

SPECIAL COUNCIL – JUNE 11, 2007

THE 2007 WATER & WASTEWATER BUDGETS

(By-Law No. 394-2002, S.4(10))

Council, at its meeting of May 7, 2007, adopted in part:

That the recommendation from the Budget Committee be forwarded to a Special Council on June 11, 2007 for public input and that deputations be permitted; and

That the appropriate notification be provided in accordance with By-Law 394-2002.

Budget Committee recommendation of May 7, 2007

- 1) That Clauses 1, 2, 4 and 5 of the recommendation contained in the following report of the City Manager, the Commissioner of Finance & Corporate Services, the Commissioner of Engineering and Public Works, the Director of Public Works, and the Director of Financial Services, dated May 7, 2007, be approved;
- 2) That a total staff complement of 5.5 FTE's be approved for the Water and Wastewater divisions, as identified on Attachment 3 of the subject staff report; and
- 3) That staff provide a report at the earliest opportunity with respect to the August 19th storm and outstanding billing issues between the City and the Region of York.

Recommendation

The City Manager, the Commissioner of Finance & Corporate Services, the Commissioner of Engineering and Public Works, the Director of Public Works, and the Director of Financial Services recommends:

- 1) That the following report be received;
- 2) That the consumption rates for Water and Wastewater in Schedule "A" of By-Law 12-74 and 167-73 be amended to reflect the Regional rate increase, City operating and capital requirements, Attachment 1;
 - (a) The City's water rate be increased from 81.7¢ to 88.5¢ per cubic meter effective in June 2007
 - (b) The City wastewater rate be increased from 75.6¢ to 84.0¢ per cubic meter effective in June 2007;
- 3) That the complement in the Water division be increased by 1.25 FTE's, the Wastewater division by 1.0 FTE's and 0.33 FTE in Finance at a cost of \$157,000 in 2007 for Water & Wastewater service positions in Public Works and a Analyst in Finance be approved and;
- 4) That the recommendation from the Budget Committee be forwarded to a Special Council on June 11, 2007 for public input and that deputations be permitted; and
- 5) That the appropriate notification be provided in accordance with By-Law 394-2002.

Maintenance	0.7%
Administration	0.1%
Finance	0.4%
Joint Services	(0.3%)
Infrastructure Contribution	4.7%
2007 Increase	9.6%

The impact on a residential customer with a consumption of 340 cubic meters of water per annum will see an impact of \$51.60 or 9.6% per year. The combined increase for Water & Wastewater represents a \$4.30 per month increase.

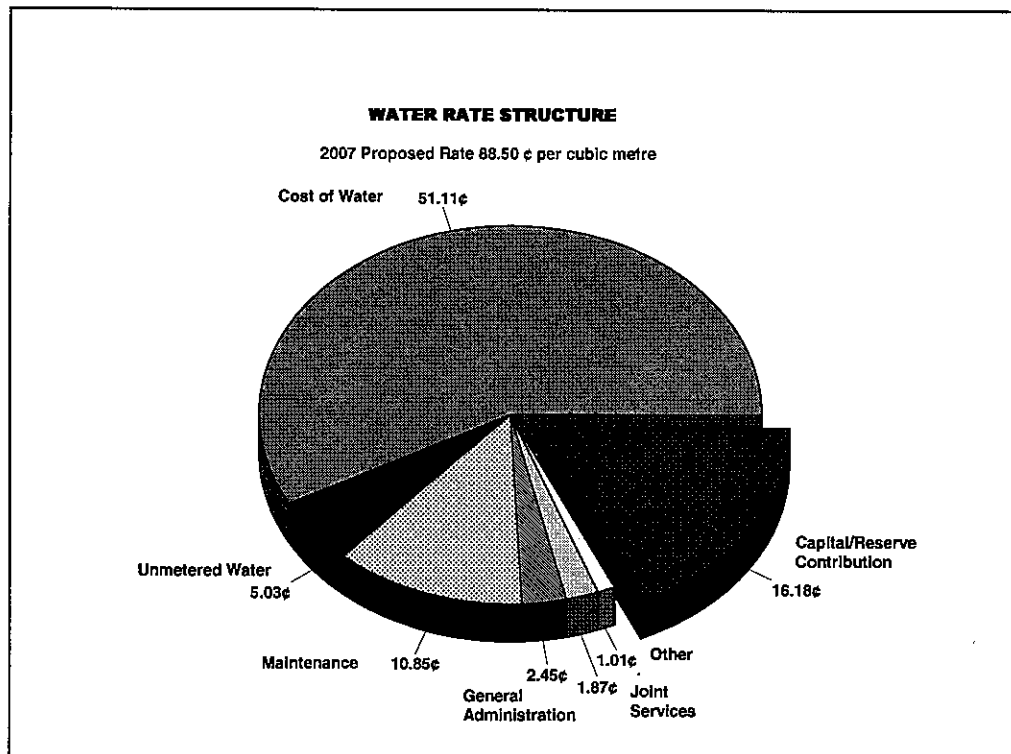
For further details on the proposed rate increases, see the 2007 Budget highlights.

Consumption Rate Component

The proposed water rate for 2007 is 88.5¢ per cubic metre and wastewater 84.0¢ per cubic metre. To assist in understanding the make up of the proposed consumption rates the following chart for water is provided. There are three basic components of the City's rate structure:

- 1) Cost of potable water & wastewater service
- 2) Operational, Administration and Financing costs
- 3) Contribution for Future Capital works

The largest component of the consumption rate is for the purchase of potable water and wastewater services from the Region and is directly related to usage by the consumer. However, the most important component of the Water and Wastewater rate is transferred to the reserve each year entitled above "Contribution for Future Capital Works". This key component of the rate structure which will pay for the City's future infrastructure cost will be developed and substantiated as part of the Bill 175 project referred to in the paragraph below.



