



Annual Report 2023

**Connecting people,
empowering community**



Our vision

To advance the unique multi-utility model to benefit our customers and build better communities.

Our mission

To manage, operate and maintain community infrastructure to deliver safe, reliable services and a personal customer experience.

Our values

Safety, integrity, innovation and reliability.



Table of Contents

Message from the Chair of the Board, and the President and Chief Executive Officer	4
Corporate governance	6
Progress towards strategic plan	12
Corporate social responsibility	18
Delivering on mission	26
Financial highlights	50

Land acknowledgment

We have prepared this annual report in the ancestral and continuing unceded territory of the Huron-Wendat, Anishinaabe and Haudenosaunee Peoples. We thank these Peoples for their stewardship of the land. As we preserve and protect the land and water, we commit to delivering our services with care for the Earth.

Message from the Chair of the Board, and the President and Chief Executive Officer

On behalf of the Board of Directors, our senior leadership team, and our employees, we are pleased to provide this 2023 Annual Report to our Shareholder. This marks the third year of reporting on progress towards the 2021-2025 strategic plan.

The year 2023 was one of challenges, change, and growth for the organization. This annual report provides us with an opportunity to pause and reflect on what we accomplished throughout the past year, celebrate our successes, and prepare for an exciting future. This report is a testament to the dedicated professionals of Utilities Kingston who strive to exceed customers' expectations.

Throughout 2023, we invested nearly \$50 million in capital upgrades to make improvements to community infrastructure. As we prepare for the increased demands of tomorrow, we renewed aging water, wastewater, natural gas, and electricity assets to improve local utility systems.

Some of the long-term capital projects completed included replacing aging and end-of-life infrastructure on Dunkirk Street, Seventh Avenue and Duff Street, installing a new watermain on Highway 15,

twinning the North End Trunk Sewer, replacing end-of-life pole line equipment on Bagot Street, Sir John A. Macdonald Boulevard and on Barrie Street, among many others. These upgrades ensure the continued safety and reliability of our multi-utility service model, help support growth and economic development for Kingston, and protect the natural environment for future generations.

In recognition of our dedication to prioritizing safety as the utmost priority in the workplace, Utilities Kingston earned the Gold Award for Occupational Health & Safety (OHS) Team of the Year at the OHS Canada Honours, as well as the Worker Safety Award from the Electrical Safety Authority. These achievements would not have been made possible without the dedication and commitment of our employees, local contractors, and suppliers in the industry to ensure health and safety remain our highest priority and that everyone gets home safely every day.

Utilities Kingston's commitment to managing the environmental impact of delivering utility services and enhancing sustainability was further strengthened by consolidating resources into one focused asset management and climate action group. This group is leading the development of the Climate Action Leadership Plan among many other initiatives. Utilities Kingston remains committed to reducing greenhouse gas emissions.

The Utilities Kingston team was the driving force behind the organization's achievements throughout 2023. We have great expectations as we look to 2024 as we further our vision to advance the unique multi-utility model to benefit our customers and build better communities. We express our gratitude for their exceptional service and hard work.

We would like to thank our Shareholder, Board of Directors, and employees for their support and look forward to our ongoing collaboration.



Nancy Taylor,
Chair, Board of Directors



David Fell,
President and Chief Executive Officer

Corporate governance

Overview

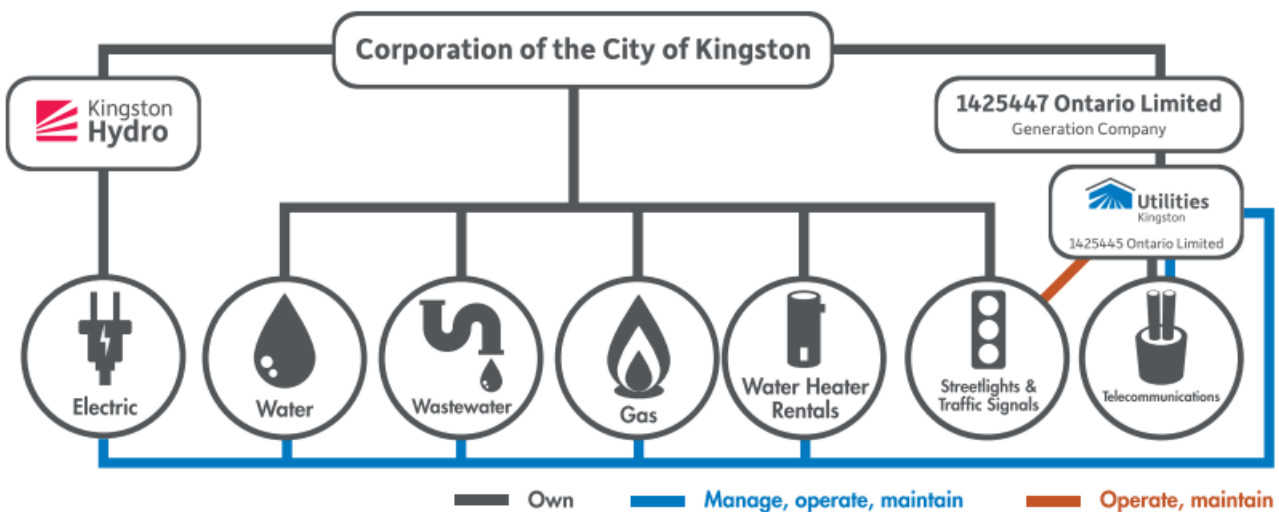
1425445 Ontario Limited (operating as Utilities Kingston) is 100 per cent owned by 1425447 Ontario Limited, a wholly owned subsidiary of the Corporation of the City of Kingston.

The Corporation is governed by a Board of Directors, which consists of four independent directors and two directors appointed by position. The independent directors are appointed by the Shareholder of 1425447 Ontario Limited, the Corporation of the City of Kingston, represented by the elected municipal councillors.

Purpose

Utilities Kingston is unique in Ontario, combining water, wastewater, natural gas, electricity, and telecommunications services. It operates streetlight and traffic signal services, as well as an appliance rental business.

This structure enables the complex choreography of multiple work programs leading to the efficient and cost-effective completion of the work. Along with helping to ensure that infrastructure repairs are less disruptive to residents and businesses, one of the benefits of a multi-utility structure that has all services under one roof is cost savings from economies of scope. The Company benefits from a shared services model for activities, equipment, and systems, ranging from customer care, billing, locates, metering, and some operational functions such as a common operations centre.



Board of directors

Utilities Kingston is incorporated under the *Business Corporations Act* (Ontario) and as such is governed by the provisions of that Act, as well as a Shareholders' Declaration, approved by the Corporation of the City of Kingston. The Board of Directors are responsible for overseeing the management of the Company and assessing the overall direction and strategy of the business, as well as ensuring enterprise risk management and regulatory compliance.

