

TOWN OF LUNENBURG WATER UTILITY
2024/25 BUDGET
(Approved May 14, 2024)

INDEX

	<u>Page #</u>
➤ Operating Budget	1-3
➤ Notes	4-6

		Water Utility Operating Budget			
	Notes		2024/25	2023/24	2022/23
ACCOUNT #		Description	Budget	Budget	Actual
		Revenue			
		<u>Operating Revenues</u>			
05-1-12-0100	1	Metered Commercial Sales	\$ 636,500	\$ 628,400	\$ 538,643
05-1-21-0100	1	Flat Rate Sales - Residential	754,600	720,000	687,527
05-1-31-0100	2	Public Fire Protection	328,900	329,000	330,336
05-1-33-0100		Private Fire Protection	1,000	1,000	1,000
05-1-40-0100		Sprinkler Accounts	7,400	7,000	7,000
05-1-60-0100	3	Consumer Interest Charges	4,500	4,500	4,340
05-1-71-0100		Connection Charges	6,000	6,000	5,280
05-1-72-0100	4	Armouries Rent	1,200	1,200	1,200
		Total Operating Revenues	1,740,100	1,697,100	1,575,326
		<u>Non-Operating Revenues</u>			
05-1-81-0100		Jobbing and Contract	500	500	-
05-1-82-1000		Interest Earned	10,000	10,000	14,539
05-1-85-0100	5	Grants For The Prov - HST Offset	8,500	10,500	10,546
05-1-89-0100		Other Transfers from Reserves	-	-	-
		Total Non-Operating Revenues	19,000	21,000	25,085
		Total Revenues	\$ 1,759,100	\$ 1,718,100	\$ 1,600,411
		Expenditures			
		<u>Source of Supply</u>			
		<u>Supervision and Engineering</u>			
05-2-11-0100	6	Portion of Engineers Salary	\$ 13,500	\$ 17,900	\$ 10,002
05-2-11-0300	7	Department of Environment - License	1,000	1,000	946
05-2-11-0400	8	Water Withdrawal Study (EVERY 10 YEARS, last May 2022)	-	-	46,490
		<u>Operation Labour</u>			
05-2-12-0201	11	WRO Labour	11,000	16,300	11,350
		<u>Maintenance of Plant - Intakes (Pump House)</u>			
05-2-14-2100		Diver - Intake	4,000	4,000	3,316
05-2-14-2200		Repairs to Intake Screens/Building	4,000	4,000	3,313
		Department Total	\$ 33,500	\$ 43,200	\$ 75,417
		<u>Pumping</u>			
		<u>Supervision and Engineering</u>			
05-2-21-0100	6	Portion of Engineers Salary	\$ 13,500	\$ 17,900	\$ 10,002
		<u>Operation Labour</u>			
05-2-22-0201	11	WRO Labour	3,200	14,000	2,539
		<u>Power Purchased</u>			
05-2-24-0100		Power Purchased - NSPI	30,000	27,000	29,381
		<u>Maintenance of Plant</u>			
05-2-25-1200		Security phone line - Pumphouse	300	300	222
05-2-25-1300		Materials/Repairs to Building - Pumphouse	5,000	8,000	40,211
		<u>Maintenance of Pumping Equipment</u>			
05-2-25-2100		Repairs to Pumps	4,000	4,000	2,110
		Department Total	\$ 56,000	\$ 71,200	\$ 84,465
		<u>Water Treatment</u>			
		<u>Supervision and Engineering</u>			
05-2-31-0100	6	Portion of Engineers Salary	\$ 13,500	\$ 17,900	\$ 10,002
05-2-31-0400	9	Training - Supervisors & WROs	5,500	5,500	1,785
05-2-31-0410	10	Clothing - WRO	1,500	1,500	288
		<u>Operation Labour</u>			
05-2-32-0200	11	Water Resource Operators Labour	114,200	89,300	90,414
05-2-32-0210	11	Water Resource Operators Benefits	30,000	26,100	24,802
		<u>Operation Supplies and Expense</u>			
		<u>Chemical and Additives</u>			
05-2-33-1500	12	WTP - Chemicals	110,000	85,000	68,242
		<u>Supplies & Expenses</u>			
05-2-33-9100		Supplies and Small Tools	6,500	6,500	4,353
05-2-33-9200	13	Water Testing	16,000	16,000	18,438
05-2-33-9300	14	Water Testing - WRO Labour	23,600	31,100	18,408
05-2-33-9500	15	WTP - Spare/Replacement Parts	11,000	10,000	13,120
05-2-33-9520		WTP - Laboratory Materials	2,000	2,000	881
05-2-34-0600		NSPI - Treatment Plant	67,000	65,000	57,536
05-2-34-0700		Telephone Line/SCADA System/Security	5,400	5,400	5,257
		<u>Maintenance of Plant</u>			
05-2-34-0500		WTP - Repairs & Maintenance	25,000	25,000	22,122
		Department Total	\$ 431,200	\$ 386,300	\$ 335,648

