



memorandum

C 1
COMMUNICATION
SP. CW - DEC 2/19
ITEM - 1

DATE: November 28, 2019

TO: Mayor and Members of Council

FROM: Zoran Postic, Deputy City Manager, Public Works
Michael Coroneos, DCM, Corporate Services, City Treasurer and CFO

COPY: James Steele, Director Environmental Services
Dean Ferraro, Director of Financial Services/Deputy City Treasurer
Michael Marchetti, Director Financial Planning & Development Finance/Deputy City Treasurer

RE: Item #1 Special Committee of the Whole (Budget) Meeting- December 2, 2019
Draft 2020 Budget and 2021-2022 Financial Plan

Administrative Budget Corrections
EV-2137-19 Installation of Water Sampling Stations

Recommendation

The Deputy City Manager of Public Works, the Deputy City Manager of Corporate Services, City Treasurer and CFO, and the Director of Environmental Services, in consultation with the Director of Financial Services/Deputy City Treasurer and the Director of Financial Planning and Development Finance/Deputy City Treasurer, recommend:

1. That the attached detail sheet, Attachment 1 for EV-2137-19 Installation of Water Sampling Stations, be received for consideration in the 2020 Draft Budget 2021 - 2022 Financial Plan.

Background

In order to satisfy regulatory requirements for water quality sampling (O. Reg. 170), the City is required to complete a certain number of representative samples of the water distribution system to maintain quality and ensure the safety of the City's potable water. Dedicated sampling stations would improve sampling efficiency through better access to sampling stations and provide the ability to collect round-the-clock samples as compared to the current sampling sites (e.g. schools, recreation centres, etc.).

In reference to the Internal Audit Report dated April 8, 2019 on the Water, Wastewater and Stormwater Operations of the Environmental Services Departments, one of the audit recommendations was to develop appropriate criteria for when it may be suitable to meet and/or exceed the statutory requirements for the quantity of water samples collected.

Staff reviewed the sampling programs of neighbouring municipalities for benchmarking purposes. The City used the benchmarking data, in conjunction with Ministry of the Environment, Conservation and Parks (MECP) regulations, to determine the number of sampling stations required for Vaughan's water system. The study determined the city will need approximately 150 sampling stations. The installation of the sampling stations is expected to commence in 2020 and will take approximately 20 months to complete.

Economic Impact

The total cost of the project is estimated to be approximately \$2.5 million (including the administrative fee and applicable taxes) for the installation of approximately 150 sampling stations. It is proposed that \$825,000 will be reallocated from the draft 2021 plan and moved forward to the draft 2020 budget. Additionally, a further amount of \$170,000 will be required in the draft 2020 budget, funded by the water reserve. The revised budget submission is illustrated in Attachment 1 and details of financial impact are shown below.

Capital Cost (EV-2137-19 Installation of Water Sampling Stations)	Original (\$)	Revised (\$)
2019 Approved Budget (funded by Water Reserve)	1,004,250	1,004,250
Actual/Commitment	97,366	97,366
Budget Available in 2019/2020	906,884	906,884
2020 Draft Proposed Budget (funded by Water Reserve)		995,000
2021 Draft Recognized Budget (funded by Water Reserve)	825,000	
Budget Available	1,731,884	1,901,884
Estimated costs required in 2020 (incl. admin and applicable taxes)	1,900,000	1,900,000
Budget (shortfall)/surplus	(168,116)	1,884

Conclusion

\$825,000 will be reallocated from the draft 2021 plan to the draft 2020 budget and an additional amount of \$170,000 is requested in the 2020 budget process to install approximately 150 water sampling stations, with installation to commence in 2020. The water reserve will fund the entire initiative.

Prepared by

Sean Skinkle, Finance Manager, Water/Wastewater/Stormwater, Ext. 8486
Wynkie Ha Hau, Sr. Financial Analyst, Ext. 8432

