



**The Municipality of Central Huron Drinking Water and  
Sewer Systems**

# **FINANCIAL PLAN**

**O. Reg. 453/07 under Safe Drinking Water Act, 2002**

**Approved by Council on June 21, 2021**

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This Financial Plan is available at [www.centralhuron.ca](http://www.centralhuron.ca) and is also available for pick up free of charge at the Townhall 23 Albert, Clinton, Ontario N0M 1L0 519-482-3997

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## Introduction

Municipality of Central Huron owns 6 drinking water systems which supply potable water to the water system users. These systems are regulated through the Ministry of the Environment, Conservation and Parks to ensure water safety and quality. Their mandate includes the registering of all municipal drinking systems, licensing/permitting, approvals for modification and expansion of drinking water systems and inspection of operational procedures and practices annually.

Every owner and operator of a drinking water system must ensure that the system's water meets Ontario Drinking Water Quality Standards, that anyone who operates or works on their system is properly trained and licensed, that drinking water tests are done by licensed, accredited laboratories, and that adverse test results are reported to the Ministry of the Environment and the local medical officer of health. The Provincial standards for water quality have been established and are set out in the *Safe Drinking Water Act, 2002* and its associated regulations.

## Legislation

In 2007, the Ministry of the Environment (MOE) issued Ontario Regulation 453/07 Financial Plans under the *Safe Drinking Water Act, 2002* (SDWA). The regulation and accompanying guideline prescribes the requirements for Financial Plans to be prepared as part of the Municipal Drinking Water Licensing Program set out in Part V of the SDWA. This regulation was designed by the MOE in response to Justice Dennis O'Connor's Walkerton Inquiry recommendations. The intent is to ensure that municipalities plan for long-term financial sustainability of their drinking water systems and ensure the safety of their drinking water systems into the future. This report has been created to comply with the requirements of O. Reg. 453/07 and covers the Municipality of Central Huron water systems, which include all pipes, valves, treatment systems and wells. The financial statements included in this report project 6 years into the future as required.

The Financial Plan outlined in this document, and its associated appendices and reference reports, will maintain a safe, secure, and reliable water supply for this and future generations of water system users through sound financial planning. The Financial Plan also includes the sewer system, however, this is not required by the regulation and is for Central Huron purposes only.

This Financial Plan is a summary of various capital and operational programs already approved by Council for the current budget year (2021) with projected revenues and expenditures to 2027.

A previous Financial Plans was approved in 2012. This plan update is part of the Water Operating Authority's license renewal requirements.

This Financial Plan will be available on the Municipal website and will be submitted to the Ministry of Municipal Affairs and Housing, as required by the legislation. Hardcopies of the Plan will be available free of charge at the Municipal Townhall upon request.

## Central Huron Water Systems

The Municipality of Central Huron operates the following drinking water systems:

Water System	Category	# of Customer Accounts	# Service Connections
Clinton	Large Municipal Residential	1700	1450
Auburn	Small Municipal Residential	17	17
Kelly	Small Municipal Residential	22	22
McClinchey	Small Municipal Residential	20	24
SAM	Small Municipal Residential	14	14
Vandewatering	Small Municipal Residential	29	30

All the water systems are supplied with treated ground water from Municipal wells. The water systems customers are metered for fee collection and monitoring purposes.

## Water Rate Type and Historical Rates

A combination of a reserve charges (referred to as Base Rates) and Consumption charges are used for billing users in all of the Municipality's water. The Base Rates are a fixed rate charged per livable/occupiable unit.

*A Financial Plan was done in 2012 and the reserve funds were set as follows:*

- a)** water portion is 35% of the Water "Base Rate" and "Constant Rate".
- b)** sewer portion is 37% of the Sewer "Base Rate" and "Constant Rate".

Consumption Charges (referred to as Volumetric Rates) cover operation costs associated with the production of water and the treatment of sewage. The consumption charges are fixed rates applied to the volume (per m3) of water used. This rate presents tangible incentive for consumers to conserve water. As metering provides direct feedback as to usage patterns and the consumer has direct control over the total amount paid for the commodity, the consumer is encouraged to use only those volumes that are reasonably required.

Central Huron’s historical water and sewer system rates per residential user are as follows:

**Water**

Year	2015	2016	2017	2018	2019	2020
<b>Base Rate per month (\$)</b>	30.75	30.75	30.75	31.29	31.29	31.29
<b>Increase (\$)</b>	.60	0	0	.54	0	0
<b>Increase (%)</b>	2	0	0	2	0	0
<b>Volumetric Rate per m3 (\$)</b>	1.38	1.38	1.38	1.40	1.40	1.40
<b>Increase (\$)</b>	.03	0	0	.02	0	0
<b>Increase (%)</b>	2	0	0	1	0	0

**Sewer**

Year	2015	2016	2017	2018	2019	2020
<b>Base Rate per month (\$)</b>	30.75	30.75	30.75	31.29	31.29	31.29
<b>Increase (\$)</b>	.60	0	0	.54	0	0
<b>Increase (%)</b>	2	0	0	2	0	0
<b>Volumetric Rate per m3 (\$)</b>	.95	.95	.95	.97	.97	.97
<b>Increase (\$)</b>	.02	0	0	.02	0	0
<b>Increase (%)</b>	2	0	0	2	0	0

## Operating Plan

### Operating Expenses

Operating costs are generally those costs that relate to the operational requirements of the supply, treatment and distribution of water including staff, supplies, maintenance (preventative & unplanned) and other costs. Preventative maintenance efforts including hydrant flushing, pump inspections, valve exercising, SCADA data monitoring, leak detection etc., represent a proactive approach to maintaining water systems. Unplanned maintenance generally drive operational costs up and cause greater service interruptions. The budget for operations and maintenance is used to keep the water system functioning reliably and safely.

It is generally accepted that due to the immediate benefit and short-term impact of operating expenditures, they will be funded through the collection of user rates within the year the costs are incurred.

The annual budgets for operating costs are typically driven by inflation and changes in operational practices. An annual inflation factor of 2.5% was used for all operating expenses.

## Debt

There is currently no long-term debt on the water Systems and no long-term debt repayment expenses have been included in the plan during the period 2021-2027. With regards to the Sewer System, there is currently no long-term debt but proposed debt of \$407,750 for the construction of the Utilities Works Centre is included in the plan for 2021.

## Lead Replacement

No Funds have been set aside for lead abatement as there is no lead present in the water system.

## Capital Investment Plan

A Capital Investment Plan that encompasses the entire life cycle of the water system's assets has been prepared. The asset information that makes up the water system infrastructure was obtained from the Municipality's accounting system and engineering documentation. Central Huron had an Asset Management Plan updated in 2015 by Public Sector Digest, which aligns the Citywide software with the AMP.

