



**City of Kingston
Mayor's Report to Council
Report Number 25-048**

To: Members of Council
From: Bryan Paterson, Mayor
Date of Meeting: January 20, 2025
**Subject: Proposed 2025 and 2026 Operating and Capital Budgets for
the Municipally Owned Utilities**

Executive Summary:

The purpose of this report is to provide Council with the proposed 2025 and 2026 municipal utilities operating and capital budgets for Council's consideration, in accordance with Section 284.16 of the *Municipal Act, 2001*.

Authorizing Signatures:

ORIGINAL SIGNED BY MAYOR

Mayor Bryan Paterson

January 20, 2024

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Options/Discussion:**Background**

Under Section 284.16 of the *Municipal Act, 2001*, the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality and the head of council is required to prepare a proposed budget for the municipality and provide the proposed budget to Council for the Council's consideration. This report will provide Council with a summary of the proposed 2025 and 2026 operating and capital budgets for the municipally owned utilities.

The following 2025 and 2026 operating and capital budgets for the municipal utilities are being proposed.

Wastewater	2025	2026
Operating Budget	\$ 22,844,000	\$ 23,911,000
Debt Costs	\$ 5,337,000	\$ 5,304,000
Transfer to Facility Repair Fund –Debt 85 Lappan's Lane	\$ 476,000	\$ 476,000
Transfer to Wastewater Capital Reserve Fund	<u>\$ 14,257,000</u>	<u>\$ 15,254,000</u>
Total Revenue	<u>\$ 42,914,000</u>	<u>\$ 44,945,000</u>
Water	2025	2026
Operating Budget	\$ 17,002,000	\$ 17,946,000
Debt Costs	\$ 2,050,000	\$ 2,042,000
Transfer to Facility Repair Fund – Debt 85 Lappan's Lane	\$ 476,000	\$ 476,000
Transfer to Water Capital Reserve Fund	<u>\$ 17,342,000</u>	<u>\$ 18,157,000</u>
Total Revenue	<u>\$ 36,870,000</u>	<u>\$ 38,621,000</u>

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Natural Gas	2025	2026
Operating Budget	\$ 5,842,000	\$ 6,259,000
Commodity Purchase, Transportation & Storage	\$ 25,000,000	\$ 25,000,000
Transfer to Facility Repair Fund – Debt 85 Lappan’s Lane	\$ 173,000	\$ 173,000
Transfer to Gas Capital Reserve Fund	\$ 4,941,000	\$ 5,130,000
Transfer to City Municipal Capital Reserve Fund	<u>\$ 2,020,000</u>	<u>\$ 2,020,000</u>
Total Revenue	<u>\$ 37,976,000</u>	<u>\$ 38,582,000</u>

Appliance Rental Business	2025	2026
Operating Budget	\$ 892,000	\$ 884,000
Transfer to Appliance Rental Capital Reserve Fund	\$ 1,626,000	\$ 1,744,000
Transfer to Municipal Capital Reserve Fund	\$ 981,000	\$ 1,000,000
Transfer to City Environmental Reserve Fund	<u>\$ 490,000</u>	<u>\$ 500,000</u>
Total Revenue	<u>\$ 3,989,000</u>	<u>\$ 4,128,000</u>

The two-year municipal utility Capital Budgets are as follows:

Wastewater	\$76,290,000
Water	\$73,377,000
Natural Gas	\$15,233,000
Appliance Rental Business	<u>\$3,190,000</u>
Total	<u>\$168,090,000</u>

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The funding for the two-year municipal utility Capital Budgets are as follows:

Wastewater Reserve Fund	\$43,392,000
Development Charges Reserve Fund – Wastewater	\$32,898,000
Water Reserve Fund	\$50,526,000
Development Charges Reserve Fund – Water	\$2,851,000
Development Charges Debt – Water	\$20,000,000
Natural Gas Reserve Fund	\$12,733,000
Natural Gas - Debt	\$2,500,000
Appliance Rental Reserve Fund	<u>\$3,190,000</u>
Total	<u>\$168,090,000</u>

Analysis

The 2025 gross operating expenses for the four municipally owned utility businesses are budgeted to increase 8% or \$3,507,000 over 2024. The 2026 gross operating expenses are budgeted to increase 5% or \$2,420,000 over 2025.

Costs that are impacting all utilities include the following:

- Commencement of work required to enable the transition of the current customer information system to a new system replacing the current 25-year-old system.
- Additional funding to support digital initiatives as we continue to leverage new and existing technology to meet evolving technological demands, increased customer expectations and to find efficiencies through streamlining and automating of business processes.
- Increased focus on the completion of a customer experience strategy by the end of 2025. This strategy is anticipated to play a crucial role in informing policies and updating practices and procedures throughout Utilities Kingston to enhance customer experience.
- Enhancement of the Enterprise Asset Management System including an improved maintenance management program
- Increased oversight and planning for SCADA operations and projects

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- New strategies and initiatives to ensure appropriate staffing levels to meet business demands. Enhanced internal and external communications continue to be a focus as we formalize communication strategies, programs and processes.
- Additional tools and resources to enable better financial analysis and reporting.
- Accounting for anticipated increased labour costs while ensuring a fair balance between personnel costs and ratepayer impacts.

Wastewater and Water Utilities

The proposed 2025 operating budget for the wastewater and water utilities is an increase of \$1,613,000 or 7.6% for the wastewater utility and an increase of \$1,266,000 or 8.0% for the water utility. The proposed 2026 operating budget for the wastewater and water utilities is an increase of \$1,067,000 or 4.7% for the wastewater utility and \$944,000 or 5.6% for the water utility.

The increase to the wastewater and water utilities is largely due to the increasing costs of contracted services, supplies (chemicals, tools, equipment, parts, etc.) and utilities to maintain existing service levels for the management, operation and maintenance of the City's water and wastewater infrastructure (i.e., facilities and underground pipes). The operating budget presented includes increased funding for water service and sewer lateral repairs, system valve inspections and repairs and leak detection to reduce system water loss. In addition, the budget also accounts for, and includes, costs associated with a growing inventory of assets. As the City continues to grow, funds to sustain the ongoing inspection, operation and maintenance of expanding and/or acquiring more wastewater and water assets is required.

There is also a notable increase in the insurance costs for wastewater and water infrastructure.

Included in the budget increase for wastewater is additional funding to support the sewer inspection program to ensure all sewers are inspected on the recommended cycle for asset management.

Natural Gas Distribution Business

The natural gas distribution business operating budget is projected to increase approximately \$560,000 or 10.6% in 2025 and projected to increase approximately \$417,000 or 7.1% in 2026.

Significant cost increases in parts, equipment and supplier cost escalations are affecting all aspects of the gas utility. Since 2022, there has been a 19% increase in fundamental parts and equipment used in maintaining the gas infrastructure, with a major supplier of parts recently giving notice of another across the board increase in parts for 2025 of 4%.

Utilities Kingston will increase its focus on asset management and maintenance programs over the next 2 years to ensure maximum life is achieved for current in-service assets and all new technologies are considered to extend the life of existing assets while ensuring they continue to operate in a safe and reliable manner.

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The utility is also experiencing increased regulations for operators to be deemed “fully qualified”. Consequently, additional costs have been included for training, licencing and certifications. In addition the utility is experiencing new costs for vehicle and heavy equipment training.

In the metering area the deployment of smart meters is creating transitional costs as we transition from our old metering system to a new metering system.

Included in the budget is an estimate for the purchase of gas commodity, transportation and storage of \$25 million. These costs are fully recovered from gas ratepayers, without markup, and are also shown in revenue. Included in the budget is an estimate for the purchase of gas commodity, transportation and storage of \$25 million. These costs are fully recovered from gas ratepayers, without markup, and are also shown in revenue.

Contributions to the Municipal Capital Reserve Fund are expected to be maintained at the 2024 level of \$2,020,000 for 2025 and 2026.

Appliance Rental Business

The proposed operating budget for the appliance rental business is an increase of approximately \$68,000 or 8% in 2025 and a decrease of approximately \$8,000 or 1% in 2026. In 2025 we will develop new marketing materials and launch new advertising campaigns that have not been completed in several years. We expect an increase in the number of new rentals due to this initiative. In 2026 there will be maintenance spending on advertising and marketing materials. We expect to sustain the momentum of new installs from 2025 into 2026.

Contributions to the Municipal Capital Reserve Fund are expected to increase from \$962,000 in 2024 to \$981,000 in 2025 and \$1,000,000 in 2026.

Contributions to the Environmental Reserve Fund are expected to increase from \$481,000 in 2024 to \$490,000 in 2025 and \$500,000 in 2026.

Across all utilities, Utilities Kingston continues to focus on corporate and municipal strategic goals with investments in asset management, climate action initiatives and sustainability, customer focus, technological improvements and risk management initiatives.

2 Year Municipal Capital Budgets

Proposed capital works for 2025 to 2026 for water, sewer, gas and appliance rental assets are guided by the following documents and programs:

- Water and Wastewater Master Plans,
- Our Asset Management program;
- Growth Management demands; and
- Operator input which provides a risk-based approach to prioritizing asset replacement and renewal activities

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Master plans provide critical asset management information in two specific areas:

1. Infrastructure assets required to facilitate growth within the community and
2. Infrastructure assets that are required to be renewed or replaced due to a combination of age, asset health and condition.

Existing Policy/By-Law

None.

Notice Provisions

Pursuant to the City of Kingston's Public Notice Policy, notice of the City of Kingston's 2025 budget meeting schedule was posted to the City website on Thursday, January 9, 2025.

Financial Considerations

As noted in this report.

Contacts:

David Fell, President and CEO, Utilities Kingston, 613-546-1181 x2319
Randy Murphy, Chief Financial Officer, Utilities Kingston, 613-546-1181 X2317

Other City of Kingston Staff Consulted:

Desiree Kennedy, CFO and City Treasurer, City of Kingston

Exhibits Attached:

Exhibit A – Utilities Kingston Memorandum for the Proposed 2025 and 2026 Operating and Capital Budgets for the Municipally Owned Utilities



Utilities Kingston Memorandum

To: Mayor Bryan Paterson
From: David Fell, President and CEO, Utilities Kingston
Resource Staff: Randy Murphy, Chief Financial Officer, Utilities Kingston
Date of Meeting: January 20, 2025
Subject: 2025-2026 Operating and Capital Budgets for the Municipally Owned Utilities

Executive Summary:

This report provides a summary and rationale for the two-year 2025 and 2026 Wastewater, Water, Natural Gas and Appliance Rental Operating Budgets as well as the two-year Capital Budgets for these utilities. The attached appendices provide details of the noted operating and capital budgets as well as five-year operating budget forecasts.

The 2025 and 2026 Municipal Utility Operating Budgets are in the amounts noted below:

WASTEWATER	2025	2026
Operating Budget	\$ 22,844,000	\$ 23,911,000
Debt Costs	\$ 5,337,000	\$ 5,304,000
Transfer to Facility Repair Fund –Debt 85 Lappan’s Lane	\$ 476,000	\$ 476,000
Transfer to Wastewater Capital Reserve Fund	<u>\$ 14,257,000</u>	<u>\$ 15,254,000</u>
Total Revenue	<u>\$ 42,914,000</u>	<u>\$ 44,945,000</u>

WATER	2025	2026
Operating Budget	\$ 17,002,000	\$ 17,946,000
Debt Costs	\$ 2,050,000	\$ 2,042,000
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Total Revenue	<u>\$ 36,870,000</u>	<u>\$ 38,621,000</u>
NATURAL GAS	2025	2026
Operating Budget	\$ 5,842,000	\$ 6,259,000
Commodity Purchase, Transportation & Storage	\$ 25,000,000	\$ 25,000,000
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Total Revenue	<u>\$ 37,976,000</u>	<u>\$ 38,582,000</u>
APPLIANCE RENTAL BUSINESS	2025	2026
Operating Budget	\$ 892,000	\$ 884,000
Transfer to Appliance Rental Capital Reserve Fund	\$ 1,626,000	\$ 1,744,000
Transfer to Municipal Capital Reserve Fund	\$ 981,000	\$ 1,000,000
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Total Revenue	<u>\$ 3,989,000</u>	<u>\$ 4,128,000</u>

The two-year municipal utility Capital Budgets are as follows:

WASTEWATER	\$76,290,000
WATER	\$73,377,000
NATURAL GAS	\$15,233,000
APPLIANCE RENTAL BUSINESS	<u>\$3,190,000</u>
TOTAL	<u>\$168,090,000</u>

The funding for the two-year municipal utility Capital Budgets are as follows:

Wastewater Reserve Fund	\$43,392,000
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Options/Discussion:

Attached are summary reports for the recommended 2025 and 2026 Operating Budgets and five-year operating budget forecasts for each of the municipally owned utilities: Wastewater, Water, Natural Gas, and Appliance Rental Business managed by 1425445 Ontario Limited (operating as Utilities Kingston) on behalf of the Corporation of the City of Kingston.

2025 OPERATING

Operating – Gross	2024 Budget	2025 Budget
Wastewater	\$ 21,231,000	\$ 22,844,000
Water	15,736,000	17,002,000
Gas	5,282,000	5,842,000
Appliance Rentals	824,000	892,000
Total – City-owned Utilities	\$ 43,073,000	\$ 46,580,000

2026 OPERATING

Operating – Gross	2025 Budget	2026 Budget
Wastewater	\$ 22,844,000	\$ 23,911,000
Water	17,002,000	17,946,000
Gas	5,842,000	6,259,000
Appliance Rentals	892,000	884,000
Total – City-owned Utilities	\$ 46,580,000	\$ 49,000,000

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expectations and to find efficiencies through streamlining and automating of business processes.

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Across all utilities, Utilities Kingston continues to focus on corporate and municipal strategic goals with investments in asset management, climate action initiatives and sustainability, customer focus, technological improvements and risk management initiatives.

2 Year Municipal Capital Budgets

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- Water and Wastewater Master Plans,
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- Growth Management demands; and
- Operator input which provides a risk-based approach to prioritizing asset replacement and renewal activities

Master plans provide critical asset management information in two specific areas:

1. Infrastructure assets required to facilitate growth within the community and
2. Infrastructure assets that are required to be renewed or replaced due to a combination of age, asset health and condition.

For detailed descriptions of the capital works planned for the next two years, please reference Exhibit A through Exhibit D.

Note

In the charts that follow, the data prior to 2024 is from audited financial statements.

For 2024, we show the approved 2024 operating budgets, and the approved 2024 capital budgets including carryover from prior years.

For 2025 and 2026, we show the recommended operating budget values and the capital budgets which have been proposed for 2025-2026 for the four municipally owned utilities.

WASTEWATER UTILITY

Years	Capital Expenditures	Operating	Revenue
2020	\$19,163,000	\$15,648,000	\$35,080,000
2021	\$40,145,000	\$15,944,000	\$37,810,000
2022	\$26,899,000	\$17,372,000	\$39,717,000
2023	\$15,725,000	\$20,085,000	\$41,123,000
2024	\$69,365,000	\$21,231,000	\$42,123,000
2025	\$47,594,000	\$22,844,000	\$42,914,000
2026	\$28,696,000	\$23,911,000	\$44,945,000

WATER UTILITY

Years	Capital Expenditures	Operating	Revenue
2020	\$7,941,000	\$12,383,000	\$30,399,000
2021	\$13,727,000	\$11,738,000	\$32,622,000
2022	\$8,760,000	\$12,846,000	\$34,334,000
2023	\$13,946,000	\$15,096,000	\$35,330,000
2024	\$78,675,000	\$15,736,000	\$36,379,000
2025	\$33,752,000	\$17,002,000	\$36,870,000
2026	\$39,625,000	\$17,946,000	\$38,621,000

GAS UTILITY

Years	Capital Expenditures	Operating	Return to the City	Distribution Revenue
2020	\$1,584,000	\$4,558,000	\$2,580,000	\$10,840,000
2021	\$3,212,000	\$4,060,000	\$3,454,000	\$11,219,000
2022	\$3,846,000	\$4,375,000	\$3,033,000	\$11,869,000
2023	\$5,449,000	\$4,963,000	\$2,212,000	\$11,627,000
2024	\$14,708,000	\$5,282,000	\$2,020,000	\$12,371,000
2025	\$7,616,000	\$5,842,000	\$2,020,000	\$12,976,000
2026	\$7,617,000	\$6,259,000	\$2,020,000	\$13,582,000

APPLIANCE RENTAL BUSINESS

Years	Capital Expenditures	Operating	Return to other City reserve funds	Revenue	Operating Income
2020	\$1,305,000	\$722,000	\$1,365,000	\$3,107,000	\$2,385,000
2021	\$1,274,000	\$661,000	\$1,515,000	\$3,293,000	\$2,632,000
2022	\$1,257,000	\$708,000	\$1,542,000	\$3,376,000	\$2,668,000
2023	\$1,457,000	\$758,000	\$1,373,000	\$3,631,000	\$2,873,000
2024	\$1,684,000	\$824,000	\$1,443,000	\$3,709,000	\$2,885,000
2025	\$1,505,000	\$892,000	\$1,471,000	\$3,989,000	\$3,097,000
2026	\$1,685,000	\$884,000	\$1,500,000	\$4,128,000	\$3,244,000

LOOKING FORWARD

The water and wastewater utilities continue to be closely monitored and regulated by both upper levels of government. Unexpected changes in regulations, standards or guidelines at any time can result in additional operating and capital expenses. For example, the province continues to explore reducing the maximum allowable concentration of lead in drinking water to 5ug/L from the existing limit of 10 ug/L, to match Health Canada's 2019 guideline. Existing Ontario regulations specify a lead limit of 10ug/L and require water supply providers to conduct community-based sampling at the tap for lead and require the implementation of corrosion control programs depending on results of the results of the program. Currently, based on the results of community-based sampling program, Kingston's drinking water system is not required to have a corrosion control program. However, if the limit for lead is reduced to 5ug/L, Utilities Kingston staff expect a corrosion control program will be required, and could include actions such as, the inclusion of corrosion inhibitors to the drinking water supply and/or a lead pipe removal program. The cost of implementing a corrosion control program for Kingston's drinking water system has not been explored or scoped and is not included in the operating or capital budgets. Utilities Kingston staff continue to monitor regulatory changes and make changes where necessary.

