

DARWELL REGIONAL WASTEWATER TRANSMISSION LINE - PHASE A SANDY BEACH to ONOWAY

FINANCIAL PLAN

OBJECTIVE

To ensure that the members involved in the Project have the ability to obtain sufficient funds to develop, construct, operate, maintain, and manage the wastewater transmission line on a continuing basis.

REVENUE NEEDS

The financial plan process needs to identify the anticipated revenue needs and establish a ways and means of obtaining the required revenue from the various sources available to the participants in the Project.

There are three (3) basic areas in the development and then operation of the Project where revenue needs can be identified. These are:

Capital Costs - How do we pay for the capital expenditure of designing and constructing the Project.

Operation & Maintenance (O&M) Costs - How do we pay for the annual O&M costs to operation of the completed Project?

Established Policy Objectives - How do we pay for the various policies that the members may want to institute for the Project. These may or may not include:

Honoriums/Committee Reimbursements

Transfer of Funds to Capital Reserve

Transfer of Funds to Emergency Repair

Transfer of Funds to Rate Stabilization Fund

CAPITAL COST REVENUE

The Darwell Regional Wastewater Transmission Line - Phase A - Sandy Beach to Onoway (Project) was estimated to have a Capital Cost of \$12,525,000 and there are two sources of revenue to recover the Capital Cost:

Water for Life (W4) Grant	90%	\$ 11,272,500
Municipal Portion	10%	\$ 1,252,500

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It should be noted that the estimated cost of the Project has been revised to \$9,693,200 upon revaluation of the location of the lift station for transferring wastewater to Onoway.

Therefore the revised Capital Cost Revenue is:

Water for Life Grant	90%	\$	8,723,880
Municipalities Involved	10%	\$	969,320

The municipalities involved in the Project are:

- Lac Ste. Anne County
- Summer Village of Sandy Beach
- Summer Village of Sunrise Beach

After numerous meetings among the member municipalities it was agreed that the Municipal Portion (amount over and above the W4L Grant) would be cost-shared on the basis of:

Lac Ste. Anne County	51%	\$	494,353
Summer Village of Sandy Beach	30%	\$	290,796
Summer Village of Sunrise Beach	19%	\$	184,171

It is up to the Municipal Council of the respective municipality to determine how they are going to fund their respective Capital Cost Revenue requirement. There are four (4) alternatives of revenue generation for the municipal councils to consider:

- Use of Municipal Reserve Funds - if available
- Use of Other Available Grants - MSI is an example
- Special Assessment on Land Owners - Assess \$X per land owner to raise sufficient c
- Borrow the Capital Cost Revenue required - issue debenture from AFC

The Municipal Council may decide on one or a combination of methods to raise the required funds and this is POLICY DECISION #1

For information to the municipalities, the payable Yearly Debenture Cost was provided:

Lac Ste. Anne County	51%	\$30,320.62
Summer Village of Sandy Beach	30%	\$17,835.66
Summer Village of Sunrise Beach	19%	\$11,295.92

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If the Municipal Council decides to borrow all or some of the required Capital Cost, they then have to decide a on a method to raise the Yearly Debenture Cost. This is POLICY DECISION #2 to be made by Municipal Council.

For illustrative purposes the Summer Villages were provided with the Annual Cost to land owner based on the number of lots in each SV and the Cost of Borrowing:

	No. of Lots	Annual Cost
Summer Village of Sandy Beach	322	\$55.39 per lot
Summer Village of Sunrise Beach	172	\$65.67 per lot

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OPERATION & MAINTENANCE COSTS

O&M Costs include the day-to-day expenditures for such items as labor, materials, utilities (power), supplies, and other miscellaneous items (insurance, professional fees, etc.). These costs are the actual cash outlays to operate and maintain the Project.

For the purposes of the development of the O&M Budget certain assumptions have been made:
 Administrative services will be contracted to a third-party.
 Operation and maintenance services will be contracted to a third-party.
 Professional Fees (audit, legal, etc. will be coordinated thru County)
 All Wastewater from transmission line and SRS at Onoway lagoon site will be included

The Proposed 2022 Budget (utilizing data from other wastewater options) is:

		2022 BUDGET	
Town of Onoway Charges	\$ 6.50 per m3	\$ 91,000	65,000 <i>2022</i>
Contract Administrative Fees		\$ ✓ 1,000	
Contract O&M Fees		\$ 6,000	10,000
Power and Other Utilities		\$ ✓ 12,000	
General Maintenance/Minor Repairs		\$ 500	2000
Materials and Supplies		\$ ✓ 1,000	
Insurance		\$ ✓ 2,500	
Audit Fees		\$ 2,000	2250
Other Profession Fees	<i>Legal</i>	\$ -	1500
Committee Honorariums	<i>YRLY LVE PERSN</i>	\$ -	2000
Committee Mileage/Meals/Expenses		\$ -	
Transfer to Major Repair Fund		\$ 2,000	see below
Transfer Capital Reserves		\$ -	see below
Transfer to Rate Stabilization Fund		\$ -	see below
Amorization of Assets (NON-CASH Item)		\$ 15,000	Detail Req'd.
Total O&M Expenditures		\$ 133,000	
Amorization of Assets (NON-CASH Item)		-\$ 15,000	
<i>O&M CASH REQUIREMENTS</i>		<i>118000</i>	<i>127250</i>

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It is recommended that the Wastewater Volume Generators should be charged to generate the O&M CASH REQUIREMENT:

Wastewater Volume Generation

Sandy Beach SRS	10,000
Onoway SRS	4,000
	<hr/>
	14,000

WASTEWATER VOLUME CHARGE \$ 8.43 per m³

*Revised @
9.09.*

operation Cost without Lagoon.

