



**THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**BY-LAW NO. 2023-65**

**Being a By-Law to adopt the 2024 Water System  
Operating and Capital Budgets**

**WHEREAS** it is necessary for the Council of the Township of Southwold, pursuant to Section 290 (1) of the Municipal Act 2001, S.O. 2001, c.25, to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality;

**AND WHEREAS** the Council for the Township of Southwold desires to adopt Operating and Capital Budgets for the Southwold Water Distribution System.

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD ENACTS AS FOLLOWS:**

1. That the 2024 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2024 Water System Capital Budget, attached as Schedule "B", and forming part of this by-law, is hereby adopted.

**READ A FIRST AND SECOND TIME, CONSIDERED READ A THIRD TIME AND FINALLY PASSED THIS 11th DAY OF DECEMBER, 2023.**

  
\_\_\_\_\_  
Mayor  
Grant Jones

  
\_\_\_\_\_  
CAO/Clerk  
Lisa Higgs

Schedule "A" to By-Law No. 2023-65

Water Operating 2024									
Water System Operating									
Water Operating	Account	2023 Budget	2023 Projected	2024 Forecast	\$ Variance	% Variance	Notes	2025 Forecast	2026 Forecast
<b>Revenue</b>	<b>Revenue</b>								
01.4211.0370	Water Billings	(\$1,519,863)	(\$1,519,863)	(\$1,573,966)	(\$54,103)	3.56%		(\$1,644,553)	(\$1,658,117)
01.4211.0371	Water Billings - Industrial	(\$10,000)	(\$10,000)	(\$10,000)	\$0	0.00%		(\$696,000)	(\$696,000)
01.4211.0372	Water Billings - Tri-County Water System	(\$399,560)	(\$399,560)	(\$422,060)	(\$22,500)	5.63%		(\$448,000)	(\$448,000)
01.4211.0373	Water Filling Station	(\$10,103)	(\$10,103)	(\$10,261)	(\$158)	1.56%		(\$10,440)	(\$10,440)
01.4211.0374	Construction Water	(\$5,850)	(\$2,240)	(\$2,100)	\$3,750	-64.10%	Fewer new builds than 2023	(\$16,050)	(\$20,100)
01.4211.0375	Water meter fees & misc	(\$66,875)	(\$33,800)	(\$31,050)	\$35,825	-53.57%	Related to new connection estimates	(\$84,375)	(\$101,250)
01-4211-0376	Water Connection and curbstop fees	(\$249,037)	(\$125,981)	(\$142,776)	\$106,261	-42.67%	offset by transfer to reserve-significant increase related to anticipated new builds-	(\$623,679)	(\$763,296)
01.4211.0377	Penalty & Interest	(\$10,000)	(\$16,875)	(\$10,000)	\$0	0.00%		(\$10,000)	(\$10,000)
01.4211.0379	Grants	\$0	\$0	\$0	\$0	0.00%		\$0	\$0
01.4211.0382	Water Investment Income	(\$85,000)	(\$85,000)	(\$85,000)	\$0	0.00%	offset by transfer to reserve-offset below	(\$90,000)	(\$90,000)
	Water Truck Revenue				\$0	0.00%	Truck usage by other departments		
<b>Sub Total</b>	<b>Water Department Revenue</b>	<b>(\$2,356,289)</b>	<b>(\$2,203,422)</b>	<b>(\$2,287,213)</b>	<b>\$69,076</b>	<b>-2.93%</b>		<b>(\$3,623,097)</b>	<b>(\$3,797,203)</b>
	<b>Expenditures</b>								
01.4211.1110	Salaries and Wages	\$160,000	\$164,000	\$166,400	\$6,400	4.00%	Wages and Salaries - Allocation from Admin (Accounting Clerk, Treasurer, CAO), Dir of Infrastructure and Water/WW & Compliance Superintendent + New Summer Student	\$173,056	\$179,978
	Overhead	\$50,000	\$51,240	\$52,000	\$2,000	4.00%		\$54,080	\$56,243
01.4211.1112	Roads Wages Allocated	\$500	\$500	\$500	\$0	0.00%	Misc Road Time	\$520	\$541