		Water Utility Operating Budget			
	Notes		2024/25	2023/24	2022/23
ACCOUNT #		Description	Budget	Budget	Actual
		<i>Transmission and Distribution</i>			
		<i>Supervision and Engineering</i>			
05-2-41-0100	6	Portion of Engineers Salary	\$ 49,500	\$ 65,600	\$ 40,368
05-2-41-0200		Drafting/Filing Labour	2,000	2,300	860
		<i>Operation Labour</i>			
		<i>Operation Labour - Mains</i>			
05-2-43-1100	16	Public Works Dept. - Labour	15,000	15,000	13,529
		<i>Maintenance of Plant</i>			
		<i>Maint. of Plant Reservoirs</i>			
05-2-44-1100	17	Standpipe (Garden Lots)	3,000	3,000	8,240
05-2-44-1300		Electricity/SCADA/Standpipe	1,900	1,900	1,320
05-2-44-1350	17	WTP Plant Standpipe (Northwest)	3,000	3,000	-
05-2-44-1400	18	Telephone Line/SCADA System	1,000	1,000	852
		<i>Maint. of Plant - Mains</i>			
05-2-44-3100		Materials - Mains	7,000	7,000	6,379
05-2-44-3200	19	Equip Rental (Town) - Mains & Services	25,000	25,000	26,057
05-2-44-3295	20	Water Leak Investigations	3,000	3,000	-
05-2-44-3300	21	Fire Flow Testing (COMPLETED IN 2016/17)	2,000	5,500	-
		<i>Maint. Services/Meters/Hydants</i>			
05-2-44-9100		Materials	20,700	20,700	21,824
05-2-44-9300	16	P.W. Labour	20,000	20,000	11,352
05-2-44-9400		Advertising - Notices, etc.	1,000	1,000	817
		<i>STORES (STOCK) EXPENSES</i>			
05-2-46-0100		Fuel - Heat	18,000	15,600	16,615
05-2-46-0200		Electricity - Lights	5,800	5,600	5,133
05-2-46-0225		Water	600	600	451
05-2-46-0250	22	Sewer Charge	1,600	1,500	1,353
05-2-46-0301	23	Repairs & Supplies	15,000	10,200	34,922
05-2-46-0302		Janitorial	3,700	3,700	3,510
05-2-46-0303		Security	500	300	164
05-2-46-0400		In House Labour/Armouries	15,000	15,000	15,000
05-2-46-0500		Telephone/Cell Phones/Internet	6,000	6,000	5,803
		<i>TRANSPORTATION - VEHICLES</i>			
05-2-47-0100		Gas- Vehicles	5,000	5,000	3,562
05-2-47-0203		Repairs/Maintenance - 2017 GMC	3,000	3,000	7,604
05-2-47-0202		Repairs/Maintenance - 2013 GMC	3,000	3,000	3,775
05-2-47-0350		Car Allowance - Engineers	1,200	1,200	1,084
05-2-47-0400		Radio License/Repairs	600	600	634
		DEPARTMENT TOTAL	\$ 233,100	\$ 245,300	\$ 231,208
		<i>ADMINISTRATION AND GENERAL</i>			
	24	<i>ACCOUNTING AND COLLECTING</i>			
		<i>ACCOUNTING SUPERVISION</i>			
05-2-51-1100		Portion of Finance Director	\$ 23,800	\$ 22,500	\$ 38,400
		<i>ACCOUNTING METER READINGS</i>			
05-2-51-2100		Meter Reading Salary/Expenses	5,500	4,700	5,260
		<i>ACCOUNTING BILLING</i>			
05-2-51-3100		Portion Bookkeeping Salaries	67,300	57,000	28,900
05-2-51-3200		Supplies - Billing & Collection	4,000	3,000	1,839
05-2-51-3210		Computer Maintenance	18,000	15,000	17,701
		<i>ACCOUNTING COLLECTION</i>			
05-2-51-4100		Portion of Cashier Salaries	14,200	13,200	14,000
		<i>ACCOUNTING - UNCOLLECTIBLE ACCTS.</i>			
05-2-51-5100		Provision - Uncollectible Accts.	3,000	3,000	(1,161)
		<i>SALARIES - OFFICERS & EXECUTIVES</i>			
05-2-52-1200		Portion Council Honorariums	37,100	34,900	26,988
05-2-52-1300		Portion Staff Salaries	57,300	52,200	65,400
		<i>SALARIES - OTHER</i>			
05-2-52-9100		Portion Office Staff Salaries	86,600	93,415	58,101
05-2-52-9200		Employment Benefits	83,600	88,100	71,067
		<i>GENERAL OFFICE EXPENSE</i>			
		<i>GENERAL OFFICERS EXPENSE</i>			
05-2-53-1200	25	Training, Conferences & Memberships	5,000	10,000	5,593
05-2-53-1201	26	Council Training & Conferences	3,800	5,700	2,291
05-2-53-1400		Bank Charges	2,000	2,000	1,150
		<i>GENERAL OFFICE EXPENSE</i>			
05-2-53-3100		Misc. Supplies - Office	5,000	5,000	5,136
05-2-53-3150	27	Furniture & Equipment	15,000	15,000	3,195

