



## **THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

### **BY-LAW NO. 2025-16**

#### **Being a By-Law to adopt the 2025 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 2025 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2025 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 10th DAY OF MARCH, 2025.**

Original signed by:

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Mayor  
Grant Jones

Original signed by:

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CAO/Clerk  
Jeff Carswell

Water System Operating								
Account	2024 YTD	2024 Forecast	2025 Forecast	\$ Variance	% Variance	Notes	2026 Forecast	2027 Forecast
Revenue								
Water Billings	(\$1,532,163)	(\$1,573,966)	(\$1,810,880)	(\$236,914)	15.05 %		(\$1,634,882)	(\$1,655,464)
Water Billings - Industrial	(\$35,117)	(\$10,000)	(\$10,000)	\$0	0.00 %		(\$724,918)	(\$739,416)
Water Billings - Tri-County Water System	(\$480,780)	(\$422,060)	(\$444,920)	(\$22,860)	5.42 %		(\$456,000)	(\$466,000)
Water Filling Station		(\$10,261)	(\$10,661)	(\$400)	3.89 %		(\$10,874)	(\$11,091)
Construction Water	(\$3,040)	(\$2,100)	(\$1,050)	\$1,050	-50.00 %	Fewer new builds than 2023	(\$2,100)	(\$2,100)
Water meter fees & misc	(\$14,300)	(\$31,050)	(\$26,250)	\$4,800	-15.46 %	Related to new connection estimates	(\$26,250)	(\$26,250)
Water Connection and curbstop fees	(\$92,694)	(\$142,776)	(\$70,200)	\$72,576	-50.83 %	offset by transfer to reserve-significant increase related to anticipated new builds-offset below	(\$108,000)	(\$108,000)
Penalty & Interest	(\$13,937)	(\$10,000)	(\$10,000)	\$0	0.00 %		(\$10,000)	(\$10,000)
Grants	\$0	\$0	\$0	\$0	0.00 %		\$0	\$0
Water Investment Income	\$0	(\$85,000)	(\$90,000)	(\$5,000)	5.88 %	offset by transfer to reserve-offset below	(\$90,000)	(\$90,000)
Water Reserve Loan to Sanitary	(\$97,550)	\$0	(\$60,000)	(\$60,000)	0.00 %		(\$60,000)	(\$60,000)
Water Truck Revenue	\$0	\$0	\$0	\$0	0.00 %	Truck usage by other departments		
Water Department Revenue	(\$2,269,581)	(\$2,287,213)	(\$2,533,960)	(\$246,747)	10.79 %		(\$3,123,024)	(\$3,168,322)
Expenditures								
Salaries and Wages	\$153,631	\$166,400	\$235,116	\$68,716	41.30 %	Wages and Salaries - Allocation from Admin (Accounting Clerk, Treasurer, CAO), Dir of Infrastructure and Mgr of Env Services, Water Super	\$239,818	\$244,615
Overhead	\$41,389	\$52,000	\$79,007	\$27,007	51.94 %		\$80,587	\$82,199
Roads Wages Allocated	\$0	\$500	\$0	(\$500)	-100.00 %		\$0	\$0
Health & Safety	\$152	\$250	\$250	\$0	0.00 %		\$255	\$260
Training & mileage	\$3,645	\$2,600	\$4,000	\$1,400	53.85 %	increased due to staffing changes	\$4,080	\$4,162
Building Repairs	\$570	\$0	\$250	\$250	0.00 %		\$255	\$260
Utilities	\$8,017	\$10,400	\$10,000	(\$400)	-3.85 %		\$10,200	\$10,404
Materials and Supplies	\$4,548	\$3,440	\$25,000	\$21,560	626.74 %	includes critical stock inventory	\$25,500	\$26,010
Clothing Allowance	\$374	\$1,000	\$1,040	\$40	4.00 %		\$1,061	\$1,082
Property maintenance	\$4,393	\$3,000	\$4,000	\$1,000	33.33 %	reflective of prior year actuals	\$4,080	\$4,162
Rds Mach Tm to Water	\$3,188	\$15,000	\$5,000	(\$10,000)	-66.67 %	reflective of prior year actuals	\$5,100	\$5,202
Office Supplies	\$378	\$0	\$500	\$500	0.00 %	reflective of prior year actuals	\$510	\$520
Computer Support	\$2,863	\$0	\$3,000	\$3,000	0.00 %	more accurate billing of support time	\$3,060	\$3,121
Postage and Courier	\$6,585	\$5,200	\$7,500	\$2,300	44.23 %	increase in postage rates	\$7,650	\$7,803
Telephone & internet	\$5,228	\$5,200	\$5,400	\$200	3.85 %	reflective of prior year actuals	\$5,508	\$5,618
Legal and Audit fees	\$206	\$2,600	\$2,600	\$0	0.00 %	reflective of prior year actuals	\$2,652	\$2,705
Insurance	\$53,835	\$52,755	\$56,448	\$3,693	7.00 %	7.0 % increase in premium	\$57,576	\$58,728

