





**FINANCIAL REPORT
2015**



DEPARTMENT: Financial Services DATE PREPARED: November 5, 2014 "COUNCIL-IN-COMMITTEE" MEETING DATE: November 25, 2014	PAGE 1 OF 10 REPORT NO. FS 14-36
SUBJECT: Proposed 2015 Rate Supported Operating Budget	

INTRODUCTION/BACKGROUND:

The Municipal Act requires that each year local municipalities prepare and adopt estimates for the purposes of the municipality including amounts sufficient to pay all debts falling due within the year, amounts required to be raised for sinking funds and amounts required for any board, commission or other body. Preparing and adopting annual budget estimates determines Norfolk County's revenue requirements that will need to be collected through taxation and user rates.

Respectfully submitted by:  John Ford, General Manager, Financial Services/Treasurer/CFO For more information call: 519-426-5870 Ext. 1230	Prepared by:  Kathy Laplante, Manager, Financial Planning & Reporting For more information call: 519-426-5870 Ext. 1284
COUNCIL-IN-COMMITTEE: _____ RES. NO. _____ <input type="checkbox"/> Approved <input type="checkbox"/> Approved with Amendments <input type="checkbox"/> Other	COUNCIL: _____ RES. NO. _____ <input type="checkbox"/> Approved <input type="checkbox"/> Approved with Amendments <input type="checkbox"/> Other

INTRODUCTION/BACKGROUND cont'd:

Norfolk County currently develops four (4) annual budgets as follows:

Annual Budget	Council Review Dates(s)
10 Year Capital Plan	September 30 and October 1, 2014 – Special Meetings
Rate Supported Operating Budget	November 25, 2014 – Regular Council-In-Committee Meeting
Public Health Operating Budget	January 6, 2015 – Regular Board of Health Meeting
Levy Supported Operating Budget	January 13, 14, and 16, 2015 – Special Meetings

As indicated in the chart above, to date Norfolk County Council has reviewed and approved the 10 Year Capital Plan on October 1, 2014.

The Rate Supported Operating Budget is the second of four annual budgets presented to Council for review and adoption. The review and approval of the Proposed 2015 Rate Supported Operating Budget will determine the water and wastewater rates needed to fully recover the cost of operating water and wastewater systems.

DISCUSSION/ANALYSIS:

Norfolk County is responsible for the purification and distribution of potable water to users. The water system includes water filtration plants, reservoirs, water mains, fire hydrants and water meters. Based on consumption, the users of the system fund both operating and capital expenditure requirements for the water system. The County is also responsible for ensuring that the appropriate collection and treatment of wastewater occurs. The wastewater system includes wastewater treatment plants, sewage lagoons and pumping stations. Both operating and capital expenditure requirements for the wastewater system are funded by user rates through a surcharge on the water billing.

The major objective in operating water systems is to provide a continuous supply of potable water to the County's water customers. In doing so, all quality, quantity, and environmental standards put forth by Norfolk County Council, and provincial and federal agencies must be adhered to. The major objective of the wastewater systems is to collect and appropriately treat all wastewater produced. The water pollution control plants must produce an effluent that meets all provincial guidelines as set out in the facilities' Certificate of Approval.

Over the years, continual changes in regulatory requirements have significantly impacted the water and wastewater operations and adversely affected the costs associated with these operations. Increased staffing costs have been required to accommodate the substantial workload to respond to these increased regulatory requirements and more rigorous enforcement of existing regulations by the Ministry of the Environment.

Both of these factors have increased and accelerated cost pressures on both the capital requirements and operating processes within the County's water and wastewater systems. The concept of life cycle costing has been adopted by many municipalities in an effort to plan for future capital needs and determine the municipality's current funding shortfalls. This principle involves the determination of the future infrastructure needs to provide the service levels adopted by Council.

The cost to operate the Water and Wastewater Operations are fully funded through direct user fees and service charges and from billings for water consumption and wastewater processing. No amount of the Water or Wastewater Operating costs is funded from tax levies.

The operational impacts of the proposed 2015 Capital Plan have been reviewed and incorporated into the Proposed 2015 Rate Supported Operating Budget.

Capital infrastructure is funded from user rates with offsetting funding from Development Charges and, when available, financial assistance from other levels of government.

Revised Financial Reporting Requirements

Starting with the 2009 fiscal year, all municipalities in Ontario have been required to follow the revised Public Sector Accounting Board (PSAB) guidelines for reporting of Tangible Capital Assets (TCA) and other financial reporting requirements.

To illustrate the differences in the reporting requirements, the Proposed 2015 Rate Supported Operating Budget is presented using the “old” format and the “new” format required as the result of the revised PSAB reporting requirements. The “old” format is presented on pages 12 to 15 in the budget book. The “new” format, in compliance with the new PSAB guidelines, is presented in a summary form on page 11.

Major Budget Drivers

Table 1 presents a Summary of Major Base Budget Drivers impacting the Proposed 2015 Budget. This Table presents a summary of the changes in the Proposed 2015 base budget over the approved 2014 budget. This is, essentially, a “business as usual” budget with no provision for extension of services or increases in the contribution to Reserve Funds for infrastructure replacement.

Staff have undertaken a thorough review of base budgets and adjusted the Proposed 2015 Budget costs and revenues to reflect the revised requirements for Water and Wastewater Operations. The Proposed 2015 Budget for these base operating costs represents a 1.3% increase over the approved 2014 budget allocation for these purposes.

Table 1: Summary of Major Base Budget Drivers

() = Reduction of Net Rate Requirement

2014 Council Approved Net Rate Requirement		18,057,300
Salaries and Benefits		76,200
Materials, Supplies & Services		
Property taxes – projected increase	10,400	
Reduction in Maintenance & Repair costs for equipment based on history	(13,000)	
Reduction in Chemical & Safety Supplies and Tools based on reduced water demand	(8,600)	

Reduction Maintenance & Repairs cost for the Water Efficiency Program	(23,000)	
Reduction in Video Inspection & Cleaning & Excavation for wastewater mains	(28,400)	
Reduction in Maintenance & Repair Supplies	(13,300)	
Additional Contracted Services for Sanitary Sewer Flow Monitoring	20,000	
Increase in Veolia Contract	109,200	
Increase for Contractor Services	40,000	
Increase for SCADA Services	46,300	
Increased Hydro, Water & Wastewater charges based on history	26,400	
Removal of costs related to the Rate Study	(50,000)	
Increase in Billing & Collecting Contract based on contract	12,000	
Reduced Advertising costs	(7,600)	
Increase in mandatory training requirements	14,400	
Miscellaneous Supplies, Materials & Service changes	<u>(5,000)</u>	129,800
Net Change In Interdepartmental Charges(Recoveries)		
Changes to Insurance Administration Charges and Public Works Support Charges	(8,400)	
Reduced Fleet Equipment Rental Charges	(37,600)	
Increase Fire Protection Services	<u>(322,900)</u>	
		(368,900)
Removed Transfer of Investment Income to Reserve Funds for Capital		(400,000)
Increase In Capital Requirements		71,000
Increase In Long Term Debt Charges		331,300
Non-Rate Revenues		
Increase in Municipal Recoveries for Leachate Treatment	(38,000)	
Increase in User Fees collected	(86,500)	
Additional Source Protection Implementation funding	(41,900)	
Reduction in Local Improvement Revenues	30,400	
Removed transfer of investment income	400,000	

Removed contributions from Reserve Funds for the Rate Study & Source Protection Plan	<u>130,000</u>	<u>394,000</u>
Proposed 2015 Net Rate Requirement for Base Services		18,290,700
Change 2015 over 2014		233,400
Percentage Change		1.3 %

Offsetting Revenues

The Proposed 2015 Rate Supported Budget includes revenues established based on the current approved rate models, however there is a need to review rates since the last study was conducted in 2002/2003. As a result, the approved 2014 Rate Supported Operating Budget included a request to conduct a comprehensive water and wastewater rate study. Requests for quotes have been issued with a completion timeline of May 2015. This study will not only ensure the County is compliant with new legislation it will provide the opportunity to review the existing rate structures, review Fire Protection costs and develop new rates where needed. A component of the Rate Study will be to examine the actual cost of water provided for fire protection services. In addition, the proposed Rate Study will include a review of the charges for Leachate Treatment and Holding and Septic Tank Rates. The Rate Study will also include an examination of the second block rate structure and the impacts of phasing out this component of the Water Rate.

Since the Rate Study has not been completed to date staff has reviewed the Fire Protection Costs based on the fact that other municipalities Fire Protection Charges are much higher. In the 2003 Water and Wastewater Rate Study, water supply costs for fire protection services were calculated at an estimated cost of \$408,270. This cost represented only 9% of the total water budget. In addition, since the recovery of fire protection costs had been contentious in the past when charged back to the property tax, it was decided to recover a much lower proportion from property taxes and the balance from the user rates. It was recommended at that time to recover only half the fire protection costs from the property taxes and the other half from the user rates which resulted in a \$204,135 fire protection charge to the tax levy or 4.5% of the total water budget. Since that time, the only increase in the charge to the tax supported operating budget for fire protection services has been for new fire hydrants added to the system and minor incremental increases.

