



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET TABLE OF CONTENTS

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SECTION 1:

FINANCIAL SERVICES REPORT



Working together with our community

Council-In-Committee Meeting – January 08, 2019

Subject: Proposed 2019 Rate Supported Operating Budget
Report Number: FS 19-01
Division: Financial Services
Department: Financial Planning and Reporting
Purpose: For Decision

Executive Summary:

Section 290 (1) of the *Municipal Act, 2001* 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, 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.

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

Annual Budget	Council Review Dates(s)
Proposed 2019 Rate Supported Operating Budget	January 8, 2019 – Council-In-Committee Meeting
Proposed 2019 Capital 10 Year Plan	January 9, 2019 – Council-In-Committee Meeting
Proposed 2019 Board of Heath Operating Budget	January 23, 2019 – Special Council Meeting
Proposed 2019 Levy Supported Operating Budget	January 23 and 24, 2019 – Special Council Meetings

The Rate Supported Operating Budget is the first of four annual budgets presented to Council for review and adoption. The review and approval of the Proposed 2019 Rate Supported Operating Budget will determine the water and wastewater rates needed to fully recover the cost of operating the water and wastewater systems.

Discussion:

Norfolk County is responsible for the purification and distribution of potable water to users. The water system includes water filtration plants, reservoirs, watermains, 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 and pumping stations. Both operating and capital expenditure requirements for the wastewater system are funded by user charges through separate rates 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 wastewater treatment 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 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 is 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 2019 Capital Budget have been reviewed and incorporated into the Proposed 2019 Rate Supported Operating Budget.

Capital infrastructure related to water and wastewater systems are funded from user rates with offsetting funding from Reserve Funds, 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 2019 Rate Supported Operating Budget is presented using a modified accrual method format and the fully accrued PSAB format required as the result of the revised PSAB reporting requirements. The modified accrual format is presented on pages 3-4 to 3-7 in the budget document. The PSAB format, in compliance with PSAB guidelines, is presented in a summary form on page 3-3.

Major Budget Drivers

Table 1 presents a Summary of Major Base Budget Drivers impacting the Proposed 2019 Budget. This Table presents a summary of the changes in the Proposed 2019 base budget over the approved 2018 budget. This is, essentially, a “business as usual” budget with no provision for extension of services however; it does include an increase in the annual contribution to Reserve Funds for infrastructure replacement.

Staff have undertaken a thorough review of base budgets and adjusted the Proposed 2019 Budget costs and revenues to reflect the revised requirements for Water and Wastewater Operations. The Proposed 2019 Budget for these base operating costs represents a 1.3% increase over the approved 2018 budget allocation for these purposes.

Table 1: Summary of Major Budget Drivers

() = Reduction of Net Rate Requirement

2018 Council Approved Net Rate Requirement		17,922,800	
Uncontrollable Budget Impacts			
Increase in Salaries & Benefits	103,600		
Decrease in Projected Long-Term Debt Payments	(72,500)		
Increase in Billing Contract	22,400		
Increase in SCADA Contract	30,000		
Increase in Property Taxes – Port Rowan WWTP MPAC Assessment	30,200		
Increase in Wastewater Contract	<u>40,900</u>	154,600	0.86%
Controllable Adjustments			
Decrease in Capital Requirements	(137,000)		
Increase in Reserve Fund Contribution	200,000		
Overall Increase in One Time Maintenance and Repairs Services and Supplies	95,000		
Increase in Write-Offs	29,700		
Removal of a One-Time Reserve Fund Contribution to Offset Consumption Deficiency	<u>(60,700)</u>	127,000	0.71%
Revenue Adjustments			
Increase in Leachate Charges	(25,800)		
Increase in Overall Miscellaneous Charges	(12,800)		
Decrease Bulk Water Charges	26,100		
Increase in Fire Protection Services	<u>(21,000)</u>	(33,500)	(0.19%)
Council Approved Initiatives		250,000	1.39%
New Budget Approved Initiatives		35,000	0.19%

Net Miscellaneous Changes		<u>(12,800)</u>	<u>(0.06%)</u>
Proposed 2019 Net Rate Requirement		18,443,100	
Change 2019 over 2018		520,300	2.90%
Percentage Change			

Sustainability

The water and wastewater operations are heavily influenced by the Capital Plan. This is clearly demonstrated by the impact that debt payments, capital from rate revenues and contributions to the systems' capital reserve funds have on the annual operating plan. These costs account for 50% of the Proposed 2019 Rate Supported Operating Budget. The percentage allocation for capital costs represents a similar level over last year. However, it should be noted that future budgets the percentage will increase as a result of projected increased debt payments anticipated for future infrastructure projects.

The ideal situation is 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. Over time, prior and future budgets will continue to work towards establishing a stable base operating budget 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 2019 Net Rate Requirement of \$18,443,100 represents an increase of \$520,300 or 2.9% over the approved 2018 Net Rate Requirement. Table 2 provides a summary of the approved and proposed Net Rate Requirements for the years 2014 to 2019.

Table 2: Summary of Approved and Proposed Net Rate Requirements

Purpose	2014 Approved	2015 Approved	2016 Approved	2017 Approved	2018 Approved	2019 Proposed
Net Rate Requirement	18,057,300	18,041,200	16,304,200	17,533,700	17,922,800	18,443,100
% Change over Previous Year	0.3 %	(0.1)%	(9.6)%	7.5%	2.2%	2.9%

The most significant change to note resulted in 2016. The approved Net Rate Requirement was reduced by \$1,737,000 as a result of the Water and Wastewater Rate Study approved by Council. This reduction is mainly due to increased fire protection and leachate charges recovered from the Levy Supported Operating Budget.

The other significant Net Rate Requirement was an increase of \$1,229,500 or 7.5% in 2017. The major budget drivers at that time included increased annual debt and interest payments, higher locate costs, increased billing costs and increased Veolia and Source Protection Implementation contract costs.

Water and Wastewater Charges

Norfolk County's Water and Wastewater Rates are a combination of a Basic Charge to provide the water and wastewater plants and infrastructure plus a Volumetric Charge reflecting actual use of the Water and Wastewater Systems.

The **Water Basic Charge** is a fixed charge based on meter size. The Water Basic Charge is intended to cover the fixed costs associated with having a system in place. Fixed costs include 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 consumption or usage.

The **Water Consumption Charge** is based upon meter readings taken from the customer's meter and reflects the actual water consumed for the billing period. The Water Consumption Charge or volumetric charge is intended to cover the variable system costs.

Again, as is the case for Water Charges, the **Wastewater Basic Charge** is intended to cover the fixed cost of providing the wastewater systems and the **Wastewater Volumetric Charge** is intended to cover the variable cost for operating these systems.

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

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.

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 rate is based upon a charge for the fixed costs of providing treatment plants and the increase in operating costs required to treat septic tank and holding tank waste that is higher in strength than sewage entering the facilities through the wastewater system.

Consumption

Water and wastewater rates are impacted by the net revenue requirements, estimated number of users and the anticipated consumption by the users. As a result, rates are calculated based on an anticipated volume of use which can result in adjustments to rates. For example, an increase in consumption will have a rate decrease affect whereas a decrease in consumption will increase rates charged to users.

From 2007 to 2015, 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 2018 (2018 is actual billed consumption to September and estimated for October to December). The projected consumption for 2018 is anticipated to be higher than actual consumption for 2015. This may be attributable to a much dryer summer which often drives higher residential consumption. The projected residential consumption for 2018, reported in Table 3, bears this out.

For the Proposed 2019 Rate Supported Operating Budget an estimated consumption of 3.03 million cubic meters has been used to calculate Water Rates, which is the same level of consumption used when projecting 2018 rates.

