



MUNICIPALITY OF  
**West Elgin**

**2026 Draft  
Water & Wastewater  
Budget Overview**

# 2026 Water Budget



# 2026 Budget Overview

- ▶ A balanced 2026 water budget prepared in accordance with municipal financial policy.
- ▶ Reflects operational needs, infrastructure requirements and customer service expectation.
- ▶ Emphasis on sustainability, efficiency and regulatory compliance.

# Revenue Projections

- ▶ Total Revenue (2026): \$1,669,104
- ▶ Sources:
  - ▶ Residential Water Rates
  - ▶ Non-Residential – Commercial and Industrial
  - ▶ Flat Charge
  - ▶ Bulk Water Sales
  - ▶ Water Connection Fees
  - ▶ Other (penalties, disconnect/reconnect fees)
- ▶ Key Assumptions:
  - ▶ 2% flat fee increase effective July 1, 2026
  - ▶ 2% rate increase effective July 1, 2026
  - ▶ To support ongoing infrastructure improvements and capital replacements within the Tri-County system, a flat fee (\$36 per year) will continue from 2025.

# Operating Expenses Projections

- ▶ Total Operating Budget: \$1,488,048
- ▶ Major Components:
  - ▶ Contracted Services
  - ▶ Wages & Benefits
  - ▶ Equipment Maintenance
  - ▶ Administrative Cost
- ▶ Inflationary Pressures:
  - ▶ Capital replacement
  - ▶ Water cost

# 2026 Capital Projects

\$385,000

AMR Software & Hardware

Truck Replacement

Chestnut Watermain (Graham  
to Ridge)

# 2026 Water Reserves

Reserve Balance	
Balance – January 1, 2026	\$ 1,970,018
Transfer from Reserves	\$ 155,966
Balance – December 31, 2026	\$ 1,814,052

# 2026 Rate Impacts

	2026 Budget	2025 Actual	\$ Increase
Flat Charge	\$ 57.22	\$ 56.10	\$ 1.12
Water Rate per m <sup>3</sup>	\$ 2.18	\$ 2.14	\$ 0.04
Tri County Capital Charge	\$ 6.00	\$ 6.00	\$ 0.00

## Proposed Water Increases as of July 1, 2026

	2026	2025	\$ Increase
Flat Charge	\$ 57.22	\$ 56.10	\$ 1.12
Assuming avg household uses 20m <sup>3</sup> /month	\$ 87.31	\$ 85.60	\$ 1.71
Tri County Capital Charge	\$ <u>6.00</u>	\$ <u>6.00</u>	\$ <u>0.00</u>
<b>Total bi-monthly charge</b>	<b>\$ 150.53</b>	<b>\$ 147.70</b>	<b>\$ 2.83</b>

# Tri-County Water Board Overview

The Tri-County Water Board is composed of **five municipalities** that collectively purchase water through the system.

## WHAT

- ▶ Annual Capital Contribution of \$64,860 until 2030 to help fund West Lorne Standpipe Refurbishment for \$2.5M (scheduled for 2028) and other estimated \$3M capital replacements

Under the 2021 Tri-County Master Agreement, West Elgin holds a 43% ownership share of the system and its allocated capacity. Capital contributions are calculated based on this ownership share.

## WHY

- ▶ Refurbishing the water tower is essential to ensure safe drinking water, maintain strong water pressure (especially for fire protection) and extend the life of the structure.

Questions?



# Wastewater Budgets

# 2026 Wastewater Budget Overview & Objectives

<b>Ensure</b>	<b>Ensure Safe and Reliable Service:</b> Maintain and operate wastewater infrastructure to meet environmental and public health standards.
<b>Sustain</b>	<b>Sustain Financial Stability:</b> Develop a balanced budget that supports operations, capital needs, and long-term asset management.
<b>Support</b>	<b>Support Regulatory Compliance:</b> Fund initiatives that ensure compliance with provincial and federal wastewater treatment regulations.
<b>Plan</b>	<b>Plan for Infrastructure Renewal:</b> Allocate resources for upgrades, equipment replacement, and capacity improvements.
<b>Promote</b>	<b>Promote Rate Stability:</b> Set user rates that reflect true costs while avoiding sudden increases for residents.
<b>Build and Maintain</b>	<b>Build and Maintain Reserves:</b> Ensure adequate reserve contributions for future capital and emergency needs.