Water Utility Operating Budget					
ACCOUNT #	Notes	Description	2024/25 Budget	2023/24 Budget	2022/23 Actual
		<u>PROFESSIONAL FEES</u>			
05-2-54-1100		Auditor Fees	6,300	6,300	6,255
05-2-54-1200	28	Consultant Fees - Water Rate Study	10,000	-	9,951
05-2-54-1250		Engineer Consulting Services	7,500	7,500	5,964
05-2-54-2100		Legal Fees	7,500	7,500	5,498
05-2-54-2150		Communications	7,800	7,985	5,661
05-2-54-2200		Payroll Administration	1,300	1,300	1,300
		<u>REGULATORY EXPENSES</u>			
05-2-55-0100	29	NSURB Fee	1,800	1,800	1,690
		<u>INSURANCE</u>			
05-2-56-0100		Fire & Auto Liability	41,000	38,500	32,080
		<u>RENT OF GENERAL PROPERTY</u>			
05-2-57-0100		Rent - Town Office Use	2,100	2,100	2,100
05-2-57-0200	30	Rent - Victoria Road Building	2,200	2,200	2,200
		DEPARTMENT TOTAL	\$ 518,700	\$ 499,900	\$ 416,563
		<u>DEPRECIATION</u>			
05-2-60-0100	31	Depreciation Expense	\$ 308,300	\$ 293,300	\$ 293,195
		DEPARTMENT TOTAL	\$ 308,300	\$ 293,300	\$ 293,195
		<u>TAXES</u>			
05-2-70-0200	32	Property Taxes	\$ 43,500	\$ 43,500	\$ 43,479
		DEPARTMENT TOTAL	\$ 43,500	\$ 43,500	\$ 43,479
		<u>NON-OPERATING EXPENSES</u>			
05-2-90-0200		Interest on Customer Deposits	-	-	30
		<u>REDEMPTION LONG-TERM DEBT</u>			
05-2-91-0100	33	Principal Installments	40,750	40,750	40,750
		<u>INTEREST ON LONG-TERM DEBT</u>			
05-2-92-0100	32	Interest	13,050	14,650	15,547
		<u>CAPITAL EXPENDITURE FROM REVENUE</u>			
05-2-99-0050		Capital Reserves - Future Capital	-	-	-
		<u>OTHER NON-OPERATING EXPENSES</u>			
05-2-99-0020	34	Transfer to Capital Reserve - Land	5,000	5,000	38,500
05-2-99-0010	34	WTP - Membrane Replacement Reserve	26,000	25,000	-
05-2-99-0060		Dividend	50,000	50,000	25,000
05-2-99-0100		Surplus (Deficit)	-	-	609
		DEPARTMENT TOTAL	\$ 134,800	\$ 135,400	\$ 120,436
		TOTAL EXPENDITURES	\$ 1,759,100	\$ 1,718,100	\$ 1,600,411
		Budget Change	\$ 41,000		
			2.4%		

