



# Comprehensive Water Department Review

Council Presentation

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# Agenda

- Introductions
- Overall Current State
- Discussion of Opportunities

# Overall Current State

## Strengths and Successes – Recent Examples

### People

- Communication and cooperation between water and roads
- Customer communications related to customer usage monitoring and billing
- Stabilized leadership
- Competent and experienced staff

### Process

- Efficiencies and innovation in performing maintenance at the lowest cost, including plumbing
- Executing more preventive maintenance, rather than only reactive, especially related to critical control points
- Prompt and successful completion of Camborne well rehabilitations
- Quality Management System upgrades and improvements

### Technology

- SCADA updates
- Replacing water meters
- The process for installing meters in new construction

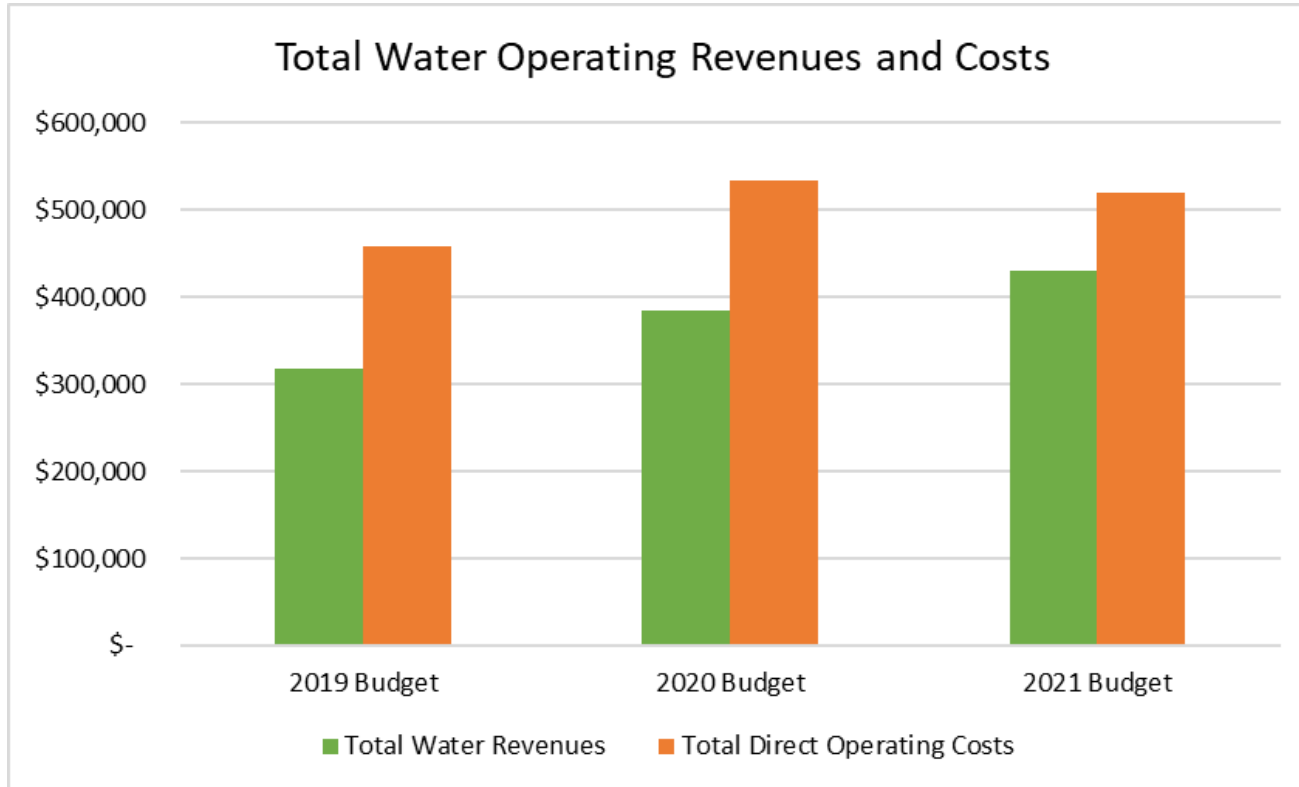
### Financial Management

- Monitoring and trending costs, more accurate cost management
- Capturing internal water usage through Fire and Parks
- Capital needs assessment and planning