The wastewater rate is 84.0¢ per cubic meter and the components are as follows:

Wastewater Services	54.0¢
Maintenance	7.6
Other	8.3
Capital/Contribution to Reserves	<u>14.1</u>
	84.0¢

Full Cost Recovery - Bill 175 Stage I Consultant Review

The Sustainable Water and Wastewater Act, Bill 175, is comprehensive in its legislative requirements and includes that Water and Wastewater services be provided on a full cost recovery basis. The Act also stipulates the sources of revenue, reporting requirements to the Ministry on financial and infrastructure plans. At this point the framework for the Act or the Regulations is not currently available. It is anticipated that full cost recovery will increase the rates substantially.

The City is about to embark on procurement process for Stage I of a Water and Wastewater consultant's review to conduct a preliminary analysis of current and future infrastructure needs so that the maintenance and estimated replacement costs can be determined. This review will provide staff with the necessary data to arrive at an estimated cost for delivery of Water and Wastewater services. From this data appropriate consumption rates reflecting the City's future requirements will be established. This review will provide the financial data that will establish consumption rates to reflect full cost recovery for the services provided as required by Bill 175.

Conservation Efforts

The Water for Tomorrow program undertaken by the Region of York continues to provide programs and initiatives to reduce the consumption and loss of drinking water. Locally, York Region businesses, industries and institutions account for about 26% of the municipal demand or about 58 million litres of water every day Region wide! Water for Tomorrow provides building owners and managers free comprehensive water audits of their facilities to assist in saving water. Sixty industrial/institutional audits have already been completed identifying potential water savings of over 2.0 million litres per day.

Beginning in May, homeowners are encouraged to contact the Region to provide a landscape advisor to inspect their lawns and gardens and give advice on how to reduce the water demands of their landscaping. Included in this initiative is a "Gardening Design Series" of seminars and workshops throughout York Region to provide professional advice on designing great, water efficient and low maintenance gardens.

Public Works is initiating a water meter calibration program to examine and adjust the City's 2500 Industrial/Commercial water meters. This program will take several years to complete with the goal of ensuring that the large volume users of water are accurately billed for their consumption and the City is not losing revenue through potentially inaccurate meters.

Anti-Tampering Devices

In June of 2005, Council approved a pilot project for anti-tampering devices on fire hydrants. In part, the recommendations included that should the pilot project be deemed successful, the installation of anti-tampering devices for fire hydrants, using plastic banding, become a mandatory requirement in all areas of new construction, with the cost associated with such devices being borne by the developer(s).

The Public Works Department has installed anti-tampering devices in two newer subdivisions. Staff go through these areas to determine if any hydrants have been operated and the devices removed. To date, there seems to be a very high rate of success with these anti-tampering devices. While the original focus for these devices was to reduce water theft, the more important roles they play are in ensuring that the City's infrastructure is not damaged and the hydrants are fully operable for fire fighting, and, that the integrity of the City's water distribution remains uncompromised through unauthorized operation of its valves and appurtenances. Based on the success of the trials taken place to date, all new subdivision agreements will be revised to include a clause requiring the developers to supply, install, and maintain hydrant anti-tampering devices (that have been approved by the City), on all hydrants in new subdivisions until the area is fully occupied, or assumed by the City.

2007 Proposed Water and Wastewater Budget – Highlights

Proposed Increase in Staff Complement

Significant legislation governing the delivery of Water & Wastewater services over the past number of years in Ontario has increased the complexity of the delivery of safe potable water. The Ontario government has introduced since Walkerton the Safe Drinking Water Act, 2002, the Sustainable Water and Sewage Systems Act, 2002, the Nutrient Management Act 2002 and the Clean Water Act. Numerous regulations have been passed under each Act, resulting in sweeping changes in the management and operation of drinking water systems, including the operation and maintenance of Vaughan's drinking water systems. Regulations concerning the maintenance, testing, sampling, flushing and reporting, have increased due to these regulations, and with Vaughan's continuing growth, these requirements continue to increase.

In addition to the increasing regulatory requirements concerning the maintenance and operation of the City's drinking water systems, the City's system has increased by almost 150 km of water main since 2001. Not included in the total length of pipe, are the thousands of individual water services and appurtenances (valves, curb boxes, hydrants, etc.) running off these pipes, all of which require maintenance and repair.

The current staffing levels in the Water section needs to be increased in order to ensure that the City meets its regulatory standard of care, and to ensure the residents continue to receive a high quality product. Staff are being requested for 2007 as shown below, however, additional service personnel in 2008 will also be required and will be presented as part of the 2008 Budget process.

As a result of the above, it is now recommended that full time personnel be hired. In 2007, 2.58 FTE's in total; 1.25 FTE for Water, 1.0 FTE for Wastewater and 0.33 FTE for Finance.

The 2007 salary and benefit cost is \$157,000, the annual cost including benefits is \$346,400. In addition vehicle costs related to the hiring of these service positions totals \$160,000 but will be included in the 2008 capital budget.

Unmetered Consumption

Unmetered water usage takes place through: water used for fire suppression and fire training, water used to irrigate sports fields, water used by City staff in water main flushing and maintenance, water used for street sweeping, unmetered water due to water main breaks and service leaks, water used to test and flush new water mains in new developments due to Provincial water regulations, water used by builders in the construction of new homes, etc.

In some instances however, unmetered water is billed through the City's development agreements and in addition water costs are recovered for internal City purposes; such as recreation's swimming pools, and building's and facility throughout the City.

2007 Proposed Budget

The 2007 unmetered water is budgeted at 9.0%, the City's overall average water loss experience. The 2006 actual unmetered water is up from last years 8.9% coming in at 10.1%. The unmetered water over the past number of years has been fairly stable, ranging from 7.5% to 10.1%. The National Drinking Water Clearinghouse in the USA has indicated that unaccounted for water in the 10-20% range is normal, while the National Research Council of Canada reported in 1998, that the range is anywhere from 25-30%.