There is argument that the amount charged to the tax supported budget is significantly below what the actual cost of water is for flushing hydrants and providing water for fire protection services. In the 2003 Rate Study, referenced above, the cost for supply of water was set at \$408,270. That was the last time any study was done to determine this cost. If that cost is indexed based upon the increase in water rates over the years 2003 to present, the amount to be charged to the tax supported budget for fire protection services would be in the order of \$936,000 which is 10.5% of the total water budget compared to the approved 2014 allocation of \$297,100 which represents only 3.4% of the total water budget.

In order to move towards reflecting a more accurate charge for Fire Protection Services, the 2015 proposed budget includes \$620,000 for water supply costs for fire protection services. This amount represents 7% of the water budget compared to the 4.5% allocation that was in place in 2003 and the 3.4% in place in 2014. Staff suggests that there is a need to increase the amount charged to the tax supported budget for fire protection services and to begin in 2015 to phase in this potential increase and approve \$620,000. Of course, this change would place an additional impact on the tax levy.

Sustainability

The Water and Wastewater Operations are heavily influenced by the Capital Plan. This is clearly demonstrated by the impact that debt payments and contributions to the systems' capital reserve funds have on the annual operating plan. These costs account for 46% of the Proposed 2015 Rate Supported Operating Budget. The percentage allocation for capital costs remains at the same level as last year as no proposed increases to the Capital Replacement Reserve Funds to fund infrastructure replacement projects have been included in the Proposed 2015 Rate Supported Operating Budget.

The ideal situation would be to provide a stable base within the operating budget to finance the approved capital program through a combination of contributions to Reserve Funds and the debt financing. A stable base within the operating budget will reduce/eliminate rate fluctuations. This subject will be discussed further as part of the financial sustainability plan for Water and Wastewater Reserve Funds.

Rate Requirement

The Net Rate Requirement, presented in Table 1, represents the net amount that needs to be recovered through Water and Wastewater charges to fund the Water and Wastewater Operating Requirements and provide funding for infrastructure replacements.

The Proposed 2015 Net Rate Requirement of \$18,290,700 represents an increase of \$233,400 or 1.3% over the approved 2014 Net Rate Requirement. Table 2 provides a summary of the approved and proposed Net Rate Requirements for the years 2010 to 2015.

Table 2: Summary of Approved and Proposed Net Rate Requirements 2009 = 15,344,600

Purpose	2010 Approved	2011 Approved	2012 Approved	2013 Approved	2014 Approved	2015 Proposed
Net Rate Requirement	16,089,100	16,444,100	17,156,900	18,006,200	18,057,300	18,290,700
% Change over Previous Year	4.9 %	2.2 %	4.3 %	5.0 %	0.3 %	1.3%

Proposed Water and Wastewater Rates

Table 4, presented on page 8, provides the Proposed Water and Wastewater Rates for 2015. Water Rates are a combination of a Basic Charge and a Consumption Charge based upon actual consumption.

The **Basic Charge** is a fixed charge included in each water billing and is based on meter size – increasing with meter size. The Basic Charge is intended to cover the ongoing and overhead costs associated with billing, metering, customer service, maintaining water service pipes on public property and service connections. These costs are not influenced by seasonal usage. Given that this is a fixed charge, it provides a guaranteed source of stable revenue to fund these expenditures. The Basic Charge is considered the fairest way of charging costs that are unrelated to the volume of consumption.

The **Consumption Charge** is based upon meter readings taken from the customer's meter and reflects the actual water consumed for the billing period. The consumption or volumetric charge is intended to cover the variable system costs. The Consumption Charge includes a discount rate or **Second Block Rate**, which provides a lower consumption rate for monthly consumption in excess of 50 cubic meters. The Second Block Rate equals 30% of the basic or First Block Rate. The Second Block Rate is only available to commercial and industrial customers.

The **Wastewater Surcharge** is for those customers who are connected to the wastewater treatment system. The Wastewater Surcharge is the rate applied to the Water Billing to cover the cost of operating the Wastewater System for the County.

The **Flat Rate Service Charge** is the monthly flat rate charge for water and/or wastewater service used where service is provided to an unmetered customer. The Flat Service Charge includes a basic charge and a consumption charge for 20 cubic meters. The Flat Wastewater Rate is the Wastewater Surcharge rate applied on the monthly flat water rate.

The **Bulk Water Rate** is the charge to water haulers when they pick up water at the County's Water Depots. The charge is 125% of the First Block Rate. The differential of 25% over the First Block Rate recognizes a contribution to the fixed costs and capital costs that are included in the Basic Charge that metered water customers pay.

The **Bulk Wastewater Disposal Rate** is the rate charged for dumping septic tank or holding tank waste at the County's wastewater treatment plants. The rate is based upon the increase in operating and capital costs required to operate the Wastewater Treatment facilities and receiving stations.

Meters

An estimate of the number of water meters is one component required in determining the basic rate to charge water customers. Staff completed a full review of the inventory of billable water meters this year and has determined the number of actual billable water meters is less than the projected level utilized in determining Water and Wastewater rates for 2014. In addition, to the review of number of water meters, the estimate of new meters installed included projections has been higher than anticipated. As a result, reducing the number of water meters affects the basic meter charge rate.

Consumption

A projected consumption level by class of user is needed when determining the consumption charge. From 2007 to 2014, actual consumption has been dropping. This reduction in consumption is primarily the result of conservation measures introduced by commercial and industrial customers and more conscious use of water by residential customers. Table 3 presents a summary of the actual billed consumption from 2007 to 2014 (2014 is actual billed consumption to September and estimated for October to December). The projected consumption for 2014 is anticipated to be slightly lower than actual consumption for 2013.

For the Proposed 2015 Rate Supported Operating Budget an estimated consumption of 3.03 million cubic meters has been used to calculate Water Rates, which is equal to the projected consumption for 2014.

Table 3: Comparison of Water Consumption for the Years 2007 to 2014

Year	Consumption (cu. m.)			Year-Over-Year Change	
	Residential	Commercial & Industrial	Total	Cubic Meters	% () = Reduction
2007	2,467,062	1,349,214	3,816,276		
2008	2,255,112	1,277,649	3,532,761	(283,515)	(7.4) %
2009	2,207,662	1,290,051	3,497,713	(35,048)	(1.0) %
2010	2,123,095	1,240,481	3,363,576	(134,137)	(3.8) %
2011	2,064,627	1,166,224	3,130,851	(232,725)	(6.9) %
2012	2,078,372	1,149,328	3,227,700	96,849	3.1%
2013	1,929,921	1,120,167	3,050,088	(177,612)	(5.5)%
2014(*)	1,939,116	1,093,551	3,032,667	(17,,421),	(0.1%)

(*) Actual to September + estimate for October - December

The reduction in consumption over the years is in spite of an increase in the number of installed meters. From 2007 to 2013 the reduction in actual consumption has been approximately 21.5%. The reduction in consumption has a direct impact on Water/Wastewater Rates. Norfolk County's profile of reduced consumption is consistent with other municipalities in our contact group.

The Proposed 2015 Water and Wastewater Rates, presented in Table 4, are calculated using the Net Rate Requirement required to support the Proposed 2015 Rate Supported Operating Budget and estimated consumption referenced above.

Table 4: Proposed 2015 Water & Wastewater Rates

Rate Component	Approved 2014 Rates	Proposed 2015 Rates
Consumption Charge	(per cubic meter)	
1 st Block 50 cubic meters or less per month	1.902	1.925
2 nd Block More than 50 cubic meters per month	1.332	1.348
Basic Charges		
Basic Monthly Charge, based upon Meter Size		
Meter Size 15 mm	18.36	18.58
25 mm	30.46	30.82
40 mm	50.99	51.60
50 mm	128.69	130.24
75 mm	148.45	150.23
100 mm	290.67	294.16
150 mm	522.03	528.30
200 mm	845.00	855.14
Wastewater Surcharge		
Applied to Water Charges for Wastewater Charges	105.6%	111.0%
Flat Rate Service Charge		
Monthly Flat Charge, based on consumption of 20 cubic meters		
Monthly Flat Water Rate	56.40	57.08
Monthly Flat Wastewater Rate	59.56	63.36
Bulk Water Rates	(per cubic meter)	
Based upon 125% of 1 st Block Rate	2.377	2.406
Bulk Wastewater Disposal Rates	(per cubic meter)	
Hauled Septic Tank Waste	24.02	24.78
Holding Tank Waste	6.15	6.34

It is intended that the Proposed Water and Wastewater Rates will become effective for all consumption occurring on or after January 1st, 2015.

Table 5 presents the impact of the Proposed 2015 Water and Wastewater Rates to a typical residential customer. This actual rate increases are determined on the rate operating budget requirements, projected number of billable water meters and projected water consumption levels.

