

## Rate-Supported Operating Budget

Rate-supported operations include the Water and Wastewater Budget as well as the Stormwater Management Budget. Unlike the municipal services funded through property taxes, rate-supported services rely on user rates and fees to cover service costs.

The Water, Wastewater and Stormwater Management services are provided by: Infrastructure and Engineering Services, Community Services and Corporate and Financial Services

The Water and Wastewater Budget reflects the costs and revenues associated with the maintenance of the water distribution and wastewater collection system and is mainly funded through water and wastewater consumption rates.

The Stormwater Management Budget represents the costs and revenues that are associated with maintaining the stormwater network and is funded primarily through stormwater management fees.

# Rate-Supported Operating Budget

## Financials

(\$ in 000's)

Budget Category	2023	September	2024	2025	Variance	% Change
	Actuals	2024 YTD Actuals	Budget	Budget	(Favourable)/ Unfavourable	
Personnel - Full Time	\$3,437	\$2,769	\$3,698	\$3,873	\$174	
Personnel - Casual	73	62	129	130	0	
<b>Personnel Expenditures</b>	<b>\$3,510</b>	<b>\$2,831</b>	<b>\$3,828</b>	<b>\$4,002</b>	<b>\$174</b>	<b>4.6%</b>
Contracts / Services	6,585	5,348	6,283	5,557	(726)	
Materials / Supplies	67,591	53,921	71,975	73,107	1,133	
Other Expenses	85	12	212	218	6	
Contribution to Operating Fund	8,358	6,758	8,926	10,440	1,514	
Transfer to Water and Wastewater Fund	1,294	987	1,316	224	(1,092)	
To Reserves / Reserve Fund	12,725	11,317	13,786	18,642	4,856	
<b>Non-Personnel Expenditures</b>	<b>\$96,639</b>	<b>\$78,343</b>	<b>\$102,497</b>	<b>\$108,188</b>	<b>\$5,690</b>	<b>5.6%</b>
<b>Total Expenditures</b>	<b>\$100,149</b>	<b>\$81,175</b>	<b>\$106,325</b>	<b>\$112,190</b>	<b>\$5,865</b>	<b>5.5%</b>
Transfer from Operating Fund	(535)	(442)	(606)	(747)	(141)	
Transfer from Stormwater Fund	(1,295)	(1,012)	(1,316)	(224)	1,092	
From Reserves / Reserve Fund	(225)	(169)	(285)	(60)	225	
Investment Income	(579)	0	(60)	(250)	(190)	
User Fees	(97,541)	(76,737)	(104,058)	(110,909)	(6,851)	
<b>Total Revenues</b>	<b>(\$100,175)</b>	<b>(\$78,360)</b>	<b>(\$106,325)</b>	<b>(\$112,190)</b>	<b>(\$5,865)</b>	<b>5.5%</b>
<b>Net Budget</b>	<b>(\$27)</b>	<b>\$2,815</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>

## **Water and Wastewater**

The City of Richmond Hill provides safe drinking water and ensures reliable wastewater treatment for the community, following strict regulatory and public health standards.

The City purchases water from the York Region, and distributes the water from the municipal borders to Richmond Hill properties. Wastewater is collected through City sewers and transferred out of the municipality to York Region, where it the collection process continues until the wastewater is transferred to a treatment facility.

The City is responsible for billing and service inquiries, operations, inspections, repairs and replacing the water and wastewater infrastructure network. The services are recovered through retail water and wastewater consumption rates, which includes the wholesale rate York Region charges the City, along with future infrastructure replacement funding requirements.

### **2024 ACCOMPLISHMENTS**

- Implemented self-service water billing portal, achieving 10% enrolment in the 1st year.
- Expanded the Advance Metering Infrastructure (AMI) from 22 to 34 collectors, achieving over 70% read success.
- Successfully established key performance indicators for water wastewater operations and improved data collection in support of our maintenance programs.

### **2025 PRIORITIES**

- Establish a priority area for the implementation of a leak detection program within the waste distribution system.
- Self-service consumption customer portal Q3 2025.
- Continue to install Advance Metering Infrastructure communication towers to improve reading capabilities.