Update 2000 Actual

As reported previously to Council, the 2000 actual unmetered water was significantly higher than normal coming in at an adjusted 16.0%. City Engineering and Finance staff have met on several occasions with Regional Engineering staff, and in addition, have had a number of discussions and meetings with staff of the City of Toronto on potential metering issues. The water infrastructure system is large and the metering system is complex. In 2002 the Region hired a consultant with the cost being shared with the City however the resulting report was inclusive in its determination of the cause. At this point discussions are taking place at senior levels of both organizations so as to reach a settlement.

Jane Street & Highway 7 – Watermain, Road & Sewer Repairs

At its meeting of February 13, 2006, Council was advised of the emergency situation at the intersection of Jane Street and Highway 7 and the status of the repairs to the watermain, road and sewers. York Region Police closed the intersection in the morning of February 6, 2006 when a settlement developed on the north west corner. The initial investigation of the site identified the break in the watermain as the cause of the settlement but as work progressed it was determined that the sanitary sewer had also settled.

Council approved the recommendation to retain the contractors and consultants necessary to stabilize the area impacted by the emergency situation associated with the major settlement of the roadway and underground services. To carryout repairs, deep wells were placed to lower the water table and pumps were installed to by pass the sewer. The site was excavated to a depth of 30 feet to allow the subgrade to be stabilized with pressure grout; the unstable and unsuitable soil to be removed and replaced with unshrinkable fill and other suitable material; the watermain, sanitary sewer and storm sewer replaced and the road base, curbs, islands, pavement and traffic signals affected by the repairs were reconstructed.

The cost as at December 31, 2006 is \$8.9 million and was funded from the Water and Wastewater reserves. The total cost of this project is expected to be approximately \$9.8 million. Staff are currently in discussions with the Region of York to finalize their share of this significant project. The estimate of the Region's share is not available at this time.

Water-Revenue & Expenditures Highlights

The budgeted water billings in 2007 are expected to be \$31.2 million with expected water purchases from the Region of \$20.1 million resulting in a gross margin of \$11.0 million or 35%. The budgeted 2007 water billing revenue includes a 3% residential, 2% commercial growth factor. The volumes are based on an estimated average season in terms of weather.

Actual 2006 total Water billings of \$28.1 million are under budget by \$1.0 million as a result of a lower than expected demand by Residential users and Commercial / Industrial users. Residential consumption was lower to a greater extent than expected totalling \$16.7 million, down by 5.2%. Commercial and Industrial actual billings totalled \$11.0 million down by 3.0% compared to a budget of \$11.3 million. The revenue for 2006 was under budget due to a reduced demand for water as a result of heavier rainfall this year during the warmer months.

Budgeted expenditures total \$7.0 million covering general annual maintenance, administration, financing and other costs. The largest component maintenance is budgeted at \$5.1 million. Actual maintenance expenditures come in \$3.8 million and is under budget significantly, this is due to the budgeted amount each year being based on providing extra funds in case of emergency work. The balance of the administration and other costs are coming in at approximately last year budget level. Financing costs are up budgeted at \$200,000 as a result of debenturing various capital projects.

Reserve Contribution

In 2006 through water operations, \$4.5 million or 16.1% was transferred to the water reserve fund. The 2007-budgeted transfer from water operations to the water reserve is expected to be at \$5.2 million, a rate of 16.8% of water revenue, up by 0.8% over last year.

Budgeted transfers to the Capital Fund in 2007 for water related budgeted infrastructure needs are expected to be \$1.4 million, \$7.7 million has been committed from previous years. The total budgeted and committed cost for water reserve fund projects may not be spent at the end of year 2007.

The water reserve fund including commitments has been decreasing over the past few years due to the increasing need to renew the water infrastructure, however, the project related to Bill 175 will address this issue. The budgeted reserve balance at the end of 2007 is projected to be \$9.4 million after all committed capital projects and operating costs.

Wastewater-Revenue & Expenditures Highlights

Wastewater billings are based on the cubic meters of water used for each property. The wastewater rate is then applied to the amount of water consumed. The volume of wastewater is not metered.

The current wastewater rate is discounted by approximately 5.5% when compared to water so as to reflect that not all water is returned to the wastewater system. The differential between the water rate and wastewater rate has been diminishing over the past few years. This is due to the Regional wastewater rate component that will be increasing starting 2005, increasing over 5 years by 10%, the City has no choice but to flow that cost to the consumer. As a result the current differential between rates currently at 5.5% will disappear altogether next year.

The sanitary wastewater billings in 2007 are expected to reach \$28.7 million. The wastewater increase is a reflection of the increase in water consumption as a result of an estimated 3% residential and 2% commercial growth factor and a normal season of weather. The cost of wastewater disposal service from the Region includes a 10.0% increase and the total 2007 treatment cost is estimated at \$20.9 million. The Region's treatment cost for wastewater is based on potable water purchased by the City. The 2007 local improvement revenue is budgeted at \$80,000 and is offset by the cost of debentures of \$80,000. The balance of the debenture cost is for the financing of other capital projects. Installation and service fees are budgeted at \$137,000, the same level as 2006 budget.

Budgeted expenditures for 2007 are at \$5.8 million, a slight increase of over the 2006 budget. This is due to increased costs associated with lateral repairs, sanitary lateral installations, flushing/cleaning and other general repairs and maintenance. Storm sewer expenditures are budgeted at \$1.9 million similar to last years budget. Balance of the expenditures are budgeted at last years levels.

Reserve Contribution

In 2006, through the operation of the sanitary wastewater operations, \$2.2 million was transferred to the reserve. For 2007 a forecasted transfer to reserve is up to a total of \$2.0 million or 7.2% compared to last year's budget 6.2%.

Budgeted transfers to the 2007 Capital Fund for wastewater infrastructure is proposed to be \$0.8 million. In addition a transfer to the operating fund for overhead cost is \$0.4 million. The total committed cost for wastewater reserve fund capital projects may not be spent at the end of year 2007.

The sanitary wastewater reserve ending balance for 2007 is forecasted to be \$4.9 million, and reflects all current and previous committed projects.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council under Safeguarding our Environment and the necessary resources are being requested.

