



Draft **2026 Rate Budget**

Budget Committee
October 28, 2025

Meeting Agenda



Budget Walkthrough

- Document Overview

Rate Capital

- Active Rate Capital
- Capital Budget & Forecast
- Reserve Outlook
- Debt Servicing Costs & Projections

Rate Operating

- Basis for Rate Setting
- Budget Drivers
- Customers & Consumption
- Ratepayer Impacts

Next Steps

- 2026 Rate Study

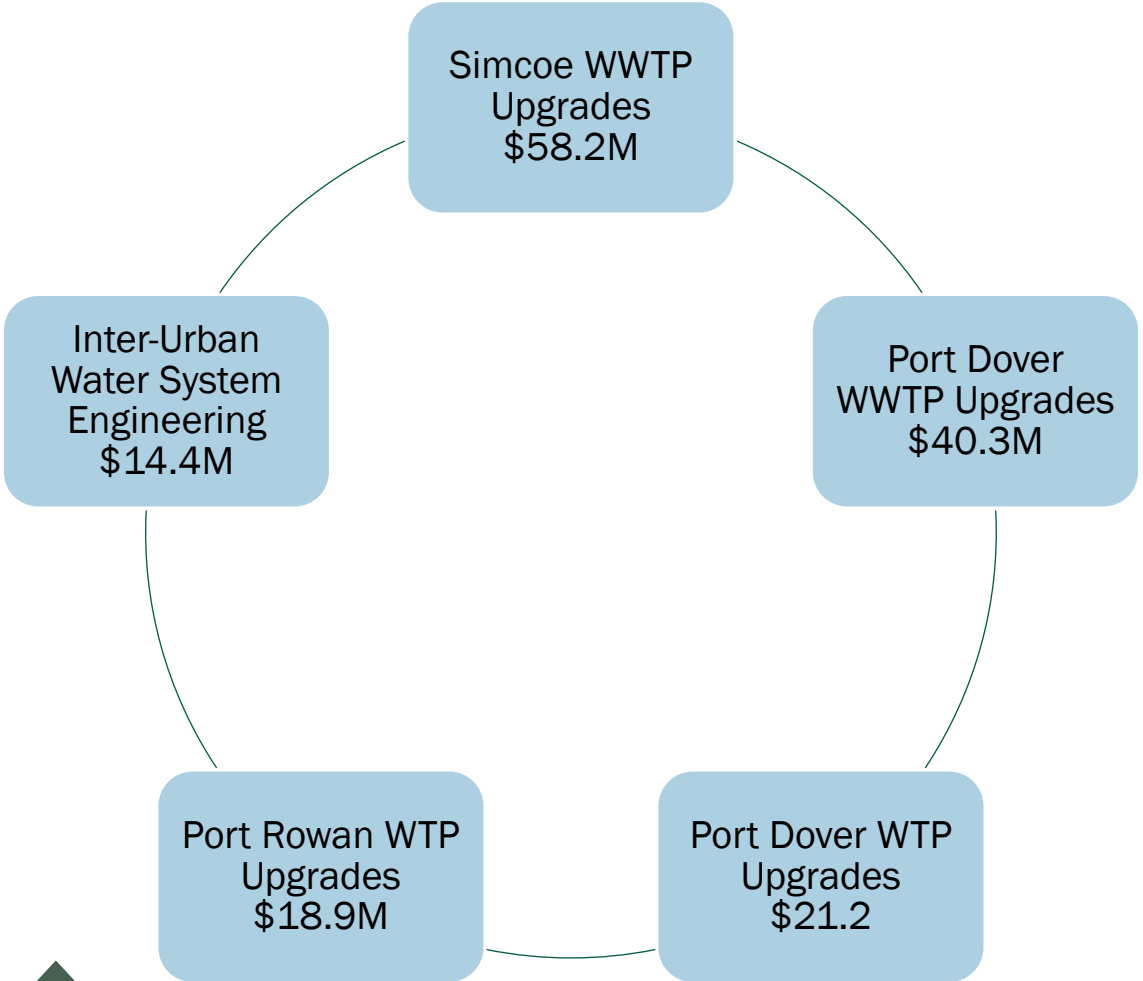
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Rate Capital