Table 5: Impact of Proposed 2015 Water Rates

Component	Existing Rates	Proposed 2015 Rate	Increase \$	Increase %
Monthly Residential Bill <i>(based on consumption of 20 cubic meters)</i>				
Water	\$ 56.40	\$ 57.08	\$ 0.68	1.2 %
Wastewater	59.56	63.36	3.80	6.4 %
Total Monthly Charges	\$115.96	\$120.44	\$ 4.48	3.9 %

Table 6 provides a five year history of approved Water and Wastewater charges and Proposed 2015 charges on a typical residential bill.

Table 6: Comparison of Water and Wastewater Rates for 2008 to 2015

Year	Combined Monthly Charge (based on 20 cubic meters)	Monthly Increase	Annual Increase	Percentage
2008	84.00	6.83	81.96	8.9
2009	89.60	5.59	67.08	6.6
2010	94.90	5.30	63.60	5.6
2011	100.81	5.91	70.92	6.2
2012	107.71	6.90	82.80	6.8
2013	115.44	7.73	92.96	7.2
2014	115.96	1.29	15.48	1.1
2015 Proposed	120.44	4.48	53.76	3.9

RECOMMENDATIONS:

THAT Report FS 14-36 RE: Proposed 2015 Rate Supported Operating Budget be received as information;

AND FURTHER THAT any surplus or deficit generated from Water and Wastewater Operations as at December 31, 2014, be contributed to or offset from the appropriate Water or Wastewater Capital Replacement Reserve Fund;

AND FURTHER THAT the 2015 Water and Wastewater Rates, as outlined in Report FS 14-36, be approved and be applied to all consumption occurring on or after January 1, 2015;

AND FURTHER THAT the Miscellaneous Water & Wastewater charges, as outlined in Appendix 'B' of Report FS 14-36, be approved to become effective from January 1, 2015.



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GENERAL INFORMATION**



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Norfolk County Council

2010 to 2014

MayorDennis Travale

Councillors

Ward 1 Betty Chanyi

Ward 2 Roger Geysens

Ward 3 Michael Columbus

Ward 4 Jim Oliver

Ward 5 Peter Black

.....Charlie Luke

Ward 6 John Wells

Ward 7Harold Sonnenberg

Norfolk County Senior Staff

County Manager.....Keith Robicheau

General Manager, Financial Services John Ford

General Manager, Public Works and Environmental Services Eric D’Hondt

General Manager, Community Services Kevin Lichach

General Manager, Planning & Economic Development..... Chris Baird

General Manager, Health and Social ServicesPatti Moore

General Manager, Employee & Business ServicesKandy Webb

Medical Officer of Health..... Malcolm Lock



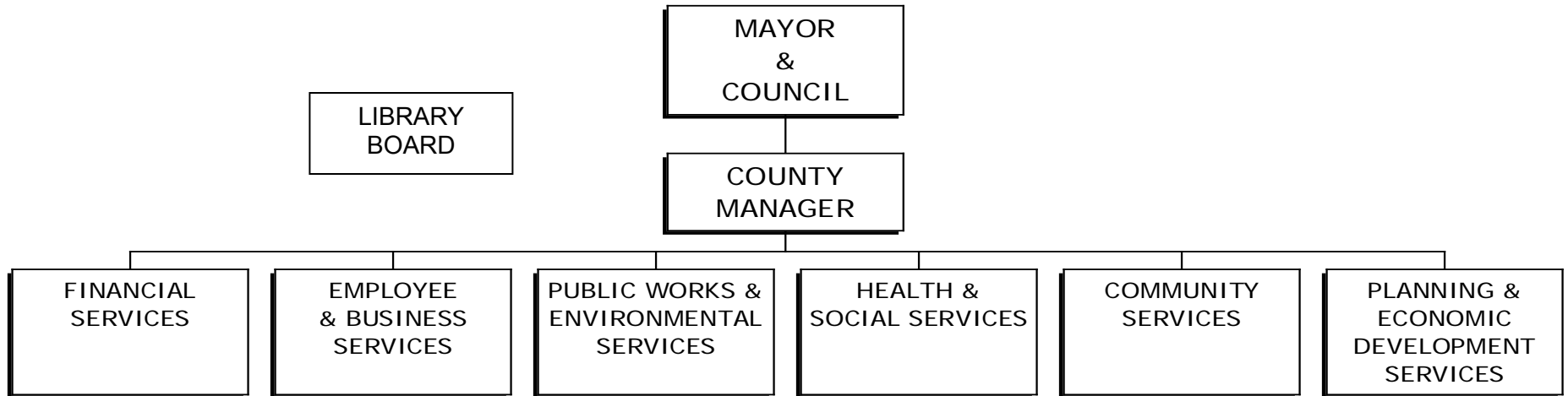
Solicitor Ross & McBride

AuditorsMillard, Rouse & Rosebrugh, Chartered Accountants

Bankers..... Canadian Imperial Bank of Commerce

Fiscal Agents..... National Bank Financial and Their Associates,
Wood Gundy Inc. and R.B.C. Dominion Securities Inc.

NORFOLK COUNTY GOVERNMENT STRUCTURE



- Financial Services
- Unallocated Rev. & Exp.
- Taxation
- Financial Charges
- General Revenues

- Emp & Bus Serv.
- Clerk's & Council
- Corporate Support
- Information Systems
- HR & Staff Develop.
- Provincial Off. Act

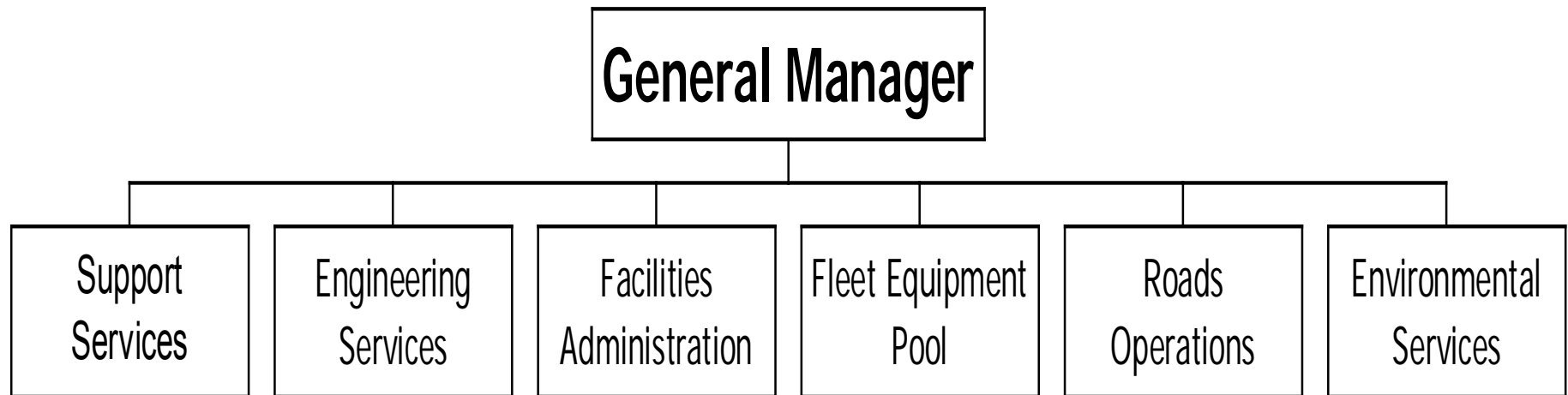
- Engineering Services
- Mun. Drainage Services
- Support Services
- Roads Operations
- Facilities
- Fleet Equipment
- Garbage Collection
- Waste Management
- Water & Wastewater

