



**Public Information Package**  
**Waterworks Department**  
**2016 Proposed Budget**  
**Meeting on January 26<sup>th</sup>, 2016**  
**at 7:00 PM**  
**in the**  
**Council Chambers**  
**102, Derby Street West,**  
**Alexandria, Ontario**

# TOWNSHIP OF NORTH GLENGARRY

## STAFF REPORT

**Date:** January 25, 2016

**To:** Mayor and Council Members

**From:** Johanna Levac (Annie) Treasurer

Daniel Gagnon  
CAO/Clerk

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**Re:** 2016 Proposed Budget – Waterworks Department

**Discussion:** The 2016 DRAFT budget was reviewed at a special council meeting on December 16<sup>th</sup>, 2015 and at the regular council meeting on January 11<sup>th</sup>, 2016. Although the overall operating and capital has decreased for 2016 staff is recommending a small increase to the flat rate to stabilize rates for the future. In 2015 we increased the flat rate by 2% which resulted as follows:

Flat Rate – Water	56.66/month
Flat Rate – Sewer	<u>30.91/month</u>
	87.57/month

A 2% increase on the flat rate for 2016 will result as follows:

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

Since our last meeting we did add \$25,000 to both the water and sewer capital for “unforeseen Capital”. These amounts are not tied to specific projects in 2016. As our capital projects are minimal this year we will be able to transfer \$279,842 to our water reserves as well as \$178,225 to our

sewer reserves. These funds will be required to fund future capital projects.

**Recommendation:** That the proposed 2016 budget for the Waterworks Department be adopted by Council and that the following new flat rates be approved by Council:

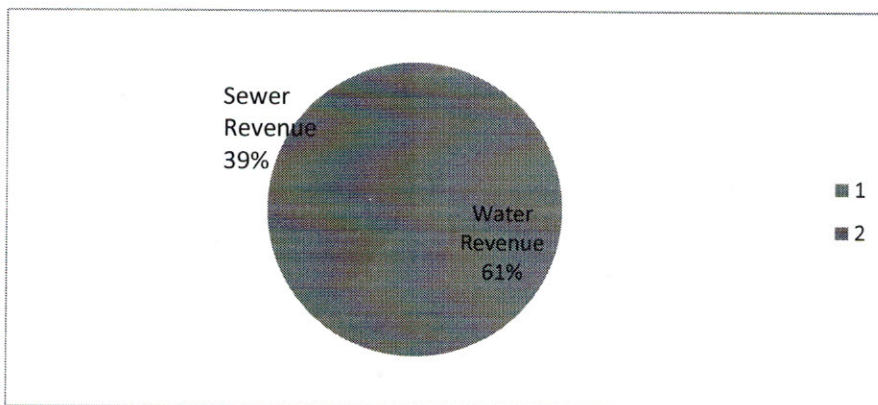
Flat Rate – Water	57.79/month
Flat Rate – Sewer	31.53/month

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**Budget Proposal - 2016 Revenue**  
**DRAFT**

		1 Proposed Revenue Water	2 Proposed Revenue Sewer	3 Proposed Revenue Total
1-3-9300-4900	Water - Domestic - Alexandria	1,020,000		1,020,000
1-3-9300-4902	Water - Commercial - Alexandria	560,000		560,000
1-3-9300-4903	Water - Glen Robertson	38,000		38,000
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		865,000	865,000
1-3-9300-4941	Sewer Fees - Maxville		156,000	156,000
1-3-9300-4951	Water/Sewer Connection Fees	6,000	6,000	12,000
1-3-9300-4961	User Fees - Wetlands		15,000	15,000
1-3-9300-4971	Hydrant Rental	15,000		15,000
1-3-9300-7850	Sale of Equipment	1,800	1,200	3,000
		<b>1,662,800</b>	<b>1,051,200</b>	<b>2,714,000</b>
Percentage		61	39	

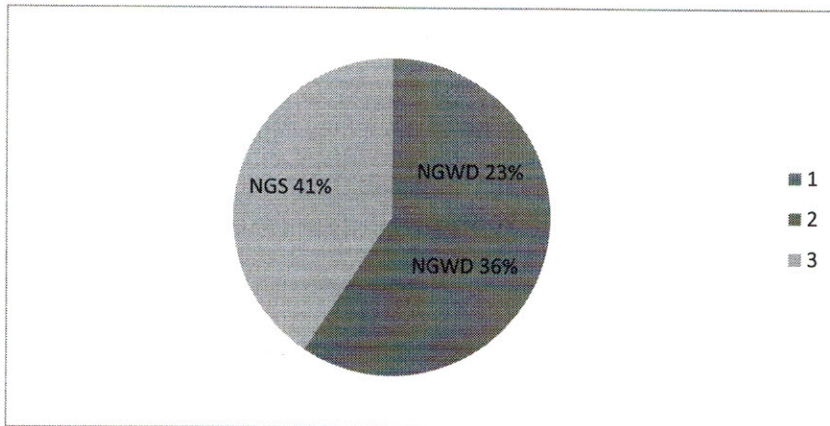
**Waterworks Department 2016 Revenues**



**Budget Proposal - 2016 Expenses**  
**DRAFT**

	1	2	3	4	5
	Proposed Operating	Proposed Capital	Proposed Transfer to Reserves	Proposed Total Expenses	%
<b>WATERWORKS DEPARTMENT</b>					
North Glengarry Water Distribution	532,878	122,694		655,572	24
North Glengarry Water Treatment	616,035	55,464	279,842	951,341	35
North Glengarry Sewage	808,715	120,147	178,225	1,107,087	41
	1,957,628	298,305	458,067	2,714,000	100

