

Draft 2026 Rate Budget



NorfolkCounty.ca/Budget



2026 BUDGET

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Table of Contents

- Message from the Mayor 5
- Norfolk County Organization Structure 7
- Section 1 – Preamble
 - Message from the Treasurer 13
 - Corporate Services Report 15
- Section 2 – Capital Plan & Forecast
 - Rate Capital Plan Summary 35
 - Rate Capital Plan and Forecast 37
- Section 3 – Operating Budget
 - Rate Operating Summary 49
 - Rate Operating Budget 50
- Section 4 – User Fees
 - Schedule A – 2026 Metered Rates and Bulk Service Charges 61
 - Schedule B – 2026 Water & Wastewater Miscellaneous User Fees 62
 - Long-term Forecast – Water & Wastewater Rates 65
 - Comparison of Average Monthly Billing for Selected Municipalities 66
- Section 5 – Appendices
 - Council Approved Initiatives 69
 - Reserves and Development Charge Reserve Fund Forecasts 71
 - Budget in PSAB Format 79
 - Budget Process and Supplemental Information 81

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Message from the Mayor



October 2025

I am pleased to present Norfolk County's Draft 2026 Rate Budget.

This year's budget process reflects a new chapter for our municipality, following the Province of Ontario's granting of Strong Mayor Powers under part VI.1 of the *Municipal Act, 2001*. While this new framework provides Mayors with additional authority, I committed in July to maintaining our longstanding approach to budget development—one that values the input of staff, Council, and the public. For 25 years, this collaborative process has helped shape responsible and transparent financial planning for Norfolk County.

In keeping with my commitment, I provided direction to staff that the Rate Budget be prepared in alignment with the Council-approved target to keep the average residential rate requirement increase at or below our previously communicated and approved increase to sustain our long-term financial plan. I also asked that timelines and overall process remain consistent with previous years. As this staff-prepared budget reflects that direction, and was developed through a collaborative effort, I have not exercised Strong Mayor Powers to amend it.

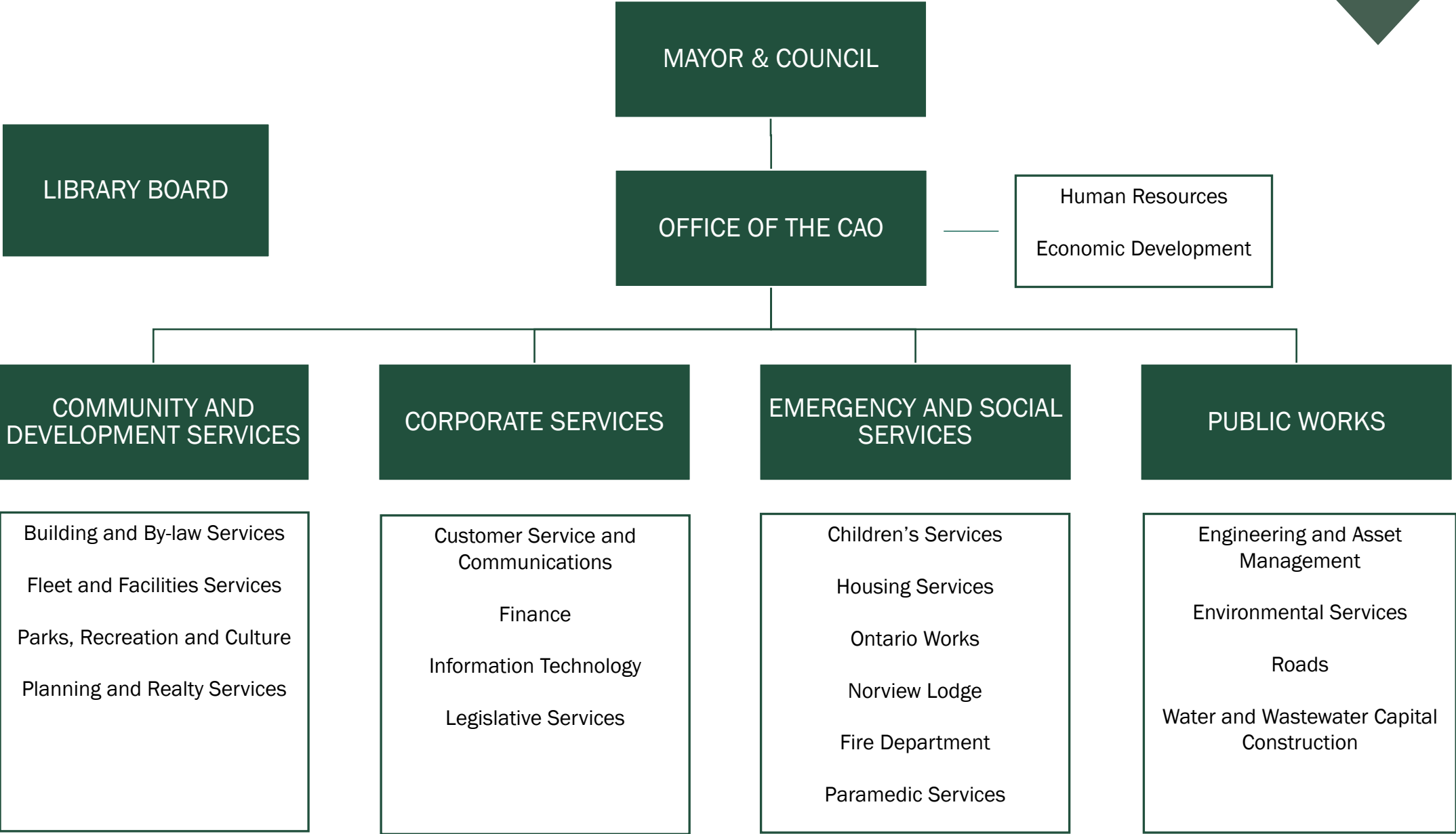
I look forward to working with Council as we review the budget and continue our efforts to build a more sustainable and predictable future for our water and wastewater services.

Thank you to staff, Council members, and residents for your contributions to this important work. Your input is essential to building a County where people and businesses can thrive.

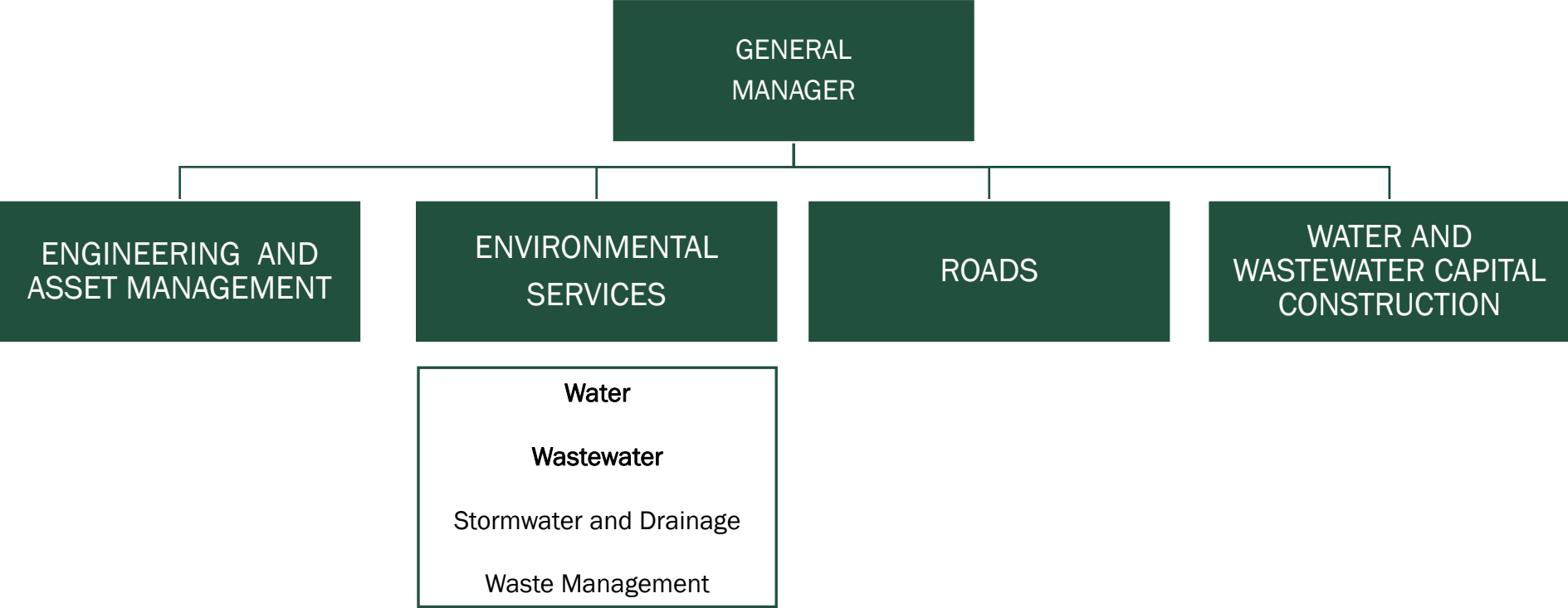
Mayor Amy Martin

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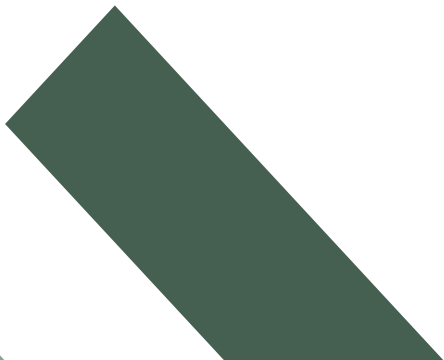
Norfolk County Corporate Structure



Public Works



Ward 7 Kim Huffman



Norfolk County Senior Staff

Chief Administrative Officer

Al Meneses

General Managers:

Community and Development Services

Bill Cridland

Corporate Services

Heidy Van Dyk

Emergency and Social Services

Bill Nolan, Interim

Public Works

Andrew Grice

SECTION 1

Preamble

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Message from the Treasurer

The Draft 2026 Rate Budget, continues to tell a very similar story to what has been told in previous years and represents an ongoing struggle between significant infrastructure needs and resident affordability. Overall, this budget represents an effective increase of 10.1% to combined water / wastewater rates. While operational expenses like salaries, utilities and other administrative costs are set to rise, staff were able to partially offset these increases, leaving the operational impact on the net rate requirement at 2.97%. The remaining 7.27% increase is driven by reserve contributions and debt servicing costs required for funding capital projects.

The 2026-2035 capital forecast includes \$425M in rate related expenditures in addition to the already approved and ongoing rate capital work which represents another \$173M. While the County's Asset Management Plan and financing strategy will help to address future reserve shortfalls, the current financing source recommended for much of the forecasted capital plan is debt. Debt financing will continue to be a key rate budget driver for years to come as Norfolk's debt servicing costs are anticipated to be above established targets for the next decade. This is due to the accumulation of pressures we are all familiar with—aging infrastructure, regulatory requirements, insufficient reserve contributions, and a historical lack of asset planning.

Some of the key capital projects include the Simcoe Wastewater Treatment Plant, Port Dover Wastewater Treatment Plant, Port Dover Water Treatment Plant, Port Rowan Water Treatment Plant and the Port Dover Water Tower Rehabilitation projects. These are essential investments, but they come with significant capital costs.

Today's budget review isn't just about approving the budget for one year, it is about charting a course for the next ten years and I want to take this opportunity to encourage thorough, transparent discussion over the rate-setting process and the outlook on future capital requirements. As we move past today, it is important to remember that the capital forecast remains, by far, the most significant driver to future water / wastewater bills.



Amy Fanning, CPA , Treasurer / Director of Finance

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Budget Committee Meeting – October 28, 2025

Subject: Draft 2026 Rate Budget
Report Number: CS-25-147
Division: Corporate Services
Department: Finance
Purpose: For Decision

Recommendation(s):

That Report CS-25-147 Draft 2026 Rate Budget and all attachments be received as information; and

That the Rate Budget with the 2026 Net Rate Requirement of \$36,148,000 and 2026 Rate Capital Budget totaling \$8,511,000 be adopted; and

That the 2027-2035 Rate Capital Forecast be received as information, in the amount of \$416,894,000; and

Further that the 2026 Water & Wastewater Rates, as presented on October 28, 2025 be approved and applied to all consumption occurring on or after January 1, 2026.

Executive Summary:

The Rate Budget determines the utility rates required to recover the costs of operating the County's water and wastewater systems and accommodate respective costs of capital. The 2026 Net Rate Requirement of \$36,148,000 represents an increase of \$3,355,400 or 10.2% over 2025.

Norfolk County is currently in the engineering stage of a multi-phased Inter-Urban Water Supply (IUWS) Program, which will reshape the supply of drinking water to residents. As communicated to Council in multiple reports and during the 2025 Rate Budget, the IUWS program with 66% grant funding and a phased implementation timeline requires additional rate increases from the original strategy, resulting in larger than initially anticipated increases over the next 10 years. This Rate Budget includes the most recent updated costing and funding plan for IUWS.

In the absence of grant funding in the amount required, through the recommendations in Report PW-25-002 Council directed staff to review alternative water delivery methods for Norfolk County. Once the review is complete a report will be presented to Council for consideration and direction. The outcomes and decisions of the review will be incorporated into future capital plans and the next rate study.

All considered, a combined water and wastewater bill increase for 2026 of 10.1% is required, which translates into a monthly increase of \$14.83 for the average residential household (assuming monthly consumption of 12 m³).

Over the last several years, Finance staff have continued to highlight that Norfolk County's largest obstacle to financial sustainability lies within water and wastewater operations. Unfortunately, this situation continues to worsen as planned capital

spending and future debt requirements bears serious risk for the Corporation and our residents.

Discussion:

The 2026 Rate Budget combines the Rate Operating Budget and Rate Capital Plan. This budget summarizes all financial impacts of operating the water & wastewater systems, covering both capital and operating. To streamline this report for Council's information, it is broken down into the two separate sections.

1. Capital Budget & Forecast
2. Operating Budget

Capital Budget & Forecast

The Draft 2026-2035 Rate Capital Plan includes an allocation of \$8,511,000 in projects for approval in 2026 (Capital Budget), and \$416,894,000 in the years 2027-2035 (Capital Forecast) to be approved in principle. These figures are in addition to the previously approved water and wastewater capital projects that remain active and ongoing as of the date of this report.

Active Rate Capital (2025 & Prior)

It is imperative to understand the magnitude of previously approved capital projects. At the time of this report, the Approved Capital Budget includes an allocation of \$172.8 million in rate-related capital projects, with \$83.7 million of such to be provided from the issuance of debentures. This means that there is \$83.7M in debt already approved by Council that has not yet been issued, before anything in the 2026-2035 plan has been considered. This total is headlined with the \$58.2 million Simcoe Wastewater Treatment Plant (WWTP), \$40.3 million Port Dover WWTP, \$21.2 million Port Dover Water Treatment Plant (WTP), and \$18.9 million Port Rowan WTP projects.

As the budget was being prepared, staff took time to re-evaluate funding recommendations and look for efficiencies to support continual improvement. A few opportunities for debt avoidance were identified by using excess reserve funding that had built up over the last year due to higher-than-expected investment earnings in the rate capital reserves, 2024 rate operating surpluses and rate projects being completed underbudget as reported in previous capital status reports. As a result, the Treasurer exercised her delegated authority granted through policy GP-029 Debt Management Policy to amend the funding sources of approved capital projects to decrease the amount of debt funding required for the County. The following projects were amended:

- 5831507 Port Dover WWTP Phase 1 – Reduced budgeted Rate Debt by \$6,590,000 and increased funding from the Wastewater Reserve by \$6,590,000
- 5832045 IUWS Program Engineering – Reduced budgeted rate debt by \$1,906,000 and DC Debt by \$1,100,000, and increase funding from the Water Reserve by \$1,906,000 and Water Development Charge Reserve Fund by \$1,100,000
- 5832236 IUWS Phase 1 Simcoe Transmission Watermain – Reduced DC Debt by \$608,000 and increased funding from the Water Post DC Reserve Fund by \$608,000

In total, slightly more than \$10 million was avoided for these amendments, bringing the total amount of debt avoided since last year's Rate Budget approval to over \$24 million for water and wastewater projects. The benefits of the amendments listed above include lowering the impact against the County's Rate-Supported Repayment Target by 1.2% in the peak year (see Chart 4), and lowering the amount of debt servicing charges that

need to be carried in the Draft 2026 Rate Operating Budget by approximately \$684,300, all while keeping the projected rate capital reserve balances above their target uncommitted balances throughout the forecast period.

Despite this positive momentum with debt avoidance, as highlighted in more detail under the Infrastructure Funding section below, ratepayers continue to be increasingly burdened by the debt requirements to fund the extensive capital outlook for water & wastewater operations.

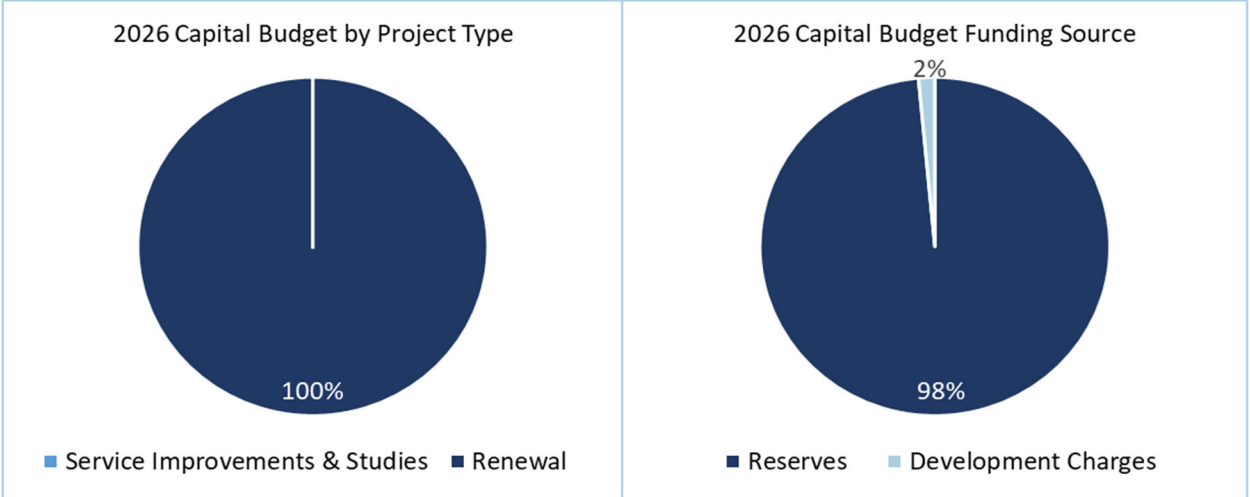
Rate Capital Budget (2026)

For 2026, the proposed capital projects are summarized in Table 1 below. The left side of Chart 1 below breaks down the Draft 2026 Rate Capital Budget by project type, while the right side breaks it down by funding source.

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

Chart 1: 2026 Rate Capital Budget by Project Type and Funding Source



The budget for projects proposed in 2026 is completely (100%) comprised by renewal (replacement / rehabilitation) projects and is relatively in line when compared to the water and wastewater capital budgets in recent years (\$8.8 million, \$98.4 million, \$10.5

million, \$4.70 million and \$6.55 million in the last 5 years). This has allowed for almost all (98%) of the draft budget to be funded from the Water Reserve and Wastewater Reserve, with the remaining funded by Development Charges.

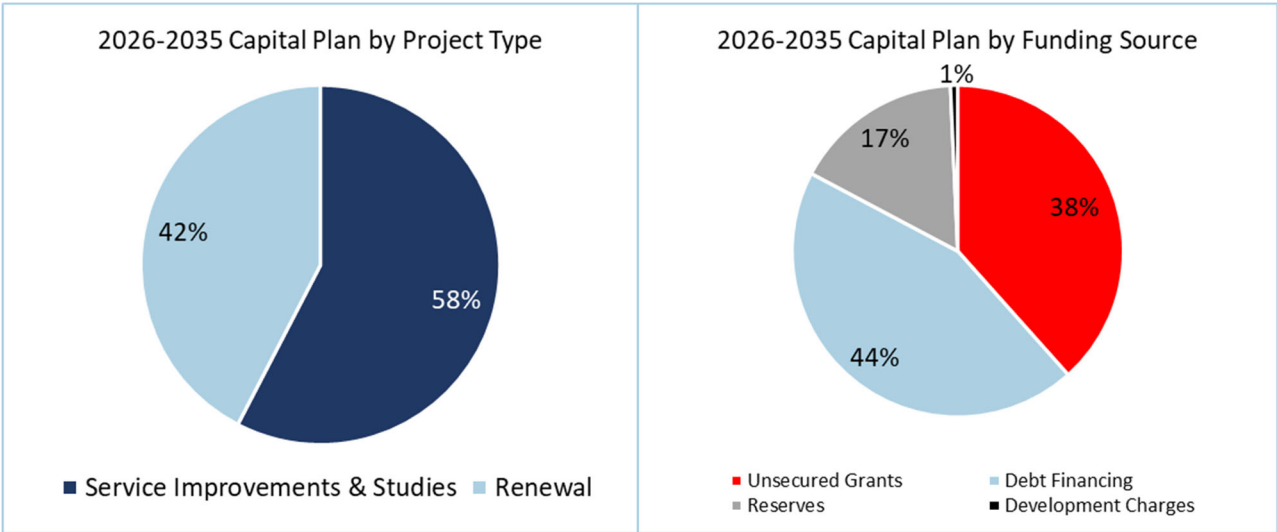
However, as discussed in the Active Rate Capital section, it is important to recognize the scope of ongoing projects when deliberating new capital work, especially when over \$83 million of the active projects are approved to be funded via debt.