	Health & Safety	\$150	\$250	\$250	\$100	66.67%	increased due to staffing changes	\$260	\$270
01.4211.1220	Training & mileage	\$2,500	\$2,500	\$2,600	\$100	4.00%	increased due to staffing changes	\$2,704	\$2,812
01.4211.2120	Utilities	\$10,000	\$10,000	\$10,400	\$400	4.00%		\$10,816	\$11,249
01.4211.2140	Materials and Supplies	\$3,308	\$3,500	\$3,440	\$132	4.00%	Better reflects historical costs	\$3,578	\$3,721
01.4211.2150	Clothing Allowance	\$1,000	\$1,000	\$1,000	\$0	0.00%		\$1,040	\$1,082
01.4211.2180	Property maintenance	\$2,881	\$6,251	\$3,000	\$119	4.13%	reflective of prior year actuals	\$3,120	\$3,245
01.4211.2700	Roads equipment time	\$15,000	\$180	\$15,000	\$0	0.00%	reflective of prior year actuals	\$15,600	\$16,224
01.4211.3110	Postage and Courier	\$5,000	\$5,000	\$5,200	\$200	4.00%		\$5,408	\$5,624
01.4211.3130	Telephone & internet	\$5,000	\$5,000	\$5,200	\$200	4.00%	reflective of prior year actuals	\$5,408	\$5,624
01.4211.3150	Legal and Audit fees	\$2,500	\$0	\$2,600	\$100	4.00%	reflective of prior year actuals	\$2,704	\$2,812
01.4211.3140	Insurance	\$48,144	\$48,983	\$52,755	\$4,611	9.58%	7.7% increase in premium	\$54,865	\$57,059
01.4211.3160	System Maintenance	\$12,000	\$1,500	\$12,000	\$0	0.00%	reflective of prior year average, difficult to predict	\$12,480	\$12,979
01.4211.3161	Equipment Costs	\$50,000	\$75,000	\$52,000	\$2,000	4.00%	Total fluctuates with number of service connections, costs dependent on work required repairs waterline breaks etc	\$54,080	\$56,243
01.4211.3170	Memberships & subscriptions	\$1,000	\$3,600	\$3,700	\$2,700	270.00%	new radio read system membership	\$3,848	\$4,002
01.4211.3180	Water truck fuel and maintenance	\$2,019		\$2,099	\$81	4.00%		\$2,183	\$2,271
01.4211.3300	OCWA Contract	\$131,775	\$131,775	\$137,045	\$5,271	4.00%	Agreement cost increased CPI 4.0%	\$142,527	\$148,228
	OCWA Extra/Out of Scope Work	\$25,000	\$25,000	\$26,000	\$1,000	4.00%		\$27,040	\$28,122
	Vehicle - Summer Student	\$2,400	\$2,400	\$2,496	\$96	4.00%		\$2,596	\$2,700
01.4211.3302	Water Testing	\$0	\$0	\$0	\$0	0.00%	OCWA covers costs	\$0	\$0
01.4211.3303	Studies, standards	\$0	\$0	\$0	\$0	0.00%	Misc. minor studies, engineering	\$0	\$0
01.4211.3310	Water Costs	\$1,286,095	\$1,331,000	\$1,337,539	\$51,444	4.00%	2022-consumptions assumed below (metered use + 20% loss)	\$1,391,040	\$1,446,682
01.4211.9999	Miscellaneous Waterline Costs	\$25,000	\$25,000	\$25,000	\$0	0.00%	Breaks, major repairs	\$26,000	\$27,040
01.4211.6100	Transfer to Reserve - Water	\$180,981	\$98,762	\$156,227	(\$24,754)	-13.68%		\$162,476	\$168,975
	Transfer to Reserve - Connections	\$249,037	\$125,981	\$127,762	(\$121,275)	-48.70%	connection fees transferred to reserve-offset	\$132,872	\$138,187
	Transfer to Reserve - Investment Income	\$85,000	\$85,000	\$85,000	\$0	0.00%	investment interest transferred to reserve-off	\$88,400	\$91,936
01.4211.7000	Amortization	\$0	\$0	\$0	\$0	0.00%		\$0	\$0
<b>Sub Total</b>	<b>Water Department Expenditures</b>	<b>\$2,356,289</b>	<b>\$2,203,422</b>	<b>\$2,287,213</b>	<b>(\$69,075)</b>	<b>-2.93%</b>		<b>\$2,378,702</b>	<b>\$2,473,850</b>
<b>Total</b>	<b>Water Department</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>129.51%</b>		<b>(\$1,244,395)</b>	<b>(\$1,323,353)</b>

