

PUBLIC MEETING DOCUMENTATION

2011 BUDGETS AND RATES



**December 9, 2010 @ 6:00 p.m.
Board Room – Peterborough Utilities Office
1867 Ashburnham Drive**

**NOTICE OF SPECIAL MEETING
PETERBOROUGH UTILITIES COMMISSION
2011 WATER BUDGET**

A Special Meeting of the Peterborough Utilities Commission will be held on Thursday December 9, 2010, commencing at 6:00 p.m. at the Peterborough Utilities Services office at 1867 Ashburnham Drive, Peterborough.

The Peterborough Utilities Commission Budget and Finance Committee has recommended that there be a 2.9 percent rate increase effective January 1, 2011.

This Public Meeting is being held in accordance with the *Municipal Act, 2001* to provide water utility ratepayers in the City of Peterborough an opportunity to make representation regarding the proposed 2011 rates and budget. Individuals who are unable to attend in person may provide written comments by submitting them to the Corporate Secretary no later than 4:30 p.m. Wednesday December 8, 2010.

A report containing the following information is available to Peterborough municipal water ratepayers at no cost and may be obtained at 1867 Ashburnham Drive, Peterborough:

1. A description of the services for which the fee and charges are being imposed,
2. The 2011 proposed operating, maintenance and capital budgets,
3. A schedule of proposed fees and charges,
4. Rationale for imposing the fees and charges.

Dated at the City of Peterborough this 18th day of November 2010.

Corporate Secretary
1867 Ashburnham Drive
P.O. Box 4125
Peterborough ON K9J 6Z5

E-mail: info@peterboroughutilities.ca

Web site: www.peterboroughutilities.ca



NOTE: Personal information collected as a result of the Public Meeting is collected under the authority of the *Municipal Act, 2001* and will be used to assist in making a decision on this matter.

**PETERBOROUGH UTILITIES COMMISSION
BUDGET AND FINANCE COMMITTEE
REPORT**

November 1, 2010

File: F15

Committee Agenda
2010.11.12

2011 BUDGET

RECOMMENDATION

THAT the Budget and Finance Committee recommend to the Peterborough Utilities Commission that the 2011 operating and capital budget which reflects a rate increase of 2.9% effective January 1, 2011 be approved.

Prepared by: Robert Kent, Manager Finance and Regulatory Compliance

Submitted by: John Stephenson, CFO and VP Corporate Services

Approved for Submission by: _____
President & CEO

Summary

The proposed water rate increase effective January 1, 2011 is 2.9%.

The typical flat rate residential customer monthly bill will increase by \$0.95 from \$32.71 in 2010 to \$33.61 in 2011. (Draft rate schedule included as Appendix A.)

The 2011 capital and operating program for 2011 is \$26.76 million.

Total Operating and Capital Expenditures (\$'s thousands)				
	2011 Budget	2010 Projected	2010 Budget	2009 Actual
Operating	9,312	8,950	9,158	8,775
Amortization	4,900	4,400	4,931	4,201
Financial	255	238	250	72
Capital	12,291	7,981	14,273	9,928
Total	26,758	21,569	28,612	22,976

The PUC will require \$22.85 million to finance the operating and capital programs as well as debt repayment.

Total Operating and Capital Expenditures Cash Requirement (\$'s thousands)				
	2011 Budget	2010 Projected	2010 Budget	2009 Actual
Operating	9,312	8,950	9,158	8,775
Financial	255	238	250	72
Capital	12,291	7,981	14,273	9,928
Debt retirement	990	315	315	302
Total	22,848	17,484	23,996	19,077

The cash resources are provided by the following sources:

Total Operating and Capital Expenditures Cash Provision (\$'s thousands)				
	2011 Budget	2010 Projected	2010 Budget	2009 Actual
Operating revenues	15,531	15,101	15,167	14,609
Reserve funds	580	330	735	572
Contributed capital	487	157	1,147	946
Financing	-	6,600	6,600	-
Changes in non-cash working capital	61	(120)	12	(466)
Working capital	6,189	(4,584)	335	3,416
Total	22,848	17,484	23,996	19,077

Revenue from the sale of water is budgeted to be \$14.80 million in 2011, an increase of \$518 thousand or 3.6% above the 2010 forecasted revenues of \$14.28 million. The increase in revenue assumes a 1.0% growth in residential customers which translates into approximately \$70 thousand in additional revenues.