Capital costs have been inflated using an annual inflation factor of 2.5% per year. The Financial Plan includes the replacement of assets requiring replacement during the period 2021-2027.

All assets have been given an estimated "useful life" when acquired based on information from engineers. The Capital Investment Plan assumes that the asset will be replaced at the end of its useful life. It is inevitable that some assets may fail prior to this date, or that others may remain in service after this date; however, the replacement at end of life provides a fairly accurate estimate over the lifecycle time frame. Annual adjustments are made to compensate for changes in useful life based on condition or when a useful life has been exceeded.

System improvements are also factored into capital expenditure planning. While it is important to maintain the system in working condition, it also at times becomes necessary or desirable to improve the system. Some of these improvements are driven by senior government legislation, customer needs water conservation, efficiency improvements and technology advancements.

Growth is another long-term strategy considered in water system capital planning. This has not been typically factored in for the Municipality as development has been historically minimal. However, for this Financial Plan growth has been considered as a number of development opportunities are on the horizon. The Municipality does not currently have established Growth Development Charges. Without

development charges the burden falls onto the user pay system and healthy reserves need to be insured to accommodate the potential future growth.

It is important to note that a Capital Investment Plan should be seen as a living document. Due to the long planning horizon required to incorporate the asset's lifecycle, it is inevitable that changes will be required from year to year. In order to ensure that the assumptions and information used in the preparation of the Capital Investment Plan remain up-to-date, the Capital Investment Plan will be reviewed annually during the municipality's budget process.

The Capital Investment Plan for Central Huron's drinking water systems and sewer system have been attached as Appendix A.

## Funding Plan

The funding plan addresses how the water and sewer systems will raise the necessary funds required to meet its projected operating and capital needs.

A sustainable water and sewer systems is one that can adequately cover current operating costs, maintain and repair its existing asset base, replace assets when appropriate, fund future growth and service enhancements, and account for inflation and changes in technology.

## Grant Funding

A historical 5 year average has been used for the purposes of estimating future grant funding. The Municipality will continue to monitor grant funding available to apply towards system improvements and technology advancements.

## Debt

Debt proceeds of \$407,750 are included in 2021 of the Sewer System Financial Plan. This is estimated to be repaid over 10 years at a rate of 2.04%.

## User Fees

The Financial Plan approved by Council in 2012 (10 year plan) had projected the volumetric rate to be at \$1.56/m<sup>3</sup> by 2021 based on annual 2% increases. These increases were reviewed annually and were adjusted to reflect Council's desire to remain consistent with neighbouring Municipalities water rates, reluctance of rate increases during the COVID-19 pandemic, and assessment of actual year end budget lines.

No increases to water rates are being recommended as part of this plan. As can be seen on Appendix G,

# Municipality of Central Huron Water and Sewer Systems Financial Plan

the estimated cash balance in the water system at the end of 2027 is \$2,447,897 .

Increases are recommended for sewer base and volumetric rates in order to bring the system out of deficit. As noted, this report will be reviewed annually and staff will consider lowering water rates to maintain a healthy reserve while offsetting increases in the sewer rates.

The following table outlines the projected percentage rate increases required and these increases have been included in the 2021-2027 Financial Plan for both systems.

	2021	2022	2023	2024	2025	2026	2027
<b>Water Rate Increase (%)</b>	0%	0%	0%	0%	0%	0%	0%
<b>Sewer Rate Increase (%)</b>	3.5%	4%	4%	4%	4%	4%	4%

A schedule of all of the proposed rates for 2021-2027 are included on Appendix B. The estimated annual increase for a Clinton residential water user is outlined below.

<b>Water System - Rate Increases</b>	2020	2021	2022	2023	2024	2025	2026	2027
<b>Annual Cost - Clinton Residential:</b>								
Base Rates	\$375.48	\$375.48	\$375.48	\$375.48	\$375.48	\$375.48	\$375.48	\$375.48
Consumption (1)	\$194.49	\$194.49	\$194.49	\$194.49	\$194.49	\$194.49	\$194.49	\$194.49
Annual Cost	\$569.97	\$569.97	\$569.97	\$569.97	\$569.97	\$569.97	\$569.97	\$569.97
% increase		0%	0%	0%	0%	0%	0%	0%
\$ increase		\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Sewer System - Rate Increases</b>	2020	2021	2022	2023	2024	2025	2026	2027
<b>Annual Cost - Clinton Residential:</b>								
Base Rates	\$375.48	\$388.62	\$402.24	\$416.34	\$428.82	\$441.66	\$454.92	\$468.54
Consumption (1)	\$134.75	\$138.92	\$144.48	\$150.03	\$154.20	\$158.37	\$162.54	\$168.09
Annual Cost	\$510.23	\$527.54	\$546.72	\$566.37	\$583.02	\$600.03	\$617.46	\$636.63
% increase		3.4%	4.0%	4.0%	3.9%	3.9%	4.1%	4.0%
\$ increase		\$17.31	\$21.10	\$21.70	\$22.36	\$23.02	\$25.13	\$25.85

Notes:

(1) Estimated Water Consumption of 138.92 cubic meters

## Water and Sewer System Financial Plan Statements

### Forecasted Statement of Financial Position

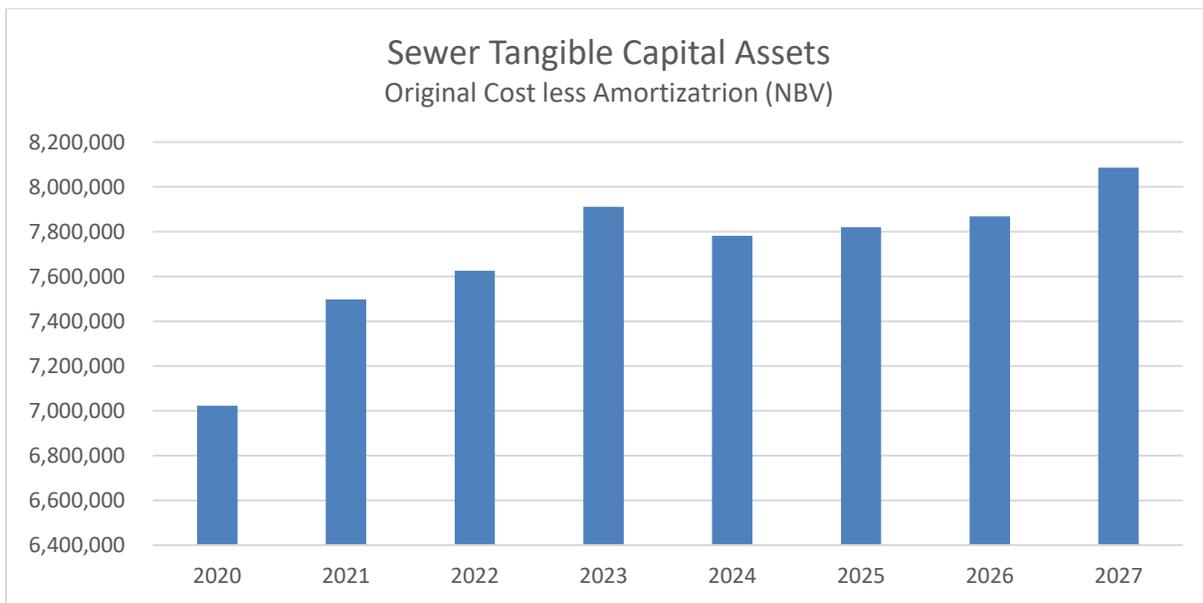
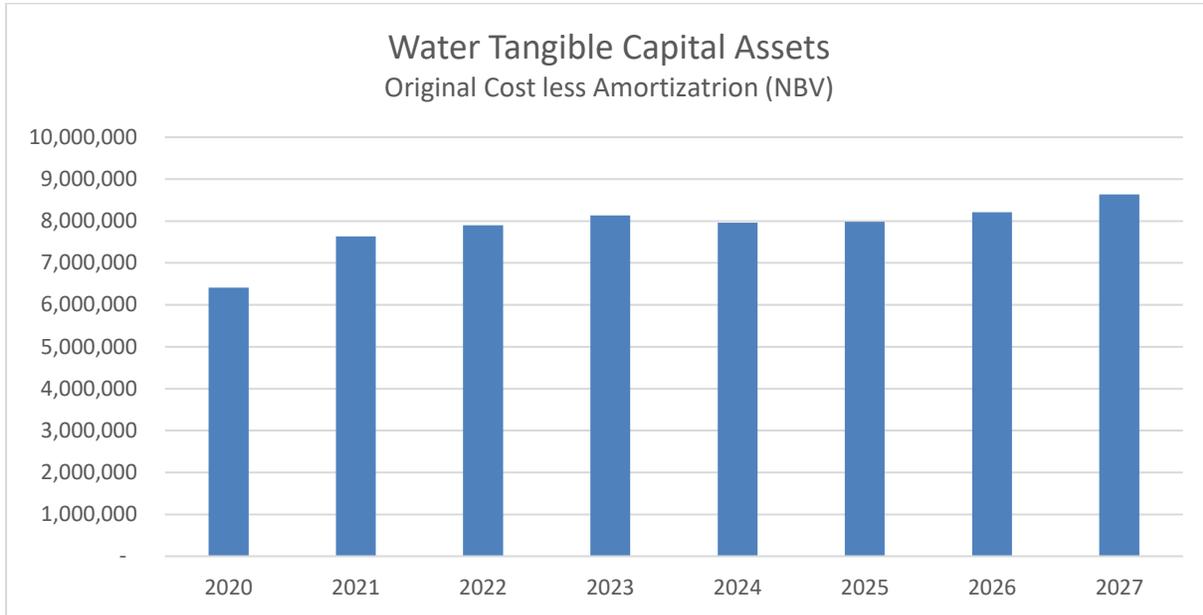
The Statement of Financial Position provides information that describes the assets, liabilities, net financial assets, and tangible capital assets of the water systems. The Forecasted Statement of Financial Position for the water and sewer systems are provided in Appendix C and Appendix D, respectively.

The net financial assets represent the assets on hand (cash) which can provide resources to finance future operations. The following graphs illustrate the funds available in each water system. The water system has an upward trend which shows that surpluses, through funds invested in reserves, are being accumulated for future reinvestment in water system assets.

The Sewer System also has an upward trend where surpluses are being accumulated for future reinvestment in sewer system assets. It is important to note that the Sewer System is projected to have a cash deficit of \$316,180 in 2021. With the proposed rate increases this deficit will be eliminated by 2027.

Based on the review of infrastructure and financial information compiled in the financial plan, the Municipality of Central Huron is of the opinion that both systems are financially viable and will be able to fund infrastructure projects when required.

Water and sewer systems require a significant investment in assets to build the infrastructure necessary to provide services. Identifying and valuing these assets was a requirement adopted by the Public Sector Accounting Board (PSAB) in 2009. These assets are constantly decreasing in value each year as they are amortized over their useful life. Increases in the net book value (NBV) of a water system are an indication that funds have been invested into infrastructure.



The growth of Tangible Capital Assets in water system shows a steady investment in infrastructure. The fluctuations in the Sewer Tangible Capital Assets indicate a significant amount of investment in 2021 to 2023, followed by a few years of lower investment with investments increasing again in 2027.

The accumulated surplus of the water and sewer systems represents the cash on hand plus the net book value of assets less debt. This is the total resources available to finance future operations.

There is an increasing trend in the accumulation of resources available in the water and sewer System. This is a reflection of the fact that investments are being continually made in the water and systems

and that costs of newer infrastructure well exceed the historical cost of the infrastructure it is replacing.

**Forecasted Statement of Operations**

The Forecasted Statement of Operations projects revenues and expenses. The annual surplus / (deficit) measures whether the revenues generated were sufficient to cover the expenses incurred and in turn, whether net financial assets have been maintained or depleted. An annual surplus is required to ensure funding is available to cover asset acquisition costs, reserve fund transfers and debt principal payments.

The Forecasted Statement of Operations for the water and sewer systems is provided in Appendix E and Appendix F, respectively.

**Forecasted Statement of Cash Flow**

The Forecasted Statement of Cash Flow projects how cash will be generated and used. The transactions that provide/use cash are classified as operating, capital, investing and financing activities. The Forecasted Statement of Cash Flow for the water and sewer systems is provided in Appendix G and Appendix H, respectively.

## Appendix I – Ontario Regulation 453/07

### Safe Drinking Water Act, 2002

#### ONTARIO REGULATION 453/07 FINANCIAL PLANS

**Consolidation Period:** From April 1, 2008 to the e-Laws currency date.

Last amendment: O. Reg. 69/08.

Requirement to prepare financial plans

**1. (1)** A person who makes an application under clause 32 (1) (b) of the Act for a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 2. O. Reg. 453/07, s. 1 (1).

**(2)** A person who makes an application under subsection 32 (4) of the Act for the renewal of a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (2).

**(3)** As a condition in a municipal drinking water licence that is issued in response to an application made under section 33 of the Act for a municipal drinking water licence, the Director shall include a requirement that the owner of the drinking water system, by the later of July 1, 2010 and the date that is six months after the date the first licence for the system is issued, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (3).

**(4)** The Director shall include, as a condition in a municipal drinking water licence, the requirement set out in subsection (3) in any amendments to a license made after the application, if the condition is not satisfied at the time when the amendment is made. O. Reg. 453/07, s. 1 (4).