Table 3: Comparison of Water Consumption for the Years 2007 to 2015

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	1,888,766	1,032,070	2,920,836	(129,252)	(4.2)
2015	1,908,315	951,815	2,860,130	(60,706)	(2.0)
2016	2,032,415	962,349	2,994,764	134,634	4.7
2017	2,044,065	1,004,125	3,048,190	53,426	1.8
2018(*)	2,038,004	991,982	3,029,986	(18,204)	(0.6)

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

From the actual consumption in 2007 compared to the estimated actual consumption for 2015, consumption is 25% lower. The reduction in consumption over these years is in spite of an increase in the number of installed meters. However, Norfolk County's past profile of reduced consumption has seemed to stabilize for 2016 to 2018. A reduction in consumption has a direct impact on Water and Wastewater Rates.

Proposed 2019 Water and Wastewater Rates

The Proposed 2019 Water and Wastewater Rates for customers connected to the Water and Wastewater Systems, presented in Table 4, are calculated using the Net Rate Requirement required to support the Proposed 2019 Rate Supported Operating Budget and estimated consumption referenced above.

Table 4: Proposed 2019 Water & Wastewater Rates

Rate Component	Approved 2018 Rates	Proposed 2019 Rates
Water Consumption Charge - (per cubic meter)	1.395	1.444
Water Basic Charge Basic Monthly Charge, based upon Meter Size Meter Size:		
15 mm	21.25	21.66
25 mm	35.25	35.94
40 mm	59.00	60.18
50 mm	148.92	151.85
75 mm	171.79	175.17
100 mm	336.37	342.99
150 mm	604.11	615.99
200 mm	977.85	997.08
Wastewater Volumetric Charge - (per cubic meter)	1.647	1.702
Wastewater Basic Charges Basic Monthly Charge, based upon Meter Size Meter Size:		
15 mm	25.28	25.82
25 mm	41.94	42.84
40 mm	70.21	71.71
50 mm	177.22	181.00
75 mm	204.43	208.79
100 mm	400.29	408.82
150 mm	718.90	734.22
200 mm	1163.67	1188.46

Flat Rate Service Charge		
Monthly Flat Charge, based on consumption of 20 cubic meters		
Monthly Flat Water Rate	49.15	50.54
Monthly Flat Wastewater Rate	58.22	59.86
Bulk Water Rates - (per cubic meter)	3.95	3.95
Bulk Wastewater Treatment Rates - (per cubic meter)		
Septic Tank Waste	33.73	41.69
Holding Tank Waste	12.00	14.84
Leachate	24.67	28.00
See comments below on Septic, Holding Tank Waste and Leachate Treatment Rates		

It is intended that the Proposed Water and Wastewater Rates will become effective for all consumption occurring on or after February 1st, 2019. As a result of the effective date, the rate requirement revenue projected will be spread over eleven months as opposed to the traditional twelve months.

Septic and Holding Tank Waste Treatment Rates

At the Council Meeting on December 8, 2015 Council approved that all of the changes in Water and Wastewater Rates be implemented at once and not phased-in over a seven year period as had been previously approved. The impact of this action was that the combined rate for treating septic tank and holding tank waste of \$33.82 per cubic meter would be implemented immediately and not phased in over seven years. The charge to our customers – septage haulers – would be \$33.82 per cubic meter regardless of what mix was presented at the WWTP. The impact was that the septage hauler faced a 433.4% increase in processing for holding tank waste. The septage haulers in turn passed this increase cost on to their customers when septic tanks or holding tanks were pumped out.

At the Council-in-Committee Meeting on January 5, 2016 Council received a number of deputations and correspondence objecting to the substantial increase in the rate charged for processing holding tank waste. The majority of the concerns were in regards to the frequency of the pumping of holding tanks. Holding tanks are typically pumped out multiple times a year whereas a septic tank is pumped out once every 2-5 years. At that time a resolution was passed directing that an amendment be made to By-Law 2015-138 to revise the rate for processing holding tank (not including septic) waste to the

2015 rate of \$6.34 per cubic meter, which was adopted by Council at the Council Meeting on January 11, 2016. For the 2017 budget year this rate was increased to \$10.00 per cubic meter from the proposed \$6.72 rate.

Since this time, staff presented report FS 17-24 Water and Wastewater Ad Hoc Committee and Options for Rate Charged for Processing Waste Haulage. Four Options were presented with Council approving the following resolution:

“AND FURTHER THAT Council recommend Option 4 with a waste hauling 40% subsidized blended rate of \$20.29 per cubic meter be utilized for the 2018 Rate Supported Operating Budget with an economic adjustment to be determined at that time”

Council later amended the recommendation and directed staff to implement a \$12.00 per cubic meter or a 64.4% subsidized blended rate during the Proposed 2018 Rate Supported Operating Budget meeting.

As a result, staff has included a 64.4% subsidized blended rate when determining the structure for the proposed 2019 rate for treatment of holding tank waste.

Leachate Rates

Another fee Norfolk County charges is a fee for the recovery of leachate treatment costs. For 2019, this fee has undergone a detailed review and overall tonnage has decreased which has resulted in higher rates. This review has been reflected through the proposed rates.

Bulk Water Rates

In 2018, it was determined the consumption amounts utilized in the Rate Study were high compared to actual usage. As a result, in 2018, Bulk Water Rates were partially increased and the balance phased in until further investigation was completed. Staff completed a review of the current financial model and cost allocations assumptions and have revised cost assumptions accordingly. As a result, for 2019, bulk water users will not experience an increase for 2019.

Impact of Proposed Water and Wastewater Rates

Table 5 presents the impact of the Proposed 2019 Water and Wastewater Rates for various customers connected to the water and wastewater systems.

**Table 5: Impact of Proposed 2019 Water and Wastewater Rates
Total Water and Wastewater Charges**

User	Meter Size	Volume CM	2018 Approved Charges	2019 Projected Charges	% Change
Average Residential	15	11	79.99	82.09	2.6%
Small Commercial	15	50	198.63	204.78	3.1%
Medium Commercial	50	500	1,847.14	1,905.85	3.2%
Large Commercial	150	7,000	22,617.01	23,372.21	3.3%
Industrial	150	17,000	53,037.01	54,832.21	3.4%

Table 6 outlines the impact of the Proposed 2019 Water and Wastewater Rates for various customers utilizing Norfolk County’s water and wastewater systems.

**Table 6: Impact of Proposed 2018 Water and Wastewater Rates
Bulk Water, Septic/Holding Tank Rates**

Service	2018 Approved Rates	2019 Projected Rates	% Change
Bulk Water	3.95	3.95	0%
Septic Waste	33.73	41.69	23.7%
Holding Tank Waste	12.00	14.84	23.7%

Table 7 provides a nine year history of approved water and wastewater charges and proposed 2019 charges on a typical residential bill.

Table 7: Comparison of Water and Wastewater Rates for 2010 to 2019

Year	Combined Monthly Charge (based on 11 cubic meters)	Monthly Increase/ (Decrease)	Annual Increase/ (Decrease)	Percentage Change %
2010	66.07	3.67	44.00	5.9
2011	70.21	4.15	49.79	6.3
2012	75.54	5.33	63.94	7.6
2013	80.40	4.89	58.27	6.4
2014	80.76	.36	4.38	0.5
2015	82.74	1.97	23.69	2.4
2016	74.91	(7.83)	(93.93)	(9.5)
2017	79.01	4.10	49.08	5.5
2018	79.99	.98	11.76	1.2
2019 Proposed	82.09	2.10	25.20	2.6

Over the last few years, 2017 experienced a higher increase in the typical residential bill mainly due to increased annual debt and interest payments, higher locate costs, increased billing costs and increased Veolia and Source Protection Implementation contract costs for 2017.

Financial Services Comments:

Approval of the Proposed 2019 Rate Supported Operating Budget supports the overall operating and financing expenditures of \$18,443,100 for 2019. The impact of the proposed 2019 user fees have also been incorporated in the Proposed 2019 Rate Supported Operating Budget.

