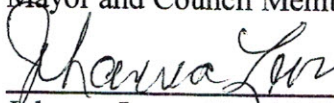


TOWNSHIP OF NORTH GLENGARRY

STAFF REPORT

Date: April 24, 2017

To: Mayor and Council Members

From: 
Johanna Levac (Annie) Treasurer

Daniel Gagnon
CAO/Clerk

Re: 2017 Proposed Budget – Waterworks Department

Discussion: The 2017 DRAFT budget as presented does not affect the water and sewer rates however staff is recommending that a small increase to the flat rate be reviewed. In 2016 we increased the flat rate by 2% which resulted as follows:

Flat Rate – Water	57.79/month
Flat Rate – Sewer	<u>31.53/month</u>
	89.32/month

A 2% increase on the flat rate for 2017 will result as follows:

Flat Rate – Water	58.95/month
Flat Rate – Sewer	<u>32.16/month</u>
	91.11/month

With this proposed budget we will be able to transfer \$180,829 to our water reserves as well as \$120,552 to our sewer reserves. These funds will be required to fund future capital projects

Recommendation: That the proposed 2017 budget for the Waterworks Department be adopted by Council and that the following new flat rates are approved by Council:

Flat Rate – Water	58.95/month
Flat Rate – Sewer	<u>32.16/month</u>
	91.11/month



Public Information Package

Waterworks Department

2017 Proposed Budget

Meeting on April 24, 2017

at 7:00 PM

in the

Council Chambers

102, Derby Street West,

Alexandria, Ontario

INDEX	
Page	Description
1	Budget Proposal - 2017 Revenue
2	Budget Proposal - 2017 Expenses
3 - 8	Water/Wastewater Department - Budget Highlights
9	Waterworks Department - Capital 2017
10	Long Term Debts - Township of North Glengarry - as at Dec 31, 2016
11	Long Term Debts - Township of North Glengarry - 2017 Budget Amounts
12	Township of North Glengarry - Reserves - Waterworks Department - as at Dec 31, 2016

Budget Proposal - 2017 Revenue

DRAFT

		1	2	3
		Proposed	Proposed	Proposed
		Revenue	Revenue	Revenue
		Water	Sewer	Total
1-3-9300-4900	Water - Domestic - Alexandria	1,050,000		1,050,000
1-3-9300-4902	Water - Commercial - Alexandria	600,000		600,000
1-3-9300-4903	Water - Glen Robertson	39,000		39,000
1-3-9300-4905	Penalty and Interest	12,000	8,000	20,000
1-3-9300-4906	Water - Other Income	10,000		10,000
1-3-9300-4940	Sewer Fees - Alexandria		870,000	870,000
1-3-9300-4941	Sewer Fees - Maxville		156,000	156,000
1-3-9300-4951	Water/Sewer Connection Fees	7,500	7,500	15,000
1-3-9300-4961	User Fees - Wetlands		15,000	15,000
1-3-9300-4971	Hydrant Rental	15,000		15,000
1-3-9300-4975	Building Canada Fund		316,419	316,419
1-3-9300-8000	Transfer From Reserves		433,581	433,581

1,733,500 1,806,500 3,540,000

Percentage 49 51

Budget Proposal - 2017 Expenses

DRAFT

	1	2	3	4	5
	Proposed Operating	Proposed Capital	Proposed Transfer to Reserves	Proposed Total Expenses	%
WATERWORKS DEPARTMENT					
North Glengarry Water Distribution	513,021	165,886.00		678,907	19
North Glengarry Water Treatment	617,792	141,906.00	180,829	940,527	27
North Glengarry Sewage	846,036	953,978.00	120,552	1,920,566	54
	1,976,849	1,261,770	301,381	3,540,000	100

Township of North Glengarry



Water/Wastewater Department

Budget highlights

Water/Wastewater Department

2016 CAPITAL HIGHLIGHTS

2016 was a successful year for the Water and Wastewater Department. The majority of the capital projects were completed and on budget.

The Municipal Class "C" Environmental Assessment for the Alexandria Lagoon upgrades was completed and the Environmental Study Report was submitted to the MoE. The Township can now move on to the design phase of the project.

Various investments were made to proactively replace aging equipment and fleet as per the Township's respective plans, which ensures the reliability of safe and potable water delivery.

2016 WATER/WASTEWATER:

WATER METER REPLACEMENT PROGRAM - \$375,000

- After some initial analysis, the decision was made to invest \$375,000 in to purchasing the entire allotment of water meters up front. This results in a savings in excess of \$50,000 as the price increases on each meter was going to increase after the initial agreement to purchase meters expired.