Financial plan requirements; new systems

**2.** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (1) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that indicates that the drinking water system is financially viable and that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.

2. The financial plans,
  - i. must include a statement that the financial impacts of the drinking water system have been considered, and
  - ii. must apply for a period of at least six years.
3. The first year to which the financial plan must apply is the year in which the drinking water system is expected to first serve the public.
4. For each year in which the financial plans apply, the financial plans must include details of the proposed or projected financial operations of the drinking water system itemized by,
  - i. total revenues, further itemized by water rates, user charges and other revenues,
  - ii. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
  - iii. annual surplus or deficit, and
  - iv. accumulated surplus or deficit.
5. The owner of the drinking water system must,
  - i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 2.

Financial plan requirements; licence renewal

**3. (1)** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (2) or a condition that is included in a municipal drinking water licence under subsection 1 (3) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
2. The financial plans must apply to a period of at least six years.

3. The first year to which the financial plans must apply must be the year determined in accordance with the following rules:
  - i. If the financial plans are required by subsection 1 (2), the first year to which the financial plans must apply must be the year in which the drinking water system's existing municipal drinking water licence would otherwise expire.
  - ii. If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.
4. Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:
  - i. Details of the proposed or projected financial position of the drinking water system itemized by,
    - A. total financial assets,
    - B. total liabilities,
    - C. net debt,
    - D. non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses, and
    - E. changes in tangible capital assets that are additions, donations, write downs and disposals.
  - ii. Details of the proposed or projected financial operations of the drinking water system itemized by,
    - A. total revenues, further itemized by water rates, user charges and other revenues,
    - B. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
    - C. annual surplus or deficit, and
    - D. accumulated surplus or deficit.
  - iii. Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,
    - A. operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges,
    - B. capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,
    - C. investing transactions that are acquisitions and disposal of investments,

- D. financing transactions that are proceeds from the issuance of debt and debt repayment,
  - E. changes in cash and cash equivalents during the year, and
  - F. cash and cash equivalents at the beginning and end of the year.
- iv. Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.
5. The owner of the drinking water system must,
- i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).

(2) Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

- 1. Sub-subparagraphs 4 i A, B and C of subsection (1).
- 2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).

Alternative requirements for two or more drinking water systems

4. If section 3 applies to the financial plans of two or more drinking water systems that are solely owned by the same owner, the requirements prescribed by the section may, as an alternative, be satisfied by financial plans that comply with the section but treat those systems as if they were one drinking water system. O. Reg. 453/07, s. 4.

Amendment of financial plans

5. Sections 2 and 3 do not prevent financial plans from being amended. O. Reg. 453/07, s. 5.

Additional information

6. The requirements of this Regulation do not prevent a person from providing additional information in financial plans prepared for the purpose of meeting the requirements of the Act. O. Reg. 453/07, s. 6.

7. Omitted (provides for coming into force of provisions of this Regulation).  
O. Reg. 453/07, s. 7.

## Appendix A - Water and Sewer System Capital Plan

Year	Project Name	Asset Name	Asset Element	Description	Current Cost	Adjusted		Water	Sewer
						(Future) Cost			
2021	Albert Street Beautification	Albert Street	Sewerworks	Main and services from Princess W to Princess E	\$84,051.33	\$84,051.33		\$84,051.33	
			Waterworks	Main intersection to Princess E - main and services into buildings with backflow prevention	\$597,577.02	\$597,577.02	\$597,577.02		
		Park Lane	Sewerworks	Albert to Princess Street E	\$49,333.23	\$49,333.23		\$49,333.23	
		Princess Street W	Waterworks	Albert to Princess Street E	\$63,555.07	\$63,555.07	\$63,555.07		
			Sewerworks	From Albert to back Lane	\$53,639.40	\$53,639.40		\$53,639.40	
	Well 3	Waterworks	From Albert to back Lane	\$41,154.13	\$41,154.13	\$41,154.13			
			Pipe from Reservoir to Well 3	Pipe from Reservoir to Well 3	\$8,466.08	\$8,466.08	\$8,466.08		
	Mohawk Crescent	Mohawk Crescent	Waterworks	Numerous breaks - new pavement and curbing - pipebursting to save the road?	\$221,104.00	\$221,104.00	\$221,104.00		
	Sewage Treatment Plant Filter	Sewage Treatment Plant Fil	Sewage Treatment Plant Filter	CSTP filter and installation. Original Budget of \$917,000. \$810,278.80 spent to date.	\$106,721.20	\$106,721.20		\$106,721.20	
	Utilities Work Centre Wastewater	Utilities Work Centre Equalization pump Sewerworks	Utilities Work Centre replacement Equalization Chamber / Lagoon	Water	done in 2019 to test site for construction.	\$815,500.00	\$815,500.00	\$407,750.00	\$407,750.00
				Water	Pump failed - replaced & installed	\$6,858.75	\$6,858.75		\$6,858.75
	Water	Distribution Pump 1	Water	Water	Sewer relining	\$50,000.00	\$50,000.00		\$50,000.00
				Water	Distribution pump 1 needs replaced and motor repuilt	\$18,500.00	\$18,500.00	\$18,500.00	
	Water and Wastewater	Kelly Well PLC controls	Kelly Well Maintenance Pressure Transmitter	Water	Well Maintenance - Kelly Well - (Pressure tanks, chlorine analyzer, etc.)	\$13,500.00	\$13,500.00	\$13,500.00	
				Water	Datasoft recommends a spare - ordered	\$2,619.60	\$2,619.60	\$2,619.60	
Water and Wastewater	Albert Street Water and Wastewater	Water Meters - Albert Street Meter Reading Software	Water	Water meters replacement for Albert Street 60% water 40% sewer	\$17,429.00	\$17,429.00	\$10,457.00	\$6,972.00	
			Water	Meter Reading Software	\$17,503.00	\$17,503.00	\$8,751.50	\$8,751.50	
Water Treatment and Distribution	Water Treatment and Distrib	Chlorine Gas System Upgrade - Clinto	Chlorine Gas System Upgrade - Clinton	\$34,838.00	\$34,838.00	\$34,838.00			
<b>2021 Total</b>					<b>\$2,202,349.81</b>	<b>\$2,202,349.81</b>	<b>\$1,428,272.40</b>	<b>\$774,077.41</b>	
2022	Church St	Church St	Sewerworks	Main & services - camera condition of clay - reline? / 33m PVC 1995 - ok	\$36,260.00	\$37,166.50		\$37,166.50	
			Waterworks	replace main & services	\$79,560.00	\$81,549.00	\$81,549.00		
	Cutter Street	Cutter Street	Sewerworks	Main & services - camera condition / infiltration investigation	\$70,000.00	\$71,750.00		\$71,750.00	
			Waterworks	Main, services and 1930 Hydrant - no valve	\$55,000.00	\$56,375.00	\$56,375.00		
	New Equipment Sewage Treatment Plant Wastewater	New Equipment Building/Grounds Sewerworks	Hydro-Vac/Valve Turning Trailer Resurface paved parking lot	Water	Hydro-Vac/Valve Turning Trailer. Could be used by Utilities and Roads.	\$93,385.00	\$95,719.63	\$47,859.82	\$47,859.82
				Water	Need to pave parking lot	\$43,000.00	\$44,075.00		\$44,075.00
	Water Water Treatment and Distribution Whitehead Street	Water Reservoir Water Treatment and Distrib Whitehead Street	Fencing around water reserrior Well Maintenance - Clinton Well #3	Water	Sewer relining	\$50,000.00	\$51,250.00		\$51,250.00
				Water	Reservoir fencing (security purposes) – waiting for estimates – year 2021 (could tie it in with new building	\$17,200.00	\$17,630.00	\$17,630.00	
			Well Maintenance - Clinton Well #3	\$45,000.00	\$46,125.00	\$46,125.00			
			Main & Services. Infiltration investigation.	\$157,423.85	\$161,359.45		\$161,359.45		
			Waterworks	Watermain & services- Albert to Beech St. Increase to 150mm	\$209,954.36	\$215,203.22	\$215,203.22		
<b>2022 Total</b>					<b>\$856,783.21</b>	<b>\$878,202.80</b>	<b>\$464,742.04</b>	<b>\$413,460.77</b>	
2023	Industrial Lot Servicing	Industrial Lot Servicing	Sewerworks	Sewer services to Industrial Park lots-Strat Plan meeting Sept 23/19 estimated \$406,000 full project	\$203,000.00	\$213,276.88		\$213,276.88	
			Waterworks	Water services to Industrial Park lots-Strat Plan meeting Sept 23/19 estimated \$406,000 full project	\$203,000.00	\$213,276.88	\$213,276.88		
	Issac Street	Issac Street	Sewerworks	Sewermain/services. Infiltration investigation.	\$293,040.00	\$307,875.15		\$307,875.15	
Waterworks			Watermain possibly upgrade to 200mm for Industrial Park - services right into downtown buildings	\$200,000.00	\$210,125.00	\$210,125.00			