Interdepartmental Implications:

The rate supported budget includes charges for a variety of services from other divisions/departments and also includes a recovery from the tax supported operating budget to offset costs associated with fire protection.

Consultation(s):

Manager, Water and Wastewater Compliance
Senior Leadership Team

Strategic Plan Linkage:

Annual operating budget processes take into account the broad directions of Norfolk County's Strategic Plan which provides a basis for decision making.

Conclusion:

The Proposed 2019 Rate Supported Operating Budget has been prepared based on a business as usual budget in order to maintain current service levels adjusted on the basis of any approved reports during the year to expand services, plus additional requests for Council's consideration. In addition, as in prior years, this budget also includes further investments for capital infrastructure.

It is recommended that Council adopt the Proposed 2019 Rate Supported Operating Budget and associated revisions to user rates and miscellaneous fees and charges.

Recommendation(s):

THAT Report FS 19-01 RE: Proposed 2019 Rate Supported Operating Budget be received as information;

AND THAT the 2019 Rate Supported Operating Budget, with a Net Rate Requirement of \$18,443,100 be approved;

AND FURTHER THAT any surplus or deficit generated from Water and Wastewater Operations as at December 31, 2018, be contributed to or offset from the appropriate Water or Wastewater Capital Replacement Reserve Fund;

AND FURTHER THAT the 2019 Water and Wastewater Rates, as presented on January 8, 2019 be approved and be applied to all consumption occurring on or after February 1, 2019;

AND FURTHER THAT the 2019 Water and Wastewater Miscellaneous Charges, as outlined on pages 4-3 to 4-6 of Report FS 19-01, be approved to become effective from February 1, 2019;

AND FURTHER THAT Council approve staff attendance at out of province staff Development and Training, as outlined on page 4-8 of Report FS 19-01.

Attachment(s):

None

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SECTION 2:

GENERAL INFORMATION



NORFOLK COUNTY COUNCIL & SENIOR STAFF

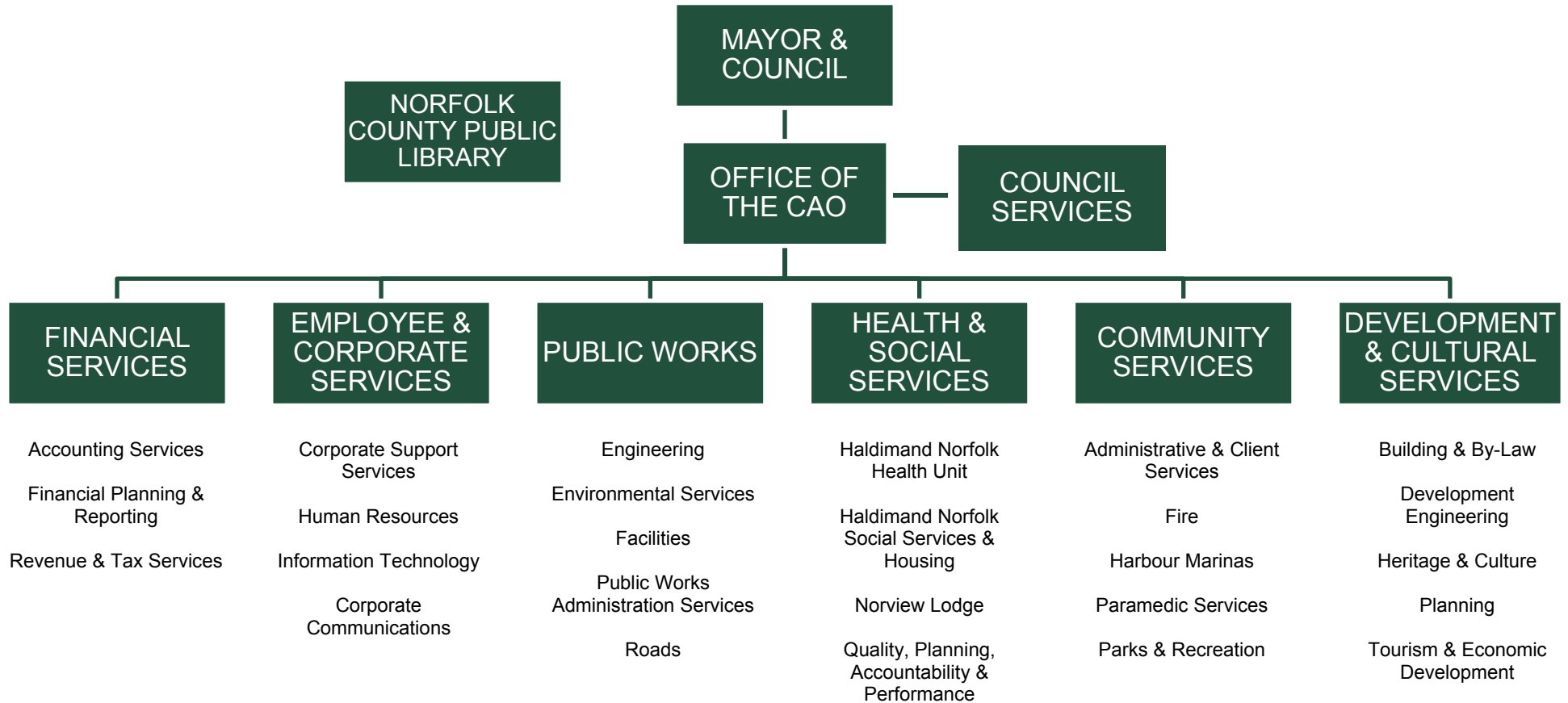
Norfolk County Council 2018 - 2022

Mayor	Kristal Chopp		
Ward 1	Tom Masschaele	Ward 5	Ian Rabbitts
Ward 2	Roger Geysens	Ward 5	Ryan J. Taylor
Ward 3	Michael J. Columbus	Ward 6	Amy Martin
Ward 4	Chris Van Paassen	Ward 7	Kim Huffman

Norfolk County Senior Staff

County Manager	David Cribbs	General Manager, Community Services	Bill Cridland
General Manager, Financial Services	James Johnson	General Manager, Health and Social Services	Marlene Miranda
General Manager, Public Works	Christopher Baird	General Manager, Employee and Corporate Services	Yakov Sluchenkov
General Manager, Development and Cultural Services	Pam Duesling	Acting Medical Officer of Health	Shanker Nesathurai

