

STIRLING DRINKING
WATER SYSTEM

WATER FINANCIAL PLAN #167-301A



The Corporation of The
Township of Stirling-Rawdon

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Introduction

Ontario Regulation 453/07 requires a Water Financial Plans when renewing the Municipal Drinking Water Licence. The Water Financial Plan sets the framework for planning financial sustainability. The Safe Drinking Water Act requires a declaration of the Financial Plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, the Ministry of the Environment released a guideline (Towards Financially Sustainable Drinking-Water) that provides possible approaches to achieving sustainability. The Province's Principles of Financially Sustainable Water Services are provided below.

Principle # 1 : Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.

Principle # 2 : An integrated approach to planning among water, wastewater and storm water systems is desirable given the inherent relationship among these services

Principle # 3 : Revenues collected for the provision of water services should ultimately be used to meet the needs of those services.

Principle # 4 : Life –cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.

Principle # 5: An asset management plan is a key input to the development of a financial plan.

Principle # 6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.

Principle # 7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.

Principle # 8 : Financial Plans are living documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.

Principle # 9: Financial Plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff and municipal council.

Financial Plan Requirements

- Financial plans must be approved by resolution of Council (or governing body);
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six-year period (commencing in the year of licence expiry)
- Financial Plans must include detail regarding proposed projected financial operations itemized by total revenues, annual surplus / deficit, and accumulated surplus/ deficit for each year in which the financial plan applies.
- Gross cash receipts/ payments itemized by operating transactions, capital transactions, investing transactions and financial transactions for each year in which the financial plans apply.
- Financial plans applicable to two or more solely owned drinking water systems can be prepared as if they are for one drinking water system.
- Financial plans are to be made available to the public upon request and at no charge;
- If a website is maintained, financial plans are to be made available to the public through publication on the internet at no charge;
- Notice of the availability of the financial plans is to be given to the public; and
- Financial plan is to be submitted to the Ministry of Municipal Affairs and Housing

Water Forecast

The Township of Stirling-Rawdon has already completed their financial planning through its 2021 water budget. The Municipality has hired a consulting firm that is currently reviewing the water and wastewater rate structure. Following a report from the consultant council will decide on a rate structure and will adjust future incoming revenue modeling.

The Municipality has developed the ten year needs of the water operating budgets, non-linear capital projects and linear capital needs. The Water Financial Plan displays seven years of the 10 year capital plan. The Financial Plan also displays the infrastructure deficit that will be incurred to advance with the capital infrastructure projects.

