



THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

BY-LAW No. 2019-73

**A BY-LAW TO ADOPT THE 2020 WATER SYSTEM
OPERATING AND CAPITAL BUDGETS**

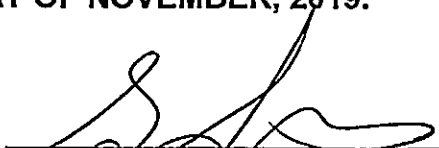
WHEREAS it is necessary for the Council of the Township of Southwold, pursuant to Section 290 (1) of the Municipal Act 2001, S.O. 2001, c.25, to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality;

AND WHEREAS the Council for the Township of Southwold desires to adopt Operating and Capital Budgets for the Southwold Water Distribution System.

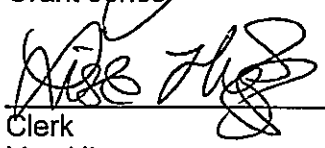
NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD ENACTS AS FOLLOWS:

1. That the 2020 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2020 Water System Capital Budget, attached as Schedule "B", and forming part of this by-law, is hereby adopted.

READ A FIRST AND SECOND TIME, CONSIDERED READ A THIRD TIME AND FINALLY PASSED THIS 25th DAY OF NOVEMBER, 2019.



Mayor
Grant Jones



Clerk
Lisa Higgs

Schedule "A"												
Water Operating												
Water Operating	Account	2018 Budget	2018 Actual	2019 Budget	2019 Actual YTD	2020 Budget	\$ Variance	% Variance	2021 Budget	2022 Budget	Notes	
Revenue												
01.4211.0370	Water Billings	(\$1,204,906)	(\$1,048,814)	(\$1,182,252)	(\$918,938)	(\$1,247,964)	(\$65,713)	5.56%	(\$1,298,013)	(\$1,362,921)	see consumption notes below. Combined water/sewer rate study in 2019/2020 to be funded from rates.	
01.4211.0371	Water Billings- Ford		(\$210)		(\$98)		\$0	0.00%			budgeted for in regular water billings	
01.4211.0372	Water Billings - Tri-County Water System	(\$220,942)	(\$257,693)	(\$232,023)	(\$250,628)	(\$243,949)	(\$11,926)	5.14%	(\$256,773)	(\$251,777)	146,000 cubic metre per year minimum	
01.4211.0373	Water Filling Station Revenue	(\$10,267)	(\$7)	(\$9,151)	\$0	(\$9,517)	(\$366)	4.00%	(\$9,707)	(\$9,999)	assume 3,000 cubic meters annually	
01.4211.0374	Construction Water		(\$2,100)		(\$2,100)	(\$2,000)	(\$2,000)	0.00%				
01.4211.0375	Water meter fees & misc	(\$93,125)	(\$30,228)	(\$45,625)	(\$20,427)	(\$43,125)	\$2,500	-5.48%	(\$55,000)	(\$55,400)	benchmark threshold \$20,000 per year, additional 37 in 2020, 56 in 2021, 59 in 2022 -note related equipment costs will also increase	
01.4211.0376	Water Connection and curbstops fees	(\$454,809)	(\$207,520)	(\$192,968)	(\$69,912)	(\$200,701)	(\$7,733)	4.01%	(\$278,627)	(\$298,707)	offset by transfer to reserve-significant increase related to anticipated new builds-offset below	
01.4211.0377	Penalty & Interest	(\$10,000)	(\$9,081)	(\$10,000)	(\$9,540)	(\$10,000)	\$0	0.00%	(\$10,000)	(\$10,000)	threshold	
01.4211.0378	Sewer Collection Revenue	(\$35,764)	(\$35,844)	(\$36,837)	(\$39,904)	\$0	\$36,837	-100.00%	\$0	\$0	Moved to Sanitary Sewer Budget	
01.4211.0379	Small Waterworks Assist. Grant				\$0		\$0	0.00%				
01.4211.0382	Water Investment Income	(\$105,000)	(\$103,419)	(\$92,000)		(\$100,000)	(\$8,000)	8.70%	(\$100,000)	(\$135,000)	offset by transfer to reserve-offset below	
01.4211.0383	Sewer Investment Income	(\$2,000)	(\$1,911)	(\$2,000)		\$0	\$2,000	-100.00%	\$0	\$0	Moved to Sanitary Sewer Budget	
01.4211.3182	Water Truck machine rental						\$0	0.00%			internal costing - not budgeted. Any net revenue generated when other departments utilize the water truck will be transferred to reserve for future vehicle replacement	
01.4211.0130	Debtenture Charges-Internal Principal	(\$6,914)		(\$4,980)		(\$5,278)	(\$298)	5.99%	(\$5,598)	(\$977)	interest on internal water debentures-expire in 2022 and 2023 -offset below	
	Debtenture Charges-Internal Interest			(\$1,933)		(\$1,635)	\$298	-15.42%	(\$1,316)		earned on debenture debt	
01.4211.0130	Debtentures Charges-External	(\$70,839)		(\$70,839)		\$0	\$70,839	-100.00%	\$0		external debenture -offset by payments below	
Sub Total	Water Department Revenue	(\$2,214,565)	(\$1,696,827)	(\$1,880,609)	(\$1,311,546)	(\$1,864,170)	\$16,439	-0.87%	(\$2,015,034)	(\$2,124,780)		
Expenditures												
01.4211.1110	Salaries and Wages	\$134,442	\$120,637	\$112,762	\$85,145	\$115,017	\$2,255	2.00%	\$117,317	\$119,664	2020 based on 2019 anticipated plus increase plus 3%-FT operator, Accounting Clerk 50% , Treasurer 15%, PW Superintendent 15%, Admin 5%. (2017 included 1 FT and 1 PT for 1/2 year. 2018 included 1 FT and 1 PT for minimal part of year. Now Roads time is allocated for meter reading purposes.)	
