



THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

BY-LAW NO. 2021-75

**Being a By-Law to adopt the 2022 Water System
Operating and Capital Budgets**

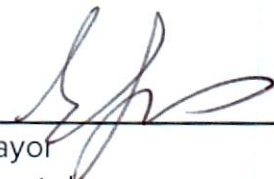
WHEREAS it is necessary for the Council of the Township of Southwold, pursuant to Section 290 (1) of the Municipal Act 2001, S.O. 2001, c.25, to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality;

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

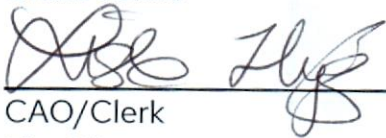
**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP
OF SOUTHWOLD ENACTS AS FOLLOWS:**

1. That the 2022 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2022 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 13TH DAY OF DECEMBER, 2021.**



Mayor
Grant Jones



CAO/Clerk
Lisa Higgs

Water System Operating								
Account	2021 Budget	2021 Projected	2022 Budget	\$ Variance	% Variance	Notes	2023 Forecast	2024 Forecast
Revenue								
Water Billings	(\$1,338,251)	(\$1,359,679)	(\$1,426,642)	(\$88,391)	6.50%		(\$1,352,474)	(\$1,447,377)
Water Billings - Industrial	\$0	(\$35,000)	(\$25,000)	(\$25,000)	71.43%			
Water Billings - Tri-County Water System	(\$354,980)	(\$428,000)	(\$378,000)	(\$23,020)	5.38%		(\$402,000)	(\$426,000)
Water Filling Station	(\$9,735)	(\$6,500)	(\$9,930)	(\$195)	3.00%		(\$10,140)	(\$10,320)
Construction Water	(\$4,500)	(\$20,000)	(\$20,550)	(\$16,050)	80.25%		(\$13,350)	(\$14,100)
Water meter fees & misc	(\$51,875)	(\$45,000)	(\$101,250)	(\$49,375)	109.72%	Related to new connection estimates	(\$106,250)	(\$76,250)
Water Connection and curbstop fees	(\$257,976)	(\$536,000)	(\$631,968)	(\$373,992)	69.77%	offset by transfer to reserve-significant increase related to anticipated new builds--offset below	(\$393,515)	(\$420,971)
Penalty & Interest	(\$10,000)	(\$12,000)	(\$12,500)	(\$2,500)	20.83%		(\$10,000)	(\$10,000)
Grants	\$0	\$0	\$0	\$0	0.00%		\$0	\$0
Water Investment Income	(\$50,000)	(\$50,000)	(\$65,000)	(\$15,000)	30.00%	offset by transfer to reserve--offset below	(\$85,000)	(\$90,000)
Water Truck Revenue	(\$3,500)	(\$10,500)	(\$2,500)	\$1,000	-9.52%	Truck usage by other departments		
Water Department Revenue	(\$2,080,817)	(\$2,502,679)	(\$2,673,340)	(\$592,523)	23.68%		(\$2,372,729)	(\$2,495,018)
Expenditures								
Salaries and Wages	\$120,000	\$125,000	\$140,000	\$20,000	16.00%	Wages and Salaries - Allocation from Admin (Accounting Clerk, Treasurer, CAO), Dir of Infrastructure and Water/WW & Compliance Superintendent	\$144,200	\$148,526
Overhead	\$18,694	\$20,000	\$43,000	\$24,306	121.53%		\$44,290	\$45,619
Roads Wages Allocated	\$0	\$0	\$2,500	\$2,500	0.00%	Misc Road Time	\$2,575	\$2,652
Health & Safety	\$100	\$0	\$500	\$400	0.00%	increased due to staffing changes	\$515	\$530
Training & mileage	\$2,500	\$800	\$3,000	\$500	62.50%	increased due to staffing changes	\$3,090	\$3,183
Utilities	\$8,500	\$10,000	\$10,000	\$1,500	15.00%		\$10,300	\$10,609
Materials and Supplies	\$16,000	\$2,000	\$3,000	(\$13,000)	-650.00%	Better reflects historical costs	\$3,090	\$3,183
Property maintenance	\$2,600	\$2,500	\$2,700	\$100	4.00%	reflective of prior year actuals	\$2,781	\$2,864
Roads equipment time	\$15,000	\$15,000	\$15,000	\$0	0.00%	reflective of prior year actuals	\$15,450	\$15,914
Postage and Courier	\$5,000	\$5,000	\$5,000	\$0	0.00%		\$5,150	\$5,305
Telephone & internet	\$4,500	\$3,500	\$5,000	\$500	14.29%	reflective of prior year actuals	\$5,150	\$5,305
Legal and Audit fees	\$2,500	\$0	\$2,500	\$0	0.00%	reflective of prior year actuals	\$2,575	\$2,652
Insurance	\$34,500	\$34,000	\$40,000	\$5,500	16.18%	Anticipating 20% increase in premium	\$41,200	\$42,436
System Maintenance	\$10,000	\$5,000	\$11,500	\$1,500	30.00%	reflective of prior year average, difficult to predict	\$11,845	\$12,200
Equipment Costs	\$40,000	\$90,000	\$73,868	\$33,868	37.63%	Total fluctuates with number of service connections, costs dependent on work required, repairs, waterline breaks, etc	\$40,800	\$41,616
Memberships & subscriptions	\$750	\$575	\$1,500	\$750	130.43%	increased due to staffing changes	\$765	\$780
Water truck fuel and maintenance	\$4,000	\$3,500	\$4,500	\$500	14.29%		\$4,080	\$4,162
OCWA Contract	\$118,000	\$118,301	\$123,500	\$5,500	4.65%	Agreement cost increased CPI 4.4%	\$120,360	\$122,767
OCWA Extra/Out of Scope Work	\$10,000	\$15,000	\$10,000	\$0	0.00%			
Water Testing	\$0	\$0	\$0	\$0	0.00%	OCWA covers costs	\$0	\$0
Studies, standards	\$15,000	\$5,000	\$15,000	\$0	0.00%	Misc. minor studies, engineering	\$15,300	\$15,606
Water Costs	\$1,034,864	\$1,095,792	\$1,110,927	\$76,063	6.94%	2022-consumptions assumed below (metered use + 20% loss)	\$1,055,561	\$1,076,672
Miscellaneous Waterline Costs	\$5,000	\$30,000	\$25,000	\$20,000	66.67%	Breaks, major repairs	\$5,100	\$5,202
Transfer to Reserve - Water	\$305,333	\$335,711	\$328,377	\$23,044	6.86%		\$394,037	\$454,244
Transfer to Reserve - Connections	\$257,976	\$536,000	\$631,968	\$373,992	69.77%	connection fees transferred to reserve--offset above	\$393,515	\$420,971
Transfer to Reserve - Investment Income	\$50,000	\$50,000	\$65,000	\$15,000	30.00%	investment interest transferred to reserve--offset above	\$51,000	\$52,020
Water Department Expenditures	\$2,080,817	\$2,502,679	\$2,673,340	\$592,523	23.68%		\$2,372,729	\$2,495,018
Water Department	(\$0)	\$0	\$0	\$0	29.76%		(\$0)	\$0