36,250 ÷ 14,000 = 2.59 m³

*11.72
1000 gals ~~25.00~~ per pumpout*

transfer to cap Reserve.

@ 85,522 ÷ 14,000 = 6.11 m³

1000 gals = 27.74 per pumpout.

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ESTABLISHED POLICY OBJECTIVES

The Steering Committee (or whoever adminsters the Project) needs to make several POLICY DECISIONS that may impact the Wastewater Volume Charge that is calculated above:

Transfer to Major Repair Fund

How does the Committee pay for a major repair cost on the Transmission Line?
How much will a Major Repair Cost? \$15,000? \$20,000?
Or does the Committee just proceed with no Repair Fund and when a break occurs, assess each municipality a pro-rated amount of the cost?

It is recommended that a Major Repair Fund be established and be topped at a maximum of \$20,000. Since the transmission system is a new installation, it is further recommended that the yearly amount to be included in the Major Repair

Major Repair Fund 10 years \$ 20,000 \$ 2,000 per year

Transfer to Capital Reserve Fund

The transmission line, lift stations, and septage receiving stations will all be "new" installations and will not need any "Capital Improvement" for a number of years.

The amount to include for Transfer to Capital Reserve is a POLICY DECISION for the Steering Committee because you would be charging existing customers for improvements that are required in the future.
At this time no provision has been made for Transfer to Capital Reserve, however a amount can be included if the Steering Committee makes a Policy.

Capital Reserve Fund 1 years \$ - \$ - per year

Rate Stabilization *12* \$ - \$ - per year
Transfer to Rate Stabilization Reserve Fund

DARWELL LAGOON COMMISSION

PROJECT COST SUMMARY

REGIONAL WASTEWATER TRANSMISSION LINE - PHASE A (SANDY BEACH to ONOWAY)

		Spent to Date 30-Nov-20	% Spent	
Construction				
Wastewater Transmission Line	\$4,300,000.00	\$ -		
Lift Station No. 1 and SRS	\$1,800,000.00	\$ -		
Lift Station No. 2	\$1,200,000.00	\$ -		
Miscellaneous	\$ 702,000.00	\$ -		
Construction Budget	\$ 8,002,000.00	\$ -	0.0%	
Engineering				
Proposal	\$ 493,929.00			
Change Order No. 1	\$ 17,150.00			
Change Order No. 2	\$ 88,426.00			
Change Order No. 3	\$ 30,186.00			
Eng. Contingency	\$ 80,309.00			
Engineering Budget	\$ 710,000.00	\$ 246,314.95	34.7%	
Project Management Services	\$ 100,000.00	\$ 57,210.76	57.2%	
Miscellaneous				
Budget Remaining	\$ 32,995.58			
Lunch -Lagoon Phase A	\$ 340.00	\$ 340.00		
Brownlee LLP	\$ 5,380.45	\$ 5,380.45		
Town of Onoway	\$ 570.80	\$ 570.80		
Hall Rental	\$ 50.00	\$ 50.00		
Hall Rental	\$ 40.00	\$ 40.00		
Hall Rental	\$ 40.00	\$ 40.00		
Brownlee LLP	\$ 10,183.17	\$ 10,183.17		
Town of Onoway	\$ 400.00	\$ 400.00		
Miscellaneous Budget	\$ 50,000.00	\$ 17,004.42	34.0%	
Contingency	\$ 831,200.00	\$ -	0.0%	
PROJECT COST SUMMARY		\$ 9,693,200.00	\$ 320,530.13	3.3%

Water for Life Grant	\$ 8,723,880.00	
Water for Life Grant Received	\$ 5,000,000.00	-\$5,000,000.00
Water for Life Grant Due	\$ 3,723,880.00	-\$4,679,469.87

Approved Water for Grant Amount \$11,272,500.00

Operation and maintenance Transmission line

Sv's 10,900m3 county

county @ Onoway 4000m3

Audit fees	\$7000.00	
Legal fees	\$5000.00	
Contracted management	\$20,000.00	based on \$22,000 for EM
Contracted o&m fees	\$24,000	based on 10 -12,000 / station as per Info from Alexander tie in
General maintenance	\$2000.00	
Power/ utilities	\$12,000.00	
Materials supplies	\$1000.00	
Insurance	\$10,000.00	based on \$12,000.00 for sv Sandy
Leases		<i>unknown cost of Electronic monitoring</i>
Oder control	\$2400.00	see report sect 4.5
Water for line flushing 17km	\$24,024	\$2002.00 per flush based on 455m3 line volume (tech#11) Assume 12 flushes yearly (\$104104.00 weekly)
Transfer to repair	\$5000.00	1/3 of \$15,00.00

Total \$107,424.00/14,500 m3 per year = \$7.41 /m3

Note \$187,504.00 if weekly flushing of lines = \$12.93/m3