System Maintenance	\$18,819	\$12,000	\$32,500	\$20,500	170.83 %	St Thomas Secondary Shutdown \$15,000,Rechlor Stn Maintenance \$5,500, General Maintenance \$12,000	\$33,150	\$33,813
Equipment Costs	\$59,944	\$52,000	\$60,000	\$8,000	15.38 %	Total fluctuates dependent on work required - \$10,000 fireflow testing, hydrant maint repairs, \$20,000 sample Stn maintenance	\$61,200	\$62,424
Memberships & subscriptions	\$4,199	\$3,700	\$4,800	\$1,100	29.73 %	Additional licence requirements for staff	\$4,896	\$4,994
Water truck fuel and maintenance	\$5,798	\$2,099	\$6,000	\$3,901	185.81 %		\$6,120	\$6,242
Contracted Services	\$15,204	\$0	\$15,000	\$15,000	0.00 %	meter repairs/change outs	\$15,300	\$15,606
OCWA Contract	\$137,045	\$137,045	\$139,119	\$2,074	1.51 %	Agreement cost increased CPI 1.9 %	\$141,901	\$144,739
OCWA Extra/Out of Scope Work	\$11,766	\$26,000	\$26,000	\$0	0.00 %		\$26,520	\$27,050
Vehicle - Summer Student	\$2,327	\$2,496	\$0	(\$2,496)	-100.00 %	no summer student for 2025	\$0	\$0
Water Testing		\$0	\$0	\$0	0.00 %	OCWA covers costs	\$0	\$0
Studies, standards	\$41,565	\$0	\$0	\$0	0.00 %	Misc. minor studies, engineering	\$0	\$0
Water Costs	\$1,487,083	\$1,337,539	\$1,391,040	\$53,502	4.00 %	2025-consumptions assumed below (metered use + 20 % loss)	\$1,418,861	\$1,447,239
Miscellaneous Waterline Costs	\$41,747	\$25,000	\$26,000	\$1,000	4.00 %	New services, repairs	\$26,520	\$27,050
Watermain Breaks	\$0	\$0	\$0	\$0	0.00 %	Main breaks	\$0	\$0
Transfer to Reserve - Water		\$156,227	\$174,190	\$17,963	11.50 %		\$716,058	\$713,217
Transfer to Reserve - Connections	\$92,694	\$127,762	\$70,200	(\$57,562)	-45.05 %	connection fees transferred to reserve-offset	\$71,604	\$73,036
Transfer to Reserve - Investment Income	\$0	\$85,000	\$150,000	\$65,000	76.47 %	investment interest transferred to reserve-off	\$153,000	\$156,060
Amortization		\$0	\$0	\$0	0.00 %		\$0	\$0
<b>Water Department Expenditures</b>	<b>\$2,207,193</b>	<b>\$2,287,213</b>	<b>\$2,533,960</b>	\$246,747	10.79 %		<b>\$3,123,023</b>	<b>\$3,168,322</b>
<b>Water Department</b>	<b>(\$62,388)</b>	<b>\$0</b>	<b>(\$0)</b>	(\$1)			<b>(\$0)</b>	<b>\$0</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>2024</b>	<b>2025</b>				<b>2026</b>	<b>2027</b>
Primary Water Purchase rate (/m3)		\$0.9987	\$1.0337	\$0.0338	3.50 %		\$1.1000	\$1.1500
Secondary Water Purchase Rate (/m3)		\$0.6416	\$0.6909	\$0.0187	3.56 %		\$0.6400	\$0.6400
Southwold Rate (/m3)		\$1.2100	\$1.4754	\$0.0000	0.00 %		\$1.2100	\$1.2100
Southwold Water Fill Station (/m3)		\$1.7800	\$0.0000	\$0.0000	0.00 %		\$0.0000	\$0.0000
Fill Station m3		3,000	3,000					
Southwold Rate Capital Pass Through to Dutton Dunwich (/m3)		\$0.4700	\$0.5000	\$0.0600	21.82 %		\$0.5400	\$0.5400
Dutton Dunwich m3		200,000	200,000					
Southwold Monthly Base Rate		\$14.40	\$18.85	\$0.0000	0.00 %		\$14.40	\$14.40
Construction Water		\$160.00	\$160.00				\$160.00	\$160.00
Total Rates								
Southwold (/m3)		\$2.85	\$3.20	\$0.0690	2.65 %		\$2.95	\$3.00
Southwold Water Fill Station (/m3)		\$3.42	\$3.55	\$0.0690	2.17 %		\$3.62	\$3.70
Dutton Dunwich (/m3)		\$2.11	\$2.22	\$0.1040	6.23 %		\$2.28	\$2.33
water quarterly charge		\$43.20	\$56.54	3.00 %			\$56.54	\$56.54
water consumption		\$2.870	\$3.200	4.00 %			\$3.264	\$3.329
water consumption fill station		\$3.440	\$3.550	4.00 %			\$3.621	\$3.693