# Water and Wastewater

## Financials

(\$ in 000's)

Budget Category	2023	September	2024	2025	Variance	% Change
	Actuals	2024 YTD Actuals			Budget	
Personnel - Full Time	\$3,437	\$2,769	\$3,698	\$3,873	\$174	
Personnel - Casual	73	62	129	130	0	
<b>Personnel Expenditures</b>	<b>\$3,510</b>	<b>\$2,831</b>	<b>\$3,828</b>	<b>\$4,002</b>	<b>\$174</b>	<b>4.6%</b>
Contracts / Services	5,646	4,834	5,482	4,740	(743)	
Materials / Supplies	67,589	53,885	71,880	73,012	1,133	
Other Expenses	85	12	212	218	6	
Contribution to Operating Fund	6,206	4,954	6,521	6,862	341	
To Reserves/ Reserve Fund	11,506	10,418	12,502	15,318	2,816	
<b>Non-Personnel Expenditures</b>	<b>\$91,034</b>	<b>\$74,103</b>	<b>\$96,596</b>	<b>\$100,149</b>	<b>\$3,553</b>	<b>3.7%</b>
<b>Total Expenditures</b>	<b>\$94,544</b>	<b>\$76,935</b>	<b>\$100,424</b>	<b>\$104,151</b>	<b>\$3,728</b>	<b>3.7%</b>
Transfer from Operating Fund	(535)	(442)	(606)	(747)	(141)	
Transfer from Stormwater Fund	(1,295)	(1,012)	(1,316)	(224)	1,092	
From Reserves / Reserve Fund	0	0	(60)	(60)	0	
Investment Income	(579)	0	(60)	(250)	(190)	
User Fees	(92,244)	(72,544)	(98,382)	(102,871)	(4,489)	
<b>Total Revenues</b>	<b>(\$94,653)</b>	<b>(\$73,998)</b>	<b>(\$100,424)</b>	<b>(\$104,151)</b>	<b>(\$3,728)</b>	<b>3.7%</b>
<b>Net Budget</b>	<b>(\$109)</b>	<b>\$2,937</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>

## Water and Wastewater Rates

The Water and Wastewater Budget and rates are guided by the 2024 Water and Wastewater Financial Plan recommendations. The 2025 rates will increase 6.8%, effective April 1, 2025.

### Water and Wastewater Rates

per cubic metres (1000L)

Year	York Region Wholesale		Richmond Hill Retail	
	Rate	% Increase	Rate	% Increase
2023	\$3.2806	3.30%	\$5.0605	3.30%
2024	\$3.3889	3.30%	\$5.2629	4.00%
2025	\$3.5007	3.30%	\$5.6215	6.80%

# Water and Wastewater

(\$ in 000's) Budget Category	2024	Maintaining Existing Core Business			Growth / Service	2025
	Budget	Base	Legislated	Annualization	Enhancements	Budget
Personnel - Full Time	\$3,698	\$174				\$3,873
Personnel - Casual	129	0				\$130
<b>Personnel Expenditures</b>	<b>\$3,828</b>	<b>\$174</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,002</b>
Contracts / Services	5,482	(743)				4,740
Materials / Supplies	71,880	1,133				73,012
Other Expenses	212	6				218
Contribution to Operating Fund	6,521	341				6,862
To Reserves / Reserve Fund	12,502	2,816				15,318
<b>Non-Personnel Expenditures</b>	<b>\$96,596</b>	<b>\$3,553</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,149</b>
<b>Total Expenditures</b>	<b>\$100,424</b>	<b>\$3,728</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,151</b>
Transfer from Operating Fund	(606)	(141)				(747)
Transfer from Stormwater Fund	(1,316)	1,092				(224)
From Reserves / Reserve Fund	(60)	0				(60)
Investment Income	(60)	(190)				(250)
User Fees	(98,382)	(4,489)				(102,871)
<b>Total Revenues</b>	<b>(\$100,424)</b>	<b>(\$3,728)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$104,151)</b>
<b>Net Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Base Variance

Personnel expenditures increased \$174 mainly due to general cost of living, benefits, grade/step level and overtime increases.