Rate Capital Forecast (2027-2035)

Looking to the Rate Capital Forecast, a total of \$416,894,000 in capital spending is currently being requested by Public Works for 2027-2035. Similar to Chart 1, the left side of Chart 2 breaks down the Draft 2026 Rate Capital Forecast by project type, while the right side breaks it down by funding source.

\$244,971,000 of the forecast pertains to IUWS. As Council is aware, initiation of any construction component of this program remains on hold and is contingent on receipt of a minimum of 66% grant funding towards the program. As such, the capital forecast includes \$163,300,000 of unsecured grants (unconfirmed financing), which is denoted in red in Chart 2 below. As this project remains in this holding position, all rate increase projections and repayment limit calculations mentioned below only plan for 34% of project costs.

Chart 2: 2026-2034 Forecast by Project Type and Funding Source



More than half of the capital forecast (58%) is comprised of New/Incremental Capital, almost all (99.9%) of which pertain to IUWS. Also contrary to the 2026 Capital Budget, the vast majority (83%) of the Draft forecast is funded either through the issuance of debentures or unsecured grants related to IUWS. Only 17% is proposed to be funded via reserves; presenting a plan in which Norfolk County can only sustainably fund such a small portion of the proposed expenditures is daunting.

Rate Capital Plan Drivers

There were multiple changes made within the Capital Forecast. The most significant include:

- 1. Changes in IUWS Cost Estimates: the estimated costs to implement phases of IUWS that fall within the forecast period have decreased by approximately \$9.8 million in comparison to the previously approved capital plan.
- 2. Port Rowan/St. Williams Transmission Watermain: the estimated costs for this project have increased by \$7,397,000. It should be noted, the County has applied for a grant for this project.

- 3. Wastewater Equipment Replacement Program – new projects combined with increased cost estimates for some existing projects, increased by \$5,588,000 as requested by the contractor running our treatment facilities.
- 4. Port Dover Water Tower Rehabilitation Project – has been added for 2026 with a project cost of \$4,000,000.
- 5. Water Equipment Replacement Program: – new projects combined with increased cost estimates for some existing projects, increased by \$1,836,000.

Infrastructure Funding – Reserves

Reserves would typically play a crucial role in the County’s long-term financing plan, however, to accommodate the capital spending being proposed over the next 10 years, the County will have to rely more heavily on the issuance of debentures. Table 2 highlights the proposed increase to contributions included within the Draft 2026 Rate Budget.

Table 2: Draft Reserve Contributions included in 2026 Rate Budget

Reserve	2025 Approved	2026 Draft	Increase / (Decrease)
Water Reserve	\$3,606,200	\$6,909,500	\$3,303,300
Wastewater Reserve	\$4,187,600	\$5,703,400	\$1,515,800
Roadway Cons. Reserve	\$909,500	\$909,500	-
Total Contributions	\$8,703,300	\$13,522,400	\$4,819,100

Despite the increase to contributions, the County should not expect to see any financial improvement to the Water Reserve balance in 2026, as more is being spent from the reserve than what is being put in. An improvement to the Wastewater Reserve, however, is expected in 2026, as less is being spent from the reserve than is being transferred in. Table 3 compares the reserves’ commitments to the proposed contributions. Extending this analysis over 10 years by assuming annual increases to contributions that match anticipated inflation, contributions remain insufficient to sustainably fund capital over the long-term as well.

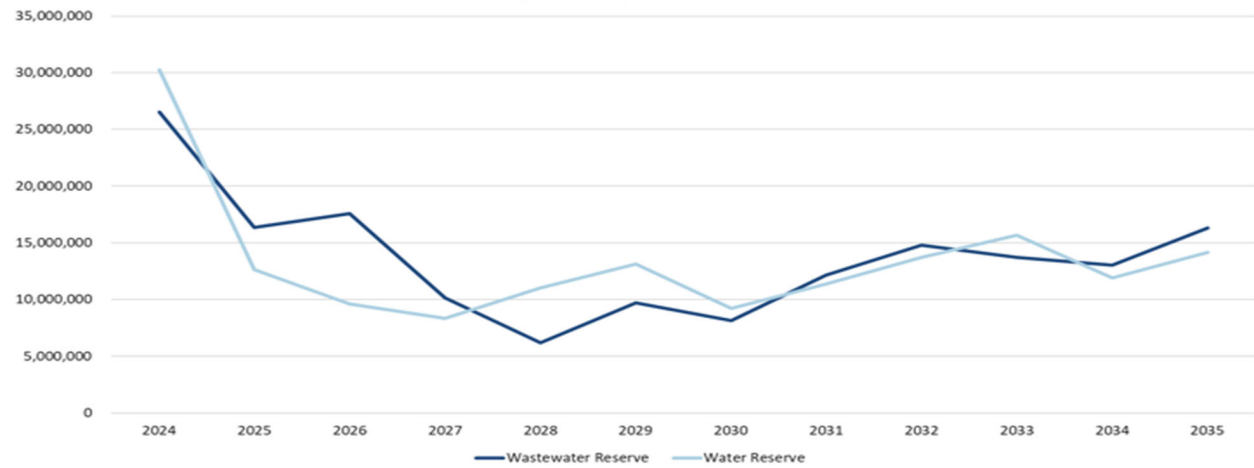
Table 3: Net Impact on 2026 Rate-Related Reserve Balances

Reserve	Water	Wastewater	Draft 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)	(\$2,349,000)	(\$6,229,000)
CAI – Utility Billing	(\$117,100)	(\$117,100)	(\$234,200)
Expected Interest Earnings	\$141,700	\$259,600	\$401,300
Net Inflow / (Outflow)	(\$3,030,900)	\$1,198,900	(\$1,832,000)

**Levy commitments in each reserve are estimated to fund the water & wastewater components of infrastructure reconstruction projects in the Draft 2026 Levy Capital Budget that will be deliberated in November 2025, creating a large net outflow in both reserves.*

As a result of the net outflows discussed above, the projected balances of the water and wastewater reserves are expected to decrease from 2025 to 2026, even after the interest the existing balances are expected to earn, as seen in Chart 3 below, which visualizes the projected balances of both reserves over the forecast period.

Chart 3: Projected Reserve Balances



While staff recognize it is positive that the balances are currently large enough to accommodate spending exceeding contributions in the near-term, it is not sustainable to continuously remove more from reserves than what is put in. Although maintaining reserves of \$6-\$16 million may appear healthy, the balances are not the result of sustainable spending, but rather an inability to fund large projects without relying on debt.

In other words, there are many more projects that staff would ideally recommend funding through the use of reserves, but the project budget eclipses the entire projected balance of its respective reserve in a given year (i.e., the Simcoe WWTP Phase 2 Upgrades project is expected to cost approximately \$34.1 million in 2027 but the projected balance of the wastewater reserve is only \$17.6 million in that year), making it impossible to actually fund the project at that time without the issuance of debentures.

Further highlighting this issue is that the reserve balance projections align with the 10-year period of the Capital Plan. This does not consider funding requirements for capital needs outside of the 10-year period, which could be greater. As communicated with the recent adoption of the County’s Asset Management plan (AMP), staff recommended incorporating the AMP findings into the impending rate study. This will ensure that the long-term strategy will address this financing gap in the future.

Infrastructure Funding – Debt

As denoted above, debt will play a much larger role in funding rate-related infrastructure over the next 10 years than reserves will, which does not make for an affordable outlook. Finance has continued to illustrate the extremity of this outlook throughout recent years wherever possible. To reiterate this messaging simply, without monumental changes to funding available for rate-related capital projects, Norfolk County may become the municipality with the highest rate debt outstanding per capita across the entire Province.

Table 4 highlights the potential amount of rate-related debt outstanding in 2026 and into the future, and Table 5 illustrates the projected outstanding debt level at the end of 2026 and the forecast period.

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

*Commitments for each system relate to DC debt estimated to fund the watermain & wastewater components of the infrastructure construction project for Argyle Ave. Extension in the Draft 2026 Levy Capital Budget that will be deliberated in November 2025.

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

*Assumes all pending debt is issued in 2026

Also illustrated in the tables above is the amount of active projects Council has previously approved to be funded by debt at \$83.7 million. This primarily pertains to the Simcoe WWTP Phase 1 Upgrades, Port Dover WWTP Phase 1 Upgrades, Port Dover WTP Phase 2 Upgrades, Port Rowan WTP Upgrades, and IUWS (Engineering). The County's capital financing and budgeting principles require that the costs of servicing future debt be carried in the respective operating budget in the year that the project which the debt relates to is "approved". Additionally, the County is currently in a multi-year phase-in of debt servicing costs that would be required to fund Norfolk's 34% share of IUWS. As such, if the debentures on all previously approved projects were to be issued in 2026 (which is unlikely), Norfolk County would have approximately \$111 million of outstanding debt by the end of the year.

The reliance on debt financing for future projects remains the largest risk to the Corporation's financial health and will continue to place a serious burden on ratepayers. Although proposed 2026 projects do not require the use of additional debt financing, the 2027-2035 forecast years remain concerning. As illustrated in the tables above, the full 2026-2035 Rate Capital Plan includes \$189,283,000 in debt financing to accommodate the planned capital projects. If the Rate Capital Forecast is completed as proposed, the principal value outstanding at the end of 2035 will exceed \$223 million after annual principal repayments.

Table 6 highlights the level of debt servicing costs included in the Draft 2026 Rate Budget, which are required to accommodate active and pending rate-related capital projects.

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

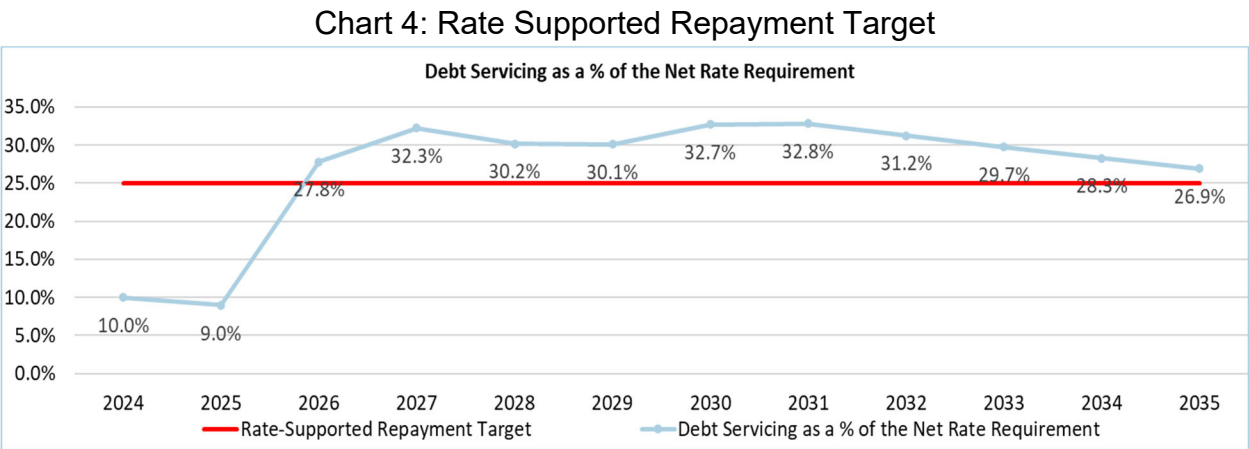
* Assumes 25-year debenture issuances, 4.5%, semi-annual payments (amortizer)

As of January 1st, 2026, the principal value of rate debt outstanding will be sitting at \$32.9 million, which will cost Norfolk’s ratepayers \$3.67 million in servicing costs (interest plus principal repayments) for the year. Additionally, if all pending debt is issued within 2026, an additional \$8.6 million (interest plus principal repayments), will be required. These issuances pertain to projects that have previously been approved and projects initiated.

Debt Limitations

Earlier this year, Council approved the Debt Management Policy (GP-029). Contained within the policy were internal targets for tax-supported and rate-supported debt repayments. As per the policy, for rate-supported services, the County will maintain a Rate-Supported Debt Repayment Target of less than 25% of the net-rate requirement. This target applies only to debt servicing costs associated with rate-funded projects, exclusive of DC debt servicing costs for rate-related services.

As shown in Chart 4, the forecasted trajectory of debt servicing costs exceeds the approved target limit. This will continue to place a serious burden on ratepayers and severely limit financial flexibility. The severity of this situation is only amplified when considering that graphed trendline does not consider how much more the debt servicing costs would be if the additional 66% IUWS grant funding (\$163 million) is not secured, and the County hypothetically proceeded with debt.



At the corporate level (levy and rate combined), Finance staff will continue to adhere to presenting a combined capital outlook below the 15% Internal Repayment Limit.

Operating Budget

The operational costs for the water and wastewater systems are fully funded through direct user fees and services charges, and from billings for water consumption and wastewater processing. No portion of the water or wastewater operating costs are funded from the tax levy, other than for services received.

Interdepartmental charges reflect the value of services provided to water and wastewater operations by other County departments, that would typically be funded by the tax levy, such as Finance, IT, and Human Resources. These charges ensure that

the rate budget fully covers its share of costs and that no portion of operating expenses is subsidized by the tax levy.

Water Consumption

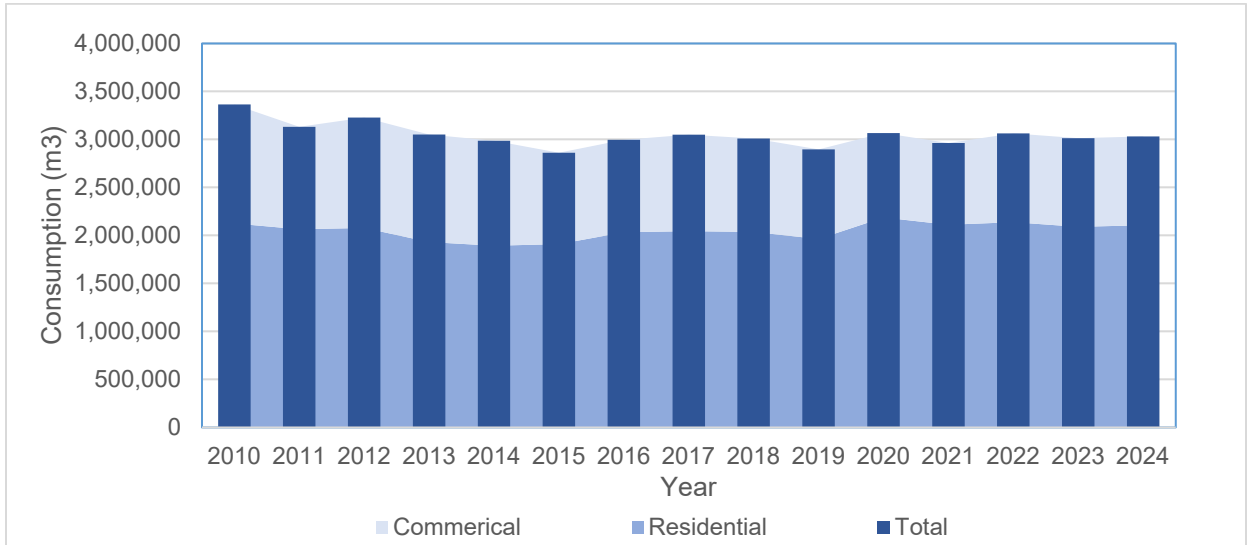
Water consumption had been on the decline over the previous decade due to conservation measures introduced by commercial and industrial customers, and more conscientious use of water by residential users. Consumption had stabilized in the years leading up to COVID-19, however, with the restrictions residential consumption increased. Consumption over the past two years has been rebalancing between residential and non-residential use, with overall levels on a slight decline. 2025 has seen lower non-residential use and slightly higher residential use compared to the previous three years. Table 7 and Chart 5 highlight the recent trends.

Table 7: 2025 Estimated vs. 2022-2024 Average Water Consumption

User Base	2025 Estimated*	2022-2024 Average	% Change
Residential	2,132,213	2,115,461	0.79%
Non-Residential	883,614	926,359	(4.84%)
Total Water Consumption	3,015,827	3,041,819	(0.86%)

**2025 Estimated Water Consumption includes actual consumption billed for the months of January to August 2025, and the 2025 forecast established.*

Chart 5: Historical Water Consumption



For the 2026 Rate Budget an estimated consumption of just under 3.0 million m³ has been used to calculate water and wastewater rate revenues, this is consistent with the trend of overall decline in the past two years.

Customer Forecast

In terms of total customers, the growth in service demand for 2026 is forecasted at 0.5% over the existing user base for 2025. This is a moderate growth forecast. It is important to note that overestimating growth forecasts in user connections carries a high level of risk and increases the likelihood of a budget deficit in water/wastewater rate revenues. Norfolk County has seen an increase of 88 billable water users from June 2024 to June 2025 (as per the January billing remittances). After reviewing upcoming potential service connections, this assumption is considered to be attainable.

2026 Net Rate Requirement and Budget Drivers

The Draft 2026 Net Rate Requirement is \$36,148,000 representing an increase of \$3,335,400 (10.2%) over the approved 2025 requirement. The net rate requirement represents the total revenues that must be generated through basic and consumptive

charges for water and wastewater. The net rate requirement, together with other revenues, supports an overall net expenditure total of \$40,841,500 for 2026.

When looking at the revenues generated to cover the expenses, the majority of required revenues are provided by the water and wastewater rates, however 8.6% of the total revenue is provided from the tax levy, through the fire protection recovery for usage of the water system.