Cash and short term deposits are expected to be \$13.09 million by the end of 2010 and \$7.32 million by December 31, 2011.

According to the 2011 plan, general operating cash will be reduced by \$6.19 million and reserve fund cash will increase by \$415 from the 2010 projected balances.

The build up in the 2010 operating cash is due to the delay in the finalization and implementation of the water meter retrofit program into 2011 from 2010. The amount of the carry-over costs into 2011 is \$4.92 million.

Cash Summary (\$'s thousands)				
	2011 Budget	2010 Projected	2010 Budget	2009 Actual
Operating	2,749	8,938	3,277	4,355
Reserve	4,570	4,155	3,337	3,472
Total Cash	7,319	13,093	6,614	7,827

Key Assumptions

The 2010 budget is based on the following key assumptions:

1. Water rates increase by 2.90%, (2010 increase 3.50%)
2. Labour rates will increase by 2.40%, (2010 2.25%)
3. Benefit costs have increased by approximately 9.00% over 2010. The OMERS increase of 1.00% represents 5.00% of the total benefit increase over 2010. OMERS have announced a three-year contribution rate increase for members and employers, 1.00% in 2011, 1.00% in 2012 and 0.90% in 2013.
4. Interest rate on cash balances, 1.00% (2010 – 1.00%)
5. Growth in residential customers, 1.00% (2010 – 1.00%)

Operating Expenses

The 2011 operating budget of \$14.47 million is 0.9% higher than the 2010 budget of \$14.34 million. Costs by expense category are summarized in the table on the following page:

Operations and Administration Expense (\$'s thousands)						
	2011 Budget	2010 Projected	Change		2010 Budget	2009 Actual
			\$	%		
Water treatment and storage	3,296	3,198	98	3.06%	3,250	3,096
Distribution systems	1,945	1,906	39	2.05%	1,995	2,110
Administrative	1,143	1,022	121	11.84%	1,078	953
Support services	1,779	1,703	76	4.46%	1,677	1,611
Amortization	4,900	4,400	500	11.36%	4,931	4,201
Financial	255	238	17	7.14%	250	72
Riverview Park and Zoo	1,150	1,122	28	2.50%	1,159	1,006
Total Expenses	14,468	13,589	879	6.47%	14,340	13,049

The 2011 budget increase of \$879 thousand over the 2010 projected is mainly attributed to increased amortization expense of \$500 thousand.

Number of Employees

Labour resources required by the PUC are purchased from PUSI. The 2011 budget allocates 68.5 full-time employees to PUC compared to 68.6 in the 2010 budget. The decrease of 0.1 FTE's is comprised of a decrease of one operator in the distribution department and an increase of 0.9 in support services. The reduction of one operator in the Water Distribution department is a reduction in budgeted staff levels and not actual staff.

FTE Analysis, including students							
	2011			2010			Change
	Direct	Support	Total	Direct	Support	Total	
Water Distribution	14.4		14.4	15.4		15.4	(1.0)
Water Treatment	20.7		20.7	20.7		20.7	-
Riverview Park and Zoo	12.8		12.8	12.8		12.8	-
Support		20.6	20.6		19.7	19.7	0.9
Total	47.9	20.6	68.5	48.9	19.7	68.6	(0.1)

Cost of water treatment and storage (Schedule B)

The 2011 budget for the cost of water treatment and storage has increased by \$46 thousand or 1.4% to \$3.30 million in 2011 from \$3.25 million in the 2010 budget. This category includes expenditures for process waste treatment, water treatment plant, pump house and dam, pumping stations, and reservoirs. The 2011 operating plan is reflective of the 2010 activities and as such the increase is attributed to increased salary and benefit costs.

Distribution Systems (Schedule C)

The operating budget has decreased by \$50 thousand or (2.5%) to \$1.94 million in 2011 from \$1.99 million in 2010. The increase in staff wages and benefits has been partially offset by the reduction of one operator from the 2010 budget. The 2011 operating and capital plan is based upon 2010 activity levels.

General Administrative (Schedule D)

Total General Administrative expenses are budgeted at \$1.14 million, an increase of \$65 thousand or 6.0% from the 2010 budget.