# Overall Current State

- Water Department is operating at a deficit
- 555 metered water customer accounts
- Approximately 11% of the properties directly connected to the water systems
- Also supports bulk water and emergency fire services to its rural residents
- Aquifer water is challenging to treat due to naturally occurring minerals & organics
- Quality and aesthetic challenges
- Creighton Heights capacity estimated at around 80%
- Capacity of Camborne system not currently approaching limits

# Overall Current State - Financials



- ▶ Operating in a deficit position, the water rates do not generate enough revenue to cover expenditures.
- ▶ Recent rate study recommended an increase in water rates

# Overall Current State - Financials

- ▶ In 2021, The Township's water system will be in a new financial debt position of \$516,175
- ▶ Debt of \$280,000 was incurred in 2018 for the Kennedy Road watermain project

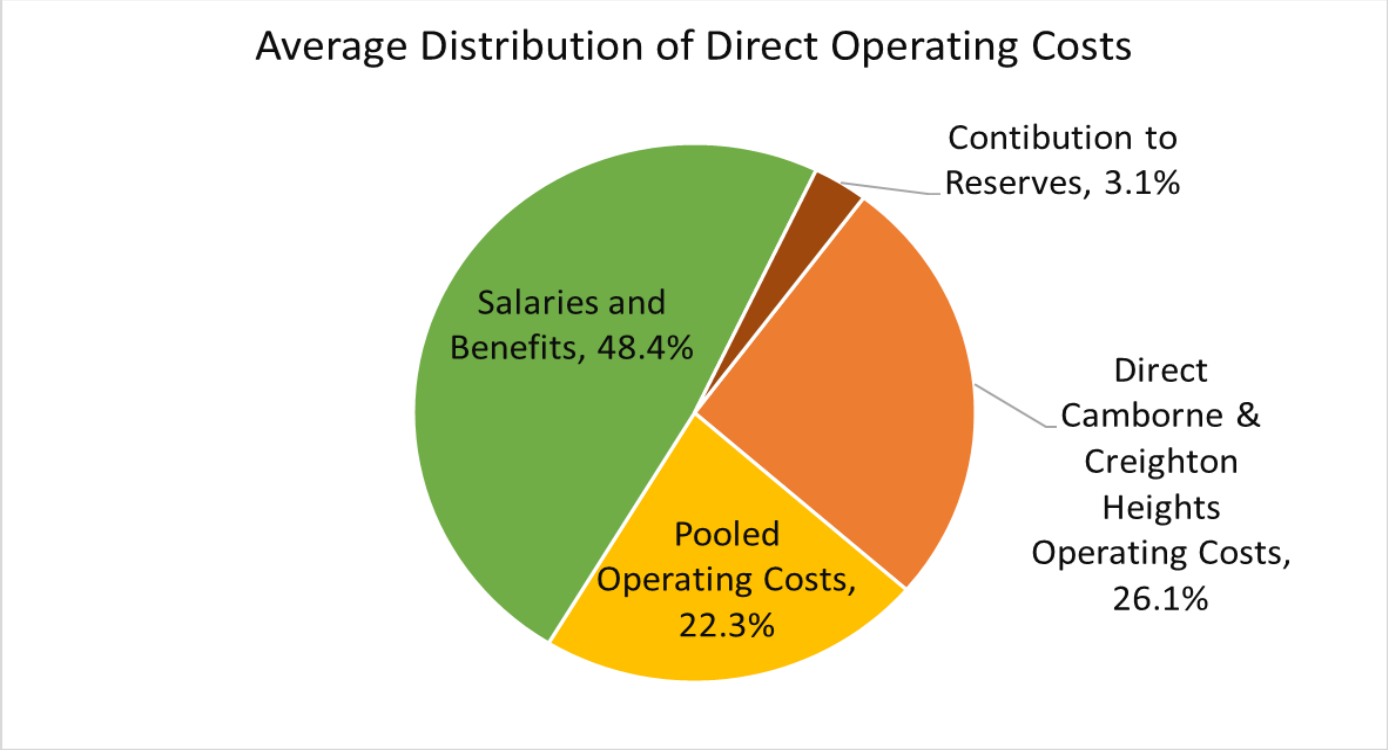
## Operating:

- ▶ Current water rates do not generate sufficient revenue to meet annual water expenditure requirements:
  - ▶ Direct Operating Expenditures Budget for 2021:\$519,650 (Operating Budget)
  - ▶ Direct Revenues Budget for 2021: \$429,457
  - ▶ Annual Operating Deficit: \$90,193

## Capital

- ▶ Forecasted Capital Expenditures 10 years - \$3,629,400
  - ▶ \$363,000 annually from 2021 to 2030

# Overall Current State - Financials



# Highlights

- **Increase revenues** through rates, RF metering, reduction of non-revenue water and application of external funding
- **Optimize staff coverage** through an improved staffing model
- **Increase regular, open communication** within the Department and to the Owner
- Optimize infrastructure lifecycle strategies, especially in **preventive maintenance**, and
- **Digitize** data and communications.



