



**THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**BY-LAW NO. 2023-67**

**Being a By-Law to adopt the 2024 Sanitary Sewer  
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 Sanitary Sewer System.

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

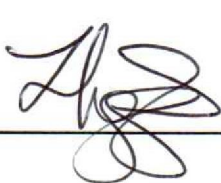

1. That the 2024 Sanitary Sewer Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2024 Sanitary Sewer System Capital Budget, attached as Schedule "B", and forming part of this by-law, is hereby adopted.

**READ A FIRST AND SECOND TIME, CONSIDERED READ A THIRD TIME AND  
FINALLY PASSED THIS 11<sup>th</sup> DAY OF DECEMBER, 2023.**



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Mayor  
Grant Jones



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CAO/Clerk  
Lisa Higgs

Schedule "A" to By-Law No. 2023-67

**Sanitary Operating**

Account	2023 Budget	2023 Projected	2024 Budget	\$ Variance	% Variance	Notes	2025 Forecast	2026 Forecast
<b>Talbotville</b>								
<b>Revenue</b>								
Talbotville Per HH Flat Rate	(\$61,803)	(\$61,803)	(\$64,673)	(\$2,869)	4.64%		(\$76,952)	(\$97,180)
Talbotville Per M3 Rate	(\$101,002)	(\$101,002)	(\$107,901)	(\$6,900)	6.83%		(\$133,600)	(\$158,501)
Transfer from Talbotville Sewer Reserve	\$0	\$0	\$0	\$0	0.00%		\$0	\$0
<b>Total Revenue</b>	<b>(\$162,805)</b>	<b>(\$162,805)</b>	<b>(\$172,574)</b>	<b>(\$9,769)</b>	<b>6.00%</b>		<b>(\$210,552)</b>	<b>(\$255,681)</b>
<b>Expenses</b>								
Wages	\$72,000	\$75,440	\$74,000	\$2,000	2.78%	New - allocation of staff time	\$76,220	\$78,507
Overhead	\$23,000	\$23,568	\$23,252	\$252	1.10%		\$23,950	\$24,668
Roads Labour Allocation(Site Maint)	\$500	\$0	\$0	(\$500)	-100.00%		\$0	\$0
Roads Machine Time Allocation(Site Maint)	\$500	\$0	\$0	(\$500)	-100.00%		\$0	\$0
Training	\$2,000	\$0	\$0	(\$2,000)	-100.00%		\$0	\$0
Utilities	\$55,000	\$47,665	\$51,002	(\$3,998)	-7.27%	Based on Prior Year Actuals	\$52,532	\$54,108
Consumables, Chemicals	\$21,125	\$45,000	\$31,000	\$9,875	46.75%	Consumables, Chemicals (+30%), supplies	\$31,930	\$32,888
Property Tax PIL	\$5,000	\$5,100	\$5,150	\$150	3.00%	Based on Actuals	\$5,305	\$5,464
Property Maintenance	\$1,500	\$1,500	\$1,545	\$45	3.00%		\$1,591	\$1,639
Insurance	\$3,823	\$3,240	\$4,205	\$382	10.00%		\$4,331	\$4,461
Legal	\$1,000	\$1,000	\$1,030	\$30	3.00%		\$1,061	\$1,093
System Maintenance	\$30,000	\$5,000	\$8,000	(\$22,000)	-73.33%	Additional breakdown starting 2022 - see below	\$8,240	\$8,487
Misc	\$1,000	\$1,000	\$1,030	\$30	3.00%		\$1,061	\$1,093
Contracted Services	\$1,000	\$4,000	\$5,000	\$4,000	400.00%	Other contracted service ie. Waste Coll, Generator Insp, Driveway snow removal, etc.	\$5,150	\$5,305
OCWA Contract	\$40,079	\$40,079	\$99,899	\$59,820	149.26%	OCWA agreement updated	\$102,896	\$105,983
OCWA Extra/Out of Scope	\$45,000	\$110,000	\$46,350	\$1,350	3.00%	2023 projected-Q1 & Q2 only	\$47,741	\$49,173
Wastewater Testing	\$6,000	\$6,000	\$6,180	\$180	3.00%	Based on Actuals	\$6,365	\$6,556
Plans and studies	\$5,000	\$5,000	\$5,150	\$150	3.00%	Misc Studies, engineering	\$5,305	\$5,464
Replace Activated Carbon - Screening Room	\$2,500	\$2,500	\$2,750	\$250	10.00%	\$5,000 every other year, annualized to \$2,500	\$2,833	\$2,917
Cleaning Raw Equalization Tanks	\$4,000	\$8,200	\$8,000	\$4,000	100.00%		\$8,240	\$8,487
Membrane Cleaning	\$20,000	\$23,710	\$20,000	\$0	0.00%		\$20,600	\$21,218
Sludge/Biosolids Removal	\$50,000	\$65,000	\$13,000	(\$37,000)	-74.00%	Sludge press operational-part of OCWA contract	\$13,390	\$13,792