Directors



Nancy Taylor
Chair,
Independent Director



Lanie Hurdle
Vice-Chair
Chief Administrative
Officer, City of Kingston



David Fell
President and Chief
Executive Officer



William Leggett
Independent Director

Officers



Robert Little
Independent Director



Donna Janiec
Independent Director



David Fell
President and Chief
Executive Officer



Randy Murphy
Chief Financial
Officer and Treasurer,
Corporate Secretary

Corporate governance

Governing committees

The Board of Directors has created two committees of the Board to assist with its work. The members of the committees are comprised of the four independent directors.

Governance and Nominations Committee

The Governance, Nominations, and Compensation Committee oversees succession planning for Board members and senior executives. It develops the Company's approach to corporate governance and to discharge the Board's responsibilities related to compensation and benefits of the President and Chief Executive Officer, including reviewing for approval to the Board the adoption of any material changes in the Company's executive and/or non-union compensation plans.

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for assisting the board in fulfilling its oversight responsibilities about financial and non-financial risks to the Company. This includes the integrity of the Company's financial statements and the Enterprise Risk Management program.

Active participation

Active participation of board members is a critical component of good governance, with all Directors demonstrating commitment to the Corporation in their attendance at Board and Committee meetings in 2023.

Board member	Board meetings	Governance, Nominations and Compensation Committee meetings	Audit and Risk Management Committee meetings
Nancy Taylor, Chair	9/10	1/1	3/3
Lanie Hurdle, Vice-Chair	9/10	N/A	N/A
David Fell	10/10	N/A	N/A
Donna Janiec	5/5	1/1	3/3
William Leggett	10/10	1/1	3/3
Robert Little	10/10	1/1	3/3

Donna Janiec was elected to the Board on May 29, 2023

Donna Janiec is the Chair of the Audit and Risk Management Committee

William Leggett is the Chair of the Governance, Nominations, and Compensation Committee

Senior leadership

Utilities Kingston's senior leadership is responsible for executing the overall strategic direction of the organization. The team ensures that the company achieves the mission of the organization while striving towards its vision.



David Fell
President and Chief Executive Officer



Randy Murphy
Chief Financial Officer and Treasurer,
Corporate Secretary



James Miller
Chief Operating Officer



Heather Roberts
Director, Water and Wastewater Operations



Kate Tindal
Director, Corporate Services



Kevin McCauley
Director, Telecommunications
and Customer Care

Corporate governance

Enterprise risk management

The Utilities Kingston Board of Directors oversees the effective identification and management of strategic risks and opportunities to ensure the company can achieve its long-term strategic priorities, increase value for stakeholders, and meet governance and compliance requirements.

The Enterprise Risk Management (ERM) Program is an integral part of Utilities Kingston's culture and day-to-day operations, at all levels of the organization. ERM is the continuous, coordinated process used to identify, quantify, manage, and monitor risk that could have the potential for significant positive or negative outcomes and may affect the organization's strategic, operational, and financial objectives. Utilities Kingston manages these risks across four broad risk categories: hazard, operational, financial, and strategic.

A strategic goal for the organization since 2014, the company developed an ERM program that aligns with the International Organization for Standardization (ISO) 31000 Risk Management Guidelines framework.

In 2023, the annual ERM report was submitted to the Audit and Risk Committee of the Board, giving assurance to the committee that Utilities Kingston has properly identified risks and mitigations where practical.



Important issues

Important issues that represented critical external risks and opportunities for Utilities Kingston in 2023 included the following:



Changing regulatory and policy requirements related to the climate emergency and energy transition planning, affecting long-term value creation for all companies.



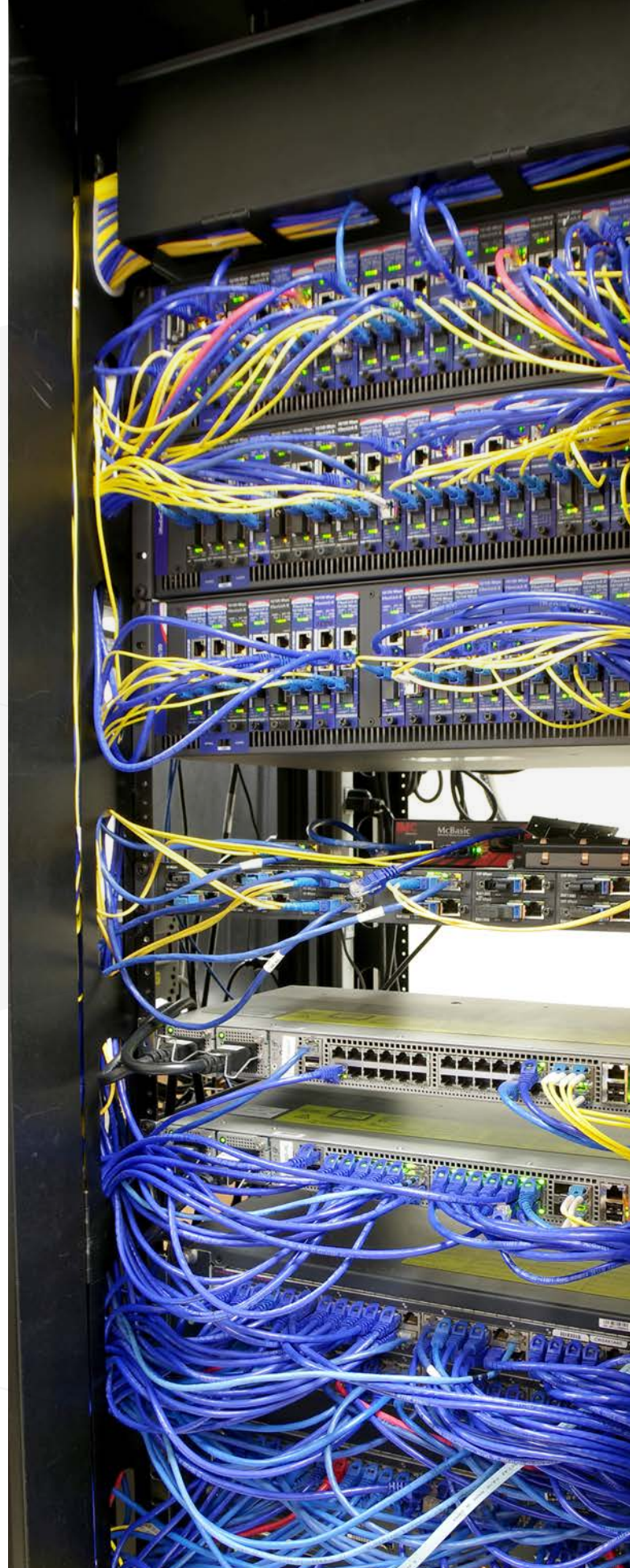
Continued higher-than-normal inflation, higher interest rates, and volatility in the financial market, impacting the cost of materials and services.



Supply chains experiencing unprecedented interruption.



Disruptions to the labour market related to the pandemic, and as Canada faces a wave of retirements and baby boomers leave the labour market.