2023	Wastewater	Sewerworks	Sewer Relining	Sewer relining	\$50,000.00	\$52,531.25		\$52,531.25
<b>2023</b>								
<b>Total</b>					<b>\$949,040.00</b>	<b>\$997,085.16</b>	<b>\$423,401.88</b>	<b>\$573,683.28</b>
2024	Erie Street	Erie Street	Sewerworks	Sewermain - Alma to Pugh's Terrace - 1995 & newer - video to confirm condition. Don't replace	\$0.00	\$0.00		\$0.00
	Pughs Terrace	Pughs Terrace	Sewerworks	76m clay 1947, 145m Trans 1973 - camera for condition - reline / install cleanouts at property line - Issues for line going to Betty	\$90,000.00	\$96,920.16		\$96,920.16
	Wastewater	Sewerworks	Waterworks	Cardno	\$0.00	\$0.00	\$0.00	
			Sewer Relining	no issues to date	\$50,000.00	\$53,844.53		\$53,844.53
<b>2024</b>								
<b>Total</b>					<b>\$140,000.00</b>	<b>\$150,764.69</b>	<b>\$0.00</b>	<b>\$150,764.69</b>
2025	Gibbings St	Gibbings St	Sewerworks	Ontario to Princess ST (2 blocks) - camera condition	\$89,674.00	\$98,983.32		\$98,983.32
			Waterworks	replace watermain in intersection - replace hydrant	\$35,000.00	\$38,633.45	\$38,633.45	
	Rattenbury St E	Rattenbury St E	Sewerworks	Gibbings to Percival - high infiltration area - investigate/camera	\$152,021.38	\$167,803.16		\$167,803.16
	Wastewater	Sewerworks	Waterworks	Gibbings to Raglan - main & services - increase to 150mm??	\$152,021.38	\$167,803.16	\$167,803.16	
			Sewer Relining	Sewer relining	\$50,000.00	\$55,190.64		\$55,190.64
<b>2025</b>								
<b>Total</b>					<b>\$478,716.76</b>	<b>\$528,413.73</b>	<b>\$206,436.61</b>	<b>\$321,977.12</b>
2026	Huron Street Connecting Link	Huron Street	Sewerworks	Lights to Erie ST: sewermain & services. Infiltration investigation/camera condition.	\$175,000.00	\$197,996.44		\$197,996.44
			Waterworks	Lights to Erie ST: watermain & services, increase main to 150mm	\$175,000.00	\$197,996.44	\$197,996.44	
	New Equipment Wastewater	New Equipment Sewerworks	Lift Truck	Truck will need replaced - Used to pull pumps/set hydrants etc.	\$125,000.00	\$141,426.03	\$70,713.02	\$70,713.02
	Water	Clinton Well	Sewer Relining	Sewer relining	\$50,000.00	\$56,570.41		\$56,570.41
			Generator - Clinton Well	generator is getting obsolete and it is getting harder to get parts	\$125,000.00	\$141,426.03	\$141,426.03	
<b>2026</b>								
<b>Total</b>					<b>\$650,000.00</b>	<b>\$735,415.35</b>	<b>\$410,135.49</b>	<b>\$325,279.87</b>
2027	Joseph Street	Joseph Street	Sewerworks	Main & services - camera condition / infiltration investigation	\$165,841.50	\$192,325.30		\$192,325.30
			Waterworks	Main & services - valves in poor shape	\$165,841.50	\$192,325.30	\$192,325.30	
	King Street	King Street	Sewerworks	Main & services - camera condition of clay - reline? / 33m PVC	\$36,260.00	\$42,050.48		\$42,050.48
			Waterworks	1995 - ok				
	Orange St	Orange St	Sewerworks	replace main & services from Cutter to Dunlop- extend watermain closer to downtown as well	\$79,560.00	\$92,265.21	\$92,265.21	
	Wastewater	Sewerworks	Waterworks	Orange: Mary to Wellington - Main & Services. Infiltration investigation.	\$175,000.00	\$202,946.35		\$202,946.35
			Sewer Relining	Orange: Mary to Joseph - replace main & services	\$175,000.00	\$202,946.35	\$202,946.35	
	Water	Osbourne Pumping Station	Generator - Osbourne Pumping Station	Sewer relining	\$50,000.00	\$57,984.67		\$57,984.67
				generator is getting obsolete and it is getting harder to get parts	\$100,000.00	\$115,969.34	\$115,969.34	
<b>2027</b>								
<b>Total</b>					<b>\$947,503.00</b>	<b>\$1,098,813.00</b>	<b>\$603,506.20</b>	<b>\$495,306.80</b>
<b>Grand Total</b>					<b>\$6,224,392.78</b>	<b>\$6,591,044.54</b>	<b>\$3,536,494.62</b>	<b>\$3,054,549.94</b>