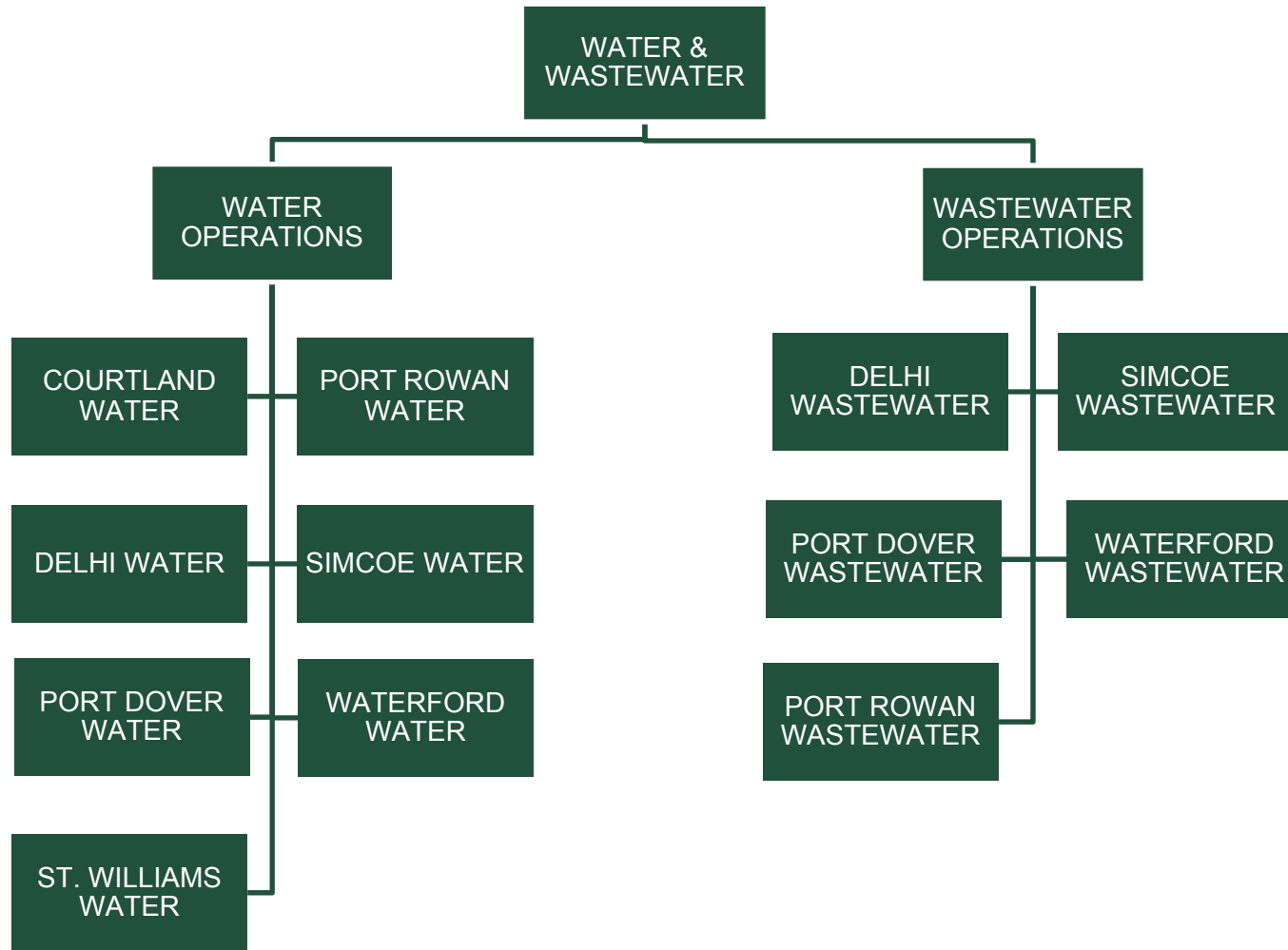
NORFOLK COUNTY GOVERNMENT STRUCTURE



PUBLIC WORKS DIVISION



WATER & WASTEWATER STRUCTURE



SECTION 3:

**PROPOSED 2019 RATE
SUPPORTED OPERATING BUDGET**

PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

Environmental Services – Water & Wastewater

DEPARTMENT FUNCTION/SERVICES

1. The treatment and distribution of potable water.
2. The collection and treatment of sanitary sewage.
3. Preparation of life-cycle plans, operating and capital budgets.

PERFORMANCE MEASURES

Measurable Service	2016	2017	2018 as of Sept. 30
Length of watermain (km)	307	320	324
Length of sanitary sewer (km)	230	239	243
Volume of water treated and distributed (m ³)	3,890,430	3,652,963	2,587,148
Volume of wastewater collected and treated (m ³)	4,455,151	4,623,490	4,244,754
Number of watermain breaks	12	20	25
Number of sanitary sewer main blockages	3	3	6

PRIOR YEAR ACHIEVEMENTS

1. Capital upgrades to various sanitary sewer pumping stations
2. Continued effective and efficient treatment and distribution of potable water to customers
3. Continued effective and efficient collection and treatment of sanitary sewage
4. Effective regulatory compliance
5. Initiated capital upgrades to the Waterford WWTP

UPCOMING MAIN OBJECTIVES, INITIATIVES OR MILESTONES

1. Implementation of Lake Erie Water Supply Study
2. Continuing with capital upgrades to Port Dover WWTP, Simcoe WWTP and Waterford WWTP
3. Capital upgrades to various sanitary sewer pumping stations
4. Capital upgrades to the Pt. Rowan WTP
5. Implementation of the recommendations found in the Norfolk County Water and Wastewater Rate Study
6. Update Norfolk County's Sewer Use By-Law
7. Continual improvement of the Drinking Water Quality Management System (DWQMS)
8. Asset Management
9. Implement new water source in Delhi

PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

Environmental Services – Water & Wastewater

10. Continuation of CCTV program for sanitary sewers
11. Continuation of the Source Water Protection Program

CHALLENGES, EMERGING TRENDS, SERVICE ISSUES

1. Limited Resources, specifically for Source Protection Plan implementation
2. Aging Infrastructure
3. Implementation of the recommendations found in the Norfolk County Water and Wastewater Rate Study



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

PSAB FORMAT

WATER & WASTEWATER SUMMARY

	2018 Forecasted Actuals	2018 APPROVED BUDGET	2019 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2019 PROPOSED BUDGET	2019 Budget \$ Incr/(Decr)	2019 Budget % Incr/(Decr)
OPERATING BUDGET								
Expenditures								
Salaries & Benefits	3,640,700	3,637,800	3,741,400	0	0	3,741,400	103,600	2.8
Materials & Supplies	1,451,800	1,501,800	1,445,800	0	0	1,445,800	(56,000)	(3.7)
Services	5,811,800	6,070,700	6,030,000	250,000	35,000	6,315,000	244,300	4.0
Interdepartmental Charges	3,769,400	3,728,400	4,061,800	0	0	4,061,800	333,400	8.9
Operating Capital Expenditures	1,200	11,200	0	0	0	0	(11,200)	(100.0)
Financial	56,100	70,300	100,000	0	0	100,000	29,700	42.2
Long Term Debt Interest	671,400	791,100	764,900	0	0	764,900	(26,200)	(3.3)
Amortization	5,578,200	5,578,200	6,077,600	0	0	6,077,600	499,400	9.0
Total Expenditures	20,980,500	21,389,500	22,221,500	250,000	35,000	22,506,500	1,117,000	5.2
Revenues								
PIL's-Supplementaries-Local Improvements	(24,500)	(24,400)	(24,400)	0	0	(24,400)	0	0.0
Municipal Recoveries	0	0	0	0	0	0	0	0.0
Financial Charges/Investment Income	(2,000)	(2,000)	(2,000)	0	0	(2,000)	0	0.0
Fees & Service Charges	(1,460,400)	(1,454,300)	(1,467,400)	0	0	(1,467,400)	13,100	0.9
Interdepartmental Recoveries	(4,498,400)	(4,448,400)	(4,780,000)	0	0	(4,780,000)	331,600	7.5
Total Revenues	(5,985,300)	(5,929,100)	(6,273,800)	0	0	(6,273,800)	344,700	5.8
OPERATING RATE	14,995,200	15,460,400	15,947,700	250,000	35,000	16,232,700	772,300	(1)
FINANCING BUDGET								
Long Term Debt Principal	1,775,200	1,968,600	1,922,300	0	0	1,922,300	(46,300)	(2.4)
Transfer To Reserves & Reserve Funds	6,238,700	6,238,700	6,438,700	0	0	6,438,700	200,000	3.2
Interfund Transfers	264,000	264,000	127,000	0	0	127,000	(137,000)	(51.9)
Transfer From Reserve & Reserve Funds	(230,700)	(430,700)	(200,000)	0	0	(200,000)	(230,700)	(53.6)
Amortization	(5,578,200)	(5,578,200)	(6,077,600)	0	0	(6,077,600)	499,400	9.0
FINANCE RATE	2,469,000	2,462,400	2,210,400	0	0	2,210,400	(252,000)	(10.2)
NET LEVY REQUIREMENT	17,464,200	17,922,800	18,158,100	250,000	35,000	18,443,100	520,300	2.9
STAFFING COMPLEMENT		34.20	34.20	0.00	0.00	34.20	0.00	0.00