3/4 TONNE TRUCK PURCHASE - \$50,000

- This item was purchased and split 40/30/30 between Wastewater Treatment, Water Treatment and Water Distribution accounts respectively.

VALVE & HYDRANT REPLACEMENT PROGRAM - \$10,168

- This project was completed at various locations throughout Alexandria where inspections showed signs of failure or fatigue on various valves or hydrants.

GRANULAR ACTIVATED CARBON FILTER MEDIA - \$30,000

- Council approved the use of unfinanced capital funds from various other projects to fund the installation of GAC media.
- This was a successful project, which eliminated taste and odour issues from the Town's drinking water.

WATER UNFORESEEN CAPITAL - \$50,000

- This item is put in every year and is spent only if required by breakdown or if something is unforeseen at budget time.
- For water this year, the Township spent roughly \$29,000.
 - Watsons & Associates for various financial modelling with respect to the Maxville Water Project.
 - Meter Installations.
 - WSP for work related to the Maxville Water Project that was unplanned.

FILTER TURBIDIMETERS - \$4,000

- This item was completed and the new units are up and running.

FLOCCULATOR REPLACEMENT - \$15,000

- This item was completed and the new unit is up and running.

ALEXANDRIA LAGOON SYSTEM ENVIRONMENTAL ASSESSMENT - \$101,760

- This item is complete and the Township can move on to the detailed design process.

SANDFIELD STATION PUMP REPLACEMENT - \$6,470

- This item is complete.

MAIN PUMP STATION SEWAGE PUMP - \$16,790

- Diverted funds for emergency Leroux Station failed pump.
- To be done in 2017.

LAGOON AERATOR - \$50,880

- Deferred to unfinanced capital due to lagoon EA being completed.
- New design to take in to account existing aerator configuration, project can proceed in 2017.

2017 CAPITAL HIGHLIGHTS

2017 is ambitious for the Utilities Department. With various investigations and leg work that is proposed, the department seeks to set the Township up for positive moves towards development. Staff have phased in various consulting works that will feed other required works in 2018, which will ultimately culminate in a development charges study in 2019.

The focus for 2017 will be long term preparation, some minor construction and once again, proactive equipment replacement.

2017 Water/Wastewater:

KENYON ST. WATERMAIN UPGRADE - \$97,859

- Project to be completed in-house.
- Replacement of 4" watermain on Kenyon St. from Hwy 34 to Dominion St. (300m). New main to be sized at 6".
- Existing 4" main is below standards and does not provide adequate flows to fire hydrants and limits supply to users.
- This project eliminates a "bottleneck" within the system.

HYDRAULIC MODELLING UPDATE – \$30,000

- With the replacement of various valves throughout Alexandria, staff have noticed issues with chlorine residuals and suspect variations in flows throughout the system.
- Combined with the future development prospects, it is important to have up to date modelling to incorporate in to a Master Servicing Plan to be completed in 2018 and a development charges study in 2019.

VALVE AND HYDRANT REPLACEMENT PROGRAM - \$31,901

- This is an annual item that invests in the maintenance and integrity of the Town's distribution system.

WATER METER REPLACEMENT PROGRAM - \$5,000

- For the physical installation of the new water meters.

SMALL EQUIPMENT - \$13,228

- Hydraulic Saw for water main breaks.
- Water Tower Generator to ensure compliance with regulations during power failures.

WATER TREATMENT EQUIPMENT REPLACEMENT - \$21,827

- 2 motorized valves, relocate due to high moisture environment.
- Filter media (anthracite sand media replacement)

FLOCCULATOR #2 - \$20,352

- #1 replaced in 2016
- #2 to be replaced in 2017

SCADA UPGRADE/INTEGRATION - \$81,408

- Existing software is not protective and is difficult to get firewalls etc. in place to prevent access by outside parties and/or hackers.
- Integration of Glen Robertson Well house to the existing SCADA network to provide monitoring and control.

COLLECTION FLOW TESTING - \$33,580

- This item will see physical equipment installed in the sanitary mains to identify the flow rates and quantities from various strategic locations throughout Alexandria.
- The purpose will be to determine additional inflows, identify problem areas and also to feed the master servicing plan for 2018 with accurate flow data.
- This project will also assist with the Township's sewer relining plans.

PUMPING STATION NEEDS STUDY - \$33,580

- This item will provide a review of all civil, structural, mechanical and electrical components of the Township's sewage pumping stations.
- A deliverable of the review will be to provide a capital needs list and investment timeline for the next 5-10 years.
- It will also determine the adequacy of the existing pump stations in context with future growth potential.
- Will feed the master servicing plan in 2018 and culminating in a development charges study in 2019.