## Appendix B - Summary of Proposed Rates

### Water Base Rate Charges

Description	Service Size	Monthly Base Charges (\$)							
		2020	2021	2022	2023	2024	2025	2026	2027
Appartment (including duplex, triplex, fourplex, & converted dwelling)	=/<38mm(1.50")	25.03	25.03	25.03	25.03	25.03	25.03	25.03	25.03
Appartment (including duplex, triplex, fourplex, & converted dwelling)	>38mm	26.61	26.61	26.61	26.61	26.61	26.61	26.61	26.61
Apartment combined with Commercial (mixed use, as defined)	=/<38mm(1.50")	25.03	25.03	25.03	25.03	25.03	25.03	25.03	25.03
Apartment combined with Commercial (mixed use, as defined)	>38mm	26.61	26.61	26.61	26.61	26.61	26.61	26.61	26.61
All other Residential (including individually serviced Apartments)	n/a	31.29	31.29	31.29	31.29	31.29	31.29	31.29	31.29
Huronview (per water meter)	n/a	32.86	32.86	32.86	32.86	32.86	32.86	32.86	32.86
Trailer / Mobile Home Parks: (see 3.6 for more details)	n/a	31.29	31.29	31.29	31.29	31.29	31.29	31.29	31.29
Institutional, Commercial, Municipal & Industrial	>38mm	31.29	31.29	31.29	31.29	31.29	31.29	31.29	31.29
Institutional, Commercial, Municipal & Industrial	=/<38mm(1.50")	32.86	32.86	32.86	32.86	32.86	32.86	32.86	32.86

### Sewer Base Rate Charges

Description	Service Size	Monthly Base Charges (\$)							
		2020	2021	2022	2023	2024	2025	2026	2027
Appartment (including duplex, triplex, fourplex, & converted dwelling)	=/<150mm(6")	\$ 26.61	\$ 27.54	\$ 28.64	\$ 29.79	\$ 30.98	\$ 32.22	\$ 33.51	\$ 34.85
Appartment (including duplex, triplex, fourplex, & converted dwelling)	>150mm (6")	\$ 31.29	\$ 32.39	\$ 33.69	\$ 35.04	\$ 36.44	\$ 37.90	\$ 39.42	\$ 41.00
Apartment combined with Commercial (mixed use, as defined)	=/<150mm(6")	\$ 26.61	\$ 27.54	\$ 28.64	\$ 29.79	\$ 30.98	\$ 32.22	\$ 33.51	\$ 34.85
Apartment combined with Commercial (mixed use, as defined)	>150mm (6")	\$ 31.29	\$ 32.39	\$ 33.69	\$ 35.04	\$ 36.44	\$ 37.90	\$ 39.42	\$ 41.00
All other Residential (including individually serviced Apartments)	n/a	\$ 31.29	\$ 32.39	\$ 33.69	\$ 35.04	\$ 36.44	\$ 37.90	\$ 39.42	\$ 41.00
Huronview (per water meter)	n/a	\$ 32.86	\$ 34.01	\$ 35.37	\$ 36.78	\$ 38.25	\$ 39.78	\$ 41.37	\$ 43.02
Trailer / Mobile Home Parks: (see 3.6 for more details)	n/a	\$ 31.29	\$ 32.39	\$ 33.69	\$ 35.04	\$ 36.44	\$ 37.90	\$ 39.42	\$ 41.00
Institutional, Commercial, Municipal & Industrial	=/<150mm(6")	\$ 31.29	\$ 32.39	\$ 33.69	\$ 35.04	\$ 36.44	\$ 37.90	\$ 39.42	\$ 41.00
Institutional, Commercial, Municipal & Industrial	>150mm (6")	\$ 32.86	\$ 34.01	\$ 35.37	\$ 36.78	\$ 38.25	\$ 39.78	\$ 41.37	\$ 43.02

### Water Consumption Rate

Description	Consumption Rate per cubic meter							
	2020	2021	2022	2023	2024	2025	2026	2027
All Residential (including Apartments, Mixed Use & Trailer Parks)	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40
Institutional, Commercial, Municipal & Industrial	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40

### Sewer Consumption Rate

Description	Consumption Rate per cubic meter							
	2020	2021	2022	2023	2024	2025	2026	2027
All Residential (including Apartments, Mixed Use & Trailer Parks)	\$ 0.97	\$ 1.00	\$ 1.04	\$ 1.08	\$ 1.12	\$ 1.16	\$ 1.21	\$ 1.26
Institutional, Commercial, Municipal & Industrial	\$ 0.97	\$ 1.00	\$ 1.04	\$ 1.08	\$ 1.12	\$ 1.16	\$ 1.21	\$ 1.26

# Appendix C

## Municipality of Central Huron - Water System

### Forecasted Statement of Financial Position

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Financial Assets</b>								
Cash & Short-term investments	770,873	907,542	1,069,768	1,269,117	1,887,205	2,293,736	2,477,351	2,447,897
Accounts Receivable	934,193	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>1,705,065</b>	<b>907,542</b>	<b>1,069,768</b>	<b>1,269,117</b>	<b>1,887,205</b>	<b>2,293,736</b>	<b>2,477,351</b>	<b>2,447,897</b>
<b>Liabilities</b>								
Accounts Payable	-	-	-	-	-	-	-	-
Debt Pricipal	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Finanal Assets (Debt)</b>	<b>1,705,065</b>	<b>907,542</b>	<b>1,069,768</b>	<b>1,269,117</b>	<b>1,887,205</b>	<b>2,293,736</b>	<b>2,477,351</b>	<b>2,447,897</b>
<b>Total Non-Finance Assets</b>	<b>6,409,169</b>	<b>7,624,702</b>	<b>7,895,117</b>	<b>8,127,098</b>	<b>7,949,544</b>	<b>7,977,936</b>	<b>8,206,632</b>	<b>8,626,849</b>
<b>Accumulated Surplus/(Deficit)</b>	<b>8,114,234</b>	<b>8,532,244</b>	<b>8,964,885</b>	<b>9,396,215</b>	<b>9,836,749</b>	<b>10,271,673</b>	<b>10,683,983</b>	<b>11,074,746</b>

