



THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

BY-LAW No. 2020-65

**A BY-LAW TO ADOPT THE 2021 WATER SYSTEM
OPERATING AND CAPITAL BUDGETS**

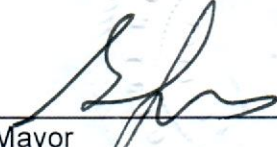
WHEREAS it is necessary for the Council of the Township of Southwold, pursuant to Section 290 (1) of the Municipal Act 2001, S.O. 2001, c.25, to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality;

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 2021 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2021 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 23rd DAY OF NOVEMBER, 2020.**



Mayor
Grant Jones



Clerk
Ken Loveland

2021 Water Operating Budget

Account	Description	2020 Budget	2021 Budget	\$ Change	% Change	Notes	2022 Forecast	2023 Forecast
01-4211-0000	WATERWORKS SYSTEM	\$0		\$0			\$0	\$0
01-4211-0130	Municipal Water Debenture	(\$6,913)	(\$5,953)	\$960	-13.9%	internal, nets with debenture cost except interest income portion	(\$6,673)	(\$4,147)
01-4211-0360	Water - Other Municipalities	\$0		\$0			\$0	\$0
01-4211-0365	Water Misc Revenues	\$0		\$0			\$0	\$0
01-4211-0370	Water Billings	(\$1,247,964)	(\$1,338,251)	(\$90,287)	7.2%	Based on approved rates and consumption estimates	(\$1,365,016)	(\$1,392,316)
01-4211-0371	Ford Water Rev-Billing	\$0	\$0	\$0			\$0	\$0
01-4211-0372	Tri-County-Water/ Billing	(\$243,949)	(\$354,980)	(\$111,031)	45.5%	Based on 200,000 m3/year	(\$362,080)	(\$369,321)
01-4211-0373	Water Filling Station-Rev	(\$9,517)	(\$9,735)	(\$218)	2.3%		(\$9,930)	(\$10,128)
01-4211-0374	Construction water revenue	(\$2,000)	(\$4,500)	(\$2,500)	125.0%	based on prior year actual	(\$4,590)	(\$4,682)
01-4211-0375	Water Meter Fee	(\$43,125)	(\$51,875)	(\$8,750)	20.3%	based on development est. plus \$20,000	(\$52,913)	(\$53,971)
01-4211-0376	Water Connection and Curb Stop fees	(\$200,701)	(\$257,976)	(\$57,275)	28.5%	based on development est. transfer to reserve below	(\$263,136)	(\$268,398)
01-4211-0377	Water/Sewer Interest Rev	(\$10,000)	(\$10,000)	\$0	0.0%		(\$10,200)	(\$10,404)
01-4211-0378	Sewer Collection Revenue	\$0	\$0	\$0			\$0	\$0
01-4211-0379	Small Waterworks Grant	\$0	\$0	\$0			\$0	\$0
01-4211-0380	Lynhurst Water Charges	\$0	\$0	\$0			\$0	\$0
01-4211-0381	Sewer Connection and fees	\$0	\$0	\$0			\$0	\$0
01-4211-0382	Water Investment Income	(\$100,000)	(\$50,000)	\$50,000	-50.0%	Investment income down	(\$51,000)	(\$52,020)
01-4211-0383	Sewer Investment Income	\$0	\$0	\$0			\$0	\$0
01-4211-0385	Talbotville WWTP Sewer Collection Revenue	\$0	\$0	\$0			\$0	\$0
01-4211-0401	Water Operator Recovery	\$0	\$0	\$0			\$0	\$0
	Total Revenue	(\$1,864,169)	(\$2,083,270)	(\$219,101)	11.8%		(\$2,124,935)	(\$2,167,434)
01-4211-3182	56 Water Truck Machine Rental	\$0	(\$3,500)	(\$3,500)			(\$3,570)	(\$3,641)
01-4211-1110	Salaries and Wages	\$115,017	\$120,000	\$4,983	4.3%	2021 based on 2020 anticipated plus increase plus 1%-FT operator, Accounting Clerk 50% , Treasurer 15%, PW Superintendent 15%, Admin 5%.	\$122,400	\$124,848
01-4211-1112	Rds- Wages	\$10,043	\$0	(\$10,043)	-100.0%		\$0	\$0
01-4211-1115	Wges - Dutton System	\$0	\$0	\$0			\$0	\$0
01-4211-1120	Canada Pension	\$2,831	\$3,166	\$335	11.8%	1 FTE	\$3,229	\$3,294
01-4211-1130	Employment Insurance	\$1,240	\$1,246	\$6	0.5%	1 FTE	\$1,271	\$1,296
01-4211-1140	OMERS	\$6,163	\$6,000	(\$163)	-2.6%	1 FTE	\$6,120	\$6,242
01-4211-1150	Employer Health Tax	\$1,225	\$1,200	(\$25)	-2.0%	1 FTE	\$1,224	\$1,248
01-4211-1160	Workplace Safety Insurance	\$685	\$1,700	\$1,015	148.2%	Classification Change	\$1,734	\$1,769
01-4211-1170	Group Insurance	\$5,244	\$5,400	\$156	3.0%		\$5,508	\$5,618