Resulting Rate Increases continued								
Total Rate to Charge Dutton Dunwich for water pulled through		\$203,237.3912	\$203,254.8181				\$250.1696	\$250.5298
Development and Growth assumptions		2024	2025				2026	2026
In-fill / Rural		5	5				5	5
DHP phase I		0	0				0	0
DHP phase II		2	0				0	0
DHP Condo		20	0				0	0
Enclave		0	0				0	0
Enclave Condo							0	0
Woodland			0					
Municipal property Union and Talbot								
Florence Court								
Southside		0	0				0	0
Farhi		10	5				5	5
Total anticipated development		37	10				10	10
<u>Consumption assumptions</u>		<u>2024</u>	<u>2025</u>				<u>2026</u>	<u>2026</u>
estimated household consumption		356,516	355,928				361,640	361,640
(note increases based on average occupancy mid-year)								
<u>Total Connection assumptions</u>		<u>2024</u>	<u>2025</u>				<u>2026</u>	<u>2026</u>
estimated households		1,806	1,816				1,850	1,850
Urban/Development Connections		4	2				4	4
Rate		\$10,570.00	\$5,400.00				\$5,400.00	\$5,400.00
Urban/Development Connections		10	5				10	10
Rate		\$5,171.00	\$5,400.00				\$5,400.00	\$5,400.00
Rural Connections		3	3				3	3
Rate		\$16,262.00	\$10,800.00				\$10,800.00	\$10,800.00

**2025 Water Capital - Not Raised from Tax Levy**

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
<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>				
Clow Smart Hydrants	\$26,500	\$26,500		Water Reserve
OCWA Recommendations - see attached	\$18,000	\$18,000		Water Reserve
<b>2025 Total</b>	<b>\$44,500</b>	<b>\$44,500</b>	<b>\$0</b>	
<b>2026 Capital</b>				
OCWA Recommendations - see attached	\$32,500	\$32,500		Water Reserve
<b>2026 Total</b>	<b>\$32,500</b>	<b>\$32,500</b>	<b>\$0</b>	
<b>2027 Capital</b>				
OCWA Recommendations - see attached	\$20,000	\$20,000		Water Reserve
<b>2027 Total</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$0</b>	
<b>2028 Capital</b>				
OCWA Recommendations - see attached	\$32,500	\$32,500		Water Reserve
<b>2028 Total</b>	<b>\$32,500</b>	<b>\$32,500</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	\$30,000	\$30,000		Water Reserve
<b>2029 Total</b>	<b>\$163,122</b>	<b>\$163,122</b>	<b>\$0</b>	
<b>2030 Capital</b>				
OCWA Recommendations - see attached	\$22,500	\$22,500	\$0	Water Reserve
<b>2030 Total</b>	<b>\$22,500</b>	<b>\$22,500</b>	<b>\$0</b>	

# The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2025 to 2030)

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

Ref. No.	Scope of Work	2025	2026	2027	2028	2029	2030	Compliance	Public Health & Safety	Health & Safety	Repair/Maintenance	Employee Replacement	Improvement	Spare Parts Inventory	Approved by Client	Remarks for Project
	<b>Shedden Re-Chlorination Facility</b>															
1	Purchase chlorine pump/rebuild kit for spare parts inventory	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -									Currently spare pump rebuild kit is in stock inventory. Placeholder in 2024.
2	Chlorine analyzer(s) parts: inlet and outlet (membrane caps, pH standards, u2 probe replacement, pH probe replacement, electrolyte)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									Chlorine probes required every 3-5 years for inlet and outlet analyzer, pH probes require annual replacement.
	<b>Total Estimate - Recommended Capital</b>	<b>\$5,500</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>									
	<b>Distribution System</b>															
1	Fire flow testing	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 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 flowmeter found to be 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	Hydrant flowmeter	\$ 8,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
4	Portable auto flusher	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
5	Hydrant PRV	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
6	Chambers PRV: Inspect/Service/Rebuild	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -									Recommend for inspection/service/rebuild of PRVs at chambers
7	Sample Station replacement	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -									Due to failed components in the sample station, OCWA recommends for it to be removed and replaced in 2025 and 2026.
8	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 blowdowns.
9	Valve/Service Locator/Repair Parts/Equipment	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00									Supplies for locating valves during hydrant inspection/valve operations, repair parts for blowdowns, in excess stock available for after hour repairs.
10	Fire Hydrant/Sample Station Painting	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00									To maintain fire hydrant and sample station exterior condition. Township will paint hydrants, valves, blowdowns, etc.
11	Auto flusher maintenance: replace controllers, lids, etc	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									Four auto flushers require regular maintenance/replacement of parts: including minimum valves.
	<b>Total Estimate - Recommended Capital</b>	<b>\$48,000</b>	<b>\$32,500</b>	<b>\$20,000</b>	<b>\$32,500</b>	<b>\$30,000</b>	<b>\$22,500</b>									
	<b>Total Capital Estimate</b>	<b>\$53,500</b>	<b>\$35,500</b>	<b>\$23,000</b>	<b>\$35,500</b>	<b>\$33,000</b>	<b>\$25,500</b>									

\* 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

2025 Recommended Capital Presented by:  
2025 Recommended Capital Approved by:

Vitaly Talashok  
Sam Slanes