# Revenue Projections

## Rodney Sewer

- ▶ Total Revenue (2026): \$1,870,343
- ▶ Sources:
  - ▶ Sewer Billings – Sewer Rates
  - ▶ Flat Charge
  - ▶ Grant Funding – ICIP Green Stream – Intake 1
- ▶ Key Assumptions:
  - ▶ 2% flat fee increase effective July 1, 2026
  - ▶ 2% rate increase effective July 1, 2026

# Operating Expenses Projections

## Rodney Sewer

- ▶ Total Operating Budget: \$363,474
  - ▶ 13% increase mainly attributed to \$40,000 increased sewer maintenance requirements
- ▶ Inflationary Pressures:
  - ▶ Capital replacement
  - ▶ Equipment and Parts
  - ▶ Utilities

# 2026 Capital Project- Rehabilitation of Rodney Wastewater System

## WHAT

Rehabilitation of Rodney  
Wastewater System

2026 costs estimated at  
\$2.6M

## HOW

- Full utilization of ICIP – Green Stream grant funding by year-end
- OCIF (Ontario Community Infrastructure Fund) grant contributions
- Rodney Sewer Reserves - despite grant support, the reserves will be nearly depleted by the end of this year.

# 2026 Rodney Sewer Reserves

Reserve Balance	
Balance – January 1, 2026	\$ 519,088
Transfer from Reserves	\$ 451,399
Balance – December 31, 2026	\$ 67,689

# 2026 Rate Impacts

	2026 Budget	2025 Actual	\$ Increase
Flat Charge	\$ 78.03	\$ 76.50	\$ 1.53
Sewer Rate	\$ 3.03	\$ 2.97	\$ 0.06

## Proposed Wastewater Increases as of July 1, 2026

	2026	2025	\$ Increase
Flat Charge	\$ 78.03	\$ 76.50	\$ 1.53
Assuming avg household uses 20m <sup>3</sup> /month	<u>\$ 121.18</u>	<u>\$ 118.80</u>	<u>\$ 2.38</u>
<b>Total bi-monthly charge</b>	<b>\$ 199.21</b>	<b>\$ 195.30</b>	<b>\$ 3.91</b>

# 2026 Rodney Sewer Challenges

<b>Rising Costs</b>	Creates pressure on the budget
<b>Plant Capacity Constraints</b>	The sewage plant may approach its capacity limit if development accelerates more rapidly than anticipated, potentially restricting future growth.
<b>Depleted Reserves</b>	Current capital plan will nearly exhaust reserves by year-end, limiting flexibility.
<b>Grant Dependency</b>	Heavy reliance on OCIF and other grants; future funding is uncertain.
<b>Affordability Concerns</b>	Need to balance recovery of rising costs with ratepayer affordability.

Questions?



# Revenue Projections

## West Lorne Sewer

- ▶ Total Revenue (2026): \$568,337
- ▶ Sources:
  - ▶ Sewer Billings – Sewer Rates
  - ▶ Flat Charge
- ▶ Key Assumptions:
  - ▶ 2% flat fee increase effective July 1, 2026
  - ▶ 2% rate increase effective July 1, 2026

# Operating Expenses Projections

## West Lorne Sewer

- ▶ Total Operating Budget: \$345,307
  - ▶ In line with 2025 budget
- ▶ Inflationary Pressures:
  - ▶ Capital replacement
  - ▶ Equipment and Parts
  - ▶ Utilities

# 2026 Capital Projects

## WHAT

**\$127,000**

1. Sanitary Manhole Repair
2. Scum Pump Rebuild
3. HVAC System Upgrade
4. Pump Station Rebuild
5. Addition of tie in from filter- by-pass lagoon

## HOW

Fully funded  
by reserves

# 2026 West Lorne Sewer Reserves

Reserve Balance	
Balance – January 1, 2026	\$ 717,328
Transfer from Reserves	\$ 114,476
Balance – December 31, 2026	\$ 831,804

# 2026 Rate Impacts

	2026 Budget	2025 Actual	\$ Increase
Flat Charge	\$ 74.91	\$ 73.44	\$ 1.47
Sewer Rate	\$ 2.81	\$ 2.75	\$ 0.06

## Proposed Wastewater Increases as of July 1, 2026

	2026	2025	\$ Increase
Flat Charge	\$ 74.91	\$ 73.44	\$ 1.47
Assuming avg household uses 20m <sup>3</sup> /month	<u>\$ 112.20</u>	<u>\$ 110.00</u>	<u>\$ 2.20</u>
<b>Total bi-monthly charge</b>	<b>\$ 187.11</b>	<b>\$ 183.44</b>	<b>\$ 3.67</b>

# 2026 West Lorne Sewer Challenges

<b>Rising Costs</b>	Creates pressure on the budget
<b>Plant Capacity Constraints</b>	The sewage plant is operating near its capacity, restricting future growth and development.
<b>Limited Transfers to Reserves</b>	Current sewage rates recover only 76% of operating costs; with the shortfall offset by flat rate charge.
<b>Affordability Concerns</b>	Need to balance recovery of rising costs with ratepayer affordability.

Questions?