Chart 6: 2026 Rate Operating Budget

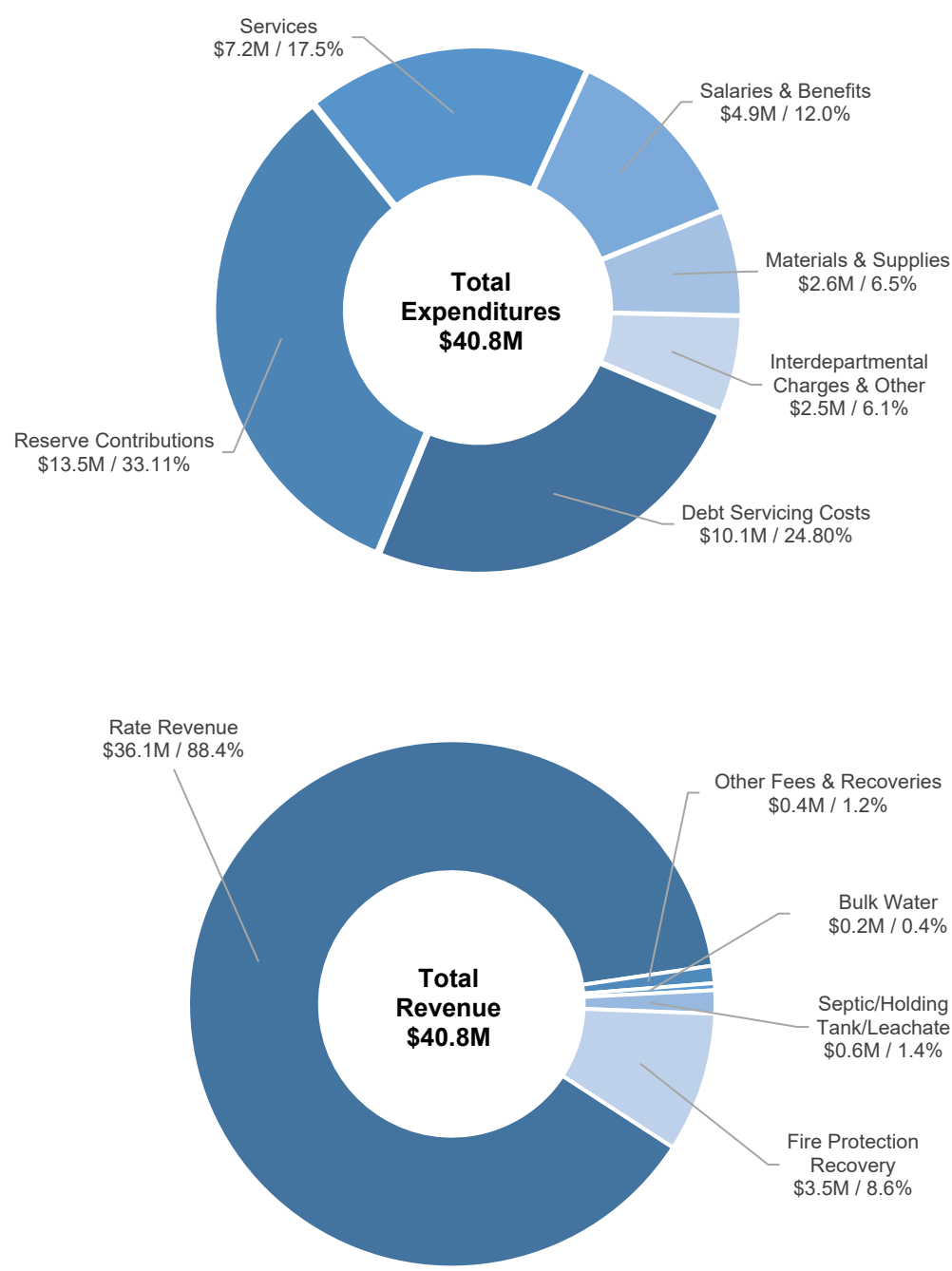
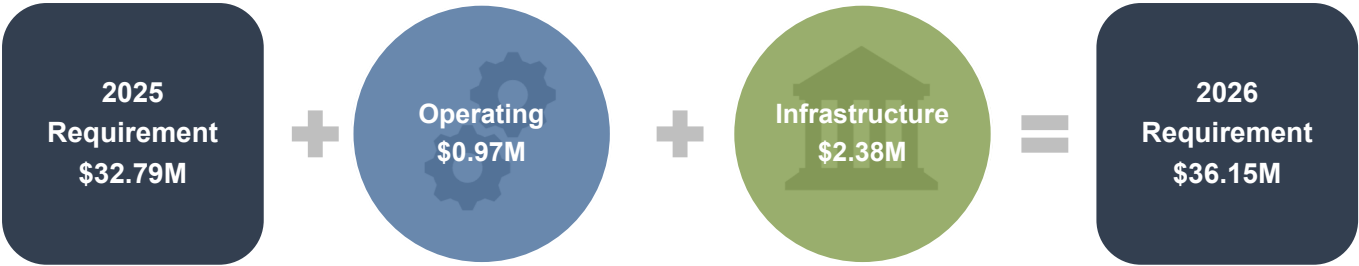


Table 8 below provides a summary of major budget drivers for water and wastewater combined. Of note, over half (57%) of the expenditures provided for within the budget relate to reserve contributions and debt servicing costs, with the remaining expenditures relating to operations. With the heavy weighting towards infrastructure, operational efficiencies are less impactful than in the levy budget due to the higher requirements of infrastructure funding.

Table 8: Summary of Major Budget Drivers				
() Reduction in Net Rate Requirement				
2025 Council Approved Net Rate Requirement			32,792,600	
Capital Budget Impacts				
Debt Servicing Costs	(2,060,600)			
Reserve & Reserve Fund Contributions	4,819,100			
Increase in Transfer from DC Reserves (Growth Related Debt)	(375,600)	2,382,900	7.3%	
Expenditure Adjustments				
Increase in Interdepartmental Charges from Levy	623,900			
Increase in Contracted Services	259,300			
Increase in Salaries and Benefits	140,500			
Increase in Chemicals	101,900			
Increase in Software Costs	68,500			
Increase in Maintenance and Repair Costs	95,500			
Increase in Property Tax Estimate	65,000			
Decrease in Locate Services	(36,200)			
Other Changes	36,000	1,354,400	4.1%	
Revenue Adjustments				
Increase in Fire Protection Charges	(433,800)			
Decrease in Non-Rate Revenues	51,900	(381,900)	(1.2%)	
Total Change in 2026 over 2025			3,355,400	10.2%
2026 Net Rate Requirement			36,148,000	

When reviewing the drivers of this increase, it can be seen clearly that infrastructure requirements are the key factor driving the increase, while operating costs are primarily driven by inflationary and contractual adjustments. In simple form, the drivers of the Budget are:



Impacts of Draft 2026 Water and Wastewater Rates

The methodology used to allocate the cost of the water and wastewater system to users is based on the concepts outlined within the 2020 rate study. These principles will be reviewed through the completion of the 2026 rate study, and Council will have the opportunity to reassess methods of revenue generation.

Basic and Volumetric Charges

Norfolk County’s water and wastewater rates are a combination of a basic charge plus a volumetric charge reflecting actual use of the water and wastewater systems. The basic charges are a fixed charge based on water meter size. The basic charge is intended to cover the fixed costs associated with having a system in place. The consumption charges (volumetric) are based upon meter readings taken from the customer’s meter and reflect the actual water consumed for the billing period.

A comprehensive listing of the Draft 2026 water and wastewater rates is included in Section 4 of the budget package. Table 9 below presents the impact of the Draft 2026

water and wastewater rates for various customers connected to the water and wastewater systems, which helps to provide more information on how the changes in rates will impact the system customers. In the absence of a comprehensive rate study with up-to-date infrastructure funding inputs, both basic charges and volumetric charges are recommended to increase at 14% for water and 7% for wastewater.

Table 9: Impact of Draft 2026 Water and Wastewater Rates (Monthly)

User Type	Meter Sizes (mm)	Volume Cubic Meter	Approved 2025 Charges	Draft 2026 Charges	Monthly Change	Change
Average Residential	15	12	\$147.45	\$162.29	\$14.84	10.1%
Small Commercial	15	50	\$354.58	\$390.37	\$35.79	10.1%
Medium Commercial	50	500	\$3,300.19	\$3,633.55	\$333.36	10.1%
Large Commercial	150	13,500	\$75,915.88	\$83,593.05	\$7,677.17	10.1%
Industrial	150	17,000	\$94,993.18	\$104,600.05	\$9,606.87	10.1%

Miscellaneous Charges/Revenues

In addition to water and wastewater usage charges, there are 4 other miscellaneous charges which make up a share of the revenue generation requirements on an annual basis. Table 10 below presents the recommended adjustments to these charges, with justification for each below.

Table 10: Adjustments to Miscellaneous Charges/Revenues (\$/m3)

User Fee/Charge	Approved 2025 Charges	Draft 2026 Charges	\$ Change	% Change
Holding Tank Waste Disposal	\$14.43	\$15.44	1.01	7.0%
Hauled Septic Waste Disposal	\$72.70	\$77.79	5.09	7.0%
Leachate	\$10.28	\$11.00	0.72	7.0%
Bulk Water	\$4.56	\$4.72	0.16	3.5%

Holding Tank and Septic Waste Treatment Rates

The bulk wastewater disposal rate is the rate charged to haulers for delivering septic tank or holding tank waste at the County’s wastewater treatment plants (WWTP) for treatment. The rates are based on a charge for the fixed costs of providing treatment plants and the operating costs required to treat septic tank and holding tank waste since it is higher in strength than sewage entering the facilities through the wastewater system. For 2026, septic and holding tank rates have increased by 7.0%. The next rate study will investigate transitioning to a blended rate for wastewater disposal, consistent with all municipal comparators.

Leachate Rates

Another fee Norfolk County charges is for the recovery of leachate treatment costs. As part of the rate study, an analysis of the relative potency of leachate as compared to regular incoming waste was completed. At the time of this study, it was believed that leachate has approximately the same potency as incoming waste and therefore should be charged at the same ratio per cubic metre as incoming waste. This resulted in significant decreases to the rate resulting in the removal of key revenue. This philosophy has been questioned and will be reviewed in further detail upon completion of the next rate study. For 2026, staff are recommending increasing the leachate charge by 7%, understanding that there is to be upward pressures on the rates through the next update to long-term forecasts.

Bulk Water Rates

The bulk water rate is the charge to water haulers when they pick up water at the County’s water depots. This rate incorporates an allowance for the fixed costs of the

water supply systems and a volumetric charge for the variable costs of operating those systems. Based on assumptions in the rate study, bulk water rates increased by 1.0% for the first two years of the long-term strategy however, with the cost to provide water increasing, staff are recommending the bulk water rate increases to \$4.72/m3 for 2026. This user charge will be reviewed in detail within the next rate study.

Financial Services Comments:

For the last several years, Finance staff have continued to highlight the disproportionate amount of planned capital spending for water and wastewater operations, in comparison to levy funded service areas. Given this level of capital spending, it's becoming increasingly challenging to operate the water and wastewater systems sustainably.

The County is approaching a financial situation where there may be requirements for consequential actions to maintain financial sustainability for the Corporation and residents. These actions could include the cancellation or deferral of key capital projects, reducing scope on prior approved projects where possible, the prioritization of only urgent asset management related capital and re-optimization of available third-party infrastructure funding. Each of these decisions would have monumental impacts on the economic and financial landscapes for the County, however the current trajectory for ratepayers is growing increasingly challenging.

Basis for 2026 and Future Rate Setting

Typically, long-term rate projections are established and approved in principle through the completion of a rate study. Norfolk County's most recent rate study was approved by Council in 2020 which established predictable rate increases to properly plan for operating and capital costs identified and forecasted at that time. Since the completion of this study, Norfolk County's Capital Plan has been materially adjusted indicating that certain elements of this study are no longer relevant for rate setting, largely infrastructure funding. As such, the rate projections identified within this study can no longer be utilized as the rates will not generate sufficient revenues to cover the increased costs of capital.

For the purposes of 2026, water rate increases are recommended to be based off the completed Financial Feasibility Study which determined the long-term rate requirements to accommodate the approved IUWS Scenario (Option 2C: Decelerated Delivery Plan contingent on 66% grant funding). As this is the current direction for Norfolk's water solution, the rate requirements to accommodate this strategy have been implemented. The 2026 and forecasted rate increases include the significant changes related to IUWS presented with the 2025 Rate Budget, along with the changes to the 2026-2035 capital plan as noted above in this report. The projected increases are shown in Table 11.

Through the 2026 budget process, the wastewater analysis was updated to reflect the 2026 operational adjustments and 2026-2035 Rate Capital Plan changes. The projected increases are shown in Table 11.

Table 11: Projected Annual Water and Wastewater Rate Increases

Operation	2026	2027	2028	2029	2030	2031	2032	3033	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%

For the 2027 budget year, it is likely that the rate increases of 10% for water and 7% for wastewater will be required based on preliminary analysis completed to date.

It is anticipated that the upcoming rate study will be completed in time for the 2027 budget year. The rate projections from the study would be incorporated into the 2027 budget. Staff have recently initiated the study and will start with the wastewater and stormwater components with the water component to be initiated immediately after the final direction on Norfolk's water solution is confirmed.

Interdepartmental Implications:

Capital Projects included within the Draft Rate Capital Plan section of the budget are departmental requirements/requests, which identify the long-term capital work plans. The Rate Budget includes charges for a variety of services from other divisions/ departments and includes a recovery from the levy operating budget to offset costs associated with fire protection.

Consultation(s):

The Rate Budget was developed through extensive collaboration with the Public Works division and the Senior Leadership Team.

Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priorities "Sustaining Norfolk".

Explanation: The 2026 Rate Budget supports the strategic plan by establishing Council's commitment to a long-term financial strategy and providing a framework to establish a solid infrastructure foundation.

Conclusion:

The Draft 2026 Rate Budget is a direct reflection of the upcoming capital pressures surrounding water and wastewater infrastructure and the lack of other funding sources available to reduce the debt requirements. The Draft 2026-2035 Rate Capital Plan portion of the budget has been prepared using resources including: studies, assessments, and current asset conditions. Norfolk County is embarking on a historic water and wastewater capital plan with significant investment to ensure that the water and wastewater systems remain reliable for residents.

It is recommended that Council adopt the Draft 2026 Rate Budget and associated revisions to user rates and miscellaneous fees and charges.

Attachment(s):

Attachment 1 – Draft 2026 Rate Budget

Attachment 2 – Draft By-law – Water and Wastewater Rates

Approval:

Approved by:

Heidy VanDyk, General Manager, Corporate Services

Reviewed by:

Amy Fanning, CPA, Treasurer/Director of Finance

Chris Everets, CPA, Manager, Financial Planning

Prepared by:

Amy Vesprini, Supervisor, Financial Planning & Reporting



The Corporation of Norfolk County

By-Law 2025-

Being a by-law to Provide for Water Rates to Finance the Supply and Distribution of Water and to provide for Wastewater Rates to Finance the Collection and Treatment of Wastewater in Respect of Various Water and Wastewater Systems within Norfolk County.

Whereas Section 10(2) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended states that a single-tier municipality may pass By-Laws to provide any service or thing that the municipality considers necessary or desirable for the public; and

Whereas the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, authorizes Council by By-Law to impose fees or charges to finance the supply and distribution of water and to impose fees or charges to finance the collection and treatment of wastewater in respect of various water and wastewater systems within the County; and

Whereas it is deemed expedient by Council to establish water rates and wastewater rates to finance various systems within the County area;

Now therefore the Council of The Corporation of Norfolk County hereby enacts as follows:

1. That That the short title of this By-Law shall be "Water & Wastewater Rates By-Law".
2. That the water rates and the wastewater rates shown on Schedule "A" attached to this By-Law are hereby adopted to take effect on all bills for all consumption occurring on or after January 1, 2026 and to remain in effect until altered by Council.
3. That the water and wastewater miscellaneous charges as outlined in Schedule "B" attached to the By-Law are hereby adopted to take effect on January 1, 2026.
4. That the effective date of this by-law shall be January 1, 2026.

Enacted and passed this ____ day of _____, 20____.

Mayor

County Clerk



SCHEDULE A

2026 METERED RATES AND BULK SERVICE CHARGES

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
WATER				
Charge per Cubic Meter				
Consumption Charge	2.446	2.788	0.342	14.0%
Charge per Month				
Basic Charges				
Meter Sizes				
15 mm	35.60	40.58	4.98	14.0%
25 mm	59.04	67.30	8.26	14.0%
40 mm	98.83	112.66	13.83	14.0%
50 mm	249.44	284.36	34.92	14.0%
75 mm	287.75	328.03	40.28	14.0%
100 mm	563.46	642.34	78.88	14.0%
150 mm	1,011.91	1,153.57	141.66	14.0%
Flat Water Rate (Equivalent to 20 cubic meters of volume)				
Charge per month	84.52	96.34	11.82	14.0%
Charge per Cubic Meter				
Bulk Rate	4.56	4.72	0.16	3.5%
WASTEWATER				
Charge per Cubic Meter				
Volumetric Charge	3.005	3.214	0.209	7.0%
Charge per Month				
Basic Charges				
Meter Sizes				
15 mm	46.44	49.69	3.25	7.0%
25 mm	77.01	82.40	5.39	7.0%
40 mm	128.93	137.95	9.02	7.0%
50 mm	325.41	348.19	22.78	7.0%
75 mm	375.39	401.66	26.27	7.0%
100 mm	735.04	786.48	51.44	7.0%
150 mm	1,320.08	1,412.48	92.40	7.0%
Flat Wastewater Rate (Equivalent to 20 cubic meters of volume)				
Charge per month	106.53	113.97	7.44	7.0%
Charge per Cubic Meter				
Holding Tank Waste Disposal	14.43	15.44	1.01	7.0%
Septic Waste Disposal	72.70	77.79	5.09	7.0%
Leachate	10.28	11.00	0.72	7.0%
STANDBY CHARGE				
Water and Sewer – per month	82.04	90.27	8.23	10.0%
Water – per month	35.60	40.58	4.98	14.0%



SCHEDULE B
2026 WATER & WASTEWATER MISCELLANEOUS USER FEES

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
WATER CONNECTION PERMITS				
Watermain Taps (19 mm & 25 mm)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection, main tap and materials				
19 mm	1,260.00	1,304.00	44.00	3.5%
25 mm	1,100.00	1,139.00	39.00	3.5%
Main to Building - includes inspection, main tap and materials				
19 mm	1,592.00	1,648.00	56.00	3.5%
25 mm	1,175.00	1,216.00	41.00	3.5%
Watermain Taps (38 mm - 50 mm)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	537.00	556.00	19.00	3.5%
Main to Building - includes inspection and main tap. Contractor to supply all materials.	611.00	632.00	21.00	3.4%
Large Diameter Watermain Taps (larger than 50 mm)				
Contractor Supervision and Inspection - Fee for Norfolk County staff to be present on site and provide inspection and valve operation when work is performed by outsourced contractor.	390.00	404.00	14.00	3.6%
Main Tap and Inspection - Fee for Norfolk County staff to perform the required watermain tap and inspect the work performed by the contractor. Contractor to supply all materials.	841.00	870.00	29.00	3.4%
SEWER CONNECTION PERMITS				
Sanitary Sewer Connection Permits (100 mm diameter)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection, main tap and saddle. Contractor to supply all materials.	675.00	699.00	24.00	3.6%
Main to Building - includes inspection, main tap and saddle. Contractor to supply all materials.	755.00	781.00	26.00	3.4%
Sanitary Sewer Connection Permits (150 mm diameter or larger)				
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	584.00	604.00	20.00	3.4%
Main to Building - includes inspection and main tap. Contractor to supply all materials.	658.00	681.00	23.00	3.5%
Sanitary Maintenance Hole Inspection				
Inspection of installation or modification of a sanitary maintenance hole	140.00	145.00	5.00	3.6%
Water/Sanitary Sewer Service Abandonment				
Inspection of service disconnect at main or property line - method & location of abandonment determined by Environmental Services Technologist	140.00	145.00	5.00	3.6%
Storm Sewer Connection Permit				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%



SCHEDULE B

2026 WATER & WASTEWATER MISCELLANEOUS USER FEES

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
WATER METER SERVICES				
Replace damaged or missing meter reading device	450.00	466.00	16.00	3.6%
Re-seal and install meter due to unauthorized removal of the meter	342.00	354.00	12.00	3.5%
Drain and re-seal meter removed by Norfolk County staff	154.00	159.00	5.00	3.2%
Replace damaged or missing meter				
19 mm (5/8 x 3/4)	416.00	431.00	15.00	3.6%
greater than 19 mm (5/8 x 3/4)	Full Cost Recovery	Full Cost Recovery	N/A	N/A
Note: Customers may request that their water meter be tested. Testing is to be completed by a Third Party. Refer to the most current revision of Norfolk County's Water By-Law for further information.				
NEW WATER METER INSTALLATION FEE				
19 mm	603.00	624.00	21.00	3.5%
25 mm	703.00	728.00	25.00	3.6%
40 mm	1,843.00	1,908.00	65.00	3.5%
WATER METER INSTALLATION PACKAGE				
Replacement water meter install package - 19 mm service (tails, spacer, wire)	142.00	145.00	3.00	2.1%
WATER TURN ON/OFF				
During Normal Working Hours				
Water Turned On	106.00	110.00	4.00	3.8%
Water Turned Off	106.00	110.00	4.00	3.8%
Water Turned On/Off Same Visit	N/A	110.00	N/A	N/A
Water Turned On/Off Same Day	106.00	165.00	59.00	55.7%
Water Turned On with Meter Reconnection	185.00	191.00	6.00	3.2%
Water Turned Off with Meter Disconnection	185.00	191.00	6.00	3.2%
Water Turn Off Due to Unauthorized Turn On	303.00	314.00	11.00	3.6%
After Normal Working Hours				
Water Turned On (after normal working hours)	247.00	256.00	9.00	3.6%
Water Turned Off (after normal working hours)	247.00	256.00	9.00	3.6%
MISCELLANEOUS CHARGES				
Lawyer's Certificates - per property	102.00	106.00	4.00	3.9%
Environmental Information Requests - per property	188.00	195.00	7.00	3.7%
Fire Hydrant Operation for Flow Test - per hydrant	103.00	106.00	3.00	2.9%
Sanitary Sewer Dye Test - per test	103.00	106.00	3.00	2.9%
New Development Watermain Flushing - per hydrant	103.00	106.00	3.00	2.9%
Sanitary Sewer Lateral Camera Inspection (not performed at home owner's request, only completed at Norfolk County's discretion)	176.00	182.00	6.00	3.4%
Bulk Water Depot Account Set-Up	33.00	34.00	1.00	3.0%
St. Williams Water Distribution Systems - new installations	1,704.00	1,764.00	60.00	3.5%
Contractor Water Samples				
First sample	534.00	553.00	19.00	3.6%
Each additional sample	53.00	55.00	2.00	3.8%

SECTION 2

Capital Plan & Forecast

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DRAFT 2026-2035 RATE CAPITAL PLAN
SUMMARY BY PROJECT TYPE

Project Type	LTD Approved Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL FORECAST
Service Improvements & Studies	10,812,000		133,984,000	725,000	42,276,000	1,800,000	66,336,000					245,121,000
Renewal	2,657,000	8,511,000	50,526,000	8,164,000	3,091,000	56,440,000	2,687,000	2,182,000	7,481,000	39,271,000	1,931,000	180,284,000
Total PROJECT TYPES	13,469,000	8,511,000	184,510,000	8,889,000	45,367,000	58,240,000	69,023,000	2,182,000	7,481,000	39,271,000	1,931,000	425,405,000