<b>Inputs/Assumptions</b>								
1806 Water Connections								
10 New connections Estimated - revenue based on 50% to account for occupancy through 2024								
168 m3 per HH as per Water/Wastewater Study								
Rates as per the Water/Wastewater Study								
Dutton Dunwich consumption estimated at 200,000 m3								
Water loss estimated at 20%								
<b>Rates</b>	<b>2023</b>		<b>2024</b>				<b>2025</b>	<b>2026</b>
Primary Water Purchase rate (/m3)	\$0.9649		\$0.9987	\$0.0338	3.50%		\$1.0600	\$1.0600
Secondary Water Purchase Rate (/m3)	\$0.6229		\$0.6416	\$0.0187	3.56%		\$0.6400	\$0.6400
Southwold Rate (/m3)	\$1.2100		\$1.2100	\$0.0000	0.00%		\$1.2100	\$1.2100
Southwold Water Fill Station (/m3)	\$1.7800		\$1.7800	\$0.0000	0.00%		\$1.7800	\$1.7800
Fill Station m3	3000		3,000					
Southwold Rate Capital Pass Through to Dutton Dunwich m3	\$0.4100		\$0.4700	\$0.0600	21.82%		\$0.5400	\$0.5400
Southwold Monthly Base Rate	\$13.51		\$14.40	\$0.0000	0.00%		\$14.40	\$14.40
Construction Water	\$160.00		\$160.00				\$160.00	\$160.00
Total Rates								
Southwold (/m3)	\$2.7978		\$2.85	\$0.0690	2.65%		\$2.91	\$2.91
Southwold Water Fill Station (/m3)	\$3.3678		\$3.42	\$0.0690	2.17%		\$3.48	\$3.48
Dutton Dunwich (/m3)	\$1.9978		\$2.11	\$0.1040	6.23%		\$2.24	\$2.24
water quarterly charge	\$40.53		\$43.20	3.00%			\$43.20	\$43.20
water consumption	\$2.820		\$2.870	4.00%			\$2.985	\$3.104
water consumption fill station	\$3.380		\$3.440	4.00%			\$3.578	\$3.721
Resulting Rate Increases continued								
Total Rate to Charge Dutton Dunwich for water pulled through			\$203,237,3912				\$238,0224	\$238,2849
Development and Growth assumptions	2023		2024				2025	2026
In-fill / Rural	5		5				5	5
DHP phase I	0		0				0	0
DHP phase II	7		2				0	0
DHP Condo	32		20				0	0
Enclave	2		0				0	0
Enclave Condo								55
Woodland							28	
Municipal property Union and Talbot								
Florence Court								
Southside	0		0				0	0
Farhi	29		10				70	70
Total anticipated development	75		37				103	130
Consumption assumptions	2023		2024				2025	2026
estimated household consumption	352,988		356,516				368,276	371,720
(note increases based on average occupancy mid-year)								
Total Connection assumptions	2023		2024				2025	2026
estimated households	1,766		1,806				1,843	1,850

Settlement Area Connection 1"	4		4				4	4
Rate	\$9,916.00		\$10,570.00				\$10,570.00	\$10,570.00
Development Build Connections 1"	35		10				103	130
Rate	\$4,851.00		\$5,171.00				\$5,171.00	\$5,171.00
Other 1" Connections	3		3				3	3
Rate	\$13,196.00		\$16,262.00				\$16,262.00	\$16,262.00