- The 2011 water conservation budget of \$70 thousand includes \$25 thousand of support for the Children’s Water Festival.
- The net increase in rental expense from PUSI is 2011 is \$6 thousand.
 - Building rental expense from PUSI is budgeted at \$405 thousand, an increase of \$19 thousand over the 2010 budget of \$386 thousand.
 - Software and equipment rental expenses from PUSI are budgeted at \$170 thousand compared to \$183 thousand in 2010.
- Professional fees have increased by \$25,000 from the 2010 budget. The 2011 budget amount includes \$75 thousand in consultant fees for a water rate study.

Support Services (Schedule E)

The following chart indicates the resources from Peterborough Utilities Services Inc., as a percentage of total department resource level, required to meet the PUC operating and capital requirements.

Support Service Allocations		
	2011 Budget %	2010 Budget %
Finance	32.6	31.1
Administration	33.7	33.3
Peterborough Technology Services	12.7	12.4
Customer Service	22.5	23.7
Corporate & Administrative Services	13.5	17.1
Human Resources	38.5	38.6
Purchasing	39.9	41.3

The Support services are allocated from PUSI based upon the service level demands of each affiliate including the PUC. Support service allocations have changed slightly by department resulting in an increase of 0.9 FTE. The Support costs attributable to PUC, excluding the capitalized administration adjustment, has increased by \$113 thousand from the 2010 amount of \$1.81 million to \$1.92 million in 2011. The Purchasing department costs increase is due to PUSI shifting staff from the Stores department to Purchasing. The result is lower stores costs and inventory overhead burden but increased purchasing costs.

The 2011 budget allocates \$148 thousand in support costs that are to be capitalized to recognize the support provided to capital projects.

Riverview Park & Zoo Operations (Schedule F)

Riverview Park and Zoo ("RP&Z") net expenses are decreasing by \$11 thousand or 1.1% to \$1.01 million in 2011 from \$1.02 million in the 2010 budget. The 2010 projection is \$989 thousand which is \$33 thousand below budget.

The total cost to operate the RP&Z in 2011 is \$1.15 million.

The RP&Z capital budget for 2011 is \$1.02 million. The capital program includes construction of a new animal health care facility. The total cost of this facility is \$500 thousand of which \$40 thousand of the costs will be incurred in 2010 and the remaining \$460 thousand in 2011.

The RP&Z has established the Zoo Animal Health Centre Fundraising Committee. The Committee has established a figure of \$250,000 (50% of the estimated capital cost of the proposed Health Centre) as its fundraising target. This amount has not been reflected in the 2011 revenue budget.

Financial Expense

Financial expense relates to interest paid on customer security deposits, construction security deposits and on long-term debenture debt. The 2011 budget is \$255 thousand. The 2010 forecast is \$238 thousand compared to budget of \$250 thousand. The 2010 budget included \$6.60 million in new debentures in part to fund water meters. There are no new debentures required for 2011.

Other Revenue

- The City's share of Fire Protection Costs will remain at \$650 thousand.
- Sewer surcharge and collection fees are calculated using the Activity Based Costing system. The collection fees are budgeted at \$365 thousand in 2011, compared to the 2010 budget and forecast of \$347 thousand.
- Interest income budgeted for 2011 is \$65 thousand.
- Other income, budgeted at \$80 thousand, includes change of occupancy fees, customer late payment interest, water vendor revenues, and rental from communication towers installed on PUC property.
- Electricity generation revenues of \$79 thousand have been budgeted based on generation of 1,580,000 kWh's at an average price of 5.0 cents/kWh. The 2009 actual results were 1,648,438 kWh's at 2.67 cents/kWh. Generation revenue for the first nine months of 2010 is \$27K: 2,093,940 kWh at an average price of \$3.78 cents/kWh. During the year Management will be investigating the potential to increase the generation revenues by way of a fixed-rate contract with the Ontario Power Authority.

Balance Sheet

Cash at the end of 2011 is forecasted to be \$7.32 million of which \$4.57 million is restricted.

Changes in Cash Position Cashflow (\$ thousands)				
	2011 Budget	2010 Projected	2010 Budget	2009 Actual
Cash, beginning of period	13,094	7,827	6,695	10,631
Cash provided by operating activities	7,506	6,963	7,907	7,425
Cash (used) by investing activities	(12,291)	(7,981)	(14,273)	(9,927)
Cash provided/(used) by financing activities	(990)	6,285	6,285	(302)
Cash, end of period	7,319	13,094	6,614	7,827

Cash Used in Investing Activities

Cash used in investing activities for 2011 is expected to be \$12.29 million.