DRAFT 2026-2035 RATE CAPITAL PLAN
SUMMARY BY FUNDING SOURCES

Funding Sources	LTD Approved Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL FORECAST
Grants			89,318,000	382,000	28,180,000	1,200,000	44,220,000					163,300,000
Debt Financing*	10,204,000		81,120,000	193,000	14,096,000	44,208,000	22,116,000			27,000,000		188,733,000
Reserves & Reserve Funds	2,657,000	8,383,000	12,520,000	8,152,000	2,932,000	12,644,000	2,535,000	2,020,000	7,320,000	12,101,000	1,757,000	70,364,000
Development Charges	608,000	128,000	1,552,000	162,000	159,000	188,000	152,000	162,000	161,000	170,000	174,000	3,008,000
TOTAL FUNDING SOURCES	13,469,000	8,511,000	184,510,000	8,889,000	45,367,000	58,240,000	69,023,000	2,182,000	7,481,000	39,271,000	1,931,000	425,405,000

**Includes Development Charge (DC) Debt of \$11,262,000 in 2030 and \$27,000,000 in 2034, for a total of \$38,262,000.*



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing*	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
Wastewater Capital Construction																	
Service Improvements & Studies																	
Studies & Assessments																	
5832641 Arc Flash Study All Towns - WW				150,000								150,000			(150,000)		(150,000)
Total Studies & Assessments				150,000								150,000			(150,000)		(150,000)
Total Service Improvements & Studies				150,000								150,000			(150,000)		(150,000)
Renewal																	
Major Wastewater Renewal Projects																	
5832422 Simcoe WWTP Phase 2 Upgrades	2,627,000		34,114,000									34,114,000		(24,494,000)	(9,620,000)		(34,114,000)
5832621 Sewage Pumping Station Optimization / Upgrades		1,250,000				10,250,000						11,500,000		(5,750,000)	(5,750,000)		(11,500,000)
5832622 Port Dover WWTP Phase 2 Upgrades				5,291,000		31,499,000						36,790,000		(31,499,000)	(5,291,000)		(36,790,000)
5833301 Waterford WWTP Capacity Expansion									4,500,000	30,000,000		34,500,000		(27,000,000)	(7,500,000)		(34,500,000)
5833201 Port Rowan WWTP Membrane Replacement										1,312,000		1,312,000			(1,312,000)		(1,312,000)
Total Major Wastewater Renewal Projects	2,627,000	1,250,000	34,114,000	5,291,000		41,749,000			4,500,000	31,312,000		118,216,000		(88,743,000)	(29,473,000)		(118,216,000)
Wastewater Equipment Renewal																	
5832549 Lagoon Outfall Pipe Riser - Waterford WWTP		40,000										40,000			(36,000)	(4,000)	(40,000)
5832551 Talbot Street SPS Fence - Simcoe WWTP		20,000										20,000			(18,000)	(2,000)	(20,000)
5832523 Sewage Lift Pump, Nelson PS - PD WWTP		95,000										95,000			(86,000)	(9,000)	(95,000)
5832526 Sewage Pump Lift 3, Bridge - PD WWTP		25,000										25,000			(23,000)	(2,000)	(25,000)
5832529 Sewage Lift Pump S2, Second PS - Simcoe WWTP		45,000										45,000			(41,000)	(4,000)	(45,000)
5832632 Sludge Loading Pump Installation - Delhi WWTP		30,000										30,000			(27,000)	(3,000)	(30,000)
5832635 Second Ave SPS Hydro Pole Replacement - WW		20,000										20,000			(18,000)	(2,000)	(20,000)
5832637 Mallard SPS Check & Isolation Valve Relacements		15,000										15,000			(14,000)	(1,000)	(15,000)
5832638 Digester 1 & 2 Blower Rebuids - Port Rowan WWTP		40,000										40,000			(36,000)	(4,000)	(40,000)
5832639 SAGR Blower Rebuild - WW		20,000										20,000			(18,000)	(2,000)	(20,000)
5832651 Filter Media Replacement - Delhi WW		125,000										125,000			(112,000)	(13,000)	(125,000)
5832652 Screening Auger in Headworks Replacement - WW		90,000										90,000			(81,000)	(9,000)	(90,000)
5832653 Digester Cleanout - Delhi WW		45,000										45,000			(40,000)	(5,000)	(45,000)
5832654 SPS Flow Meters - Phase 2 (All Sites)		85,000										85,000			(77,000)	(8,000)	(85,000)
5832655 Emergency Pump Repairs Program - WW		50,000										50,000			(45,000)	(5,000)	(50,000)
5832656 Emergency Gas / Level Sensor Replacement Program - WW		15,000										15,000			(14,000)	(1,000)	(15,000)
5832657 Raw Sewage Pump 2/VFD - Simcoe WWTP		12,000										12,000			(11,000)	(1,000)	(12,000)

* Includes Development Charge (DC) Debt of \$5,750,000 for Project 5832621 Sewage Pumping Station Optimization / Upgrades in 2030 and \$5,512,000 for Project 5832622 Port Dover WWTP Phase 2 Upgrades in 2030, and \$27,000,000 for Project 5833301 Waterford WWTP Capacity Expansion in 2034.



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832658 Rooftop Fixed Ladders - Waterford WWTP		50,000										50,000			(45,000)	(5,000)	(50,000)
5832659 Plant Bypass Meter Replacement - WW		40,000										40,000			(36,000)	(4,000)	(40,000)
5832721 New Sewage Lift Pump, Mallard Walk PS - WW		15,000										15,000			(14,000)	(1,000)	(15,000)
5832723 Raw Sludge Pump 2, North PH - Simcoe WWTP		50,000										50,000			(45,000)	(5,000)	(50,000)
5832803 Talbot Rd New Pump - WW		12,000										12,000			(11,000)	(1,000)	(12,000)
5832824 Digester Cleanout - Port Rowan WWTP		15,000										15,000			(14,000)	(1,000)	(15,000)
5832633 Turbo Blower Inspection & Report - Delhi WWTP			25,000									25,000			(23,000)	(2,000)	(25,000)
5832719 Sewage Lift Pump, Harbour St PS - PD WWTP			14,000									14,000			(13,000)	(1,000)	(14,000)
5832727 Sewage Lift Pump Set, Talbot PS - Simcoe WWTP			29,000									29,000			(26,000)	(3,000)	(29,000)
5832728 Sewage Lift Pump Set, Deer PS - Waterford WWTP			67,000									67,000			(61,000)	(6,000)	(67,000)
5832734 Aeration Blower Rebuids - Port Rowan WWTP			40,000									40,000			(36,000)	(4,000)	(40,000)
5832735 SAGR Blower 2 Rebuild - WW			21,000									21,000			(19,000)	(2,000)	(21,000)
5832742 Emergency Pump Repairs Program - WW			51,000									51,000			(46,000)	(5,000)	(51,000)
5832743 Emergency Gas / Level Sensor Replacement Program - WW			15,000									15,000			(14,000)	(1,000)	(15,000)
5832744 Sampler Replacement - WW			25,000									25,000			(23,000)	(2,000)	(25,000)
5832745 Western Ave Pump 2 Rebuild - Delhi WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832746 Effluent Back Wash Pump 1 Rebuild - Simcoe WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832747 Sludge Loading Pump 1 Rebuild - Simcoe WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832748 Blower 1 Rebuild - Simcoe WWTP			20,000									20,000			(18,000)	(2,000)	(20,000)
5832749 Raw Sewage Pump 1 Rebuild - Simcoe WWTP			20,000									20,000			(18,000)	(2,000)	(20,000)
5832750 Raw Sewage Pump 4 Rebuild - Simcoe WWTP			20,000									20,000			(18,000)	(2,000)	(20,000)
5832751 Gas Compressor Rebuild - Simcoe WWTP			15,000									15,000			(13,000)	(2,000)	(15,000)
5832752 Plant 1 Return Pump Rebuild - Simcoe WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832753 Blueline Pump Replacement - Waterford WWTP			20,000									20,000			(18,000)	(2,000)	(20,000)
5832754 Sidewalk Between SAGR Beds - Waterford WWTP			15,000									15,000			(13,000)	(2,000)	(15,000)
5832755 SAGR Influent Pump 1 Rebuild - Waterford WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832756 Filter Influent Pump 1 Rebuild - Waterford WWTP			20,000									20,000			(18,000)	(2,000)	(20,000)
5832757 Filter Reject Pump 1 Rebuild - Waterford WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832758 Effluent Water Pump 1 Rebuild - Waterford WWTP			15,000									15,000			(13,000)	(2,000)	(15,000)
5832759 Diesel Pump 1 Rebuild - Waterford WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832760 Diesel Pump 2 Rebuild - Waterford WWTP			11,000									11,000			(10,000)	(1,000)	(11,000)
5832761 Harbour St Hydrant Replacement - WW			11,000									11,000			(10,000)	(1,000)	(11,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832762 Bridge St Pump Replacement - WW			55,000									55,000			(49,000)	(6,000)	(55,000)
5832763 River Drive Pump 1 Rebuild - WW			20,000									20,000			(18,000)	(2,000)	(20,000)
5832764 Harbour St Pump 2 Rebuild - WW			11,000									11,000			(10,000)	(1,000)	(11,000)
5832765 Supernatant Pump 1 Spare - WW			18,000									18,000			(16,000)	(2,000)	(18,000)
5832766 Nelson St Isolation Valve Replacement - WW			60,000									60,000			(54,000)	(6,000)	(60,000)
5832767 Mallard Walk Pump 1 Rebuild - WW			11,000									11,000			(10,000)	(1,000)	(11,000)
5832768 Hauled Waste Pump Replacement - WW			15,000									15,000			(13,000)	(2,000)	(15,000)
5832769 Return Pump 1 Rebuild - WW			11,000									11,000			(10,000)	(1,000)	(11,000)
5832770 Membrane Blower 1 Rebuild - WW			20,000									20,000			(18,000)	(2,000)	(20,000)
5832550 Hillside SPS Check and Isolation Valve Installation				12,000								12,000			(11,000)	(1,000)	(12,000)
5832636 Front Road SPS New Pump				100,000								100,000			(90,000)	(10,000)	(100,000)
5832640 Sludge Mixer - Port Dover WWTP				58,000								58,000			(53,000)	(5,000)	(58,000)
5832732 Air Handling Unit - Port Dover WWTP				100,000								100,000			(90,000)	(10,000)	(100,000)
5832736 Sludge Mixer - Port Dover WWTP				100,000								100,000			(90,000)	(10,000)	(100,000)
5832819 Effluent Greenhouse Repairs - Simcoe WWTP				30,000								30,000			(27,000)	(3,000)	(30,000)
5832820 Second Ave SPS Pressure Sensor Replacement - WW				11,000								11,000			(10,000)	(1,000)	(11,000)
5832821 Airflow Meter for Digester - Delhi WWTP				20,000								20,000			(18,000)	(2,000)	(20,000)
5832823 SAGR Wet Well Pressure Sensor - WW				12,000								12,000			(11,000)	(1,000)	(12,000)
5832825 Raw Sludge Pumps (2x) - Port Rowan WWTP				75,000								75,000			(68,000)	(7,000)	(75,000)
5832826 Lagoon Sludge Clean Out - Waterford WWTP				250,000								250,000			(225,000)	(25,000)	(250,000)
5832827 Aeration Blower Rebuids - Port Rowan WWTP				21,000								21,000			(19,000)	(2,000)	(21,000)
5832828 SAGR Blower Rebuild - WW				21,000								21,000			(19,000)	(2,000)	(21,000)
5832829 Sludge Mixer - Port Dover WWTP				58,000								58,000			(52,000)	(6,000)	(58,000)
5832832 Emergency Pump Repairs Program - WW				52,000								52,000			(47,000)	(5,000)	(52,000)
5832833 Emergency Gas / Level Sensor Replacement Program - WW				16,000								16,000			(14,000)	(2,000)	(16,000)
5832834 Sampler Replacement - WW				26,000								26,000			(23,000)	(3,000)	(26,000)
5832835 Grit Pump Rebuild - Delhi WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832836 Talbot Rd Isolation Valve Resplacement - Delhi WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832837 Trojan UV Control Panel PLC Upgrade - Delhi WWTP				40,000								40,000			(36,000)	(4,000)	(40,000)
5832838 Decou Rd Pump 2 Rebuild - Simcoe WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832839 Effluent Back Wash Pump 2 Rebuild - Simcoe WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832840 Sludge Transfer Pump - Simcoe WWTP				25,000								25,000			(23,000)	(2,000)	(25,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832841 Sludge Loading Pump 2 Rebuild - Simcoe WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832842 Blower 2 Rebuild - Simcoe WWTP				20,000								20,000			(18,000)	(2,000)	(20,000)
5832843 Raw Sewage Pumps 2 & 3 Rebuild - Simcoe WWTP				40,000								40,000			(36,000)	(4,000)	(40,000)
5832844 Plant 1 Return Pump 2 Rebuild - Simcoe WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832845 SAGR Influent Pump 2 Rebuild - Waterford WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832846 Filter Influent Pump 2 Rebuild - Waterford WWTP				20,000								20,000			(18,000)	(2,000)	(20,000)
5832847 Filter Reject Pump 2 Rebuild - Waterford WWTP				11,000								11,000			(10,000)	(1,000)	(11,000)
5832848 Effluent Water Pump 1 Rebuild - Waterford WWTP				15,000								15,000			(14,000)	(1,000)	(15,000)
5832849 River Dr Pump 2 Rebuild - WW				20,000								20,000			(18,000)	(2,000)	(20,000)
5832850 Nelson St Check Valve Replacement - WW				50,000								50,000			(45,000)	(5,000)	(50,000)
5832851 Membrane Blower 2 Rebuild - WW				20,000								20,000			(18,000)	(2,000)	(20,000)
5832720 Sewage Lift Pump Set, Ducks Landing PS - WW					18,000							18,000			(17,000)	(1,000)	(18,000)
5832822 River Drive SPS Generator Replacement - WW					250,000							250,000			(225,000)	(25,000)	(250,000)
5832902 2029 Wastewater Equip Replacements & Upgrades					401,000							401,000			(361,000)	(40,000)	(401,000)
5832910 Primary Raw Sludge Pump, Primary Bldg - PD WWTP					19,000							19,000			(17,000)	(2,000)	(19,000)
5832917 Mallard Walk SPS Pressure Sensor - WW					12,000							12,000			(11,000)	(1,000)	(12,000)
5832919 Emergency Pump Repairs Program - WW					54,000							54,000			(49,000)	(5,000)	(54,000)
5832920 Emergency Gas / Level Sensor Replacement Program - WW					17,000							17,000			(15,000)	(2,000)	(17,000)
5832921 Sampler Replacement - WW					27,000							27,000			(24,000)	(3,000)	(27,000)
5832922 St. Mikes SPS Spare Pump - Delhi WWTP					18,000							18,000			(17,000)	(1,000)	(18,000)
5832923 Main St Pump 1 Rebuild - Delhi WWTP					20,000							20,000			(18,000)	(2,000)	(20,000)
5832924 Scum Pump Rebuild - Delhi WWTP					12,000							12,000			(11,000)	(1,000)	(12,000)
5832925 Decou Rd Pump 1 Rebuild - Simcoe WWTP					11,000							11,000			(10,000)	(1,000)	(11,000)
5832926 Blower 3 Rebuild - Simcoe WWTP					20,000							20,000			(18,000)	(2,000)	(20,000)
5832927 South Raw Sludge Pump Replacement (2x) - Simcoe WWTP					100,000							100,000			(90,000)	(10,000)	(100,000)
5832928 Nelson St Pump 3 Rebuild - WW					11,000							11,000			(10,000)	(1,000)	(11,000)
5832929 Ryerse Cr Pump 3 Rebuild - WW					11,000							11,000			(10,000)	(1,000)	(11,000)
5832930 Don Jon Pump 1 Rebuild - WW					11,000							11,000			(10,000)	(1,000)	(11,000)
5832931 Supernatant Pump 1 Rebuild - WW					11,000							11,000			(10,000)	(1,000)	(11,000)
5832932 Scum Pump 1 Rebuild - WW					12,000							12,000			(11,000)	(1,000)	(12,000)
5832933 Spare Grit Blower and Mower - WW					11,000							11,000			(10,000)	(1,000)	(11,000)
5832934 Membrane Blower 3 Rebuild - WW					20,000							20,000			(18,000)	(2,000)	(20,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832716 Sewage Lift Pump Set, Storm Water PS - Delhi WWTP						31,000						31,000			(28,000)	(3,000)	(31,000)
5833002 2030 Wastewater Equip Replacements & Upgrades						635,000						635,000			(572,000)	(63,000)	(635,000)
5833019 Fencing Headworks - Waterford WWTP						11,000						11,000			(10,000)	(1,000)	(11,000)
5833021 Emergency Pump Repairs Program - WW						55,000						55,000			(50,000)	(5,000)	(55,000)
5833022 Emergency Gas / Level Sensor Replacement Program - WW						18,000						18,000			(16,000)	(2,000)	(18,000)
5833023 Main St Pump 2 Rebuild - Delhi WWTP						11,000						11,000			(10,000)	(1,000)	(11,000)
5833024 Sludge Loading Pump Rebuild - Delhi WWTP						25,000						25,000			(23,000)	(2,000)	(25,000)
5833025 North Raw Sludge Pump 2 Rebuild - Simcoe WWTP						25,000						25,000			(23,000)	(2,000)	(25,000)
5833026 Deer Park Pump 2 Rebuild - Waterford WWTP						25,000						25,000			(23,000)	(2,000)	(25,000)
5833027 Nelson St Generator Replacement with Natural Gas - WW						250,000						250,000			(225,000)	(25,000)	(250,000)
5833028 Bridge St New Pump - WW						55,000						55,000			(50,000)	(5,000)	(55,000)
5833029 Lynn St Pump Rebuild - WW						11,000						11,000			(10,000)	(1,000)	(11,000)
5833030 Don Jon Pump 2 Rebuild - WW						11,000						11,000			(10,000)	(1,000)	(11,000)
5833031 Scum Pump 2 Rebuild - WW						12,000						12,000			(11,000)	(1,000)	(12,000)
5833032 Hauled Waste Pump Replacement - WW						15,000						15,000			(14,000)	(1,000)	(15,000)
5833112 2031 Wastewater Equip Replacements & Upgrades							863,000					863,000			(777,000)	(86,000)	(863,000)
5833118 Lagoon Sludge Clean Out - Waterford WWTP							250,000					250,000			(225,000)	(25,000)	(250,000)
5532633 2032 Wastewater Equipment Replc & Upgrades								1,141,000				1,141,000			(1,027,000)	(114,000)	(1,141,000)
5833303 2033 Wastewater Equipment Replc & Upgrades									1,170,000			1,170,000			(1,053,000)	(117,000)	(1,170,000)
5833404 2034 Wastewater Equipment Replc & Upgrades										1,199,000		1,199,000			(1,080,000)	(119,000)	(1,199,000)
5833504 2035 Wastewater Equipment Replc & Upgrades											1,229,000	1,229,000			(1,107,000)	(122,000)	(1,229,000)
Total Wastewater Equipment Renewal		954,000	752,000	1,300,000	1,066,000	1,190,000	1,113,000	1,141,000	1,170,000	1,199,000	1,229,000	11,114,000			(10,019,000)	(1,095,000)	(11,114,000)
Supervisory Control & Data Acquisition Equipment Renewal																	
5832605 2026 SCADA Replacements - Wastewater		68,000										68,000			(68,000)		(68,000)
5832618 2026 SPS PLC Replacements - Various SPS		59,000										59,000			(59,000)		(59,000)
5832619 2026 Historian Server Replacements - Wastewater		29,000										29,000			(29,000)		(29,000)
5832649 Dialer Upgrades - WW		15,000										15,000			(15,000)		(15,000)
5832650 Membrane Panel HMI Replacement - WW		15,000										15,000			(15,000)		(15,000)
5832703 2027 SCADA Replacements - Wastewater			61,000									61,000			(61,000)		(61,000)
5832714 2027 PLC Replacements - PR WWTP & Various SPS			126,000									126,000			(126,000)		(126,000)
5832741 Disk Filters 1 & 2 Control Panel Replacement - Simcoe WWTP			15,000									15,000			(15,000)		(15,000)
5832805 2028 SCADA Replacements - Wastewater				78,000								78,000			(78,000)		(78,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832816 2028 PLC Replacements - Various SPS				129,000								129,000			(129,000)		(129,000)
5832817 2028 Historian Server Replacements - Wastewater				74,000								74,000			(74,000)		(74,000)
5832906 2029 SCADA Replacements - Wastewater					101,000							101,000			(101,000)		(101,000)
5833004 2030 SCADA Replacements - Wastewater						85,000						85,000			(85,000)		(85,000)
5833016 2030 PLC Replacements - Delhi WWTP						190,000						190,000			(190,000)		(190,000)
5833017 2030 Historian Server Replacements - WW						33,000						33,000			(33,000)		(33,000)
5833113 2031 SCADA Replacements - Wastewater							87,000					87,000			(87,000)		(87,000)
5833114 2031 PLC Replacements - Simcoe WWTP & SPS							106,000					106,000			(106,000)		(106,000)
1532301 2032 Historian Server Replacements - Wastewater								35,000				35,000			(35,000)		(35,000)
5832343 2032 SCADA Replacements - Wastewater								89,000				89,000			(89,000)		(89,000)
5833302 2033 Historian Server Replacements - Wastewater									36,000			36,000			(36,000)		(36,000)
5833304 2033 SCADA Replacements - Wastewater									91,000			91,000			(91,000)		(91,000)
5833403 2034 SCADA Replacements - Wastewater										93,000		93,000			(93,000)		(93,000)
5833503 2035 SCADA Replacements - Wastewater											94,000	94,000			(94,000)		(94,000)
Total Supervisory Control & Data Acquisition Equipment Renewal		186,000	202,000	281,000	101,000	308,000	193,000	124,000	127,000	93,000	94,000	1,709,000			(1,709,000)		(1,709,000)
Other Renewal Projects																	
5832801 SAGR Media Replacement - Waterford WWTP				174,000								174,000			(174,000)		(174,000)
5832814 Media Filter Replacement - Delhi WWTP				178,000								178,000			(178,000)		(178,000)
5832815 UV Bulb Replacement - Delhi WWTP				100,000								100,000			(100,000)		(100,000)
5833015 Media Replacements - Simcoe WWTP								362,000				362,000			(362,000)		(362,000)
Total Other Renewal Projects				452,000				362,000				814,000			(814,000)		(814,000)
Total Renewal	2,627,000	2,390,000	35,068,000	7,324,000	1,167,000	43,247,000	1,306,000	1,627,000	5,797,000	32,604,000	1,323,000	131,853,000		(88,743,000)	(42,015,000)	(1,095,000)	(131,853,000)
Total Wastewater Capital Construction	2,627,000	2,390,000	35,068,000	7,474,000	1,167,000	43,247,000	1,306,000	1,627,000	5,797,000	32,604,000	1,323,000	132,003,000		(88,743,000)	(42,165,000)	(1,095,000)	(132,003,000)
Water Capital Construction																	
Service Improvements & Studies																	
Proposed Inter Urban Water Supply Program																	
5832236 IUWS Phase 1 : Simcoe Transmission Watermain	4,812,000		53,158,000									53,158,000	(35,438,000)	(17,720,000)			(53,158,000)
5832414 IUWS Phase 1 : Nanticoke WTP Upgrade #1 (10MLD)	6,000,000		45,232,000									45,232,000	(30,154,000)	(15,078,000)			(45,232,000)
5832737 IUWS Phase 1: Simcoe to Booster Pumping Station			11,300,000									11,300,000	(7,533,000)	(3,767,000)			(11,300,000)
5832738 IUWS Phase 1: Elevated Tank			18,800,000									18,800,000	(12,533,000)	(6,267,000)			(18,800,000)
5832627 IUWS Phase 2 : Vertical Capital			2,049,000		18,457,000							20,506,000	(13,670,000)	(6,836,000)			(20,506,000)
5832628 IUWS Phase 2 : Feeder Mains to ET and Simcoe			2,180,000		16,367,000							18,547,000	(12,362,000)	(6,185,000)			(18,547,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832629 IUWS Phase 2: Nanticoke Reservoir Baffling			825,000									825,000	(550,000)	(275,000)			(825,000)
5832630 IUWS Nanticoke Reservoir Transfer System			345,000									345,000	(230,000)	(115,000)			(345,000)
5832631 IUWS Townsend Watermain Upsizing (NCP to SQ Rd)			95,000	575,000								670,000	(444,000)	(226,000)			(670,000)
5832912 IUWS Phase 3A Waterford: Vertical Capital					1,386,000		12,016,000					13,402,000	(8,934,000)	(4,468,000)			(13,402,000)
5832913 IUWS Phase 3B Delhi: Vertical Capital					2,837,000		26,008,000					28,845,000	(19,228,000)	(9,617,000)			(28,845,000)
5832914 IUWS Townsend Watermain Upsizing - Main to ET					250,000	1,800,000						2,050,000	(1,366,000)	(684,000)			(2,050,000)
5832915 IUWS Phase 3A Waterford: Feeder Mains to ET					1,077,000		9,875,000					10,952,000	(7,300,000)	(3,652,000)			(10,952,000)
5832916 IUWS Phase 3B Delhi: Feeder Mains to ET					1,902,000		18,437,000					20,339,000	(13,558,000)	(6,781,000)			(20,339,000)
Total Proposed Inter Urban Water Supply Program	10,812,000		133,984,000	575,000	42,276,000	1,800,000	66,336,000					244,971,000	(163,300,000)	(81,671,000)			(244,971,000)
Total Service Improvements & Studies	10,812,000		133,984,000	575,000	42,276,000	1,800,000	66,336,000					244,971,000	(163,300,000)	(81,671,000)			(244,971,000)
Renewal																	
Major Water Renewal Projects																	
5832642 Port Dover Water Tower Rehab		4,000,000										4,000,000			(4,000,000)		(4,000,000)
5832809 Pt Rowan to St Williams Transmission Wtrmn - Ph 2/2		937,000	13,393,000									14,330,000		(11,960,000)	(937,000)	(1,433,000)	(14,330,000)
5832739 Waterford Standpipe Rehab			200,000									200,000			(200,000)		(200,000)
5832911 Port Dover WTP Building Reconstruction		300,000	1,000,000									1,300,000			(1,300,000)		(1,300,000)
5833007 Simcoe Water Tower Rehabilitation						6,359,000						6,359,000		(6,359,000)			(6,359,000)
5833009 Port Rowan Water Tower Rehabilitation						1,080,000						1,080,000			(1,080,000)		(1,080,000)
5833309 Waterford WTP Assesssment & Construction									882,000	6,000,000		6,882,000			(6,882,000)		(6,882,000)
Total Major Water Renewal Projects		5,237,000	14,593,000			7,439,000			882,000	6,000,000		34,151,000		(18,319,000)	(14,399,000)	(1,433,000)	(34,151,000)
Water Equipment Renewal																	
5832603 2026 Water Equipment Replacements & Upgrades		115,000										115,000			(104,000)	(11,000)	(115,000)
5832643 PRV and Chamber - Delhi / Courtland Water		150,000										150,000			(135,000)	(15,000)	(150,000)
5832644 Valves and Actuators Filter 2 - Waterford WTP		100,000										100,000			(90,000)	(10,000)	(100,000)
5832614 GAC Filter Replacement - Port Rowan WTP			232,000									232,000			(209,000)	(23,000)	(232,000)
5832704 2027 Water Equipment Replacements & Upgrades			118,000									118,000			(106,000)	(12,000)	(118,000)
5832711 Pump Replacement / Rebuild - Cedar St Booster Station			96,000									96,000			(96,000)		(96,000)
5832731 Delhi Water Depot			8,000	53,000								61,000			(55,000)	(6,000)	(61,000)
5832740 Valves and Actuators Filter 3 - Waterford WTP			102,000									102,000			(92,000)	(10,000)	(102,000)
5832802 2028 Water Equipment Replacements & Upgrades				121,000								121,000			(109,000)	(12,000)	(121,000)
5832811 Generator Replacement - Delhi Well				227,000								227,000			(227,000)		(227,000)
5832812 Motor Control Centre Replacement - Delhi Well 2				74,000								74,000			(67,000)	(7,000)	(74,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5832831 Valves and Actuators Filter 1 - Simcoe WTP				105,000								105,000			(95,000)	(10,000)	(105,000)
5832901 2029 Water Equipment Replacements & Upgrades					124,000							124,000			(112,000)	(12,000)	(124,000)
5832908 Generator Replacement - Waterford WTP					239,000							239,000			(215,000)	(24,000)	(239,000)
5832909 Motor Control Centre Replacement - Waterford WTP					94,000							94,000			(85,000)	(9,000)	(94,000)
5832918 Valves and Actuators Filter 2 - Simcoe WTP					107,000							107,000			(97,000)	(10,000)	(107,000)
5833001 2030 Water Equipment Replacements & Upgrades						127,000						127,000			(114,000)	(13,000)	(127,000)
5833008 Generator Replacement - Courtland Booster						210,000						210,000			(189,000)	(21,000)	(210,000)
5833011 Generator Replacement - Simcoe NW Reservoir						206,000						206,000			(185,000)	(21,000)	(206,000)
5833012 Motor Control Centre Replacement - Simcoe NW Reservoir						78,000						78,000			(70,000)	(8,000)	(78,000)
5833020 Valves and Actuators Filter 3 - Simcoe WTP						109,000						109,000			(99,000)	(10,000)	(109,000)
5833101 2031 Water Equipment Replacements & Upgrades							219,000					219,000			(198,000)	(21,000)	(219,000)
5833105 Motor Control Centre Replacement - Port Dover WTP							153,000					153,000			(138,000)	(15,000)	(153,000)
5833115 Filter Media Replacement (3x) - Water							50,000					50,000			(45,000)	(5,000)	(50,000)
5833116 Port Rowan / St. Williams Pump Rehabs - Water							52,000					52,000			(52,000)		(52,000)
5832351 2032 Water Equipment Replacements & Upgrades								485,000				485,000			(437,000)	(48,000)	(485,000)
5833306 2033 Water Equipment Replacements & Upgrades									443,000			443,000			(399,000)	(44,000)	(443,000)
5833308 Port Dover Pump Rehabs - Water									55,000			55,000			(55,000)		(55,000)
5833402 2034 Water Equipment Replacements & Upgrades										510,000		510,000			(459,000)	(51,000)	(510,000)
5833501 2035 Water Equipment Replacements & Upgrades											523,000	523,000			(471,000)	(52,000)	(523,000)
Total Water Equipment Renewal		365,000	556,000	580,000	564,000	730,000	474,000	485,000	498,000	510,000	523,000	5,285,000			(4,805,000)	(480,000)	(5,285,000)
Supervisory Control & Data Acquisition Equipment Renewal																	
5832601 2026 SCADA Replacements - Water		135,000										135,000			(135,000)		(135,000)
5832617 2026 Historian Server Replacement - Cedar St Water		20,000										20,000			(20,000)		(20,000)
5832702 2027 SCADA Replacements - Water			144,000									144,000			(144,000)		(144,000)
5832713 2027 Historian Server Replacements - Water			103,000									103,000			(103,000)		(103,000)
5832804 2028 SCADA Replacements - Water				152,000								152,000			(152,000)		(152,000)
5832905 2029 SCADA Replacements - Water					166,000							166,000			(166,000)		(166,000)
5833003 2030 SCADA Replacements - Water						144,000						144,000			(144,000)		(144,000)
5833013 2030 Historian Server Replacement - Cedar St						22,000						22,000			(22,000)		(22,000)
5833014 2030 PLC Replacements - Water						104,000						104,000			(104,000)		(104,000)
5833109 2031 SCADA Replacements - Water							145,000					145,000			(145,000)		(145,000)
5833110 2031 Historian Server Replacements - Water							115,000					115,000			(115,000)		(115,000)