- Ontario Works
- Child Care
- Norview
- Social Housing
- Public Health

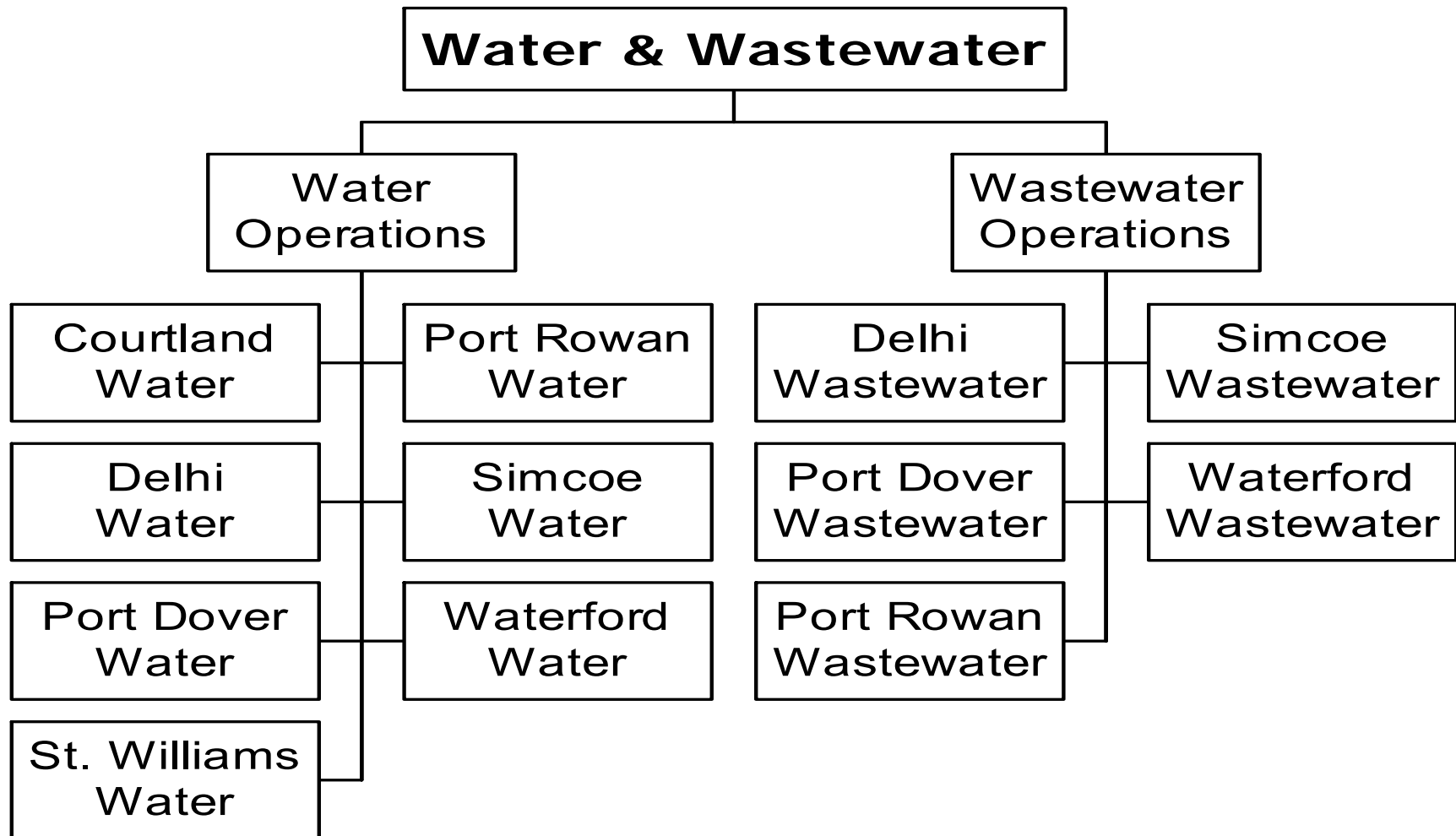
- Business Systems
- Parks & Facilities
- Recreation
- Forest Conservation & Management
- Fire
- 911 Services
- Policing
- Cemeteries
- Marinas
- Emergency Med. Serv.
- Weed Inspection

- By-Law Enforcement
- Animal Control
- School Guards
- Museums
- Inspections
- Ctte of Adjustment
- Planning & Zoning
- Econ. Development & Tourism
- Building

Public Works & Environmental Services



Environmental Services





**PROPOSED 2015 RATE SUPPORTED
OPERATING BUDGET**

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

DEPARTMENT: PUBLIC WORKS AND ENVIRONMENTAL SERVICES

DIVISION / PROGRAM: ENVIRONMENTAL SERVICES - WATER & WASTEWATER SECTION

PURPOSE AND DESCRIPTION OF FUNCTION

- The production and distribution of potable water.
- The collection and treatment of sanitary sewage.
- Preparation of life-cycle plans, operation and capital budgets

OBJECTIVES FOR THE COMING YEAR

WASTEWATER

- Revision and update of Norfolk's Sewer Use Bylaw
- Development of sewer flow models for the County wastewater collection systems to assist in the identification of areas with high inflow and infiltration
- Improve Wastewater Treatment at the Simcoe Wastewater Treatment Facility (WWTF),
 - Provide continued support and assistance for pre-treatment of industrial sewage contributor
 - Process upgrades and modifications in conjunction with Engineering Division
- Completion of Port Rowan Sewage Lagoon decommissioning and Wetland Restoration Project
 - In collaboration with Engineering Division complete restoration project
- Complete Phase 4 Sewage Pumping Station Upgrades
 - In collaboration with Engineering Division, complete the next phase of SPS upgrades, including electrical upgrades, stand-by power, and other general site repairs
- Complete Phase 4 Upgrades to the Simcoe WWTF
 - In collaboration with Engineering Division complete the next phase of the Simcoe WWTF upgrades, including digesters and headworks upgrades

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

- Construction of the Delhi WWTF
 - In collaboration with Engineering Division complete the construction and commissioning of the Delhi WWTF
- Upgrades to the Port Dover WWTF
 - In collaboration with Engineering Division complete the tendering and construction of upgrades to the Port Dover WWTF including, bar screens, aeration upgrades and chlorination/dechlorination systems and odour control
- Upgrades to the Waterford WWTF
 - In collaboration with Engineering Division complete the tendering and construction of the new Waterford WWTF
- Review the recommendations of the Biosolids Master Plan and commence with the Engineering Design of the necessary components for implementation
- Continue to assist with the ongoing development of the Norfolk County Integrated Master Plan

WATER

- Continue with the roll out of the Water Efficiency Strategy
 - Implement educational and outreach components
- Development of Cross Connection Control and Backflow Prevention Program
- Development of hydraulic models for the County water distribution systems
- Construct Water Supplies for the Communities of Delhi, Port Rowan and Simcoe
 - In collaboration with the Engineering Department select site and obtain approvals for new water sources for the Delhi, Port Rowan and Simcoe communities
- Implementation of the Source Water Protection Policies
 - In collaboration with regulatory authorities, other County Departments and stakeholders, implement and enforce the Source Protection Policies
- Continual improvement of the Drinking Water Quality Management System
- New water storage facilities for Courtland and Port Dover
- Pursue engineering analysis and design of Delhi and Port Dover WTPs to determine future upgrades required to maintain facilities as viable water sources
- Continue to assist with the ongoing development of the Norfolk County Integrated Master Plan

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

OBJECTIVES FOR THE YEAR 2015

- Maintain base budgeting or minimizing any increases as service demands increase
- Timely implementation of improved processes and equipment
- Reduce water quality complaints
- Reduce customer service complaints
- Minimize non-compliance issues
- Minimize equipment process, or system failure frequency, i.e. watermain breaks
- Support environmentally friendly practices

MAJOR BUDGET CHANGES

Overall, the Rate Supported Operating Budget has increased by \$233,400 or 1.3%.

The most significant changes to the 2015 Proposed Rate Supported budget is the result of an increase in **Long Term Debt Principle and Interest Charges** for \$331,300 offset by a recommended increase of \$322,900 for **Fire Protection Services** in order to move toward a better reflection of the cost of providing such services.

Other budget drivers include increases in Salaries & Benefits, Services, Capital Requirements and Interdepartmental Charges which are partially offset by reductions in Materials & Supplies and an overall increase in Revenues as outlined below.

Salaries & Benefits have increased by \$76,200 mainly due to increases in negotiated contracts and incremental salary increases.

Materials & Supplies have an overall decrease of \$37,000 mainly due to Maintenance and Repairs budget estimates which have been re-examined to better reflect historical costs for an overall reduction of \$49,300. Based on historical spending other budget decreases include Chemicals - \$5,000, Motor Fuel - \$800, Safety Supplies - \$1,700 and Tools - \$3,000. In addition, for 2015 the purchase of Permits To Take Water do not need to be renewed resulting in a savings of \$5,500. These savings have been offset by an anticipated increase in Utilities of \$26,400 and Office Supplies for \$1,900.

Services have an overall increase of \$166,800 attributed to a number of factors. The most significant increases relates to Contracted Services in the amount of \$194,800. This increase is mainly due to an increase of \$109,200 – an annual estimated increase of \$37,700 plus \$80,000 for the Hydro, Water & Wastewater costs which were not incorporated in the last Veolia contract negotiations for the Port Rowan Water & Wastewater Treatment Facility. Other contract increases contractor services in the amount of \$40,000, increased Scada

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

Services of \$46,300, Sanitary Sewer Flow Monitoring Program \$20,000 and an increase in Contracted Billing Services of \$12,000.

Other increases include \$13,700 for Mandatory Training, \$10,400 for estimated property taxes and \$10,000 for consulting services for the Source Protection Program, a Nitrate Groundwater Study and miscellaneous consulting services as needed.

These increases are offset by reductions for estimated Advertising costs in the amount of \$7,600, removal of the Rate Study for \$50,000, reduced Auditing Fees in the amount of \$2,000, anticipated reduction for Lab Services costs \$1,500, reduced anticipated excavations for \$3,400, meter replacements and calibrations \$3,000, reduced equipment rental requirement in the amount of \$2,400 plus a reduction for Video Inspection and Cleaning costs of \$25,000.