For long term financial planning purposes, all utilities have projected operating expense increases post 2026 modelled at inflation of 2.5%.

Future user rate increases for the period of 2027-2039 have been projected to average 3.5% for wastewater and 3.6% for water as these utilities continue to move toward stronger financial stability to sustain operations and proper asset management activities and the required capital reinvestment for long term sustainability.

Financial Considerations

Utilities Kingston has worked to refine a fifteen-year planning process and asset management principles for these municipal utilities. This budget has adopted sufficient operating and maintenance practices to ensure maximum life expectancy from the assets. A very important portion of this has been about managing the financing for this work and maintaining the proper

balance between user rates, development charges (for growth related projects), debt, and working to obtain grant funding from upper levels of government.

Contacts:

Julie Runions, Director, Utilities Engineering, Utilities Kingston 613-546-1181 x2172

Laura Deak, Manager, Finance, Utilities Kingston, 613-546-1181 x2465

David Fell, President and CEO, Utilities Kingston, 613-546-1181 x2319

Kevin McCauley, Director, Telecommunications & Customer Care, Utilities Kingston, 613-546-1181 x2247

Kate Tindal, Director, Corporate Services, Utilities Kingston, 613-546-1181 x2079

Randy Murphy, Chief Financial Officer, Utilities Kingston, 613-546-1181 x2317

Heather Roberts, Director, Water and Wastewater, Utilities Kingston, 613-546-1181 x2400

Other City of Kingston Staff Consulted:

Desiree Kennedy, CFO and City Treasurer, City of Kingston

Exhibits Attached:

Tab 2 – Wastewater Utility Budget Summary

Tab 3 – Water Utility Budget Summary

Tab 4 – Natural Gas Distribution Business Budget Summary

Tab 5 – Appliance Rental Business Budget Summary



Wastewater Utility Budget Summary

(Rounded to Nearest Thousand)

	2025	2026
Total Revenue	\$ 42,914,000	\$ 44,945,000
Less: Operating Expenses	\$ 22,844,000	\$ 23,911,000
Operating Surplus to Capital Reserve Funds	\$ 20,070,000	\$ 21,034,000
Less: Contribution to Facility Repair Fund	\$ 476,000	\$ 476,000
Less: Debt Repayment	\$ 5,337,000	\$ 5,304,000
Net Contribution to Wastewater Capital Reserve Fund	\$ 14,257,000	\$ 15,254,000
March 1, 2025 Annualized Average Rate Increase	4.8%	
January 1, 2026 Average Rate Increase		4.8%
Two-year Capital Budget (2025-2026)	\$ 47,594,000	\$ 28,696,000
Total Capital Budget (2025-2026)		\$ 76,290,000

Exhibit A to Report Number 25-048 - Tab 2

Corporation of the City of Kingston Wastewater Utility 2025-2026 Budget Revenue and Expenditure

	Actuals as of 30-Sep-24	Budget 2024	Budget 2025	Budget 2026
Revenue				
Sewer rates	30,700,389	41,522,648	42,314,048	44,345,122
Other Revenue	709,532	600,000	600,000	600,000
Total Revenue	31,409,921	42,122,648	42,914,048	44,945,122
Operating Expenses				
Administration	2,927,295	4,730,159	5,401,772	5,767,761
Billing	646,220	837,068	1,050,493	1,131,351
Pumping & Treatment	8,626,050	12,563,292	13,002,595	13,493,376
Community Relations	820,217	688,214	692,175	704,788
Collection	1,405,661	1,496,623	1,798,638	1,905,783
Customer Service	239,659	915,166	898,515	908,072
Total Operating Costs	14,665,102	21,230,522	22,844,189	23,911,131
Contribution to Reserve Funds	16,744,819	20,892,126	20,069,859	21,033,992
Debt Repayment	4,252,731	5,670,308	5,337,225	5,303,968
Contribution to Facilities Repair Fund	357,323	476,431	476,431	476,431
Net increase to Wastewater Reserve Fund	11,059,040	14,745,387	14,256,203	15,253,593
Net Surplus	1,075,725	-	-	-


Exhibit A to Report Number 25-048 - Tab 2

Corporation of the City of Kingston Wastewater Utility Operating Budget Forecast

(Rounded to Nearest Thousand)

	Budget 2025	Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
Revenue					
Rates	42,314,000	44,345,000	45,675,000	48,426,000	50,363,000
Other	600,000	600,000	600,000	600,000	600,000
Rates and Other	42,914,000	44,945,000	46,275,000	49,026,000	50,963,000
Operating Expense					
Contracted Services	22,844,000	23,911,000	24,509,000	25,122,000	25,750,000
Net operating to Reserve Funds	20,070,000	21,034,000	21,766,000	23,904,000	25,213,000
Debt Repayment	5,337,000	5,304,000	4,967,000	4,486,000	4,452,000
Contribution to Facilities Repair Fund	476,000	476,000	476,000	476,000	476,000
Net increase to Wastewater Capital Reserve Fund	14,257,000	15,254,000	16,323,000	18,942,000	20,285,000
	20,070,000	21,034,000	21,766,000	23,904,000	25,213,000

Exhibit A to Report Number 25-048 - Tab 2

WASTE WATER CAPITAL BUDGET 2025 & 2026			
		Total 2025	Total 2026
Facilities			
Treatment Plants			
	Planning & Design	-	-
	Construction	1,000,000	3,800,000
Equipment Upgrades or Replacement			
	Building Structure	1,055,000	1,040,000
	Building Fixtures	180,000	105,000
	Mechanical Equipment	1,430,000	555,000
	Electrical Equipment	500,000	575,000
Pumping Stations			
	Planning & Design	-	-
	Construction	-	11,064,470
Equipment Upgrades or Replacement			
	Building Structure	140,000	140,000
	Building Fixtures	20,000	20,000
	Mechanical Equipment	375,000	125,000
	Electrical Equipment	95,000	220,000
CSO			
	Planning & Design		
	Construction	-	-
Equipment Upgrades or Replacement			
	Building Structure	25,000	25,000
	Building Fixtures	20,000	20,000
	Mechanical Equipment	20,000	20,000
	Electrical Equipment	10,000	10,000
	Tankage	25,000	-
Pipes			
Trunks			
	Planning & Design	-	-
	Construction	33,470,000	5,365,000
	Remediation	1,000,000	1,000,000
Locals			
	Construction	3,116,546	10,000
	Remediation	-	1,500,000
Appurtenance Upgrades or Replacement			
	Services	725,000	805,000
	Meters	1,759,000	825,000
	Structures	132,000	139,000
	Valves	50,000	50,000
General			
Property			
	Land	-	-
	Office Building Improvements	5,000	-
Business Systems			
	SCADA	215,000	65,000
	Business Systems City Transfers	426,423	484,047
	Business Systems UK	1,515,000	487,500
Vehicles			
	New Vehicles	75,000	127,500
	Vehicle Upgrades	17,500	7,500
Construction and Office Equipment			
	City Restoration Costs	40,000	-
	Office Equipment	7,500	11,000
	Tools, Locating Equipment, Radios	145,400	100,400
Total Budget		47,594,369	28,696,417
Total DC Funded		18,307,546	14,590,753
Total Rates Funded		29,286,823	14,105,665



**2025, 2026 CAPITAL BUDGET PROPOSALS
WASTEWATER**

Total Capital Request for	2025	\$47,594,000
	2026	\$28,696,000
<hr/>		
FACILITIES		
Budget Sub Total	2025	\$4,895,000
	2026	\$17,720,000

COMMENTS:

This area of the budget covers our 3 wastewater treatment plants, 36 pumping stations, 9 major combined sewer overflow (CSO) facilities and structures.

Wastewater is collected throughout the municipality by a network of approximately 680 km of force-main and gravity sanitary sewers. These sewers convey the wastewater by gravity and with strategically located pumping stations to one of the three treatment plants for processing. The sewage is then filtered and treated to remove contaminants and disinfected to meet strict effluent requirements. This results in clean water being returned to the environment, methane gas (used to produce heat and electricity at the plant) and nutrient rich biosolids (Non-agricultural source material (NASM), applied to agricultural land to provide a [beneficial use](#)).

Over the proposed two-year (2025-2026) capital program many of the wastewater capital projects are based on service levels established in our asset management plans, Master Planning exercise, Enterprise Risk Management plan, sewer modeling with risk-based criteria, facility condition assessments, and operator input which provides a real-time check approach to prioritizing asset replacement and renewal activities and to support development related activities in the City.

- **Treatment Plants: \$4,165,000 / \$6,075,000**

No major capital construction projects are planned at our wastewater treatment facilities. Planning and design work will begin for the expansion of the solids train at the Cataraqui Bay wastewater treatment plant. Other activities include maintenance and repair on items

2025 & 2026 PROPOSED CAPITAL BUDGET – WASTEWATER

such as pumps, blowers, screens, ventilation systems, various valves, and odor control. In addition, funding is proposed to support energy reduction/climate action activities at the facilities.

- **Pumping Stations: \$630,000 / \$11,570,000**

Upgrades to increase capacity are planned at two of our pumping stations in 2026. The King-Portsmouth sewage pumping station will be upgraded as the final phase (Phase 3) of the Portsmouth Pumping Station flow redirection project. Additionally, upgrades are planned at the Bath Rd. pumping station to support development and growth in the area.

The remaining forecasted capital expenditures relate to ongoing asset management activities that include electrical improvements, control and monitoring equipment at various stations, pump rebuilds and replacements, valve replacements and various energy reduction activities.

- **CSO Facilities: \$100,000 / \$75,000**

No major works are currently contemplated at these facilities and as such the proposed budget deals with minor capital activities associated with their operation and maintenance such as electrical, mechanical, and minor building/structural matters.

PIPE NETWORKS

Budget Sub Total	2025	\$40,253,000
	2026	\$9,694,000

COMMENTS:

This area of the budget covers the linear (pipes) life cycle replacement, rehabilitation, and new expansion (funded from Development Charges) of the sewage collection network that has approximately 680 kilometers of pipe. Within the budget Trunks refer to our larger diameter pipes, Locals are typically the pipes found on residential streets. Wastewater pipes are evaluated, assessed, and prioritized for work based on the following factors, age, combined sewer or not, pipe size (capacity), material type and condition assessment and rating (based on CCTV – camera work). The decision to replace or remediate is based on these factors.

Remediation activity (in pipe work such as sealing, lining etc.) has become an increasingly important part of our management of the pipe networks. In pipe work has proved to be a cost-effective tool in extending the useful life of our wastewater collection assets.

2025 & 2026 PROPOSED CAPITAL BUDGET – WASTEWATER

- **Trunks: \$34,470,000 / \$6,365,000**

For the 2025 – 2026 period, the focus in Trunk sewers is on the construction of the Portsmouth pumping station force main which is connected to the King-Portsmouth pumping station flow redirection; upgrade to the Princess St. collector, the Notch Hill collector and the Rideau St. collector.

- **Locals: \$3,117,000 / \$1,510,000**

Utilities Kingston and City of Kingston engineering groups coordinate projects and their timing as part of the annual road reconstruction projects over the next 2 years. This work is also done in conjunction with our other utilities (water, gas and electric). For the next 2 years proposed work includes sewer upgrades in and around the intersection of Montreal St. and John Counter Blvd., reconstruction of sewers on Main St., Anne St., Ellice St. and Vine St., combined sewer separation on Princess St., Queen’s Cres. as well as on River St. and Orchard St. and lastly, sewer repair work in the Cana subdivision.

In addition to the traditional reconstruction of sanitary sewer mains this budget area includes remediation activities that involve activities such as relining, pipe bursting, tunneling etc. Remediation work is less intrusive in a neighbourhood and has proven to be cost effective in extending the life cycle of our wastewater collection assets.

- **Equipment Upgrades: \$2,666,000 / \$1,819,000**

This budget area involves the ongoing replacement and repair of following elements: smaller local pipes and service laterals, meters, and structures including maintenance holes.

GENERAL

Budget Sub Total	2025	\$2,447,000
	2026	\$1,283,000

This area of the budget covers capital expenditures related to Property, Business Systems, Equipment and Vehicles. For Property this includes land and facilities managed by Utilities Kingston (i.e., plants, pumping stations, easements for underground pipes) and the sewer utility’s portion of changes or improvements to the administration building, warehouse, or outdoor storage yards. Business Systems includes IT services unique to the utilities environment (billing systems) and SCADA (Supervisory Control and Data Acquisition) both of which involve upgrades and replacement of equipment. Equipment relates to tools required by staff to perform work and office equipment. Vehicles cover only new additions to fleet.

2025 & 2026 PROPOSED CAPITAL BUDGET – WASTEWATER

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COMMENTS:

- **Property: \$5,000 / \$0**

No major works are contemplated in this area in the next two years.

- **Business Systems: \$2,156,000 / \$1,036,000**

This budget area involves the following elements: supervisory control and data acquisition (SCADA), Utilities Kingston computer hardware and software and business systems such as the replacement to our customer information system (billing system). This area also includes transfer payments to the City of Kingston for information technology related items.

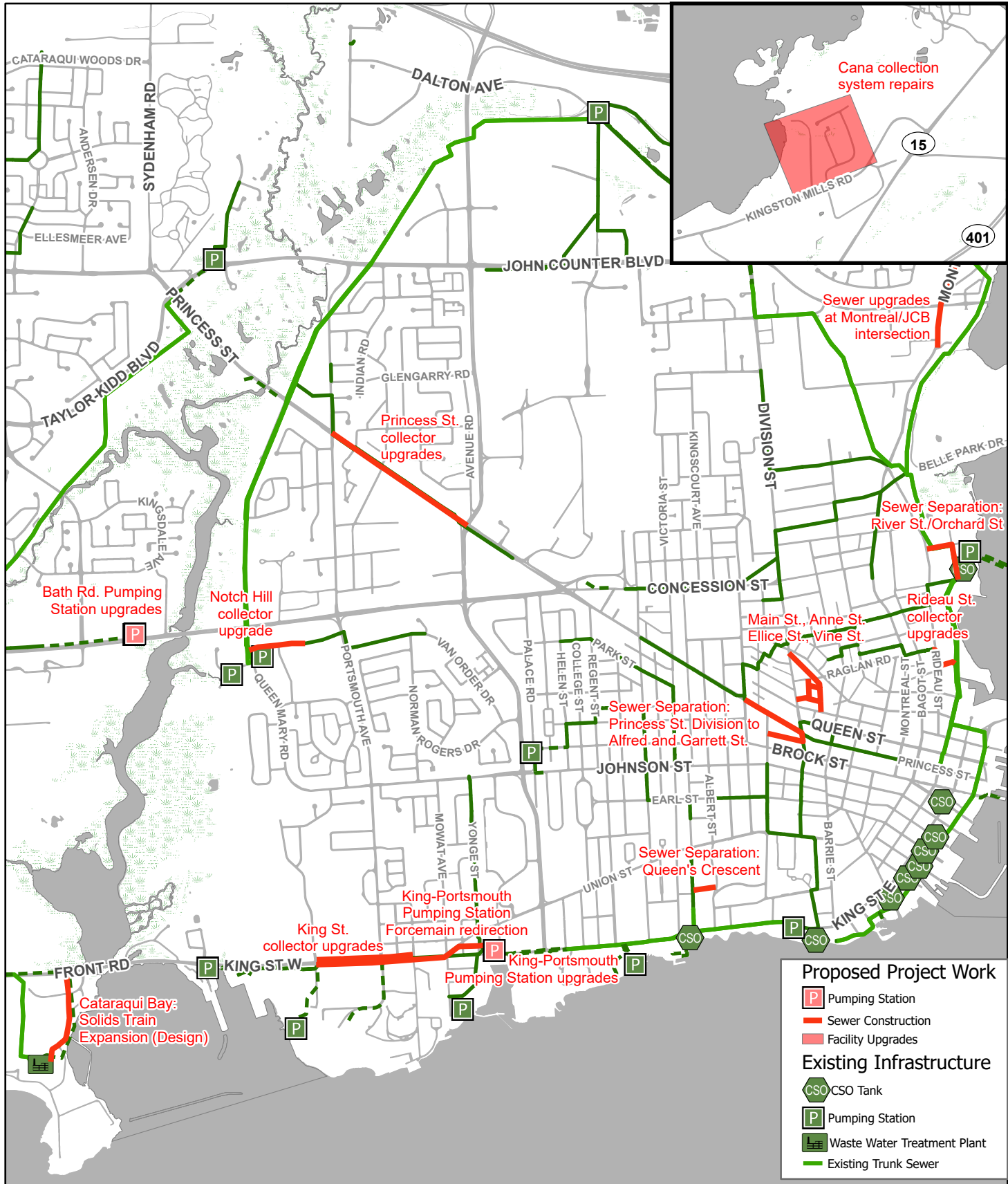
In 2025 we will be beginning the implementation of a new Enterprise Asset Management system across all of our utilities. In 2025 through 2026 we will be updating our Wastewater and Water Master Plan study which is a long-term plan/forecast of infrastructure needs for the City based on expected growth. This study shares the costs between the water and wastewater utilities.