Capital Expenditures (\$'s thousands)			
	2011 Budget	2010 Projected	2010 Budget
Water Treatment Plant	390	337	327
Pumphouse	242	167	280
Dam	550	80	80
Booster Pumping Station	136	101	90
Tanks	157	125	125
Trunkmains	20	20	20
New Mains - Subdivisions	340	99	728
New Mains -Existing streets	60	59	56
New Services	179	51	381
Distribution Rehabilitation	4,091	6,023	5,991
Hydrants	69	80	80
Meters	526	149	570
Meters - Retrofit	4,500	500	5,000
Riverview Park and Zoo	1,021	183	538
Administration	10	7	7
Total Expenses	12,291	7,981	14,273

Water Utility Rate Schedule

Peterborough Residents

January 2011

Residential Rates

Residences are billed a monthly flat rate calculated by adding together the items listed below.

Basic Charge	\$10.3415 / residence
Per room (excl. bathrooms)	\$2.2226 / room
Lot Area	\$1.9963 / 100 m2 (1500 m2 max.)
Swimming Pool	\$0.2058 / m3

Metered service is available for residences based on the Metered Services “basic charge” plus “consumption charges” at rates listed below.

Metered Services

Note: New commercial flat rate service is no longer available. Existing commercial flat rate customers are being converted to metered service wherever doing so is practical.

Basic Charge based on size of meter

15 mm (5/8")	\$19.0468 /mo
20 mm (3/4")	\$25.8279 /mo
25 mm (1")	\$36.0356 /mo
40 mm (1-1/2")	\$59.8466 /mo
50 mm (2")	\$87.0122 /mo
75 mm (3")	\$141.2920 /mo
100 mm (4")	\$277.0891 /mo
150 mm (6")	\$480.8414 /mo
200 mm (8")	\$684.5834 /mo
250 mm (10")	\$956.1468 /mo
300 mm (12")	\$1,357.7038 /mo

Consumption Charge (add to basic charge)

0 – 100 m3	\$0.7718 / m3
101 – 5,000 m3	\$0.5968 / m3
5,001+ m3	\$0.4116 / m3

Demand Minimum Charge

The charge is calculated as 30% of your highest monthly consumption charge during the previous summer months (July to October), adjusted to current rates. This charge applies to both residential and commercial metered accounts.

Seasonal Use: Minimum Charge

For customers who use water on a seasonal basis, there is a minimum charge (Demand Minimum Charge defined above) which applies to up to eight months following temporary disconnections.

Turn-on/Turn-off service

There is no charge for this service during normal business hours, unless it is required on a repeat basis; for instance, annually. Please give us 24 hours advance notice for this free service.

Occasional, during normal working hours,
turn on or off no charge

Repeat, during normal working hours,
turn on or off \$43.50

Repeat or Annual Service, after hours (except emergencies),
turn on or off Actual cost, \$103.50 min. charge

Emergencies no charge

Water vending unit \$1.00 / 800 litres

Fire Flow Tests

During non-freezing periods \$300 / test
During freezing periods Time and material,
..... \$300 minimum

Cross-Connection Fees Effective January 1, 2008.

Certified Backflow Prevention Device Tester

Registration Fee \$100 / year

Transient Certified Backflow Prevention Device Tester

Registration Fee \$50 / 30 days

Test Tag Fee.....\$25

Test tags expire 5 years after first being affixed to a backflow prevention device.

Authorized test tags are only available from PUC.

Only Registered Testers may purchase test tags.

Late Filing Fee\$100 / report

Applies to any report that is not submitted within the specified time-period or for any person not renewing their Certified Backflow Prevention Device Tester Registration within 30 days of expiry.

Sewer Surcharge

A sewer surcharge, proportional to water charges, is billed and collected on behalf of the City of Peterborough. For clarification regarding this charge, please call Peterborough City Hall at (705) 742-7771.