**Appendix D**  
**Municipality of Central Huron - Sewer System**  
**Forecasted Statement of Financial Position**

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Financial Assets</b>								
Cash & Short-term investments	-	(316,180)	(377,468)	(581,779)	(309,202)	(169,641)	(5,656)	16,791
Accounts Receivable	-	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>(316,180)</b>	<b>(377,468)</b>	<b>(581,779)</b>	<b>(309,202)</b>	<b>(169,641)</b>	<b>(5,656)</b>	<b>16,791</b>
<b>Liabilities</b>								
Accounts Payable	934,193	-	-	-	-	-	-	-
Debt Pricipal		407,750	370,580	332,651	293,949	254,457	214,159	173,040
Other Liabilities	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>934,193</b>	<b>407,750</b>	<b>370,580</b>	<b>332,651</b>	<b>293,949</b>	<b>254,457</b>	<b>214,159</b>	<b>173,040</b>
<b>Net Finanal Assets (Debt)</b>	<b>(934,193)</b>	<b>(723,930)</b>	<b>(748,047)</b>	<b>(914,430)</b>	<b>(603,151)</b>	<b>(424,098)</b>	<b>(219,816)</b>	<b>(156,249)</b>
<b>Total Non-Finance Assets</b>	<b>7,023,317</b>	<b>7,504,619</b>	<b>7,632,753</b>	<b>7,918,440</b>	<b>7,788,256</b>	<b>7,827,032</b>	<b>7,874,789</b>	<b>8,092,605</b>
<b>Accumulated Surplus/(Deficit)</b>	<b>6,089,124</b>	<b>6,780,689</b>	<b>6,884,706</b>	<b>7,004,010</b>	<b>7,185,105</b>	<b>7,402,934</b>	<b>7,654,973</b>	<b>7,936,356</b>

# Appendix E

## Municipality of Central Huron - Water System

### Forecasted Statement of Operations

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>								
User Fees	1,297,847	1,282,620	1,296,220	1,309,820	1,323,420	1,337,020	1,337,020	1,337,020
Federal and Provincial Grants	23,724	41,846	41,846	41,846	41,846	41,846	41,846	41,846
Penalties and Interest	1,827	2,694	2,722	2,751	2,779	2,808	2,808	2,808
Other Revenue	35,681	43,975	45,074	46,201	47,356	48,540	49,754	50,998
<b>Total Revenues</b>	<b>1,359,078</b>	<b>1,371,135</b>	<b>1,385,863</b>	<b>1,400,618</b>	<b>1,415,402</b>	<b>1,430,215</b>	<b>1,431,428</b>	<b>1,432,672</b>
<b>Expenses</b>								
Operating	722,327	740,385	758,895	777,867	797,314	817,247	837,678	858,620
Debt Interest	-	-	-	-	-	-	-	-
Amortization	183,052	212,740	194,327	191,421	177,553	178,045	181,440	183,289
<b>Total Liabilities</b>	<b>905,379</b>	<b>953,125</b>	<b>953,222</b>	<b>969,289</b>	<b>974,867</b>	<b>995,291</b>	<b>1,019,118</b>	<b>1,041,910</b>
<b>Excess of Revenues over Expenses</b>	<b>453,700</b>	<b>418,010</b>	<b>432,641</b>	<b>431,330</b>	<b>440,535</b>	<b>434,923</b>	<b>412,311</b>	<b>390,763</b>
<b>Accumulated Surplus/(Deficit) - Beginning of Year</b>	<b>7,660,535</b>	<b>8,114,234</b>	<b>8,532,244</b>	<b>8,964,885</b>	<b>9,396,215</b>	<b>9,836,749</b>	<b>10,271,673</b>	<b>10,683,983</b>
<b>Accumulated Surplus/(Deficit) - End of Year</b>	<b>8,114,234</b>	<b>8,532,244</b>	<b>8,964,885</b>	<b>9,396,215</b>	<b>9,836,749</b>	<b>10,271,673</b>	<b>10,683,983</b>	<b>11,074,746</b>

# Appendix F

## Municipality of Central Huron - Sewer System

### Forecasted Statement of Operations

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>								
User Fees	863,244	870,192	927,301	959,131	1,028,024	1,081,552	1,125,016	1,169,636
Federal and Provincial Grants	64,943	56,287	56,287	56,287	56,287	56,287	56,287	56,287
Penalties and Interest	1,210	1,740	1,855	1,918	2,056	2,163	2,250	2,339
Other Revenue	40,482	664,393	35,699	36,591	37,506	38,443	39,405	40,390
<b>Total Revenues</b>	<b>969,880</b>	<b>1,592,612</b>	<b>1,021,141</b>	<b>1,053,927</b>	<b>1,123,872</b>	<b>1,178,446</b>	<b>1,222,957</b>	<b>1,268,652</b>
<b>Expenses</b>								
Operating	624,012	608,272	623,479	639,066	655,043	671,419	688,204	705,409
Debt Interest	-	-	8,318	7,560	6,786	5,997	5,191	4,369
Amortization	276,031	292,775	285,327	287,997	280,948	283,201	277,523	277,491
<b>Total Liabilities</b>	<b>900,043</b>	<b>901,047</b>	<b>917,124</b>	<b>934,623</b>	<b>942,777</b>	<b>960,616</b>	<b>970,918</b>	<b>987,269</b>
<b>Excess/(Deficit) of Revenues over Expenses</b>	<b>69,837</b>	<b>691,565</b>	<b>104,017</b>	<b>119,304</b>	<b>181,095</b>	<b>217,829</b>	<b>252,039</b>	<b>281,383</b>
<b>Accumulated Surplus/(Deficit) - Beginning of Year</b>	<b>6,019,287</b>	<b>6,089,124</b>	<b>6,780,689</b>	<b>6,884,706</b>	<b>7,004,010</b>	<b>7,185,105</b>	<b>7,402,934</b>	<b>7,654,973</b>
<b>Accumulated Surplus/(Deficit) - End of Year</b>	<b>6,089,124</b>	<b>6,780,689</b>	<b>6,884,706</b>	<b>7,004,010</b>	<b>7,185,105</b>	<b>7,402,934</b>	<b>7,654,973</b>	<b>7,936,356</b>

# Appendix G

## Municipality of Central Huron - Water System

### Forecasted Statement of Cash Flow

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Operating Transactions</b>								
Annual Surplus (deficit)	453,700	418,010	432,641	431,330	440,535	434,923	412,311	390,763
Amortization expense not requiring cash outlay	183,052	212,740	194,327	191,421	177,553	178,045	181,440	183,289
Decrease (increase) in accounts receivable	(427,909)	934,193	-	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	-	-	-	-	-	-
Cash provided by (used for) operating activities	208,842	1,564,942	626,968	622,751	618,088	612,968	593,750	574,052
<b>Capital activities</b>								
Net disposals (purchases) of tangible capital assets	(66,228)	(1,428,272)	(464,742)	(423,402)	-	(206,437)	(410,135)	(603,506)
Cash provided by (used for) capital activities	(66,228)	(1,428,272)	(464,742)	(423,402)	-	(206,437)	(410,135)	(603,506)
<b>Investing activities</b>								
Decrease (increase) in long-term receivables	-	-	-	-	-	-	-	-
Cash provided by (used for) investing activities	-	-	-	-	-	-	-	-
<b>Financing activities</b>								
Proceeds from long-term debt issued	-	-	-	-	-	-	-	-
Principal repayments on long-term debt	-	-	-	-	-	-	-	-
Cash provided by (used for) financing activities	-	-	-	-	-	-	-	-
Increase (decrease) in cash position	142,615	136,669	162,226	199,349	618,088	406,531	183,615	(29,454)
Cash (overdraft) beginning of year	628,258	770,873	907,542	1,069,768	1,269,117	1,887,205	2,293,736	2,477,351
Cash (overdraft) end of year	770,873	907,542	1,069,768	1,269,117	1,887,205	2,293,736	2,477,351	2,447,897