Interdepartmental Charges have an overall increase of \$84,900 mainly due to an increased allocation for Water & Wastewater Administration Charges \$130,900, These increases in part are offset by a reduction in Fleet Equipment Rental \$37,600, as the method of allocation was adjusted to better reflect charges. Insurance Admin Charges are reduced by \$13,000 as the deductible was raised in 2014 and Public Works Support Service Charges increased by \$4,400. The significant change in Water & Wastewater Administration Charges will be offset by the same amount under **Interdepartmental Recoveries**.

The one- time **Transfer To Reserves & Reserve Funds** in the amount of \$400,000 has been removed and offset by a reduction of \$400,000 from investment income.

Capital Expenditures, also considered Transfer to Capital Fund, has been increased by a one-time amount of \$160,000 and partially offset by the removal of 2014 projects in the amount of \$89,000 for a net increase of \$71,000.

Other changes under Revenue increases are driven primarily by an increase in **User Fees and Service Charges** of \$86,500 based on proposed rates and an increase in **Municipal Recoveries** of \$38,000 based on an increased Leachate Rate for the Tom Howe Landfill Site. **Other Provincial Grants** have also increased by \$41,900 to reflect anticipated funding for the MOE Source Protection Municipal Implementation Fund.

These increases in revenues have in part been offset by the removal of the contribution of \$130,000 from the Reserve Funds to finance the Rate Study approved 2014 and the Municipal Drinking Water Source Protection Plan Implementation. In addition, **Local Improvements** have been reduced by \$30,400 as a result of expired local improvements in 2015.

For the 2015 Rate Budget, there are no New Budget Initiatives

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

STAFFING COMPLEMENT - Stated in Full-Time Equivalent

	2012	2013	2014
Full-Time	32.75	32.75	32.75
Student	1.45	1.45	1.45
TOTAL	34.2	34.2	34.2

**PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET
WATER & WASTEWATER SUMMARY**

	2014 Forecasted Actuals	2014 APPROVED BUDGET	2015 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2015 PROPOSED BUDGET	2015 Budget \$ Incr/(Decr)	2015 Budget % Incr/(Decr)
OPERATING BUDGET								
Expenditures								
Salaries & Benefits	3,224,504	3,273,500	3,349,700	0	0	3,349,700	76,200	2.3
Materials & Supplies	1,145,557	1,209,100	1,172,100	0	0	1,172,100	(37,000)	(3.1)
Services	5,162,487	5,068,900	5,235,700	0	0	5,235,700	166,800	3.3
Long Term Debt Interest	751,109	927,000	1,012,300	0	0	1,012,300	85,300	9.2
Interdepartmental Charges	3,109,248	3,178,700	3,263,600	0	0	3,263,600	84,900	2.7
Operating Capital Expenditures	45,000	45,000	45,000	0	0	45,000	0	0.0
Financial	54,149	70,300	70,300	0	0	70,300	0	0.0
Amortization	3,456,063	4,507,300	5,200,000	0	0	5,200,000	692,700	15.4
Total Expenditures	16,948,117	18,279,800	19,348,700	0	0	19,348,700	1,068,900	5.8
Revenues								
PIL's-Supplementaries-Local Improvements	(65,915)	(65,800)	(35,400)	0	0	(35,400)	(30,400)	(46.2)
Federal/Provincial Grants	(28,171)	(1,400)	(43,300)	0	0	(43,300)	41,900	2,992.9
Municipal Recoveries	(210,847)	(122,000)	(160,000)	0	0	(160,000)	38,000	31.1
Financial Charges/Investment Income	(400,000)	(400,000)	0	0	0	0	(400,000)	(100.0)
Fees & Service Charges	(17,672,213)	(443,700)	(530,200)	0	0	(530,200)	86,500	19.5
Other Revenues	(2,129)	(2,000)	(2,000)	0	0	(2,000)	0	0.0
Interdepartmental Recoveries	(2,310,200)	(2,310,200)	(2,764,000)	0	0	(2,764,000)	453,800	19.6
Total Revenues	(20,689,475)	(3,345,100)	(3,534,900)	0	0	(3,534,900)	(189,800)	5.7
OPERATING RATE	(3,741,358)	14,934,700	15,813,800	0	0	15,813,800	879,100	5.9
FINANCING BUDGET								
Long Term Debt Principal	1,805,788	2,070,900	2,316,900	0	0	2,316,900	246,000	11.9
Transfer To Reserves & Reserve Funds	5,600,000	5,600,000	5,200,000	0	0	5,200,000	(400,000)	(7.1)
Transfer To Capital	89,000	89,000	160,000	0	0	160,000	71,000	79.8
Transfer From Reserve & Reserve Funds	(150,598)	(130,000)	0	0	0	0	130,000	(100.0)
Amortization	(3,456,063)	(4,507,300)	(5,200,000)	0	0	(5,200,000)	(692,700)	(15.4)
FINANCE RATE	3,888,127	3,122,600	2,476,900	0	0	2,476,900	(645,700)	(20.7)
RATE REQUIREMENT		18,057,300	18,290,700	0	0	18,290,700	233,400	1.3
PROJECTED SURPLUS/(DEFICIT)	(146,769)			0	0			
STAFFING COMPLEMENT		34.20	34.20	0.00	0.00	34.20	0.00	0.00

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET
WATER & WASTEWATER SUMMARY

	2014 Forecasted Actuals	2014 APPROVED BUDGET	2015 Adjusted Budget	New Budget Initiatives	2015 PROPOSED BUDGET	2015 Budget \$ Incr/(Decr)	2015 Budget % Incr/(Decr)
EXPENDITURES							
Salaries & Benefits	3,224,504	3,273,500	3,349,700	0	3,349,700	76,200	2.3
Materials & Supplies	1,145,557	1,209,100	1,172,100	0	1,172,100	(37,000)	(3.1)
Services	5,162,487	5,068,900	5,235,700	0	5,235,700	166,800	3.3
Interdepartmental Charges	3,109,248	3,178,700	3,263,600	0	3,263,600	84,900	2.7
Transfer To Reserves & Reserve Funds	5,600,000	5,600,000	5,200,000	0	5,200,000	(400,000)	(7.1)
Financial	54,149	70,300	70,300	0	70,300	0	0.0
Long Term Debt Charges	2,556,897	2,997,900	3,329,200	0	3,329,200	331,300	11.1
Capital	134,000	134,000	205,000	0	205,000	71,000	53.0
TOTAL EXPENDITURES	20,986,842	21,532,400	21,825,600	0	21,825,600	293,200	1.4
REVENUES							
PIL's-Supplementaries-Local Improvements	(65,915)	(65,800)	(35,400)	0	(35,400)	(30,400)	46.2
Federal/Provincial Grants	(28,171)	(1,400)	(43,300)	0	(43,300)	41,900	(2,992.9)
Municipal Recoveries	(210,847)	(122,000)	(160,000)	0	(160,000)	38,000	(31.1)
Financial Charges/Investment Income	(400,000)	(400,000)	0	0	0	(400,000)	100.0
Fees & Service Charges	(17,672,213)	(443,700)	(530,200)	0	(530,200)	86,500	(19.5)
Transfer From Reserve & Reserve Funds	(150,598)	(130,000)	0	0	0	(130,000)	100.0
Other Revenues	(2,129)	(2,000)	(2,000)	0	(2,000)	0	0.0
Interdepartmental Recoveries	(2,310,200)	(2,310,200)	(2,764,000)	0	(2,764,000)	453,800	(19.6)
TOTAL REVENUES	(20,840,073)	(3,475,100)	(3,534,900)	0	(3,534,900)	59,800	(1.7)
RATE REQUIREMENT		18,057,300	18,290,700	0	18,290,700	233,400	1.3
PROJECTED SURPLUS/(DEFICIT)	(146,769)			0			
STAFFING COMPLEMENT		34.20	34.20	0.00	34.20	0.00	0.00

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

Water & Wastewater Administration

	2014 Forecasted Actuals	2014 APPROVED BUDGET	2015 Adjusted Budget	New Budget Initiatives	2015 PROPOSED BUDGET	2015 Budget \$ Incr/(Decr)	2015 Budget % Incr/(Decr)
EXPENDITURES							
Salaries & Benefits	798,207	769,800	845,000	0	845,000	75,200	9.8
Materials & Supplies	8,498	14,100	8,400	0	8,400	(5,700)	(40.4)
Services	554,165	602,800	588,800	0	588,800	(14,000)	(2.3)
Interdepartmental Charges	677,405	683,800	710,300	0	710,300	26,500	3.9
TOTAL EXPENDITURES	2,038,275	2,070,500	2,152,500	0	2,152,500	82,000	4.0
REVENUES							
Federal/Provincial Grants	0	(1,400)	(1,400)	0	(1,400)	0	0.0
Fees & Service Charges	(5,336)	(6,000)	(7,100)	0	(7,100)	1,100	(18.3)
Transfer From Reserve & Reserve Funds	(70,598)	(50,000)	0	0	0	(50,000)	100.0
Interdepartmental Recoveries	(2,013,100)	(2,013,100)	(2,144,000)	0	(2,144,000)	130,900	(6.5)
TOTAL REVENUES	(2,089,034)	(2,070,500)	(2,152,500)	0	(2,152,500)	82,000	(4.0)
RATE REQUIREMENT		0	0	0	0	0	0.0
PROJECTED SURPLUS/(DEFICIT)	50,759			0			
STAFFING COMPLEMENT		8.15	8.15	0.00	8.15	0.00	0.00