Water System Operating								
Account	2021 Budget	2021 Projected	2022 Budget	\$ Variance	% Variance	Notes	2023 Forecast	2024 Forecast
Inputs/Assumptions								
1620 Water Connections								
130 New connections Estimated - revenue based on 50% to account for occupancy through 2022								
168 m3 per HH as per Water/Wastewater Study								
Rates as per the Water/Wastewater Study								
Dutton Dunwich consumption estimated at 200,000 m3								
Water loss estimated at 20%								
Rates								
	2021		2022				2023	2024
Primary Water Purchase rate (/m3)	\$0.9052		\$0.9400	\$0.0348	4.00%		\$0.9800	\$1.0200
Secondary Water Purchase Rate (/m3)	\$0.5597		\$0.5900	\$0.0342	6.51%		\$0.6200	\$0.6400
Southwold Rate (/m3)	\$1.2100		\$1.2100	\$0.0000	0.00%		\$1.2100	\$1.2100
Southwold Water Fill Station (/m3)	\$1.7800		\$1.7800	\$0.0000	0.00%		\$1.7800	\$1.7800
Fill Station m3	3000		3000					
Southwold Rate Capital Pass Through to Dutton Dunwich m3	\$0.3100		\$0.3600	\$0.0350	12.73%		\$0.4100	\$0.4700
Southwold Monthly Base Rate	\$13.51		\$13.51	\$0.0000	0.00%		\$13.51	\$13.51
Construction Water	\$150.00		\$160.00				\$160.00	\$160.00
Total Rates								
Southwold (/m3)	\$2.67		\$2.75	\$0.0690	2.65%		\$2.81	\$2.87
Southwold Water Fill Station (/m3)	\$3.24		\$3.31	\$0.0690	2.17%		\$3.38	\$3.44
Dutton Dunwich (/m3)	\$1.77		\$1.89	\$0.1040	6.23%		\$2.01	\$2.13
water quarterly charge	\$40.53		\$40.53	3.00%			\$40.53	\$40.53
water consumption	\$2.680		\$2.680	4.00%			\$2.750	\$2.750
water consumption fill station	\$3.240		\$3.240	4.00%			\$3.310	\$3.310
Resulting Rate Increases continued								
Total Rate to Charge Dutton Dunwich for water pulled through	\$203,222.4196		\$203,232.7900	54.72%			\$233.3000	\$233.6600
Development and Growth assumptions							2023	2024
In-fill / Rural	5		15				5	5
DHP phase I	0		0				0	0
DHP phase II	20		25				15	15
DHP Condo							20	
Enclave Condo	16		0				28	0
Enclave Condo								
Woodland								
Municipal property Union and Talbot	0		0					
Florence Court	0		5					
Southside	0		0				0	0
Farhi	10		85				70	70
Total anticipated development	51		130				138	90
Consumption assumptions							2023	2024
estimated household consumption	266,700		283,080				332,576	351,728
(note increases based on average occupancy mid-year)								
Total Connection assumptions							2022	2022
estimated households	1,562		1,620				1,613	1,751