Conclusion

Both the Water and Wastewater reserves have been declining, however, Engineering staff and Finance will be undertaking the necessary studies to ensure that the water/wastewater future rate recommendations include an appropriate strategy to fund future operations and infrastructure renewals. These studies will include the requirements of Bill 175 full cost recovery.

The annual impact of the proposed rates on residential users which consume 340 cubic meters per year will be \$51.60 or \$4.30 per month.

It is therefore recommended that the City's water rate be increased to 88.5 cents per cubic meter and that the wastewater rate be increased to 84.0 cents per cubic meter both effective June 2006 as outlined below.

Attachments

- | | |
|-------------------|---|
| Attachment No. 1: | The 2007 Water and Wastewater Budgets including 2006 unaudited Water and Wastewater Actuals |
| Attachment No. 2: | 2007 Water and Wastewater Municipal Rate Comparison |
| Attachment No. 3: | Proposed Increase in Staff Complement |

Report prepared by:

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Director of Financial Services
Ext. 8272

The Corporation of the City of Vaughan

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WATER RESERVE FUND

Statement Of Operations

For The Year Ending December 31, 2006

Description	2007 Annual Budget	% of Sales	2006 Annual Budget	% of Sales	2006 Year End Actual	% of Sales
REVENUE						
Water Revenue - Residential	\$18,520,000		\$17,684,000		\$16,750,333	
- General Service	12,394,000		11,362,000		11,019,715	
- Other	334,000		130,000		345,479	
Total (2007 BUDGET VOLUME Based on 3% INC RES 2% INC GS effective May 2007)	\$31,248,000		\$29,176,000		\$28,115,527	
PURCHASES						
Metered Water Purchases	\$18,345,838		\$17,994,697		\$17,518,608	
Unmetered Water	1,815,162	9.00%	1,780,303	9.00%	1,976,760	10.14%
TOTAL WATER PURCHASES	\$20,161,000		\$19,775,000		\$19,495,368	
GROSS MARGIN	\$11,087,000	35.48%	\$9,401,000	32.22%	\$8,620,159	30.66%
OTHER REVENUES						
Local Improvements	\$0		\$6,000		(\$933)	
Installation and Service Fees	1,240,000		1,019,000		1,358,793	
TOTAL	\$1,240,000	3.97%	\$1,025,000	3.51%	\$1,357,860	4.83%
EXPENDITURES						
Maintenance & Installation Cost	\$5,152,000		\$4,955,000		\$3,819,586	
General Administration	648,000		593,000		588,006	
Joint Service Costs	674,000		773,000		657,300	
Debt Service Payments	203,000		6,000		38,632	
Administration Overhead	237,000		237,000		237,000	
Insurance Allocation	127,650		111,000		111,000	
Write Offs	35,000		35,000		7,099	
TOTAL	\$7,076,650	22.65%	\$6,710,000	23.00%	\$5,458,623	19.41%
CONTRIBUTION TO RESERVE	\$5,250,350	16.80%	\$3,716,000	12.74%	\$4,519,396	16.07%

Statement Of Continuity of Water Reserve

Description	2007 Annual Budget	2006 Annual Budget	2006 Year End Actual
Reserve Balance - Beginning - Actual	\$6,340,587	\$15,308,817	\$15,308,817
Contribution from Water Operations	5,250,350	3,716,000	4,519,396
Capital Fund Transfer - Year End Actual	-	-	(1,278,685)
- Hwy 7/Jane	-	(1,250,000)	(4,482,257)
- Yearly Budget DRAFT	(1,408,500)	(4,009,000)	-
- Committed	0	(4,996,012)	(7,726,684)
- Prior Years Actual	-	-	0
Revenue Fund Transfer - Year End Actual	-	-	-
- Yearly Budget DRAFT	(728,000)	-	-
Reserve Balance - Ending - Committed / Actual	\$9,454,437	\$8,769,805	\$6,340,587

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The Corporation of the City of Vaughan

WASTE WATER RESERVE FUND

Statement Of Operations

For The Year Ending December 31, 2006

Description	2007 Annual Budget	% of Sales	2006 Annual Budget	% of Sales	2006 Year End Actual	% of Sales
REVENUE						
Waste Water Billings - Residential	\$17,169,000		\$15,873,000		\$15,036,715	
- General Service	11,524,000		10,266,000		10,026,912	
- Other	37,000		36,000		0	
Total (2007 BUDGET VOLUME Based on 3% INC RES 2% INC GS effective May 2007)	\$28,730,000		\$26,175,000		\$25,063,627	
PURCHASES						
Regional Waste Water Treatment Charges	\$20,993,000	73.07%	\$19,184,000	73.3%	\$18,613,805	74.3%
TOTAL						
GROSS MARGIN	\$7,737,000	26.93%	\$6,991,000	26.7%	\$6,449,822	25.7%
OTHER REVENUES						
Local Improvements	\$80,000		\$45,000		\$79,778	
Installation and Service Fees	137,000		137,000		166,077	
TOTAL	\$217,000	0.76%	\$182,000	0.7%	\$245,855	1.0%
EXPENDITURES						
Maintenance & Installation Cost	\$2,877,000		\$2,567,000		\$2,419,348	
General Administration	219,000		218,000		184,174	
Storm Sewer Maintenance	1,940,000		1,892,000		1,065,656	
Joint Service Costs	428,000		515,000		417,600	
Debt Service Payments	80,000		45,000		79,778	
Administration Overhead	155,000		155,000		155,000	
Insurance Allocation	134,550		117,000		117,000	
Write Offs	30,000		52,000		12,973	
TOTAL	\$5,863,550	20.41%	\$5,559,000	21.2%	\$4,451,527	17.8%
CONTRIBUTION TO RESERVE	\$2,090,450	7.28%	\$1,614,000	6.2%	\$2,244,150	9.0%

