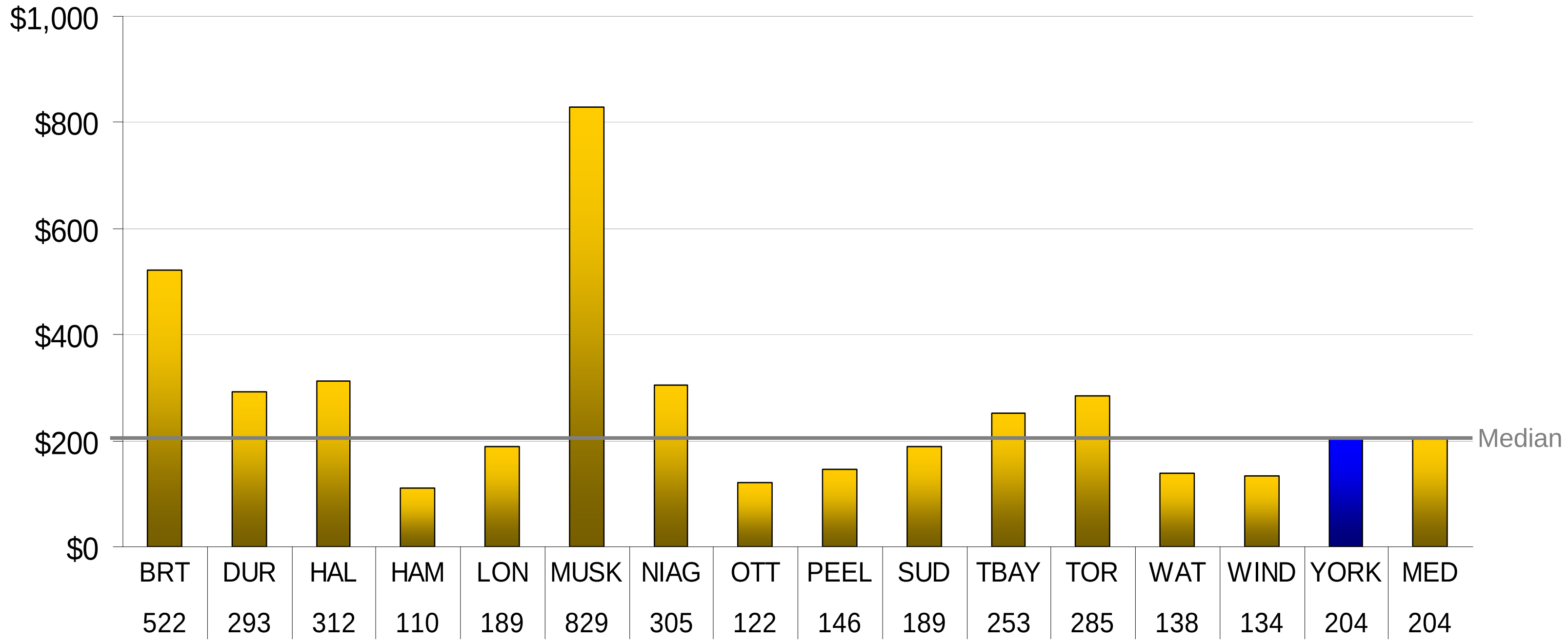
	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2008 Budget	2009 Outlook	2010 Outlook	2011 Outlook
$/Ml	236	244	262	289	320	330	357	369	379	388

Megalitres of Wastewater Treated / 100,000 Population



Source: OMBI Measure WWTR210 for 2006

Operating Cost of Wastewater Treatment/Disposal per Megalitre Treated



Source: OMBI Measure WWTR310 for 2006