DRAFT 2026-2035 RATE CAPITAL PLAN

	LTD APPROVED BUDGET	DRAFT CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)
5833111 2031 PLC Replacements - Water							76,000					76,000			(76,000)		(76,000)
5833305 2033 PLC Replacements - Water									80,000			80,000			(80,000)		(80,000)
5833307 2033 Historian Server Replacements - Water									82,000			82,000			(82,000)		(82,000)
5833401 2034 Historian Server Replacements - Water										84,000		84,000			(84,000)		(84,000)
5833502 2035 Historian Server Replacements - Water											85,000	85,000			(85,000)		(85,000)
Total Supervisory Control & Data Acquisition Equipment Renewal		155,000	247,000	152,000	166,000	270,000	336,000		162,000	84,000	85,000	1,657,000			(1,657,000)		(1,657,000)
Well Renewal																	
5832615 2026 Well Rehabilitation Program - Delhi 3a&3b		60,000										60,000			(60,000)		(60,000)
5832645 2026 Well Rehabilitation Program - Simcoe NW2 (2x)		120,000										120,000			(120,000)		(120,000)
5832646 2026 Well Rehabilitation Program - Simcoe NW3		40,000										40,000			(40,000)		(40,000)
5832647 2026 Well Rehabilitation Program - Simcoe Chapel St		35,000										35,000			(35,000)		(35,000)
5832648 2026 Well Rehabilitation Program - Simcoe Cedar St		35,000										35,000			(35,000)		(35,000)
5832706 2027 Well Rehabilitation Program - Waterford 4			62,000									62,000			(62,000)		(62,000)
5832807 2028 Well Rehabilitation Program - Delhi 1				58,000								58,000			(58,000)		(58,000)
5832813 2028 Well Rehabilitation Program - Waterford 3				50,000								50,000			(50,000)		(50,000)
5832903 2029 Well Rehabilitation Program - Delhi 2					58,000							58,000			(58,000)		(58,000)
5833108 2031 Well Rehabilitation Program - Delhi 3a&3b							90,000					90,000			(90,000)		(90,000)
5833203 2032 Well Rehabilitation Program - Waterford 4								70,000				70,000			(70,000)		(70,000)
5833310 2033 Well Rehabilitation Program - Waterford 3									71,000			71,000			(71,000)		(71,000)
5833311 2033 Well Rehabilitation Program - Delhi 1									71,000			71,000			(71,000)		(71,000)
5833405 2034 Well Rehabilitation Program - Delhi 2										73,000		73,000			(73,000)		(73,000)
Total Well Renewal		290,000	62,000	108,000	58,000		90,000	70,000	142,000	73,000		893,000			(893,000)		(893,000)
Other Renewal Projects																	
5832616 Courtland Booster Station Rehabilitation & Inspection	30,000	74,000										74,000			(74,000)		(74,000)
5833102 Well UV System - Delhi							481,000					481,000			(481,000)		(481,000)
Total Other Renewal Projects	30,000	74,000					481,000					555,000			(555,000)		(555,000)
Disposals / Decommissioning																	
5832626 IUWS: Decommissioning Simcoe WTP					1,136,000	4,754,000						5,890,000			(5,890,000)		(5,890,000)
Total Disposals / Decommissioning					1,136,000	4,754,000						5,890,000			(5,890,000)		(5,890,000)
Total Renewal	30,000	6,121,000	15,458,000	840,000	1,924,000	13,193,000	1,381,000	555,000	1,684,000	6,667,000	608,000	48,431,000		(18,319,000)	(28,199,000)	(1,913,000)	(48,431,000)
Total Water Capital Construction	10,842,000	6,121,000	149,442,000	1,415,000	44,200,000	14,993,000	67,717,000	555,000	1,684,000	6,667,000	608,000	293,402,000	(163,300,000)	(99,990,000)	(28,199,000)	(1,913,000)	(293,402,000)
Total PROJECT TYPES	13,469,000	8,511,000	184,510,000	8,889,000	45,367,000	58,240,000	69,023,000	2,182,000	7,481,000	39,271,000	1,931,000	425,405,000	(163,300,000)	(188,733,000)	(70,364,000)	(3,008,000)	(425,405,000)

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SECTION 3

Operating Budget

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DRAFT 2026 RATE OPERATING BUDGET

WATER AND WASTEWATER



	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
EXPENDITURES									
Salaries & Benefits	4,742,100	4,772,700	140,500	2.9	208,700	0	5,121,900	349,200	7.3
Materials & Supplies	2,485,700	2,501,000	147,300	5.9	0	0	2,648,300	147,300	5.9
Services	6,518,900	6,716,100	442,700	6.6	25,500	0	7,184,300	468,200	7.0
Interdepartmental Charges	6,580,900	6,604,000	1,456,300	22.1	0	0	8,060,300	1,456,300	22.1
Debt Servicing Costs	3,782,600	14,338,200	(2,060,600)	(14.4)	0	0	12,277,600	(2,060,600)	(14.4)
Reserve & Reserve Fund Contributions	18,326,900	8,703,300	4,819,100	55.4	0	0	13,522,400	4,819,100	55.4
TOTAL EXPENDITURES	42,437,000	43,635,300	4,945,300	11.3	234,200	0	48,814,800	5,179,500	11.9
REVENUES									
Financial Charges/Investment Income	(202,200)	(202,500)	(500)	(0.2)	0	0	(203,000)	500	0.2
Fees & Service Charges	(1,000,400)	(1,041,900)	52,400	5.0	0	0	(989,500)	(52,400)	(5.0)
Transfer From Reserve & Reserve Funds	(911,300)	(1,775,300)	(375,600)	(21.2)	(234,200)	0	(2,385,100)	609,800	34.3
Interdepartmental Recoveries	(7,806,100)	(7,823,000)	(1,266,200)	(16.2)	0	0	(9,089,200)	1,266,200	16.2
Water & Wastewater Rates	(32,806,500)		(3,355,400)	(10.2)					
TOTAL REVENUES	(42,726,500)	(10,842,700)	(1,589,900)	(14.7)	(234,200)	0	(12,666,800)	1,824,100	16.8
NET RATE REQUIREMENT		32,792,600	3,355,400	10.2	0	0	36,148,000	3,355,400	10.2
FORECASTED SURPLUS/(DEFICIT)	289,500								
STAFFING COMPLEMENT		37.09	0.00	0.00	2.00	0.00	39.09	2.00	

Executive Summary

Environmental Services – Water and Wastewater Administration

Department Function/Services

- The safe treatment and distribution of potable water
- The safe collection and treatment of sanitary sewage
- The preparation of lifecycle plans, operating and capital budgets

Upcoming Main Objectives, Initiatives or Milestones

1. Preparation and implementation of Water and Wastewater Billing

Challenges, Emerging Trends, Service Issues

1. Aging Infrastructure
2. Dealing with lengthy supply and delivery times when procuring supplies
3. Managing long-term assets amidst increasing costs and economic inflation

Summary of Council Approved Initiatives (CAIs) and New Budget Initiatives (NBIs)

Name	Description	2026 Net Rate Impact (\$)	FTEs
CAI – W/WW In House Billing	As per report CS-25-063 - Water and Wastewater Billing Services Analysis - implementation of In-House billing - to be fully operational for 2027 billing – funded from reserves for 2026 (full impact in 2027)	-	2.0



DRAFT 2026 RATE OPERATING BUDGET
Water & Wastewater Administration

	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
EXPENDITURES									
Salaries & Benefits	2,477,300	2,410,000	119,700	5.0	208,700	0	2,738,400	328,400	13.6
Materials & Supplies	41,400	41,900	6,500	15.5	0	0	48,400	6,500	15.5
Services	1,057,500	1,067,900	42,000	3.9	25,500	0	1,135,400	67,500	6.3
Interdepartmental Charges	1,431,500	1,437,700	664,000	46.2	0	0	2,101,700	664,000	46.2
TOTAL EXPENDITURES	5,007,700	4,957,500	832,200	16.8	234,200	0	6,023,900	1,066,400	21.5
REVENUES									
Financial Charges/Investment Income	(200,000)	(200,000)	0	0.0	0	0	(200,000)	0	0.0
Fees & Service Charges	(1,200)	(1,700)	200	11.8	0	0	(1,500)	(200)	(11.8)
Transfer From Reserve & Reserve Funds	(67,700)	0	0	0.0	(234,200)	0	(234,200)	234,200	100.0
Interdepartmental Recoveries	(4,738,900)	(4,755,800)	(832,400)	(17.5)	0	0	(5,588,200)	832,400	17.5
TOTAL REVENUES	(5,007,800)	(4,957,500)	(832,200)	(16.8)	(234,200)	0	(6,023,900)	1,066,400	21.5
NET RATE REQUIREMENT		0	0	0.0	0	0	0	0	0.0
FORECASTED SURPLUS/(DEFICIT)	100								
STAFFING COMPLEMENT		18.10	0.00	0.00	2.00	0.00	20.10	2.00	

Executive Summary

Environmental Services - Water

Department Function/Services

- The safe treatment and distribution of potable water
- The preparation of lifecycle plans, operating and capital budgets

Performance Measures

Measurable Service	2023	2024	2025 as of August 31	2025 Projected
Length of watermain (km)	311	312	312	312
Volume of water treated and distributed (m³)	3,653,529	3,652,434	2,569,414	3,779,956
Number of watermain breaks	16	14	9	12

Prior Year Achievements

1. Substantial completion of the upgrades to the Port Dover Water Treatment Plant
2. Capital upgrades underway at the Port Rowan Water Treatment Plant
3. Installation of new level sensors in the Port Rowan Water Tower

Upcoming Main Objectives, Initiatives or Milestones

1. Inspection, cleaning and painting of the Port Dover Water Tower
2. Raw water intake inspection and repairs at the Port Dover Water Treatment Plant
3. Implementation of new water meter software in combination with non-revenue water tracking

Challenges, Emerging Trends, Service Issues

1. Aging Infrastructure
2. Dealing with lengthy supply and delivery times when procuring supplies for Water Operations
3. Managing long-term assets amidst increasing costs and economic inflation

Executive Summary

Environmental Services - Water

Top Budget Drivers

- | | | |
|----|---------------|--|
| 1. | \$3,303,300 | Reserve Contributions |
| 2. | (\$1,176,200) | Debt Servicing Costs incl. DC Debt |
| 3. | (\$433,800) | Fire Protection - Interdepartmental Recoveries |
| 4. | \$425,400 | Interdepartmental Charges |
| 5. | (\$372,200) | DC Reserve Fund Transfer for Growth-related Debt Servicing Costs |

Top Budget Driver Explanations

The increase in reserve contributions is driven by adhering to the long-term rate forecast required to fund future capital and operating spending.

