



**THE CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**BY-LAW NO. 2025-71**

**Being a By-Law to adopt the 2026 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 2026 Water System Operating Budget, attached as Schedule "A", and forming part of this by-law, is hereby adopted.
2. That the 2026 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 8<sup>th</sup> DAY OF DECEMBER, 2025.**

Original signed by:

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Mayor  
Grant Jones

Original signed by:

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CAO/Clerk  
Jeff Carswell

Schedule "A" to By-Law No. 2025-71

<b>Water System Operating</b>								
Account	2025 YTD	2025 Budget	2026 Forecast	\$ Variance	% Variance	Notes	2027 Forecast	2028 Forecast
<b>Revenue</b>								
Water Billings	(\$1,146,583)	(\$1,810,880)	(\$1,906,235)	(\$95,355)	5.27 %	includes base charges	(\$1,940,336)	(\$1,977,147)
Water Billings - Industrial	(\$19,278)	(\$10,000)	(\$18,000)	(\$8,000)	80.00 %		(\$18,000)	(\$18,000)
Water Billings - Tri-County Water System	(\$446,920)	(\$446,920)	(\$460,460)	(\$13,540)	3.03 %		(\$469,669)	(\$479,063)
Water Filling Station	(\$35,000)	(\$10,660)	(\$11,108)	(\$448)	4.21 %		(\$11,330)	(\$11,557)
Construction Water	(\$2,080)	(\$1,050)	(\$2,000)	(\$950)	90.48 %	estimate 2026 builds to be same as 2025	(\$600)	(\$600)
Water meter fees & misc	(\$23,092)	(\$26,250)	(\$29,375)	(\$3,125)	11.90 %	Related to new connection estimates	(\$26,250)	(\$26,250)
Water Connection and curbstops fees	(\$139,914)	(\$70,200)	(\$112,536)	(\$42,336)	60.31 %	offset by transfer to reserve-significant increase related to anticipated new builds-offset below	(\$55,361)	(\$22,507)
Penalty & Interest	(\$26,427)	(\$10,000)	(\$15,000)	(\$5,000)	50.00 %		(\$10,000)	(\$10,000)
Grants	\$0	\$0	\$0	\$0	0.00 %		\$0	\$0
Water Investment Income	\$0	(\$90,000)	(\$90,000)	\$0	0.00 %	offset by transfer to reserve-offset below	(\$90,000)	(\$90,000)
Water Reserve Loan to Sanitary	\$0	(\$60,000)	(\$60,000)	\$0	0.00 %		(\$60,000)	(\$60,000)
Water Truck Revenue	\$0	\$0	\$0	\$0	0.00 %	Truck usage by other departments	\$0	\$0
<b>Water Department Revenue</b>	<b>(\$1,839,294)</b>	<b>(\$2,535,960)</b>	<b>(\$2,704,714)</b>	<b>(\$168,754)</b>	<b>6.65 %</b>		<b>(\$2,681,546)</b>	<b>(\$2,695,124)</b>
<b>Expenditures</b>								
						Wages and Salaries - Allocation from Admin (Accounting Clerk, Treasurer, CAO), Dir of Infrastructure and Mgr of Env Services, Water Super, Summer Student for 2026		
Salaries and Wages	\$195,640	\$235,116	\$274,508	\$39,392	16.75 %		\$279,998	\$285,598
Overhead	\$56,316	\$79,007	\$86,504	\$7,497	9.49 %		\$88,234	\$89,999
Roads Wages Allocated	\$1,267	\$0	\$0	\$0	0.00 %		\$0	\$0
Health & Safety	\$372	\$250	\$300	\$50	20.00 %	increase based on 2025 actuals	\$306	\$312
Training & mileage	\$437	\$4,000	\$4,000	\$0	0.00 %	increased due to staffing changes	\$4,080	\$4,162
Building Repairs	\$124	\$250	\$255	\$5	2.00 %		\$260	\$265
Utilities	\$4,188	\$10,000	\$10,200	\$200	2.00 %		\$10,404	\$10,612
Materials and Supplies	\$23,150	\$25,000	\$25,000	\$0	0.00 %	includes critical stock inventory	\$25,500	\$26,010
Clothing Allowance	\$606	\$1,040	\$1,100	\$60	5.77 %		\$1,122	\$1,144
Property maintenance	\$3,162	\$4,000	\$4,080	\$80	2.00 %	reflective of prior year actuals	\$4,162	\$4,245
Rds Mach Tm to Water	\$0	\$5,000	\$0	(\$5,000)	-100.00 %	reflective of prior year actuals	\$0	\$0
Office Supplies	\$121	\$500	\$500	\$0	0.00 %	reflective of prior year actuals	\$510	\$520
Computer Support	\$324	\$3,000	\$3,000	\$0	0.00 %	more accurate billing of support time	\$3,060	\$3,121
Postage and Courier	\$848	\$7,500	\$12,000	\$4,500	60.00 %	increase in postage rates & monthly billings	\$12,240	\$12,485
Telephone & internet	\$3,003	\$5,400	\$5,508	\$108	2.00 %	reflective of prior year actuals	\$5,618	\$5,731
Legal and Audit fees	\$43	\$2,600	\$2,652	\$52	2.00 %	reflective of prior year actuals	\$2,705	\$2,759
Insurance	\$53,796	\$56,448	\$56,500	\$52	0.09 %	premium remains stable for 2026	\$57,630	\$58,783
System Maintenance	\$7,587	\$32,500	\$23,000	(\$9,500)	-29.23 %	Rechlor Stn Maintenance \$5,500, Fireflow testing \$5,000, hydrant maint repairs \$5,000, sample stn maintenance \$2,000, hydrant painting \$2,500, auto flusher maintenance \$3,000	\$23,460	\$23,929
Equipment Costs	\$91,262	\$60,000	\$61,200	\$1,200	2.00 %	Total fluctuates dependent on work required -includes water meters, \$5,000 valve/service locator	\$62,424	\$63,672
Memberships & subscriptions	\$6,542	\$4,800	\$12,500	\$7,700	160.42 %	Locate software \$6,000, Clow Smart hydrants \$1,000, Neptune meter reader \$4,300, Ontario Municipal Water Assoc, Employee certifications	\$12,750	\$13,005
Water truck fuel and maintenance	\$950	\$6,000	\$6,120	\$120	2.00 %		\$6,242	\$6,367
Meter Replacements	\$0	\$0	\$15,300	\$15,300	0.00 %	New account-failed meters, labour to replace	\$15,606	\$15,918
Contracted Services	\$14,535	\$15,000	\$0	(\$15,000)	-100.00 %	moved to new GL 01.4211.3250	\$0	\$0
OCWA Contract	\$127,526	\$139,119	\$167,949	\$28,830	20.72 %	Agreement cost increased CPI 1.9 %	\$171,308	\$174,734