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

Wastewater Operations

	2014 Forecasted Actuals	2014 APPROVED BUDGET	2015 Adjusted Budget	New Budget Initiatives	2015 PROPOSED BUDGET	2015 Budget \$ Incr/(Decr)	2015 Budget % Incr/(Decr)
EXPENDITURES							
Salaries & Benefits	227,351	227,900	228,100	0	228,100	200	0.1
Materials & Supplies	248,422	232,600	229,600	0	229,600	(3,000)	(1.3)
Services	3,419,354	3,373,300	3,512,300	0	3,512,300	139,000	4.1
Interdepartmental Charges	1,069,984	1,078,400	1,163,400	0	1,163,400	85,000	7.9
Transfer To Reserves & Reserve Funds	2,900,000	2,900,000	2,700,000	0	2,700,000	(200,000)	(6.9)
Financial	33,600	33,600	33,600	0	33,600	0	0.0
Long Term Debt Charges	1,506,476	1,693,400	1,742,200	0	1,742,200	48,800	2.9
Capital	42,000	42,000	100,000	0	100,000	58,000	138.1
TOTAL EXPENDITURES	9,447,187	9,581,200	9,709,200	0	9,709,200	128,000	1.3
REVENUES							
PIL's-Supplementaries-Local Improvements	(51,087)	(50,900)	(20,500)	0	(20,500)	(30,400)	59.7
Municipal Recoveries	(210,847)	(122,000)	(160,000)	0	(160,000)	38,000	(31.1)
Financial Charges/Investment Income	(200,000)	(200,000)	0	0	0	(200,000)	100.0
Fees & Service Charges	(8,688,988)	(124,700)	(174,700)	0	(174,700)	50,000	(40.1)
TOTAL REVENUES	(9,150,922)	(497,600)	(355,200)	0	(355,200)	(142,400)	28.6
RATE REQUIREMENT		9,083,600	9,354,000	0	9,354,000	270,400	3.0
PROJECTED SURPLUS/(DEFICIT)	(296,265)			0			
STAFFING COMPLEMENT		2.37	2.37	0.00	2.37	0.00	0.00

PROPOSED 2015 RATE SUPPORTED OPERATING BUDGET

Water Operations

	2014 Forecasted Actuals	2014 APPROVED BUDGET	2015 Adjusted Budget	New Budget Initiatives	2015 PROPOSED BUDGET	2015 Budget \$ Incr/(Decr)	2015 Budget % Incr/(Decr)
EXPENDITURES							
Salaries & Benefits	2,198,945	2,275,800	2,276,600	0	2,276,600	800	0.0
Materials & Supplies	888,635	962,400	934,100	0	934,100	(28,300)	(2.9)
Services	1,188,968	1,092,800	1,134,600	0	1,134,600	41,800	3.8
Interdepartmental Charges	1,361,859	1,416,500	1,389,900	0	1,389,900	(26,600)	(1.9)
Transfer To Reserves & Reserve Funds	2,700,000	2,700,000	2,500,000	0	2,500,000	(200,000)	(7.4)
Financial	20,550	36,700	36,700	0	36,700	0	0.0
Long Term Debt Charges	1,050,421	1,304,500	1,587,000	0	1,587,000	282,500	21.7
Capital	92,000	92,000	105,000	0	105,000	13,000	14.1
TOTAL EXPENDITURES	9,501,378	9,880,700	9,963,900	0	9,963,900	83,200	0.8
REVENUES							
PIL's-Supplementaries-Local Improvements	(14,828)	(14,900)	(14,900)	0	(14,900)	0	0.0
Federal/Provincial Grants	(28,171)	0	(41,900)	0	(41,900)	41,900	(100.0)
Financial Charges/Investment Income	(200,000)	(200,000)	0	0	0	(200,000)	100.0
Fees & Service Charges	(8,977,889)	(313,000)	(348,400)	0	(348,400)	35,400	(11.3)
Transfer From Reserve & Reserve Funds	(80,000)	(80,000)	0	0	0	(80,000)	100.0
Other Revenues	(2,129)	(2,000)	(2,000)	0	(2,000)	0	0.0
Interdepartmental Recoveries	(297,100)	(297,100)	(620,000)	0	(620,000)	322,900	(108.7)
TOTAL REVENUES	(9,600,117)	(907,000)	(1,027,200)	0	(1,027,200)	120,200	(13.3)
RATE REQUIREMENT		8,973,700	8,936,700	0	8,936,700	(37,000)	(0.4)
PROJECTED SURPLUS/(DEFICIT)	98,739			0			
STAFFING COMPLEMENT		23.68	23.68	0.00	23.68	0.00	0.00



BY-LAW NO. 2014-XXX

OF

The Corporation of Norfolk County

BEING A BY-LAW TO PROVIDE FOR WATER RATES TO FINANCE THE SUPPLY AND DISTRIBUTION OF WATER AND TO ESTABLISH WASTEWATER SURCHARGES UPON THE WATER 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 establish wastewater surcharges upon the water rates to finance the collection and treatment of sewage in respect of various water and wastewater systems within the County;

AND WHEREAS it is deemed expedient by Council to establish water rates and surcharges for wastewater to finance various systems within the County area.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF NORFOLK COUNTY HEREBY ENACTS AS FOLLOWS:

1. That the short title of this by-law shall be “Water & Wastewater Rates By-Law”.
2. That the water rates and the surcharge for wastewater 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, 2015 and to remain in effect until altered by Council.
3. That the water and wastewater miscellaneous charges as outlined in Schedule “B” attached to this By-Law are hereby adopted to take effect on January 1, 2015.
3. That the effective date of this By-Law shall be the date of final passage thereof.

ENACTED AND PASSED THIS 12TH DAY OF NOVEMBER 2013.

First Reading: November 25, 2014

Second Reading: November 25, 2014

Third Reading: November 25, 2014

Mayor

Clerk/Manager of Council Services

SCHEDULE 'A' TO WATER AND WASTEWATER BY-LAW NO. 2014 - XXX
Norfolk County
2015 Water and Wastewater Rate Structure
Schedule of Monthly Rates

WATER		
<u>Consumption Charges</u>		<u>Charge per Cubic Meter</u>
First Block	0-50 Cubic Meters per Month	\$1.925
Second Block	Over 50 Cubic Meters per Month	\$1.348
Bulk Rate		\$2.406
<u>Basic Charges</u>		
<u>Meter Size</u>		<u>Charge per Month</u>
15 mm		\$18.58
25 mm		\$30.82
40 mm		\$51.60
50 mm		\$130.24
75 mm		\$150.23
100 mm		\$294.16
150 mm		\$528.30
200 mm		\$855.14
<u>Flat Water Rate:</u>		
	Charge per Month based on 20 Cubic Meters per Month	\$57.08
<u>Residential Use:</u>	All residential use, including multiple units and mixed-use buildings, are billed at the First Block Rate.	
WASTEWATER		
<u>Wastewater Surcharge (%):</u>		111.0%
<u>Flat Wastewater Rate (Charge per Month):</u>		\$63.36
<u>Bulk Wastewater Disposal</u>		<u>Charge per Cubic Meter:</u>
	Holding Tank Waste Disposal	\$6.34
	Septic Waste Disposal	\$24.78
	Effluents exceeding the wastewater use by-law limits	\$5.59

THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

The following is a brief explanation of each charge.

2015 Proposed
Rate
\$

a) Water and Sewer Connection Permits

Charges payable to The Corporation of Norfolk County for permits, inspection, materials and labour.

i) Water Main Taps (19mm & 25mm)

Property Line to Building - inspection only		\$ 76.00
Main to Property Line - includes inspection, main tap and materials	19mm	\$ 980.00
	25mm	\$ 1,125.00
Main to Building - includes inspection, main tap and materials to property line	19mm	\$ 1,056.00
	25mm	\$ 1,201.00

ii) Water Main Taps (38mm - 50mm)

Property Line to Building - inspection only	\$ 76.00
Main to Property Line - includes main tap and inspection. Contractor to supply all materials.	\$ 339.00
Main to Building - includes main tap and inspection. Contractor to supply all materials.	\$ 415.00

iii) Large Diameter Water Main Taps (larger than 50mm)

Contractor Supervision and Inspection - This charge is for Norfolk County staff to be present on site and provide inspection of the work when performed by outsourced Contractor. Fee includes valve operation where required.	\$ 351.00
Main Tap (larger than 50mm) and Inspection - This charge is for Norfolk County staff to perform the required watermain tap and inspect the work performed by the contractor. Contractor is to supply all required materials.	\$ 808.00

iv) Sanitary Sewer Connection Permits - 125mm Diameter

Property Line to Building - inspection only	\$ 76.00
Main to Property Line - includes inspection, main tap and saddle. Contractor to supply other materials	\$ 449.00
Main to Building - includes inspection, main tap and saddle. Contractor to supply other materials	\$ 525.00

v) Sanitary Sewer Connection Permit - 150mm Diameter or Larger

Main to Property - includes inspection and main tap. Contractor to supply all materials	\$ 322.00
Main to Building - includes inspection and main tap. Contractor to supply all materials	\$ 398.00

vi) Sanitary Manhole Inspection

Inspection of installation or modification of a sanitary manhole	\$ 76.00
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THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

The following is a brief explanation of each charge.