Progress towards strategic plan

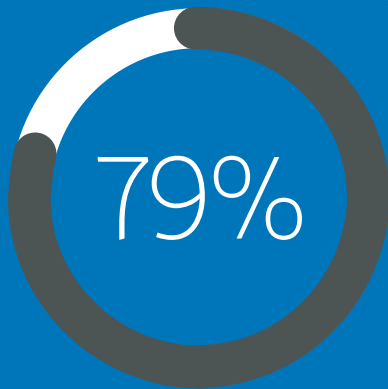
In 2021, Utilities Kingston developed a new strategic plan, outlining the company's business strategy for the period 2021-2025.

Utilities Kingston continues to adapt and evolve to meet complex and growing external impacts such as unprecedented projected growth within the City of Kingston, growing emphasis on integrating renewable energy sources, grid modernization, energy storage technologies to support and enhance reliability, and demands for innovative solutions to provide customers with real-time usage data and tools to manage energy consumption.

The essence of Utilities Kingston's strategy is to advance the unique multi-utility model to benefit its customers and build better communities. The following describes progress in 2023 towards the six goals outlined in the Strategic Plan.

At the end of year three, the company measured 79 per cent completion against the various initiatives within the six theme areas.

At the end of year three,
the company measured



completion towards



five-year
strategic goals



Key updates in 2023

Theme 1: Impact of COVID-19 over the next five years

After successfully navigating the challenges of the pandemic in its early days, Utilities Kingston seamlessly transitioned from its temporary, COVID-specific mission, back to its primary mission to manage, operate and maintain community infrastructure to deliver safe, reliable services and a personal customer experience.

While the business has completed this transition, the lasting impacts of COVID-19 continue to shape the workforce and the work environment, with organizations across various sectors adopting flexible work arrangements. In accordance with corporate policy, work-from-home and flexible work arrangements are available and are necessary to recruit and retain staff in certain areas of the organization.



Progress towards strategic plan

Theme 2: The pivotal relationship with the City of Kingston

Utilities Kingston enhanced reporting by implementing software to track and report progress on strategic initiatives, introducing a portal for Board members, and redesigning the annual report. Consistent, timely, and relevant reporting to the Board continues to enhance transparency and accountability against strategic priorities.

The review of the service level agreements between the City of Kingston and Utilities Kingston is ongoing. In 2023, staff from both entities worked together to facilitate the purchase of the customer service contract by Utilities Kingston from the City of Kingston. This involved drafting an agreement that identified, evaluated, and outlined all impacts to the individual staff members as they became Utilities Kingston employees effective January 1, 2024. This group provides frontline customer service for all utilities. The integration of the customer service group into the rest of the organization supports and enhances our commitment to providing the best possible service and support to our customers.



Theme 3: Networking business

Telecommunications staff completed a market pricing study, offering a comparative analysis of competitor pricing. This study prompted a pricing update for Utilities Kingston at the start of the summer.

A new master services agreement was established with a major telecommunications carrier, creating a framework outlining how Utilities Kingston and the carrier will do business together and simplifying the process for the carrier to request services. Background work was undertaken in preparation for the request for a proposal to deliver a business plan for the fibre business covering the period 2025 to 2029.

Theme 4: Meeting customer expectations

Utilities Kingston remains dedicated to exceeding customer expectations through ongoing efforts and initiatives. In 2023, Utilities Kingston purchased the call centre and customer service contract from the City of Kingston, creating a direct link with customers and the ability to directly manage the customer service team.

Utilities Kingston also completed a survey to gain valuable insights into customer experiences, revealing that 91 per cent of customers surveyed are satisfied with services provided by Utilities Kingston. Additional insights will be considered for future improvements.

Progress towards strategic plan

Theme 5: Asset management

During 2023, a consultant worked with staff to develop asset management road maps for each utility, designed to evaluate asset management approaches, practices, and processes. The consultant also measured the organization's maturity using the ISO 55001 methodology, the international asset management standard. The assessment provides a ranking of 1 to 5, where 3 ranks as competent. Utilities Kingston's overall asset management was ranked at 1.7, the stage of developing.

Planning is underway to improve the ranking and implement the road maps which identified several initiatives under three phases (fundamentals, managing risk & asset replacement analysis, and resource management plan). These initiatives will guide the newly formed Asset Management and Climate Action group.



Theme 6: Climate action leadership

Research for the Climate Action Leadership Plan continued throughout 2023. Staff reported a revised timeline to the Utilities Kingston Board, moving the Plan's completion to the end of 2024 instead of 2025. The report outlined four key strategic pillars:

1. Evaluate the feasibility of carbon neutral operations.
2. Investigate opportunities to support community climate action leadership.
3. Explore potential for lower carbon business ventures.
4. Climate change risk assessment and management.

An energy management plan to track, measure, and reduce energy and greenhouse gas emissions at water and wastewater facilities continues to be maintained.



Corporate social responsibility

Our employees

Utilities Kingston is an inclusive and relationship-focused organization that takes pride in the diverse skills, knowledge, and abilities of its employees. Utilities Kingston empowers its employees to innovate and to be passionate about the work they do and the exceptional service they provide to each other and to customers.



247 employees

11 years average length of employment

43 average age

31% of the leadership team is women

67% of employees are licensed tradespeople, licensed water/wastewater operators, or hold a professional designation

Utilities Kingston recognizes that access to skilled workers is a key factor in a successful company and equipping people with the skills they need to innovate helps to create jobs and prosperity.

“Choosing Utilities Kingston was an easy decision for me because this company is driven by its innovative approach, inclusive culture, and unwavering commitment to providing reliable utilities for the communities of Kingston. There is a resounding emphasis on forward-thinking solutions and collaboration which is coupled with a passionate focus on employee well-being that sets this organization apart from others. Working here not only fuels my professional growth but also instills a sense of pride in contributing to a company that actively makes a positive impact on the community.”

Caro Casista,
Conservation Coordinator

Diversity, equity, and inclusion

In 2023, the Utilities Kingston Board approved a revised Diversity, Equity, and Inclusion (DEI) Policy. The policy was revised to encompass a broader approach to fostering DEI principles, addressing human resources processes and how services are provided to the community.

Utilities Kingston is committed to providing equitable opportunities to all employees in recruitment and selection, training, development, and promotion. The company recognizes that these opportunities should remain unaffected by gender, race, age, ethnicity, ability, and sexual orientation, in a workplace where all employees feel valued and respected and receive fair treatment with appropriate compensation and benefits.

Utilities Kingston recognizes the importance of embracing diversity and providing equal opportunities for all including those in underrepresented groups. Building a diverse workforce fosters innovations, increases problem solving abilities, and enhances employee engagement.

“We would like to take this opportunity to thank Utilities Kingston for their important support in the publication Career Pathways Magazine, a regional resource helping students and those looking to transition into new careers, and as well for their participation in the “Girls Exploring Trades” event. This special event was held at St. Lawrence College in October 2023 and was specifically designed for 200 enthusiastic grades seven and eight girls who hail from three school boards in our region. *It is through* the support of our valued community partners such as Utilities Kingston that helps to ensure such unique and needed programs/events are available to inspire our local youth.”

