



TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

Committee: Committee of the Whole- Administration & Operations

Date: May 12, 2025

Department: Environmental Services

Topic: 2025 Spencerville System Funding Option

Purpose: To advise on financing options to complete the 2025 Spencerville capital program, specifically the pump replacement.

Background: The submission for the primary 2025 capital project on the Spencerville wastewater system came in substantially higher than the engineered estimate.

The resulting reality is insufficient revenue capacity to fund the projects that need to move forward from our reserve funds.

Policy Implications: By-law 2023-51 establishes policies with respect to the procurement of goods and services. It states that all expenditures shall be within the current approved budget or within approved estimates, otherwise, prior approval of Council is required. In addition, expenditures above \$75,000 require approval of Council.

Bylaw 2023-24 requires the reserve fund balance for the Spencerville Wastewater be not less than 25% of the annual operating expenditures.

Strategic Plan Implications: The 2025 capital program aligns with section 4.4, “maintaining good infrastructure”.

Financial Considerations: There are initial steps underway to help bridge the projected shortfall. First, staff have revisited the operational budgets and reduced expenses in Spencerville wastewater by \$10,000.00. Second, user rate increases are in effect January 1, 2025.

Recommended Financing Option: Obtaining a short-term loan of \$400,000 from Infrastructure Ontario to fund the pump replacement. Below is a table showing the current loan rates. The remainder of the 2025 capital program will be funded from reserves.

Infrastructure Ontario Loan Rates

Construction		3.16%
Amortizing		Serial
5Y	3.26%	3.25%
10Y	3.84%	3.80%
15Y	4.30%	4.23%
20Y	4.60%	4.50%
25Y	4.76%	4.65%
30Y	4.84%	4.73%

Recommendation: That Committee recommend that Council direct staff to obtain a debenture for \$400,000 from Infrastructure Ontario to fund the 2025 Capital program with the balance funded from the Spencerville Wastewater Reserve account 98-3806.



Chief Water/Sewer Operator



Director of Operations