01.4211.1112	Roads Wages Allocated	\$0		\$9,750	\$1,558	\$10,043	\$293	3.00%	\$10,344	\$10,654	Road time spent reading meters plus 25% benefits.	
01.4211.1115	Wage recoveries Dutton	\$0		\$0	\$0	\$0	\$0	0.00%	\$0	\$0		
01.4211.1120	Canada Pension Plan	\$3,891	\$2,593	\$2,749	\$2,543	\$2,831	\$82	3.00%	\$2,916	\$3,004	based on 1 FT employee, 2019 limit	
01.4211.1130	Employment Insurance	\$1,802	\$1,201	\$1,204	\$1,186	\$1,240	\$36	3.00%	\$1,278	\$1,316	based on 1 FT employee, 2019 limit	
01.4211.1140	OMERS	\$8,300	\$5,824	\$5,983	\$4,996	\$6,163	\$179	3.00%	\$6,347	\$6,538	based on 1 FT employee, 2019 anticipated totals, plus 3%	
01.4211.1150	Employer Health Tax	\$1,803	\$1,195	\$1,189	\$1,030	\$1,225	\$36	3.00%	\$1,262	\$1,300	based on 1 FT employee, 2019 anticipated totals, plus 2%	
01.4211.1160	Workplace Safety Insurance	\$1,131	\$645	\$665	\$576	\$685	\$20	3.00%	\$705	\$726	rate of 1.09% per \$100 of wages. Assumed 3% increase in 2020, 2021 and 2022.	
01.4211.1170	Group Insurance	\$12,177	\$7,174	\$4,995	\$6,240	\$5,244	\$250	5.00%	\$5,506	\$5,672	2020 is based on 2019 anticipated plus 5% increase anticipated by Mosey and Mosey for coverage. Assumed 5% increase in 2020 and 2021.	
01.4211.1220	Training & mileage	\$3,000	\$1,694	\$2,500	\$141	\$2,675	\$75	3.00%	\$2,652	\$2,732	assuming training costs similar to 2019	
01.4211.2120	Utilities	\$10,113	\$8,749	\$8,700	\$5,065	\$8,961	\$261	3.00%	\$9,230	\$9,507	2020 increased utilities 3%	
01.4211.2140	Materials and Supplies	\$12,790	\$3,858	\$9,785	\$1,711	\$10,243	\$458	4.68%	\$10,695	\$11,015	Increased in 2020 and 2021 given anticipated increase in customers.	
	- alloc office supplies and postage	\$5,000		\$5,150		\$5,555	\$405	7.85%	\$5,721	\$5,893	Increased in 2020 and 2021 given increase in customers	
01.4211.2180	Property maintenance	\$2,678	\$3,307	\$2,500	\$2,095	\$2,575	\$75	3.00%	\$2,652	\$2,732	2020-reflective of prior years	
01.4211.2700	Roads equipment time	\$17,096	\$20,014	\$24,600	\$9,006	\$20,000	(\$4,600)	-18.70%	\$25,000	\$27,000	2020-reflective of prior years	
01.4211.3130	Telephone & internet	\$5,000	\$4,436	\$4,600	\$2,709	\$4,738	\$138	3.00%	\$4,880	\$5,027	2020-reflective of prior years	
01.4211.3150	Legal and Audit fees	\$2,500	\$0	\$2,575	\$2,627	\$2,652	\$77	3.00%	\$2,732	\$1,650	annual allocation of year end audit, assuming 3% increase annually	
01.4211.3140	Insurance	\$19,363	\$20,889	\$19,750	\$3,352	\$20,343	\$593	3.00%	\$20,953	\$22,001	2020-20% increase in premium. (2018 invoice not yet received)	
01.4211.3160	System Maintenance	\$8,057	\$286	\$10,000	\$3,352	\$10,300	\$300	3.00%	\$10,609	\$10,927	2020-reflective of 5 year average, difficult to predict	
01.4211.3161	Equipment Costs	\$69,681	\$36,747	\$70,000	\$29,381	\$40,000	(\$30,000)	-42.86%	\$106,301	\$13,163	2020 based on 2019 anticipated equipment costs. Total fluctuates with number of service connections, costs dependent on work required, repairs, waterline breaks, etc	
01.4211.3170	Memberships & subscriptions	\$750	\$592	\$650	\$0	\$670	\$20	3.00%	\$690	\$710	2020-based on 2019 membership costs plus 3%	
01.4211.3180	Water truck fuel and maintenance		\$3,305	\$4,000	\$1,979	\$4,120	\$120	3.00%	\$4,244		fuel and repairs and maintenance-R&M are anticipated to be minimal, \$500, given newer vehicle.	
01.4211.3300	Contracted Services	\$106,863	\$100,872	\$109,695	\$74,705	\$112,985	\$3,291	3.00%	\$116,375	\$119,866	2020-based on 2019 anticipated plus 1.7% annual increase. Includes OCWA contract and plowing contract services. Assumed OCWA invoices for additional services of \$8,000 for 2020 and 2021 given expansion of waterline anticipated.	
01.4211.3302	Water Testing	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	OCWA covers costs	
01.4211.3303	Studies, standards		\$0	\$13,500	\$0	\$13,500	\$0	0.00%	\$5,000	\$5,150	Water Rate Study 50% of overall rate study costs over 2019 and 2020 \$54,000 total.	
01.4211.3310	Water Costs	\$872,591	\$895,609	\$828,183	\$681,427	\$888,954	\$60,772	7.34%	\$959,849	\$946,158	2020-consumptions assumed below (metered use + 20% loss)	