Josie Walsh
Editorial Development

Gaby Eaton
Business Development

Career Pathways Magazine

Commitment to health and safety

In 2023, Utilities Kingston employees invested over 3,000 hours to health and safety training, showcasing their dedication to maintaining high standards of workplace safety and wellness.

The Joint Health and Safety Committee completed 86 workplace inspections of various worksites and met nine times throughout the year. This is above and beyond the legislated requirement of four committee meetings per calendar year.

Utilities Kingston's management team also completed over 100 individual worksite inspections, helping maintain a high standard of safety on all job sites and providing additional staff support.

Community safety leadership

Utilities Kingston and the City of Kingston welcomed more than 500 people at the annual Safety Days event, representing over 100 individual contracting firms. Contractors learned about health and safety expectations and took advantage of free training provided over the two-day event.



Awards and recognition

Utilities Kingston was honoured as the Gold Winner for the Occupational Health & Safety (OHS) Team of the Year at the OHS Canada Honours in 2023. The Team of the Year is presented to a group of health and safety professionals who demonstrate tangible evidence of health and safety achievements in the pursuit of excellence.

Utilities Kingston was also the proud recipient of the 2023 Worker Safety Award at the Electrical Safety Authority's Annual Meeting and Ontario Electrical Safety Awards in recognition of the annual Safety Days event.



Commitment to sustainability

Companies impact the natural environment through operations, supply chains, and product usage. Utility companies, like Utilities Kingston, manage environmental impact in delivering energy, treating source water, and managing wastewater.

In 2023, Utilities Kingston’s commitment to managing the environmental impact of delivering utility services and the contribution to sustainability was enhanced through the coordination of resources into one focused asset management and climate action group. This group is leading the development of the Climate Action Leadership Plan among many other initiatives.

Sustainable energy practices

Industrial Conservation Initiative peak shaving

The Industrial Conservation Initiative program was designed by the Independent Electricity System Operator to motivate eligible customers to reduce electricity consumption during times of high demand. Participating in this program led to significant cost savings.

Saved
~\$151,000

Reducing electricity use during peak periods also resulted in 45 per cent savings on global adjustment fees, a portion of the electricity bill for Ravensview Wastewater Treatment Plant.

Conservation programs

By providing conservation programs to customers, Utilities Kingston aims to not only enhance energy efficiency but also contribute to environmental sustainability and long-term energy security for its customers and the community.

Incentive programs

Financial incentives and rebates for customers who invest in energy-efficient technologies or implement conservation measures.

Education and outreach

Educational resources on energy-saving practices, sustainable habits, and conservation benefits.

Community engagement

Engaging with local communities through workshops, seminars, and outreach events to raise awareness about energy conservation.

Commitment to sustainability

Sustainable solutions

Utilities Kingston continues to investigate the feasibility of an integrated biosolids and source-separated organics facility. In 2023, work included the development and evaluation of alternative design concepts, as well as getting a better understanding of the facility’s potential to reduce greenhouse gas emissions from operations. Work continues in 2024.

Taking climate action


Utilities Kingston remains committed to reducing greenhouse gas emissions and working with the City of Kingston to achieve this shared goal.

This commitment extends beyond organizational boundaries, as Utilities Kingston proactively seeks collaborations with community members, agencies and governmental bodies to amplify the impact of climate action efforts. Through active participation in the community, Utilities Kingston helps maintain and enhance the City of Kingston for the benefit of all.

To support local climate action, Utilities Kingston also provides education and engagement opportunities, empowering customers to make informed choices and encouraging energy conservation and environmentally responsible actions.



240 gardeners
educated on growing a garden
that uses less treated water and
supports pollinators



49 customers
received rebates on a smart
thermostat, helping them save
energy and money



375 rain barrels
sold, reducing treated
water use

176,000 litres
of water potentially conserved per year

53 community members attended the first Indigenous Agriculture Workshop
with Kingston Native Centre and Language Nest



Utilities Kingston is part of the fabric of its community and proud to serve on these boards and memberships:

- American Water Works Association
- Association of Electrical Utility Safety Professionals
- Canadian Gas Association
- Canadian Municipal Water Consortium, Net Zero Working Group
- Canadian Renewable Energy Association
- Canadian Water and Wastewater Association
- Canadian Water Network
- Electricity Canada
- Electricity Distributors Association
- Greater Kingston Chamber of Commerce
- GridSmartCity
- Kingston Construction Association
- Kingston Regional Labour Management Health and Safety Committee
- Ontario Energy Association
- Ontario Energy Board Cyber Security Advisory Committee
- Ontario Good Roads Association
- Ontario Municipal Health and Safety Professionals Association
- Ontario Municipal Water Association
- Ontario Regional Common Ground Alliance
- Ontario Water Works Association
- Sensus Partner and Advisor Network
- Utilities Standards Forum
- Water Environment Association of Ontario
- Water Research Foundation
- Workplace Safety and Insurance Board Health and Safety Excellence Program

Local sponsorship and community involvement

Through local sponsorship and community involvement, Utilities Kingston gives back to the community it serves:

BGC South East

Pink Shirt Day

Career Pathways Magazine

Publication support

Girls Exploring Trades event

City of Kingston

Public Works open house

Spring into Summer event

Tree planting

CSA Group

Supported the development of a wastewater quality management system

Eastern Ontario Waterworks Association

Eastern Ontario Waterworks

Association Conference

Greater Kingston Chamber of Commerce

Business Summit event

Kingston Hiring Summit events

Kingston Native Centre and Language Nest

Sustainable gardening and Indigenous agriculture workshop

Kingston Pride

Queen's University

Fall Orientation

CIRQUE

Climate Action Strategy (MBA)

NSERC Alliance Missions grant

QHacks Hackathon

St. Lawrence College

Kingston Hydro Award for Sustainable Energy Leadership presented to Denis Persiyantsev

Sustainable Kingston

Electric Vehicle sponsorship

United Way Kingston Frontenac

Lennox & Addington

\$35,756.03 raised from the annual workplace campaign

Walking the Path of Peace Together

Supported the Landscape Ontario

Horticultural Trades Association by installing an eagle nesting platform



Delivering on mission - water

Providing safe, quality drinking water

The employees of Utilities Kingston proudly provide high-quality tap water to the **40,453 homes and businesses** served by the municipal water treatment and distribution systems. These systems include:



3 water treatment plants



5 booster stations



8 water storage facilities



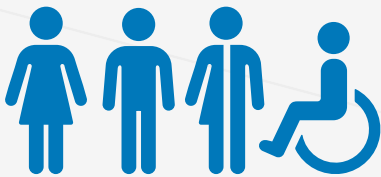
752 km of linear assets



5,420 water valves



3,579 fire hydrants



40,453
customers



+3
billion over
2022

24.3 billion L³
of quality water pumped

Significant achievements in 2023 include:



Installation of ten artificially intelligent devices in fire hydrants that continuously measure pressure, acoustics, and temperature to detect transient pressure events and leaks in the water distribution system.



Launch of a digital central water system platform that provides water managers and operators with a digitized dashboard that displays flow data from district meters and artificially intelligent fire hydrants.