OCWA Extra/Out of Scope Work	\$3,812	\$26,000	\$26,520	\$520	2.00 %		\$27,050	\$27,591
Vehicle - Summer Student	\$0	\$0	\$0	\$0	0.00 %	no summer student for 2025	\$0	\$0
Water Testing	\$0	\$0	\$0	\$0	0.00 %	OCWA covers costs	\$0	\$0
Studies, standards	\$3,803	\$0	\$0	\$0	0.00 %	Misc. minor studies, engineering	\$0	\$0
Water Costs	\$1,061,662	\$1,391,040	\$1,418,861	\$27,821	2.00 %	2025-consumptions assumed below (metered use + 20 % loss)	\$1,447,239	\$1,476,183
Watermain-New Services	\$50,233	\$26,000	\$0	(\$26,000)	-100.00 %	New services-renamed from miscellaneous waterline costs	\$0	\$0
Watermain Breaks & Repairs	\$48,066	\$0	\$50,000	\$50,000	0.00 %	Main breaks & repairs	\$51,000	\$52,020
Equipment Purchases	\$2,095	\$0	\$2,500	\$2,500	0.00 %	small equipment purchases		
Transfer to Reserve - Water	\$0	\$176,190	\$157,121	(\$19,069)	-10.82 %	labout wil	\$713,217	\$727,481
Transfer to Reserve - Connections	\$0	\$70,200	\$112,536	\$42,336	60.31 %	connection fees transferred to reserve-offset above	\$114,787	\$117,082
Transfer to Reserve - Investment Income	\$0	\$150,000	\$150,000	\$0	0.00 %	investment interest transferred to reserve-offset above	\$153,000	\$156,060
Amortization	\$0	\$0	\$0	\$0	0.00 %		\$0	\$0
<b>Water Department Expenditures</b>	<b>\$1,761,470</b>	<b>\$2,535,960</b>	<b>\$2,689,714</b>	<b>\$153,754</b>	<b>6.06 %</b>		<b>\$3,293,912</b>	<b>\$3,359,790</b>
<b>Water Department</b>	<b>(\$77,824)</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>(\$15,000)</b>			<b>\$612,366</b>	<b>\$664,667</b>