01-4211-1190	Health Safety	\$0	\$100	\$100			\$102	\$104
01-4211-1200	Travel Mileage	\$0	\$0	\$0			\$0	\$0
01-4211-1220	Training	\$2,575	\$2,500	(\$75)	-2.9%		\$2,550	\$2,601
01-4211-2120	Utilities	\$8,961	\$8,500	(\$461)	-5.1%		\$8,670	\$8,843
01-4211-2140	Materials Supplies	\$15,797	\$16,000	\$203	1.3%		\$16,320	\$16,646
01-4211-2180	Property Maintenance	\$2,575	\$2,600	\$25	1.0%		\$2,652	\$2,705
01-4211-2700	Rds Mach Tm to Water	\$20,000	\$15,000	(\$5,000)	-25.0%		\$15,300	\$15,606
01-4211-3110	Postage and Courier	\$0	\$5,000	\$5,000			\$5,100	\$5,202
01-4211-3130	Telephone	\$4,738	\$4,500	(\$238)	-5.0%		\$4,590	\$4,682
01-4211-3140	Insurance	\$20,343	\$34,500	\$14,157	69.6%		\$35,190	\$35,894
01-4211-3150	Legal and Audit Fees	\$2,652	\$2,500	(\$152)	-5.7%		\$2,550	\$2,601
01-4211-3160	System Maintenance	\$10,300	\$10,000	(\$300)	-2.9%		\$10,200	\$10,404
01-4211-3161	Equipment Costs	\$40,000	\$40,000	\$0	0.0%		\$40,800	\$41,616
01-4211-3170	Memberships & Subscriptions	\$670	\$750	\$80	11.9%		\$765	\$780
01-4211-3180	56 Water Truck Fuel/Repairs	\$4,120	\$4,000	(\$120)	-2.9%		\$4,080	\$4,162
01-4211-3181	56 Water Truck Wages	\$0	\$0	\$0			\$0	\$0
01-4211-3300	Contracted Services	\$112,985	\$128,000	\$15,015	13.3%	Based on new OCWA Contract	\$130,560	\$133,171
01-4211-3302	Water Testing	\$0	\$0	\$0			\$0	\$0
01-4211-3303	Studies, standards, etc	\$13,500	\$15,000	\$1,500	11.1%	Misc. studies, eng consultation	\$15,300	\$15,606
01-4211-3310	Water Costs	\$888,954	\$1,034,863	\$145,909	16.4%		\$1,055,560	\$1,076,671
01-4211-3320	Misc Waterline Costs	\$0	\$5,000	\$5,000			\$5,100	\$5,202
01-4211-6100	Transfer To Reserve	\$553,132	\$613,309	\$60,177	10.9%	Water Connection, Investment from above + net revenue	\$1,302,901	\$1,328,959
01-4211-6150	Transfer to Sewer Reserve	\$0	\$0	\$0			\$0	\$0
01-4211-6400	Debenture Payment-Principal	\$5,278	\$5,936	\$658	12.5%	internal, nets with debenture revenue	\$6,296	\$3,913
01-4211-6450	Debenture Payment-Interest	\$0	\$0	\$0			\$0	\$0
01-4211-7000	Amortization - water	\$0	\$0	\$0			\$0	\$0
01-4211-7010	Amortization - sewer	\$0	\$0	\$0			\$0	\$0
01-4211-9999	Suspense Account (Water)	\$15,141		(\$15,141)	-100.0%		\$0	\$0
	Total Expenses	\$1,864,169	\$2,083,270	\$219,101	11.8%		\$2,124,935	\$2,167,434
							\$0	\$0
	Net Revenue Expense	\$0	\$0	\$0	\$0		\$0	\$0

Assumptions

Rates as approved rate study and approved rates from Primary and Secondary Boards

Current customer count 1,562

168 m3 per hh as per rate study calculations

Tri County increase to 200,000 m3 / yr

Fill Station 3000 m3

Development - 59 additional HH in subdivisions and other areas in 2021, 66 in 2021 and 2023

Reflects new OCWA Agreement starting January 1, 2021

Connection Fees increased 2.3% as per Stats Can Ontario Building Construction Price Index Non-Res Q3

Water loss estimate at 20%

2021 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 (carry forward from 2020)	\$50,000	\$50,000	\$0	Water Reserve - minimal water replacement anticipated, waiting
Lynhurst Reconstruction (carry forward from 2020)	\$400,000	\$400,000		Water Reserve, waiting on updated Engineer Estimates
Water Supply Study	\$15,000	\$15,000		Water Reserve (\$12,500 in 2020)
OCWA Recommendations - see attached	\$39,500	\$39,500		Water Reserve
2021 Total	\$504,500	\$504,500	\$0	
2022 Capital				
OCWA Recommendations - see attached	\$36,000	\$36,000		Water Reserve
2022 Total	\$36,000	\$36,000	\$0	
2023 Capital				
OCWA Recommendations - see attached	\$18,500	\$18,500		Water Reserve
2023 Total	\$18,500	\$18,500		
2024 Capital				
OCWA Recommendations - see attached	\$19,000	\$19,000		Water Reserve
2024 Total	\$19,000	\$19,000		
2025 Capital				
OCWA Recommendations - see attached	\$11,000	\$11,000		Water Reserve
2025 Total	\$11,000	\$11,000		