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

WATER & WASTEWATER SUMMARY

	2018 Forecasted Actuals	2018 APPROVED BUDGET	2019 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2019 PROPOSED BUDGET	2019 Budget \$ Incr/(Decr)	2019 Budget % Incr/(Decr)
EXPENDITURES								
Salaries & Benefits	3,640,700	3,637,800	3,741,400	0	0	3,741,400	103,600	2.8
Materials & Supplies	1,451,800	1,501,800	1,445,800	0	0	1,445,800	(56,000)	(3.7)
Services	5,811,800	6,070,700	6,030,000	250,000	35,000	6,315,000	244,300	4.0
Interdepartmental Charges	3,769,400	3,728,400	4,061,800	0	0	4,061,800	333,400	8.9
Financial	56,100	70,300	100,000	0	0	100,000	29,700	42.2
Infrastructure Funding	8,685,300	8,998,400	9,125,900	0	0	9,125,900	127,500	1.4
Capital	265,200	275,200	127,000	0	0	127,000	(148,200)	(53.9)
TOTAL EXPENDITURES	23,680,300	24,282,600	24,631,900	250,000	35,000	24,916,900	634,300	2.6
REVENUES								
PIL's-Supplementaries-Local Improvements	(24,500)	(24,400)	(24,400)	0	0	(24,400)	0	0.0
Financial Charges/Investment Income	(2,000)	(2,000)	(2,000)	0	0	(2,000)	0	0.0
Fees & Service Charges	(1,460,400)	(1,454,300)	(1,467,400)	0	0	(1,467,400)	13,100	0.9
Transfer From Reserve & Reserve Funds	(230,700)	(430,700)	(200,000)	0	0	(200,000)	(230,700)	(53.6)
Interdepartmental Recoveries	(4,498,400)	(4,448,400)	(4,780,000)	0	0	(4,780,000)	331,600	7.5
Water & Wastewater Rates	(17,897,500)	0	0	0	0	0	0	0.0
TOTAL REVENUES	(24,113,500)	(6,359,800)	(6,473,800)	0	0	(6,473,800)	114,000	1.8
NET RATE REQUIREMENT		17,922,800	18,158,100	250,000	35,000	18,443,100	520,300	2.9
PROJECTED SURPLUS/(DEFICIT)	433,200							
STAFFING COMPLEMENT		34.20	34.20	0.00	0.00	34.20	0.00	



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

Water & Wastewater Administration

	2018 Forecasted Actuals	2018 APPROVED BUDGET	2019 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2019 PROPOSED BUDGET	2019 Budget \$ Incr/(Decr)	2019 Budget % Incr/(Decr)
EXPENDITURES								
Salaries & Benefits	1,001,100	978,800	996,800	0	0	996,800	18,000	1.8
Materials & Supplies	32,700	31,800	32,700	0	0	32,700	900	2.8
Services	817,200	824,000	807,700	250,000	35,000	1,092,700	268,700	32.6
Interdepartmental Charges	749,600	716,500	730,500	0	0	730,500	14,000	2.0
Capital	1,200	1,200	10,000	0	0	10,000	8,800	733.3
TOTAL EXPENDITURES	2,601,800	2,552,300	2,577,700	250,000	35,000	2,862,700	310,400	12.2
REVENUES								
Financial Charges/Investment Income	(1,000)	0	0	0	0	0	0	0.0
Fees & Service Charges	(5,600)	(7,100)	(6,900)	0	0	(6,900)	(200)	(2.8)
Interdepartmental Recoveries	(2,595,200)	(2,545,200)	(2,855,800)	0	0	(2,855,800)	310,600	12.2
TOTAL REVENUES	(2,601,800)	(2,552,300)	(2,862,700)	0	0	(2,862,700)	310,400	12.2
NET RATE REQUIREMENT		0	(285,000)	250,000	35,000	0	0	0.0
PROJECTED SURPLUS/(DEFICIT)	0							
STAFFING COMPLEMENT		9.20	9.20	0.00	0.00	9.20	0.00	



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

Water Operations

	2018 Forecasted Actuals	2018 APPROVED BUDGET	2019 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2019 PROPOSED BUDGET	2019 Budget \$ Incr/(Decr)	2019 Budget % Incr/(Decr)
EXPENDITURES								
Salaries & Benefits	2,495,700	2,511,700	2,551,400	0	0	2,551,400	39,700	1.6
Materials & Supplies	1,141,800	1,192,800	1,140,700	0	0	1,140,700	(52,100)	(4.4)
Services	1,362,800	1,609,600	1,554,000	0	0	1,554,000	(55,600)	(3.5)
Interdepartmental Charges	1,608,100	1,637,400	1,788,400	0	0	1,788,400	151,000	9.2
Financial	21,200	36,700	51,800	0	0	51,800	15,100	41.1
Infrastructure Funding	4,002,100	4,020,100	4,078,200	0	0	4,078,200	58,100	1.4
Capital	223,000	223,000	95,000	0	0	95,000	(128,000)	(57.4)
TOTAL EXPENDITURES	10,854,700	11,231,300	11,259,500	0	0	11,259,500	28,200	0.3
REVENUES								
PIL's-Supplementaries-Local Improvements	(5,000)	(5,000)	(5,000)	0	0	(5,000)	0	0.0
Financial Charges/Investment Income	(1,000)	(2,000)	(2,000)	0	0	(2,000)	0	0.0
Fees & Service Charges	(430,100)	(438,800)	(428,300)	0	0	(428,300)	(10,500)	(2.4)
Transfer From Reserve & Reserve Funds	(230,700)	(430,700)	(200,000)	0	0	(200,000)	(230,700)	(53.6)
Interdepartmental Recoveries	(1,903,200)	(1,903,200)	(1,924,200)	0	0	(1,924,200)	21,000	1.1
Water & Wastewater Rates	(8,500,700)	0	0	0	0	0	0	0.0
TOTAL REVENUES	(11,070,700)	(2,779,700)	(2,559,500)	0	0	(2,559,500)	(220,200)	(7.9)
NET RATE REQUIREMENT		8,451,600	8,700,000	0	0	8,700,000	248,400	2.9
PROJECTED SURPLUS/(DEFICIT)	216,000							
STAFFING COMPLEMENT		23.59	23.24	0.00	0.00	23.24	(0.35)	



PROPOSED 2019 RATE SUPPORTED OPERATING BUDGET

Wastewater Operations

	2018 Forecasted Actuals	2018 APPROVED BUDGET	2019 Adjusted Budget	Council Approved Initiatives	New Budget Initiatives	2019 PROPOSED BUDGET	2019 Budget \$ Incr/(Decr)	2019 Budget % Incr/(Decr)
EXPENDITURES								
Salaries & Benefits	144,000	147,300	193,200	0	0	193,200	45,900	31.2
Materials & Supplies	277,200	277,200	272,400	0	0	272,400	(4,800)	(1.7)
Services	3,631,800	3,637,100	3,668,300	0	0	3,668,300	31,200	0.9
Interdepartmental Charges	1,411,700	1,374,500	1,542,900	0	0	1,542,900	168,400	12.3
Financial	34,900	33,600	48,200	0	0	48,200	14,600	43.5
Infrastructure Funding	4,683,200	4,978,300	5,047,700	0	0	5,047,700	69,400	1.4
Capital	41,000	51,000	22,000	0	0	22,000	(29,000)	(56.9)
TOTAL EXPENDITURES	10,223,800	10,499,000	10,794,700	0	0	10,794,700	295,700	2.8
REVENUES								
PIL's-Supplementaries-Local Improvements	(19,500)	(19,400)	(19,400)	0	0	(19,400)	0	0.0
Fees & Service Charges	(1,024,700)	(1,008,400)	(1,032,200)	0	0	(1,032,200)	23,800	2.4
Water & Wastewater Rates	(9,396,900)	0	0	0	0	0	0	0.0
TOTAL REVENUES	(10,441,100)	(1,027,800)	(1,051,600)	0	0	(1,051,600)	23,800	2.3
NET RATE REQUIREMENT		9,471,200	9,743,100	0	0	9,743,100	271,900	2.9
PROJECTED SURPLUS/(DEFICIT)	217,300							
STAFFING COMPLEMENT		1.41	1.76	0.00	0.00	1.76	0.35	