Water Capital Charges

Effective January 1, 2010

Frontage Charges

Residential, Commercial and Institutional \$387 / metre

Industrial..... \$387 / metre

Re-development same as above

Non-Abutting Frontage Charges

Residential - Single Family \$2,949 each

Multi-residential, Commercial, Industrial,
Institutional (by formula)

.....Min. frontage* (m) x \$2,949 ÷ 15.24 (m)

* Minimum frontage as required by City of Peterborough Zoning By-Law

Service Connections

Residential - 20 mm,

Restoration costs extra \$2,454 each

Residential - 25 mm (low pressure areas),

Restoration costs extra \$2,454 each

All other services - 25 mm and larger Actual Costs

..... Minimum charge \$2,454

Subdivision Inspection Charges \$60.37 per lot

Water Utility Development Charges
Effective January 2008, By-law 08-011

Residential

Planning Area	Res. A Singles & Semis	Res. B Other Multiples	Res.C Apart- ments
1. Auburn North	\$3,039	\$2,619	\$1,781
2. Jackson	\$2,706	\$2,333	\$1,586
3. Carnegie West (Zone 3N)	\$2,095	\$1,806	\$1,228
4. Chemong	\$2,093	\$1,804	\$1,227
5. Lily Lake	\$1,868	\$1,611	\$1,095
6. Liftlock	\$1,754	\$1,512	\$1,028
7. Coldsprings	\$1,644	\$1,418	\$964
8. Outside Planning Areas	\$1,609	\$1,387	\$943
9. Carnegie East (Zone 2)	\$1,366	\$1,178	\$801

Non-Residential, all planning areas..... 12.53 /m2

Rates are subject to change.

PETERBOROUGH UTILITIES COMMISSION

	A S S E T S			
	2009 Actual	2010 Budget	2010 Projection	2011 Budget
CURRENT ASSETS				
Cash and short-term deposits	\$ 7,826,572	\$ 6,613,909	\$ 13,093,394	\$ 7,319,041
Accounts receivable -				
Customer accounts	618,081	600,000	636,623	662,088
Sewer surcharge	553,576	600,000	570,183	592,991
Sundry	84,717	80,000	80,000	80,000
Unbilled revenue on customer accounts	1,190,000	1,200,000	1,225,700	1,225,700
Unbilled sewer surcharge	1,148,000	1,200,000	1,182,440	1,182,440
Inventories	164,409	150,000	165,000	169,950
Prepaid expenses	-	-	-	-
	11,585,355	10,443,909	16,953,341	11,232,210
CAPITAL ASSETS				
Water treatment plant and reservoirs	35,986,355	37,088,350	36,823,355	38,308,355
Water distribution system	108,022,108	125,508,472	115,066,042	124,851,017
Riverview Park and Zoo	6,110,864	6,578,124	6,293,864	7,314,864
Other	17,403	17,403	17,403	17,403
	150,136,730	169,192,349	158,200,664	170,491,639
Less: Accumulated amortization	68,074,644	73,244,960	72,474,644	77,374,644
	82,062,086	95,947,389	85,726,020	93,116,995
Construction in progress	8,867,176	5,000,000	8,784,242	8,784,242
	90,929,262	100,947,389	94,510,262	101,901,237
	\$ 102,514,616	\$ 111,391,297	\$ 111,463,602	\$ 113,133,446

PETERBOROUGH UTILITIES COMMISSION

LIABILITIES AND EQUITY

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
CURRENT LIABILITIES				
Accounts payable and accrued charges	\$ 353,618	\$ 437,091	\$ 437,091	\$ 389,864
Sewer surcharge payable	1,822,416	1,800,000	1,800,000	1,961,649
Long-term debt payable within one year	315,357	330,357	990,357	1,006,428
Customer deposits refundable within one year	275,000	190,000	300,000	300,000
	2,766,391	2,757,448	3,527,448	3,657,940
LONG TERM LIABILITIES				
Debenture debt - due to the Corporation of the City of Peterborough	1,356,428	7,641,071	7,641,071	6,650,714
Less: Principal payments due within one year	315,357	330,357	990,357	1,006,428
	1,041,071	7,310,714	6,650,714	5,644,286
OTHER LONG-TERM LIABILITIES				
Customer deposits - water	304,802	265,000	265,000	265,000
- sewer	295,211	255,000	255,000	255,000
	600,013	520,000	520,000	520,000
Less: Customer deposits refundable within one year	275,000	190,000	300,000	300,000
	325,013	330,000	220,000	220,000
FUND BALANCE (Schedule A)	98,382,141	100,993,135	101,065,441	103,611,221
	\$ 102,514,616	\$ 111,391,297	\$ 111,463,603	\$ 113,133,447

PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCE

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
REVENUE				
Revenue from sale of water	\$ 13,810,796	\$ 14,452,100	\$ 14,284,400	\$ 14,802,000
Capital installation charges	945,788	1,147,000	157,000	487,000
Development charges	571,864	330,000	330,000	330,000
Contributions to RP&Z Reserve Funds	18,177	15,000	55,000	15,000
Fire protection	650,000	650,000	650,000	650,000
Sewer surcharge billings	347,000	347,000	347,000	365,000
Riverview Park and Zoo - Schedule F	153,258	137,000	133,000	140,000
Interest income	83,556	65,000	105,000	65,000
Other	114,100	80,000	116,000	80,000
Electricity	44,054	79,000	94,000	79,000
	16,738,593	17,302,100	16,271,400	17,013,000
OPERATING EXPENSES				
Water treatment and storage (Schedule B)	3,096,370	3,249,507	3,197,700	3,295,985
Distribution Systems (Schedule C)	2,110,112	1,994,570	1,905,700	1,944,742
Administrative (Schedule D)	952,530	1,077,778	1,021,700	1,142,915
Support Services (Schedule E)	1,610,630	1,676,687	1,703,000	1,778,616
Amortization	4,200,684	4,931,000	4,400,000	4,900,000
	11,970,326	12,929,542	12,228,100	13,062,257
INCOME BEFORE FINANCIAL (AND OTHER EXPENSES)	4,768,267	4,372,558	4,043,300	3,950,743
FINANCIAL EXPENSE				
Interest	71,895	249,937	238,000	254,603
	4,696,372	4,122,621	3,805,300	3,696,140
OTHER EXPENSES				
Riverview Park and Zoo (Schedule F)	1,005,560	1,158,850	1,122,000	1,150,359
NET REVENUE FOR THE PERIOD	3,690,811	2,963,770	2,683,300	2,545,780
FUND BALANCE , beginning of period	94,691,330	98,029,365	98,382,141	101,065,441
FUND BALANCE , end of period	98,382,141	100,993,135	101,065,441	103,611,221
SUMMARY OF NET REVENUE FOR THE PERIOD				
Operating Activities	1,561,018	828,693	1,512,417	1,064,128
Reserve Fund Activities	1,184,005	988,077	1,013,883	994,651
Contributed Capital Activities	945,788	1,147,000	157,000	487,000
	\$ 3,690,811	\$ 2,963,770	\$ 2,683,300	\$ 2,545,780

**PETERBOROUGH UTILITIES COMMISSION
STATEMENT OF CHANGES IN CASH POSITION**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net revenue for the period	\$ 3,690,811	\$ 2,963,770	\$ 2,683,300	\$ 2,545,780
Charges to operations not requiring a current cash payment - Amortization (net)	4,200,684	4,931,000	4,400,000	4,900,000
	<u>7,891,495</u>	<u>7,894,770</u>	<u>7,083,300</u>	<u>7,445,780</u>
Net change in non-cash working capital balance related to operations (see below)	(466,393)	12,730	(120,122)	61,199
	<u>7,425,102</u>	<u>7,907,500</u>	<u>6,963,178</u>	<u>7,506,979</u>
INVESTING ACTIVITIES				
Additions to capital assets	<u>(9,927,558)</u>	<u>(14,273,000)</u>	<u>(7,981,000)</u>	<u>(12,290,975)</u>
FINANCING ACTIVITIES				
Debentures issued	-	6,600,000	6,600,000	-
Retirement of long-term liabilities	(301,786)	(315,357)	(315,357)	(990,357)
	<u>(301,786)</u>	<u>6,284,643</u>	<u>6,284,643</u>	<u>(990,357)</u>
NET INCREASE (DECREASE) IN CASH DURING PERIOD				
	(2,804,242)	(80,857)	5,266,821	(5,774,353)
CASH - Beginning of Period	10,630,815	6,694,766	7,826,573	13,093,394
CASH - End of Period	<u>\$ 7,826,573</u>	<u>\$ 6,613,909</u>	<u>\$ 13,093,394</u>	<u>\$ 7,319,041</u>
Net change in non-cash working capital balances related to operations:				
Accounts receivable	(90,344)	-	(30,435)	(48,272)
Unbilled revenue and sewer surcharges	(56,000)	-	(70,140)	-
Inventories	6,696	-	(591)	(4,950)
Prepaid expenses	-	-	-	-
Accounts payable	(326,745)	12,730	(18,956)	114,421
	<u>\$ (466,393)</u>	<u>\$ 12,730</u>	<u>\$ (120,122)</u>	<u>\$ 61,199</u>