2026 Capital					
OCWA Recommendations - see attached	\$11,000		\$11,000		Water Reserve
2026 Total	\$11,000		\$11,000	\$0	

21-Oct-20

Ken Loveland
CAO/Clerk
Township of Southwold
35663 Fingal Line
Ontario, Canada
N0L 1K0

Southwold Distribution System

Dear Ken

On behalf of the Ontario Clean Water Agency (OCWA), we have enclosed a rolling six-year list of major maintenance recommendations as per our Services Agreement. OCWA suggests the following improvements/upgrades to ensure the long-term health and operation of the Southwold Distribution and Shedden Re-chlorination Facility. Please note that as per the requirements of the Drinking Water Quality Management Standard (DWQMS) version 2.0, the outcomes of the 36-month risk assessment conducted for your water system dated January 18, 2019, were considered and any related items have been included in the recommendations.

At a time amenable to both parties, OCWA's Senior Operations Manager will meet with yourself to discuss the recommendations, projected expenses, and to decide on a course of action. Dialogue with and approvals from the Township of Southwold are key components of the process. Please find a summary of the report in the chart below.

FACILITY	2021	2022	2023	2024	2025	2026
Shedden Re-Chlorination Facility						
Purchase chlorine pump rebuild kit for spare parts inventory	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -
Chlorine analyzer(s) parts: inlet and outlet (membrane caps, pH standards, cl2 probe replacement, pH probe replacement, electrolyte)	\$ 1,500.00	\$ 1,500.00	\$ 4,000.00	\$ 4,000.00	\$ 1,500.00	\$ 1,500.00
Building Condition assessment	\$ 3,500.00	\$ -	\$ -	\$ -	\$ -	\$ -
Workbench/sink/desk: replacement	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution System						
Fire flow testing	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
Hydrant maintenance and repairs	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Chamber S028 PRV: Inspect/Service/Rebuild	\$10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Chamber S029 PRV: Inspect/Service/Rebuild	\$ -	\$10,000.00	\$ -	\$ -	\$ -	\$ -
Sample Station #82: replacement	\$10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Sample Station#100: replacement		\$10,000.00	\$ -	\$ -	\$ -	\$ -
Sample station maintenance/repairs/rebuild	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Auto flusher maintenance: replace controller	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Total Capital Estimate	\$39,500	\$36,000	\$18,500	\$19,000	\$11,000	\$11,000

As your service provider, OCWA has a comprehensive understanding of the strengths, unique issues and challenges associated with operating the Southwold Distribution System. It is OCWA's intention to work with yourself to determine the scope, budget, and timelines to complete any approved work.

We look forward to continuing to work with you as a trusted partner and advisor in the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Taylor', written in a cursive style.

Mike Taylor

Senior Operations Manager

The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2021 to 2026)

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

Ref.	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
		2021	2022	2023	2024	2025	2026									
No.																
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	\$ 4,000.00	\$ 4,000.00	\$ 1,500.00	\$ 1,500.00									Chlorine probes required every 3-5 years for inlet and outlet analyzer, pH probes require annual replacement.
3	Building Condition assessment	\$ 3,500.00	\$ -	\$ -	\$ -	\$ -	\$ -									Recommend to undertake a condition assessment on the building envelope interior/exterior/hvac in 2021.
4	Workbench/sink/desk: replacement	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Recommended to replace old existing workbench/desk/sink due to old infrastructure and underneath is starting to rot.
Total Estimate - Recommended Capital		\$10,000	\$1,500	\$4,000	\$4,500	\$1,500	\$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									Placeholder for possible repairs or replacement.
3	Chamber S028 PRV: Inspect/Service/Rebuild	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Recommend for inspection/service/rebuild of PRVs at chamber S028.
4	Chamber S029 PRV: Inspect/Service/Rebuild	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -									Recommend for inspection/service/rebuild of PRVs at chamber S029.
5	Sample Station #82: replacement	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Due to failed components in the sample station, OCWA recommends for it to be removed and replaced in 2021.
6	Sample Station#100: replacement		\$ 10,000.00	\$ -	\$ -	\$ -	\$ -									Due to failed components in the sample station, OCWA recommends for it to be removed and replaced in 2022.
7	Sample station maintenance/repairs/rebuild kits	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00									Purchase spare rebuild kits and on-going maintenance to sample stations, ball valves and plungers.
8	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									Four auto flushers require regular maintenance/replacement of parts: including controllers, valves.
Total Estimate - Recommended Capital		\$29,500	\$34,500	\$14,500	\$14,500	\$9,500	\$9,500									
Total Capital Estimate		\$39,500	\$36,000	\$18,500	\$19,000	\$11,000	\$11,000									
											2021 Recommended Capital Presented by:		Mike Taylor			

* 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

2021 Recommended Capital Presented by:
2021 Recommended Capital Approved by:

Mike Taylor
Dale LeBritton