Contracts / Services budget decreased \$743 to insurance premiums adjustments recoverable from the Water and Wastewater budget, offset against an increase in Advance Metering Infrastructure (AMI) reading fees to collect water meter reads remotely.

The Materials / Supplies budget increased \$1,113, with the majority of the change due to the Water and Wastewater regional charge increase. The Region of York will be passing on a combined 3.3% wholesale rate increase for provision of water and wastewater treatment services effective April 1, 2025. The increase in the regional charges reflect January to March 2025 billings from York Region at the 2024 rate and April to December at the 2025 rate based on forecasted volumes. In 2025 the combined water and wastewater volumes are forecasted to be 20,742,300 cubic metres (2024 budget - 20,982,300 cubic metres) based on previous years' experience.

Contribution to Operating Fund increased \$341 to reflect the increased resource time allocation of City staff working on water and wastewater activities, including a higher allocation in the Water Resources section to reflect increasing responsibilities due to legislative requirements.

Transfer to Reserve and Reserve Funds increased by \$2,816 mainly in the Transfer to the Water Rate Stabilization Reserve and Watermain Reserve Fund to account for the increase required to fund capital infrastructure as recommended in the Water and Wastewater Financial Plan.

Transfer from Operating Fund increased \$141 mainly from development fee service recoveries. The 2024 Development Fee Review identified the many City services that contribute to the execution and administration of such fees.

Transfer from Stormwater Management Fund decreased \$1,092 primarily due to adjustments in insurance premiums, and realignment of resource allocations from Water and Wastewater Services for stormwater operations.

The Investment Income in Water Wastewater Fund has historically been consistent during past budget years. A \$190 budgetary increase for 2025 will provide Water and Wastewater their proportionate share of the short-term investment income revenues to align with the new interest environment.

User Fees increased \$4,489 to reflect increased rates to fund the capital infrastructure requirements as recommended in the Water and Wastewater Financial Plan.

## **Stormwater Management**

Stormwater is managed as part of a large system throughout the entire City to reduce the risks of flooding, stream erosion, and to protect the water quality of the environment for the benefit of all property owners in Richmond Hill.

Stormwater is managed through the application of infrastructure and naturally designed systems to prevent excess runoff from rainfall, snowmelt as well as human activities that change runoff patterns from land use changes through development and intensification. The stormwater management system requires ongoing maintenance, including periodic repair and replacement. Ponds, storm sewers and catch basins are more likely to perform poorly if they are not maintained properly. Services are provided through the Stormwater Management Fee based on a formula that considers the property area and type.

The stormwater management system has historically been underfunded. A sustainable funding approach will ensure infrastructure is maintained.

Stormwater Management fees distribute the cost of the services to properties based on the property size and impervious factor. In November 2023, Council approved refinements to the previous rate structure, along with policy changes including a cap on residential vacant land, farmland and golf courses.

The fee was implemented in 2013 to gradually phase-in rate increases to build up reserve funds to provide long-term financial sustainability of the stormwater management infrastructure. The City has not implemented the rate increases necessary to achieve financial sustainability, and other municipalities face similar financial challenges.

### **2024 ACCOMPLISHMENTS**

- Implemented the updated stormwater rate structure.

### **2025 PRIORITIES**

- Establish Stormwater key performance indicators to monitor efficiency and improve program/service delivery.
- Continued improvements to stormwater education.

# Stormwater Management

## Financials

(\$ in 000's)