- **Construction & Office Equipment: \$192,900 / \$111,400**

This area generally covers specialized equipment for working in confined spaces such as manholes and chambers, locating equipment, surveying/GPS, and radios. In addition, our management of the wastewater system includes flow monitors that assist in capacity management as well as combined sewer overflow monitoring and reporting activity. As this equipment reaches end of life this equipment is replaced.

- **Vehicles: \$92,500 / \$135,000**

This area represents new vehicle additions or equipment upgrades to existing vehicles. The expense of acquiring new vehicles is often shared amongst the appropriate utilities and therefore the proposed budget represents the wastewater utilities portion, For 2025 the Treatment Group will be acquiring a new telehandler to enable safer and more efficient loading and unloading of materials and chemicals required for operation of the wastewater treatment facilities.



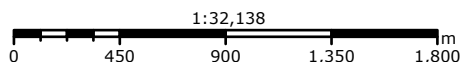
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Utilities Engineering - GIS

**Capital Budget Proposed Projects
2025-2026 Sanitary**

Utilities Kingston - 85 Lappan's Lane, Kingston, ON PO Box 790
 K7L 4X7 - Utilities_GIS@utilitieskingston.com - 613-546-0000



Revision: 2
 Units: Meters
 CRS: NAD 1983 UTM Zone 18N

Producer: stzaluski
 Reviewer: J. Runions
 Created: 12/11/24
 Modified: 12/13/2024

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 Source Provider: Utilities Kingston, City of Kingston



WASTE WATER - 15 YEAR CAPITAL BUDGET

		Rates 2025	DC 2025	Total 2025	Rates 2026	DC 2026	Total 2026
Facilities							
Treatment Plants							
	Planning & Design			-			-
	Construction		1,000,000	1,000,000		3,800,000	3,800,000
	Equipment Upgrades or Replacement						
	Building Structure	1,055,000		1,055,000	1,040,000		1,040,000
	Building Fixtures	180,000		180,000	105,000		105,000
	Mechanical Equipment	1,430,000		1,430,000	555,000		555,000
	Electrical Equipment	500,000		500,000	575,000		575,000
Pumping Stations							
	Planning & Design			-			-
	Construction			-	2,766,118	8,298,353	11,064,470
	Equipment Upgrades or Replacement						
	Building Structure	140,000		140,000	140,000		140,000
	Building Fixtures	20,000		20,000	20,000		20,000
	Mechanical Equipment	375,000		375,000	125,000		125,000
	Electrical Equipment	95,000		95,000	220,000		220,000
CSO							
	Planning & Design						
	Construction			-			-
	Equipment Upgrades or Replacement						
	Building Structure	25,000		25,000	25,000		25,000
	Building Fixtures	20,000		20,000	20,000		20,000
	Mechanical Equipment	20,000		20,000	20,000		20,000
	Electrical Equipment	10,000		10,000	10,000		10,000
	Tankage	25,000		25,000			-
Pipes							
Trunks							
	Planning & Design			-			-
	Construction	17,960,300	15,509,700	33,470,000	2,872,600	2,492,400	5,365,000
	Remediation	1,000,000		1,000,000	1,000,000		1,000,000
Locals							
	Construction	2,253,700	862,846	3,116,546	10,000		10,000
	Remediation			-	1,500,000		1,500,000
Appurtenance Upgrades or Replacement							
	Services	725,000		725,000	805,000		805,000
	Meters	1,759,000		1,759,000	825,000		825,000
	Structures	132,000		132,000	139,000		139,000
	Valves	50,000		50,000	50,000		50,000
General							
Property							
	Land			-			-
	Office Building Improvements	5,000		5,000			-
Business Systems							
	SCADA	215,000		215,000	65,000		65,000
	Business Systems City Transfers	426,423		426,423	484,047		484,047
	Business Systems UK	580,000	935,000	1,515,000	487,500		487,500
Vehicles							
	New Vehicles	75,000		75,000	127,500		127,500
	Vehicle Upgrades	17,500		17,500	7,500		7,500
Construction and Office Equipment							
	City Restoration Costs	40,000		40,000			-
	Office Equipment	7,500		7,500	11,000		11,000
	Tools, Locating Equipment, Radios	145,400		145,400	100,400		100,400
Total Budget		29,286,823	18,307,546	47,594,369	14,105,665	14,590,753	28,696,417



WASTE WATER - 15 YEAR CAPITAL BUDGET

	Rates 2027	DC 2027	Total 2027	Rates 2028	DC 2028	Total 2028
Facilities						
Treatment Plants						
Planning & Design			-			-
Construction		40,000,000	40,000,000		34,543,000	34,543,000
Equipment Upgrades or Replacement						
Building Structure	390,000		390,000	390,000		390,000
Building Fixtures	225,000		225,000	275,000		275,000
Mechanical Equipment	530,000		530,000	570,000		570,000
Electrical Equipment	940,000		940,000	970,000		970,000
Pumping Stations						
Planning & Design			-	150,000		150,000
Construction			-	620,000		620,000
Equipment Upgrades or Replacement						
Building Structure	140,000		140,000	150,000		150,000
Building Fixtures	100,000		100,000	100,000		100,000
Mechanical Equipment	800,000		800,000	350,000		350,000
Electrical Equipment	390,000		390,000	100,000		100,000
CSO						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	50,000		50,000	50,000		50,000
Building Fixtures	25,000		25,000	25,000		25,000
Mechanical Equipment	60,000		60,000	60,000		60,000
Electrical Equipment	50,000		50,000	245,000		245,000
Tankage	50,000		50,000			-
Pipes						
Trunks						
Planning & Design	800,000		800,000			-
Construction	8,700,000		8,700,000	6,345,500	197,100	6,542,600
Remediation	1,800,000		1,800,000	1,800,000		1,800,000
Locals						
Construction	16,530,000	1,040,000	17,570,000	3,010,000		3,010,000
Remediation	2,700,000		2,700,000	2,000,000		2,000,000
Appurtenance Upgrades or Replacement						
Services	850,000		850,000	850,000		850,000
Meters	850,750		850,750	1,127,019		1,127,019
Structures	140,000		140,000	140,000		140,000
Valves	50,000		50,000	50,000		50,000
General						
Property						
Land	150,000		150,000			-
Office Building Improvements	5,000		5,000			-
Business Systems						
SCADA	15,000		15,000	75,000		75,000
Business Systems City Transfers	436,552		436,552	327,729		327,729
Business Systems UK	1,585,000		1,585,000	230,000		230,000
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment						
City Restoration Costs	40,000		40,000	40,000		40,000
Office Equipment	17,500		17,500	17,500		17,500
Tools, Locating Equipment, Radios	60,400		60,400	70,400		70,400
Total Budget	38,487,702	41,040,000	79,527,702	20,145,648	34,740,100	54,885,748



WASTE WATER - 15 YEAR CAPITAL BUDGET

	Rates 2029	DC 2029	Total 2029	Rates 2030	DC 2030	Total 2030
Facilities						
Treatment Plants						
Planning & Design			-			-
Construction			-	500,000		500,000
Equipment Upgrades or Replacement						
Building Structure	40,000		40,000	400,000		400,000
Building Fixtures	275,000		275,000	275,000		275,000
Mechanical Equipment	1,020,000	-	1,020,000	655,000	-	655,000
Electrical Equipment	970,000		970,000	130,000		130,000
Pumping Stations						
Planning & Design			-			-
Construction	710,000		710,000	6,440,000	4,000,000	10,440,000
Equipment Upgrades or Replacement						
Building Structure	160,000		160,000	165,000		165,000
Building Fixtures	40,000		40,000	30,000		30,000
Mechanical Equipment	200,000		200,000	200,000		200,000
Electrical Equipment	300,000		300,000	50,000		50,000
CSO						
Planning & Design			-			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	50,000		50,000	50,000		50,000
Building Fixtures	25,000		25,000	25,000		25,000
Mechanical Equipment	80,000		80,000	80,000		80,000
Electrical Equipment	65,000		65,000	50,000		50,000
Tankage			-			-
Pipes						
Trunks						
Planning & Design	1,800,000	600,000	2,400,000			-
Construction			-	3,200,000	1,500,000	4,700,000
Remediation	1,900,000		1,900,000	1,900,000		1,900,000
Locals						
Construction	6,643,800	1,034,600	7,678,400	3,393,800	684,600	4,078,400
Remediation	2,000,000		2,000,000	1,000,000		1,000,000
Appurtenance Upgrades or Replacement						
Services	850,000		850,000	895,000		895,000
Meters	895,000		895,000	917,375		917,375
Structures	140,000		140,000	150,000		150,000
Valves	50,000		50,000	55,000		55,000
General						
Property						
Land			-			-
Office Building Improvements	5,000		5,000			-
Business Systems						
SCADA	225,000		225,000	15,000		15,000
Business Systems City Transfers	326,829		326,829	333,863		333,863
Business Systems UK	45,000	255,000	300,000	120,000	680,000	800,000
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment						
City Restoration Costs	50,000		50,000	50,000		50,000
Office Equipment	17,500		17,500	17,500		17,500
Tools, Locating Equipment, Radios	40,400		40,400	45,400		45,400
Total Budget	18,931,029	1,889,600	20,820,629	21,150,438	6,864,600	28,015,038



WASTE WATER - 15 YEAR CAPITAL BUDGET

	Rates 2031	DC 2031	Total 2031	Rates 2032	DC 2032	Total 2032
Facilities						
Treatment Plants						
Planning & Design	70,000		70,000	2,000,000		2,000,000
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	225,000		225,000	150,000		150,000
Building Fixtures	325,000		325,000	325,000		325,000
Mechanical Equipment	635,000	-	635,000	885,000	-	885,000
Electrical Equipment	150,000		150,000	150,000		150,000
Pumping Stations						
Planning & Design			-	285,000		285,000
Construction	1,020,000		1,020,000	850,000		850,000
Equipment Upgrades or Replacement						
Building Structure	165,000		165,000	165,000		165,000
Building Fixtures	30,000		30,000	30,000		30,000
Mechanical Equipment	200,000		200,000	200,000		200,000
Electrical Equipment	300,000		300,000	850,000		850,000
CSO						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	50,000		50,000	50,000		50,000
Building Fixtures	25,000		25,000	25,000		25,000
Mechanical Equipment	50,000		50,000	60,000		60,000
Electrical Equipment	50,000		50,000	60,000		60,000
Tankage			-	50,000		50,000
Pipes						
Trunks						
Planning & Design			-			-
Construction	8,822,400	8,153,600	16,976,000	4,089,300	4,050,700	8,140,000
Remediation	2,000,000		2,000,000	2,000,000		2,000,000
Locals						
Construction	3,893,800	684,600	4,578,400	5,993,800	684,600	6,678,400
Remediation	2,600,000		2,600,000	2,400,000		2,400,000
Appurtenance Upgrades or Replacement						
Services	895,000		895,000	895,000		895,000
Meters	940,309		940,309	963,817		963,817
Structures	150,000		150,000	150,000		150,000
Valves	55,000		55,000	55,000		55,000
General						
Property						
Land			-			-
Office Building Improvements	5,000		5,000			-
Business Systems						
SCADA	15,000		15,000	20,000		20,000
Business Systems City Transfers	347,501		347,501	348,549		348,549
Business Systems UK			-			-
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment						
City Restoration Costs	55,000		55,000	55,000		55,000
Office Equipment	17,500		17,500	2,500		2,500
Tools, Locating Equipment, Radios	45,400		45,400	45,400		45,400
Total Budget	23,144,410	8,838,200	31,982,610	23,160,866	4,735,300	27,896,166



WASTE WATER - 15 YEAR CAPITAL BUDGET

		Rates 2033	DC 2033	Total 2033	Rates 2034	DC 2034	Total 2034
Facilities							
Treatment Plants							
	Planning & Design			-			-
	Construction	4,000,000		4,000,000			-
	Equipment Upgrades or Replacement						
	Building Structure	750,000		750,000	850,000		850,000
	Building Fixtures	325,000		325,000	325,000		325,000
	Mechanical Equipment	1,060,000	-	1,060,000	860,000	-	860,000
	Electrical Equipment	150,000		150,000	150,000		150,000
Pumping Stations							
	Planning & Design	180,000		180,000			-
	Construction	2,150,000		2,150,000	4,685,000		4,685,000
	Equipment Upgrades or Replacement						
	Building Structure	165,000		165,000	165,000		165,000
	Building Fixtures	10,000		10,000	20,000		20,000
	Mechanical Equipment	200,000		200,000	200,000		200,000
	Electrical Equipment	205,000		205,000	240,000		240,000
CSO							
	Planning & Design						
	Construction	16,000		16,000			-
	Equipment Upgrades or Replacement						
	Building Structure	50,000		50,000	50,000		50,000
	Building Fixtures	25,000		25,000	25,000		25,000
	Mechanical Equipment	60,000		60,000	60,000		60,000
	Electrical Equipment	60,000		60,000	40,000		40,000
	Tankage			-			-
Pipes							
Trunks							
	Planning & Design			-			-
	Construction	2,820,800	2,545,200	5,366,000	2,000,000		2,000,000
	Remediation	2,000,000		2,000,000	2,100,000		2,100,000
Locals							
	Construction	5,993,800	684,600	6,678,400	15,431,800	6,651,200	22,083,000
	Remediation	2,400,000		2,400,000	2,600,000		2,600,000
Appurtenance Upgrades or Replacement							
	Services	895,000		895,000	895,000		895,000
	Meters	987,913		987,913	1,100,000		1,100,000
	Structures	150,000		150,000	150,000		150,000
	Valves	55,000		55,000	55,000		55,000
General							
Property							
	Land			-			-
	Office Building Improvements			-			-
Business Systems							
	SCADA	20,000		20,000	270,000		270,000
	Business Systems City Transfers	356,213		356,213	370,501		370,501
	Business Systems UK			-	45,000	255,000	300,000
Vehicles							
	New Vehicles			-	60,000		60,000
	Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment							
	City Restoration Costs	55,000		55,000	60,000		60,000
	Office Equipment	2,500		2,500	2,500		2,500
	Tools, Locating Equipment, Radios	45,400		45,400	45,400		45,400
Total Budget		25,195,126	3,229,800	28,424,926	32,862,701	6,906,200	39,768,901



WASTE WATER - 15 YEAR CAPITAL BUDGET

		Rates 2035	DC 2035	Total 2035	Rates 2036	DC 2036	Total 2036
Facilities							
Treatment Plants							
	Planning & Design			-			-
	Construction	2,500,000		2,500,000	2,000,000		2,000,000
	Equipment Upgrades or Replacement						
	Building Structure	800,000		800,000	800,000		800,000
	Building Fixtures	375,000		375,000	375,000		375,000
	Mechanical Equipment	1,085,000	-	1,085,000	1,055,000	-	1,055,000
	Electrical Equipment	200,000		200,000	200,000		200,000
Pumping Stations							
	Planning & Design			-			-
	Construction	4,000,000		4,000,000			-
	Equipment Upgrades or Replacement						
	Building Structure	180,000		180,000	190,000		190,000
	Building Fixtures	15,000		15,000	15,000		15,000
	Mechanical Equipment	600,000		600,000	630,000		630,000
	Electrical Equipment	50,000		50,000	50,000		50,000
CSO							
	Planning & Design						
	Construction			-	4,000,000		4,000,000
	Equipment Upgrades or Replacement						
	Building Structure	50,000		50,000	50,000		50,000
	Building Fixtures	25,000		25,000	25,000		25,000
	Mechanical Equipment	460,000		460,000	65,000		65,000
	Electrical Equipment	60,000		60,000	60,000		60,000
	Tankage			-			-
Pipes							
Trunks							
	Planning & Design			-	2,000,000		2,000,000
	Construction			-	1,284,700	52,642,300	53,927,000
	Remediation	2,100,000		2,100,000	2,100,000		2,100,000
Locals							
	Construction	4,810,000		4,810,000	4,910,000		4,910,000
	Remediation	2,600,000		2,600,000	2,800,000		2,800,000
Appurtenance Upgrades or Replacement							
	Services	940,000		940,000	940,000		940,000
	Meters	1,127,500		1,127,500	1,150,050		1,150,050
	Structures	175,000		175,000	175,000		175,000
	Valves	60,000		60,000	60,000		60,000
General							
Property							
	Land			-			-
	Office Building Improvements			-			-
Business Systems							
	SCADA	320,000		320,000	20,000		20,000
	Business Systems City Transfers	372,221		372,221	377,637		377,637
	Business Systems UK	120,000	680,000	800,000			-
Vehicles							
	New Vehicles			-			-
	Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment							
	City Restoration Costs	60,000		60,000	60,000		60,000
	Office Equipment	2,500		2,500	2,500		2,500
	Tools, Locating Equipment, Radios	45,400		45,400	45,400		45,400
Total Budget		23,140,121	680,000	23,820,121	25,447,787	52,642,300	78,090,087