Active Rate Capital Projects



\$172.9M in Active Related Capital Projects

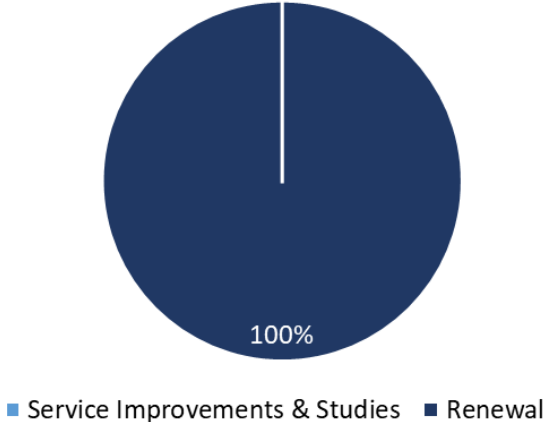
\$83.7M in Pending (Not Issued) Debt-Financing
(48% of Active Capital)

Draft 2025 Rate Capital Budget

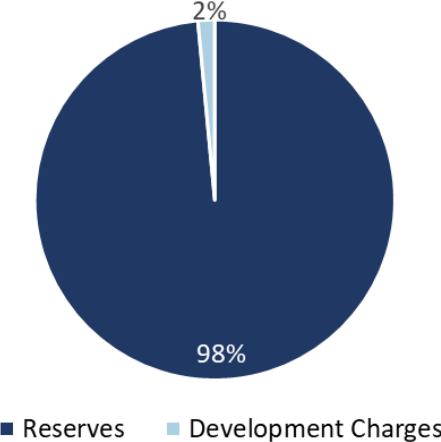
Table 1: Capital Projects in Draft 2026 Rate Capital Budget

Project Number & Name	Capital Budget
5832621 Sewage Pumping Station Optimization/Upgrades	\$1,250,000
Various Wastewater Equipment Replacements/Upgrades	\$954,000
5832605 2026 SCADA Replacements - Wastewater	\$68,000
5832618 2026 SPS PLC Replacements – Various SPS	\$59,000
5832619 2026 Historian Server Replacements – Wastewater	\$29,000
5832649 Dialer Upgrades – WW	\$15,000
5832650 Membrane Panel HMI Replacement – WW	\$15,000
5832642 Port Dover Water Tower Rehabilitation	\$4,000,000
5832809 Pt. Rowan/St. Williams Transmission main – Ph 2	\$937,000
5832911 Port Dover WTP Building Reconstruction	\$300,000
Various Water Equipment Replacements/Upgrades	\$365,000
5832601 2026 SCADA Replacements - Water	\$135,000
5832617 2026 Historian Server Replacements – Cedar St. W	\$20,000
5832615 2026 Well Rehabilitation Program - Delhi	\$60,000
2026 Well Rehabilitation Program – Simcoe Various Locations	\$230,000
5832616 Courtland Booster Stn Rehabilitation & Inspection	\$74,000
Total Draft 2026 Rate Capital	\$8,511,000