Account	2023 Budget	2023 Projected	2024 Budget	\$ Variance	% Variance	Notes	2025 Forecast	2026 Forecast
Disolved Oxygen/pH Meter/Probe Repl	\$5,000		\$5,000	\$0	0.00%	annualized to \$5,000	\$5,150	\$5,305
Cassette Replacement	\$2,000		\$2,000	\$0	0.00%		\$2,060	\$2,122
Equipment Failure/Replacement Contingency	\$5,000		\$12,000	\$7,000	140.00%	items not planned for such as possible equipment, failure (blowers, motors, pumps, switches)	\$12,360	\$12,731
<b>Total Expenses</b>	<b>\$402,027</b>	<b>\$473,002</b>	<b>\$425,543</b>	<b>\$23,516</b>	<b>5.85%</b>		<b>\$438,309</b>	<b>\$451,458</b>
<b>Net Operating (Revenue)/Expense</b>	<b>\$239,222</b>	<b>\$310,197</b>	<b>\$252,969</b>	<b>\$13,747</b>	<b>5.75%</b>		<b>\$227,757</b>	<b>\$195,778</b>
<b>Accumulated Operating Deficit</b>								
<b>Talbotville System</b>	<b>\$1,063,834</b>	<b>\$1,374,031</b>	<b>\$1,627,000</b>				<b>\$1,854,757</b>	<b>\$2,050,535</b>
<b>Ferndale/Lynhurst Revenue</b>								
Ferndale Monthly	(\$43,176)	(\$32,000)	(\$47,754)	(\$4,578)	10.60%	Offset below	(\$47,754)	(\$52,815)
Ferndale Per Cubic Meter	(\$74,970)	(\$64,000)	(\$79,674)	(\$4,704)	6.27%	Offset below - to St. Thomas	(\$82,861)	(\$86,175)
Lynhurst Monthly (from St. Thomas)	(\$11,596)	(\$10,000)	(\$12,825)	(\$1,230)	10.60%	Offset below	(\$12,825)	(\$14,185)
Sewer Investment Income	(\$2,000)	(\$2,000)	(\$2,000)	\$0	0.00%	Reserve Interest - offset below with Transfer to Reserve	(\$2,000)	(\$2,000)
<b>Total Revenue</b>	<b>(\$131,742)</b>	<b>(\$108,000)</b>	<b>(\$142,253)</b>	<b>(\$10,512)</b>			<b>(\$145,440)</b>	<b>(\$155,175)</b>
<b>Expenses</b>								
Ferndale Per Cubic Meter to St. Thomas	\$74,970	\$64,000	\$79,674	\$4,704	6.27%	To St. Thomas	\$82,861	\$86,175
Transfer to sewer reserve	\$56,772	\$44,000	\$62,579	\$5,808	10.23%	Ferndale, Lynhurst, Investment from above	\$62,579	\$69,000
Transfer to Capital Projects	\$25,000		\$25,000	\$0	0.00%	Lynhurst Street Reconstruction - Sanitary Exp		\$30,000
<b>Total Expenses</b>	<b>\$156,742</b>	<b>\$108,000</b>	<b>\$167,253</b>	<b>\$10,512</b>			<b>\$145,440</b>	<b>\$185,175</b>
<b>Reserve for Ferndale/Lynhurst</b>	<b>(\$516,282)</b>	<b>(\$516,282)</b>	<b>(\$658,535)</b>				<b>(\$803,976)</b>	<b>(\$989,151)</b>
<b>Net Reserves - Sanitary</b>	<b>\$547,552</b>	<b>\$857,749</b>	<b>\$968,465</b>				<b>\$1,050,781</b>	<b>\$1,061,384</b>