WASTE WATER - 15 YEAR CAPITAL BUDGET

		Rates 2037	DC 2037	Total 2037	Rates 2038	DC 2038	Total 2038
Facilities							
Treatment Plants							
	Planning & Design			-			-
	Construction			-			-
	Equipment Upgrades or Replacement						
	Building Structure	900,000		900,000	800,000		800,000
	Building Fixtures	115,000		115,000	115,000		115,000
	Mechanical Equipment	630,000	-	630,000	630,000		630,000
	Electrical Equipment	220,000		220,000	220,000		220,000
Pumping Stations							
	Planning & Design			-			-
	Construction			-			-
	Equipment Upgrades or Replacement						
	Building Structure	190,000		190,000	190,000		190,000
	Building Fixtures	15,000		15,000	15,000		15,000
	Mechanical Equipment	300,000		300,000	300,000		300,000
	Electrical Equipment	50,000		50,000	60,000		60,000
CSO							
	Planning & Design						
	Construction	4,000,000		4,000,000			-
	Equipment Upgrades or Replacement						
	Building Structure	50,000		50,000	50,000		50,000
	Building Fixtures	25,000		25,000	25,000		25,000
	Mechanical Equipment	65,000		65,000	65,000		65,000
	Electrical Equipment	60,000		60,000	60,000		60,000
	Tankage	75,000		75,000			-
Pipes							
Trunks							
	Planning & Design			-			-
	Construction			-			-
	Remediation	2,100,000		2,100,000	2,100,000		2,100,000
Locals							
	Construction	5,010,000		5,010,000	5,010,000		5,010,000
	Remediation	2,800,000		2,800,000	2,800,000		2,800,000
Appurtenance Upgrades or Replacement							
	Services	940,000		940,000	940,000		940,000
	Meters	1,173,051		1,173,051	1,196,512		1,196,512
	Structures	175,000		175,000	175,000		175,000
	Valves	60,000		60,000	60,000		60,000
General							
Property							
	Land			-			-
	Office Building Improvements			-			-
Business Systems							
	SCADA	20,000		20,000	25,000		25,000
	Business Systems City Transfers			-			-
	Business Systems UK			-	2,000		2,000
Vehicles							
	New Vehicles			-	60,000		60,000
	Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment							
	City Restoration Costs	65,000		65,000	65,000		65,000
	Office Equipment	2,500		2,500	2,500		2,500
	Tools, Locating Equipment, Radios	45,400		45,400	45,400		45,400
Total Budget		19,093,451	-	19,093,451	15,018,912		15,018,912



WASTE WATER - 15 YEAR CAPITAL BUDGET

		Rates 2039	DC 2039	Total 2039
Facilities				
Treatment Plants				
	Planning & Design			-
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	200,000		200,000
	Building Fixtures	115,000		115,000
	Mechanical Equipment	630,000	-	630,000
	Electrical Equipment	220,000		220,000
Pumping Stations				
	Planning & Design			-
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	190,000		190,000
	Building Fixtures	20,000		20,000
	Mechanical Equipment	300,000		300,000
	Electrical Equipment	60,000		60,000
CSO				
	Planning & Design			
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	50,000		50,000
	Building Fixtures	25,000		25,000
	Mechanical Equipment	65,000		65,000
	Electrical Equipment	60,000		60,000
	Tankage			-
Pipes				
Trunks				
	Planning & Design			-
	Construction			-
	Remediation	2,300,000		2,300,000
Locals				
	Construction	5,010,000		5,010,000
	Remediation	3,000,000		3,000,000
Appurtenance Upgrades or Replacement				
	Services	940,000		940,000
	Meters	1,220,442		1,220,442
	Structures	200,000		200,000
	Valves	60,000		60,000
General				
Property				
	Land			-
	Office Building Improvements			-
Business Systems				
	SCADA	325,000		325,000
	Business Systems City Transfers			-
	Business Systems UK	65,000	255,000	320,000
Vehicles				
	New Vehicles			-
	Vehicle Upgrades	7,500		7,500
Construction and Office Equipment				
	City Restoration Costs	65,000		65,000
	Office Equipment	2,500		2,500
	Tools, Locating Equipment, Radios	45,400		45,400
Total Budget		15,175,842	255,000	15,430,842

Exhibit A to Report Number 25-048 - Tab 2

City of Kingston
Wastewater Reserve Fund
Year End Projections 2025-2039

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Municipal Utility																
Opening Balance - January 1	54,204,086	57,607,454	24,301,717	13,544,893	8,537,079	6,678,767	5,666,081	4,930,177	3,252,724	3,186,429	3,463,424	2,440,080	4,630,845	7,490,855	15,610,802	24,862,669
Contributions:																
General Fund	20,415,695	19,593,617	20,557,692	21,290,270	23,428,057	24,737,059	26,107,842	26,844,744	29,045,690	30,618,516	31,970,066	32,461,329	33,894,816	34,739,097	35,554,485	36,441,508
Previous Years Surplus from General	850,365															
	21,266,060	19,593,617	20,557,692	21,290,270	23,428,057	24,737,059	26,107,842	26,844,744	29,045,690	30,618,516	31,970,066	32,461,329	33,894,816	34,739,097	35,554,485	36,441,508
Interest	1,652,387	1,210,480	559,309	326,335	224,865	182,436	156,595	120,930	95,160	98,274	87,244	104,496	179,138	341,404	598,130	961,845
Drawdowns:																
Capital Expenditures	18,480,310	29,286,454	14,105,665	18,487,702	20,145,648	18,931,029	21,150,438	23,144,410	23,160,866	25,195,126	28,862,701	23,140,121	25,447,787	19,093,451	15,018,912	15,175,842
Cash Flow Adjustments	(45,000,000)	(26,000,259)	(14,037,079)	(11,383,671)	(11,035,262)	(10,488,202)	(11,073,524)	(11,976,277)	(12,298,000)	(13,122,594)	(14,694,853)	(13,242,241)	(13,541,510)	(11,422,236)	(5,288,230)	(4,092,814)
Prior Year Approvals	39,892,214	45,000,000	26,000,259	14,037,073	11,383,671	11,035,262	10,488,202	11,073,524	11,976,277	12,298,000	13,122,594	14,694,853	13,242,241	13,541,510	11,422,236	5,288,230
- Principal and Interest - Issued Debt	5,670,308	5,337,225	5,303,968	4,967,276	4,485,658	4,451,815	4,417,208	4,383,453	4,349,085	4,051,246	3,772,196	3,764,311	3,756,447	3,438,850	3,438,850	3,363,603
- Principal and Interest - Approved - Not Yet Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
- Principal and Interest - Planned - Not Yet Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DC Post Period benefits funded by wastewater	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203	346,203
DC Post Period benefits interest	126,044	140,211	154,804	169,834	185,315	201,261	217,000	217,000	217,000	217,000	217,000	217,000	217,000	217,000	217,000	217,000
	19,515,079	54,109,835	31,873,825	26,624,418	25,511,234	25,932,181	27,000,340	28,643,127	29,207,144	30,439,795	33,080,654	30,375,060	31,213,944	26,960,554	26,900,748	22,043,840
Closing Balance - December 31	57,607,454	24,301,717	13,544,893	8,537,079	6,678,767	5,666,081	4,930,177	3,252,724	3,186,429	3,463,424	2,440,080	4,630,845	7,490,855	15,610,802	24,862,669	40,222,182
PAYG	18,480,310	29,286,454	14,105,665	18,487,702	20,145,648	18,931,029	21,150,438	23,144,410	23,160,866	25,195,126	28,862,701	23,140,121	25,447,787	19,093,451	15,018,912	15,175,842
Impost Reserve fund	1,080,000 \$	18,307,546 \$	14,590,753 \$	41,040,000 \$	34,740,100 \$	1,889,600 \$	6,864,600 \$	8,838,200 \$	4,735,300 \$	3,229,800 \$	6,906,200 \$	680,000 \$	52,642,300 \$	- \$	- \$	255,000
Approved debt, not yet issued				20,000,000	-	-	-	-	-	-	4,000,000	-	-	-	-	-
New Debt - Planned, Not Yet Issued																
Total Capital Budget	19,560,310 \$	47,594,000 \$	28,696,417 \$	79,527,702 \$	54,885,748 \$	20,820,629 \$	28,015,038 \$	31,982,610 \$	27,896,166 \$	28,424,926 \$	39,768,901 \$	23,820,121 \$	78,090,087 \$	19,093,451 \$	15,018,912 \$	15,430,842
Inflation	-0.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Rate Increases	3.5%	4.8%	4.5%	4.5%	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	2.5%	2.5%	2.5%	2.5%
Rate Revenue	40,376,000	42,314,048	44,345,122	45,675,476	48,425,982	50,363,021	52,377,542	53,774,277	56,651,550	58,917,612	60,979,728	62,199,323	64,379,348	65,988,832	67,638,553	69,329,516
Other Revenue	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	550,000
Operating Expenses	20,093,974	22,844,000	23,911,000	24,508,775	25,121,494	25,749,532	26,393,270	27,053,102	27,729,429	28,422,665	29,133,232	29,861,562	30,608,102	31,373,304	32,157,637	32,961,576
Contribution to Facilities Repair fund	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431
TOTAL	20,415,695	19,593,617	20,557,692	21,290,270	23,428,057	24,737,059	26,107,842	26,844,744	29,045,690	30,618,516	31,970,066	32,461,329	33,894,816	34,739,097	35,554,485	36,441,508



**Water Utility
Budget Summary**
(Rounded to Nearest Thousand)

	2025	2026
Total Revenue	\$ 36,870,000	\$ 38,621,000
Less: Operating Expenses	\$ 17,002,000	\$ 17,946,000
Operating Surplus to Capital Reserve Funds	\$ 19,868,000	\$ 20,675,000
Less: Contribution to Facility Repair Fund	476,000	476,000
Less: Debts Repayment	\$ 2,050,000	\$ 2,042,000
Net Contribution to Water Capital Reserve Fund	\$ 17,342,000	\$ 18,157,000
March 1, 2025 Annualized Average Rate Increase	4.8%	
January 1, 2026 Average Rate Increase		4.8%
Two-year Capital Budget (2025-2026)	\$ 33,752,000	\$ 39,625,000
Total Capital Budget (2025-2026)		\$ 73,377,000

Exhibit A to Report Number 25-048 - Tab 3

Corporation of the City of Kingston Water Utility 2025-2026 Budget Revenue and Expenditure

	Actuals as of 30-Sep-24	Budget 2024	Budget 2025	Budget 2026
Revenue				
Water rates	26,284,415	35,979,188	36,470,400	38,220,979
Other Revenue	584,868	400,000	400,000	400,000
Total Revenue	26,869,283	36,379,188	36,870,400	38,620,979
Operating Expenses				
Administration	2,823,132	4,144,359	4,602,204	4,951,841
Billing	649,060	837,068	1,050,493	1,131,351
Pumping & Treatment	3,437,197	5,158,111	5,158,908	5,353,256
Community Relations	464,507	187,521	175,212	174,609
Distribution	3,551,433	4,532,240	5,109,859	5,419,756
Customer Service	239,659	877,186	905,715	915,452
Operating Expenses (Contracted Services)	11,164,988	15,736,484	17,002,391	17,946,265
Contribution to Reserve Funds	15,704,295	20,642,704	19,868,009	20,674,714
Debt Repayment	1,547,876	2,063,835	2,049,912	2,042,121
Contribution to Facilities Repair Fund	357,323	476,431	476,431	476,431
Net increase to Water Reserve Fund	13,576,829	18,102,438	17,341,666	18,156,162
Net Surplus	222,267	-	-	-


Exhibit A to Report Number 25-048 - Tab 3

Corporation of the City of Kingston Water Utility Operating Budget Forecast

(Rounded to Nearest Thousand)

	Budget 2025	Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
Revenue					
Rates	36,470,000	38,221,000	39,444,000	41,858,000	43,532,000
Other	400,000	400,000	400,000	400,000	400,000
Rates and Other	<u>36,870,000</u>	<u>38,621,000</u>	<u>39,844,000</u>	<u>42,258,000</u>	<u>43,932,000</u>
Operating Expense					
Contracted Services	<u>17,002,000</u>	<u>17,946,000</u>	<u>18,395,000</u>	<u>18,855,000</u>	<u>19,326,000</u>
Net operating to Reserve Fund	<u>19,868,000</u>	<u>20,675,000</u>	<u>21,449,000</u>	<u>23,403,000</u>	<u>24,606,000</u>
Debt Repayment	2,050,000	2,042,000	1,973,000	1,968,000	1,963,000
Contribution to Facilities Repair Fund	476,000	476,000	476,000	476,000	476,000
Net increase to Water Capital Reserve Fund	<u>17,342,000</u>	<u>18,157,000</u>	<u>19,000,000</u>	<u>20,959,000</u>	<u>22,167,000</u>
	<u>19,868,000</u>	<u>20,675,000</u>	<u>21,449,000</u>	<u>23,403,000</u>	<u>24,606,000</u>

Exhibit A to Report Number 25-048 - Tab 3

WATER CAPITAL BUDGET 2025 & 2026			
		Total 2025	Total 2026
Facilities			
Treatment Plants			
	Planning & Design	-	-
	Construction	-	-
	Equipment Upgrades or Replacement		
	Building Structure	25,000	50,000
	Building Fixtures	90,000	95,000
	Mechanical Equipment	1,030,000	585,000
	Electrical Equipment	165,000	295,000
Booster Stations			
	Planning & Design		
	Construction	-	-
	Equipment Upgrades or Replacement		
	Building Structure	20,000	20,000
	Building Fixtures	95,000	95,000
	Mechanical Equipment	50,000	150,000
	Electrical Equipment	20,000	20,000
Storage			
	Planning & Design		
	Construction	-	-
	Equipment Upgrades or Replacement		
	Building Structure	70,000	70,000
	Building Fixtures	45,000	30,000
	Mechanical Equipment	40,000	640,000
	Electrical Equipment	30,000	30,000
Pipes			
Locals			
	Planning & Design		
	Construction	6,550,000	13,760,000
	Remediation	3,000,000	3,000,000
Trunks			
	Planning & Design	1,500,000	-
	Construction	14,612,912	15,800,000
	Remediation	937,500	875,000
Appurtenance Upgrades or Replacement			
	Services	1,768,000	1,850,000
	Meters	1,159,000	825,000
	Leak Testing	105,000	110,000
	Valves	105,000	104,500
	Hydrants	68,250	72,000
General			
Property			
	Land	-	-
	Office Building Improvements	20,000	-
Business Systems			
	SCADA	15,000	65,000
	Business Systems City Transfers	426,423	484,047
	Business Systems UK	1,455,000	287,500
Vehicles			
	New Vehicles	85,000	77,500
	Vehicle Upgrades	7,500	7,500
Construction and Office Equipment			
	Tools, Locating Equipment, Radios	110,400	80,400
	Office Equipment	6,500	6,500
	City Restoration Costs	140,000	140,000
Total Budget		33,751,485	39,624,947
Total DC Funded		10,254,556	12,596,000
Total Rates Funded		23,496,929	27,028,947



**2025 and 2026 CAPITAL BUDGET PROPOSALS
WATER**

Total Capital Request for	2025	\$33,751,000
	2026	\$39,625,000

FACILITIES		
Budget Sub Total	2025	\$1,680,000
	2026	\$2,080,000

COMMENTS:

This area of the budget covers our 3 water treatment facilities, 2 booster stations and 8 storage facilities.

Utilities Kingston draws the vast majority of the City’s drinking water supply directly from Lake Ontario, with a small amount coming from a well in the Cana community. This water is filtered at the treatment facilities and chlorine is added for disinfection. The treated water is distributed throughout the municipality utilizing approximately 750 km of watermains varying in size from 100mm to 1200mm in diameter and 185 km of water service laterals. To ensure adequate volumes and pressures are always available to residents and firefighters, booster stations, surface reservoirs and elevated storage facilities are located at various strategic locations throughout the system.

Over the proposed two-year (2025-2026) capital program many of the water capital projects are based on service levels established in our asset management plans, Master Planning exercise, Enterprise Risk Management plan, water modeling with risk-based criteria, facility condition assessments, and operator input which provides a real-time check approach to prioritizing asset replacement and renewal activities and to support development related activities in the City.

- **Treatment Plants: \$1,310,000 / \$1,025,000**

No major capital construction projects are planned at our water treatment facilities. The proposed budget allocations are for asset management related activities to ensure service levels and standards are being met. This would include items such as but not limited to,

2025 & 2026 PROPOSED CAPITAL BUDGET – WATER

refurbishment of high lift and low lift pumps, programable logic controller (PLC) replacements, granular activated carbon (GAC) replacements, building repairs, etc. In addition, energy reduction/climate action activities are planned for the facilities.

- **Booster Stations: \$185,000 / \$285,000**

No major capital construction projects are planned at our booster stations. The proposed budget allocations are for asset management related activities related to normal electrical, mechanical, building structure repairs and maintenance including routine replacement of pump drive components.

- **Storage Towers/Reservoirs: \$185,000 / \$770,000**

No major capital construction projects are planned at our storage towers and reservoirs. The proposed budget allocations are for asset management related activities related to normal electrical, mechanical, building structure repairs and maintenance including building and process mechanical equipment replacements at Tower St. elevated tower.

PIPE NETWORKS

Budget Sub Total	2025	\$ 29,134,000
	2026	\$36,397,000

COMMENTS:

This area of the budget covers the linear (pipes) life cycle replacement, rehabilitation, and new expansion (funded from Development Charges) of the water distribution network that has approximately 750 kilometers of pipe (mains and laterals). Within the budget, trunks refer to the larger diameter pipes, locals are typically the pipes found on residential streets. Watermains are evaluated, assessed, and prioritized for work based on the following factors: age, history of breaks, pipe size, available water flow and pressure and material type. The decision to replace or remediate is based on those factors.

- **Trunks: \$17,050,000 / \$16,675,000**

Trunk watermains reflect the large diameter water pipes (450mm to 1200mm) that are intended to transmit large volumes of water throughout the city and form the backbone of the distribution system. For the 2025 – 2026 period, the focus in trunk watermains is on the construction of the Front Rd. interconnection watermain from Sand Bay Lane to Sir John A. MacDonald Blvd. along with planning, design and construction of a second

2025 & 2026 PROPOSED CAPITAL BUDGET – WATER

watermain feeding the Westbrook area. Funding in this area originates from both rates and development charges.