2026 Capital Budget by Project Type



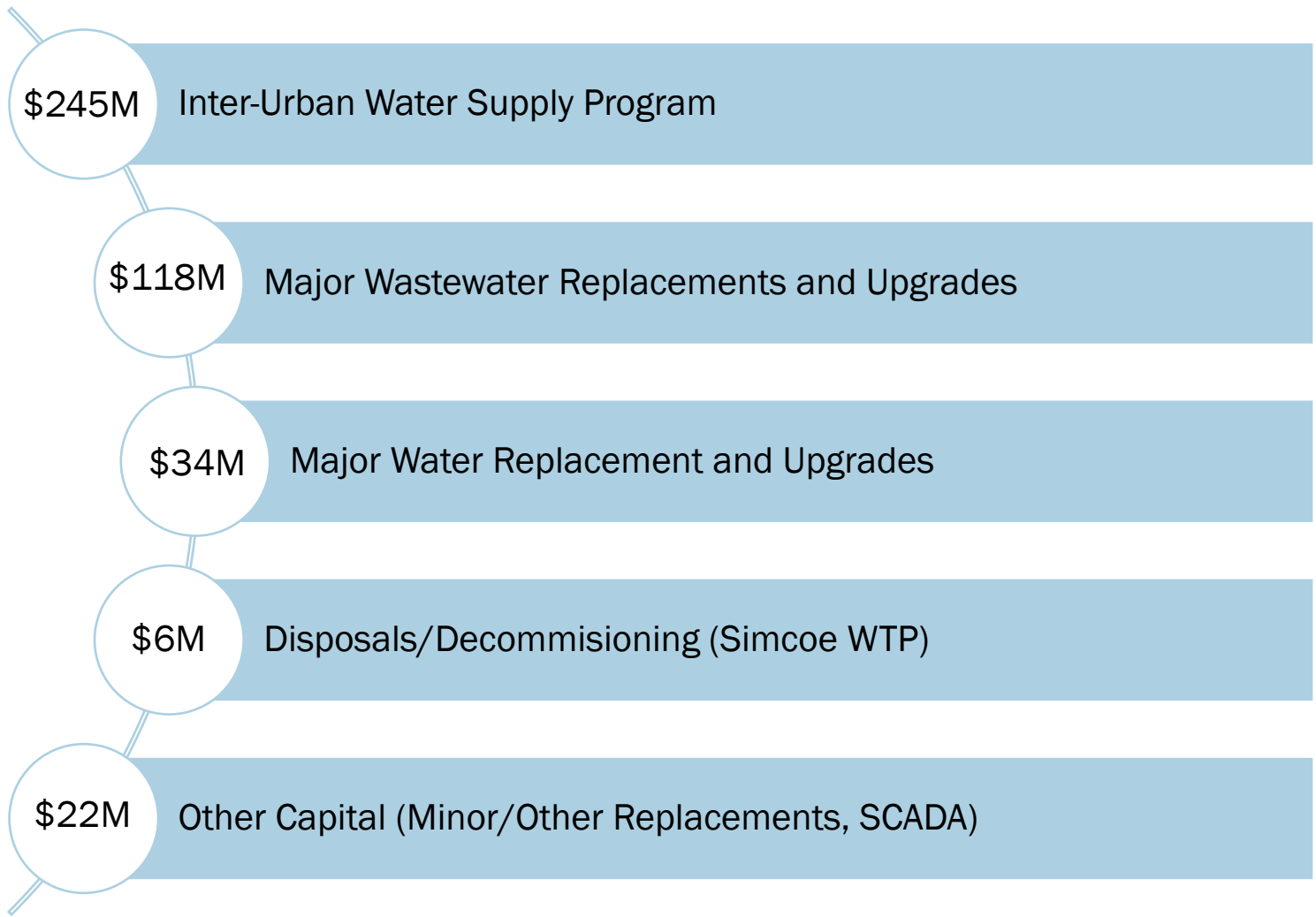
2026 Capital Budget Funding Source



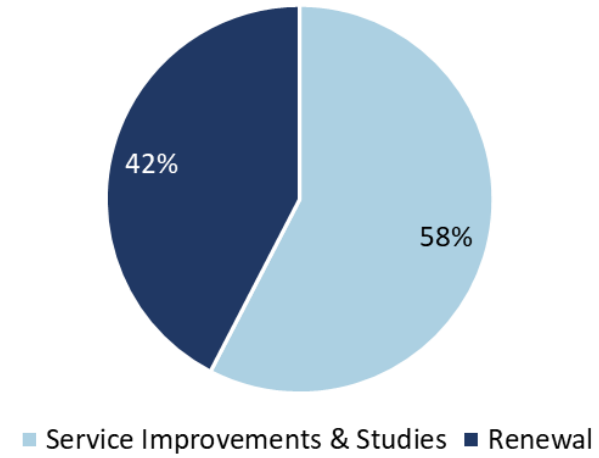
No Additional Debt Projects in 2026



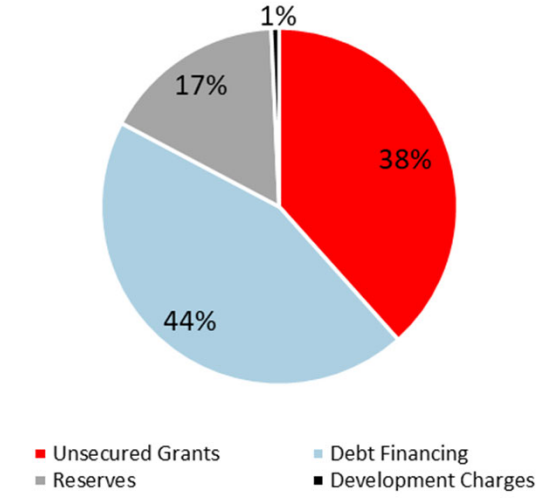
Rate Capital Forecast (2026-2035)