NOTES TO WATER UTILITY BUDGET

Revenue

1. The Nova Scotia Utility and Review board approved changes to the Town of Lunenburg Schedule of Rates and Regulations for the Water Utility in 2022 the first increase was January 1, 2023, the second increase was April 1, 2023, and the third increase will happen on April 1, 2024. The budget has been prepared using the April 1, 2024 rates.

Water Statistics:

	<i>Budget 2024/25</i>	<i>Budget 2023/24</i>
Residential Connections	1,211	1,211
Metered Commercial Accounts	197	197

2. **#05-1-31-0100 Public Fire Protection**

This is a rate approved by the NSURB to cover fire flows in the Town and is charged to the Lunenburg Fire Department.

3. **#05-1-60-0100 Consumer Interest Charges**

Interest is charged on all overdue accounts at a rate of 1.5 % per month.

4. **#05-1-72-0100 Armouries Rent**

The Water Utility charges the Town a rental fee for its use of the Armouries building.

5. **#05-1-85-0100 Provincial Grant – HST Offset**

The Water Utility receives a grant from the province to offset the cost of HST (only 57.14% of the Provincial component of the HST is received back as a rebate).

Expenditures

The Water Treatment Plant has been in operation since June 2010. This budget reflects the costs estimated in operating the plant based on actual experience.

6. **#05-2-11-0100; #05-2-21-0100; #05-2-31-0100; #05-2-41-0100 Engineer’s Salary**

A portion of the Town’s Engineering staff salaries are charged out to the Water Utility based on estimate of actual time spent. The estimates are reviewed annually.

7. **#05-2-11-0300 Department of Environment License**

The Utility is required to obtain a license to draw water from Dares Lake.

8. **#05-2-11-0400 Water Withdrawal Study**

As part of the water withdrawal licensing permit process, a water withdrawal study was undertaken in fiscal 21-22 and will not be required to be undertaken again until 2032.

9. **#05-2-31-0400 Training**

Water Certification training for Water Resource Operators and supervisors.

10. **#05-2-31-0410 Clothing**

Estimate for work boots, coveralls, etc. as per union contract.

11. **Water Resource Operators Salary and Benefits**

The Water Resource Operator complement of staff is 2.0 FTE for the Water Utility.

12. **#05-2-33-1500 Chemicals**

Chemical costs are estimated based on the operational requirements of the Water Treatment Plant.

13. #05-2-33-9200 Water Testing

The budget has been prepared based on requirements mandated by the Department of Environment. This includes weekly sampling and quarterly testing requirements.

14. #05-2-33-9300 Water Testing – WRO Labour

WRO labour required for taking daily samples for analysis.

15. #05-2-33-9500 WTP Spare Parts (items<\$2,500 capital threshold)

Spare parts for the Water Treatment Plant per annual review with WRO and Engineer.