- **Locals: \$9,550,000 / \$16,760,000**

Utilities Kingston and City of Kingston engineering groups coordinate projects and their timing as part of the annual road reconstruction projects over the next 2 years. This work is done in conjunction with our other utilities (wastewater, gas and electric) along with the City of Kingston. For the next 2 years proposed work includes watermain replacement in conjunction with combined sewer separation projects (i.e. Princess St., Garret St. and Queen’s Cres.) along with watermain replacement due to condition and age (Princess St. between Portsmouth and Sir John A McDonald Blvd. as well as Main St., Anne St., Ellice St. and Vine St.).

In addition to the traditional reconstruction of underground watermains this budget area includes remediation activities that involve relining, pipe bursting, tunneling etc. Remediation work is less intrusive in a neighbourhood and has proven to be cost effective in extending the life cycle of our distribution assets.

- **Equipment Upgrades: \$3,205,000 / \$2,962,000**

This budget area involves the following elements: pipes and service laterals, meters, leak testing, valves and hydrants and cathodic protection.

In conjunction with the watermain replacement and renewal programs, significant resources are being focused on the upgrading of these components of the existing water system. Leak detection is also a major area of activity intended to reduce water losses in the system.

GENERAL		
Budget Sub Total	2025	\$2,266,000
	2026	\$1,148,000

COMMENTS:

This area of the budget covers capital expenditures related to Property, Business Systems, Equipment and Vehicles. For Property this includes land and facilities managed by Utilities Kingston (i.e., plants, booster stations, reservoirs, easements for underground pipes) and the water utility’s portion of changes of improvements to the administration building, warehouse, or outdoor storage yards. Business Systems includes IT services unique to the utilities environment (billing systems) and SCADA (Supervisory Control and Data Acquisition) both

2025 & 2026 PROPOSED CAPITAL BUDGET – WATER

Page 4

of which involve upgrades and replacement of equipment. Equipment relates to tools required by staff to perform work and office equipment. Vehicles cover only new additions to fleet.

- **Property: \$20,000 / \$0**

No significant expenditures in this area are contemplated and the proposed budget is for miscellaneous activities such as a survey or easement issue that may arise over the next two years.

- **Business Systems: \$1,896,000 / \$837,000**

This budget area involves the following elements: supervisory control and data acquisition (SCADA) systems, Utilities Kingston computer hardware and software and business systems such as the replacement to our customer information system (billing system). This area also includes transfer payments to the City of Kingston for information technology related items. We continue to focus on our SCADA systems that allow accurate on site and remote monitoring and system operation controls of the water system.

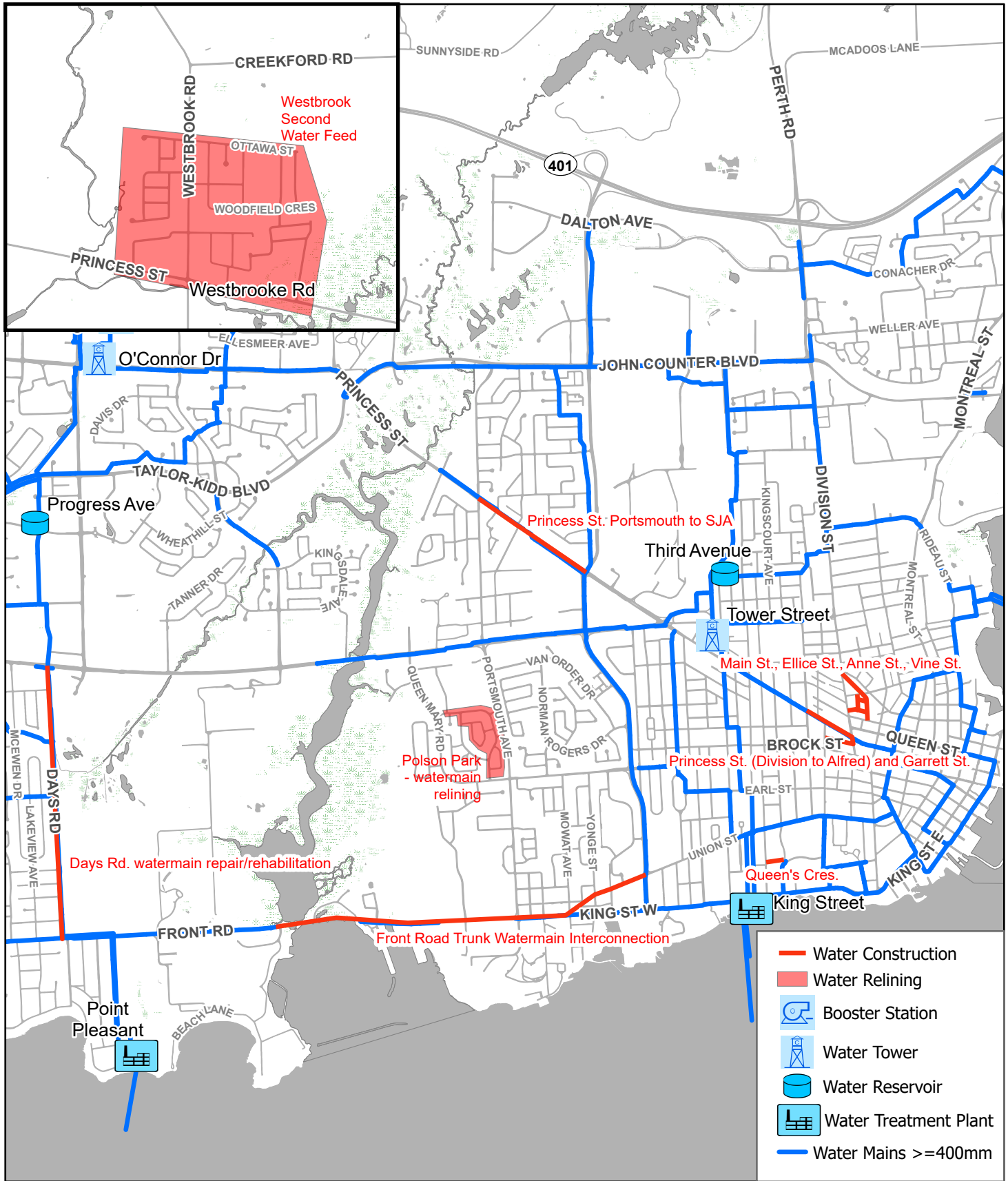
In 2025 we will be beginning the implementation of a new Enterprise Asset Management system across all of our utilities. In 2025 through 2026 we will be updating our Wastewater and Water Master Plan study which is a long-term plan/forecast of infrastructure needs for the City based on expected growth. This study shares the costs between the water and wastewater utilities.

- **Construction & Office Equipment: \$256,900 / \$226,900**

Many of the expenditures in this area are for specialized tools including replacement of monitoring equipment for working in confined spaces such as maintenance holes locators, surveying/GPS and radios.

- **Vehicles: \$92,500 / \$85,000**

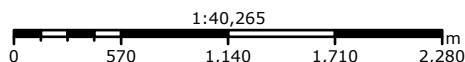
This area represents new vehicle additions or equipment upgrades to existing vehicles. The expense of acquiring new vehicles is often shared amongst the appropriate utilities and therefore the proposed budget represents the water utilities portion.



Utilities Engineering - GIS

**Capital Budget Proposed Projects
2025-2026 Water**

Utilities Kingston - 85 Lappan's Lane, Kingston, ON PO Box 790
K7L 4X7 - Utilities_GIS@utilitieskingston.com - 613-546-0000



Revision: 2
Units: Meters
CRS: NAD 1983 UTM Zone 18N

Producer: stzaluski
Reviewer: J. Runions
Created: 12/11/24
Modified: 12/12/2024

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WATER - 15 YEAR CAPITAL BUDGET

	Rates 2025	DC 2025	Total 2025	Rates 2026	DC 2026	Total 2026
Facilities						
Treatment Plants						
Planning & Design			-			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	25,000		25,000	50,000		50,000
Building Fixtures	90,000		90,000	95,000		95,000
Mechanical Equipment	1,030,000		1,030,000	585,000		585,000
Electrical Equipment	165,000		165,000	295,000		295,000
Booster Stations						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	20,000		20,000	20,000		20,000
Building Fixtures	95,000		95,000	95,000		95,000
Mechanical Equipment	50,000		50,000	150,000		150,000
Electrical Equipment	20,000		20,000	20,000		20,000
Storage						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	70,000		70,000	70,000		70,000
Building Fixtures	45,000		45,000	30,000		30,000
Mechanical Equipment	40,000		40,000	640,000		640,000
Electrical Equipment	30,000		30,000	30,000		30,000
Pipes						
Locals						
Planning & Design						
Construction	5,386,900	1,163,100	6,550,000	10,644,000	3,116,000	13,760,000
Remediation	3,000,000		3,000,000	3,000,000		3,000,000
Trunks						
Planning & Design	600,000	900,000	1,500,000			-
Construction	7,356,456	7,256,456	14,612,912	6,320,000	9,480,000	15,800,000
Remediation	937,500		937,500	875,000		875,000
Appurtenance Upgrades or Replacement						
Services	1,768,000		1,768,000	1,850,000		1,850,000
Meters	1,159,000		1,159,000	825,000		825,000
Leak Testing	105,000		105,000	110,000		110,000
Valves	105,000		105,000	104,500		104,500
Hydrants	68,250		68,250	72,000		72,000
General						
Property						
Land			-			-
Office Building Improvements	20,000		20,000			-
Business Systems						
SCADA	15,000		15,000	65,000		65,000
Business Systems City Transfers	426,423		426,423	484,047		484,047
Business Systems UK	520,000	935,000	1,455,000	287,500		287,500
Vehicles						
New Vehicles	85,000		85,000	77,500		77,500
Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment						
Tools, Locating Equipment, Radios	110,400		110,400	80,400		80,400
Office Equipment	6,500		6,500	6,500		6,500
City Restoration Costs	140,000		140,000	140,000		140,000
Total Budget	23,496,929	10,254,556	33,751,485	27,028,947	12,596,000	39,624,947



WATER - 15 YEAR CAPITAL BUDGET

		Rates 2027	DC 2027	Total 2027	Rates 2028	DC 2028	Total 2028
Facilities							
Treatment Plants							
	Planning & Design	1,093,750		1,093,750	1,875,000		1,875,000
	Construction			-	2,000,000		2,000,000
	Equipment Upgrades or Replacement						
	Building Structure	60,000		60,000	80,000		80,000
	Building Fixtures	90,000		90,000	90,000		90,000
	Mechanical Equipment	865,000		865,000	1,010,000		1,010,000
	Electrical Equipment	30,000		30,000	40,000		40,000
Booster Stations							
	Planning & Design						
	Construction			-	2,000,000		2,000,000
	Equipment Upgrades or Replacement						
	Building Structure	20,000		20,000	20,000		20,000
	Building Fixtures	20,000		20,000	20,000		20,000
	Mechanical Equipment	250,000		250,000	50,000		50,000
	Electrical Equipment	20,000		20,000	30,000		30,000
Storage							
	Planning & Design						
	Construction			-	4,800,000		4,800,000
	Equipment Upgrades or Replacement						
	Building Structure	70,000		70,000	70,000		70,000
	Building Fixtures	30,000		30,000	30,000		30,000
	Mechanical Equipment	40,000		40,000	50,000		50,000
	Electrical Equipment	30,000		30,000	30,000		30,000
Pipes							
Locals							
	Planning & Design						
	Construction	21,814,500	265,500	22,080,000	8,767,300	645,700	9,413,000
	Remediation	3,000,000		3,000,000	3,000,000		3,000,000
Trunks							
	Planning & Design			-			-
	Construction	4,000,000		4,000,000	5,300,000	10,010,000	15,310,000
	Remediation	900,000		900,000	900,000		900,000
Appurtenance Upgrades or Replacement							
	Services	1,890,000		1,890,000	1,875,000		1,875,000
	Meters	850,750		850,750	1,127,019		1,127,019
	Leak Testing	110,000		110,000	110,000		110,000
	Valves	104,500		104,500	104,500		104,500
	Hydrants	75,000		75,000	75,000		75,000
General							
Property							
	Land			-			-
	Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems							
	SCADA	215,000		215,000	72,200		72,200
	Business Systems City Transfers	436,552		436,552	327,729		327,729
	Business Systems UK	1,585,000		1,585,000	230,000		230,000
Vehicles							
	New Vehicles			-			-
	Vehicle Upgrades	7,500		7,500	7,500		7,500
Construction and Office Equipment							
	Tools, Locating Equipment, Radios	40,400		40,400	35,400		35,400
	Office Equipment			-			-
	City Restoration Costs	150,000		150,000	135,000		135,000
Total Budget		37,817,952	265,500	38,083,452	34,281,648	10,655,700	44,937,348



WATER - 15 YEAR CAPITAL BUDGET

	Rates 2029	DC 2029	Total 2029	Rates 2030	DC 2030	Total 2030
Facilities						
Treatment Plants						
Planning & Design	437,500		437,500			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	60,000		60,000	80,000		80,000
Building Fixtures	90,000		90,000	90,000		90,000
Mechanical Equipment	840,000		840,000	695,000		695,000
Electrical Equipment	40,000		40,000	50,000		50,000
Booster Stations						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	20,000		20,000	20,000		20,000
Building Fixtures	20,000		20,000	20,000		20,000
Mechanical Equipment	50,000		50,000	60,000		60,000
Electrical Equipment	30,000		30,000	30,000		30,000
Storage						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	70,000		70,000	730,000		730,000
Building Fixtures	30,000		30,000	30,000		30,000
Mechanical Equipment	55,000		55,000	50,000		50,000
Electrical Equipment	35,000		35,000	35,000		35,000
Pipes						
Locals						
Planning & Design						
Construction	8,149,160	2,465,640	10,614,800	10,613,960	3,144,840	13,758,800
Remediation	3,500,000		3,500,000	3,500,000		3,500,000
Trunks						
Planning & Design			-			-
Construction	4,000,000		4,000,000	4,000,000		4,000,000
Remediation	900,000		900,000	950,000		950,000
Appurtenance Upgrades or Replacement						
Services	1,875,000		1,875,000	1,875,000		1,875,000
Meters	895,000		895,000	917,375		917,375
Leak Testing	110,000		110,000	125,000		125,000
Valves	104,500		104,500	104,500		104,500
Hydrants	75,000		75,000	80,000		80,000
General						
Property						
Land			-			-
Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems						
SCADA	22,400		22,400	222,400		222,400
Business Systems City Transfers	326,829		326,829	333,863		333,863
Business Systems UK	45,000	255,000	300,000	120,000	680,000	800,000
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	7,500		7,500	7,750		7,750
Construction and Office Equipment						
Tools, Locating Equipment, Radios	45,400		45,400	35,400		35,400
Office Equipment			-			-
City Restoration Costs	150,000		150,000	135,000		135,000
Total Budget	22,003,289	2,720,640	24,723,929	24,930,248	3,824,840	28,755,088



WATER - 15 YEAR CAPITAL BUDGET

		Rates 2031	DC 2031	Total 2031	Rates 2032	DC 2032	Total 2032
Facilities							
Treatment Plants							
	Planning & Design	9,375,000		9,375,000			-
	Construction			-	4,000,000		4,000,000
	Equipment Upgrades or Replacement						
	Building Structure	75,000		75,000	95,000		95,000
	Building Fixtures	95,000		95,000	95,000		95,000
	Mechanical Equipment	525,000		525,000	1,130,000		1,130,000
	Electrical Equipment	50,000		50,000	50,000		50,000
Booster Stations							
	Planning & Design						
	Construction			-			-
	Equipment Upgrades or Replacement						
	Building Structure	20,000		20,000	40,000		40,000
	Building Fixtures	20,000		20,000	20,000		20,000
	Mechanical Equipment	60,000		60,000	60,000		60,000
	Electrical Equipment	30,000		30,000	30,000		30,000
Storage							
	Planning & Design						
	Construction			-	900,000		900,000
	Equipment Upgrades or Replacement						
	Building Structure	80,000		80,000	80,000		80,000
	Building Fixtures	40,000		40,000	40,000		40,000
	Mechanical Equipment	50,000		50,000	50,000		50,000
	Electrical Equipment	35,000		35,000	35,000		35,000
Pipes							
Locals							
	Planning & Design						
	Construction	6,737,760	1,388,040	8,125,800	6,837,760	1,388,040	8,225,800
	Remediation	3,500,000		3,500,000	3,500,000		3,500,000
Trunks							
	Planning & Design			-			-
	Construction			-			-
	Remediation	950,000		950,000	1,000,000		1,000,000
Appurtenance Upgrades or Replacement							
	Services	1,875,000		1,875,000	1,875,000		1,875,000
	Meters	940,309		940,309	963,817		963,817
	Leak Testing	125,000		125,000	125,000		125,000
	Valves	104,500		104,500	104,500		104,500
	Hydrants	80,000		80,000	80,000		80,000
General							
Property							
	Land			-			-
	Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems							
	SCADA	22,400		22,400	22,400		22,400
	Business Systems City Transfers	347,501		347,501	348,549		348,549
	Business Systems UK			-			-
Vehicles							
	New Vehicles			-			-
	Vehicle Upgrades	7,750		7,750	7,750		7,750
Construction and Office Equipment							
	Tools, Locating Equipment, Radios	35,400		35,400	40,400		40,400
	Office Equipment			-			-
	City Restoration Costs	140,000		140,000	140,000		140,000
Total Budget		25,340,620	1,388,040	26,728,660	21,690,176	1,388,040	23,078,216