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE A
STATEMENT OF FUND BALANCES**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
Water Treatment Plant Reserve Fund	2,855,447	2,938,082	3,479,711	4,122,608
Development Charges Act Reserve Fund	-	-	-	-
Park and Zoo Major Projects Reserve Fund	419,055	191,191	477,572	247,348
Park and Zoo Animal Care Reserve Fund	196,744	207,994	197,844	199,822
Contributions in aid of construction	46,465,243	44,561,201	42,251,536	43,743,536
Accumulated net income invested in capital assets	48,445,652	53,094,667	54,658,778	55,297,907
	98,382,141	100,993,135	101,065,441	103,611,221

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE B
COST OF WATER TREATMENT AND STORAGE**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
Process Waste Treatment	\$ 401,684	\$ 428,518	\$ 432,000	\$ 474,053
Water Treatment Plant	2,041,580	2,127,532	2,111,600	2,167,050
Pump house/Dam	342,069	324,825	288,100	294,159
Pumping station	176,965	232,825	173,000	217,560
Reservoirs	134,072	135,807	193,000	143,163
	\$ 3,096,370	\$ 3,249,507	\$ 3,197,700	\$ 3,295,985

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE C
DISTRIBUTION SYSTEM**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
Trunk mains	\$ 38,455	\$ 15,610	\$ 6,000	\$ 11,022
Distribution mains	305,153	429,731	396,000	349,871
Locate & records	121,320	155,050	186,500	164,875
Flushing	36,372	50,281	46,700	45,851
Valves and boxes	174,607	215,498	215,100	187,010
General maintenance	197,154	166,986	184,000	178,634
Hydrants	204,119	223,020	161,300	207,266
Service pipes	602,454	541,179	626,100	563,600
Meters	93,220	137,754	50,400	118,513
Water Distribution Engineering	-	59,461	33,600	118,099
Engineering Support	337,258	-	-	-
	\$ 2,110,112	\$ 1,994,570	\$ 1,905,700	\$ 1,944,742

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE D
GENERAL ADMINISTRATIVE**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
Advertising and public relations	\$ 20,875	\$ 14,550	\$ 15,000	\$ 14,336
Water conservation	34,101	62,801	63,000	70,161
Drinking Water Quality Management System	-	13,215	13,000	35,131
Commission expenses	2,400	12,700	12,700	12,700
Building Rent	394,168	385,803	386,000	405,000
Insurance	253,941	257,000	223,000	253,000
Memberships	10,104	15,562	16,000	15,726
Software & equipment rental	167,242	182,857	160,000	170,000
Professional fees	10,604	73,000	73,000	98,000
Property taxes	40,758	43,800	44,000	43,800
Bad Debts	5,000	2,000	2,000	2,000
Miscellaneous	13,337	14,490	14,000	23,060
	\$ 952,530	\$ 1,077,778	\$ 1,021,700	\$ 1,142,915

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE E
SUPPORT SERVICES**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
Finance	\$ 118,493	\$ 121,081	\$ 121,000	\$ 130,191
Administration	467,131	482,678	483,000	509,257
Peterborough Technology Services	343,211	364,540	365,000	390,566
Customer Service	434,167	385,732	386,000	404,650
Corporate Services	46,519	62,598	63,000	42,969
Human Resources	289,904	315,450	315,000	334,382
Purchasing	76,681	81,092	106,000	114,489
Capitalized Administration Support	(165,476)	(136,484)	(136,000)	(147,888)
	\$ 1,610,630	\$ 1,676,687	\$ 1,703,000	\$ 1,778,616

**PETERBOROUGH UTILITIES COMMISSION
SCHEDULE F
STATEMENT OF OPERATIONS FOR RIVERVIEW PARK and ZOO**

	2009 Actual	2010 Budget	2010 Projection	2011 Budget
REVENUE				
Train	\$ 143,705	\$ 130,000	\$ 126,000	\$ 133,000
Miscellaneous	9,553	7,000	7,000	7,000
Total revenue	153,258	137,000	133,000	140,000
EXPENSES				
Maintenance Park	413,941	489,303	457,000	474,452
Maintenance Train	50,947	49,964	56,000	59,971
Animal Care and Zoo Maintenance	540,672	619,583	609,000	615,937
Total expenses	1,005,560	1,158,850	1,122,000	1,150,359
NET EXPENSES FOR PERIOD	\$ 852,302	\$ 1,021,850	\$ 989,000	\$ 1,010,359