The decrease in debt servicing costs is driven by mitigating debt previously approved to fund the Port Rowan WTP Intake Upgrades, Port Dover WTP Phase 2 (Clarifier), and IUWS Engineering by re-optimizing reserve commitments through this budget process and utilizing excess capacity.

The increase in interdepartmental recoveries is driven by an increase to the underlying costs of treating and distributing water, which is used by the Fire Department for preventing the spread of fires and putting out fires, and is recovered from tax levy.

The increase in interdepartmental charges is driven by a change in methodology for the charging of corporate support services to each of the departments that receive the support from them.

The increase in transfers from the DC Reserve Fund is driven by increased DC-eligible capital spending being identified in 2026 over previous years.

Summary of Council Approved Initiatives (CAIs) and New Budget Initiatives (NBIs)

N/A

DRAFT 2026 RATE OPERATING BUDGET

Water Operations



	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
EXPENDITURES									
Salaries & Benefits	2,213,100	2,311,000	39,300	1.7	0	0	2,350,300	39,300	1.7
Materials & Supplies	1,271,700	1,257,400	165,400	13.2	0	0	1,422,800	165,400	13.2
Services	1,606,000	1,922,200	165,100	8.6	0	0	2,087,300	165,100	8.6
Interdepartmental Charges	2,975,500	2,984,800	425,400	14.3	0	0	3,410,200	425,400	14.3
Debt Servicing Costs	926,700	6,310,500	(1,176,200)	(18.6)	0	0	5,134,300	(1,176,200)	(18.6)
Reserve & Reserve Fund Contributions	9,081,600	4,089,100	3,303,300	80.8	0	0	7,392,400	3,303,300	80.8
TOTAL EXPENDITURES	18,074,700	18,875,000	2,922,300	15.5	0	0	21,797,300	2,922,300	15.5
REVENUES									
Financial Charges/Investment Income	(2,200)	(2,500)	(500)	(20.0)	0	0	(3,000)	500	20.0
Fees & Service Charges	(346,400)	(367,800)	2,200	0.6	0	0	(365,600)	(2,200)	(0.6)
Transfer From Reserve & Reserve Funds	(71,800)	(462,500)	(372,200)	(80.5)	0	0	(834,700)	372,200	80.5
Interdepartmental Recoveries	(3,067,200)	(3,067,200)	(433,800)	(14.1)	0	0	(3,501,000)	433,800	14.1
Water & Wastewater Rates	(14,990,500)		(2,118,000)	(14.1)					
TOTAL REVENUES	(18,478,100)	(3,900,000)	(804,300)	(20.6)	0	0	(4,704,300)	804,300	20.6
NET RATE REQUIREMENT		14,975,000	2,118,000	14.1	0	0	17,093,000	2,118,000	14.1
FORECASTED SURPLUS/(DEFICIT)	403,400								
STAFFING COMPLEMENT		18.68	0.05	0.27	0.00	0.00	18.73	0.05	

Executive Summary

Environmental Services - Wastewater

Department Function/Services

- The safe collection and treatment of sanitary sewage
- The preparation of life-cycle plans, operating, and capital budgets

Performance Measures

Measurable Service	2023	2024	2025 as of August 31	2025 Projected
Length of County-owned sanitary sewer (km)	232	233	234	235
Volume of wastewater collected and treated (m³)	5,415,497	5,359,346	3,830,104	5,384,088
Number of sanitary sewer main blockages	5	4	0	0

Prior Year Achievements

1. Installation of flow meters at all sewage pumping stations in Delhi and Port Rowan
2. Successful continuation of the Inflow and Infiltration program in Port Dover and Port Rowan
3. Capital upgrades at the Port Dover Wastewater Treatment Plant, and sludge removal at the Waterford Lagoons

Upcoming Main Objectives, Initiatives or Milestones

1. Capital planning for upgrades to the Simcoe Wastewater Treatment Plant and condition assessments for forcemains in Port Dover
2. Inflow and Infiltration monitoring in Delhi with smoke testing and repairs in Port Dover and Port Rowan
3. Sanitary flushing program to target twenty percent of County-owned infrastructure each year

Challenges, Emerging Trends, Service Issues

1. Aging Infrastructure
2. Dealing with lengthy supply and delivery times when procuring supplies for Wastewater Operations
3. Managing long-term assets amidst increasing costs and economic inflation

Executive Summary

Environmental Services - Wastewater

Top Budget Drivers

- 1. \$1,515,800 Reserve Contributions
- 2. (\$884,400) Debt Servicing Costs incl. DC Debt
- 3. \$366,900 Interdepartmental Charges
- 4. \$201,300 Contracted Services
- 5. \$50,000 Non-Rate Revenues

Top Budget Driver Explanations

The increase in reserve contributions is driven by adhering to the long-term rate forecast required to fund future capital and operating spending.

The decrease in debt servicing costs is driven by mitigating debt previously approved to fund the Port Dover WWTP Phase 1 by re-optimizing reserve commitments through this budget process and utilizing excess capacity.

The increase in interdepartmental charges is driven by a change in methodology for the charging of corporate support services to each of the departments that receive the support from them.

The increase in contracted services is driven by inflationary increases to the contract for operating the County’s wastewater treatment plants, and ESA compliance work required at the Port Dover WWTP.

The decrease in non-rate revenues is driven by adding conservatism to the forecasted collections of leachate disposal fees, partially offset by an anticipated increase in Holding Tank Disposal fees.

Summary of Council Approved Initiatives (CAIs) and New Budget Initiatives (NBIs)

N/A



DRAFT 2026 RATE OPERATING BUDGET
Wastewater Operations

	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
EXPENDITURES									
Salaries & Benefits	51,700	51,700	(18,500)	(35.8)	0	0	33,200	(18,500)	(35.8)
Materials & Supplies	1,172,500	1,201,700	(24,600)	(2.0)	0	0	1,177,100	(24,600)	(2.0)
Services	3,855,400	3,726,000	235,600	6.3	0	0	3,961,600	235,600	6.3
Interdepartmental Charges	2,173,900	2,181,500	366,900	16.8	0	0	2,548,400	366,900	16.8
Debt Servicing Costs	2,855,800	8,027,700	(884,400)	(11.0)	0	0	7,143,300	(884,400)	(11.0)
Reserve & Reserve Fund Contributions	9,245,300	4,614,200	1,515,800	32.9	0	0	6,130,000	1,515,800	32.9
TOTAL EXPENDITURES	19,354,600	19,802,800	1,190,800	6.0	0	0	20,993,600	1,190,800	6.0
REVENUES									
Fees & Service Charges	(652,800)	(672,400)	50,000	7.4	0	0	(622,400)	(50,000)	(7.4)
Transfer From Reserve & Reserve Funds	(771,800)	(1,312,800)	(3,400)	(0.3)	0	0	(1,316,200)	3,400	0.3
Water & Wastewater Rates	(17,816,000)		(1,237,400)	(6.9)					
TOTAL REVENUES	(19,240,600)	(1,985,200)	46,600	2.3	0	0	(1,938,600)	(46,600)	(2.3)
NET RATE REQUIREMENT		17,817,600	1,237,400	6.9	0	0	19,055,000	1,237,400	6.9
FORECASTED SURPLUS/(DEFICIT)	(114,000)								
STAFFING COMPLEMENT		0.31	(0.05)	(16.13)	0.00	0.00	0.26	(0.05)	

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SECTION 4

User Fees

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Schedule A
Draft 2026 Metered Rates and Bulk Service Charges

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change	Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
WATER					WASTEWATER				
Charge per Cubic Meter					Charge per Cubic Meter				
Consumption Charge	2.446	2.788	0.342	14.0%	Volumetric Charge	3.005	3.214	0.209	7.0%
Charge per Month					Charge per Month				
Basic Charges					Basic Charges				
Meter Sizes					Meter Sizes				
15 mm	35.60	40.58	4.98	14.0%	15 mm	46.44	49.69	3.25	7.0%
25 mm	59.04	67.30	8.26	14.0%	25 mm	77.01	82.40	5.39	7.0%
40 mm	98.83	112.66	13.83	14.0%	40 mm	128.93	137.95	9.02	7.0%
50 mm	249.44	284.36	34.92	14.0%	50 mm	325.41	348.19	22.78	7.0%
75 mm	287.75	328.03	40.28	14.0%	75 mm	375.39	401.66	26.27	7.0%
100 mm	563.46	642.34	78.88	14.0%	100 mm	735.04	786.48	51.44	7.0%
150 mm	1,011.91	1,153.57	141.66	14.0%	150 mm	1,320.08	1,412.48	92.40	7.0%
Flat Water Rate (Equivalent to 20 cubic meters of volume)					Flat Wastewater Rate (Equivalent to 20 cubic meters of volume)				
Charge per month	84.52	96.34	11.82	14.0%	Charge per month	106.53	113.97	7.44	7.0%
Charge per Cubic Meter					Charge per Cubic Meter				
Bulk Rate	4.56	4.72	0.16	3.5%	Holding Tank Waste Disposal	14.43	15.44	1.01	7.0%
					Septic Waste Disposal	72.70	77.79	5.09	7.0%
					Leachate	10.28	11.00	0.72	7.0%
STANDBY CHARGES									
Charge per Month									
Water	35.60	40.58	4.98	14.0%					
Water and Sewer	82.04	90.27	8.23	10.0%					



Schedule B
Draft 2026 Water & Wastewater Miscellaneous User Fees

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
WATER CONNECTION PERMITS				
Watermain Taps (19 mm & 25 mm)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection, main tap and materials				
19 mm	1,260.00	1,304.00	44.00	3.5%
25 mm	1,100.00	1,139.00	39.00	3.5%
Main to Building - includes inspection, main tap and materials				
19 mm	1,592.00	1,648.00	56.00	3.5%
25 mm	1,175.00	1,216.00	41.00	3.5%
Watermain Taps (38 mm - 50 mm)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	537.00	556.00	19.00	3.5%
Main to Building - includes inspection and main tap. Contractor to supply all materials.	611.00	632.00	21.00	3.4%
Large Diameter Watermain Taps (larger than 50 mm)				
Contractor Supervision and Inspection - Fee for Norfolk County staff to be present on site and provide inspection and valve operation when work is performed by outsourced contractor.	390.00	404.00	14.00	3.6%
Main Tap and Inspection - Fee for Norfolk County staff to perform the required watermain tap and inspect the work performed by the contractor. Contractor to supply all materials.	841.00	870.00	29.00	3.4%



Schedule B
Draft 2026 Water & Wastewater Miscellaneous User Fees

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
SEWER CONNECTION PERMITS				
Sanitary Sewer Connection Permits (100 mm diameter)				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
Main to Property Line - includes inspection, main tap and saddle. Contractor to supply all materials.	675.00	699.00	24.00	3.6%
Main to Building - includes inspection, main tap and saddle. Contractor to supply all materials.	755.00	781.00	26.00	3.4%
Sanitary Sewer Connection Permits (150 mm diameter or larger)				
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	584.00	604.00	20.00	3.4%
Main to Building - includes inspection and main tap. Contractor to supply all materials.	658.00	681.00	23.00	3.5%
Sanitary Maintenance Hole Inspection				
Inspection of installation or modification of a sanitary maintenance hole	140.00	145.00	5.00	3.6%
Water/Sanitary Sewer Service Abandonment				
Inspection of service disconnect at main or property line - method & location of abandonment determined by Environmental Services Technologist	140.00	145.00	5.00	3.6%
Storm Sewer Connection Permit				
Property Line to Building - inspection only	140.00	145.00	5.00	3.6%
WATER METER SERVICES				
Replace damaged or missing meter reading device	450.00	466.00	16.00	3.6%
Re-seal and install meter due to unauthorized removal of the meter	342.00	354.00	12.00	3.5%
Drain and re-seal meter removed by Norfolk County staff	154.00	159.00	5.00	3.2%
Replace damaged or missing meter				
19 mm (5/8 x 3/4)	416.00	431.00	15.00	3.6%
greater than 19 mm (5/8 x 3/4)	Full Cost Recovery	Full Cost Recovery	N/A	N/A
Note: Customers may request that their water meter be tested. Testing is to be completed by a Third Party. Refer to the most current revision of Norfolk County's Water By-Law for further information.				



Schedule B
Draft 2026 Water & Wastewater Miscellaneous User Fees

Charge	Final 2025 Rate	Draft 2026 Rate	\$ Change	% Change
NEW WATER METER INSTALLATION FEE				
19 mm	603.00	624.00	21.00	3.5%
25 mm	703.00	728.00	25.00	3.6%
40 mm	1,843.00	1,908.00	65.00	3.5%
WATER METER INSTALLATION PACKAGE				
Replacement water meter install package - 19 mm service (tails, spacer, wire)	142.00	145.00	3.00	2.1%
WATER TURN ON/OFF				
During Normal Working Hours				
Water Turned On or Turned Off	106.00	110.00	4.00	3.8%
Water Turned On and Off Same Visit	N/A	110.00	N/A	N/A
Water Turned On and Off Same Day	106.00	165.00	59.00	55.7%
Water Turned On with Meter Reconnection	185.00	191.00	6.00	3.2%
Water Turned Off with Meter Disconnection	185.00	191.00	6.00	3.2%
Water Turn Off Due to Unauthorized Turn On	303.00	314.00	11.00	3.6%
After Normal Working Hours				
Water Turned On (after normal working hours)	247.00	256.00	9.00	3.6%
Water Turned Off (after normal working hours)	247.00	256.00	9.00	3.6%
MISCELLANEOUS CHARGES				
Lawyer's Certificates - per property	102.00	106.00	4.00	3.9%
Environmental Information Requests - per property	188.00	195.00	7.00	3.7%
Fire Hydrant Operation for Flow Test - per hydrant	103.00	106.00	3.00	2.9%
Sanitary Sewer Dye Test - per test	103.00	106.00	3.00	2.9%
New Development Watermain Flushing - per hydrant	103.00	106.00	3.00	2.9%
Sanitary Sewer Lateral Camera Inspection (not performed at home owner's request, only completed at Norfolk County's discretion)	176.00	182.00	6.00	3.4%
Bulk Water Depot Account Set-Up	33.00	34.00	1.00	3.0%
St. Williams Water Distribution Systems - new installations	1,704.00	1,764.00	60.00	3.5%
Contractor Water Samples				
First sample	534.00	553.00	19.00	3.6%
Each additional sample	53.00	55.00	2.00	3.8%



Annual Water & Wastewater Bill Impact Long-term Forecast

Average Residential Annual Bill - 144 m³ 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%

Average Non-Residential Annual Bill - 500 m³ of usage and 25 mm meter

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Bill	\$ 1,932	\$ 2,202	\$ 2,422	\$ 2,592	\$ 2,773	\$ 2,967	\$ 3,175	\$ 3,397	\$ 3,567	\$ 3,745	\$ 3,932
Wastewater Bill	\$ 2,427	\$ 2,596	\$ 2,778	\$ 2,972	\$ 3,180	\$ 3,403	\$ 3,641	\$ 3,896	\$ 4,091	\$ 4,295	\$ 4,510
Total	\$ 4,358	\$ 4,798	\$ 5,200	\$ 5,564	\$ 5,954	\$ 6,370	\$ 6,816	\$ 7,293	\$ 7,658	\$ 8,040	\$ 8,442
Annual Increase (\$)	\$ 417	\$ 440	\$ 402	\$ 364	\$ 389	\$ 417	\$ 446	\$ 477	\$ 365	\$ 383	\$ 402
Annual Increase (%)	10.6%	10.1%	8.4%	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%	5.0%	5.0%

Large Non-Residential Annual Bill - 13,500 m³ of usage and 50 mm meter

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Bill	\$ 36,019	\$ 41,062	\$ 45,168	\$ 48,330	\$ 51,712	\$ 55,332	\$ 59,205	\$ 63,350	\$ 66,517	\$ 69,843	\$ 73,335
Wastewater Bill	\$ 44,468	\$ 47,580	\$ 50,911	\$ 54,475	\$ 58,288	\$ 62,368	\$ 66,734	\$ 71,405	\$ 74,975	\$ 78,724	\$ 82,660
Total	\$ 80,487	\$ 88,642	\$ 96,079	\$ 102,804	\$ 110,000	\$ 117,700	\$ 125,939	\$ 134,755	\$ 141,492	\$ 148,567	\$ 155,995
Annual Increase (\$)	\$ 7,717	\$ 8,155	\$ 7,437	\$ 6,725	\$ 7,196	\$ 7,700	\$ 8,239	\$ 8,816	\$ 6,738	\$ 7,075	\$ 7,428
Annual Increase (%)	10.6%	10.1%	8.4%	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%	5.0%	5.0%



Water & Wastewater
Comparison of Average Monthly Billing for Selected Municipalities

	Norfolk County	Norfolk County	Haldimand County	City of Brantford	St. Thomas	Chatham- Kent	Woodstock	Brockville	County of Brant	City of Kawartha Lakes	City of Guelph	Town of Ingersoll	Town of Tillsonburg
Effective Date	Draft 1-Jan-26	Approved 1-Jan-25	1-Jan-25	1-Jan-26	1-Jan-25	1-Jan-25	1-Jan-25	1-Jan-25	1-Jul-25	1-Feb-25	1-Jan-25	1-Jan-25	1-Jan-25
Residential (5/8" 12 Cu.M)													
Water (\$)	74.04	64.96	42.80	39.58	44.35	48.83	34.86	22.01	75.80	71.20	35.95	45.62	41.74
Wastewater (\$)	88.26	82.49	43.06	27.72	34.08	50.99	30.56	43.32	43.61	56.70	37.57	53.22	39.08
Combined (\$)	162.29	147.45	85.86	67.30	78.43	99.82	65.42	65.33	119.41	127.90	73.52	98.84	80.82
Residential (5/8" 20 Cu.M)													
Water (\$)	96.34	84.52	53.09	59.82	62.09	61.87	43.89	30.49	98.39	96.32	53.63	54.65	50.77
Wastewater (\$)	113.97	106.53	55.06	46.20	56.80	64.35	38.91	60.00	59.44	70.78	56.13	65.41	51.27
Combined (\$)	210.31	191.06	108.15	106.02	118.89	126.22	82.80	90.49	157.83	167.10	109.76	120.06	102.04
Commercial (2" 500 Cu.M)													
Water (\$)	1,678.36	1,472.49	979.15	1,275.21	1,200.26	905.73	730.67	696.24	1,702.29	1,660.32	1,154.88	755.30	744.13
Wastewater (\$)	1,955.19	1,827.69	1,057.81	1,155.00	600.00	901.57	907.63	1,146.01	1,121.34	980.62	1,211.71	748.05	708.60
Combined (\$)	3,633.55	3,300.19	2,036.96	2,430.21	1,800.26	1,807.30	1,638.30	1,842.25	2,823.63	2,640.94	2,366.59	1,503.35	1,452.73
Miscellaneous Fees													
Bulk Water (per m3)	\$ 4.72	\$ 4.56	\$ 3.53	\$ 5.19	- *	\$ 3.26	\$ 3.35	\$ -	\$ 3.36	\$ 5.40	\$ 4.53	\$ 3.35	\$ 3.35
Holding Tank Waste (per m3)	\$ 14.94	\$ 14.43	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	N/A	\$ -	N/A	\$ -	\$ -
Septic Rate (per m3)	\$ 75.24	\$ 72.70	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	N/A	\$ -	N/A	\$ -	\$ -
Blended Septic/Holding	\$ -	\$ -	\$ 16.88	\$ 30.95	N/A	\$ 23.78	\$ 13.80	\$ 18.42	N/A	\$ 23.44	N/A	\$ 13.80	\$ 13.80

* City of St. Thomas does not have their bulk water rate posted, but do provide a bulk water station

SECTION 5

Appendices

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PROPOSED 2026 RATE OEPRATING BUDGET

Council Approved Initiatives

Division	Department	Request	Council Report	CAI Levy Impact	2026 FTE Impact Temporary	2026 FTE Impact Permanent	Page Number
CS	Finance	W/WW In House Billing	CS-25-063 Water and Wastewater Billing Services Analysis -implementation of In-House billing - to be fully operational for 2027 billing, full impact in 2027	\$ -	0.00	2.00	
Total Rate Funded Council Approved Initiatives				\$ -	0.00	2.00	

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Summary of Rate-Related Reserves & Reserve Funds												
Reserve / Reserve Fund	Audited Actuals	Approved Budget	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Reserve	26,542,252	16,368,312	17,567,226	10,126,174	6,173,914	9,723,511	8,164,062	12,125,964	14,776,942	13,725,786	13,010,256	16,283,499
Water Reserve	30,223,051	12,623,607	9,592,772	8,343,474	11,023,787	13,130,535	9,194,819	11,371,774	13,738,202	15,692,308	11,922,097	14,141,992
Rate Capital Reserves	56,765,303	28,991,918	27,159,998	18,469,648	17,197,701	22,854,046	17,358,881	23,497,738	28,515,144	29,418,094	24,932,353	30,425,491
Wastewater Development Charge Reserve Fund	(185,578)	(911,992)	(1,784,061)	(2,644,591)	(3,618,935)	(4,539,472)	(5,557,384)	(6,896,282)	(8,254,918)	(9,633,375)	(11,030,713)	(14,303,159)
Wastewater Post DC Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0
Water Development Charge Reserve Fund	7,400,688	1,499,281	1,674,303	414,204	539,084	736,687	834,225	1,121,600	1,435,514	1,788,241	2,169,909	2,587,852
Water Post DC Reserve Fund	0	(2,529,243)	(2,592,474)	(2,657,286)	(2,723,718)	(2,791,811)	(2,861,606)	(2,933,146)	(3,006,475)	(3,081,637)	(3,158,678)	(3,237,645)
Rate DC Reserve Funds	7,215,110	(1,941,954)	(2,702,232)	(4,887,673)	(5,803,569)	(6,594,596)	(7,584,765)	(8,707,829)	(9,825,879)	(10,926,771)	(12,019,483)	(14,952,951)

Wastewater Reserve

10-05-9932-2932

Approved Fund Purpose:

To fund improvements, upgrades, or replacement of wastewater infrastructure and equipment, and to provide funding for unknown liabilities, emergencies, one-time initiatives, or expenditures associated with wastewater operations (e.g. operating deficits) for which no other sources of funding are available.