Attachment

EV-2137-19 Installation of Water Sampling Stations

Respectfully submitted,



Zoran Postic, Deputy City Manager, Public Works



Michael Coroneos, DCM, Corporate Services, City Treasurer and CFO



Project Summary

Project Number: EV-2137-19 Project Title: Installation of Water Sampling Stations Asset Type: WTS004 Other (WTS) Department: Environmental Services Budget Year: 2020 Scenario Name: Main Approval Year: 2020 Scenario Active: Yes																																																									
Project Stage: Concept Regions: City-Wide TCA: No																																																									
Project Type: Health & Safety																																																									
Project Timelines 2019, 2020 & 2021																																																									
Other Dept Impact																																																									
Project Forecast																																																									
<table border="1"> <thead> <tr> <th>Budget Year</th> <th>Total Expense</th> <th>Total Revenue</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>995,000</td> <td>995,000</td> <td>0</td> </tr> <tr> <td>2021</td> <td></td> <td></td> <td>0</td> </tr> <tr> <td>2022</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2023</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2024</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2025 & Beyond</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="2"></td> <td>995,000</td> <td>0</td> </tr> </tbody> </table>	Budget Year	Total Expense	Total Revenue	Difference	2020	995,000	995,000	0	2021			0	2022	0	0	0	2023	0	0	0	2024	0	0	0	2025 & Beyond	0	0	0			995,000	0	<table border="1"> <thead> <tr> <th>Object</th> <th>Description</th> <th>Total Amount</th> </tr> </thead> <tbody> <tr> <td>Expense</td> <td></td> <td></td> </tr> <tr> <td>01001 - 8801</td> <td>Contractors</td> <td>966,019</td> </tr> <tr> <td>01001 - 8805</td> <td>3% Administration Cost</td> <td>28,981</td> </tr> <tr> <td colspan="2">Total Expense:</td> <td>995,000</td> </tr> <tr> <td>Revenue</td> <td></td> <td></td> </tr> <tr> <td>60180 - 8844</td> <td>Water Reserve</td> <td>995,000</td> </tr> <tr> <td colspan="2">Total Revenue:</td> <td>995,000</td> </tr> </tbody> </table>	Object	Description	Total Amount	Expense			01001 - 8801	Contractors	966,019	01001 - 8805	3% Administration Cost	28,981	Total Expense:		995,000	Revenue			60180 - 8844	Water Reserve	995,000	Total Revenue:		995,000
Budget Year	Total Expense	Total Revenue	Difference																																																						
2020	995,000	995,000	0																																																						
2021			0																																																						
2022	0	0	0																																																						
2023	0	0	0																																																						
2024	0	0	0																																																						
2025 & Beyond	0	0	0																																																						
		995,000	0																																																						
Object	Description	Total Amount																																																							
Expense																																																									
01001 - 8801	Contractors	966,019																																																							
01001 - 8805	3% Administration Cost	28,981																																																							
Total Expense:		995,000																																																							
Revenue																																																									
60180 - 8844	Water Reserve	995,000																																																							
Total Revenue:		995,000																																																							
Related Projects																																																									
<table border="1"> <thead> <tr> <th>Budget Year</th> <th>FTE Impact</th> <th>Total Expense</th> <th>Total Revenue</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2021</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2022</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2023</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2024</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2025 & Beyond</td> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="2">ARR:</td> <td>-</td> <td></td> <td></td> </tr> </tbody> </table>		Budget Year	FTE Impact	Total Expense	Total Revenue	Difference	2020	0.0	0	0	0	2021	0.0	0	0	0	2022	0.0	0	0	0	2023	0.0	0	0	0	2024	0.0	0	0	0	2025 & Beyond	0.0	0	0	0	ARR:		-																		
Budget Year	FTE Impact	Total Expense	Total Revenue	Difference																																																					
2020	0.0	0	0	0																																																					
2021	0.0	0	0	0																																																					
2022	0.0	0	0	0																																																					
2023	0.0	0	0	0																																																					
2024	0.0	0	0	0																																																					
2025 & Beyond	0.0	0	0	0																																																					
ARR:		-																																																							
<table border="1"> <thead> <tr> <th>Year Identified</th> <th>Start Date</th> <th>Project Owner</th> <th>Project Sponsor</th> <th>Completion Date</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>Jan 1, 2019</td> <td>Danny Woo</td> <td>James Steele</td> <td>Dec 31, 2021</td> </tr> </tbody> </table>	Year Identified	Start Date	Project Owner	Project Sponsor	Completion Date	2019	Jan 1, 2019	Danny Woo	James Steele	Dec 31, 2021																																															
Year Identified	Start Date	Project Owner	Project Sponsor	Completion Date																																																					
2019	Jan 1, 2019	Danny Woo	James Steele	Dec 31, 2021																																																					