



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 8th DAY OF DECEMBER, 2025.**

Original signed by:

Mayor
Grant Jones

Original signed by:

CAO/Clerk
Jeff Carswell

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

Water System Operating									
Account	2025 YTD	2025 Budget	2026 Forecast	\$ Variance	% Variance	Notes	2027 Forecast	2028 Forecast	
Revenue									
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 curbstop 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	
Water Department Revenue	(\$1,839,294)	(\$2,535,960)	(\$2,704,714)	(\$168,754)	6.65%		(\$2,681,546)	(\$2,695,124)	
Expenditures									
Salaries and Wages	\$195,640	\$235,116	\$274,508	\$39,392	16.75%	Wages and Salaries - Allocation from Admin (Accounting Clerk, Treasurer, CAO), Dir of Infrastructure and Mgr of Env Services, Water Super, Summer Student for 2026	\$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%	Rechlror 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 %	about 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
Water Department Expenditures	\$1,761,470	\$2,535,960	\$2,689,714	\$153,754	6.06 %		\$3,293,912	\$3,359,790
Water Department	(\$77,824)	\$0	(\$15,000)	(\$15,000)			\$612,366	\$664,667

Inputs/Assumptions						
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%						
Rates		2025	2026			
Primary Water Purchase rate (/m3)		\$1.0337	\$1.0699	\$0.0362	3.50%	\$1.0913
Secondary Water Purchase Rate (/m3)		\$0.6609	\$0.6824	\$0.0215	3.25%	\$0.6960
Southwold Rate (/m3)		\$1.5054	\$1.5686	\$0.0632	4.20%	\$1.6000
Southwold Water Fill Station (/m3)		\$3.5535	\$3.7028	\$0.1492	4.20%	\$3.7768
Fill Station m3		3,000				
Southwold Rate Capital Pass Through to Dutton Dunwich (/)	\$0.5400	\$0.5500	\$0.0100	1.85%		\$0.5610
Dutton Dunwich m3	200,000	200,000				
Southwold Monthly Base Rate		\$18.85	\$19.64	\$0.7917	4.20%	\$20.03
Construction Water		\$160.00	\$166.72	\$6.7200	4.20%	\$170.05
Total Rates						
Southwold (/m3)	\$3.20	\$3.32	\$0.0690	2.16%		\$3.39
Southwold Water Fill Station (/m3)	\$3.55	\$3.70	\$0.0690	1.94%		\$3.78
Dutton Dunwich (/m3)	\$2.23	\$2.30	\$0.1040	4.65%		\$2.35
water quarterly charge	\$56.55	\$58.93	4.20%			\$60.10
water consumption	\$3,200	\$3,321	3.78%			\$3,387
water consumption fill station	\$3,554	\$3,703	4.20%			\$3,777
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				
In-fill / Rural	5	5				5
DHP phase I	0	0				0
DHP phase II	0	0				0
DHP Condo	0	0				0
Enclave	0	0				0
Enclave Condo		0				0
Woodland	0	0				0
DHP Sheddend Meadows		5				
Florence Court		0				0
Southside	0	0				0
Farhi	5	5				5
Total anticipated development	10	15				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	
2025 Capital				
Clow Smart Hydrants	\$26,500	\$26,500		Water Reserve
OCWA Recommendations - see attached	\$18,000	\$18,000		Water Reserve
2025 Total	\$44,500	\$44,500	\$0	
2026 Capital				
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
2026 Total	\$72,500	\$72,500	\$0	
2027 Capital				
Sample station replacement	\$10,000	\$10,000		Water Reserve
2027 Total	\$10,000	\$10,000	\$0	
2028 Capital				
2028 Total	\$0	\$0	\$0	
2029 Capital				
2023 Pickup Replacement	\$100,000	\$100,000		Water Reserve-replace prior to EV mandate
Rate Study	\$33,122	\$33,122		Water Reserve
2029 Total	\$133,122	\$133,122	\$0	
2030 Capital				
2030 Total	\$0	\$0	\$0	
2031 Capital				
2031 Total	\$0	\$0	\$0	

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	\$ -	\$ -	\$ -	\$ -	\$ -	Yellow	White	White	White	White	White	Yellow	White	●	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	Red	Red	White	Red	Red	Red	Red	Red	Red	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	White	White	White	Yellow	White	White	White	White	White	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	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder
3	Hydrant flowmeter	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	Red	Red	Red	Red	Red	Red	Red	Red	Red	Buy new one
4	Portable auto flusher	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	Red	Red	Red	Red	Red	Red	Red	Red	Red	Buy new one
5	Hydrant PRV	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	Red	Red	Red	Red	Red	Red	Red	Red	Red	Buy new one
6	Chambers PRV: Inspect/Service/Rebuild	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Recommend for inspection/service/rebuild of PRV's at chambers
7	Sample Station replacement	\$10,000.00	\$10,000.00	\$ -	\$ -	\$ -	\$ -	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	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	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	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	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	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	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	Placeholder	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	Red	Red	Red	Red	Red	Red	Red	Red	Red	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										

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

Vitaliy Talashok
Sam Sianas

* 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