Statement Of Continuity of Waste Water Reserve

Description	2007 Annual Budget	2006 Annual Budget	2006 Year End Actual
Reserve Balance - Beginning - Actual	\$4,064,726	\$9,374,764	\$9,374,784
Contribution from Sewer Operations	2,090,450	1,614,000	2,244,150
Capital Fund Transfer - Year End Actual	-	-	(433,450)
- Yearly Budget DRAFT	(797,300)	(602,000)	-
- Hwy 7/Jane	-	(1,250,000)	(4,482,257)
- Committed	0	(1,534,635)	(1,518,481)
- Prior Years Actual	-	-	0
Revenue Fund Transfer - Year End Actual	-	-	(1,120,000)
- Yearly Budget DRAFT	(392,000)	(1,120,000)	-
Reserve Balance - Ending - Committed / Actual	\$4,965,876	\$6,482,129	\$4,064,726

The Corporation of the City of Vaughan

WASTE WATER RESERVE FUND

Statement Of Operations
For The Year Ending December 31, 2006

Description	2007 Annual Budget	% of Sales	2006 Annual Budget	% of Sales	2006 Year End Actual	% of Sales
REVENUE						
Waste Water Billings - Residential	\$17,169,000		\$15,873,000		\$15,036,715	
- General Service	11,524,000		10,266,000		10,026,912	
- Other	37,000		36,000		0	
Total (2007 BUDGET VOLUME Based on 3% INC RES 2% INC OS effective May 2007)	\$28,730,000		\$26,175,000		\$25,063,627	
PURCHASES						
Regional Waste Water Treatment Charges	\$20,993,000	73.07%	\$19,184,000	73.3%	\$18,613,805	74.3%
TOTAL						
GROSS MARGIN	\$7,737,000	26.93%	\$6,991,000	26.7%	\$6,449,822	25.7%
OTHER REVENUES						
Local Improvements	\$80,000		\$45,000		\$79,778	
Installation and Service Fees	137,000		137,000		166,077	
TOTAL	\$217,000	0.76%	\$182,000	0.7%	\$245,855	1.0%
EXPENDITURES						
Maintenance & Installation Cost	\$2,877,000		\$2,567,000		\$2,419,346	
General Administration	219,000		216,000		184,174	
Storm Sewer Maintenance	1,940,000		1,892,000		1,065,656	
Joint Service Costs	428,000		515,000		417,600	
Debt Service Payments	80,000		45,000		79,778	
Administration Overhead	155,000		155,000		155,000	
Insurance Allocation	134,550		117,000		117,000	
Write Offs	30,000		52,000		12,973	
TOTAL	\$5,863,550	20.41%	\$5,569,000	21.2%	\$4,461,527	17.8%
CONTRIBUTION TO RESERVE	\$2,090,450	7.28%	\$1,614,000	6.2%	\$2,244,150	9.0%

Statement Of Continuity of Waste Water Reserve

Description	2007 Annual Budget	2006 Annual Budget	2006 Year End Actual
Reserve Balance - Beginning - Actual	\$4,064,726	\$9,374,764	\$9,374,764
Contribution from Sewer Operations	2,090,450	1,614,000	2,244,150
Capital Fund Transfer - Year End Actual	-	-	(433,450)
- Yearly Budget DRAFT	(797,300)	(602,000)	-
- Hwy 7/Jane	-	(1,250,000)	(4,482,257)
- Committed	0	(1,534,635)	(1,518,481)
- Prior Years Actual	-	-	0
Revenue Fund Transfer - Year End Actual	-	-	(1,120,000)
- Yearly Budget DRAFT	(392,000)	(1,120,000)	-
Reserve Balance - Ending - Committed / Actual	\$4,965,876	\$6,482,129	\$4,064,726

**WATER AND WASTEWATER RATE COMPARISON
BASED ON AVERAGE CONSUMPTION - 340 CUBIC METRES**

		<u>2007</u>	<u>2006</u>	<u>%+/-</u>
1)	REGION OF PEEL	\$ 392	\$ 344	14.0%
2)	MARKHAM	\$ 538	\$ 507	6.2%
3)	AURORA	\$ 576 *	\$ 576	0.0%
4)	RICHMOND HILL	\$ 579	\$ 534	8.5%
5)	VAUGHAN	\$ 587	\$ 535	9.6%
6)	BARRIE	\$ 623	\$ 533	16.9%
7)	DURHAM	\$ 663	\$ 615	7.9%
8)	NEWMARKET	\$ 749	\$ 698	7.2%

* 2007 rates currently not available

CITY OF VAUGHAN
2007 Operating Budget
Maintain Service Level Requests
Associated New Complement Detail

Department	Position Description	Status	Full Comp.	2007 Salary	2007 Benefits	2007 Other	Offsetting Reductions	Annual Budget Impact	2007 Budget Impact \$	Budget Impact FTE
Water	Supvr. Compliance & Training	FT	1.0	67,199	17,136	3,949	-	88,284	46,117	0.50
Water	Clerk Typist - Water & WW	PT	0.5	36,132	9,214	-	(24,860)	20,486	5,167	0.25 (1)
Water	Serviceperson I - Water	FT	1.0	39,707	10,125	-	-	49,832	24,916	0.50
Wastewater Storm	Serviceperson I - WW Storm	FT	1.0	39,707	10,125	-	-	49,832	24,916	0.50
Wastewater Sanitary	Serviceperson I - WW Sanitary	FT	1.0	39,707	10,125	-	-	49,832	24,916	0.50
Water	SFA - Water & Wastewater	FT	1.0	67,878	17,309	3,000	-	88,187	31,112	0.33
TOTAL NEW COMPLEMENTS FOR COUNCIL APPROVAL									157,143	2.58

(1) Position increased from part time to full time

1.13

Date: May 4, 2007

To: Bill Robinson, P. Eng.
Commissioner of Engineering and Public Works

From: Robert Meek
Manager of Environmental & Technical Services

Subject: Additional Staff – Water, Wastewater & Drainage

In 2000, seven people died and hundreds became ill after water supply in the Town of Walkerton became contaminated with manure that was spread on nearby farms. As an immediate result, the Ontario government initiated the Walkerton Commission of Inquiry, and was presided over by Mr. Justice Dennis O'Connor. Justice O'Connor released a two-part report, with the first part being made public in January 2002. This contained 28 recommendations. The second part of the report was released in May 2002, and contained 93 recommendations covering all aspects of drinking water, including source protection, water quality standards, testing, monitoring, distribution, etc..