The combination of these initiatives allows water managers and operators to identify and respond to events in the water distribution system faster, to protect the safety of the system, reduce water loss, fix breaks, and reduce water outage impacts to customers.



Preventative leak detection program

100%

of system surveyed
for leaks (752 km)



95
leaks repaired

Delivering on mission - water

Meanwhile, upgrades to water treatment infrastructure ensures the company can continue to provide the high level of reliable service and quality drinking water that the community counts on. Highlights in 2023:



Rebuild of one Low Lift Pump at King Street Water Treatment Plant



Replacement of process waste facility valve actuators at Point Pleasant Water Treatment Plant



Replacement of treated water flow meters at King Street Water Treatment Plant



Replacement of Granular Activated Carbon at Point Pleasant Water Treatment Plant



Rebuild of process waste facility transfer pumps at King Street Water Treatment Plant



Replacement of watermain on Dunkirk Street, Seventh Avenue and Duff Street



Upgrade of chemical storage tanks in process waste building at King Street Water Treatment Plant



Repairs to various other treatment process equipment



Replacement of liners in coagulant storage tanks at King Street Water Treatment Plant



Replacement of low meters



Repair of main electrical transformer at Point Pleasant Water Treatment Plant

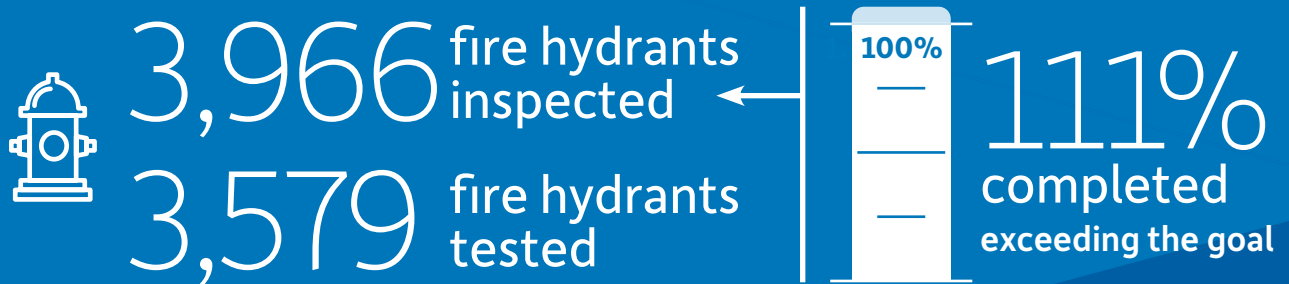


Installation of new watermain on Highway 15

Cross-functional support contributes to high-quality, reliable treated water

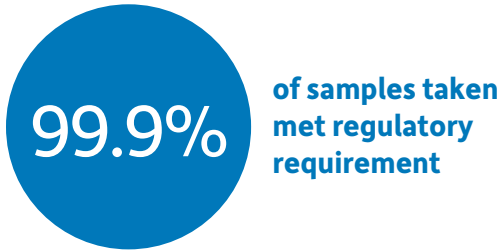
In 2023, system operators responded to 58 breaks in the water distribution system and responded diligently to repair the leaks safely and effectively, while minimizing impact to customers and maintaining the safety and quality of the drinking water.

System operators also surpassed the annual goal of inspecting 100 per cent of all fire hydrants in the municipal system, while also ensuring that each hydrant underwent inspection after use.

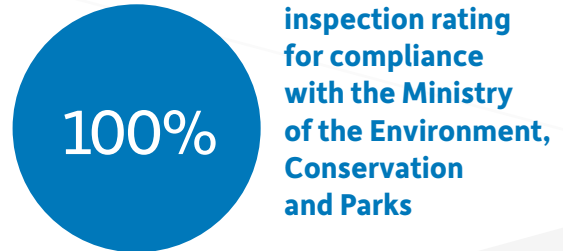


Delivering on mission - water


Ensuring regulatory compliance



↑
Utilities Kingston consistently meets or exceeds Ontario's strict water quality standards. With nearly one hundred per cent of samples meeting requirements, Utilities Kingston demonstrates a high level of commitment to drinking water quality. Detailed information on adverse results is provided in the annual drinking water reports available at UtilitiesKingston.com/Water/Quality/Reports.



↑
 **King St. water treatment plant**

 **Point Pleasant water treatment plant**

 **Cana water treatment plant**



Delivering on mission - wastewater

The employees of Utilities Kingston provide safe and reliable wastewater services to the **39,334 homes and businesses** served by the municipal wastewater collection and treatment systems. These systems include:



681 km of linear sewer assets



31 sewage pumping stations



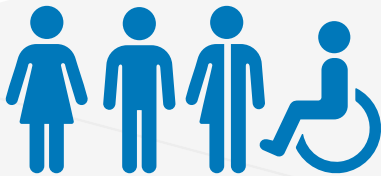
6,822 maintenance holes



9 combined sewer overflow tanks



3 wastewater treatment plants



39,334
customers



-8%
decrease over
2022

90,073 m³
average daily flow
of wastewater



Protecting our planet

99% of wastewater treatment plant final effluent compliance limits met

Utilities Kingston consistently meets or exceeds Ontario's strict wastewater standards. With nearly one hundred per cent of samples meeting requirements, Utilities Kingston demonstrates a high level of commitment to human health and the natural environment. Detailed information on exceedances is available at UtilitiesKingston.com/Wastewater/About/Reports.

Proud to support public health



536

100% of requested support

sewer samples provided to support the collaborative work between KFL&A Public Health, Loyalist Township, Queen's University, and Utilities Kingston for respiratory illness surveillance

Delivering on mission - wastewater

Pre-emptive programs protect system integrity

With an average daily wastewater flow of 90,073 m³ in 2023, regular system maintenance is critical. From dead-end maintenance hole cleaning to removing roots and sewer blockages, the activities of the company's skilled wastewater system operators help protect properties and the environment from sewer back-ups and overflows. Also, rodent control and assisting engineering in reconstruction programs were completed.