WATER - 15 YEAR CAPITAL BUDGET

	Rates 2033	DC 2033	Total 2033	Rates 2034	DC 2034	Total 2034
Facilities						
Treatment Plants						
Planning & Design			-			-
Construction	30,000,000		30,000,000			-
Equipment Upgrades or Replacement						
Building Structure	75,000		75,000	140,000		140,000
Building Fixtures	95,000		95,000	95,000		95,000
Mechanical Equipment	1,160,000		1,160,000	780,000		780,000
Electrical Equipment	50,000		50,000	50,000		50,000
Booster Stations						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	40,000		40,000	40,000		40,000
Building Fixtures	20,000		20,000	20,000		20,000
Mechanical Equipment	60,000		60,000	75,000		75,000
Electrical Equipment	40,000		40,000	40,000		40,000
Storage						
Planning & Design						
Construction			-	4,000,000		4,000,000
Equipment Upgrades or Replacement						
Building Structure	80,000		80,000	80,000		80,000
Building Fixtures	40,000		40,000	40,000		40,000
Mechanical Equipment	50,000		50,000	50,000		50,000
Electrical Equipment	35,000		35,000	35,000		35,000
Pipes						
Locals						
Planning & Design						
Construction	6,837,760	1,388,040	8,225,800	18,694,700	8,654,300	27,349,000
Remediation	3,500,000		3,500,000	3,500,000		3,500,000
Trunks						
Planning & Design			-			-
Construction	2,059,200	3,700,800	5,760,000			-
Remediation	1,000,000		1,000,000	1,000,000		1,000,000
Appurtenance Upgrades or Replacement						
Services	1,870,000		1,870,000	1,870,000		1,870,000
Meters	987,903		987,903	1,100,000		1,100,000
Leak Testing	125,000		125,000	125,000		125,000
Valves	104,500		104,500	104,500		104,500
Hydrants	80,000		80,000	80,000		80,000
General						
Property						
Land			-			-
Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems						
SCADA	22,600		22,600	22,600		22,600
Business Systems City Transfers	356,213		356,213	370,501		370,501
Business Systems UK			-	45,000	255,000	300,000
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	7,750		7,750	7,750		7,750
Construction and Office Equipment						
Tools, Locating Equipment, Radios	40,400		40,400	40,400		40,400
Office Equipment			-			-
City Restoration Costs	140,000		140,000	145,000		145,000
Total Budget	48,896,326	5,088,840	53,985,166	32,570,451	8,909,300	41,479,751



WATER - 15 YEAR CAPITAL BUDGET

	Rates 2035	DC 2035	Total 2035	Rates 2036	DC 2036	Total 2036
Facilities						
Treatment Plants						
Planning & Design	6,250,000		6,250,000			-
Construction			-	4,000,000		4,000,000
Equipment Upgrades or Replacement						
Building Structure	90,000		90,000	115,000		115,000
Building Fixtures	95,000		95,000	100,000		100,000
Mechanical Equipment	510,000		510,000	1,100,000		1,100,000
Electrical Equipment	50,000		50,000	50,000		50,000
Booster Stations						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	40,000		40,000	90,000		90,000
Building Fixtures	20,000		20,000	20,000		20,000
Mechanical Equipment	75,000		75,000	75,000		75,000
Electrical Equipment	40,000		40,000	116,000		116,000
Storage						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	80,000		80,000	170,000		170,000
Building Fixtures	40,000		40,000	40,000		40,000
Mechanical Equipment	75,000		75,000	75,000		75,000
Electrical Equipment	50,000		50,000	50,000		50,000
Pipes						
Locals						
Planning & Design						
Construction	5,010,000		5,010,000	5,010,000		5,010,000
Remediation	3,500,000		3,500,000	3,500,000		3,500,000
Trunks						
Planning & Design			-			-
Construction			-	2,400,000		2,400,000
Remediation	1,000,000		1,000,000	1,000,000		1,000,000
Appurtenance Upgrades or Replacement						
Services	2,000,000		2,000,000	2,000,000		2,000,000
Meters	1,127,500		1,127,500	1,150,050		1,150,050
Leak Testing	150,000		150,000	150,000		150,000
Valves	120,000		120,000	120,000		120,000
Hydrants	90,000		90,000	90,000		90,000
General						
Property						
Land			-			-
Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems						
SCADA	22,600		22,600	22,600		22,600
Business Systems City Transfers	372,221		372,221	377,637		377,637
Business Systems UK	120,000	680,000	800,000			-
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	8,000		8,000	8,000		8,000
Construction and Office Equipment						
Tools, Locating Equipment, Radios	40,400		40,400	40,400		40,400
Office Equipment			-			-
City Restoration Costs	145,000		145,000	145,000		145,000
Total Budget	21,140,721	680,000	21,820,721	22,034,687		22,034,687



WATER - 15 YEAR CAPITAL BUDGET

	Rates 2037	DC 2037	Total 2037	Rates 2038	DC 2038	Total 2038
Facilities						
Treatment Plants						
Planning & Design			-			-
Construction	60,000,000		60,000,000	4,000,000		4,000,000
Equipment Upgrades or Replacement						
Building Structure	90,000		90,000	115,000		115,000
Building Fixtures	100,000		100,000	100,000		100,000
Mechanical Equipment	930,000		930,000	815,000		815,000
Electrical Equipment	50,000		50,000	50,000		50,000
Booster Stations						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	40,000		40,000	40,000		40,000
Building Fixtures	20,000		20,000	20,000		20,000
Mechanical Equipment	275,000		275,000	75,000		75,000
Electrical Equipment	40,000		40,000	40,000		40,000
Storage						
Planning & Design						
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	90,000		90,000	90,000		90,000
Building Fixtures	40,000		40,000	50,000		50,000
Mechanical Equipment	75,000		75,000	75,000		75,000
Electrical Equipment	480,000		480,000	290,000		290,000
Pipes						
Locals						
Planning & Design						
Construction	5,010,000		5,010,000	5,010,000		5,010,000
Remediation	3,500,000		3,500,000	3,500,000		3,500,000
Trunks						
Planning & Design			-			-
Construction			-			-
Remediation	1,100,000		1,100,000	1,100,000		1,100,000
Appurtenance Upgrades or Replacement						
Services	2,000,000		2,000,000	2,000,000		2,000,000
Meters	1,173,051		1,173,051	1,196,512		1,196,512
Leak Testing	150,000		150,000	150,000		150,000
Valves	120,000		120,000	120,000		120,000
Hydrants	90,000		90,000	90,000		90,000
General						
Property						
Land			-			-
Office Building Improvements	20,000		20,000	20,000		20,000
Business Systems						
SCADA	322,800	20,000	342,800	22,800		22,800
Business Systems City Transfers			-			-
Business Systems UK			-			-
Vehicles						
New Vehicles			-			-
Vehicle Upgrades	8,000		8,000	8,000		8,000
Construction and Office Equipment						
Tools, Locating Equipment, Radios	40,400		40,400	40,400		40,400
Office Equipment			-			-
City Restoration Costs	150,000		150,000	180,000		180,000
Total Budget	75,914,251	20,000	75,934,251	19,197,712		19,197,712



WATER - 15 YEAR CAPITAL BUDGET

		Rates 2039	DC 2039	Total 2039
Facilities				
Treatment Plants				
	Planning & Design			-
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	90,000		90,000
	Building Fixtures	100,000		100,000
	Mechanical Equipment	645,000		645,000
	Electrical Equipment	50,000		50,000
Booster Stations				
	Planning & Design			
	Construction	4,000,000		4,000,000
	Equipment Upgrades or Replacement			
	Building Structure	40,000		40,000
	Building Fixtures	20,000		20,000
	Mechanical Equipment	75,000		75,000
	Electrical Equipment	40,000		40,000
Storage				
	Planning & Design			
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	90,000		90,000
	Building Fixtures	50,000		50,000
	Mechanical Equipment	75,000		75,000
	Electrical Equipment	50,000		50,000
Pipes				
Locals				
	Planning & Design			
	Construction	5,010,000		5,010,000
	Remediation	3,500,000		3,500,000
Trunks				
	Planning & Design			-
	Construction			-
	Remediation	1,100,000		1,100,000
Appurtenance Upgrades or Replacement				
	Services	2,020,000		2,020,000
	Meters	1,220,442		1,220,442
	Leak Testing	150,000		150,000
	Valves	120,000		120,000
	Hydrants	90,000		90,000
General				
Property				
	Land			-
	Office Building Improvements	20,000		20,000
Business Systems				
	SCADA	22,800		22,800
	Business Systems City Transfers			-
	Business Systems UK	45,000	255,000	300,000
Vehicles				
	New Vehicles			-
	Vehicle Upgrades	8,000		8,000
Construction and Office Equipment				
	Tools, Locating Equipment, Radios	40,400		40,400
	Office Equipment			-
	City Restoration Costs	180,000		180,000
Total Budget		18,851,642	255,000	19,106,642

Exhibit A to Report Number 25-048 - Tab 3

**City of Kingston
Water Reserve Fund
Year End Projections 2025-2039**

Municipal Utility	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Opening Balance - January 1	80,231,366	86,094,793	64,266,747	52,004,335	36,397,558	23,300,000	19,479,756	17,631,798	16,386,052	19,222,055	18,690,149	15,588,331	17,562,726	23,109,471	20,066,217	27,403,102
Contributions:																
General Fund	20,166,273	19,391,969	20,198,548	20,972,970	22,927,141	24,130,101	25,170,589	25,726,671	27,376,873	27,795,858	28,992,209	29,632,754	31,528,888	32,872,875	34,233,846	34,795,852
Previous Years Surplus from General	325,576															
	20,491,849	19,391,969	20,198,548	20,972,970	22,927,141	24,130,101	25,170,589	25,726,671	27,376,873	27,795,858	28,992,209	29,632,754	31,528,888	32,872,875	34,233,846	34,795,852
Interest	2,458,022	2,222,092	1,718,292	1,306,432	882,230	632,213	548,447	502,727	526,228	560,279	506,579	489,917	601,067	638,064	701,517	939,906
Drawdowns:																
Capital Expenditures	19,258,810	23,496,929	27,028,947	37,817,952	34,281,648	22,003,289	24,930,248	25,340,620	21,690,176	28,896,326	32,570,451	21,140,721	22,034,687	38,414,251	19,197,712	18,851,642
Cash Flow Adjustments	(40,000,000)	(22,223,925)	(17,238,505)	(19,269,760)	(18,742,993)	(14,261,198)	(13,717,006)	(13,670,169)	(12,376,121)	(14,445,356)	(16,455,533)	(13,158,689)	(12,317,682)	(17,756,176)	(12,933,861)	(11,124,926)
Prior Year Approvals	35,648,080	40,000,000	22,223,925	17,238,505	19,269,760	18,742,993	14,261,198	13,717,006	13,670,169	12,376,121	14,445,356	16,455,533	13,158,689	12,317,682	17,756,176	12,933,861
- Principal and Interest - Issued Debt	2,063,835	2,049,912	2,042,121	1,973,034	1,968,267	1,963,329	1,958,408	1,953,542	1,948,731	1,926,810	1,906,190	1,902,985	1,899,789	1,770,713	1,770,713	1,335,347
- Principal and Interest - Approved - Not Yet Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Principal and interest - planned - not yet issued	-	-	-	-	-	-	-	-	-	-	-	1,673,587	1,673,587	1,673,587	1,673,587	4,811,561
DC Post Period interest funded by water	115,719	119,191	122,766	126,449	130,243	134,150	134,150	134,150	134,150	134,150	134,150	134,150	134,150	134,150	134,150	134,150
	17,086,444	43,442,106	34,179,253	37,886,179	36,906,928	28,582,558	27,566,994	27,475,143	25,067,099	28,888,042	32,600,606	28,148,277	26,583,209	36,554,193	27,598,478	26,941,637
Closing Balance - December 31	86,094,793	64,266,747	52,004,335	36,397,558	23,300,000	19,479,756	17,631,798	16,386,052	19,222,055	18,690,149	15,588,331	17,562,726	23,109,471	20,066,217	27,403,102	36,197,223
Capital Budget Approval Year																
Funded By Water Capital Reserve Fund	19,258,810	23,496,929	27,028,947	37,817,952	34,281,648	22,003,289	24,930,248	25,340,620	21,690,176	28,896,326	32,570,451	21,140,721	22,034,687	38,414,251	19,197,712	18,851,642
Funded by Impost Reserve Fund	5,500,000	10,254,556	12,596,000	265,500	10,655,700	2,720,640	3,824,840	1,388,040	1,388,040	5,088,840	8,909,300	680,000	-	20,000	-	255,000
Approved, Not Yet Issued																
New Debt - Planned, Not Yet Issued											20,000,000				37,500,000	
Total Capital Budget	24,758,810	33,751,485	39,624,947	38,083,452	44,937,348	24,723,929	28,755,088	26,728,660	23,078,216	53,985,166	41,479,751	21,820,721	22,034,687	75,934,251	19,197,712	19,106,642
Inflation																
	-3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Rate Increases																
	3.5%	4.8%	4.8%	4.8%	4.8%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Rate Revenue																
	34,800,000	36,470,400	38,220,979	39,444,051	41,858,088	43,532,411	45,056,045	46,107,353	48,265,162	49,954,443	51,702,848	52,909,248	55,385,384	57,323,872	59,330,208	60,516,812
Other Revenue																
	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	384,000	364,000
Operating Expenses																
	14,557,296	17,002,000	17,946,000	18,394,650	18,854,516	19,325,879	19,809,026	20,304,252	20,811,858	22,082,155	22,634,208	23,200,064	23,780,065	24,374,567	24,983,931	25,608,529
Contribution to Facilities Repair fund																
	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431	476,431
TOTAL	20,166,273	19,391,969	20,198,548	20,972,970	22,927,141	24,130,101	25,170,589	25,726,671	27,376,873	27,795,858	28,992,209	29,632,754	31,528,888	32,872,875	34,233,846	34,795,852



Natural Gas Distribution Business Budget Summary

(Rounded to Nearest Thousand)

	2025	2026
Total Revenue	\$ 37,976,000	\$ 38,582,000
Less: Operating Expenses	\$ 30,842,000	\$ 31,259,000
Net Earnings	\$ 7,134,000	\$ 7,323,000
Less: Debt Costs	\$ -	\$ -
Less: Contribution to Facility Repair Fund	\$ 173,000	\$ 173,000
Less: Contribution to Municipal Capital Reserve Fund	\$ 2,020,000	\$ 2,020,000
Net Contribution to Gas Capital Reserve Fund	\$ 4,941,000	\$ 5,130,000
March 1, 2025 Distribution Rate Increase	7.0%	
January 1, 2026 Distribution Rate Increase		3.0%
Two-year Capital Budget (2025-2026)	\$ 7,616,000	\$ 7,617,000
Total Capital Budget (2025-2026)		\$ 15,233,000

Exhibit A to Report Number 25-048 - Tab 4

Corporation of the City of Kingston Natural Gas Distribution Business 2025-2026 Budget Revenue and Expenditures

	Actuals as of 30-Sep-24	Budget 2024	Budget 2025	Budget 2026
Energy & Transportation				
Sales	10,115,166	25,000,000	25,000,000	25,000,000
Cost of sales	10,115,166	25,000,000	25,000,000	25,000,000
	-	-	-	-
Local Distribution Revenue	8,944,401	12,171,118	12,775,500	13,381,500
Other Operating Revenues				
Account set up charge	28,533	30,766	31,689	32,640
Late payment charges	55,115	24,450	25,183	25,938
Miscellaneous	167,671	144,784	143,128	141,422
Other Revenue	251,319	200,000	200,000	200,000
Total Revenue	9,195,720	12,371,118	12,975,500	13,581,500
Operating Expenses				
Administration	1,768,682	2,701,584	2,968,137	3,228,502
Billing	317,947	398,667	503,699	538,588
Distribution	1,360,853	1,611,260	1,802,411	1,890,952
Customer service	289,952	570,970	567,433	600,643
Operating Expenses (Contracted Services)	3,737,434	5,282,481	5,841,680	6,258,685
Net Earnings	5,458,286	7,088,637	7,133,820	7,322,815
Contribution to Facilities Repair Reserve Fund	129,968	173,290	173,290	173,290
Contribution to Municipal Capital Reserve Fund	1,515,000	2,020,000	2,020,000	2,020,000
Net increase to Gas Capital Reserve Fund	3,671,510	4,895,347	4,940,530	5,129,525
Net Surplus	141,808	-	-	-

Exhibit A to Report Number 25-048 - Tab 4

Corporation of the City of Kingston Natural Gas Distribution Business Operating Budget Forecast

(Rounded to Nearest Thousand)

	Budget 2025	Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
Revenue					
Rates	12,776,000	13,382,000	13,716,000	13,922,000	14,270,000
Other	200,000	200,000	200,000	200,000	200,000
Rates and Other	<u>12,976,000</u>	<u>13,582,000</u>	<u>13,916,000</u>	<u>14,122,000</u>	<u>14,470,000</u>
Operating Expense					
Contracted Services	<u>5,842,000</u>	<u>6,259,000</u>	<u>6,415,000</u>	<u>6,575,000</u>	<u>6,740,000</u>
Net Earnings	7,134,000	7,323,000	7,500,000	7,546,000	7,729,000
Contribution to City of Kingston	<u>2,020,000</u>	<u>2,020,000</u>	<u>2,020,000</u>	<u>2,020,000</u>	<u>2,020,000</u>
Contribution to Gas Capital Reserve Fund	5,114,000	5,303,000	5,480,000	5,526,000	5,709,000
Contribution to Facilities Repair Fund	<u>173,000</u>	<u>173,000</u>	<u>173,000</u>	<u>173,000</u>	<u>173,000</u>
Net Contribution to Gas Capital Reserve Fund	<u><u>4,941,000</u></u>	<u><u>5,130,000</u></u>	<u><u>5,307,000</u></u>	<u><u>5,353,000</u></u>	<u><u>5,536,000</u></u>