The Ontario government reacted with the introduction of the Safe Drinking Water Act, 2002, the Sustainable Water and Sewage Systems Act, 2002, and the Nutrient Management Act 2002. Numerous regulations have been passed under each Act, resulting in sweeping changes in the management and operation of drinking water systems, including the operation and maintenance of Vaughan's drinking water systems. Regulations concerning the maintenance, testing, sampling, flushing and reporting, have increased due to these regulations, and with Vaughan's continuing growth, these requirements continue to increase.

In addition to the increasing regulatory requirements concerning the maintenance and operation of the City's drinking water systems, the City's system has increased by almost 150km of water main since 2001. Not included in the total length of pipe, are the thousands of individual water services and appurtenances (valves, curb boxes, hydrants, etc.) running off these pipes, all of which require maintenance and repair.

The current staffing levels in the Water section need to be increased in order to ensure that the City meets its regulatory standard of care, and to ensure the residents continue to receive a high quality product. As such, Public Works is requesting the following additional positions be created and funded in the 2007 Water Operating Budget:

Water Section – Supervisor of Compliance & Training

As was noted above, regulations enacted through the Ministry of the Environment have enhanced the rules for the delivery of drinking water. These regulations cover a wide range of issues from water testing to operator certification and training, to drinking water quality management standards.

In order to adequately respond to these requirements, and continue to operate a safe drinking water system, it has become necessary to separate the responsibility of legislative requirements from the system operations, and dedicate staff specifically to manage the City's obligations under these regulations. Other municipalities have found it necessary to create these positions, including York Region and Town of Markham. The City of Toronto has 17 staff dedicated to

memorandum

compliance and training and the Town of Markham have 2 dedicated to this activity with a budget request for a third.

The Supervisor of Compliance & Training position would be responsible to oversee the water testing programs, prepare the legislated Annual and Summary Reports, prepare and maintain the mandated Water Quality Standards, liaise with field staff on a daily basis to ensure operating practices comply with the Ministry regulations, and act as the City representative for all Ministry inspections. This position will also conduct and facilitate training and oversee the tracking of operator training hours and license renewals. To achieve these goals, the full-time Clerical "D" position tracking water testing and the Part-time Clerk "C" position tracking operator training hours and license renewals would report to this new position.

Conversion of Part-Time Clerk Typist (water) to Full-Time

The existing Permanent Part-time Clerk Typist position was approved in the 2004 Water Budget. This was in response to the administrative demand created by the new Safe Drinking Water Act 2002 and its supporting regulations.

As part of this legislation, there was a change to the requirements for all water and wastewater operators in terms of licensing. Similar to an apprenticeship, to qualify for a license an operator must prove they have the required number of operating hours for each level of license. The Vaughan systems require a Level 2 license for water and a Level 3 license for wastewater. In order to maintain such licenses, each operator is required by legislation to receive 35 and 40 hours of training respectively, of which approximately half must be accredited courses with established "Continuing Education Units" (CEU's).

In addition to other water related duties, the current function of the Clerk Typist is to arrange and track the training for each operator, record the associated CEU's, maintain a profile on each operator, arrange for testing for each operator through the Ministry of the Environment (MOE), make application for all license renewals, and provide all the supporting documentation to the licensing branch of the MOE and the MOE Inspector as requested. This position also assists in maintaining all other necessary documentation and information required by the Ministry for the ongoing operation of the City's water and wastewater systems, such as the Annual and Summary reports that are required by legislation.

All of this activity currently exceeds the limited working hours of part-time employment. With the continued growth of the City's water and wastewater infrastructure, and the increasing need for maintaining accurate data for the Ministry, it is recommended that the existing Permanent Part-Time Clerk Typist position be deleted, and be replaced with a Full-Time Clerk Typist position.

Water Section Serviceperson (1 staff)

With the continued growth of the City, the operation of the Water Section has become more customer service focused. As staff compliment levels have not kept pace with growth some of the basic maintenance activities to support a safe reliable water system have declined. These activities include valve inspections, valve repairs, chamber repairs, flow tests, flushing, swabbing and basic booster repairs. Due to the increase of new water main being installed over the past 5 years (150km), an additional Serviceperson 1 is required for 2007.

Wastewater & Drainage Section Servicepersons (2 staff)

Similar to the Water Section, the operation of the Wastewater & Drainage Section has also become more customer service focused. As staff compliment levels have not kept pace with growth some of the basic maintenance activities to support reliable sanitary and storm sewer systems have declined. These activities include sewer main inspections, manhole inspections,

1.16

effluent sampling, cross connection investigation and repair, manhole repairs, flow monitoring, catch basin repairs and grate inlet/outlet cleaning.

The City has over 50 assumed storm ponds, with approximately 150 ponds that have been constructed or in various stages of construction or design. In addition, the sanitary sewage system has increased at the same pace as the water mains over the past 5 years.

Summary

In the Business Plan, the growth of the infrastructure over the past 5 years indicates a steady and significant increase. To meet the demand for customer service, some vital maintenance activities are receiving limited attention. To maintain confidence in our systems, fix minor defects before they become serious impediments, and satisfy the legislative requirements of the Ministry of Environment, the above noted additional qualified staff are required.

New compliment schedules have been included in the budget package in support of these positions.