Water System Operating								
Account	2021 Budget	2021 Projected	2022 Budget	\$ Variance	% Variance	Notes	2023 Forecast	2024 Forecast
Settlement Area Connection 1"	4		4				4	4
Rate	\$7,686.00		\$8,578.00				\$7,840.00	\$7,997.00
Development Build Connections 1"	51		133				85	90
Rate	\$3,760.00		\$4,196.00				\$3,835.00	\$3,912.00
Other 1" Connections	3		3				3	3
Rate	\$11,824.00		\$13,196.00				\$12,060.00	\$12,301.00

2021 Water Capital - Not Raised from Tax Levy

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
2021 Capital				
Talbot Meadows Reconstruction (carry forward from 2020)	\$50,000	\$50,000	\$0	Water Reserve - minimal water replacement anticipated, waiting on updated Engineer Estimate
Lynhurst Reconstruction (carry forward from 2020)	\$400,000	\$400,000		Water Reserve, waiting on updated Engineer Estimates
Water Supply Study - Add'l work from 2020 Study	\$15,000	\$15,000		Water Reserve (\$12,500 in 2020 (actual \$13,490)
OCWA Recommendations - see attached	\$39,500	\$39,500		Water Reserve
2021 Total	\$504,500	\$504,500	\$0	
2022 Capital				
Carried Forward				
Lynhurst Reconstruction (Water Portion)	\$1,100,000	\$1,100,000		Water Reserve - based on Eng Est. 2021-11-26
Water Supply Study - Add'l work - From 2021	\$15,000	\$15,000		Water Reserve
OCWA Recommendations - see attached	\$32,500	\$32,500		Water Reserve
Meter Reading Software Update	\$10,000	\$10,000		Water Reserve - Needed, existing software no longer supported
2022 Total	\$1,157,500	\$1,157,500	\$0	
2023 Capital				
2016 Pickup Truck Replacement	\$50,000	\$50,000		Water Reserve
OCWA Recommendations - see attached	\$41,000	\$41,000		Water Reserve
2023 Total	\$91,000	\$91,000		
2024 Capital				
Rate Study (2024/2025)	\$15,000	\$15,000		Water Reserve
OCWA Recommendations - see attached	\$23,500	\$23,500		Water Reserve
2024 Total	\$38,500	\$38,500		

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
2025 Capital				
Rate Study (2024/2025)	\$15,000		\$15,000	Water Reserve
OCWA Recommendations - see attached	\$16,500	\$16,500		Water Reserve
2025 Total	\$31,500	\$16,500		
2026 Capital				
OCWA Recommendations - see attached	\$16,000	\$16,000		Water Reserve
2026 Total	\$16,000	\$16,000	\$0	
2027 Capital				
OCWA Recommendations - see attached	\$18,500	\$18,500		Water Reserve
2027 Total	\$18,500	\$18,500	\$0	

The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2022 to 2027)

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
		2022	2023	2024	2025	2026	2027									
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	Building Condition Assessment Recommendations															This is a placeholder for future work once the condition assessment report is available.
3	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	\$ 1,500.00	\$ 1,500.00	\$ 4,000.00									Chlorine probes required every 3- 5 years for inlet and outlet analyzer, pH probes require annual replacement.
Total Estimate - Recommended Capital		\$1,500	\$1,500	\$4,000	\$2,000	\$1,500	\$4,000									
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 S029 PRV: Inspect/Service/Rebuild	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -									Recommend for inspection/service/rebuild of PRV's at chamber S029.
4	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.
5	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.
6	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.
7	Valve/Service Locator/Repair Parts/Equipment	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00									Supplies for locating valves during hydrant inspection/valve operations, repair parts for breaks to ensure stock available for after hour repairs
8	Ford Chamber Sump Pump Replacement	\$ 1,500.00														The sump pump at this chamber has failed and requires replacement.
9	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		\$31,000	\$39,500	\$19,500	\$14,500	\$14,500	\$14,500									
Total Capital Estimate		\$32,500	\$41,000	\$23,500	\$16,500	\$16,000	\$18,500									

2022 Recommended Capital Presented by:
2022 Recommended Capital Approved by:

Mark Harris
 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