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	19,255,386	26,542,252	16,368,312	17,567,226	10,126,174	6,173,914	9,723,511	8,164,062	12,125,964	14,776,942	13,725,786	13,010,256
Sources												
Rate Contributions	3,464,400	4,187,600	5,703,400	4,529,300	4,710,500	4,898,900	5,094,900	5,298,700	5,510,600	5,731,000	5,960,200	6,198,600
Deferred Debt Payments	3,688,700	4,631,100										
Surplus/Deficit	1,049,703											
Interest Earned	1,590,635	430,326	259,614	149,648	91,240	143,697	120,651	179,201	218,378	202,844	192,270	240,643
Uses												
Capital Commitments		-17,003,147	-4,647,000	-12,120,000	-8,754,000	-1,493,000	-6,775,000	-1,516,000	-3,078,000	-6,985,000	-6,868,000	-3,166,000
Capital Actuals	-2,506,572	-2,419,819										
Rate Actuals		0										
Rate Commitments			-117,100									
Interest Charged												
Closing Balance	26,542,252	16,368,312	17,567,226	10,126,174	6,173,914	9,723,511	8,164,062	12,125,964	14,776,942	13,725,786	13,010,256	16,283,499
Audited G/L Balance	26,542,252											
	0											

NOTES

Commitments forecast based on Draft 2026-2035 Capital Plan

Water Reserve
10-05-9933-2933

Approved Fund Purpose:

To fund improvements, upgrades, or replacement of water infrastructure and equipment, and to provide funding for unknown liabilities, emergencies, one-time initiatives, or expenditures associated with water operations (e.g. operating deficits) for which no other sources of funding are available.

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	23,585,198	30,223,051	12,623,607	9,592,772	8,343,474	11,023,787	13,130,535	9,194,819	11,371,774	13,738,202	15,692,308	11,922,097
Sources												
Rate Contributions	2,959,600	3,606,200	6,909,500	3,900,400	4,056,400	4,218,700	4,387,400	4,562,900	4,745,400	4,935,200	5,132,600	5,337,900
Deferred Debt Payments	3,039,300	4,992,500										
Surplus/Deficit	1,008,089											
Interest Earned	1,919,981	331,877	141,765	123,303	162,913	194,047	135,884	168,056	203,028	231,906	176,189	208,995
Uses												
Capital Commitments		-26,162,433	-9,965,000	-5,273,000	-1,539,000	-2,306,000	-8,459,000	-2,554,000	-2,582,000	-3,213,000	-9,079,000	-3,327,000
Capital Actuals	-2,289,116	-367,589										
Rate Actuals		0										
Rate Commitments			-117,100									
Interest Charged												
Closing Balance	30,223,051	12,623,607	9,592,772	8,343,474	11,023,787	13,130,535	9,194,819	11,371,774	13,738,202	15,692,308	11,922,097	14,141,992
Audited G/L Balance	30,223,051											
	0											

NOTES

Commitments forecast based on Draft 2026-2035 Capital Plan

Wastewater Development Charge Reserve Fund
10-03-9903-2903

Approved Fund Purpose:

To fund capital costs related to wastewater services resulting from an increased need of service. Legislated by the *Development Charges Act, 1997, S.33.*

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	118,220	-185,578	-911,992	-1,784,061	-2,644,591	-3,618,935	-4,539,472	-5,557,384	-6,896,282	-8,254,918	-9,633,375	-11,030,713
Sources												
Development Charges	435,249	565,700	579,800	594,300	609,200	624,400	640,000	656,000	672,400	689,200	706,400	724,100
Exempt Development Charges	33,515											
Proposed Debt Proceeds		8,070,000		206,000			11,262,000				27,000,000	
Interest Earned	6,575											
Uses												
Capital Commitments		-485,612	-92,000	-74,000	-165,000	-104,000	-192,000	-111,000	-114,000	-117,000	-119,000	-122,000
Capital Actuals	-7,343	-2,144										
Rate Actuals		0										
DC Debt Commitments		-8,070,000		-206,000			-11,262,000				-27,000,000	
Proposed Debt Repayment			-540,986	-540,986	-554,796	-554,796	-554,796	-1,309,763	-1,309,763	-1,309,763	-1,309,763	-3,119,755
Debt Principal	-615,391	-626,220	-637,596	-649,841	-662,960	-676,647	-691,223	-336,724	-346,496	-356,551	-366,899	-377,546
Debt Interest	-156,404	-145,598	-137,773	-125,500	-112,521	-98,776	-84,347	-69,209	-59,437	-49,382	-39,035	-28,387
Interest Charged		-32,540	-43,514	-64,502	-88,267	-110,719	-135,546	-168,202	-201,339	-234,960	-269,042	-348,858
Closing Balance	-185,578	-911,992	-1,784,061	-2,644,591	-3,618,935	-4,539,472	-5,557,384	-6,896,282	-8,254,918	-9,633,375	-11,030,713	-14,303,159
Audited G/L Balance	-185,578											
	0											

NOTES

DC Debt recommended in 2025, 2027, 2030, and 2034 for the Port Dover WWTP Phase 1, Argyle Ave Ext., Sewage Pumping Station Optimization and Port Dover WWTP Phase 2, and Waterford WWTP Capacity Expansion, respectively, with repayments starting in the subequent year.

Commitments forecast based on Draft 2026-2035 Capital Plan

Assumed DC collections grow at 2.5%

Wastewater Post DC Reserve Fund
10-05-9981-2981

Approved Fund Purpose:

To fund capital costs related to the portion of wastewater services considered excess capacity intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study, as that portion shall not be used in the method for determining the development charges imposed by the development charge by-law in effect at that time or the reserve funds to which those development charges relate. Legislated by the *Development Charges Act, 1997, S.33*.

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0
Sources												
Transfer to DC Fund												
Interest Earned												
Uses												
Capital Commitments		0	0	0	0	0	0	0	0	0	0	0
Capital Actuals		0										
Rate Actuals		0										
Interest Charged												
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0
Audited G/L Balance	0											
	0											

NOTES
Commitments forecast based on Draft 2026-2035 Capital Plan

Water Development Charge Reserve Fund
10-03-9902-2902

Approved Fund Purpose:

To fund capital costs related to water services resulting from an increased need of service. Legislated by the *Development Charges Act, 1997, S.33.*

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	6,480,018	7,400,688	1,499,281	1,674,303	414,204	539,084	736,687	834,225	1,121,600	1,435,514	1,788,241	2,169,909
Sources												
Development Charges	772,076	996,000	1,020,900	1,046,400	1,072,600	1,099,400	1,126,900	1,155,100	1,184,000	1,213,600	1,243,900	1,275,000
Exempt Development Charges	56,304											
Proposed Debt Proceeds		11,377,000		344,000								
Interest Earned	299,598	39,416	24,743	6,121	7,967	10,887	12,328	16,575	21,214	26,427	32,068	38,244
Uses												
Capital Commitments		-6,032,422	-36,000	-1,478,000	-98,000	-55,000	-184,000	-41,000	-48,000	-44,000	-51,000	-52,000
Capital Actuals	-135,503	-832,594										
Rate Actuals		0										
DC Debt Commitments		-11,377,000		-344,000								
Proposed Debt Repayment			-762,677	-762,677	-785,737	-785,737	-785,737	-785,737	-785,737	-785,737	-785,737	-785,737
Existing Debt Principal Payments	-54,852	-55,777	-56,731	-57,725	-58,761	-59,826	-60,933	-47,679	-48,613	-49,566	-50,537	-51,527
Existing Debt Interest Payments	-16,954	-16,029	-15,214	-14,218	-13,188	-12,121	-11,020	-9,884	-8,950	-7,997	-7,026	-6,035
Interest Charged												
Closing Balance	7,400,688	1,499,281	1,674,303	414,204	539,084	736,687	834,225	1,121,600	1,435,514	1,788,241	2,169,909	2,587,852
Audited G/L Balance	7,400,688											
	0											

NOTES

DC Debt recommended in 2025 and 2027 for the Port Dover WTP Phase 2 (Clarifier) and IUWS Phase 1 Transmission Main, and Argyle Ave Ext., respectively, with repayments starting in the subsequent year.

Commitments forecast based on Draft 2026-2035 Capital Plan

Assumed DC collections grow at 2.5%

Water Post DC Reserve Fund
10-05-9980-2980

Approved Fund Purpose:

To fund capital costs related to the portion of water services considered excess capacity intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study, as that portion shall not be used in the method for determining the development charges imposed by the development charge by-law in effect at that time or the reserve funds to which those development charges relate. Legislated by the *Development Charges Act, 1997, S.33*.

	Audited Actuals	Unaudited Actuals	Projected Fund Balances (Draft 2026-2035 Capital Plan)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	0	0	-2,529,243	-2,592,474	-2,657,286	-2,723,718	-2,791,811	-2,861,606	-2,933,146	-3,006,475	-3,081,637	-3,158,678
Sources												
Transfer to DC Fund												
Interest Earned												
Uses												
Capital Commitments		-2,439,000	0	0	0	0	0	0	0	0	0	0
Capital Actuals		0										
Rate Actuals		0										
Interest Charged		-90,243	-63,231	-64,812	-66,432	-68,093	-69,795	-71,540	-73,329	-75,162	-77,041	-78,967
Closing Balance	0	-2,529,243	-2,592,474	-2,657,286	-2,723,718	-2,791,811	-2,861,606	-2,933,146	-3,006,475	-3,081,637	-3,158,678	-3,237,645
Audited G/L Balance	0											
	0											

NOTES
Commitments forecast based on Draft 2026-2035 Capital Plan

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DRAFT 2026 RATE OPERATING BUDGET
WATER AND WASTEWATER
PSAB FORMAT



	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
OPERATING BUDGET								
Expenditures								
Salaries & Benefits	4,742,100	4,772,700	4,913,200	208,700	0	5,121,900	349,200	7.3
Materials & Supplies	2,485,700	2,501,000	2,648,300	0	0	2,648,300	147,300	5.9
Services	6,518,900	6,716,100	7,158,800	25,500	0	7,184,300	468,200	7.0
Transfer Payments/Grants	0	0	0	0	0	0	0	0.0
Interdepartmental Charges	6,580,900	6,604,000	8,060,300	0	0	8,060,300	1,456,300	22.1
Long Term Debt Interest	1,690,100	2,621,900	2,946,600	0	0	2,946,600	324,700	12.4
Amortization	7,002,100	7,002,100	8,055,500	0	0	8,055,500	1,053,400	15.0
Total Expenditures	29,019,700	30,217,800	33,782,700	234,200	0	34,016,900	3,799,100	12.6
Revenues								
Financial Charges/Investment Income	(202,200)	(202,500)	(203,000)	0	0	(203,000)	500	0.2
Fees & Service Charges	(1,000,400)	(1,041,900)	(989,500)	0	0	(989,500)	(52,400)	(5.0)
Interdepartmental Recoveries	(7,806,100)	(7,823,000)	(9,089,200)	0	0	(9,089,200)	1,266,200	16.2
Total Revenues	(9,008,600)	(9,067,400)	(10,281,700)	0	0	(10,281,700)	1,214,300	13.4
OPERATING REQUIREMENT	20,011,100	21,150,400	23,501,000	234,200	0	23,735,200	2,584,800	(1)
FINANCING BUDGET								
Long Term Debt Principal and Interest	2,092,400	11,716,300	9,331,000	0	0	9,331,000	(2,385,300)	(20.4)
Transfer To Reserves & Reserve Funds	18,326,900	8,703,300	13,522,400	0	0	13,522,400	4,819,100	55.4
Transfer From Reserve & Reserve Funds	(911,300)	(1,775,300)	(2,150,900)	(234,200)	0	(2,385,100)	609,800	34.3
Amortization	(7,002,100)	(7,002,100)	(8,055,500)	0	0	(8,055,500)	1,053,400	15.0
FINANCE REQUIREMENT	12,505,900	11,642,200	12,647,000	(234,200)	0	12,412,800	770,600	6.6
NET RATE REQUIREMENT	32,517,000	32,792,600	36,148,000	0	0	36,148,000	3,355,400	10.2
STAFFING COMPLEMENT		37.09	37.09	2.00	0.00	39.09	2.00	

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Budget Process and Supplemental Information

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Rate Capital Budget Process

The County is responsible for maintaining a significant portfolio of tangible capital assets (TCAs). These assets include water and wastewater infrastructure, equipment, and much more. While minor repairs and maintenance are reflected in the operating budget, expenditures for the acquisition, renewal, and disposal are made through capital planning.

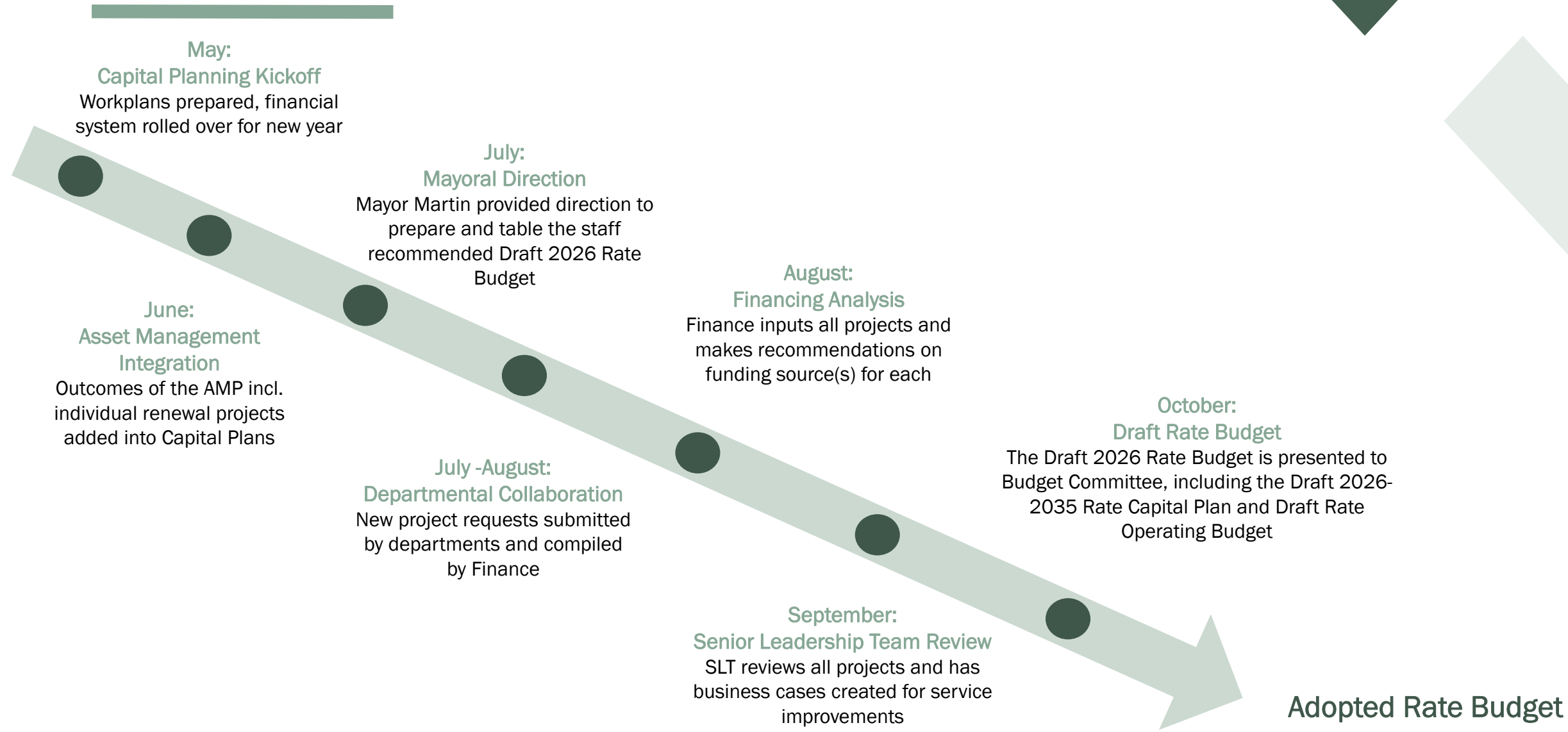
The Draft 2026-2035 Rate Capital Plan was developed with considerable input from project managers, department directors, and the Senior Leadership Team over the course of many months. While capital planning is a year-round focus for Finance staff, the corporate timeline is outlined on the next page for reference.

Preparing a 10-Year Capital Plan allows the County to plan for future economic, social, and environmental concerns. It's important to look beyond the first year to ensure capital needs are identified in advance, are in alignment with strategic priorities and objectives, and funds are available to pay for them. Council will ultimately only approve spending authorization for the 2026 Rate Capital Budget, during these deliberations, while future years are approved in principle for planning purposes.

The Draft 2026-2035 Rate Capital Plan was prepared with the following objectives:

- 1. Delivering Value to Residents** – budget engagement with Norfolk County residents indicated the public expects service levels to remain the same or increase in the future. This is a challenge while reacting to macro-economic factors that continue raising the costs of capital purchases combined with need to renew aging infrastructure. Staff investigate opportunities throughout the capital planning process to find efficiencies and system improvements.
- 2. Remain Financially Responsible** – Financing the Draft 2026-2035 Rate Capital Plan requires finding a balance between the use of reserves and debt to maintain key guidelines such as maintaining positive reserve balances and remaining below the County's debt limits. A comprehensive financing strategy has been prepared to accommodate the County's Draft 2026 Rate Budget capital needs, in line with Council's strategic priority Sustaining Norfolk.
- 3. Ensuring Norfolk is Prepared for the Future** – The Rate Capital Plan considers residents of today and residents of tomorrow, so that Norfolk County is properly prepared for any future challenges by planning for replacement projects that ensure existing assets will not fall into a state of disrepair. Significant capital investments are also required to plan for growth to ensure services don't decline as more people / businesses come to Norfolk.

Rate Capital Budget Process



Rate Capital Plan Basics

How to Read the Capital Plan

The Draft 10-Year Rate Capital Plan is separated by Department. Following each executive summary, projects are listed as follows:

- In **Column 1**, it is further broken down by Project Type → Department → Program → Project Number & Name.
- **Column 2**, for 2025 & Prior budgets, indicates when a portion of the project was approved by Council in a previous year (which often occurs when a design / engineering component needs to precede the construction of the project).
- **Column 3** is for 2026 budgets, which indicates the amount of spending for each capital project that is being included in the Draft 2026 Rate Budget for Council approval immediately.
- At the top of **Columns 4-12**, each year of the 10-Year Forecast is shown to indicate which year projects are scheduled for. These projects and their budgets are “approved-in-principle” meaning project managers may not commence the projects until Council approves them as part of a future capital budget.
- **Column 13** calculates the total project budget over the course of the 10-year forecast period from 2026-2035.
- **Columns 14-17** show the approved funding sources for each of the projects.
- **Column 18** shows the total funding which matches the total budget in Column 13, indicating the project budgets are fully funded.