Regards

Robert Meek, C.E.T.
Manager of Environmental & Technical Services

cc: Brian T. Anthony, CRS-S, C. Tech
Director of Public Works

**CITY OF VAUGHAN
2007 OPERATING BUDGET**

Appendix VII - Schedule T

1.17

**ALL NEW FULL TIME OR PART TIME CLERICAL
AND TECHNICAL COMPLEMENT REQUEST**

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request

☒ XX

POSITION TITLE: Supervisor of Compliance & Training

BASIC JOB DESCRIPTION:

Oversee the water testing programs, prepare the Annual and Summary Reports, prepare and maintain the mandated Water Quality Standards and act as the City representative for all Ministry Inspections. Conduct training and oversee the tracking of operator training hours and license renewals.

A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.

FINANCIAL DETAILS

				2007 BUDGET IMPACT
<u>Check Applicable Box</u>				
ALL NEW FULLTIME OR PART TIME CLERICAL AND TECHNICAL FULL TIME EQUIVALENT	Full Time	Clerical / Technical	FTE	1.0
	<input type="checkbox"/> XXX	<input type="checkbox"/>		
ESTIMATED SALARY GRADE AND STEP LEVEL	Grade	Step		
	_____	_____		
OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)	<input type="checkbox"/> YES	<input type="checkbox"/> NO		
2007 BUDGETED SALARY				\$67,199
BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL				\$17,136
COMPUTER EQUIPMENT				\$2,649
OFFICE EQUIPMENT AND FURNITURE				\$1,300
OTHER EXPENSES	Vehicle			\$0
OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)				
OFFSETTING PART TIME FTE REDUCTION			FTE	()
REVENUE IMPLICATIONS FROM NEW FTE				
TOTAL NET BUDGETED IMPACT FOR 2007				\$88,284

DEPARTMENT: Water

BUSINESS UNIT NUMBER 2340001

COMMISSIONER APPROVAL:



1.18

**CITY OF VAUGHAN
2007 OPERATING BUDGET**

Appendix VII - Schedule T

**ALL NEW FULL TIME OR PART TIME CLERICAL
AND TECHNICAL COMPLEMENT REQUEST**

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request ☐

POSITION TITLE: CLERK TYPIST - WATER & WASTEWATER

BASIC JOB DESCRIPTION:

Facilitate and schedule operator training and examinations, maintain records of training, operator certifications and licenses; assist with water sampling, testing and adverse activities; assist with bulk water purchases from filling stations.

A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.

FINANCIAL DETAILS

REPLACE A PART-TIME POSITION WITH A FULL-TIME POSITION (DELETE PART-TIME POSITION)

Check Applicable Box

**2007 BUDGET
IMPACT**

ALL NEW FULLTIME OR PART TIME CLERICAL
AND TECHNICAL FULL TIME EQUIVALENT

Full Time Clerical / Technical

☐ XXX ☐

FTE

1.0

ESTIMATED SALARY GRADE AND STEP LEVEL

Grade _____ Step _____

OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)

☐ YES ☐

2007 BUDGETED SALARY

\$36,132

BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL

\$9,214

COMPUTER EQUIPMENT

\$0

OFFICE EQUIPMENT AND FURNITURE

\$0

OTHER EXPENSES

\$0

OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)

\$24,680

OFFSETTING PART TIME FTE REDUCTION

FTE

()

REVENUE IMPLICATIONS FROM NEW FTE

TOTAL NET BUDGETED IMPACT FOR 2007

\$20,666

DEPARTMENT: WATER

BUSINESS UNIT NUMBER 2340001

COMMISSIONER APPROVAL:



**CITY OF VAUGHAN
2007 OPERATING BUDGET**

Appendix VII - Schedule T

1.19

**ALL NEW FULL TIME OR PART TIME CLERICAL
AND TECHNICAL COMPLEMENT REQUEST**

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request

☒ XX

POSITION TITLE: Serviceperson I - Water

BASIC JOB DESCRIPTION:

Maintain and repair waterworks infrastructure including valves, pumps, hydrants, meters, chambers and other appurtances.

A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.

FINANCIAL DETAILS

Check Applicable Box						2007 BUDGET IMPACT
ALL NEW FULLTIME OR PART TIME CLERICAL AND TECHNICAL FULL TIME EQUIVALENT	Full Time	Clerical / Technical	FTE			1.0
	<input type="text" value="XXX"/>	<input type="text"/>				
ESTIMATED SALARY GRADE AND STEP LEVEL	Grade	Level	Step	Start		
OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)	<input type="text" value="YES"/>		<input type="text"/>			
2007 BUDGETED SALARY						\$39,707
BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL						\$10,125
COMPUTER EQUIPMENT						\$0
OFFICE EQUIPMENT AND FURNITURE						\$0
OTHER EXPENSES	VEHICLE					\$0
OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)						
OFFSETTING PART TIME FTE REDUCTION						()
REVENUE IMPLICATIONS FROM NEW FTE						
TOTAL NET BUDGETED IMPACT FOR 2007						\$49,832

DEPARTMENT: Water

BUSINESS UNIT NUMBER 2340001

COMMISSIONER APPROVAL:



1.20

CITY OF VAUGHAN 2007 OPERATING BUDGET

Appendix VII - Schedule T

ALL NEW FULL TIME OR PART TIME CLERICAL AND TECHNICAL COMPLEMENT REQUEST

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request				<input checked="" type="checkbox"/> XX
POSITION TITLE: Serviceperson I - Wastewater Storm				
BASIC JOB DESCRIPTION: Maintain and repair sanitary infrastructure including mains, grates, pumps, chambers and other appurtances.				
A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.				
FINANCIAL DETAILS				
		<u>Check Applicable Box</u>		2007 BUDGET IMPACT
ALL NEW FULLTIME OR PART TIME CLERICAL AND TECHNICAL FULL TIME EQUIVALENT		Full Time <input checked="" type="checkbox"/> XXX	Clerical / Technical <input type="checkbox"/>	FTE 1.0
ESTIMATED SALARY GRADE AND STEP LEVEL		Grade	Level	Step
OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)		Start		
		<input checked="" type="checkbox"/> YES	<input type="checkbox"/>	
2007 BUDGETED SALARY				\$39,707
BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL				\$10,125
COMPUTER EQUIPMENT				\$0
OFFICE EQUIPMENT AND FURNITURE				\$0
OTHER EXPENSES		VEHICLE		\$0
OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)				
OFFSETTING PART TIME FTE REDUCTION				FTE ()
REVENUE IMPLICATIONS FROM NEW FTE				
TOTAL NET BUDGETED IMPACT FOR 2007				\$49,832