Schedule "A"											
Water Operating											
Water Operating	Account	2018 Budget	2018 Actual	2019 Budget	2019 Actual YTD	2020 Budget	\$ Variance	% Variance	2021 Budget	2022 Budget	Notes
01.4211.9999	Miscellaneous	\$7,150	\$8,058	\$14,700	\$81,620	\$15,141	\$441	3.00%	\$15,595	\$16,063	2020-reflective of 5 year historical average-relates to waterline connections, taps, curbstop repairs, etc
01.4211.6100	Transfer to Reserve - Water	\$235,000	\$445,192	\$215,000		\$252,431	\$37,431	17.41%	\$0	\$0	Capital requirement for future replacement of existing infrastructure calculates to \$235,000 per year with replacement cost 70 yrs. Total contribution over 3 year period averages to \$243,333 annually. Awaiting rate study to determine updated contributions necessary for future replacement of infrastructure.
G421-111.5111	Acquisition building for water operations						\$0	0.00%			
	Transfer to Reserve - Water	\$454,809		\$192,968	\$0	\$200,701	\$7,733	4.01%	\$278,627	\$298,707	connection fees transferred to reserve-offset above
	Balance Net Transfer to Reserve - Water	\$105,000		\$92,000	\$0	\$100,000	\$8,000	8.70%	\$100,000	\$135,000	investment interest transferred to reserve-offset above
01.4211.6150	Transfer to Reserve - Sewer	\$35,764	\$37,756	\$36,837	\$0	\$0	(\$36,837)	-100.00%	\$0	\$0	quarterly charges transferred to reserve-FERNDAL/LYNHURST SEWER-offset above
	Transfer to Reserve - Sewer	\$2,000		\$2,000	\$0	\$0	(\$2,000)	-100.00%	\$0	\$0	investment interest transferred to reserve FERNDAL/LYNHURST SEWER-offset above
01.4211.7000	Amortization						\$0	0.00%			
01.4211.3303	Standards and Specifications						\$0	0.00%			
	Require. for Drinking Water Licence						\$0	0.00%			
01.4211.6400	Water Debenture Payment(P) Internal	\$4,977	\$4,977	\$4,980		\$5,278	\$298	5.99%	\$5,598	\$977	internal debentures-principal, interest recorded as revenue-offset above
	Water Debenture Payments(P&I)										
01.4211.6400	External	\$70,839	\$70,839	\$70,839	\$70,839		(\$70,839)	-100.00%	\$0	\$0	external debentures-interest and principal offset by revenues-expires 2019. Collect from ratepayers and pay CIBC. -offset above
Sub Total	Water Department Expenditures	\$2,214,565	\$1,806,449	\$1,884,809	\$1,073,281	\$1,864,170	(\$20,639)	-1.10%	\$1,833,079	\$1,783,152	
Total	Water Department	\$0	\$109,622	\$4,200	(\$238,265)	\$0	(\$4,200)	-100.00%	(\$181,955)	(\$341,628)	