Budget Category	2023	September	2024	2025	Variance	% Change
	Actuals	2024 YTD Actuals	Budget	Budget	(Favourable)/ Unfavourable	
Contracts / Services	\$939	\$515	\$801	\$818	\$17	
Materials / Supplies	2	35	95	95	0	
Contribution to Operating Fund	2,152	1,804	2,405	3,578	1,173	
Transfer to Water and Wastewater Fund	1,294	987	1,316	224	(1,092)	
To Reserves / Reserve Fund	1,219	899	1,284	3,324	2,040	
<b>Non-Personnel Expenditures</b>	<b>\$5,605</b>	<b>\$4,240</b>	<b>\$5,901</b>	<b>\$8,038</b>	<b>\$2,137</b>	<b>-13.8%</b>
<b>Total Expenditures</b>	<b>\$5,605</b>	<b>\$4,240</b>	<b>\$5,901</b>	<b>\$8,038</b>	<b>\$2,137</b>	<b>0.9%</b>
From Reserves / Reserve Funds	(225)	(169)	(225)	0	225	
User Fees	(5,297)	(4,193)	(5,676)	(8,038)	(2,362)	
<b>Total Revenues</b>	<b>(\$5,522)</b>	<b>(\$4,362)</b>	<b>(\$5,901)</b>	<b>(\$8,038)</b>	<b>(\$2,137)</b>	<b>-31.7%</b>
<b>Net Budget</b>	<b>\$83</b>	<b>(\$122)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>9.5%</b>

## Stormwater Management Rates

The Stormwater Management Budget and rates are guided by the 2024 Stormwater Management Financial Plan recommendations. The 2025 rates will increase 50%, effective April 1, 2025.

Rate Structure per 1,000 square feet	2024 Rates	2025 Rates
Residential - Single Family Detached (up to 1 acre)	\$11.02	\$16.53
Residential - Semi-Detached/Link Home	\$12.13	\$18.19
Residential - Row/Town House	\$15.43	\$23.15
Residential - up to 10 acres cap (vacant land rate to be charged)	\$2.20	\$3.31
Commercial/Industrial	\$20.94	\$31.41
Institutional	\$15.43	\$23.15
Multi-Residential	\$18.74	\$28.11
Vacant Land (up to 10 acres cap)	\$2.20	\$3.31
Farmland (up to 10 acres cap)	\$2.20	\$3.31
Golf Course - playing area and cart paths (up to 10 acres cap)	\$3.31	\$4.96
Golf Course - club house, parking, driveway, pro-shop	\$19.84	\$29.76

# Stormwater Management

(\$ in 000's) Budget Category	2024	Maintaining Existing Core Business			Growth / Service	2025
	Budget	Base	Legislated	Annualization	Enhancements	Budget
Contracts / Services	801	17				818
Materials / Supplies	95	0				95
Contribution to Operating Fund	2,405	1,173				3,578
Transfer to Water and Wastewater Fund	1,316	(1,092)				224
To Reserves / Reserve Fund	1,284	2,040				3,324
<b>Non-Personnel Expenditures</b>	<b>\$5,901</b>	<b>\$2,137</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,038</b>
<b>Total Expenditures</b>	<b>\$5,901</b>	<b>\$2,137</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,039</b>
From Reserves / Reserve Fund	(225)	225				0
User Fees	(5,676)	(2,362)				(8,038)
<b>Total Revenues</b>	<b>(\$5,901)</b>	<b>(\$2,137)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,038)</b>
<b>Net Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Base Variance

Contracts / Services increased \$17 to reflect the historical trend for stormwater and drainage contracts.

Contribution to Operating Fund includes a \$1,173 increase which reflects a phased-in contribution for stormwater operating cost based on the Water and Wastewater Financial plan approved by Council on June 5, 2025.

Transfer to Water and Wastewater Fund decreased \$1,092 primarily due to adjustments in insurance premiums, and realignment of resource allocations from Water and Wastewater Services for Water and Wastewater Operators, infill service connections and water/sewer contract costs incurred in Water and Wastewater Fund related to Stormwater Management.

Transfer to Reserves / Reserve Fund increase of \$2,040 is the net amount available to allocate to the Water Quality Reserve Fund after factoring stormwater related revenues and expenditures. According to 2024 Stormwater Management Financial Plan (SRCFS.24.050) pending approval by Council Nov 13, 2024, the increase transfer to the Water Quality Reserve \$ 2,289 is required to fund the stormwater infrastructure capital requirements from 2025 to 2034 the City needs to incur.

Transfer from Water Quality Reserve fund is reduced \$225, as the amount is combined above in the Transfer to Water Quality Reserve fund account.

User Fees increased \$2,362 according to the Stormwater Management Financial Plan rate increase to fund current and future capital infrastructure requirements.