2026-2035 Capital Plan by Project Type



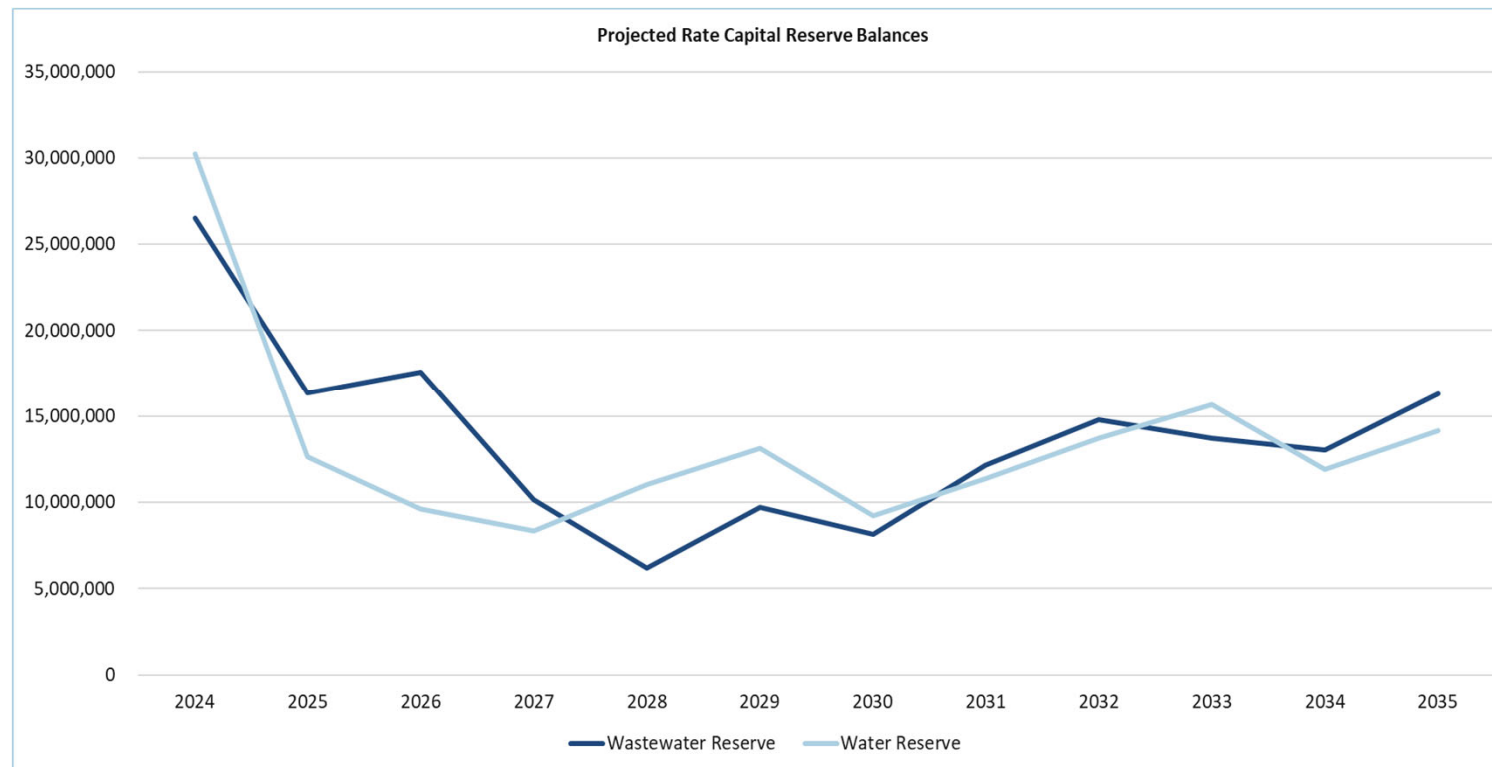
2026-2035 Capital Plan by Funding Source