Significant achievements in 2023 include:



Compliance with the newly issued Consolidated Linear Infrastructure Environmental Compliance Approval requirements



Cleaned and inspected sanitary sewers in Cataraqui Woods North, Waterloo Village, Westbrook, and Woodhaven to ensure continued service reliability



Provided the Preventative Plumbing Program to 240 homes, helping homeowners reduce the risk of basement flooding

Proactive asset renewal strategies to support community goals

Significant achievements in 2023 include:



Jointly with the City of Kingston, construct new sanitary and storm sewers on Gore Street and Bagot Street to eliminate a combined sewer on Gore Street



Twin the North End Trunk Sewer (NETS) for improved redundancy and increased capacity, southerly across Bath Road along Queen Mary Road



Continued with upgrades at Days Road Pumping Station to increase capacity

Meanwhile, upgrades to wastewater treatment infrastructure ensure the company can continue to provide the high level of reliable service and health, safety, and environmental protection that the community counts on. Highlights in 2023:



Rebuild of one primary effluent pump at Ravensview Wastewater Treatment Plant



Rebuild of one pump at River Street Pumping Station



Rehabilitation of generator fuel system at River St. Pumping Station



Replacement of a blower for the secondary treatment process at Ravensview Wastewater Treatment Plant



Assessments of Wastewater Treatment Plant Outfalls to confirm ongoing reliability and identify improvements required



Lighting upgrades throughout the Ravensview Wastewater Treatment Plant



Repairs to various other treatment process equipment



Substantial completion of the multi-year plant-wide upgrades at Cataraqui Bay Wastewater Treatment Plant



Replacement of control panels at Coverdale Pumping Station and Westbrook Pumping Station



Replacement of one sanitary sewer on Dunkirk Street



Delivering on mission - natural gas

The employees of Utilities Kingston maintain the safety and integrity of Kingston's municipal natural gas distribution system. This includes:



259 km gas mains



231 km gas services



1,444 gas valves



9 pressure regulating stations



15,739 gas meters



15,786
customers



87.7 million m³
of natural gas delivered

Ensuring public and pipeline safety

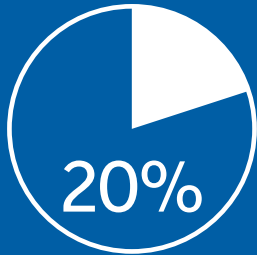
In 2023, employees responded to 234 complaints of natural gas smells.

Certified natural gas technicians investigate every complaint, meeting 100 per cent of regulated requirements to ensure public safety. Of the complaints received in 2023, 137 required corrective action to address the leak. For the balance, no gas leaks were found.



Delivering on mission - natural gas

Proactive annual gas leaks survey



of the system inspected for leaks

100% of target



33 leaks identified

100%

addressed in a timeframe that exceeds regulatory requirements



50 inspections on buildings that have gas meters and regulators inside



Identified one location with corroded piping and replaced it immediately





Responsive sewer safety inspections and ensuring public safety

 96 sewer safety inspections completed

 0 cross bore occurrences found

 1,136 inspections of customer-owned equipment and piping completed

Delivering on mission - natural gas

Accurate, reliable gas metering equipment

Ensuring customers receive accurate bills for their household or business gas consumption relies heavily on dependable metering equipment. Routine maintenance and replacement ensures accuracy, reliability, and compliance with Measurement Canada and the Gas and Electricity Inspection Act.

Highlights in 2023:



773 end-of-life gas meters replaced

Utility companies continue to experience delays in receiving materials and equipment including gas meters. Staff continue to proactively manage supply chain issues and challenges to ensure the availability of needed supplies.





Delivering on mission - electricity

The employees of Utilities Kingston provide asset management, billing, and operational services for Kingston Hydro, the Ontario Energy Board licensed distributor of electricity for 28,506 customers in central Kingston. These systems include:



691 km of overhead wire and underground conductors



16 distribution substations



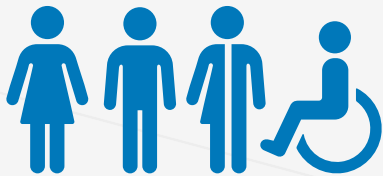
34 substation transformers



2,315 in-line transformers



5,184 poles



28,506
customers



6%
decrease
over 2022

663 million kWh
of electricity delivered

System reliability measures

Ensuring customers have reliable electricity service is essential. When the power goes out unexpectedly, Utilities Kingston works swiftly to restore power, prioritizing both safety and efficiency.

Average number of hours that power to a customer was interrupted:

1.17 better than distributor target of 1.33

Average number of times that power to a customer was interrupted:

0.74 better than distributor target of 0.85

 **100%**

compliance with Electrical Safety Authority audit



Delivering on mission - electricity

Planned events

Regular maintenance of electrical distribution systems is critical for upholding power reliability for customers. To ensure the safety of crews, certain sections may be de-energized for maintenance or work protection. As a result, some customers are affected by scheduled outages. In 2023, Utilities Kingston scheduled these planned outages, accounting for 2,847 total customer hours of interruption.

Unplanned events

In 2023, electricity crews responded to 502 after-hours calls, including for severe weather events. Causes of power outages include:



Loss of supply from Hydro One Network Inc. is the leading factor in forced outages. Three loss of supply outages occurred in 2023, causing a total of 55,613 customer hours of interruptions or 63 per cent of the total customer hours of interruptions. Loss of supply categorizes the power outages caused by upstream transmission systems that are out of the control of Kingston Hydro. These outages were excluded from Kingston Hydro's reliability calculations.

Utilities Kingston's unplanned or emergency outages caused 29,854 total customer hours of interruption.



Foreign interference caused seven outages and 23,678 total customer hours of interruptions. This refers to customer interruptions beyond the control of the distributor, such as those caused by animals, vehicles, dig-ins, vandalism, foreign objects, and failed customer equipment.



Failing equipment continues to be the leading factor in forced outages and emphasizes the importance of continued investments in infrastructure renewal and targeted preventive maintenance activities.



Meeting regulatory requirements and enhancing customer experience

Utilities Kingston implemented a Green Button solution, enabling customers to access their consumption and billing data in a consistent format. This empowers customers to better understand and manage their energy consumption. The Green Button solution also offers authorized third-party app developers access to standardized data automatically, facilitating the development of tools for customers to gain additional insights and recommendations for reducing consumption.

Utilities Kingston also implemented the Ultra-Low Overnight price plan for electricity customers to offer a low rate when there is traditionally an excess of electricity overnight. This new price plan meets the changing needs of customers, offering an additional choice for managing electricity costs in a way that is best for their own needs and uses.

Customer satisfaction

91%

of customers surveyed were satisfied with services provided by Utilities Kingston.

Utilities Kingston completed its bi-annual customer satisfaction survey in 2023, as required by the Ontario Energy Board. The results were that 91 per cent of customers surveyed were satisfied with services provided by Utilities Kingston.

Scorecard

Utility scorecards track and show comprehensive performance information for each electricity utility in Ontario, over a range of time and for a specific year. In 2023, Kingston Hydro's 2022 performance received solid scores via the Ontario Energy Board Scorecard. The scorecard confirms that Kingston Hydro continues to perform strongly against provincial targets.

View the OEB Scorecard at [KingstonHydro.com](https://www.kingstonyhydro.com)

Delivering on mission - electricity

Investing in community infrastructure

Utilities Kingston is building capacity for electrical load growth, supporting new development and electrification. Significant achievements in 2023 include:



At Municipal Substation No. 7, replacing the existing legacy electro-mechanical protection relays with new digital relays. Upgrades were also completed to the feeder protection settings and schemes.



At Municipal Substation No. 5, replacement of the substation transformer, relay upgrades, reclosure, and cable feeder cable replacements, and reconfigured 44kV and 5kV tie points and switches were completed.



Completion of overhead line extension and transformer installation in support of the Ministry of Transportation upgrades on Highway 401.