	2015 Proposed Rate \$
vii) <u>Water/Sanitary Sewer Service Abandonment</u>	
Inspection of service disconnect at main or property line - method and location of abandonment is to be determined by Environmental Services Technologist	\$ 76.00

viii) <u>Storm Sewer Connection Permit</u>	
Property Line to Building - inspection only	\$ 76.00

b) Water Meter Services

Customers may call the County to perform certain services relating to water meters

Replace damaged or missing meter	
- 19mm (5/8 X 3/4)	\$ 268.00
- greater than 19mm (5/8 X 3/4)	
Replace damaged or missing meter reading device	\$ 268.00
Re-seal and install meter due to unauthorized removal of the meter	\$ 362.00
Drain and re-seal meter removed by County staff	\$ 94.00

Customers may request that their water meter be tested. Testing is to be completed by a Third Party. If the meter is found to be accurate, the customer must pay carrying charges and cost of testing, in addition to full payment of the bill in question.

c) Water Meter Installation Package

Replacement water meter installation package (meter tails, meter spacer, meter wire)	
19mm service	\$ 97.00
25mm service	REMOVED

d) Water Turn On/Off

Only County staff are allowed to operate the property line shut off valve. This valve is used to turn off or turn on the supply of water to each customer. A representative must be present before this work can be performed. The turn off may be requested by the customer or initiated by the Finance Department due to non-payment of a bill.

During Normal Working Hours:

Water Turned On	\$ 79.00
Water Turned Off	\$ 79.00
Water Turned On/Off Same Day	\$ 79.00
Water Turned On with Meter Reconnection	\$ 93.00
Water Turned Off with Meter Disconnection	\$ 93.00

THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

The following is a brief explanation of each charge.

	2015 Proposed Rate \$
<u>After Normal Working Hours</u>	
Water Turned Off (after normal working hours)	\$ 129.00
Water Turned On (after normal working hours)	\$ 129.00

e) Sewer Rodding Charge

County staff will respond to blocked or slow-flowing sewers and provide rodding and video inspection services. If the blockage is determined to be the County's responsibility, there is no charge for the service. If staff determine that the blockage is the property owner's responsibility, the following charges will apply:

i) During Normal Working Hours:

Base Charge / Response & Initial 1 hour work	\$ 252.00
Each additional 1/2 hour	\$ 55.00

ii) After Normal Working Hours:

Base Charge / Response & Initial 3 hours of work	\$ 500.00
Each additional 1/2 hour	\$ 80.00

f) Standby Charge

When a premise is unoccupied for an extended period, a customer should have the County shut off the water service. This is to avoid the possibility of a plumbing leak going undetected for a long period. The standard service charge covers fixed costs unrelated to a volume of consumption and this is applied even when the water is shut off.

-per month (water & sewer)	\$ 40.00
-per month (water only)	\$ 20.00

g) Monthly Interest Charges

Late payment interest is applied after the due date on a monthly basis.

* Charged by Norfolk Power

	1.50%
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h) NSF Cheques

This charge covers the extra cost of processing customers' cheques which have been refused or dishonoured by banks.

* Charged by Norfolk Power

	\$ 15.00
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THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

The following is a brief explanation of each charge.

	2015 Proposed	
	Rate	
	\$	
i) Account Setup/Change Fee		
This charge covers the administrative cost to establish or change customer accounts. *Charged by Norfolk Power		
	\$	30.00
j) Lawyer's Certificate		
This charge is for responding to "Lawyer's Letters" requesting information on the status of water/sewer arrears, local improvements, municipal drain assessments, etc. - per property fee		
	\$	69.00
k) Environmental Information Requests		
This charge is for responding to requests (from developers, public, contractors, etc.) for information on environmental issues; for example: well fields, landfill sites, spills, etc. - per property fee		
	\$	69.00
l) Fire Hydrant Operation for Flow Test		
Includes staff labour to operate, or supervise the operation of, hydrants and valves for third party testing. Results must be provided to Norfolk County Environmental Services Division upon completion. - per hydrant operated fee		
	\$	76.00
m) Sewer Dye Test		
Includes staff labour and materials to perform a dye test of a sanitary sewer - per dye test fee		
	\$	76.00
n) Water Samples		
Includes staff labour, turning of valves, flushing, sample collection, delivery to lab, and lab analysis - per sampling day fee		
i) Contractor water samples	\$	384.00
- 1st sample		
- each additional sample	\$	37.00

THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

The following is a brief explanation of each charge.

	2015 Proposed Rate \$
o) Rain Barrels	
i) Rain Barrel (price per unit)	\$ 60.00
p) Bulk Water Depot	
i) Account Set-up (Non-Refundable)	\$ 20.00
q) St. Williams Water Distribution System	
i) Lot Charge per newly created Lot fronting on the St. Williams Water Distribution System	\$ 1,465.00

r) Development Services

County staff conduct reviews of plans and complete inspections for development within Norfolk County. Under the Transfer of Approval Program, an Environmental Compliance Approval for municipal and non-municipal development is required. The cost varies as to the type of project being constructed (ie. plan of subdivision, condominium, townhouse, industrial buildings, commercial buildings, pumping stations, etc.)

Charges for the administration, technical review, and/or inspection services are set by the Ministry of the Environment.

Please contact Norfolk County's Engineering Division for further information.



APPENDICES

FINAL 2015 CAPITAL BUDGET
Water & Wastewater - Projects Funded from Rates

Project Number / Description	Approved 2015 Budget
C454.0011 Port Rowan WWTF - Sodium Bicarbonate Gravimetric Feeder	40,000
C460.0062 Water SCADA Local Data Historian Installations	60,000
C455.0003 Simcoe WPCP - Roads Upgrade & New Watermain	60,000
Total Water and Wastewater Rate Funded Projects	160,000

THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B

APPENDIX B

The following is a brief explanation of each charge.

		2014 Approved <u>Rate</u> \$		2015 Proposed <u>Rate</u> \$
a) Water and Sewer Connection Permits				
Charges payable to The Corporation of Norfolk County for permits, inspection, materials and labour.				
i) <u>Water Main Taps (19mm & 25mm)</u>				
Property Line to Building - inspection only		70.00		76.00
Main to Property Line - includes inspection, main tap and materials	19mm	860.00		980.00
	25mm	990.00		1125.00
Main to Building - includes inspection, main tap and materials to property line	19mm	930.00		1056.00
	25mm	1,060.00		1201.00
ii) <u>Water Main Taps (38mm - 50mm)</u>				
Property Line to Building - inspection only		70.00		76.00
Main to Property Line - includes main tap and inspection. Contractor to supply all materials.		280.00		339.00
Main to Building - includes main tap and inspection. Contractor to supply all materials.		350.00		415.00

**THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B**

APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved <u>Rate</u> \$	2015 Proposed <u>Rate</u> \$
iii) <u>Large Diameter Water Main Taps (larger than 50mm)</u>		
Contractor Supervision and Inspection - This charge is for Norfolk County staff to be present on site and provide inspection of the work when performed by outsourced Contractor. Fee includes valve operation where required.	300.00	351.00
Main Tap (larger than 50mm) and Inspection - This charge is for Norfolk County staff to perform the required watermain tap and inspect the work performed by the contractor. Contractor is to supply all required materials.	745.00	808.00
iv) <u>Sanitary Sewer Connection Permits - 125mm Diameter</u>		
Property Line to Building - inspection only	70.00	76.00
Main to Property Line - includes inspection, main tap and saddle. Contractor to supply other materials	235.00	449.00
Main to Building - includes inspection, main tap and saddle. Contractor to supply other materials	305.00	525.00
v) <u>Sanitary Sewer Connection Permit - 150mm Diameter or Larger</u>		
Main to Property - includes inspection and main tap. Contractor to supply all materials	165.00	322.00
Main to Building - includes inspection and main tap. Contractor to supply all materials	235.00	398.00

**THE CORPORATION OF NORFOLK COUNTY
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APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved Rate \$	2015 Proposed Rate \$
vi) <u>Sanitary Manhole Inspection</u>		
Inspection of installation or modification of a sanitary manhole	70.00	76.00
vii) <u>Water/Sanitary Sewer Service Abandonment</u>		
Inspection of service disconnect at main or property line - method and location of abandonment is to be determined by Environmental Services Technologist	70.00	76.00
viii) <u>Storm Sewer Connection Permit</u>		
Property Line to Building - inspection only	70.00	76.00

**THE CORPORATION OF NORFOLK COUNTY
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APPENDIX B

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2014 Approved	2015 Proposed
<u>Rate</u>	<u>Rate</u>
\$	\$

b) Water Meter Services

Customers may call the County to perform certain services relating to water meters

Replace damaged or missing meter		
- 19mm (5/8 X 3/4)	265.00	268.00
- greater than 19mm (5/8 X 3/4)	Full Cost Recovery	
Replace damaged or missing meter reading device	265.00	268.00
Re-seal and install meter due to unauthorized removal of the meter	310.00	362.00
Drain and re-seal meter removed by County staff	70.00	94.00

Customers may request that their water meter be tested. Testing is to be completed by a Third Party. If the meter is found to be accurate, the customer must pay carrying charges and cost of testing, in addition to full payment of the bill in question.

c) Water Meter Installation Package

Replacement water meter installation package (meter tails, meter spacer, meter wire)		
19mm service	85.00	97.00
25mm service	95.00	REMOVED

**THE CORPORATION OF NORFOLK COUNTY
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APPENDIX B

The following is a brief explanation of each charge.