DEPARTMENT: Wastewater Storm

BUSINESS UNIT NUMBER 2360001

COMMISSIONER APPROVAL:



**CITY OF VAUGHAN
2007 OPERATING BUDGET**

Appendix VII - Schedule T

1.21

**ALL NEW FULL TIME OR PART TIME CLERICAL
AND TECHNICAL COMPLEMENT REQUEST**

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request

☒ XX

POSITION TITLE: Serviceperson I - Wastewater Sanitary

BASIC JOB DESCRIPTION:

Maintain and repair sanitary infrastructure including mains, grates, pumps, chambers and other appurtances.

A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.

FINANCIAL DETAILS

						2007 BUDGET IMPACT
					<u>Check Applicable Box</u>	
					Full Time Clerical / Technical	
ALL NEW FULLTIME OR PART TIME CLERICAL AND TECHNICAL FULL TIME EQUIVALENT					<input checked="" type="checkbox"/> XXX <input type="checkbox"/>	FTE 1.0
ESTIMATED SALARY GRADE AND STEP LEVEL					Grade Level Step Start	
OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)					<input checked="" type="checkbox"/> YES <input type="checkbox"/>	
2007 BUDGETED SALARY						\$39,707
BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL						\$10,125
COMPUTER EQUIPMENT						\$0
OFFICE EQUIPMENT AND FURNITURE						\$0
OTHER EXPENSES VEHICLE						\$0
OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)						
OFFSETTING PART TIME FTE REDUCTION					FTE	()
REVENUE IMPLICATIONS FROM NEW FTE						
TOTAL NET BUDGETED IMPACT FOR 2007						\$49,832

DEPARTMENT: Wastewater Sanitary

BUSINESS UNIT NUMBER 2350001

COMMISSIONER APPROVAL:





The City Above Toronto

1.22

ATTACHMENT 3

April 24, 2007

To: Clayton Harris, Commissioner of Finance & Corporate Services

Subject: Water & Wastewater Position – Senior Financial Analyst

This Finance position is required as a result of the increasing complexity of the operations and the regulatory nature of the Water & Wastewater environment. This position will assist in the development and review of consumption rates as required by Bill 175 and assist in preparing for the new PSAB Fixed Asset requirements including the reporting requirements related to the financial statements. This position will assist in the 2007 business plan by meeting the Financial Services departmental goals in the areas of budgets and improving financial reporting.

Consumption of water has increased significantly over the past few years reaching a budgeted consumption of 39 million cubic meters for 2007. This represents an 11% increase over three years due to growth. The combined budgeted revenues for Water & Wastewater total is \$60 million in 2007 and serves 65,000 properties.

In addition to the above responsibility, the Senior Financial Analyst will assist in enhancing management financial reporting, increased analysis on unmetered water, provide more direct assistance in the budgeting process with Public Works and provide the needed resource for special projects such as the use flat fees ie: service charge, storm sewers, etc. Given the increasing growth and complexity, the need for internal and government reporting, it is recommended that a Financial Water & Wastewater Analyst in Finance be approved.

The impact for 2007 is \$31,100 including benefits and the full year impact of \$88,100 including benefits and is fully funded from the Water & Wastewater reserves.

Barry E. Jackson
Director of Financial Services

Cc: Carey Greenidge

memorandum

**CITY OF VAUGHAN
2007 OPERATING BUDGET**

Appendix VII - Schedule T

1.23

**ALL NEW FULL TIME OR PART TIME CLERICAL
AND TECHNICAL COMPLEMENT REQUEST**

DO NOT INCLUDE IN THE BASE BUDGET DOLLAR SUBMISSION

Please check off if new complement relates to New Initiative/Service Level Adjustments Request ☐

POSITION TITLE: Senior Financial Analyst - Water & Wastewater

BASIC JOB DESCRIPTION:

Oversee the water testing programs, prepare the Annual and Summary Reports, prepare and maintain the mandated Water Quality Standards and act as the City representative for all Ministry inspections. Conduct training and oversee the tracking of operator training hours and license renewals.

A detailed justification memo is required for new complement request. See Additional Resource Requests-Schedule T in Operating Budget Instructions for the framework.

FINANCIAL DETAILS

				2007 BUDGET IMPACT
<u>Check Applicable Box</u>				
ALL NEW FULLTIME OR PART TIME CLERICAL AND TECHNICAL FULL TIME EQUIVALENT	Full Time	Clerical / Technical	FTE	1.0
	<input type="text" value="XXX"/>	<input type="text"/>		
ESTIMATED SALARY GRADE AND STEP LEVEL	Grade	Step		
OVERTIME PAY APPLICABLE (CIRCLE EITHER YES OR NO)	<input type="text"/>	<input type="text" value="NO"/>		
2007 BUDGETED SALARY				\$67,878
BENEFITS @ 25.5% FOR FULL TIME AND 13.5% FOR PART TIME CLERICAL & TECHNICAL				\$17,309
COMPUTER EQUIPMENT				\$1,500
OFFICE EQUIPMENT AND FURNITURE				\$1,500
OTHER EXPENSES Vehicle				\$0
OFFSETTING EXPENDITURE REDUCTIONS (Part Time Salaries, Professional Fees, etc.)				
OFFSETTING PART TIME FTE REDUCTION				()
REVENUE IMPLICATIONS FROM NEW FTE				
TOTAL NET BUDGETED IMPACT FOR 2007				\$88,187

DEPARTMENT: Water

BUSINESS UNIT NUMBER 2340001

COMMISSIONER APPROVAL: _____