**GAS CAPITAL BUDGET
2025 & 2026**



		Total 2025	Total 2026
Regulating Stations			
	Planning & Design	-	250,000
	Construction	-	-
	Equipment Upgrades or Replacement		
	Building Structure	25,000	20,000
	Building Fixtures	10,000	10,000
	Mechanical Equipment	110,000	100,000
	Electrical Equipment	35,000	20,000
		-	-
Pipes			
	Planning & Design	-	-
	Construction	3,225,000	1,900,000
	Appurtenance Upgrades or Replacement		
	Services	50,000	450,000
	Meters	2,273,000	3,000,000
	Pipe	400,000	200,000
	Valves	110,000	175,000
		-	-
General			
	Property		
	Land	-	-
	Office Building Improvements	-	-
	Business Systems		
	SCADA	100,000	110,000
	Business Systems City Transfers	321,460	388,625
	Business Systems UK	350,000	487,500
	Vehicles		
	New	25,000	-
	Upgrades	10,000	7,500
	Construction and Office Equipment		
	City Restoration Costs	250,000	240,000
	Office Equipment	17,500	5,000
	Tools, Locating Equipment, Radios	303,800	253,800
Total Budget		7,615,760	7,617,425
Total DC Funded		-	-
Total Rates Funded		7,615,760	7,617,425



**2025 and 2026 CAPITAL BUDGET PROPOSALS
GAS**

Total Capital Request for	2025	\$7,616,000
	2026	\$7,617,000
REGULATING STATIONS		
Budget Sub Total	2025	\$ 180,000
	2026	\$ 400,000

COMMENTS:

City Gate Station and the Railway St. regulating station are our two largest facilities with 7 smaller regulating stations in our gas distribution system. Our City Gate gas regulating station for the City of Kingston receives natural gas from the TC Energy Pipeline system and distributes it to our customers within our distribution territory (Central Kingston only). Natural Gas arrives at our City Gate Station in Glenburnie at a pressure of approximately 6200 kPa (900 psi). Here the pressure is reduced to between 2240 and 3100 kPa (325 – 450 psi) and a chemical (mercaptan) is added to give the gas its distinct odour. Pressure is then further reduced (Railway St) to 415 kPa (60 psi) at our district regulating stations before delivery to our customers premises.

- **Planning and Design: \$0 / \$250,000**

In 2026 we will initiate a condition assessment of the structure containing the Railway Street Regulating Station as it approaches it's end of life. This work is expected to result in the renewal of an existing asset through the design & planned the renewal/replacement of aging regulating building. Timing for work is estimated to begin in 2027 and be completed in 2028

- **Construction: \$0/\$0**

No construction work is contemplated at the regulating stations over the next two years

- **Equipment Upgrades: \$180,000 / \$150,000**

Budget allocations in this area cover capital expenditures related to repair and maintenance of facilities covering areas such as building structures, building fixtures,

2025 & 2026 PROPOSED CAPITAL BUDGET – GAS

generators, alarm system mechanical and electrical equipment. These maintenance and operational activities are part of our asset management activities intended to ensure the safe and reliable delivery of natural gas to our customers.

PIPE NETWORKS

Budget Sub Total	2025	\$5,785,000
	2026	\$5,725,000

COMMENTS:

This area of the budget covers the life cycle replacement and rehabilitation of the gas distribution linear (pipes) network. That network includes the gas mains located in the street and includes responsibility for the gas service lateral (from street to the building) up to the meter, some 259 kilometers of distribution pipe and 231 kilometers of gas service laterals. This also includes corrosion program to extend the life of the assets. Within this asset category an emphasis on the replacement of steel gas mains installed in the 1960's occurs due to asset management analysis.

- **Planning and Design: \$0 / \$0**

No planning and design work is forecasted for the next two years.

- **Construction: \$3,225,000/ \$1,900,000**

Condition assessment, leak history and life cycle planning assist in directing gas main replacement activity that form part of this budget area. In addition, new gas service installations for new customers complete the activities associated with pipe networks and construction. Over this two-year cycle gas main renewal will be focused on older steel gas mains that are aging in the following general areas of the city: Raglan, Kingscourt, Carleton, Howard, Smithfield and a service replacement at 945 Princess St. In 2025 we will perform an assessment on a section of the 65-year-old City line to extend life as part of asset management plan.

- **Equipment Upgrades: \$ 2,833,000 / \$3,825,000**

This budget area involves the following elements: Valve replacement and maintenance (1400 valves in the system), gas service upgrades/replacement, and meter replacement activity. To meet and address regulatory requirements for gas meters (15,868 meters in the system) we have implemented a program of meter replacements which are reflected in the proposed budgets for next two years. Meter replacement in 2025 & 2026 impacting

2025 & 2026 PROPOSED CAPITAL BUDGET – GAS

the meter budget with an average of 4,200 gas meters a year for the next 2 years. The gas meter replacement program, required to meet regulatory requirements, account for most of this budget area. Associated with the metering costs are one time initial deployment cost of establishing a new communication network to enable automated meter reads (Smart Meter 2.0 deployment) of \$844,000 which is part of the total budget.

GENERAL

Budget Sub Total	2025	\$1,378,000
	2026	\$1,492,000

COMMENTS:

This area of the budget covers capital expenditures related to Property, Business Systems, Equipment and Vehicles. For Property this includes land and facilities managed by Utilities Kingston (i.e., regulator stations such as Railway Street) and the gas utility’s portion of changes or improvements to the administration building, warehouse, or outdoor storage yards. Business Systems include IT services unique to the utilities environment (billing systems) and SCADA (Supervisory Control and Data Acquisition) both of which involve upgrades and replacement of equipment. The equipment relates to tools required by staff to perform work and office equipment. Vehicles cover only new additions to fleet.

- **Property: \$0 / \$0**

There are forecasted expenditures.

- **Business Systems: \$771,000 / \$986,000**

This budget area involves the following elements: supervisory control and data acquisition (SCADA), Utilities Kingston computer hardware and software and business systems such as the replacement to our customer information system (billing system). This area also includes transfer payments to the City of Kingston for information technology related items. SCADA systems continue to be a focus however Asset Management (software), IT hardware and GIS systems (software) are also included in the budget forecast.

- **Construction and Office Equipment: \$ 571,000/ \$499,000**

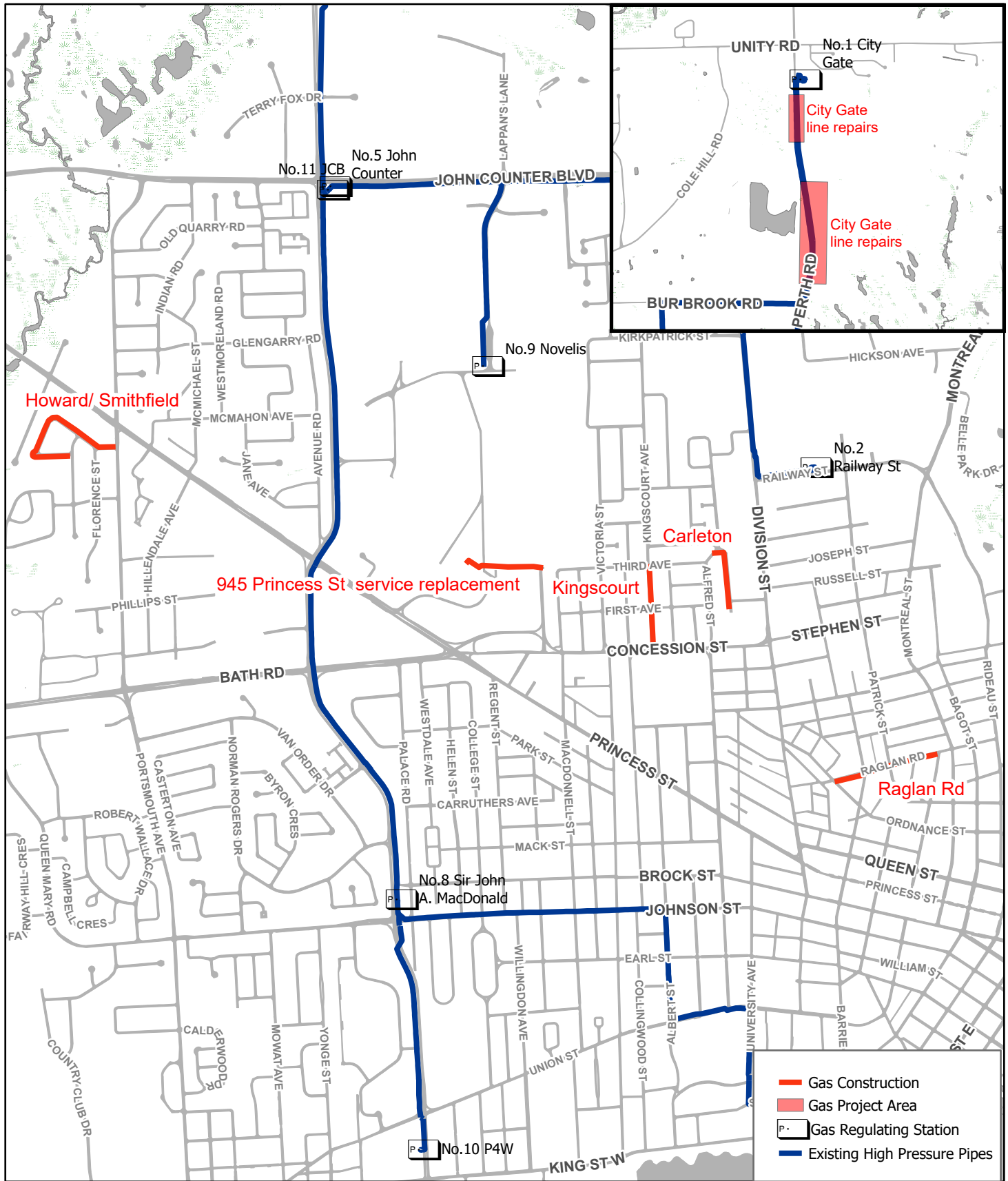
Activities in this are for specialized tools including replacement of monitoring equipment for working around gas mains, survey and GPS equipment and radios.

- **Vehicles: \$35,000 / \$7,500**

2025 & 2026 PROPOSED CAPITAL BUDGET – GAS

Page 4

This area of the budget covers new vehicle purchases as well as retrofitting or upgrading vehicles to serve changing needs. In 2025 a new four-by-four vehicle is required due to staff changes in responsibilities.

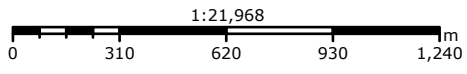


- Gas Construction
- Gas Project Area
- P Gas Regulating Station
- Existing High Pressure Pipes



Utilities Engineering - GIS

**Capital Budget Proposed Projects
2025-2026 Gas**



Revision: 2
Units: Meters
CRS: NAD 1983 UTM Zone 18N

Producer: stzaluski
Reviewer: J. Ingram
Created: 12/13/24
Modified: 12/13/2024

Utilities Kingston - 85 Lappan's Lane, Kingston, ON PO Box 790
 K7L 4X7 - Utilities_GIS@utilitieskingston.com - 613-546-0000
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 Source Provider: Utilities Kingston, City of Kingston



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2025	DC 2025	Total 2025	Rates 2026	DC 2026	Total 2026
Regulating Stations						
Planning & Design			-	250,000		250,000
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	25,000		25,000	20,000		20,000
Building Fixtures	10,000		10,000	10,000		10,000
Mechanical Equipment	110,000		110,000	100,000		100,000
Electrical Equipment	35,000		35,000	20,000		20,000
Pipes						
Planning & Design			-			-
Construction	3,225,000		3,225,000	1,900,000		1,900,000
Appurtenance Upgrades or Replacement						
Services	50,000		50,000	450,000		450,000
Meters	2,273,000		2,273,000	3,000,000		3,000,000
Pipe	400,000		400,000	200,000		200,000
Valves	110,000		110,000	175,000		175,000
General						
Property						
Land						-
Office Building Improvements						-
Business Systems						
SCADA	100,000		100,000	110,000		110,000
Business Systems City Transfers	321,460		321,460	388,625		388,625
Business Systems UK	350,000		350,000	487,500		487,500
Vehicles						
New	25,000		25,000			-
Upgrades	10,000		10,000	7,500		7,500
Construction and Office Equipment						
City Restoration Costs	250,000		250,000	240,000		240,000
Office Equipment	17,500		17,500	5,000		5,000
Tools, Locating Equipment, Radios	303,800		303,800	253,800		253,800
Total Budget	7,615,760		7,615,760	7,617,425		7,617,425



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2027	DC 2027	Total 2027	Rates 2028	DC 2028	Total 2028
Regulating Stations						
Planning & Design	5,000		5,000			-
Construction	385,000		385,000	375,000		375,000
Equipment Upgrades or Replacement						
Building Structure	10,000		10,000	15,000		15,000
Building Fixtures	10,000		10,000	15,000		15,000
Mechanical Equipment	40,000		40,000	25,000		25,000
Electrical Equipment	20,000		20,000	10,000		10,000
Pipes						
Planning & Design			-			-
Construction	2,785,000		2,785,000	2,810,000		2,810,000
Appurtenance Upgrades or Replacement						
Services	200,000		200,000	200,000		200,000
Meters	1,100,000		1,100,000	1,200,000		1,200,000
Pipe	200,000		200,000	225,000		225,000
Valves	175,000		175,000	200,000		200,000
General						
Property						
Land			-			-
Office Building Improvements			-			-
Business Systems						
SCADA	40,000		40,000	40,000		40,000
Business Systems City Transfers	390,000		390,000	390,000		390,000
Business Systems UK	1,280,000		1,280,000	1,130,000		1,130,000
Vehicles						
New			-			-
Upgrades			-			-
Construction and Office Equipment						
City Restoration Costs	220,000		220,000	220,000		220,000
Office Equipment	7,500		7,500			-
Tools, Locating Equipment, Radios	125,000		125,000	120,000		120,000
Total Budget	6,992,500		6,992,500	6,975,000		6,975,000



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2029	DC 2029	Total 2029	Rates 2030	DC 2030	Total 2030
Regulating Stations						
Planning & Design			-			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	15,000		15,000	10,000		10,000
Building Fixtures	15,000		15,000	10,000		10,000
Mechanical Equipment	10,000		10,000	30,000		30,000
Electrical Equipment	10,000		10,000	30,000		30,000
Pipes						
Planning & Design	-		-			-
Construction	3,175,000		3,175,000	2,975,000		2,975,000
Appurtenance Upgrades or Replacement						
Services	150,000		150,000	250,000		250,000
Meters	1,200,000		1,200,000	1,200,000		1,200,000
Pipe	200,000		200,000	200,000		200,000
Valves	300,000		300,000	300,000		300,000
General						
Property						
Land			-	20,000		20,000
Office Building Improvements			-	20,000		20,000
Business Systems						
SCADA	10,400		10,400	10,400		10,400
Business Systems City Transfers	200,000		200,000	200,000		200,000
Business Systems UK	250,000		250,000	255,000		255,000
Vehicles						
New			-			-
Upgrades			-			-
Construction and Office Equipment						
City Restoration Costs	210,000		210,000	200,000		200,000
Office Equipment			-			-
Tools, Locating Equipment, Radios	120,000		120,000	125,000		125,000
Total Budget	5,865,400		5,865,400	5,835,400		5,835,400



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2031	DC 2031	Total 2031	Rates 2032	DC 2032	Total 2032
Regulating Stations						
Planning & Design			-			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	10,000		10,000			-
Building Fixtures	10,000		10,000	15,000		15,000
Mechanical Equipment	75,000		75,000	270,000		270,000
Electrical Equipment	30,000		30,000	15,000		15,000
Pipes						
Planning & Design			-			-
Construction	2,975,000		2,975,000	2,975,000		2,975,000
Appurtenance Upgrades or Replacement						
Services	250,000		250,000	250,000		250,000
Meters	1,225,000		1,225,000	1,100,000		1,100,000
Pipe	225,000		225,000	200,000		200,000
Valves	275,000		275,000	250,000		250,000
General						
Property						
Land			-			-
Office Building Improvements			-			-
Business Systems						
SCADA	10,600		10,600	10,600		10,600
Business Systems City Transfers	221,970		221,970	221,000		221,000
Business Systems UK	260,100		260,100	260,000		260,000
Vehicles						
New			-			-
Upgrades			-			-
Construction and Office Equipment						
City Restoration Costs	200,000		200,000	180,000		180,000
Office Equipment			-	10,000		10,000
Tools, Locating Equipment, Radios	125,000		125,000	100,000		100,000
Total Budget	5,892,670		5,892,670	5,856,600		5,856,600