Column 1	2	3	4-12										13	14-17				18
Project	2025 & Prior	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL BUDGET (2026 to 2035)	External Financing & Grants	Debt Financing	Reserves & Reserve Funds	Development Charges	TOTAL FUNDING (2026 to 2035)	
Service Improvements & Studies																		
Strategic Initiatives																		
Studies & Assessments																		
2132701 2026 Norfolk County Strategic Priority Update		36,000										36,000			(36,000)		(36,000)	

Rate Capital Plan Basics

Understanding Budgeted Expenditures

The Capital Plan is based upon three project types:

- **Service Improvements & Studies** – for the acquisition of new assets where no asset existed before, as well as replacements if a significant change to the service level or enhancement is created. Also includes studies, which are generally considered operating-related, but have been included in capital to improve long-term planning and tracking of the forecasted projects.
- **Renewal** – for the replacement of existing assets or significant rehabilitation work that restores them to a condition that maintains current levels of service.

Understanding Budgeted Expenditures

The County has four primary funding sources used for capital projects:

- **Reserves & Reserve Funds** – Reserves are accumulations of money set aside to be used in the future; they can be thought of as savings accounts. Contributions are provided for in the annual operating budgets and either immediately used to finance projects in-year or build up a balance to cover the cost of future projects. Contributions may also come from other sources, such as annual Ontario Community Infrastructure Fund (OCIF) and Canada Community-Building Fund (CCBF; formerly Gas Tax) allocations from senior levels of government, which must flow through a reserve fund, and can be used to finance eligible projects.
- **Debt Financing** – Municipalities are permitted to borrow money to finance capital projects. Historically, debentures have been issued to fund projects that the County has been unable to cashflow with existing internal funds or availability of grants. Debt allows the County to pay for the entire cost of an asset upfront and then repay the borrowing agency over time by carrying debt servicing charges (principal + interest) in the annual operating budget(s).
- **Development Charges (DCs)** – DCs ensure that “growth pays for growth” by applying a surcharge on new developments, which the County collects over time and uses to fund projects that expand municipal services to accommodate development. These collections are transferred to DC reserve funds which are only withdrawn from to pay for growth-related capital projects. If not enough DCs have been collected by the start of a growth-related project, debt may be borrowed to pay for the upfront costs, with annual debt servicing costs being repaid from the respective DC reserve fund in the long-term.
- **External Financing** – This primarily includes funding from Provincial or Federal agencies, and is often one-time, sporadic, or unpredictable. As such, it is only included in the Capital Plan when either a) that project was previously approved by a funding agency, or b) the project is funding-contingent (meaning staff will pursue grant opportunities and only undertake the project if grant funding is secured). External financing can come from other additional sources such as donations, recoveries from property owners related to drain projects, or cost sharing agreements with developers.

Rate Capital Plan Basics

Capital Financing Principles

Staff adhere to the capital financing principles to ensure fairness among all County stakeholders, by funding three different project types in three different ways provided below (examples are hypothetical and do not reflect actual capital projects):

- 1. Service Improvements** – typically funded from debt (>\$1,000,000) or the New/Incremental Capital Reserve. Since new assets can only benefit future residents, those residents should pay for the associated costs. Debt accomplishes this because the cost of the project is covered upfront when it is implemented and is then repaid over time by carrying debt servicing charges in future annual Operating Budgets.
 - For example, if a new state-of-the-art booster station is being built that has a useful life of 20 years, then the residents who will get to use the booster station over the next 20 years should bear its cost by making future debt repayments, as past residents were unable to use the booster station.
- 2. Renewal Projects** – typically funded from reserves. Since the original assets were only usable by past residents, then past residents should pay for the replacement projects. Reserve withdrawals accomplish this because past residents have subsidized contributions to reserves in the past, resulting in reserve balances being built up which could then be used to fund replacements.
 - For example, if a booster station was built 20 years ago and has since fallen into a state of disrepair from residents using it, then those residents who had the benefit of using it should bear the cost by funding the renewed booster station from reserves, because future residents were unable to use the original booster station.
- 3. Growth-Related Capital** – typically funded from development charges. Since the need for additional assets arises from a growing population, then residents causing that growth should pay for those projects. Development charges accomplish this by adding a surcharge on new developments to pay their fair portion of the assets required to accommodate growth.
 - For example, if a booster station is being built as part of a new subdivision development, then those residents/developers building the subdivision should bear the cost of the booster station, because they will be its primary users and the rest of the County's residents would have avoided that cost if the subdivision wasn't being built.

External financing (grants, donations, etc.) can also ideally be used to offset the County dollars spent on any of the project types mentioned.

Rate Capital Plan Basics

This graphic visualizes the different project types and their ideal funding sources based on the County’s financing principles discussed on the previous page.

Norfolk County's Capital Plan			
Project Type	Renewal Projects - Replacing or Restoring Existing Assets - Service Levels Stay the Same	Service Improvements - Building New Assets or Enhancing Existing Ones - Service Levels Increase	Growth-Related Capital - Building New Assets Specific to New Group of Residents - Service Levels Stay the Same, but for More Residents
Funding Source	Reserves - Withdraw Funds Saved by Previous Levy- or Rate-payers	Debt or New/Incremental Capital Reserve - Borrow Funds Repaid by Future Levy- or Rate-payers	Development Charges - Use Funds Raised from Developers Creating the Growth
	External Financing - Non-recurring or One-time Sources of Funds (e.g., Grants, Subsidies, Donations) - Can be Used to Help Fund Any Applicable Project Type		

Beyond the County’s capital financing principles, staff also exercise discretion, leading the Capital Plan to be prepared with the following tenets in mind:

- 1) Maximize reserve financing while keeping projected balances positive, and 2) Minimize debt financing (with priority in the near-term)

The inter-connected nature of the tools used to finance the Capital Plan creates ripple effects. For example, swapping a debt-funded project to reserve funding without approving an offsetting increase to reserve contributions may result in the reserve falling below \$0, requiring the County to pay interest on the balance that must be accounted for in the operating budget. For another example, cancelling a reserve-funded project may present the possibility of avoiding debt on another project by funding it from reserves in place of the cancelled one, creating an opportunity to reduce the County’s impact against its Annual Repayment Limit and eliminate debt servicing charges in the upcoming operating budget.

Months of the capital planning process are spent on optimizing the financing strategy for stability and affordability. Staff have made some of the following assumptions in developing the strategy: Council continues to approve annual increases to reserve fund contributions consistent with their endorsement of the 2025 Asset Management Plan Financial Strategy, projected levy capital and rate capital reserve balances cannot forecast a negative balance, the County’s debt limits cannot be forecast to be breached and the uncommitted balance of the New/Incremental Capital Reserve will be used to swap the funding source of previously-approved debt-funded projects to further mitigate debt pressures.

Rate Capital Plan Basics

How Norfolk Determines Recommended Reserve Contributions

Reserve contributions are a form of infrastructure funding raised by carrying a charge in the annual operating budgets. They often make up a significant portion of the operating budgets, so it is important to understand how those allocations are determined.

In understanding the capital financing principles on previous pages, ideally reserve contributions are high enough to fund all expected annual renewal projects and Requisitions from Boards & Agencies, or else the County will never progress towards financial sustainability. Currently, Norfolk's annual renewal spending exceeds its reserve contributions.

In the absence of 100% sustainability, staff must allocate the approved level of reserve contributions and any Draft 2026 Rate Budget increases/decreases to the total level of reserve contributions. Council has endorsed a 10-year financial strategy for determining the level of annual reserve contributions through their approval of the 2025 Asset Management Plan update. This recommendation was based on 1) determining the average annual investment required to maintain assets in a condition that achieves the service levels set in that report, and 2) raising contributions over a 10-year period to ensure they match the estimated level of annual spending. Staff shared different scenarios with Council comparing different period lengths for closing the shortfall with their impacts on the levy requirement, and ultimately 10 years was chosen to balance those two factors. Impacts on the rate requirement will be evaluated through the upcoming rate study.

Once the total level of reserve contributions are determined for a given year, the final step is allocating the total pot to individual reserves. To do this, staff effectively set all applicable projects to reserve funding (outside of specific funding plans identified i.e. grants). From there, starting in the current year, projects are swapped to debt funding until the reserve balance is positive. This is then repeated for the next year, and then all of the remaining years in the forecast period, until all reserve balances are positive. With this methodology, staff ensure that unnecessary debt is minimized over the course of the 10-year Capital Plan, with priority in the short-term.

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Rate Operating Budget Process

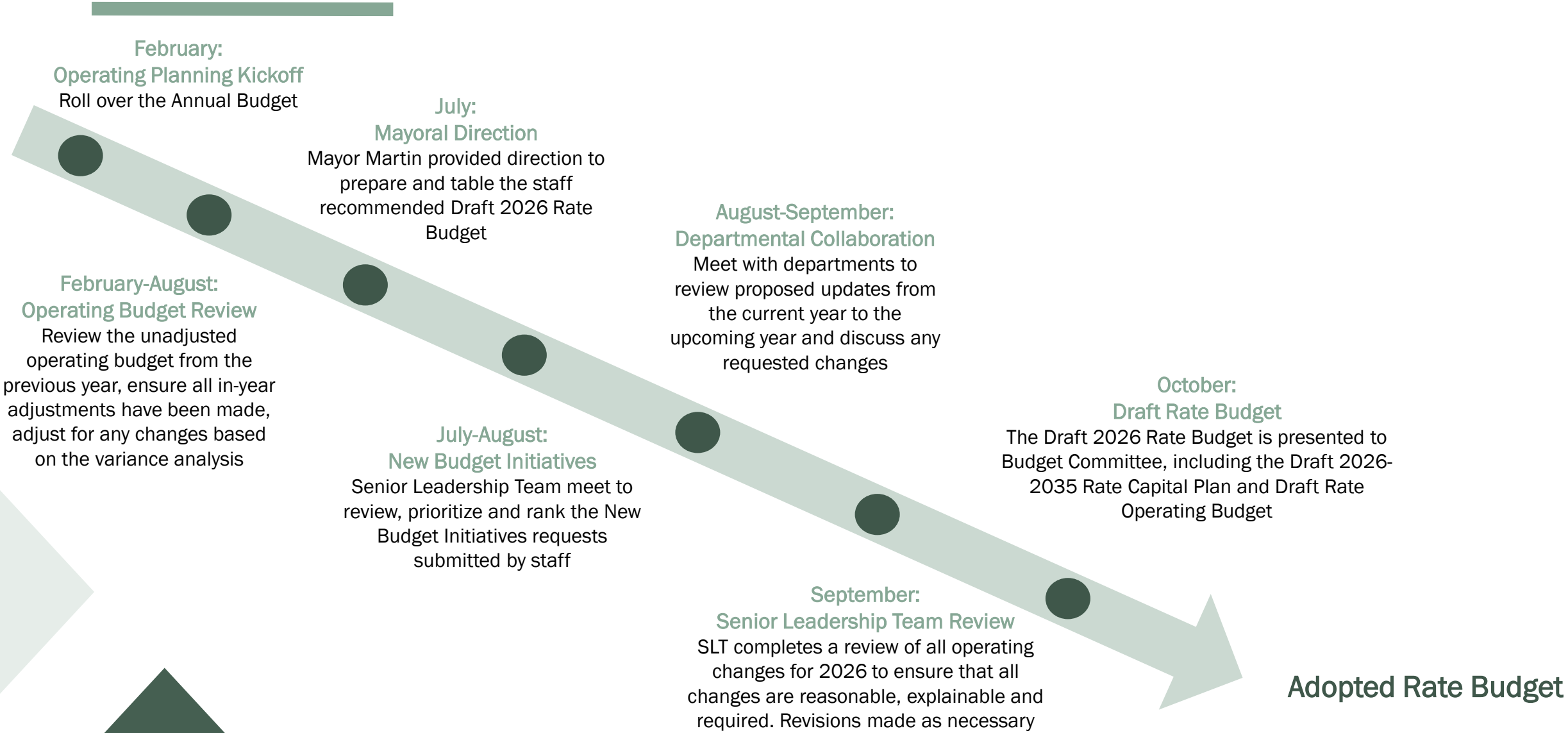
The County is responsible for the operation of the water and wastewater systems across its urban centres. This includes the operation, minor repairs and maintenance for collection, distribution and treatment of water and wastewater. These operations are the focus of the Rate Operating Budget.

The Draft 2026 Rate Operating Budget has been developed with considerable input from project managers, department supervisors, department directors, and the Senior Leadership Team over the course of many months with careful analysis. While operating planning is a year-round focus for Finance staff, the corporate timeline for this year's budget process is outlined on the next page for reference.

The Draft 2026-2035 Rate Capital Plan was prepared with the following objectives:

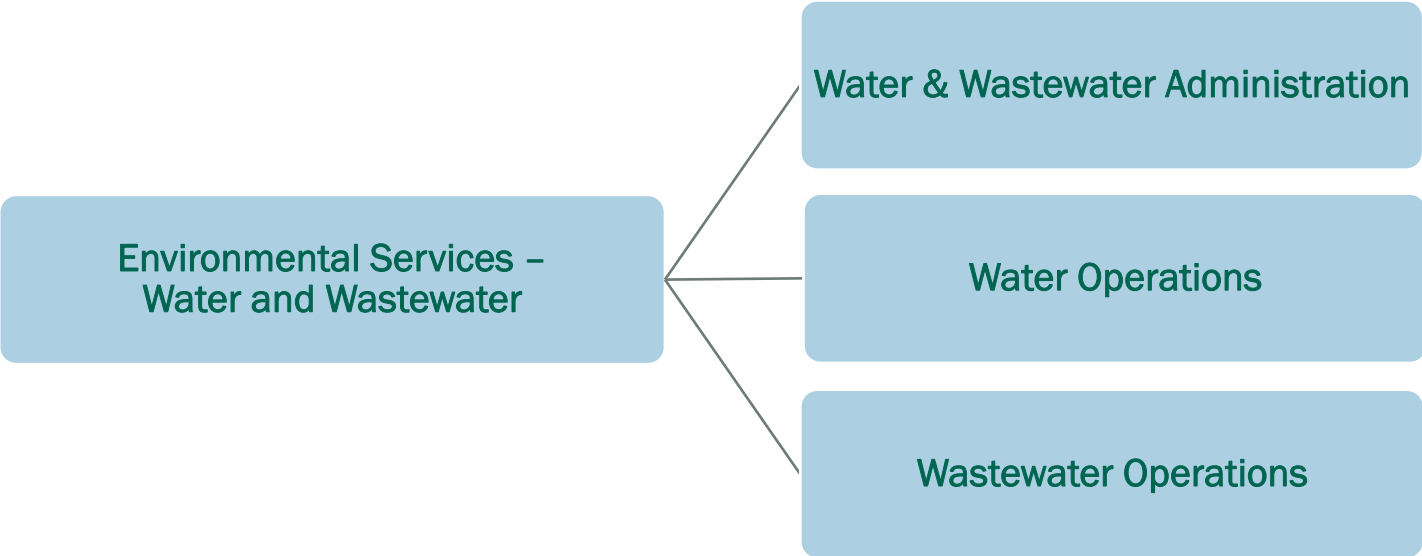
1. **Delivering Value to Residents** – budget engagement with Norfolk County residents indicated the public expects service levels to remain the same or increase in the future. This is a challenge while reacting to macro-economic factors that continue raising the costs of capital purchases combined with need to renew aging infrastructure. Staff must investigate opportunities throughout the operating budget process to find efficiencies and system improvements, while considering resident affordability.
2. **Remain Financially Responsible** – The Draft 2026 Rate Operating Budget requires incorporating debt servicing costs and reserve contributions from the 2026 Rate Capital Plan along side the operational cost needs to maintain our systems in good working order. The Finance team continues to advocate for fiscal responsibility and spending within our means, to ensure effective and efficient use of ratepayer's dollars. The Rate Budget is put together to be in line with Council's strategic priorities of Sustaining and Serving Norfolk.
3. **Ensuring Norfolk is Prepared for the Future** – The Rate Operating Budget considers residents of today and residents of tomorrow, so that Norfolk County is properly prepared for any future challenges by ensuring there is funding for routine maintenance and repairs, reserve contributions to plan for future capital replacement projects and that existing assets will not fall into a state of disrepair. Keeping the County's assets in good repair, allows us to be prepared and plan for growth in a cost effective and efficient manner.

Rate Operating Budget Process



Rate Operating Budget Basics

The Rate Operating Budget is presented with the following summary level reports:



Executive Summaries

Each program provides a high-level overview of operations, including short descriptions for the services they provide, tracked performance measures, prior year achievements, upcoming objectives, budget drivers and challenges. These qualitative and quantitative items provide a story of what occurs throughout the department, and support the requests put forward for Council’s consideration. Senior management, along with the assistance of Finance, compile the executive summaries.

Rate Operating Budget Basics

Financial Reports

The Rate Operating Budget reports provide a breakdown of expenditure and revenue categories, such as Salaries & Benefits and Fees & Service Charges. The report contains the following information:

- 1. **Forecasted Actuals (prior year):** Expenditures estimated to year end, based on the most recent review of actuals, updated from the June 30 variance report as needed
- 2. **Approved Budget (prior year):** Council’s prior approved budget forms the base budget for the current year
- 3. **Base Budget Adjustments (current year):** Net changes to the base budget as recommended by staff, based on providing the same level of service
- 4. **Council Approved Initiatives (CAI) (current year):** Council’s approved budget amendments from a previous year, based on the service level change outlined in a staff report
- 5. **New Budget Initiatives (NBI) (current year):** Staff Draft 2026 Rate Budget initiatives that have not yet been approved by Council
- 6. **Draft Budget (current year):** Summation of the combined Approved Budget, Base Budget Adjustments, CAIs and NBIs

	1	2	3		4	5	6		
	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -

Rate Operating Budget Basics

Rate Operating Budget Report

The report includes a breakdown of expenditures and revenues as required to continue base operations and provide additional services when requested. These additional details assist Council with their decision making and are outlined below:

Expenditures

1. **Salaries & Benefits:** Based on approved FTE levels and any Draft 2026 Rate Budget initiatives, Finance calculate salary projections. These projections are based on current collective agreements, and in the absence of an agreement, an estimate will be established. Benefit changes are based on rate trends.
2. **Materials & Supplies:** Consumable items required by staff to provide services to residents. Examples include utilities, chemicals and safety supplies.
3. **Services:** Payments made to external organizations to complete work on behalf of the county. Examples include snowplowing and waste collection.
4. **Interdepartmental Charges:** These are cost allocations to departments based on quantitative information such as the number of computers or FTEs in a department, for services rendered by other departments. These charges are offset by a recovery within the charging department and help demonstrate the true cost of the operational areas.
5. **Debt Servicing Costs:** Includes current repayment schedules and planned debenture financing.
6. **Reserve & Reserve Fund Contributions:** The replenishment of reserve & reserve funds based on Council direction and policy.
7. **Minor Capital:** Includes minor capital expenditures that do not meet the criteria to be included in the capital budget.

Revenues

1. **Fees & Service Charges:** Recoverable charges for services as per the User Fee By-Law approved by Council on an annual basis.
2. **Transfer from Reserve & Reserve Funds:** Use of reserves to fund operations, each fund has a specific Council approved use.
3. **Interdepartmental Recoveries:** Offset for interdepartmental charges, these recoveries equal the charges between the entire corporation's operations.
4. **Water & Wastewater Rates:** Includes the sum of the amount to be recovered from the water and wastewater rates.

Rate Operating Budget Basics

Council Approved & New Budget Initiatives

When a service level change is requested, either during budget deliberations (NBI) or from a previously approved Council report (CAI), Council is presented with information that provides a business case summary for the initiative. This information is included in the budget package under a separate cover. The budgetary amounts for each request have been included in their respective areas, including the Corporation’s report.

Net Rate Requirement

The Net Rate Requirement line on each of the reports is the amount required to be collected to cover the remaining expenditures that were not covered by the other identified revenue sources.

Reviewing a Budget Report

Base Budget Adjustments

The Base Budget Adjustment Drivers in the executive summary will outline the items within each expenditure and revenue category that are driving changes to the Net Rate, to provide the same level of service as the prior year.

Service Level Adjustments

Financial and FTE impacts of Service Level Adjustments are displayed in the Council Approved Initiatives and New Budget Initiatives columns. Details of the individual initiatives are included following the Department Report.

	2025 Forecasted Actuals	2025 APPROVED BUDGET	2026 Base Budget Adjustments	2026 Budget % + / -	Council Approved Initiatives	New Budget Initiatives	2026 DRAFT BUDGET	2026 Budget \$ + / -	2026 Budget % + / -
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