Another key focus continues to be supporting the City of Kingston in its growth and development goals. Through proactive asset renewal strategies, the company is supporting the intensification of Kingston's vibrant city centre. Progress in 2023 included pole replacement and overhead line construction in support of the City's Belle Park power restoration project with a focus on safe, reliable and efficient services.





Connecting new technologies

One way Utilities Kingston is helping to build clean energy infrastructure is by connecting new technologies that support locally owned facilities for electricity generation.

In 2023, the company connected 11 new Distributed Energy Resources. Most of the electricity generated in Ontario produces low levels of greenhouse gas emissions, and these locally owned facilities also generate clean energy.

Delivering on mission - streetlights and traffic signals

As a partner to the City of Kingston, Utilities Kingston provides reliable maintenance and operation of traffic signals at 200 intersections and over 10,000 streetlights in Kingston.

Through a consistent approach to meeting standards provided in the Municipal Act, by providing cost efficiencies and applying knowledge and expertise of the local system, this partnership builds value for the municipality and community.

Utilities Kingston's technicians build and upgrade traffic signal intersections, install streetlight poles, and quickly respond to traffic signal problems and streetlight outages. The company strives to make this infrastructure as reliable and efficient as possible while meeting the growth and development goals of the City. Employees help ensure that traffic, pedestrians, motorists, and cyclists can move safely and efficiently around Kingston.

 **286** after hours traffic signal or streetlight issue calls responded to exceeding regulatory requirement for response time by 100%

Highlights in 2023:

 **17** spans of streetlight underground cables were replaced due to end-of-life

 **123** failed streetlights repaired

 **217** work assignments completed related to traffic signals

Completion of a new intersection build at Princess Street and Rosanna Avenue, a new pedestrian crossing on Elliot Avenue, a partial traffic signal re-build at Bath Road and Queen Mary Road, and 17 new pathway lights installed on Westbrook Road to enhance public safety for all road users



Financial highlights

Utilities Kingston is also responsible for managing the purchase of gas and electricity commodities, and the transportation of these commodities to its service areas. The company's primary goal is the efficient operation and capital improvement of the assets it manages.

Operating expenses include maintenance and administration costs incurred annually to manage the utilities. Meanwhile, capital expenditures fluctuate year-over-year, depending on the capital plan approved by City of Kingston Council for water, wastewater, and natural gas utilities, and the Kingston Hydro Board of Directors for the electricity utility.

Revenues and expenses are recorded in the financial statements of the Corporation of the City of Kingston for water, wastewater, and natural gas utilities, and Kingston Hydro Corporation for the electricity utility.

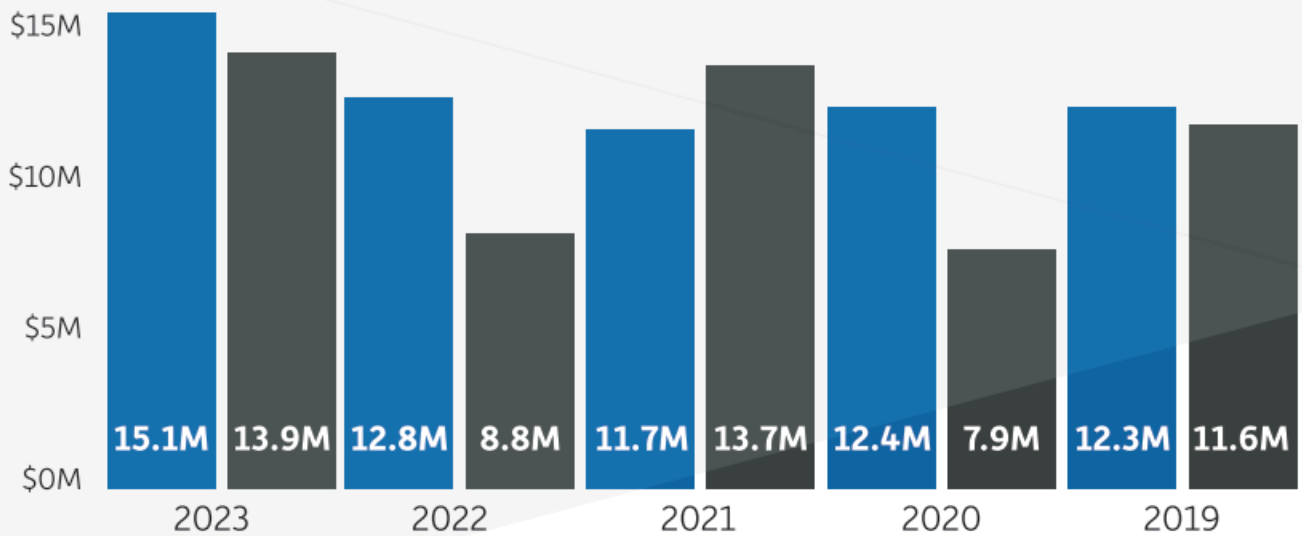




Water

Operating expenditures incurred were \$15.1 million (2022 - \$12.8 million), an increase of 18 per cent over 2022 and 101 per cent of budget. The year-over-year increase is primarily due to watermain break and service leak repairs, as well as chemical cost increases at water treatment plants.

In 2023, a total of \$13.9 million (2022 - \$8.8 million) in capital improvements was invested in the water utility, with the major expenditures being Third Avenue Reservoir upgrades, construction on Highway 15 trunk watermain (Gore Road to Highway 2) and end-of-life meter replacement.



Legend:

Operating expenses 

Capital investment 

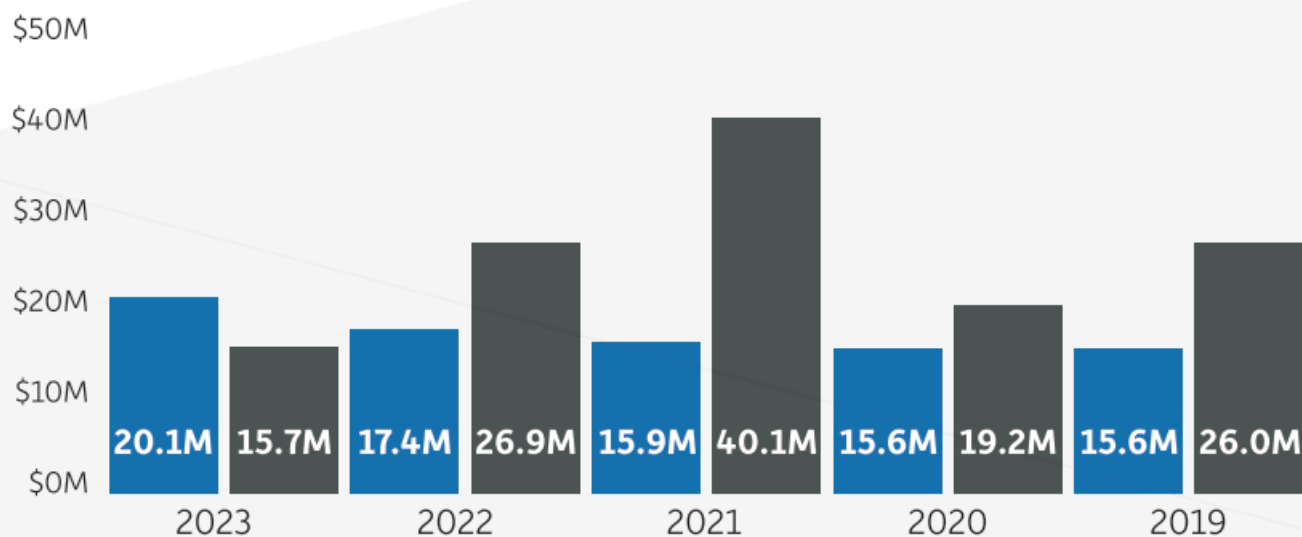
Financial highlights



Wastewater

Operating expenditures incurred were \$20.1 million (2022 - \$17.4 million), a 16 per cent increase over 2022 and 99 per cent of budget. The year-over-year increase is mainly due to chemical cost increases at the wastewater treatment plants as well as staff increasing maintenance activities.