**Waterworks Department 2016 Expenses**





# Water/Wastewater Department

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## Budget Highlights

### 2016 OPERATING HIGHLIGHTS

For Water and Wastewater, there isn't much that is being proposed differently from 2016. In the operating budget, the rationale is included in its entirety.

To summarize that document, the following items are identified as challenges, new initiatives. Minor changes to the operating budget that reflect actual costs or smaller increases or decreases are captured in the detail of the rationale document.

### 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 about 1.5% +/- for unionized staff.
- Aging equipment in the water and sewer departments has proven to exceed the budgeted amounts for equipment maintenance in the last 2 years. Staff has increased those budget amounts and are creating a proactive equipment replacement program to combat the unexpected equipment failures.
- Grants for different types of infrastructure although still prevalent are not being approved or awarded in eastern Ontario. The Township and the other Township's in the County have not been awarded any funding in the last 2 rounds.

### 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 are still being worked out.

## 2016 CAPITAL HIGHLIGHTS

2016 is somewhat of a lighter year for Water and Wastewater from a capital point of view, while some larger projects carrying over such as the lagoon environmental assessment, the goal for 2016 is once again to come in as close to budget as possible for capital and reduce costs wherever possible.

The focus for 2016 will be primarily implementing a proactive equipment replacement program with emphasis on water treatment and sewage treatment facilities. The capital is also light due to the roads department and its investment in hardtop maintenance outside of the urban area. At some point, staff will have to investigate additional water and sewer reconstruction, but will require funds from the roads department capital fund to do their share.

### 2016 Water/Wastewater:

#### ¾ TONNE TRUCK - \$50,880

- This truck is due for replacement as per the Fleet Replacement Plan. It has surpassed its useful life and requires replacement as it is the only ¾ tonne truck in the water and sewer fleet.
- The old Cube Van was replaced with an enclosed trailer and this truck is required to haul the trailer due to weight restrictions.

#### LAGOON AERATOR – \$50,880

- Existing unit has failed.
- New aerator will promote the nitrification of the raw sewage and aid in the treatment of ammonia escaping the lagoons.
- New unit will be purchased with upgrades in mind.

#### FILTER MEDIA - \$7,635

- This will provide for replacement of the existing filter media in the water treatment plant.

#### FLOCCULATOR REPLACEMENT - \$25,440

- Existing unit has failed and requires replacement.

#### METER REPLACEMENT PROGRAM - \$50,880

- Another 150 meters will be replaced in Alexandria.
- Year 3 of 10.
- Will culminate in about 450 meters being replaced in the last 3 years.

#### SANDFIELD PUMP STATION SEWAGE PUMP - \$7,125

- Replacing this pump will potentially avoid a pump failure as the pump experiences difficulty pumping at capacity under load.



MAIN PUMP STATION SEWAGE PUMP - \$16,790

- 25hp pump has failed.
- Redundant pumps in place, however this pump is still a priority for replacement.

TURBIDIMETERS - \$7,125

- Vintage of existing analyzers are proving difficult to get parts and service.
- Units are aged and require replacement.

VALVE AND HYDRANT REPLACEMENT PROGRAM - \$31,550

- This program started in 2013 and has continued since and proven to increase the efficiency of the distribution of water to consumers by eliminating older valves that have failed.
- Replacement of hydrants decreases risk to the Township by identifying those hydrants that are of questionable functionality upon the occurrence of a structure fire.
- This program also increase customer service levels by reducing the affected shutdown areas during water breaks and other unforeseen circumstances.

WATERWORKS DEPARTMENT - Capital 2016		DRAFT				
		2016				
		Budget				
Item	Description			1-5-9200-8000	1-5-9300-8000	1-5-9400-8000
				NGWD - Capital	NGWT - Capital	NGS - Capital
1	3/4 Tonne Pickup - Replacement Vehicle	50,880	30/30/40 split	15,264.00	15,264.00	20,352.00
2	Valve & Hydrant Replacement Program	31,550	1-5-9200-8000	31,550.00		
3	Meter Replacement - Meter Replacement Program	50,880	1-5-9200-8000	50,880.00		
4	Filter Media - Water Treatment Plant Equipment	7,635	1-5-9300-8000		7,635.00	
5	Filter Turbidimeters - Water Treatment Plant Equipment	7,125	1-5-9300-8000		7,125.00	
6	Flocculator Replacement - Water Plant Equipment	25,440	1-5-9300-8000		25,440.00	
7	Pump Replacement - Sandfield Pumping Station	7,125	1-5-9400-8000			7,125.00
8	Main Pumping Station Sewage Pump - Wastewater Treatment Plant Equipment	16,790	1-5-9400-8000			16,790.00
9	Lagoon Aerator - Wastewater Treatment Plant Equipment	50,880	1-5-9400-8000			50,880.00
10	Unforeseen Capital	25,000	1-5-9200-8000	25,000.00		
11	Unforeseen Capital	25,000	1-5-9400-8000			25,000.00
		<b>298,305</b>		<b>122,694.00</b>	<b>55,464.00</b>	<b>120,147.00</b>