Reserve Outlook

Table 3: Net Impact on 2026 Rate-Related Reserve Balances

Reserve	Water	Wastewater	2026 Total
Contributions	\$6,909,500	\$5,703,400	\$12,612,900
Rate Commitments	(\$6,085,000)	(\$2,298,000)	(\$8,383,000)
Levy Commitments*	(\$3,880,000)	(\$2,006,000)	(\$5,620,000)
CAI – Utility Billing	(\$117,100)	(\$117,100)	(\$234,200)
Expected Interest Earnings	\$141,700	\$259,600	\$401,300
Net Inflow / (Outflow)	(\$3,172,600)	\$939,300	(\$2,333,300)



Debt Servicing Costs

Table 4: Rate Debt Financing - Existing and Future Issuances

Operation	Existing (Issued)	Pending (Not Issued)	Future (2026-2035)	Total Debt Issuances
Water	\$7,712,394	\$19,783,000	\$99,990,000	\$127,485,394
Wastewater	\$25,171,840	\$63,932,000	\$88,743,000	\$177,846,840
Rate Budget Total	\$32,884,234	\$83,715,000	\$188,733,000	\$305,332,234
Commitments – W*	\$-	\$-	\$344,000	\$344,000
Commitments – WW*	\$-	\$-	\$206,000	\$206,000
Total	\$32,884,234	\$83,715,000	\$189,283,000	\$305,882,234

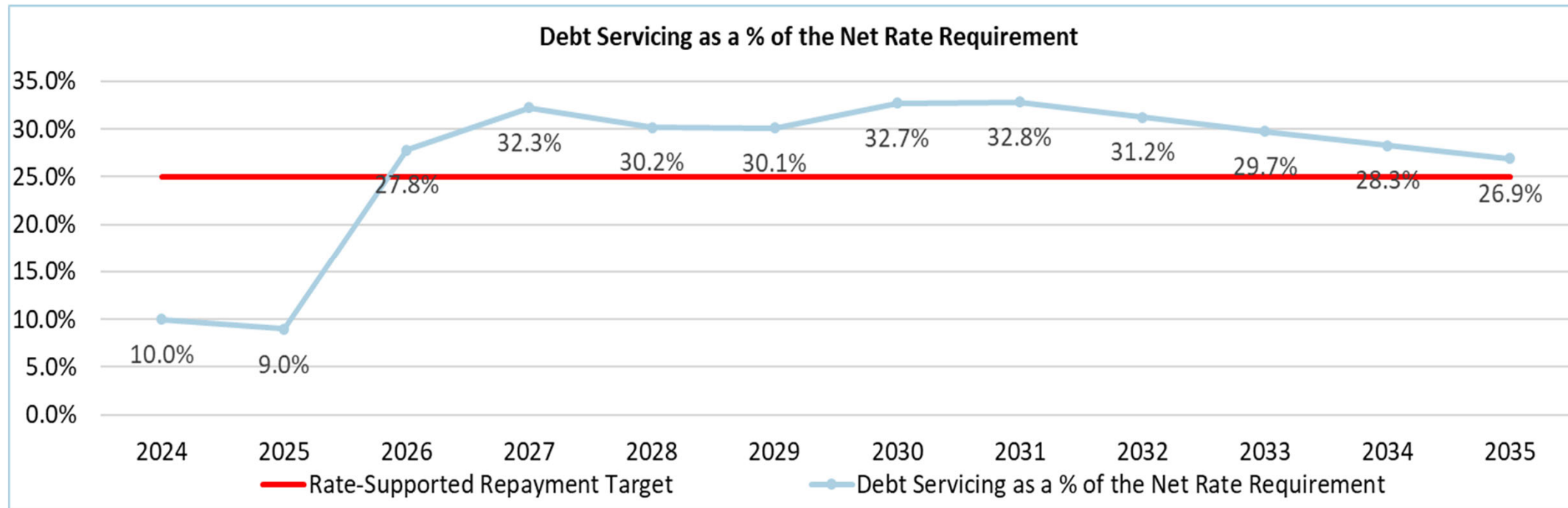
Table 5: Rate Debt Financing – Outstanding

Operation	Water and Wastewater 2025	Water and Wastewater 2026	Water and Wastewater 2027-2035
Debt at January 1	\$35,658,856	\$32,884,234	\$111,047,879
Issued/Planned Debt*	\$-	\$83,715,000	\$188,733,000
Debt Repaid During Period	(\$2,774,622)	(\$5,551,355)	(\$76,715,435)
Debt at December 31	\$32,884,234	\$111,047,879	\$223,065,444