16. #05-2-43-1100 & 05-2-44-9300 Public Works Labour

Labour of the Public Works Department is charged out to the Water Utility on an as used basis.

17. #05-2-44-1100/1350 Materials (Standpipes)

The water utility had a video inspection of both water storage tanks completed in 2016 and Cathodic Protection System testing and service on the Garden lots water storage tank is carried out every 2 years.

18. #05-2-44-1400 Telephone Line SCADA System (Garden Lots Standpipe)

A computer system measures water level and water quality in the standpipe. This budget item includes the following costs:

Dedicated Telephone Line	\$ 350
Monitoring Fee	650
	\$1,000

19. #05-2-44-3200 Equipment Rental Mains & Services

Any Town vehicles used on water jobs are charged out to the Water Utility on charge out rates approved each year.

20. #05-2-44-3295 Water Leak Investigation

When a suspected line leak requires investigation, these funds will be used to hire the services of a company that specializes in underground water line leak detection.

21. #05-2-44-3300 Fire Flow Testing

Estimate in the event that Fire Flow testing is required.

22. #05-2-46-0250 Sewer

A sewer charge is levied against the Armouries building which is owned by the Water Utility and assessed at \$241,900. The sewer charge is budgeted at 2023/24 rates. (AAN 04647114).

23. #05-2-46-0301 Armouries Repairs & Supplies

This expense includes the installation of a new NO2/CO2 detector in the workshop.

24. #05-2-51-0000 Administration and General

A portion of the of Town Office administration and finance staff salaries are charged out to the Water Utility based on the estimated staff time spent on the Water Utility.

A portion of Town Council honorariums is charged to the Water Utility based on the estimated time Council spends on Water Utility issues.

Employment benefits include an accrual for retirement benefits based on the Town’s personnel policy and CUPE contract.

25. #05-2-53-1200 Training, Conferences, & Memberships

AWWA Conference & Membership	\$1,000
Various staff training, seminars & conferences, as required	\$2,500
Professional Membership Allocations	\$1,500
	\$5,000

26. #05-2-53-1201 Council Training & Conferences

25% allocation of conferences, training and professional development for the Mayor and Councillors.

27. #05-2-53-3150 Furniture & Equipment

Estimate for small capital office equipment.

28. #05-2-54-1200 Water Rate Studies

The last water rate study was submitted to the NSUARB in April 2022. A study should be undertaken in fiscal 24-25.

29. #05-2-55-0100 Nova Scotia Utility Review Board

The N.S.U.R.B. annual assessment fee to offset Board costs.

30. #05-2-57-0200 Rent Victoria Road Building

The Victoria Road building is used for Water Utility for storage needs. The Water Utility is charged rent in proportion to space required (30%).

31. #05-2-60-0100 Depreciation

The Water Utility is required to calculate depreciation on its assets at various prescribed rates, e.g. buildings, mains, plant, equipment, etc. This expenditure is sourced from the water rates and is used for future funding of capital assets. Any unused depreciation is held in a reserve. The depreciation reserve balance at March 31, 2023 was \$1,661,300.

32. #05-2-70-0200 Property Taxes

The assessment on the Town distribution system has remained the same at \$1,294,800. The Armouries building and the new water treatment plant are assessed as commercial exempt for the purposes of property taxation only. (AAN 04647416).

33. #05-2-91-0100; #05-2-92-0100 Debt Charges

These amounts are included in the budget.

Project	Payment	Principal	Interest	Total	Balance
Water Treatment Plant (MFC Nov 2011 \$815,000)	13 of 20	\$40,750	\$13,050	\$53,800	\$285,250

34. #05-2-99-0050/20/10 Transfers to Capital Reserve

Transfers to reserve in this budget includes \$5,000 for future land purchases (watershed).

The balance in the Water Utility Capital Reserve, not including the depreciation reserve, at March 31, 2023 was as follows:

Future Land Purchases	\$152,963
WTP Membrane Replacement	347,723
Future Capital	439,020
	\$939,706