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# Long Term Debts - Township of North Glengarry - 2015

Description	Loan Amount	Date of Loan	Term	Rate of Interest	Monthly Payment	Final Payment	GL Number For Payments	Balance at Dec 31, 2015
<b>ROYAL BANK LOANS</b>								
<b>ROYAL BANK LOANS</b>								
Waterworks Dept	954,168.21	December 2010	5 year	3.08	17,184.97	December 2015	1 4 9300 1505 1 4 9400 1505	0.00 Paid In Full
Waterworks Dept	350,000.00	December 2006	10 Years	4.63	2,220.00	20 Year amortization	1 2 1250 1361	233,573.83
Waterworks Dept	16,056.94	May 2010	5 Years	4	108.62	17 Year amortization	1 2 1250 1362	0.00 Paid In Full
Waterworks Dept	39,165.00	December 2007	10 Years	5.35	267.00	20 Year amortization	1-2-1250-1363	28,141.29
Waterworks Dept	85,053.26	December 2012	5 Years	2.47	1,508.41	December 2017	1-4-9400-1511	35,288.87
Waterworks Dept	1,034,000.00	December 2010	10 years	3.72	10,333.71	January 2021	1 4 9400 1505	565,090.65
								<b>862,094.64</b>
<b>INFRASTRUCTURE ONTARIO LOAN</b>								
Waterworks Dept	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	829,639.78
								<b>1,691,734.42</b>

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# Long Term Debts - Township of North Glengarry - 2016 Budget Amounts - Waterworks Department

Description	Loan Amount	Date of Loan	Term	Rate of Interest	Monthly Payment	2016 Budget	GL Number For Payments
<b>WATERWORKS DEPARTMENT</b>							
<b>ROYAL BANK LOANS</b>							
Waterworks Dept. Preliminary Engineering Wetlands	350,000.00	December 2006	10 Years	4.63	2,220.00	26,640.00	1 2 1250 1361
Waterworks Dept. Dominion Street	39,165.00	December 2007	10 Years	5.35	267.00	3,204.00	1-2-1250-1363
Waterworks Dept. Maxville Lagoons	85,053.26	December 2012	5 Years	2.47	1,508.41	18,100.92	1-4-9400-1511
Waterworks Dept. Alex Lagoon Repair	1,034,000.00	December 2010	10 years	3.72	10,333.71	124,004.52	1 4 9400 1505
<b>INFRASTRUCTURE ONTARIO LOAN</b>							
Waterworks Dept. Water Tower & Scada System	1,276,368.86	March 1, 2012	10 years	2.56	semi annual payable Semi-annually	148,110.29	1-4-9200-1505 1-4-9300-1505
<b>Total Water &amp; Sewer</b>						<b><u>320,059.73</u></b>	

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Township of North Glengarry - Reserves - Waterworks Department - 2015

GL Number	Reserve Type	January 1, 2015	Budget 2015	Year-End Entries	UNAUDITED Total
1-2-2000-8440	Alexandria Sewers	0.00			0.00
1-2-2000-8450	Maxville Ward Sanitary Sewer	0.00			0.00
1-2-2000 8470	Reserves - Alexandria Water	0.00			0.00
1-2-2000-9123	Apple Hill Waterworks - Proceeds from Sale of Hydro	-91,596.16			-91,596.16
1-2-2000-9430	Alexandria Water/Sewer Rehabilitation	-306,336.87			-306,336.87
1-2-2000-9431	Alexandria Ward - PUC Waste Sewage Lagoon	-4,020.80			-4,020.80
1-2-2000-9432	Alexandria Ward - PUC Water Meter	-42,970.70			-42,970.70
1-2-2000-9433	Alexandria Ward - PUC Sewer Upgrade	-456,501.56			-456,501.56
1-2-2000-9437	North Glengarry Water Reserve	-134,763.50	-74,645.00		-209,408.50
1-2-2000-9438	North Glengarry Sewer Reserve	-112,609.85	-61,146.00		-173,755.85
1-2-2000-9450	Maxville Ward - Waterworks - Proceeds from Hydro Sa	0.00			0.00
1-2-2000-9720	Alexandria Park	-7,091.93			-7,091.93
		-1,155,891.37	-135,791.00	0.00	-1,291,682.37