Table 6: Debt Servicing Costs included in 2026 Rate Budget

Operation	Existing (Issued)	Pending (Not Issued)*	Planned	Included in 2026 Budget
Water	\$814,100	\$4,320,200	\$-	\$5,134,300
Wastewater	\$2,857,600	\$4,285,700	\$-	\$7,143,300
Total	\$3,671,700	\$8,605,900	\$-	\$12,277,600

Debt Projections



Rate Operating

Basis for 2026 Rate Setting

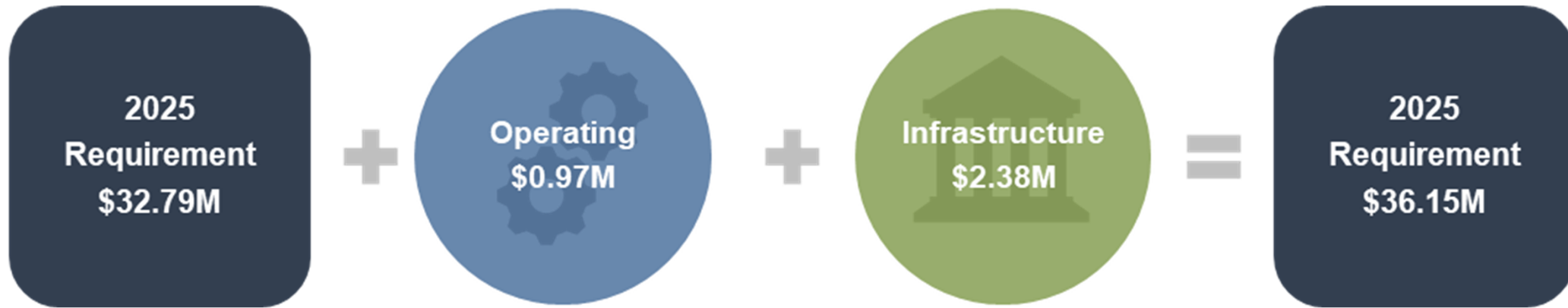
Prior Year Annual Water and Wastewater Rate Increases

	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Average Residential Increase	6.3%	8.5%	12.0%	10.6%

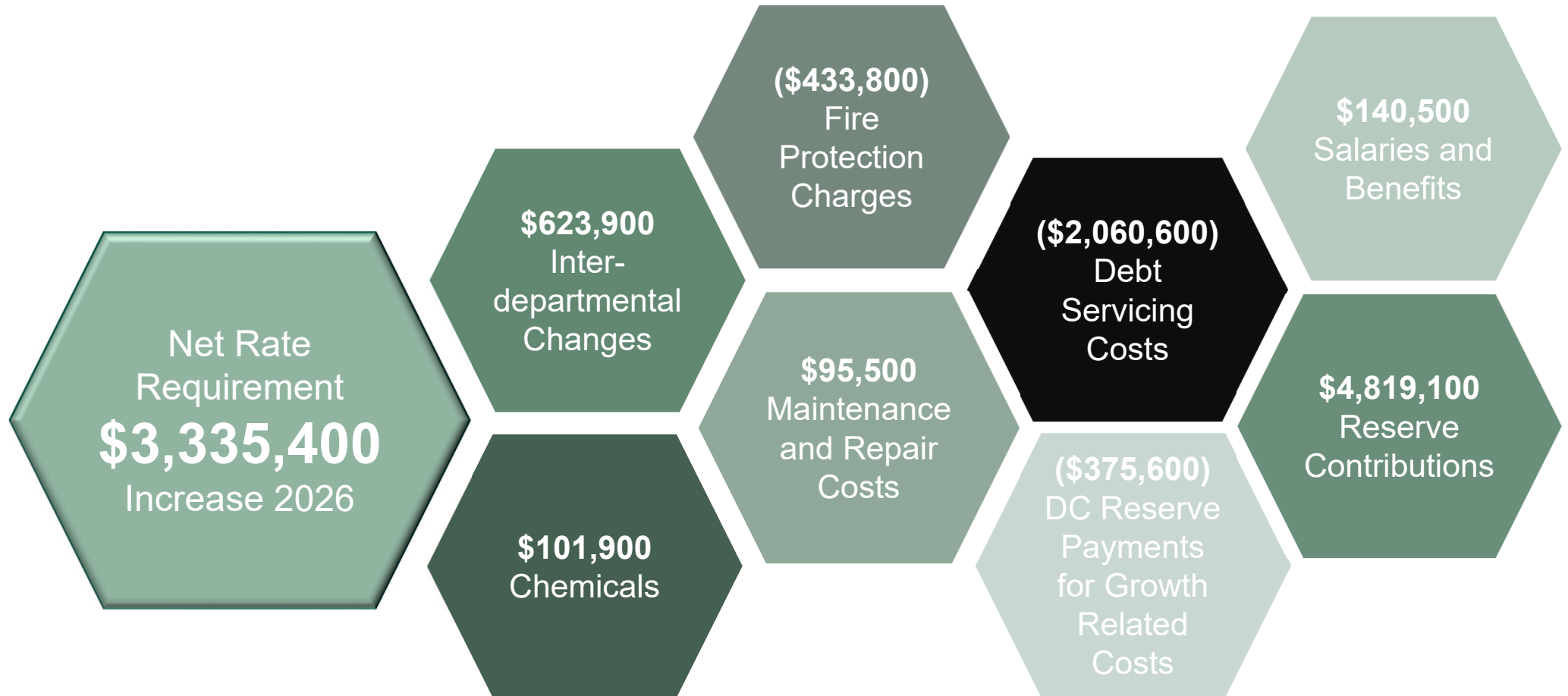
Table 11: Projected Annual Water and Wastewater Rate Increases