Account	2023 Budget	2023 Projected	2024 Budget	\$ Variance	% Variance	Notes	2025 Forecast	2026 Forecast
<b>Inputs/Assumptions</b>								
92 Talbotville Connections								
130 New connections Talbotville								
170 Connections Ferndale								
5 New Connection Ferndale								
168 m3 per HH as per Water/Wastewater Study								
Rates as per the Water/Wastewater Study								
<b>Connections</b>								
Talbotville	235		232				242	322
Ferndale	175		175				175	175
Lynhurst	47		47				47	47
<b>Growth (calc. based on 6 months)</b>								
Talbotville	31		10				80	
Talbotville - Other			0				0	0
Ferndale	0							
Lynhurst	0							
HH m3 Water Consumption	168		168				168	168
HH/Month	20.56		22.74				22.74	25.15
m3 Rate Talbotville	2.40		2.71				2.82	2.93
m3 Ferndale (to St. Thomas)	2.55		2.71				2.8184	2.931136
Talbotville / HH Flat Qtrly	\$61,803.36		\$64,672.56				\$76,952.16	\$97,179.60
Talbotville m3	\$101,001.60		\$107,901.36				\$133,600.32	\$158,501.28
Total Talbotville	\$162,804.96		\$172,573.92				\$210,552.48	\$255,680.88
Ferndale HH	\$43,176.00		\$47,754.00				\$47,754.00	\$52,815.00
Ferndale M3 (to St. Thomas)	\$74,970.00		\$79,674.00				\$82,860.96	\$86,175.40
Total Ferndale	\$118,146.00		\$127,428.00				\$130,614.96	\$138,990.40
Lynhurst HH (from St. Thomas)	\$11,595.84		\$12,825.36				\$12,825.36	\$14,184.60
Total Revenue	\$292,546.80		\$312,827.28				\$353,992.80	\$408,855.88

<b>Sanitary System Capital Forecast</b>				
<b>Capital Items and Projects</b>	<b>Budget</b>	<b>Funding Source</b>		<b>Notes</b>
		<b>Reserve</b>	<b>Other</b>	
<b>2023 Capital</b>				
<b>Carry Forwards</b>				
Antenna/Communication Upgrade	\$3,000		\$3,000	To be funded by Connection Fees
Equipment Storage Building	\$10,000		\$10,000	To be funded by Connection Fees
Forcemain to Development Lands	\$2,500,000		\$2,500,000	To be funded by Connection Fees
Regrading of driveway				Reserve
<b>OCWA Capital Recommendations</b>				
Membrane 1 Replacement	\$170,146		\$170,146	Reserve
<b>2023 Total</b>	<b>\$2,683,146</b>	<b>\$0</b>	<b>\$2,683,146</b>	
<b>2024 Capital</b>				
<b>Carry Forwards</b>				
Antenna/Communication Upgrade	\$3,000		\$3,000	To be funded by Connection Fees
Equipment Storage(plumbing, electrical)	\$5,000		\$5,000	To be funded by Connection Fees
Rate Study (2024/2025)	\$30,000	\$30,000		Reserve
EA Study for Plant relocation/expansion	\$70,000	\$70,000		Reserve-includes contingencies for MECP
<b>2024 Total</b>	<b>\$108,000</b>	<b>\$100,000</b>	<b>\$8,000</b>	
<b>2025 Capital</b>				
WWTP/Pump Station/Forcemain Design	\$450,000		\$450,000	To be funded by Connection Fees
Fencing from 2021	\$22,500	\$22,500		To be funded by Connection Fees
OCWA Capital Recommendations	\$5,000	\$5,000		Reserve
<b>2025 Total</b>	<b>\$477,500</b>	<b>\$27,500</b>	<b>\$450,000</b>	
<b>2026 Capital</b>				
WWTP/Pump Station Construction	\$14,115,200		\$14,115,200	To be funded by Connection Fees
OCWA Capital Recommendations	\$5,000	\$5,000		Reserve
<b>2026 Total</b>	<b>\$14,120,200</b>	<b>\$5,000</b>	<b>\$0</b>	
<b>2027 Capital</b>				
<b>OCWA Capital Recommendations</b>				
Membrane Pump Discharge Check Valves	\$5,000	\$5,000		Reserve
Membranes: Module Air Diffusers	\$5,000	\$5,000		Reserve
<b>2027 Total</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>	