# Appendix H

## Municipality of Central Huron - Sewer System

### Forecasted Statement of Cash Flow

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Operating Transactions</b>								
Annual Surplus (deficit)	69,837	691,565	104,017	119,304	181,095	217,829	252,039	281,383
Amortization expense not requiring cash outlay	276,031	292,775	285,327	287,997	280,948	283,201	277,523	277,491
Decrease (increase) in accounts receivable	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	427,909	(934,193)	-	-	-	-	-	-
Cash provided by (used for) operating activities	773,776	50,147	389,344	407,301	462,043	501,030	529,562	558,873
<b>Capital activities</b>								
Net disposals (purchases) of tangible capital assets	(799,039)	(774,077)	(413,461)	(573,683)	(150,765)	(321,977)	(325,280)	(495,307)
Cash provided by (used for) capital activities	(799,039)	(774,077)	(413,461)	(573,683)	(150,765)	(321,977)	(325,280)	(495,307)
<b>Investing activities</b>								
Decrease (increase) in long-term receivables	-	-	-	-	-	-	-	-
Cash provided by (used for) investing activities	-	-	-	-	-	-	-	-
<b>Financing activities</b>								
Proceeds from long-term debt issued	-	407,750	-	-	-	-	-	-
Principal repayments on long-term debt	-	-	(37,170)	(37,929)	(38,702)	(39,492)	(40,298)	(41,120)
Cash provided by (used for) financing activities	-	407,750	(37,170)	(37,929)	(38,702)	(39,492)	(40,298)	(41,120)
Increase (decrease) in cash position	(25,263)	(316,180)	(61,287)	(204,311)	272,576	139,561	163,984	22,447
Cash (overdraft) beginning of year	25,263	(0)	(316,180)	(377,468)	(581,779)	(309,202)	(169,641)	(5,656)
Cash (overdraft) end of year	(0)	(316,180)	(377,468)	(581,779)	(309,202)	(169,641)	(5,656)	16,791

## Appendix I – Ontario Regulation 453/07

### Safe Drinking Water Act, 2002

#### ONTARIO REGULATION 453/07 FINANCIAL PLANS

**Consolidation Period:** From April 1, 2008 to the e-Laws currency date.

Last amendment: O. Reg. 69/08.

#### Requirement to prepare financial plans

**1. (1)** A person who makes an application under clause 32 (1) (b) of the Act for a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 2. O. Reg. 453/07, s. 1 (1).

**(2)** A person who makes an application under subsection 32 (4) of the Act for the renewal of a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (2).

**(3)** As a condition in a municipal drinking water licence that is issued in response to an application made under section 33 of the Act for a municipal drinking water licence, the Director shall include a requirement that the owner of the drinking water system, by the later of July 1, 2010 and the date that is six months after the date the first licence for the system is issued, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (3).

**(4)** The Director shall include, as a condition in a municipal drinking water licence, the requirement set out in subsection (3) in any amendments to a license made after the application, if the condition is not satisfied at the time when the amendment is made. O. Reg. 453/07, s. 1 (4).

#### Financial plan requirements; new systems

**2.** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (1) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that indicates that the drinking water system is financially viable and that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.

2. The financial plans,
  - i. must include a statement that the financial impacts of the drinking water system have been considered, and
  - ii. must apply for a period of at least six years.
3. The first year to which the financial plan must apply is the year in which the drinking water system is expected to first serve the public.
4. For each year in which the financial plans apply, the financial plans must include details of the proposed or projected financial operations of the drinking water system itemized by,
  - i. total revenues, further itemized by water rates, user charges and other revenues,
  - ii. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
  - iii. annual surplus or deficit, and
  - iv. accumulated surplus or deficit.
5. The owner of the drinking water system must,
  - i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 2.

Financial plan requirements; licence renewal

**3. (1)** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (2) or a condition that is included in a municipal drinking water licence under subsection 1 (3) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
2. The financial plans must apply to a period of at least six years.

3. The first year to which the financial plans must apply must be the year determined in accordance with the following rules:
  - i. If the financial plans are required by subsection 1 (2), the first year to which the financial plans must apply must be the year in which the drinking water system's existing municipal drinking water licence would otherwise expire.
  - ii. If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.
4. Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:
  - i. Details of the proposed or projected financial position of the drinking water system itemized by,
    - A. total financial assets,
    - B. total liabilities,
    - C. net debt,
    - D. non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses, and
    - E. changes in tangible capital assets that are additions, donations, write downs and disposals.
  - ii. Details of the proposed or projected financial operations of the drinking water system itemized by,
    - A. total revenues, further itemized by water rates, user charges and other revenues,
    - B. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
    - C. annual surplus or deficit, and
    - D. accumulated surplus or deficit.
  - iii. Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,
    - A. operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges,
    - B. capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,
    - C. investing transactions that are acquisitions and disposal of investments,

- D. financing transactions that are proceeds from the issuance of debt and debt repayment,
  - E. changes in cash and cash equivalents during the year, and
  - F. cash and cash equivalents at the beginning and end of the year.
- iv. Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.
5. The owner of the drinking water system must,
- i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).

(2) Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

- 1. Sub-subparagraphs 4 i A, B and C of subsection (1).
- 2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).

#### Alternative requirements for two or more drinking water systems

4. If section 3 applies to the financial plans of two or more drinking water systems that are solely owned by the same owner, the requirements prescribed by the section may, as an alternative, be satisfied by financial plans that comply with the section but treat those systems as if they were one drinking water system. O. Reg. 453/07, s. 4.

#### Amendment of financial plans

5. Sections 2 and 3 do not prevent financial plans from being amended. O. Reg. 453/07, s. 5.

#### Additional information

6. The requirements of this Regulation do not prevent a person from providing additional information in financial plans prepared for the purpose of meeting the requirements of the Act. O. Reg. 453/07, s. 6.

7. Omitted (provides for coming into force of provisions of this Regulation).  
O. Reg. 453/07, s. 7.