In 2023, \$15.7 million (2022 - \$26.9 million) was spent on capital projects for the wastewater utility with the major expenditures being the commissioning of the Cataraqui Bay Wastewater Treatment Plant, the Days Road Pumping Station upgrades and end-of-life meter replacement.



Legend:

Operating expenses 

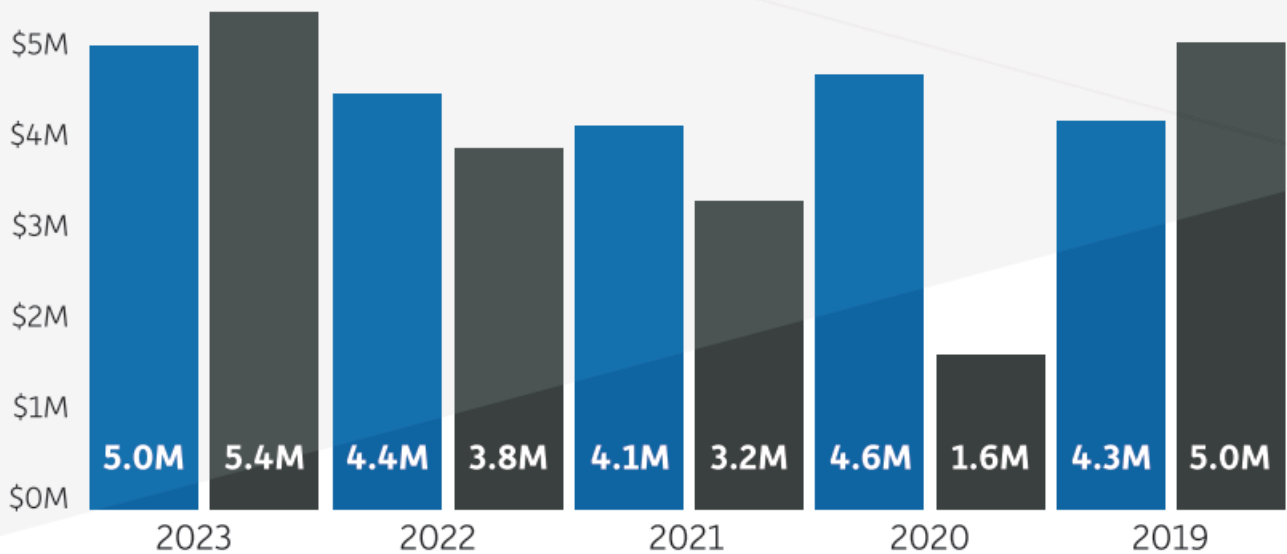
Capital investment 



Natural gas

Operating expenditures incurred were \$5.0 million (2022 - \$4.4 million), a 13 per cent increase over 2022 and 97 per cent of budget. The year-over-year increase is primarily due to increased expenditures in bad debts and general gas maintenance.

In 2023, \$5.4 million (2022 - \$3.8 million) was spent on general capital reinvestment in the gas utility, to ensure the safety and integrity of the natural gas distribution system.



Legend:

Operating expenses 

Capital investment 

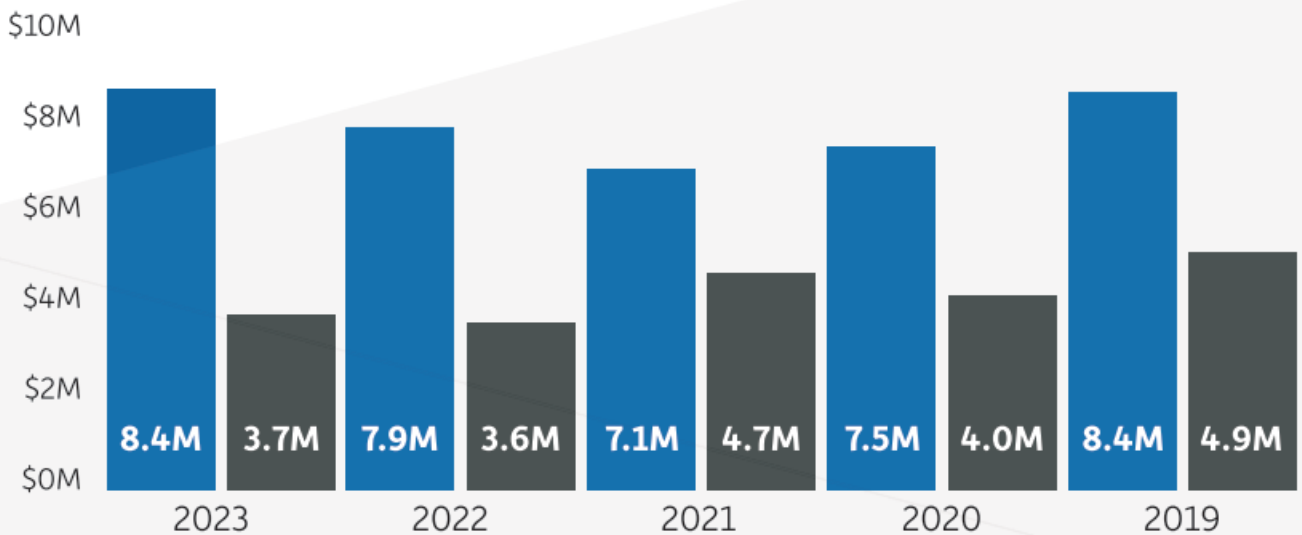
Financial highlights



Electricity

Operating expenditures of \$8.4 million (2022 - \$7.9 million) were 7 per cent higher than 2022 due to an increase in maintenance expenses as well as an increase in bad debt expense.

In 2023, \$3.7 million (2022 - \$3.6 million) was invested in capital improvements to the system, including transformer vault and municipal substation upgrades, and end-of-life pole replacement.



Legend:

Operating expenses 

Capital investment 





UtilitiesKingston.com

85 Lappan's Lane
PO Box 790
Kingston ON K7L 4X7
Tel.: 613-546-1181

2024 © Utilities Kingston