Proposed 2019 Rate Supported New Budget & Council Approved Initiatives

Number	Name	Description	Budget Impact \$	FTEs	2019 Net Levy Impact \$	SLT Priority Ranking
2019 Rate Supported Operating Budget New Budget Initiative						
WWW-580-2019-007	W&WW Distribution & Collection Models	Maintenance of water distribution and wastewater collection models.	35,000	-	35,000	3
2019 Rate Supported Operating Budget Council Approved Initiative						
WWW-580-2019-006	ORO Coverage	Providing 24/7 Overall Responsible Operator (ORO) coverage to Norfolk County for its Water Treatment, Water Distribution and Wastewater Collection Services.	250,000	-	250,000	3
TOTAL NORFOLK COUNTY NEW BUDGET & COUNCIL APPROVED INITIATIVES			285,000		285,000	

Norfolk County Proposed 2019 New Budget Initiative

Name	WWW-580-2019-005 W&WW Distribution & Collection Models		SLT Priority Ranking	3
Department	Engineering Services	Position Type	Not Applicable	
Strategic Theme	Community	FTEs	0.00	
Strategic Direction	Ongoing Operations	Budget Impact	\$ 35,000	
Strategic Goal	Maintain Current Levels of Service in Operating Departments	Net Levy Impact	\$ 35,000	
Included in Business Plan?	Yes	Request Need	Business Continuity Requirement	
Start Date	01-February-2019	New or Existing	Existing Program	
End Date	No end date			

DESCRIPTION
Maintenance of water distribution and wastewater collection models.

JUSTIFICATION	FINANCIAL IMPACT																																								
<p>Water distribution and wastewater collection computer models for each of the five urban areas were completed as part of the Integrated Sustainable Master Plan (ISMP). As the communities grow (eg., subdivisions, changed land uses, reconstruction/enhancement of existing systems), the models must be updated to reflect any changes to the piped systems and appurtenances. This will be an annual budget need. The proposed value is an estimate based on discussions with the ISMP consultant. The actual needs will be assessed in 2018 and the annual cost will be refined for 2019 and subsequent budget years. We offer the use of the models to developers to assist in the design of the internal water and wastewater systems. The County does the final, "official", model updates once the systems are constructed. Staff feels that this is an added value to the development community. The County has also been offering, charged back to the developer at our cost, to have the County consultant run the model to assist the developers in their submission.</p> <p>This item will maintain the water and wastewater models in an accurate state with system changes or additions, such that staff can respond in a timely fashion, with a model that reflects system conditions.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ADD8E6;"> <th colspan="2" style="text-align: center;">EXPENDITURE AND REVENUE ITEMS</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Expenditures:</td> <td style="text-align: right;">(\$)</td> </tr> <tr> <td>Salaries and Benefits</td> <td></td> </tr> <tr> <td>Materials, Supplies and Services</td> <td style="text-align: right;">35,000</td> </tr> <tr> <td>Transfer Payments and Grants to Others</td> <td></td> </tr> <tr> <td>Interdepartmental Charges</td> <td></td> </tr> <tr> <td>Capital Expenditures</td> <td></td> </tr> <tr> <td>Other Expenditures</td> <td></td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">TOTAL EXPENDITURES</td> <td style="text-align: right;">35,000</td> </tr> <tr> <td style="text-align: left;">Revenues:</td> <td style="text-align: right;">(\$)</td> </tr> <tr> <td>Provincial/Federal Grants/Funding</td> <td></td> </tr> <tr> <td>User Fees and /or Service Charges</td> <td></td> </tr> <tr> <td>Other Recoveries/Collections/Sponsorships/Donations</td> <td></td> </tr> <tr> <td>Transfers from Reserve/Reserve Funds</td> <td></td> </tr> <tr> <td>Interdepartmental Recoveries</td> <td></td> </tr> <tr> <td>Other Revenues</td> <td></td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">TOTAL REVENUES</td> <td style="text-align: right;">0</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">BUDGET IMPACT</td> <td style="text-align: right;">35,000</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">ADJUSTMENT FOR FIRST YEAR DEFERRAL</td> <td style="text-align: right;">0</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">2019 NET LEVY IMPACT</td> <td style="text-align: right;">\$ 35,000</td> </tr> </tbody> </table>	EXPENDITURE AND REVENUE ITEMS		Expenditures:	(\$)	Salaries and Benefits		Materials, Supplies and Services	35,000	Transfer Payments and Grants to Others		Interdepartmental Charges		Capital Expenditures		Other Expenditures		TOTAL EXPENDITURES	35,000	Revenues:	(\$)	Provincial/Federal Grants/Funding		User Fees and /or Service Charges		Other Recoveries/Collections/Sponsorships/Donations		Transfers from Reserve/Reserve Funds		Interdepartmental Recoveries		Other Revenues		TOTAL REVENUES	0	BUDGET IMPACT	35,000	ADJUSTMENT FOR FIRST YEAR DEFERRAL	0	2019 NET LEVY IMPACT	\$ 35,000
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Norfolk County Proposed 2019 Council-Approved Initiative

Name	WWW-580-2019-006 ORO Coverage		SLT Priority Ranking	3
Department	Water & Wastewater Administration	Position Type	Not Applicable	
Strategic Theme	Community	FTEs	0.00	
Strategic Direction	Ongoing Operations	Budget Impact	\$ 250,000	
Strategic Goal	Consistently offer Innovative, Quality and Timely Service that is Valued by Norfolk	Net Levy Impact	\$ 250,000	
Included in Business Plan?	Yes	Request Need	Mandatory	
Start Date	01-January-2019	New or Existing	New Program	
End Date	No end date			

DESCRIPTION
Providing 24/7 Overall Responsible Operator (ORO) coverage to Norfolk County for its Water Treatment, Water Distribution and Wastewater Collection Services.