2014 Approved	2015 Proposed
<u>Rate</u>	<u>Rate</u>
\$	\$

d) Water Turn On/Off

Only County staff are allowed to operate the property line shut off valve. This valve is used to turn off or turn on the supply of water to each customer. A representative must be present before this work can be performed. The turn off may be requested by the customer or initiated by the Finance Department due to non-payment of a bill.

During Normal Working Hours:

Water Turned On	75.00	79.00
Water Turned Off	75.00	79.00
Water Turned On/Off Same Day	75.00	79.00
Water Turned On with Meter Reconnection	90.00	93.00
Water Turned Off with Meter Disconnection	90.00	93.00

After Normal Working Hours

Water Turned Off (after normal working hours)	100.00	129.00
Water Turned On (after normal working hours)	100.00	129.00

e) Sewer Rodding Charge

County staff will respond to blocked or slow-flowing sewers and provide rodding and video inspection services. If the blockage is determined to be the County's responsibility, there is no charge for the service. If staff determine that the blockage is the property owner's responsibility, the following charges will apply:

i) During Normal Working Hours:

Base Charge / Response & Initial 1 hour work	90.00	252.00
Each additional 1/2 hour	85.00	55.00

**THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B**

APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved Rate \$	2015 Proposed Rate \$
ii) <u>After Normal Working Hours:</u>		
Base Charge / Response & Initial 3 hours of work	115.00	500.00
Each additional 1/2 hour	107.50	80.00

f) Standby Charge

When a premise is unoccupied for an extended period, a customer should have the County shut off the water service. This is to avoid the possibility of a plumbing leak going undetected for a long period. The standard service charge covers fixed costs unrelated to a volume of consumption and this is applied even when the water is shut off.

-per month (water & sewer)	38.00	40.00
-per month (water only)	19.00	20.00

g) Monthly Interest Charges

Late payment interest is applied after the due date on a monthly basis.

* Charged by Norfolk Power

	1.50%	0.02
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**THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B**

APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved <u>Rate</u> \$	2015 Proposed <u>Rate</u> \$
h) NSF Cheques		
<p>This charge covers the extra cost of processing customers' cheques which have been refused or dishonoured by banks. * Charged by Norfolk Power</p>		
	15.00	15.00
i) Account Setup/Change Fee		
<p>This charge covers the administrative cost to establish or change customer accounts. *Charged by Norfolk Power</p>		
	30.00	30.00
j) Lawyer's Certificate		
<p>This charge is for responding to "Lawyer's Letters" requesting information on the status of water/sewer arrears, local improvements, municipal drain assessments, etc. - per property fee</p>		
	65.00	69.00

**THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B**

APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved Rate	2015 Proposed Rate
	\$	\$
k) Environmental Information Requests		
<p>This charge is for responding to requests (from developers, public, contractors, etc.) for information on environmental issues; for example: well fields, landfill sites, spills, etc. - per property fee</p>		
	65.00	69.00
l) Fire Hydrant Operation for Flow Test		
<p>Includes staff labour to operate, or supervise the operation of, hydrants and valves for third party testing. Results must be provided to Norfolk County Environmental Services Division upon completion. - per hydrant operated fee</p>		
	70.00	76.00
m) Sewer Dye Test		
<p>Includes staff labour and materials to perform a dye test of a sanitary sewer - per dye test fee</p>		
	70.00	76.00
n) Water Samples		
<p>Includes staff labour, turning of valves, flushing, sample collection, delivery to lab, and lab analysis - per sampling day fee</p>		
i) Contractor water samples		
- 1st sample	370.00	384.00
- each additional sample	25.00	37.00

**THE CORPORATION OF NORFOLK COUNTY
2015 WATER & WASTEWATER MISCELLANEOUS CHARGES - Schedule B**

APPENDIX B

The following is a brief explanation of each charge.

	2014 Approved Rate \$	2015 Proposed Rate \$
o) Rain Barrels		
i) Rain Barrel (price per unit)	60.00	60.00
p) Bulk Water Depot		
i) Account Set-up (Non-Refundable)	20.00	20.00
q) St. Williams Water Distribution System		
i) Lot Charge per newly created Lot fronting on the St. Williams Water Distribution System	1,465.00	1465.00
r) Development Services		

County staff conduct reviews of plans and complete inspections for development within Norfolk County. Under the Transfer of Approval Program, an Environmental Compliance Approval for municipal and non-municipal development is required. The cost varies as to the type of project being constructed (ie. plan of subdivision, condominium, townhouse, industrial buildings, commercial buildings, pumping stations, etc.) Charges for the administration, technical review, and/or inspection services are set by the Ministry of the Environment. **Please contact Norfolk County's Engineering Division for further information.**

Water & Wastewater
Comparison of Average Monthly Billing for Selected Municipalities
as at October 2014

APPENDIX C

	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	1-Jan-14	1-May-14	1-Jan-14	1-Jan-14	1-Jan-14	1-Jan-14	1-Apr-14	1-Jan-14	1-May-14	1-Jan-14	1-Jan-14	1-Jan-14
Demographics												
Population	63,175	44,876	93,650	37,905	108,177	37,754	21,870	35,638	73,214	121,688	12,146	15,301
Water Customers	14,548	8,999	33,217	14,500	37,157	14,341	8,330	7,117	12,549	41,233	4,800	6,220
Geographic Area (Sq.Km)	1,608	1,252	72	36	2,458	44	27	843	3,083	87	13	22
Customers / Sq.Km	9.0	7.2	458.4	405.6	15.1	327.5	305.8	8.4	4.1	475.5	372.1	278.4
Residential (20 Cu.M)												
Water (\$)	56.41	42.29	44.04	41.55	37.50	33.66	23.02	62.89	68.56	35.10	41.35	35.83
Wastwater (\$)	59.56	44.75	38.62	38.78	38.60	24.31	42.95	44.75	45.04	41.10	47.04	35.92
Combined (\$)	115.97	87.04	82.66	80.33	76.10	57.98	65.97	107.64	113.60	76.20	88.40	71.76
Commercial (2" 500 Cu.M)												
Water (\$)	823.19	742.51	886.10	724.25	354.84	572.86	423.21	861.35	1,292.43	747.90	594.31	578.32
Wastwater (\$)	869.29	808.98	918.06	262.58	305.49	534.33	731.28	789.84	726.93	885.00	631.74	35.92
Combined (\$)	1,692.48	1,551.49	1,804.16	986.83	660.33	1,107.20	1,154.49	1,651.19	2,019.36	1,632.90	1,226.06	614.25
Industrial (8" 25,000 Cu.M)												
Water (\$)	34,172.25	26,489.05	43,790.31	32,691.33	13,565.84	23,409.77	12,321.50	-	62,584.23	35,190.60	23,620.21	23,460.32
Wastwater (\$)	36,085.90	30,193.90	43,171.69	32,104.74	11,646.99	25,267.95	21,196.34	-	34,309.23	40,831.50	27,413.20	27,809.51
Combined (\$)	70,258.15	56,682.95	86,962.00	64,796.07	25,212.83	48,677.73	33,517.85	-	96,893.46	76,022.10	51,033.42	51,269.84

Single Tier Area Regional Treasury 2014 Rate Increase Comparisons

	Norfolk	Haldimand	Hamilton	Niagara	London	Waterloo	Windsor	Toronto
Water %	0.02%	-2.40%	3.30%	0.08%	8.00%	4.90%	4.00%	9.00%
Wastwater %	0.07%	4.90%	4.70%	0.73%	7.00%	7.90%	0.00%	9.00%
	Durham	Peel	York	Kingston	Ottawa	Sudbury	Thunder Bay	Muskoka
Water %	8.90%	7.00%	10.00%	9.50%	7.00%	4.60%	6.00%	0.80%
Wastwater %	4.00%	7.00%	10.00%	5.00%	7.00%	4.60%	6.00%	2.20%