<b>Inputs/Assumptions</b>								
1854 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>2025</b>	<b>2026</b>				<b>2027</b>	<b>2028</b>	
Primary Water Purchase rate (/m3)	\$1.0337	\$1.0699	\$0.0362	3.50 %		\$1.0913	\$1.1131	
Secondary Water Purchase Rate (/m3)	\$0.6609	\$0.6824	\$0.0215	3.25 %		\$0.6960	\$0.7100	
Southwold Rate (/m3)	\$1.5054	\$1.5686	\$0.0632	4.20 %		\$1.6000	\$1.6320	
Southwold Water Fill Station (/m3)	\$3.5535	\$3.7028	\$0.1492	4.20 %		\$3.7768	\$3.8524	
Fill Station m3	3,000							
Southwold Rate Capital Pass Through to Dutton Dunwich (/	\$0.5400	\$0.5500	\$0.0100	1.85 %		\$0.5610	\$0.5722	
Dutton Dunwich m3	200,000	200,000						
Southwold Monthly Base Rate	\$18.85	\$19.64	\$0.7917	4.20 %		\$20.03	\$20.44	
Construction Water	\$160.00	\$166.72	\$6.7200	4.20 %		\$170.05	\$173.46	
Total Rates								
Southwold (/m3)	\$3.20	\$3.32	\$0.0690	2.16 %		\$3.39	\$3.46	
Southwold Water Fill Station (/m3)	\$3.55	\$3.70	\$0.0690	1.94 %		\$3.78	\$3.85	
Dutton Dunwich (/m3)	\$2.23	\$2.30	\$0.1040	4.65 %		\$2.35	\$2.40	
water quarterly charge	\$56.55	\$58.93	4.20 %			\$60.10	\$61.31	
water consumption	\$3.200	\$3.321	3.78 %			\$3.387	\$3.455	
water consumption fill station	\$3.554	\$3.703	4.20 %			\$3.777	\$3.852	
Resulting Rate Increases continued								
Total Rate to Charge Dutton Dunwich for water pulled through	\$203,258.4352	\$200,269.2102				\$274.5944	\$280.0863	
Development and Growth assumptions	2025	2026				2027	2028	
In-fill / Rural	5	5				5	5	
DHP phase I	0	0				0	0	
DHP phase II	0	0				0	0	
DHP Condo	0	0				0	0	
Enclave	0	0				0	0	
Enclave Condo		0				0	0	
Woodland	0	0					0	
DHP Shedden Meadows		5						
Florence Court		0				0	0	
Southside	0	0				0	0	
Farhi	5	5				5	5	
Total anticipated development	10	15				10	10	

Consumption assumptions		2025	2026				2027	2028
estimated household consumption		355,928	362,060				361,640	361,640
(note increases based on average occupancy mid-year)								
Total Connection assumptions		2025	2026				2027	2028
estimated households		1,816	1,850				1,850	1,850
Urban/Development Connections		2	10				4	4
Rate		\$5,400.00	\$5,626.80				\$5,400.00	\$5,626.80
Urban/Development Connections		5	0				0	0
Rate		\$5,400.00	\$5,400.00				\$5,400.00	\$5,400.00
Rural Connections		3	5				3	4
Rate		\$10,800.00	\$11,253.60				\$11,253.60	\$0.00

**2026 Water Capital - Not Raised from Tax Levy**

Capital Items and Projects	Budget	Funding Source		Notes
		Reserve	Other	
<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>				
Sample station replacement (OCWA)	\$10,000	\$10,000		Water Reserve
PRV & 2 inch by-pass-Fingal/John Wise	\$17,500	\$17,500		Water Reserve
Autoflusher replacement-Iona Road	\$25,000	\$25,000		Water Reserve
Clow Smart Hydrants (2 additional)	\$20,000	\$20,000		Water Reserve
<b>2026 Total</b>	<b>\$72,500</b>	<b>\$72,500</b>	<b>\$0</b>	
<b>2027 Capital</b>				
Sample station replacement	\$10,000	\$10,000		Water Reserve
<b>2027 Total</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>	
<b>2028 Capital</b>				
<b>2028 Total</b>	<b>\$0</b>	<b>\$0</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
<b>2029 Total</b>	<b>\$133,122</b>	<b>\$133,122</b>	<b>\$0</b>	
<b>2030 Capital</b>				
<b>2030 Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>2031 Capital</b>				
<b>2031 Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	



## The Corporation of the Township of Southwold

(6-Year Recommended Capital/Major Maintenance from 2026 to 2031)

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

Ref. No.	Scope of Work							Compliance	DWQMS RA Outcome*	Health & Safety	Repair / Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
		2026	2027	2028	2029	2030	2031									
	Shedden Re-Chlorination Facility															
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, cl2 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.
Total Estimate - Recommended Capital		\$5,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000									
Distribution System																
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 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	Hydrant flowmeeter	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
4	Portable auto flusher	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
5	Hydrant PRV	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -									Buy new one
6	Chambers PRV: Inspect/Service/Rebuild	\$ -	\$ -	\$ -	\$10,000.00	\$10,000.00	\$ -									Recommend for inspection/service/rebuild of PRV's 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 plungers.
9	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.
10	Fire Hydrant/Sample Station Painting	2500	\$ 0.00	2500	\$ 0.00	2500	\$ 0.00									To maintain fire hydrant and sample station exterior condition. Township will paint hydrants using internal resources.
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 controllers, valves.
Total Estimate - Recommended Capital		\$32,500	\$30,000	\$22,500	\$30,000	\$32,500	\$20,000									
Total Capital Estimate		\$38,000	\$33,000	\$25,500	\$33,000	\$35,500	\$23,000									

\* 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
- M
- L
- High priority recommended to be completed in upcoming year
- Medium priority recommended to be completed in 1 to 3 years
- Low priority recommended to be completed in years 4 to 5

2026 Recommended Capital Presented by:  
2026 Recommended Capital Approved by:

Vitaliy Talashok  
Sam Sianas