JUSTIFICATION	FINANCIAL IMPACT																																								
<p>In September, 2018, Council approved the utilization of the Ontario Clean Water Agency to provide ORO services for operations coverage pertaining to the Water Supply Systems. Norfolk County is statutorily obligated to engage persons with the appropriate credentials. After two failed attempts at recruitment the County was left with inadequate staffing in this critical function and as a result use of a third party was approved. Future reports on this issue will be forthcoming.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ADD8E6;"> <th colspan="2" style="text-align: center;">EXPENDITURE AND REVENUE ITEMS</th> </tr> </thead> <tbody> <tr> <td>Expenditures:</td> <td style="text-align: right;">(\$)</td> </tr> <tr> <td>Salaries and Benefits</td> <td></td> </tr> <tr> <td>Materials, Supplies and Services</td> <td style="text-align: right;">250,000</td> </tr> <tr> <td>Transfer Payments and Grants to Others</td> <td></td> </tr> <tr> <td>Interdepartmental Charges</td> <td></td> </tr> <tr> <td>Capital Expenditures</td> <td></td> </tr> <tr> <td>Other Expenditures</td> <td></td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">TOTAL EXPENDITURES</td> <td style="text-align: right;">250,000</td> </tr> <tr> <td>Revenues:</td> <td style="text-align: right;">(\$)</td> </tr> <tr> <td>Provincial/Federal Grants/Funding</td> <td></td> </tr> <tr> <td>User Fees and /or Service Charges</td> <td></td> </tr> <tr> <td>Other Recoveries/Collections/Sponsorships/Donations</td> <td></td> </tr> <tr> <td>Transfers from Reserve/Reserve Funds</td> <td></td> </tr> <tr> <td>Interdepartmental Recoveries</td> <td></td> </tr> <tr> <td>Other Revenues</td> <td></td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">TOTAL REVENUES</td> <td style="text-align: right;">0</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">BUDGET IMPACT</td> <td style="text-align: right;">250,000</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">ADJUSTMENT FOR FIRST YEAR DEFERRAL</td> <td style="text-align: right;">0</td> </tr> <tr style="background-color: #FFFF00;"> <td style="text-align: right;">2019 NET LEVY IMPACT</td> <td style="text-align: right;">\$ 250,000</td> </tr> </tbody> </table>	EXPENDITURE AND REVENUE ITEMS		Expenditures:	(\$)	Salaries and Benefits		Materials, Supplies and Services	250,000	Transfer Payments and Grants to Others		Interdepartmental Charges		Capital Expenditures		Other Expenditures		TOTAL EXPENDITURES	250,000	Revenues:	(\$)	Provincial/Federal Grants/Funding		User Fees and /or Service Charges		Other Recoveries/Collections/Sponsorships/Donations		Transfers from Reserve/Reserve Funds		Interdepartmental Recoveries		Other Revenues		TOTAL REVENUES	0	BUDGET IMPACT	250,000	ADJUSTMENT FOR FIRST YEAR DEFERRAL	0	2019 NET LEVY IMPACT	\$ 250,000
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SECTION 4:

APPENDICES



**Schedule A
2019 Metered Rates and Bulk Service Charges**

Charge	Approved 2018 Rate	Preliminary 2019 Rate	\$ Change	% Change
WATER				
Charge per Cubic Meter				
Consumption Charge	1.395	1.444	0.05	3.51%
Charge per Month				
Basic Charges				
Meter Sizes				
15 mm	21.25	21.66	0.41	1.93%
25 mm	35.25	35.94	0.69	1.96%
40 mm	59.00	60.18	1.18	2.00%
50 mm	148.92	151.85	2.93	1.97%
75 mm	171.79	175.17	3.38	1.97%
100 mm	336.37	342.99	6.62	1.97%
150 mm	604.11	615.99	11.88	1.97%
200 mm	977.85	997.08	19.23	1.97%
Flat Water Rate				
Volumetric charge of 20 cubic meters per month	49.15	50.54	1.39	2.83%
Charge per Cubic Meter				
Bulk Rate	3.95	3.95	0.00	0.00%



**Schedule A
2019 Metered Rates and Bulk Service Charges**

Charge	Approved 2018 Rate	Preliminary 2019 Rate	\$ Change	% Change
WASTEWATER				
Charge per Cubic Meter				
Volumetric Charge	1.647	1.702	0.05	3.34%
Sewage Disposal				
Holding Tank Waste	12.00	14.84	2.84	23.67%
Septic Waste	33.73	41.69	7.96	23.60%
Leachate	24.67	28.00	3.33	13.50%
Charge per Month				
Basic Charges				
Meter Sizes				
15 mm	25.28	25.82	0.54	2.14%
25 mm	41.94	42.84	0.90	2.15%
40 mm	70.21	71.71	1.50	2.14%
50 mm	177.22	181.00	3.78	2.13%
75 mm	204.43	208.79	4.36	2.13%
100 mm	400.29	408.82	8.53	2.13%
150 mm	718.90	734.22	15.32	2.13%
200 mm	1,163.67	1,188.46	24.79	2.13%
Flat Wastewater Rate				
Volumetric charge of 20 cubic meters per month	58.22	59.86	1.64	2.82%



Schedule B
Proposed 2019 Water & Wastewater Miscellaneous User Fees

Charge	Approved 2018 Rate	Proposed 2019 Rate	\$ Change	% Change	Comment of Comprehensive Review of Fees
WATER & SEWER CONNECTION PERMITS					
Watermain Taps (19 mm & 25 mm)					
Property Line to Building - inspection only	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
Main to Property Line - includes inspection, main tap and materials					
19 mm	1,075.00	913.00	-162.00	-15.07%	Updated costs of materials has reduced since last review.
25 mm	1,221.00	1,098.00	-123.00	-10.07%	Updated costs of materials has reduced since last review.
Main to Building - includes inspection, main tap and materials					
19 mm	1,153.00	974.00	-179.00	-15.52%	Updated costs of materials has reduced since last review.
25 mm	1,302.00	1,159.00	-143.00	-10.98%	Updated costs of materials has reduced since last review.
Watermain Taps (38 mm - 50 mm)					
Property Line to Building - inspection only	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	359.00	433.00	74.00	20.61%	Prior calculation did not include time for operators to drive to the property. Additionally service time has been increased to complete service based on current average service time.
Main to Building - includes inspection and main tap. Contractor to supply all materials.	438.00	493.00	55.00	12.56%	Prior calculation did not include time for operators to drive to the property. Additionally service time has been increased to complete service based on current average service time.
Large Diameter Watermain Taps (larger than 50 mm)					
Contractor Supervision and Inspection - Fee for Norfolk County staff to be present on site and Main Tap and Inspection	369.00	315.00	-54.00	-14.63%	Service time has reduced since last calculation based on current average service time.
- Fee for Norfolk County staff to perform the required watermain tap and inspect the work performed by the contractor. Contractor to supply all materials.	854.00	678.00	-176.00	-20.61%	In prior fee calculation supervisor time was required in process however now this is not regular practice.
Sanitary Sewer Connection Permits (125 mm diameter)					
Property Line to Building - inspection only	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
Main to Property Line - includes inspection, main tap and saddle. Contractor to supply all materials.	475.00	545.00	70.00	14.74%	Prior fee did not include cost allocation of tapping machine and under estimated operators time, offset by cost of saddle reduced since last calculated.
Main to Building - includes inspection, main tap and saddle. Contractor to supply all materials.	555.00	608.00	53.00	9.55%	Prior fee did not include cost allocation of tapping machine and under estimated operators time, offset by cost of saddle reduced since last calculated.

Charge	Approved 2018 Rate	Proposed 2019 Rate	\$ Change	% Change	Comment of Comprehensive Review of Fees
Sanitary Sewer Connection Permits (150 mm diameter or larger)					
Main to Property Line - includes inspection and main tap. Contractor to supply all materials.	341.00	470.00	129.00	37.83%	Prior fee did not include cost allocation of tapping machine and service time has slightly increased based on current average service time.
Main to Building - includes inspection and main tap. Contractor to supply all materials.	420.00	531.00	111.00	26.43%	Prior fee did not include cost allocation of tapping machine and service time has slightly increased based on current average service time.
Sanitary Maintenance Hole Inspection					
Inspection of installation or modification of a sanitary maintenance hole	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
Water/Sanitary Sewer Service Abandonment					
Inspection of service disconnect at main or property line - method & location of abandonment determined by Environmental Services Technologist	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
Storm Sewer Connection Permit					
Property Line to Building - inspection only	80.00	113.00	33.00	41.25%	Prior calculation did not include time for operators to drive to the property.
WATER METER SERVICES					
Replace damaged or missing meter					
19 mm (5/8 x 3/4)	279.00	317.00	38.00	13.62%	Two operators are used to complete this service. Only one operator was included in prior calculation.
greater than 19 mm (5/8 x 3/4)	Full Cost Recovery	Full Cost Recovery			
Replace damaged or missing meter reading device	279.00	317.00	38.00	13.62%	Two operators are used to complete this service. Only one operator was included in prior calculation.
Re-seal and install meter due to unauthorized removal of the meter	382.00	275.00	-107.00	-28.01%	Prior calculator included a larger estimate of supervisor's time to talk with landowners. Based on recent occurrences, less time has been required. Additionally estimated operators time for providing this service has decreased based on recent occurrences.
Drain and re-seal meter removed by Norfolk County staff	100.00	124.00	24.00	24.00%	Time required by operators has slightly increased since last calculation based on recent occurrences of service.
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.					
WATER METER INSTALLATION PACKAGE					
Replacement water meter installation package - 19 mm service (meter tails, meter spacer, meter wire)	104.00	114.00	10.00	9.62%	Estimated operator time for creating package has slightly increased since last review of fee based on current process.