**2024 Water Capital - Not Raised from Tax Levy**

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
<b>2023 Capital</b>				
2016 Pickup Truck Replacement	\$58,079	\$58,079		Water Reserve
Shedden Rechlorination Station-retro-fit	\$0	\$0		Water Reserve
PW New Building (Water Portion)	\$0	\$0		Water Reserve
OCWA Recommendations - see attached	\$27,000	\$27,000		Water Reserve
<b>2023 Total</b>	<b>\$85,079</b>	<b>\$85,079</b>	<b>\$0</b>	
<b>2024 Capital</b>				
Rate Study (2024/2025)	\$30,000	\$30,000		Water Reserve
Shedden Rechlorination Station-retro-fit	\$34,000	\$34,000		Water Reserve
PW New Building (Water Portion)	\$914,000	\$914,000		Water Reserve
Port Stanley Pressure Regulating Valves	\$450,000	\$450,000		Water Reserve
OCWA Recommendations - see attached	\$24,000	\$24,000		Water Reserve
<b>2024 Total</b>	<b>\$1,452,000</b>	<b>\$1,452,000</b>		
<b>2025 Capital</b>				
OCWA Recommendations - see attached	\$21,500	\$21,500		Water Reserve
<b>2025 Total</b>	<b>\$21,500</b>	<b>\$21,500</b>		
<b>2026 Capital</b>				
OCWA Recommendations - see attached	\$29,500	\$29,500		Water Reserve
<b>2026 Total</b>	<b>\$29,500</b>	<b>\$29,500</b>	<b>\$0</b>	
<b>2027 Capital</b>				
OCWA Recommendations - see attached	\$16,500	\$16,500		Water Reserve
<b>2027 Total</b>	<b>\$16,500</b>	<b>\$16,500</b>	<b>\$0</b>	
<b>2028 Capital</b>				
OCWA Recommendations - see attached	\$26,500	\$26,500		Water Reserve
<b>2028 Total</b>	<b>\$26,500</b>	<b>\$26,500</b>	<b>\$0</b>	
<b>2029 Capital</b>				
2023 Pickup Replacement	\$100,000	\$100,000		Water Reserve-replace prior to EV mandate
Rate Study	\$33,122	\$33,122		Water Reserve
OCWA Recommendations - see attached	\$26,500	\$26,500		Water Reserve
<b>2029 Total</b>	<b>\$159,622</b>	<b>\$159,622</b>	<b>\$0</b>	
<b>2030 Capital</b>				
OCWA Recommendations - see attached	\$26,500	\$26,500	\$0	Water Reserve
<b>2030 Total</b>				

The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2024 to 2029)

The Ontario Clean Water Agency has identified the following capital projects/major maintenance for your review and approval.

Ref. No.	Scope of Work	Year						Compliance	DWQMS RA Outcome*	Health & Safety	Repair/Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
		2024	2025	2026	2027	2028	2029									
<b>Shedden Re-Chlorination Facility</b>																
1	Purchase chlorine pump/rebuild kit for spare parts inventory	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -									Currently spare pump rebuild kit is in stock inventory. Placeholder in 2024.
2	Building Condition Assessment Recommendations	\$ -	\$ -													Implementation of condition assessment recommendations per the RC/ODOP report. These costs have been removed and the Township will coordinate and replacements or repairs.
3	Chlorine analyzer(s) parts: Inlet and outlet (membrane caps, pH standards, cl2 probe replacement, pH probe replacement, electrolyte)	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00									Chlorine probes required every 3-5 years for inlet and outlet analyzer, pH probes require annual replacement.
Total Estimate - Recommended Capital		\$4,500	\$2,000	\$4,500	\$2,000	\$2,000	\$2,000									
<b>Distribution System</b>																
1	Fire flow testing	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -									Fire flow testing on hydrants last completed in 2017. Recommend to start again in five years or when Ford water tower is taken out of service.
2	Hydrant maintenance and repairs	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00									Placeholder for possible repairs or replacement.
3	Chambers PRV: Inspect/Service/Rebuild	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000									Recommend for inspection/service/rebuild of PRV's at chambers.
4	Sample Station replacement	\$ -	\$ -	\$ 5,500.00	\$ -	\$ -	\$ -									Due to failed components in the sample station, OCWA recommends for it to be removed and replaced in 2029 and 2030.
5	Sample station maintenance/repairs/rebuild kits	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00									Purchase spare rebuild kits and on-going maintenance to sample stations, ball valves and plungers.
6	Valve/Service Locator/Repair Parts/Equipment	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00									Supplies for locating valves during hydrant inspection/valve operations, repair parts for breaks to ensure stock available for after hour repairs.
7	Fire Hydrant/Sample Station Painting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -									To maintain fire hydrant and sample station exterior condition. Township will paint hydrants using internal resources.
8	Auto flusher maintenance: replace controllers, lids, etc	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00									Four auto flushers require regular maintenance/replacement of parts: including controllers, valves.
Total Estimate - Recommended Capital		\$19,500	\$19,500	\$25,000	\$14,500	\$24,500	\$24,500									
Total Capital Estimate		\$27,000	\$24,000	\$21,500	\$29,500	\$16,500	\$26,500									
													2024 Recommended Capital Presented by:	Vitaliy Talashok		
													2024 Recommended Capital Approved by:	Dale LeBritton		

\* NOTE : a requirement of DWQMS v. 2.0 is to consider the outcomes of the risk assessment (RA) documented under Element 8 as part of the system's infrastructure review

- Legend:
- H High priority recommended to be completed in upcoming year
  - M Medium priority recommended to be completed in 1 to 3 years
  - L Low priority recommended to be completed in years 4 to 5