Schedule "B"

Water Capital - Not Raised from Tax Levy

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
2020 Capital				
Talbot Meadows Subdivision - Engineering	\$25,000	\$25,000		Water Reserve
Lynhurst Reconstruction	\$386,293	\$386,293		Water Reserve, waiting on Engineer Estimates
OCWA Recommendations	\$51,000	\$51,000		Water Reserve
2020 Total	\$462,293	\$462,293	\$0	
2021 Capital				
Talbot Meadows Reconstruction	\$25,000	\$25,000	\$0	Water Reserve - minimal water replacement anticipated
OCWA Recommendations	\$11,000	\$11,000		Water Reserve
2021 Total	\$36,000	\$36,000	\$0	
2022 Capital				
OCWA Recommendations	\$16,000	\$16,000		Water Reserve
2022 Total	\$16,000	\$16,000	\$0	

The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2020 to 2025)

The Ontario Clean Water Agency has identified the following capital projects/major maintenance for your review and approval.

Ref. No.	Scope of Work	Cost Estimate						Compliance	DWQMS RA Outcome*	Health & Safety	Repair / Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
		2020	2021	2022	2023	2024	2025									
Shedden Re-Chlorination Facility																
1	Purchase chlorine pump rebuild kit for spare parts inventory	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -									Currently spare pump rebuild kit is in stock inventory. Placeholder in 2024.
2	Chlorine analyzer(s) parts: inlet and outlet (membrane caps, pH standards, cl2 probe replacement, pH probe replacement, electrolyte)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 4,000.00	\$ 4,000.00	\$ 1,500.00	H	H		H					Chlorine probes required every 3- 5 years for inlet and outlet analyzer, pH probes require annual replacement.
3	Chemical Feed Panel: upgrade and replace chemical feed panel	\$ 22,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	H	H			H	H			Recommend to replace and upgrade the old chemical feed panel as it is at the end of its lifecycle. Upgrade to new style pumps, and complete wall panel and chlorine analyzers.
4	Chlorine Injector: Replace injector and purchase one spare for stock inventory	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	H	H			H	H			Recommend to replacec injector and to also purchase one spare for stock inventory in 2020.
Total Estimate - Recommended Capital		\$26,500	\$1,500	\$1,500	\$4,000	\$4,500	\$1,500									
Distribution System																
1	Fire flow testing	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -									Fire flow testing on hydrants last completed in 2017. Recommend to start again in five years or when Ford water tower is taken out of service.
2	Hydrant maintenance and repairs	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00				H					Placeholder for possible repairs or replacement.
3	Distribution System: undertake evaluation of system due to impacts of Ford water tower being taken offline	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	H	H							OCWA recommends that as a result of the Ford wate tower being taken offline in the future, that the Township undertake a detailed study on the potential impacts as a result of the tower removal.
4	Sample station maintenance/repairs/rebuild kits	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00				H					Purchase spare rebuild kits and on-going maintenance to sample stations, ball valves and plungers.
5	Auto flusher maintenance: replace controllers, lids, etc	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00		H		H					Four auto flushers require regular maintenance/replacement of parts: including controllers, valves.
Total Estimate - Recommended Capital		\$24,500	\$9,500	\$14,500	\$14,500	\$14,500	\$9,500									
Total Capital Estimate		\$51,000	\$11,000	\$16,000	\$18,500	\$19,000	\$11,000									

2020 Recommended Capital Presented by:

Mike Taylor

2020 Recommended Capital Approved by:

Dale LeBritton

* NOTE: a requirement of DWQMS v. 2.0 is to consider the outcomes of the risk assessment (RA) documented under Element 8 as part of the system's infrastructure review

Legend:

- H High priority recommended to be completed in upcoming year
- M Medium priority recommended to be completed in 1 to 3 years
- L Low priority recommended to be completed in years 4 to 5