SANITARY SEWER RELINING - \$83,952

- This item is included in order to install liners in various sewage mains throughout Alexandria that are showing signs of infiltration, but cannot be fixed with conventional spot repairs.
- This item is anticipated to be an annual investment, which will reduce future reconstruction costs and eliminate additional infiltration from the system.

VARIOUS SEWAGE EQUIPMENT REPLACEMENT - \$27,424

- ORP Probes
- 25hp Main Pumping Station Pump.
- Sigma Auto Sampler

UNFORESEEN CAPITAL SEWAGE & WATER - \$50,000 (\$25K ea.)

- For various unexpected breakdowns or unexpected projects (ie: Maxville water items etc.)

LAGOON UPGRADE – DESIGN - \$750,000

- CWWF funding project.
- \$433,581 funded through rates, \$316,419 funded through grant.
- Design of the lagoon upgrades based on the results of the Municipal Class "C" Environmental Assessment.

2017 OPERATING HIGHLIGHTS

For Water and Wastewater, there isn't much that is being proposed differently from 2016.

CHALLENGES:

- Substantive increases in hydro costs across the board are being borne by the department for the water plan and pump stations. Staff has proposed a generic 5% increase to offset this item.
- Wages increase by 3% for unionized staff in 2017, then 1% for 2018 and 2019.
- Aging equipment in the water and sewer departments has proven to be a significant cost in the last 2 years. Staff has increased those budget amounts and are proactively replacing equipment to combat the unexpected equipment failures.
- Grants are becoming more scarce which puts pressure on the rates.

NEW INITIATIVES:

- The Water and Sewer department has included \$20,000 to further the sump pump disconnection program. The details of how to distribute and approve of the grants to residents will be presented to Council for consideration.

WATERWORKS DEPARTMENT - Capital 2017		FINAL				
		2017				
		Budget				
Item	Description			1-5-9200-8000	1-5-9300-8000	1-5-9400-8000
				NGWD - Capital	NGWT - Capital	NGS - Capital
1	Kenyon Street Watermain Upgrade	97,859	1-5-9200-8000	97,859		
2	Hydraulic Modelling Update	30,528	1-5-9200-8000	30,528		
3	Valve and Hydrant Replacement Program	31,902	1-5-9200-8000	31,902		
4	Water Meter Installation Program	5,597	1-5-9200-8000	5,597		
5	Small Equipment Replacement Purchase	13,229	1-5-9300-8000		13,229	
6	Water Treatment Plant Equipment Replacement	21,829	1-5-9300-8000		21,829	
7	SCADA Upgrade at Alexandria and Glen Robertson	81,408	1-5-9300-8000		81,408	
8	Unforeseen Capital - Water	25,440	1-5-9300-8000		25,440	
9	Pumping Station Needs Study	33,581	1-5-9400-8000			33,581
10	Collection Flow Testing	33,581	1-5-9400-8000			33,581
11	Sewer Relining	83,952	1-5-9400-8000			83,952
12	Misc. Sewage Items	27,424	1-5-9400-8000			27,424
13	Unforeseen Capital - Sewage	25,440	1-5-9400-8000			25,440
14	Lagoon Upgrade - Design	750,000	1-5-9400-8000			750,000
		<u>1,261,770</u>		<u>165,886</u>	<u>141,906</u>	<u>953,978</u>

Long Term Debts - Township of North Glengarry - 2016

Description	Loan Amount	Date of Loan	Term	Rate of Interest	Monthly Payment	Final Payment	GL Number For Payments	Balance at Dec 31, 2016
WATERWORKS DEPARTMENT								
ROYAL BANK LOANS								
Waterworks Dept. Preliminary Engineering Wetlands	350,000.00	December 2006	10 Years	4.63	2,220.00	20 Year amortization	1 2 1250 1361	217,384.82
Front Street Water/Sewer	12,406.84	March 2015	5 years	3.10	103.30	12 Year Amortization	1 2 1250 1362	10,796.77
Waterworks Dept. Dominion Street	39,165.00	December 2007	10 Years	5.35	287.00	20 Year amortization	1-2-1250-1363	26,408.73
Waterworks Dept. Maxville Lagoons	85,053.26	December 2012	5 Years	2.47	1,508.41	December 2017	1-4-9400-1511	17,860.79
Waterworks Dept. Alex Lagoon Repair	1,034,000.00	December 2010	10 years	3.72	10,333.71	January 2021	1 4 9400 1505	460,421.97
								732,873.08
INFRASTRUCTURE ONTARIO LOAN								
Waterworks Dept. Water Tower & Scada System	1,276,368.86	March 1, 2012	10 years	2.56	Payable semi annual 151,319.57	March 2022	1-4-9200-1505 1-4-9300-1505	702,002.90 45,395.87
								1,434,875.98