STATEMENT OF OPERATIONS by FUND, 2011 BUDGET

	Operating	Contributed Capital	Reserve			TOTAL
			WTP	DCA	RPZ	
REVENUE						
Sale of water	\$ 14,185,201	\$ -	616,799	\$ -	\$ -	\$ 14,802,000
Capital installation charges	0	487,000	-	-	-	487,000
Development charges	0	-	-	330,000	-	330,000
Contributions to the RP&Z reserve fund	0	-	-	-	15,000	15,000
Fire protection	650,000	-	-	-	-	650,000
Sewer surcharge billing	365,000	-	-	-	-	365,000
Riverview Park & Zoo	140,000	-	-	-	-	140,000
Interest	32,148	-	26,098	-	6,754	65,000
Other	80,000	-	-	-	-	80,000
Electricity	79,000	-	-	-	-	79,000
	\$ 15,531,349	\$ 487,000	\$ 642,897	\$ 330,000	\$ 21,754	\$ 17,013,000
OPERATING EXPENSES						
Water treatment & storage	3,295,985	-	-	-	-	3,295,985
Distribution systems	1,944,742	-	-	-	-	1,944,742
Administrative	1,142,915	-	-	-	-	1,142,915
Support services	1,778,616	-	-	-	-	1,778,616
Amortization	4,900,000	-	-	-	-	4,900,000
	13,062,257	-	-	-	-	13,062,257
Income before Financial and Other Expenses	2,469,092	487,000	642,897	330,000	21,754	3,950,743
FINANCIAL EXPENSE						
Interest	254,603	-	-	-	-	254,603
	2,214,489	487,000	642,897	330,000	21,754	3,696,140
OTHER EXPENSES						
Riverview Park & Zoo	1,150,359	-	-	-	-	1,150,359
NET REVENUE FOR THE PERIOD	1,064,129	487,000	642,897	330,000	21,754	2,545,781
Fund transfers - from (to)	-	580,000	-	(330,000)	(250,000)	-
FUND BALANCE, beginning of the period	54,658,778	42,251,536	3,479,711	-	675,416	101,065,441
FUND BALANCE, end of the period	\$55,722,908	\$43,318,536	\$4,122,608	\$0	\$447,170	\$103,611,222

STATEMENT OF OPERATIONS by FUND, 2010 PROJECTED

	Operating	Contributed Capital	Reserve			TOTAL
			WTP	DCA	RPZ	
REVENUE						
Sale of water	\$ 13,689,169	\$ -	595,231	\$ -	\$ -	\$ 14,284,400
Capital installation charges	0	157,000	-	-	-	157,000
Development charges	0	-	-	330,000	-	330,000
Contributions to the RP&Z reserve fund	-	-	-	-	55,000	55,000
Fire protection	650,000	-	-	-	-	650,000
Sewer surcharge billing	347,000	-	-	-	-	347,000
Riverview Park & Zoo	133,000	-	-	-	-	133,000
Interest	71,348	-	29,034	-	4,618	105,000
Other	116,000	-	-	-	-	116,000
Electricity	94,000	-	-	-	-	94,000
	\$ 15,100,517	\$ 157,000	\$ 624,265	\$ 330,000	\$ 59,618	\$ 16,271,400
OPERATING EXPENSES						
Water treatment & storage	3,197,700	-	-	-	-	3,197,700
Distribution systems	1,905,700	-	-	-	-	1,905,700
Administrative	1,021,700	-	-	-	-	1,021,700
Support services	1,703,000	-	-	-	-	1,703,000
Amortization	4,400,000	-	-	-	-	4,400,000
	12,228,100	-	-	-	-	12,228,100
Income before Financial and Other Expenses	2,872,417	157,000	624,265	330,000	59,618	4,043,300
FINANCIAL EXPENSE						
Interest	238,000	-	-	-	-	238,000
	2,634,417	157,000	624,265	330,000	59,618	3,805,300
OTHER EXPENSES						
Riverview Park & Zoo	1,122,000	-	-	-	-	1,122,000
NET REVENUE FOR THE PERIOD	1,512,417	157,000	624,265	330,000	59,618	2,683,300
Fund transfers - from (to)	-	330,000	-	(330,000)	-	-
FUND BALANCE, beginning of the period	48,445,652	46,465,243	2,855,447	-	615,799	98,382,141
FUND BALANCE, end of the period	\$49,958,069	\$46,952,243	\$3,479,712	\$0	\$675,417	\$101,065,441