# People

- **Prepare a fulsome review of actual recent hours worked for all water-related roles** to provide a baseline for comparison to alternate complement models for personnel coverage.

Role	Actual % Time on Water Duties	Budgeted* % Time on Water Duties	Note
Manager of Water Operations	100%	100%	Assumes 35 hours/week
1 Water Operator	100%	100%	1 FTE, 4 Operators in rotation, includes standby, planned overtime
1 Water Technician	Ad hoc	42%	1 part time position
1 Licensed Heavy Equipment Operator	50%	25%	1 part time position approved in 2020 budget
CAO	7.5%	0%	12.5% in 2021 due to 4 water studies
Treasurer	5%	0%	10% in 2021 due to 4 water studies
Accounts Payable	10%	0%	-
Receptionist	5%	0%	Water bill inquiries, work order input, general customer communications
Total		\$270,000	

# People

- **Consider an alternate model for staffing, to address continuity, coverage, succession planning and culture challenges. The Township should reduce reliance on part-time, part-season and shared staff.**
- **Ensure salaries are attractive enough to retain and develop staff, which may be addressed through the current salary and organizational review.**
- **SCADA, alarms or automation opportunities may allow for some opportunities with remote and after hours coverage for plant monitoring.**
- **Refresh regular communication meetings with water staff.**
- **Be cognizant of culture.**

# Network Additions and Growth

- **Mandate connection requirements to owners fronting municipal water.** The fewer private well users may benefit the aquifer sustainability. This principle is strengthened by the statements in the Northumberland County Official Plan. For Kennedy watermain, regular water turnover in that main will reduce public health risk.
- **Formally assess capacity and develop a master plan for water related growth.**
  - Maximize Development Charges for growth related infrastructure to enable the Township to reduce/eliminate the cost burden of growth on existing citizens.
  - Assess capacity, which should be followed by a Master Plan study.
- **Consider pursuing compensation from the MTO for the impact of the costs of adding the Creighton Heights users due to the 401 construction disconnection.**

# Communication to the Owner

- **Continue higher level discussions for overall fiscal and resource challenges and constraints to the agenda for Management Review, especially the 'Resources needed to maintain the QMS'.**
- **Directly communicate the Management Review to Council.**

# Locates

- **Explore options to outsource locates.**

# Meters

- **Advance the replacement program.**
- **If eligible, it is recommended that the Township consider application of Modernization or other eligible Funding for the meter replacement program, since it is an automation opportunity with significant impact on the Township.**

# Infrastructure Planning

- **Include LUSI operated infrastructure in Capital Needs Assessment, and enhance asset monitoring communication.**
- **Implement optimized staffing structure to enhance preventive maintenance.**

# Revenues

- **Apply more external funding to water needs.**
- **Find more non-revenue water, especially construction and capital project water use.**
- **Implement rate increases.**



# Technology

**Digitize records and communications.**

# Recommended First Steps

1. Implement recommended rate increases.
2. Allocate more external funding to eligible water system projects, especially regular funding from OCIF, OMPF and Gas Tax.
3. Update and regularly apply the Asset Management Plan.
4. Maximize applicable development charges.
5. Increase regular communication between Council and administration on overall water challenges, risks and options.
6. Advance the meter replacement program.
7. Expand condition assessments study scope.
8. Continue to maintain stable leadership for the Water Department and move towards a dedicated staffing model.
9. Consider pursuing compensation from the MTO for the impact of the costs of adding the Creighton Heights users due to the 401 construction disconnection.

**Closing Message**

The background features abstract, overlapping geometric shapes in various shades of blue and teal, primarily concentrated on the right side of the slide. The shapes include triangles and polygons, some with varying levels of transparency, creating a layered effect. The overall aesthetic is clean and modern.