Charge	Approved 2018 Rate	Proposed 2019 Rate	\$ Change	% Change	Comment of Comprehensive Review of Fees
WATER TURN ON/OFF					
During Normal Working Hours					
Water Turned On	84.00	84.00	0.00	0.00%	
Water Turned Off	84.00	84.00	0.00	0.00%	
Water Turned On/Off Same Day	84.00	84.00	0.00	0.00%	
Water Turned On with Meter Reconnection	99.00	148.00	49.00	49.49%	Two operators are used to complete this service. Only one operator was included in prior calculation.
Water Turned Off with Meter Disconnection	99.00	148.00	49.00	49.49%	
Water Turn Off Due to Unauthorized Turn On		244.00	NEW	NEW	
After Normal Working Hours					
Water Turned On (after normal working hours)	136.00	200.00	64.00	47.06%	Full cost recovery (FCR) is \$257, but after hour water turn on or off is usually only required in emergency circumstances, therefore suggesting less than FCR. FCR cost increased since last charge calculated as when operators are called out after hours, a minimum of 4 hrs must be paid though this full time is not required to be used for the service. This cost has now been included in the FCR calculation.
Water Turned Off (after normal working hours)	136.00	200.00	64.00	47.06%	
STANDBY CHARGE					
Water and Sewer - per month	46.53	47.48	0.95	2.04%	
Water - per month	21.25	21.66	0.41	1.93%	
MISCELLANEOUS CHARGES					
Lawyer's Certificate - per property	79.00	81.00	2.00	2.53%	FCR calculated for 2018 budget. AT FCR rate.
Environmental Information Requests - per property	102.00	126.00	24.00	23.53%	FCR calculated for 2018 budget; Recommendation was for a 20% increase & CPI added annually until at FCR of \$168.
Fire Hydrant Operation for Flow Test - per hydrant	81.00	82.00	1.00	1.23%	
Sanitary Sewer Dye Test - per test	80.00	82.00	2.00	2.50%	
Sanitary Sewer Lateral Camera Inspection (not performed at home owner's request, only completed at Norfolk County's discretion)		141.00	NEW	NEW	
Contractor Water Samples					
First sample	402.00	430.00	28.00	6.97%	Service time for work completed by Support Services Clerk & Financial Services Accounts Receivable Clerk were not considered in prior calculation. Net HST also not included in prior cost for contracted services (for sample delivery & analysis).
Each additional sample	40.00	42.00	2.00	5.00%	
Rain Barrels - per unit	62.00	83.00	21.00	33.87%	Delivery charges for rain barrels have increased significantly since last review.
Bulk Water Depot Account Set-Up	20.00	26.00	6.00	30.00%	Fee has been excluded from economic increase for a number of years; annual operating costs have continued to increase.
St. Williams Water Distribution Systems	1,465.00	1,465.00	0.00	0.00%	Based on By-Law 2010-83. No increase.

Charge	Approved 2018 Rate	Proposed 2019 Rate	\$ Change	% Change	Comment of Comprehensive Review of Fees
DEVELOPMENT SERVICES					
Environmental Compliance Approval for municipal and non-municipal development. Charges for administration, technical review, and/or inspection services are set by the Ministry of Environment. Please contact Norfolk County's Development Engineering Department for further information.					



Proposed 2019 Rate Funded Capital Expenditures

Project Number	Project Description	2019 Rate Impact \$
5831930	Delhi WWTP - Generator Access Platform	15,000
5831931	Delhi WWTP - Installation of Valve on Sludge Loading Pump	7,000
5931934	WWTP - Power Monitors	15,000
5931909	St Williams Booster Station Standby Generator	80,000
5831913	Cedar St - Hydraulic Dump Trailer	10,000
TOTAL RATE REQUIREMENT		\$127,000



Summary of Planned Out of Province Staff Development and Training

Category	Details
Name and location of training session	Water Environment Federation Technical Exhibition and Conference 2019 Chicago, Illinois
Date of training session	September 21 – September 25
Staff member requesting attendance	General Manager of Public Works & Director of Environmental Services
Why it is important for the staff to attend the particular training session	Largest water and wastewater trade show and conference in the world, over 20,000 delegates, most of the equipment we have or will be purchased for water and wastewater upgrades are on display at the tradeshow, the conference papers are presented by experts from around the world on leading edge material and emerging issues.
Estimated cost	\$6,100
Date for cut-off for early-bird registration	Registration opens in April, affordable rooms book up fast
Other Comments	



Water & Wastewater Comparison of Average Monthly Billing for Selected Municipalities

as at October 2018

	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-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18	1-Jan-18
Demographics												
Population	64,044	45,608	97,496	38,909	101,647	40,902	21,346	36,707	75,423	131,794	12,757	15,872
Water Customers	15,574	9,674	35,000	15,111	39,636	14,522	8,400	7,433	14,000	44,000	5,106	6,725
Geographic Area (Sq.Km)	1,608	1,252	72	36	2,458	49	21	843	3,084	87	13	22
Customers / Sq.Km	9.7	7.7	483.0	422.7	16.1	296.5	402.9	8.8	4.5	507.4	395.8	301.0
Residential (5/8" 11 Cu.M)												
Water (\$)	36.60	32.43	31.99	35.94	37.25	26.88	22.22	62.22	58.99	26.72	40.07	32.25
Wastewater (\$)	43.40	40.31	20.90	30.29	37.15	19.15	26.31	35.78	43.70	29.84	50.40	29.99
Combined (\$)	79.99	72.75	52.89	66.23	74.40	46.03	48.53	98.00	102.69	56.56	90.47	62.24
Residential (5/8" 20 Cu.M)												
Water (\$)	49.15	41.71	50.62	51.36	48.50	35.74	33.20	73.92	83.44	42.20	48.93	41.11
Wastewater (\$)	58.22	53.55	38.00	47.48	47.50	31.16	39.31	48.47	56.84	46.40	62.41	42.00
Combined (\$)	107.37	95.25	88.62	98.84	96.00	66.90	72.51	122.39	140.29	88.60	111.34	83.11
Commercial (2" 500 Cu.M)												
Water (\$)	846.42	774.20	1,046.32	944.97	700.00	649.79	758.20	1,033.32	1,437.03	919.70	683.42	660.76
Wastewater (\$)	1,000.72	1,031.63	950.00	324.28	630.00	596.85	780.95	867.14	808.45	1,012.70	722.30	656.04
Combined (\$)	1,847.14	1,805.83	1,996.32	1,269.25	1,330.00	1,246.64	1,539.15	1,900.46	2,245.48	1,932.40	1,405.72	1,316.80
Industrial (8" 25,000 Cu.M)												
Water (\$)	35,852.85	28,638.23	51,791.12	-	18,966.50	26,901.45	15,180.70	-	68,714.23	43,711.30	26,754.66	27,251.11
Wastewater (\$)	42,338.67	40,054.54	47,500.00	-	17,166.60	28,299.34	15,636.12	-	37,296.43	47,113.90	30,641.52	30,287.23
Combined (\$)	78,191.52	68,692.77	99,291.12	-	36,133.10	55,200.79	30,816.82	-	106,010.66	90,825.20	57,396.18	57,538.34
Miscellaneous Fees												
Bulk Water	3.95	2.94	4.14	0.80	2.50	1.50	2.20	2.57	3.26	3.31	1.50	1.50