Operation	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg.
Water	14%	10%	7%	7%	7%	7%	7%	5%	5%	5%	7.4%
Wastewater	7%	7%	7%	7%	7%	7%	7%	5%	5%	5%	6.4%
Average Residential	10.1%	8.4%	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%	5.0%	5.0%	6.9%

Budget Drivers



Budget Drivers



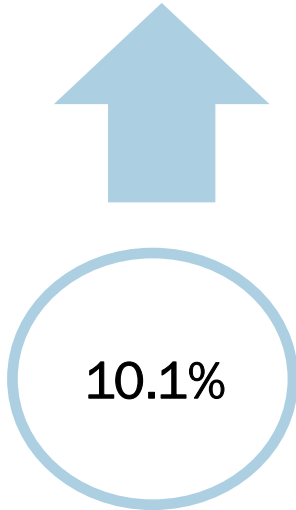
2025 User & Consumption Trends

Reserve	June 2024 (Number of Bills)	June 2025 (Number of Bills)	New Users	%
Residential	15,465	15,559	94	0.6
Commercial	1,116	1,110	(6)	(0.5)

Consumption (m ³)	January	February	March	April	May	June
2025 - Residential	157,438	157,074	158,889	173,734	199,753	234,431
2022-2024 Avg.	156,929	155,540	157,362	172,727	214,275	226,444
% Change	0.32%	0.99%	0.97%	0.58%	(6.78%)	3.53%
2025 - Commercial	62,898	64,136	58,049	69,059	83,008	96,363
2022-2024 Avg.	69,533	69,044	69,648	71,122	89,623	95,126
% Change	(9.54%)	(7.11%)	(16.65%)	(2.90%)	(7.38%)	1.30%

Impacts to Residential Taxpayers

Average Residential Annual Bill - 144 m ³ of usage and 15 mm meter											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Bill	\$ 779	\$ 888	\$ 977	\$ 1,045	\$ 1,118	\$ 1,196	\$ 1,280	\$ 1,370	\$ 1,438	\$ 1,510	\$ 1,585
Wastewater Bill	\$ 990	\$ 1,059	\$ 1,133	\$ 1,212	\$ 1,297	\$ 1,388	\$ 1,485	\$ 1,589	\$ 1,668	\$ 1,751	\$ 1,839
Total	\$ 1,769	\$ 1,948	\$ 2,110	\$ 2,258	\$ 2,416	\$ 2,584	\$ 2,765	\$ 2,958	\$ 3,106	\$ 3,261	\$ 3,424
Annual Increase (\$)	\$ 169	\$ 178	\$ 163	\$ 147	\$ 158	\$ 169	\$ 181	\$ 193	\$ 148	\$ 155	\$ 163
Annual Increase (%)	10.6%	10.1%	8.4%	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%	5.0%	5.0%



\$14.83 per month for a Residential Household consuming 12m³ of water



Next Steps

- **2026 Rate Study**

- Comprehensive Review of Rate Budget philosophy
- Calculation of Rates based on operational and capital needs



Thank you