Financial Plan Overview

<u>167-301A</u>															
<u>Water Financial Plan</u>															
<u>Account Number/Description</u>		<u>2020 Budget</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>	
00-430-30500	Taxation Special Charges	\$	560,901.00	\$	616,991.00	\$	728,190.00	\$	801,009.00	\$	881,110.00	\$	969,221.00	\$	1,066,143.10
00-430-32400	Provincial - Water and Sewer	\$	-												
00-430-36000	User Fees	\$	-												
00-430-37300	Contribution From Reserves	\$	160,000.00			\$	429,346.00	\$	604,894.00	\$	592,026.00	\$	284,266.00	\$	374,982.00
Total Revenue		\$	720,901.00	\$	616,991.00	\$	1,157,536.00	\$	1,405,903.00	\$	1,473,136.00	\$	1,253,487.00	\$	1,441,125.10
00-430-41110	Salary Full Time	\$	195,100.00	\$	195,250.00	\$	199,155.00	\$	203,138.10	\$	207,200.86	\$	211,344.88	\$	215,571.78
00-430-41300	Equipment Hours	\$	10,000.00	\$	10,000.00	\$	10,200.00	\$	10,400.00	\$	10,612.08	\$	10,824.32	\$	11,040.81
00-430-41400	Grant in Lieu Expenses	\$	5,000.00	\$	5,000.00	\$	5,100.00	\$	5,202.00	\$	5,306.04	\$	5,412.16	\$	5,520.40
00-430-43110	Office Supplies & Stationary	\$	2,700.00	\$	1,500.00	\$	1,530.00	\$	1,560.60	\$	1,591.81	\$	1,623.65	\$	1,656.12
00-430-43150	Postage	\$	100.00	\$	100.00	\$	102.00	\$	104.04	\$	106.12	\$	108.24	\$	110.41
00-430-43170	Heat	\$	1,100.00	\$	1,100.00	\$	1,122.00	\$	1,144.44	\$	1,167.33	\$	1,190.68	\$	1,214.49
00-430-43180	Utilities	\$	30,000.00	\$	30,000.00	\$	30,600.00	\$	31,212.00	\$	31,836.24	\$	32,472.96	\$	33,122.42
00-430-43190	Other Materials	\$	4,000.00	\$	4,000.00	\$	4,080.00	\$	4,161.60	\$	4,244.83	\$	4,329.73	\$	4,416.32
00-430-43191	Repair Materials	\$	65,000.00	\$	65,000.00	\$	66,300.00	\$	67,626.00	\$	68,978.52	\$	70,358.09	\$	71,765.25
00-430-43192	Chemicals	\$	11,000.00	\$	11,000.00	\$	11,200.00	\$	11,444.40	\$	11,673.29	\$	11,906.75	\$	12,144.89
00-430-43193	Lab	\$	13,000.00	\$	11,000.00	\$	11,220.00	\$	11,444.40	\$	11,673.29	\$	11,906.75	\$	12,144.89
00-430-43195	Tools	\$	3,500.00	\$	1,670.00	\$	1,703.40	\$	1,737.47	\$	1,772.22	\$	1,807.66	\$	1,843.81
00-430-43200	Advertising	\$	1,000.00	\$	1,000.00	\$	1,020.00	\$	1,040.40	\$	1,061.21	\$	1,082.43	\$	1,104.08
00-430-43210	Audit	\$	3,000.00	\$	3,000.00	\$	3,060.00	\$	3,121.20	\$	3,183.62	\$	3,247.30	\$	3,312.24
00-430-43220	Legal	\$	500.00	\$	500.00	\$	510.00	\$	520.20	\$	530.60	\$	541.22	\$	552.04
00-430-43225	Leases	\$	410.00	\$	410.00	\$	418.20	\$	426.56	\$	435.10	\$	443.80	\$	452.67
00-430-43230	Contracted Services	\$	7,085.00	\$	500.00	\$	510.00	\$	520.20	\$	530.60	\$	541.22	\$	552.04
00-430-43235	Consulting Services	\$	5,000.00	\$	5,000.00	\$	5,100.00	\$	5,202.00	\$	5,306.04	\$	5,412.16	\$	5,520.40
00-430-43236	Hired Contractors	\$	120,000.00	\$	120,000.00	\$	122,400.00	\$	124,848.00	\$	127,344.96	\$	129,891.86	\$	132,489.70
00-430-43245	Dispatch/Communications	\$	5,100.00	\$	6,200.00	\$	6,324.00	\$	6,450.48	\$	6,579.49	\$	6,711.08	\$	6,845.30
00-430-43250	Courier	\$	500.00	\$	500.00	\$	510.00	\$	520.20	\$	530.60	\$	541.22	\$	552.04
00-430-43260	Memberships	\$	2,000.00	\$	2,000.00	\$	2,040.00	\$	2,080.80	\$	2,122.42	\$	2,164.86	\$	2,208.16
00-430-43270	Insurance	\$	26,406.00	\$	27,000.00	\$	27,540.00	\$	28,090.80	\$	28,652.62	\$	29,225.67	\$	29,810.18
00-430-43280	Mileage	\$	1,800.00	\$	1,600.00	\$	1,632.00	\$	1,664.64	\$	1,697.93	\$	1,731.89	\$	1,766.53
00-430-43301	Building Maintenance - Office	\$	900.00	\$	900.00	\$	918.00	\$	936.36	\$	955.09	\$	974.19	\$	993.67
00-430-43310	Training	\$	8,000.00	\$	8,000.00	\$	8,160.00	\$	8,323.20	\$	8,489.66	\$	8,659.46	\$	8,832.65
00-430-43350	Write Offs	\$	1,000.00	\$	1,000.00	\$	1,020.00	\$	1,040.40	\$	1,061.21	\$	1,082.43	\$	1,104.08
00-430-43500	Vehicle/Equipment - Fuel	\$	2,000.00	\$	2,000.00	\$	2,040.00	\$	2,080.80	\$	2,122.42	\$	2,164.86	\$	2,208.16
00-430-43510	Vehicle Repairs - Explorer	\$	1,000.00	\$	1,000.00	\$	1,020.00	\$	1,040.40	\$	1,061.21	\$	1,082.43	\$	1,104.08
00-430-43511	Vehicle Repairs - Chev	\$	700.00	\$	700.00	\$	714.00	\$	728.85	\$	742.85	\$	757.70	\$	772.86
00-430-43600	Equipment Replacement	\$	-	\$	8,200.00	\$	8,200.00	\$	8,364.00	\$	8,531.28	\$	8,701.91	\$	8,875.94
00-430-44600	Capital Expenditures	\$	60,000.00	\$	80,000.00	\$	-	\$	-	\$	35,000.00	\$	-	\$	20,000.00
00-430-44601	Water - Capital- Non-Linear Assets	\$	34,000.00	\$	162,000.00	\$	429,346.00	\$	178,894.00	\$	557,026.00	\$	284,266.00	\$	354,982.00
00-430-44602	Water - Capital- Linear Assets	\$	100,000.00	\$	-	\$	576,586.00	\$	576,586.00	\$	576,586.00	\$	576,586.00	\$	576,586.00
00-430-44710	Contribution to Reserve Funds	\$	-	\$	576,586.00	\$	-	\$	-	\$	-	\$	-	\$	-
Total Expenditures		\$	720,901.00	\$	1,343,716.00	\$	1,541,400.60	\$	1,727,657.97	\$	1,725,713.53	\$	1,429,095.56	\$	1,531,176.43
Infrastructure Deficit			-\$		726,725.00		383,864.60		321,754.97		252,577.53		175,608.56		90,051.33

Council Resolution Endorsement of Financial Plan

At the Finance & Personnel Committee Meeting of November 24, 2020, the Committee passed the following resolution:

Resolution #4

Moved by: *Bob Mullin*

Seconded by: *John Rock*

That the water financial plan be approved.

Carried.

This resolution was subsequently endorsed by Council of the Township of Stirling-Rawdon at their Council meeting held on December 7, 2020.