The Corporation of The Township of Southwold

(8-Year Recommended Capital/Major Maintenance from 2024 to 2029)

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

Ref. No.	Scope of Work	Year						Compliance	Health & Safety	Repair / Maintenance	Life-Cycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
		2024	2025	2026	2027	2028	2029								
<b>Talbotville Waste Water Treatment</b>															
1	Membrane Pump Discharge Check Valves	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -								Maintenance/Replacement of Check Valves
2	Screenings Room: Activated Carbon Replacement	\$ 5,500.00	\$ -	\$ 5,500.00	\$ -	\$ 5,500.00	\$ 5,500.00								Carbon material was replaced in both carbon drums in 2022. Life expectancy is about 2 years.
3	Raw Equalization Tank Cleaning	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00								OCWA recommends that the tanks be cleaned 2 times per year. This helps reduce the loading on the fine screen allowing more efficient operation.
4	Plant Diesel Generator: Annual Inspection and Fuel	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00								The stand-by generator is required to have an annual inspection as per the requirements of the Environmental Compliance Approval (ECA).
5	Backflow Preventer: Annual Verification Inspection	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00								The two on site backflow preventers are required to be tested annually as per the township's bylaw.
6	Influent and Effluent Flowmeters: Annual Verifications	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00								All flow meters are required to be verified on an annual basis as per the Environmental Compliance Approval (ECA).
7	Screenings Room: Screenings Bags	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00								Screenings bags are required to be regularly replaced as they collect unwanted materials from entering the treatment plant. Increased flushable wipes entering the sewer system are reported more frequently than chemicals and impacted flow screens.
8	Membranes: Cleaning of Membranes	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00								Membranes were last cleaned by OCWA in the Summer/Fall of 2022. Membranes are required to be cleaned at a minimum annually or membranes will perform poorly and reduce plant capacity.
9	Plant chemicals (Chlorine, Alum, Caustic)	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00								Chemicals required for phosphorous removal and pH adjustments and cleaning of the membranes during backwashes.
10	Membrane Room: Lifting Equipment Annual Inspection	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00								Membrane room lifting equipment requires annual inspection/verification by a third party.
11	Effluent UV System: bulb and sleeve replacement	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00								UV effluent bulbs and sleeves should be cleaned every two years.
12	Plant Blowers Maintenance (Air Filters/Oil Changes)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00								The wastewater plant has multiple blowers which require replacement of filters and annual replacement of oil.
13	Screenings Room H2S gas detector annual inspection	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00								Screenings Room H2S gas detector requires to be inspected semi-annually and verified by the third party.
14	Membrane Cassette Replacement	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00								Placeholder for replacement of fouled/damaged membranes. May be able to use spare cassettes from ZeeWeed transition.
15	Dissolved Oxygen/pH Meter Instrumentation/Probe Replacement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00								The dissolved oxygen system controls the blowers to critical to ensure instruments operating correctly to ensure efficient operation.
16	Membrane Module Air Diffusers	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -								A 2020 inspection revealed that diffusers in the modules are partially failing and should be replaced during the next cleaning process.
17	Storage Building for Equipment/ spare parts	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00								Maintenance and spare parts
18	Rocket Screw Press Sludge Dewatering Equipment Repairs	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -								Screw Press has not been required as all sludge has been hauled in liquid form. This will allow sludge to be dewatered for bin removal.
19	One MBR Tank upgrade to ZeeWeed 500S series membranes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								MBR Microclear Cassettes on one bank installed in 2017, with a 7 to 10 year life expectancy. This replacement will be required to meet existing flow requirements and allow for system growth.
20	Contingency: items not planned for such as possible equipment failure/blowers, motor, pumps switches	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00								Placeholder for unknown breakdown of equipment.
<b>Total Capital Estimate</b>		<b>\$91,500</b>	<b>\$88,000</b>	<b>\$91,500</b>	<b>\$88,500</b>	<b>\$91,500</b>	<b>\$91,500</b>								

Legend:  
■ High priority recommended to be completed in upcoming year  
■ Medium priority recommended to be completed in 1 to 3 years  
■ Low priority recommended to be completed in years 4 to 5

2024 Recommended Capital Presented by:  
 2024 Recommended Capital Approved by:

Vitaliy Talashok - Senior Operations Manager  
 Dale LeBritton - Regional Hub Manager