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2033	DC 2033	Total 2033	Rates 2034	DC 2034	Total 2034
Regulating Stations						
Planning & Design	45,000		45,000			-
Construction			-			-
Equipment Upgrades or Replacement						
Building Structure	5,000		5,000	20,000		20,000
Building Fixtures	5,000		5,000	5,125		5,125
Mechanical Equipment	450,000		450,000	25,000		25,000
Electrical Equipment	5,000		5,000	10,000		10,000
Pipes						
Planning & Design			-			-
Construction	2,975,000		2,975,000	3,035,000		3,035,000
Appurtenance Upgrades or Replacement						
Services	170,000		170,000	250,000		250,000
Meters	1,200,000		1,200,000	1,224,000		1,224,000
Pipe	200,000		200,000	225,000		225,000
Valves	250,000		250,000	275,000		275,000
General						
Property						
Land			-	10,000		10,000
Office Building Improvements			-	20,000		20,000
Business Systems						
SCADA	10,600		10,600	10,600		10,600
Business Systems City Transfers	221,000		221,000	225,000		225,000
Business Systems UK	260,000		260,000	265,200		265,200
Vehicles						
New			-			-
Upgrades			-			-
Construction and Office Equipment						
City Restoration Costs	150,000		150,000	150,000		150,000
Office Equipment			-			-
Tools, Locating Equipment, Radios	90,000		90,000	100,000		100,000
Total Budget	6,036,600		6,036,600	5,849,925		5,849,925



GAS - 15 YEAR CAPITAL BUDGET

	Rates 2035	DC 2035	Total 2035	Rates 2036	DC 2036	Total 2036
Regulating Stations						
Planning & Design			-			-
Construction	245,000		245,000			-
Equipment Upgrades or Replacement						
Building Structure	15,000		15,000	15,375		15,375
Building Fixtures	5,200		5,200	5,330		5,330
Mechanical Equipment	20,000		20,000	25,000		25,000
Electrical Equipment	10,250		10,250	10,506		10,506
Pipes						
Planning & Design	50,000		50,000			-
Construction	3,010,000		3,010,000	3,110,000		3,110,000
Appurtenance Upgrades or Replacement						
Services	200,000		200,000	150,000		150,000
Meters	1,235,000		1,235,000	1,248,000		1,248,000
Pipe	225,000		225,000	250,000		250,000
Valves	275,000		275,000	300,000		300,000
General						
Property						
Land			-			-
Office Building Improvements			-			-
Business Systems						
SCADA	10,800		10,800	10,800		10,800
Business Systems City Transfers	225,000		225,000	242,900		242,900
Business Systems UK	260,000		260,000	270,000		270,000
Vehicles						
New			-			-
Upgrades			-			-
Construction and Office Equipment						
City Restoration Costs	150,000		150,000	150,000		150,000
Office Equipment			-			-
Tools, Locating Equipment, Radios	100,000		100,000	100,000		100,000
Total Budget	6,036,250		6,036,250	5,887,911		5,887,911



GAS - 15 YEAR CAPITAL BUDGET

		Rates 2037	DC 2037	Total 2037	Rates 2038	DC 2038	Total 2038
Regulating Stations							
	Planning & Design			-	50,000		50,000
	Construction			-			-
	Equipment Upgrades or Replacement						
	Building Structure	10,000		10,000	10,250		10,250
	Building Fixtures	10,000		10,000	10,250		10,250
	Mechanical Equipment	10,000		10,000	10,250		10,250
	Electrical Equipment	10,000		10,000	10,250		10,250
Pipes							
	Planning & Design	-		-			-
	Construction	3,140,000		3,140,000	3,142,000		3,142,000
	Appurtenance Upgrades or Replacement						
	Services	150,000		150,000	150,000		150,000
	Meters	1,279,000		1,279,000	1,300,000		1,300,000
	Pipe	250,000		250,000	250,000		250,000
	Valves	300,000		300,000	300,000		300,000
General							
	Property						
	Land			-			-
	Office Building Improvements			-			-
	Business Systems						
	SCADA	10,800		10,800	10,800		10,800
	Business Systems City Transfers	247,000		247,000	252,000		252,000
	Business Systems UK	276,000		276,000	280,000		280,000
	Vehicles						
	New			-			-
	Upgrades			-			-
	Construction and Office Equipment						
	City Restoration Costs	150,000		150,000	150,000		150,000
	Office Equipment			-			-
	Tools, Locating Equipment, Radios	100,000		100,000	100,000		100,000
Total Budget		5,942,800		5,942,800	6,025,800		6,025,800



GAS - 15 YEAR CAPITAL BUDGET

		Rates 2039	DC 2039	Total 2039
Regulating Stations				
	Planning & Design			-
	Construction			-
	Equipment Upgrades or Replacement			
	Building Structure	25,000		25,000
	Building Fixtures	25,000		25,000
	Mechanical Equipment	30,000		30,000
	Electrical Equipment	25,000		25,000
Pipes				
	Planning & Design			-
	Construction	3,093,000		3,093,000
	Appurtenance Upgrades or Replacement			
	Services	150,000		150,000
	Meters	1,330,000		1,330,000
	Pipe	225,000		225,000
	Valves	300,000		300,000
General				
	Property			
	Land			-
	Office Building Improvements			-
	Business Systems			
	SCADA	11,000		11,000
	Business Systems City Transfers	255,000		255,000
	Business Systems UK	280,000		280,000
	Vehicles			
	New			-
	Upgrades			-
	Construction and Office Equipment			
	City Restoration Costs	200,000		200,000
	Office Equipment			-
	Tools, Locating Equipment, Radios	100,000		100,000
Total Budget		6,049,000		6,049,000

Exhibit A to Report Number 25-048 - Tab 4

**City of Kingston
Gas Reserve Fund
Year End Projections 2023-2037**

Municipal Utility	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Opening Balance - January 1	6,233,664	3,552,782	3,334,804	1,968,543	1,718,485	1,536,163	2,118,003	2,718,049	3,117,655	3,455,136	3,700,118	4,116,715	4,339,729	4,688,287	4,969,006	5,192,572
Contributions:																
General Fund	4,895,710	4,941,210	5,130,210	5,308,297	5,354,011	5,537,693	5,725,968	5,699,546	5,967,195	6,166,207	6,370,195	6,339,458	6,630,116	6,845,698	6,971,471	7,177,568
Interest	144,627	101,787	78,375	54,488	48,098	54,002	71,469	86,242	97,135	105,743	115,520	124,972	133,419	142,719	150,171	153,881
Drawdowns:																
Capital Expenditures	7,357,700	7,615,760	5,117,425	4,492,500	4,975,000	3,865,400	4,435,400	4,492,670	4,856,600	5,036,600	4,849,925	5,036,250	5,137,911	5,442,800	5,525,800	6,049,000
Cash Flow Adjustments	(6,985,864)	(5,840,650)	(4,383,230)	(3,550,292)	(3,410,117)	(2,910,207)	(2,938,243)	(2,972,365)	(3,131,586)	(3,267,274)	(3,246,880)	(3,313,252)	(3,380,465)	(3,529,306)	(3,622,042)	(3,868,417)
Prior Year Approvals	7,349,383	6,985,864	5,840,650	4,383,230	3,550,292	3,410,117	2,910,207	2,938,243	2,972,365	3,131,586	3,267,274	3,246,880	3,313,252	3,380,465	3,529,306	3,622,042
less approved prior year debt not yet issued	-	3,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Principal and Interest - Issued Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Principal and interest - approved - not yet issued	-	-	-	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592	254,592
- Principal and interest - planned - not yet issued	-	-	-	-	181,852	363,703	509,185	654,666	756,503	858,340	931,080	1,003,821	1,076,562	1,149,302	1,203,858	1,240,228
Short term Interest	-	-	-	32,813	32,813	26,250	26,250	18,375	18,375	13,125	13,125	13,125	13,125	9,844	6,563	6,563
	7,721,219	5,260,975	6,574,845	5,612,843	5,584,432	5,009,856	5,197,391	5,386,181	5,726,849	6,026,969	6,069,117	6,241,416	6,414,977	6,707,698	6,898,076	7,304,008
Closing Balance - December 31	3,552,782	3,334,804	1,968,543	1,718,485	1,536,163	2,118,003	2,718,049	3,117,655	3,455,136	3,700,118	4,116,715	4,339,729	4,688,287	4,969,006	5,192,572	5,220,011
PAYG	7,357,700	7,615,760	5,117,425	4,492,500	4,975,000	3,865,400	4,435,400	4,492,670	4,856,600	5,036,600	4,849,925	5,036,250	5,137,911	5,442,800	5,525,800	6,049,000
New Debt - Issued	-	3,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Debt - Approved, not yet issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Debt - Planned, Not Yet Issued	5.3%	-	2,500,000	2,500,000	2,000,000	2,000,000	1,400,000	1,400,000	1,000,000	1,000,000	1,000,000	1,000,000	750,000	500,000	500,000	-
Total Capital Budget	7,357,700	7,615,760	7,617,425	6,992,500	6,975,000	5,865,400	5,835,400	5,892,670	5,856,600	6,036,600	5,849,925	6,036,250	5,887,911	5,942,800	6,025,800	6,049,000
Inflation																
Inflation	3.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Increases	5.00%	7.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Revenue	12,171,000	12,775,500	13,381,500	13,716,038	13,922,113	14,270,165	14,626,920	14,773,189	15,217,847	15,598,293	15,988,251	16,148,133	16,634,176	17,050,030	17,476,281	17,913,188
Other Revenue	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	125,000	125,000
Operating Expenses	5,282,000	5,841,000	6,258,000	6,414,450	6,574,811	6,739,182	6,907,661	7,080,353	7,257,361	7,438,795	7,624,765	7,815,384	8,010,769	8,211,038	8,416,314	8,626,722
Contribution to City General Fund - Dividend	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,040,200	2,060,602
Contribution to Facilities Repair fund	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,290	173,294	173,295	173,296
TOTAL	4,895,710	4,941,210	5,130,210	5,308,297	5,354,011	5,537,693	5,725,968	5,699,546	5,967,195	6,166,207	6,370,195	6,339,458	6,630,116	6,845,698	6,971,471	7,177,568



Appliance Rental Business Budget Summary

(Rounded to Nearest Thousand)

	2025	2026
Total Revenue	\$ 3,989,000	\$ 4,128,000
Less: Operating Expenses	\$ 892,000	\$ 884,000
Net Earnings	\$ 3,097,000	\$ 3,244,000
Less: Contribution to Environmental Reserve Fund	\$ 490,000	\$ 500,000
Less: Contribution to Municipal Capital Reserve Fund	\$ 981,000	\$ 1,000,000
Net Contribution to Appliance Rental Reserve Fund	\$ 1,626,000	\$ 1,744,000
Two-year Capital Budget (2025-2026)	\$ 1,505,000	\$ 1,685,000
Total Capital Budget (2025-2026)		\$ 3,190,000

Exhibit A to Report Number 25-048 - Tab 5

Corporation of the City of Kingston Appliance Rental Business 2025-2026 Budget Revenue and Expenditures

	Actuals as of 30-Sep-24	Budget 2024	Budget 2025	Budget 2026
Revenue				
Rental Revenue	2,878,928	3,689,000	3,969,000	4,108,000
Other Revenue	36,443	20,000	20,000	20,000
Total Revenue	<u>2,915,371</u>	<u>3,709,000</u>	<u>3,989,000</u>	<u>4,128,000</u>
Operating Expenses (Contracted Services)				
	<u>519,326</u>	<u>823,967</u>	<u>892,410</u>	<u>883,769</u>
Net Earnings	2,396,045	2,885,033	3,096,590	3,244,231
Contribution to Environment Reserve Fund	360,629	480,839	490,389	500,130
Contribution to Municipal Capital Reserve Fund	721,259	961,678	980,778	1,000,260
Contribution to Appliance Rental Reserve Fund	<u>1,081,500</u>	<u>1,442,516</u>	<u>1,625,423</u>	<u>1,743,841</u>
Net Surplus	<u><u>232,657</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Exhibit A to Report Number 25-048 - Tab 5

Corporation of the City of Kingston Appliance Rental Business Operating Budget Forecast

(Rounded to Nearest Thousand)

	Budget 2025	Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
Revenue					
Rates	3,969,000	4,108,000	4,252,000	4,401,000	4,555,000
Other	20,000	20,000	20,000	20,000	20,000
Rates and Other	3,989,000	4,128,000	4,272,000	4,421,000	4,575,000
Operating Expense					
Contracted Services	892,000	884,000	906,000	929,000	952,000
Net Earnings	3,097,000	3,244,000	3,366,000	3,492,000	3,623,000
Contribution to Environmental Reserve Fund	490,000	500,000	505,000	510,000	515,000
Contribution to Municipal Capital Reserve Fund	981,000	1,000,000	1,010,000	1,020,000	1,031,000
Contribution to Appliance Rental Reserve Fund	1,626,000	1,744,000	1,851,000	1,962,000	2,077,000
	3,097,000	3,244,000	3,366,000	3,492,000	3,623,000

Exhibit A to Report Number 25-048 - Tab 5

HOT WATER TANK RENTAL BUDGETS - 2025 and 2026



		Total 2025	Total 2026
Appliance Rental			
	Hot Water Tank Rental	\$ 1,505,000.00	\$ 1,685,000.00
Total Budget		\$ 1,505,000.00	\$ 1,685,000.00



2025-2026 CAPITAL BUDGET PROPOSALS
Appliance rentals – Hot Water Tanks

Total Capital Request for	2025	\$1,505,000
	2026	\$1,685,000

COMMENTS:

Budget allocations for the appliance rental program for hot water tanks (HWT) covers the acquisition of HWT for new customers, the replacement of failed or end of life HWT and the associated labour to install new or replacement tanks for customers.

Gas Appliance Rental – 15 Year Capital Budget

Water Heater Rentals Budget	
Total 2025 Budget (rates)	\$ 1,505,000.00
Total 2026 Budget (rates)	\$ 1,685,000.00
Total 2027 Budget (rates)	\$ 1,996,000.00
Total 2028 Budget (rates)	\$ 2,085,000.00
Total 2029 Budget (rates)	\$ 2,179,000.00
Total 2030 Budget (rates)	\$ 2,277,000.00
Total 2031 Budget (rates)	\$ 2,380,000.00
Total 2032 Budget (rates)	\$ 2,487,000.00
Total 2033 Budget (rates)	\$ 2,599,000.00
Total 2034 Budget (rates)	\$ 2,716,000.00
Total 2035 Budget (rates)	\$ 2,838,000.00
Total 2036 Budget (rates)	\$ 2,966,000.00
Total 2037 Budget (rates)	\$ 3,099,000.00
Total 2038 Budget (rates)	\$ 3,238,000.00
Total 2039 Budget (rates)	\$ 3,384,000.00
TOTAL	\$ 37,434,000.00

Exhibit A to Report Number 25-048 - Tab 5

**City of Kingston
Appliance Rentals Reserve Fund
Year End Projections 2023-2037**

Municipal Utility	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
Opening Balance - January 1	570,563	671,414	813,786	897,688	776,943	675,101	592,002	528,479	485,372	464,547	465,878	491,247	542,576	619,795	723,829	856,627
Contributions:																
General Fund	3,125,014	3,096,590	3,244,000	3,365,900	3,492,248	3,623,029	3,758,229	3,898,835	4,044,831	4,195,202	4,351,932	4,515,005	4,683,405	4,857,115	5,038,118	5,225,396
Previous Years Surplus from General																
	3,125,014	3,096,590	3,244,000	3,365,900	3,492,248	3,623,029	3,758,229	3,898,835	4,044,831	4,195,202	4,351,932	4,515,005	4,683,405	4,857,115	5,038,118	5,225,396
Interest	18,354	21,949	25,293	24,748	21,459	18,726	16,559	14,983	14,038	13,750	14,145	15,278	17,178	19,857	23,356	27,706
Drawdowns:																
Capital Expenditures	1,600,000	1,505,000	1,685,000	1,996,000	2,085,000	2,179,000	2,277,000	2,380,000	2,487,000	2,599,000	2,716,000	2,838,000	2,966,000	3,099,000	3,238,000	3,384,000
Prior Year Approvals																
Transfers to Environment Reserve	480,839	490,389	500,130	505,131	510,183	515,284	520,437	525,642	530,898	536,207	541,569	546,985	552,455	557,979	563,559	569,195
Transfers to MCRF	961,678	980,778	1,000,260	1,010,263	1,020,365	1,030,569	1,040,875	1,051,283	1,061,796	1,072,414	1,083,138	1,093,970	1,104,909	1,115,958	1,127,118	1,138,389
	3,042,517	2,976,167	3,185,390	3,511,394	3,615,548	3,724,853	3,838,312	3,956,925	4,079,694	4,207,621	4,340,707	4,478,954	4,623,364	4,772,938	4,928,677	5,091,584
Closing Balance - December 31	671,414	813,786	897,688	776,943	675,101	592,002	528,479	485,372	464,547	465,878	491,247	542,576	619,795	723,829	856,627	1,018,145
PAYG																
Total Capital Budget	1,600,000	1,505,000	1,685,000	1,996,000	2,085,000	2,179,000	2,277,000	2,380,000	2,487,000	2,599,000	2,716,000	2,838,000	2,966,000	3,099,000	3,238,000	3,384,000
Inflation																
	(0)	0	0	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Revenue	3,838,571	3,969,000	4,108,000	4,252,000	4,401,000	4,555,000	4,714,000	4,879,000	5,050,000	5,226,000	5,409,000	5,599,000	5,795,000	5,997,000	6,207,000	6,424,000
Other Revenue	36,443	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Operating Expenses	750,000	892,410	884,000	906,100	928,753	951,971	975,771	1,000,165	1,025,169	1,050,798	1,077,068	1,103,995	1,131,595	1,159,885	1,188,882	1,218,604
TOTAL	3,125,014	3,096,590	3,244,000	3,365,900	3,492,248	3,623,029	3,758,229	3,898,835	4,044,831	4,195,202	4,351,932	4,515,005	4,683,405	4,857,115	5,038,118	5,225,396