



Report to Council

REPORT NO.: FIN-19-20
DATE: October 28, 2019
ATTACHMENT: Financial Plan Malahide Water Supply System
SUBJECT: Malahide Water Supply System Financial Plan and
2020 Budget and Water Rates By-law

Recommendation:

THAT Report No. FIN 19-20 titled "Malahide Water Supply System Financial Plan" be received;

AND THAT, in accordance with Ontario Regulation 453/07 made under the Safe Drinking Water Act (SDWA), 2002, the Council of the Township of Malahide, being the owner of the Malahide Water Supply System, does hereby approve the 6 year Financial Plan (2020 - 2025) which indicates that the current water supply system is financially viable based on information and estimates available at this time;

AND THAT the Municipal Staff be authorized to carry out the necessary administrative acts to renew the municipal drinking water licence;

AND THAT the financial projections for 2020 be approved as the 2020 Budget;

AND THAT the user rates for 2020 be approved;

AND THAT the Municipal Clerk be directed to prepare the necessary by-law to implement such user rates.

Background:

The Safe Drinking Water Act (SDWA), 2002 makes it mandatory for municipal water providers to acquire and maintain a municipal drinking water licence (Section 31(1) and Section 44(1)). The current licence is valid until May, 2020 and the application for renewal is due by November 16, 2019.

The preparation of an operational plan and a financial plan are the two key requirements for licencing (Section 44(1)).

The Operational Plan is prepared by the Ontario Clean Water Agency (OCWA) as the contracted service provider for operations and maintenance services for the Township's water facilities.

The Financial Plan is prepared by the Township, as the owner of the system.

O. Reg. 453/07 of the SDWA sets out the financial plan requirements as follows:

- *Financial plans must be approved by resolution of the Governing Body indicating that the drinking water system is financially viable;*
- *Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six year period (commencing when the system first serves the public);*
- *Financial plans must include detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a "Statement of Operations" as per Public Sector Accounting Board (PSAB)) 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.*

Secondly, the annual 2020 Budget and the User Fee By-law is being presented to the Council for consideration and approval. The Council has approved the multi-year budget previously. The proposed 2020 Budget has been adjusted marginally, which requires the Council's approval as per the Municipal Act, 2001.

Comments/Analysis:

Watson & Associates presented an Asset Management Plan and Water Rate Study in January 2014, covering operations, capital, and proposed water rates for the next 10 years.

The attached Financial Plan has been prepared by the Township Staff based on that Water Rate Study and discussions with OCWA.

Upon receiving Council approval, the Staff will carry out all required administrative tasks necessary to renew the municipal drinking water licence; such as posting on the website, submitting to the Ministry, etc.

The Township Staff are seeking the Council's approval at the same time for the 2020 Budget and the amended User Rate By-law, since it is based on the same information and projections.

Financial Impact:

As seen in the attached documents, based on estimates and information at this time,

the projected revenues should be sufficient to meet the projected expenses and build reserves to finance lifecycle needs.

Lifecycle capital replacements will be carried out as proposed by OCWA (attached) and will be funded from Reserves.

One key asset that is planned to be upgraded is the SCADA software system, which allows Staff to monitor performance, and quickly pinpoint and address any operational issues. This system is used by all of the Water Supply Systems and the Springfield Sewer System.

The other key capital works under consideration is the replacement of approximately 500 meters of water main on Highway 3 East. As the Council is aware, this was tendered earlier this year and the lone bidder's proposal was about \$1.36 million due to MTO stipulations, compared to \$380,000 budgeted by the Township. This project is currently being re-scoped and will be offered for tender again at a later date. Informal estimates from the consultants suggest project costs could be around \$700,000, including any additional project administration costs. The consultant is currently in discussions with the MTO and seeking alternatives that will keep projects costs lower than the bid received. This project is currently included in the proposed capital budget, however the full project will be brought forward separately for the Council's consideration, with costs and funding sources, at a later date.



The Council is requested to note that the 6 year Financial Plan is separate from the Multi Year Budget. It is essentially a long term vision and a "living document", with future years being subject to review and consideration by the Council during the annual budget process.

Hence, the Council is requested to approve the projections for 2020 as the 2020 Budget and amended User Rate By-law at this time.

Relationship to Cultivating Malahide:

The Cultivating Malahide Integrated Community Sustainability Plan (ICSP) is based upon four pillars of sustainability: Our Land, Our Economy, Our Community, and Our Government.

One of the goals that supports the "Our Local Government" Strategic Pillar relates to "Embody[ing] Financial Efficiency through Decision Making". The establishment of the financial plan and approval of the 2020 Budget and User Rates By-law helps meet this goal.

| | |
|--|--|
| Submitted by: | Approved by: |
|  Director of Finance / Treasurer |  Chief Administrative Officer / Clerk |

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected YE | Notes / Comments | 2020 Budget | 2021 Budget | 2022 Budget |
|----------------------------|-------------|-------------|-------------|-------------------|--|-----------------|-------------|-------------|
| Budget and Actuals: | | | | | | Proposed | | |
| # of Units | 610 | 619 | 615 | 627 | Projections for 2019 Year End and for 2020-2022 based on actuals of prior years and 2019 year to date. | 627 | 627 | 627 |
| Base Charge | \$67.00 | \$67.00 | \$69.70 | \$69.70 | | \$72.50 | \$75.40 | 7840% |
| Volume | 158,000 | 160,918 | 161,000 | 166,392 | | 162,000 | 163,000 | 166,260 |
| Metered Charge | \$3.44 | \$3.44 | \$3.72 | \$3.72 | | \$4.02 | \$4.34 | \$4.69 |

| Description | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected YE | Notes / Comments | 2020 Budget | 2021 Budget | 2022 Budget |
|-------------------------------|------------------|------------------|------------------|-------------------|---|------------------|------------------|------------------|
| REVENUES | | | | | | | | |
| WATER BILLINGS Base Charge | \$163,480 | \$166,709 | \$171,462 | \$174,808 | 627 Units in 2019, assumed will remain the same in 2020, 2021 & 2022. Increase to 630 units budgeted in 2023 and to remain at 630 in 2024 & 2025 Quarterly charge is \$69.70 in 2019 & budgeted to increase by 4% each year, as per Water Study. | \$181,830 | \$189,103 | \$196,627 |
| WATER BILLINGS Metered Charge | \$543,520 | \$553,558 | \$598,920 | \$618,180 | 2019 Budgeted volume is 161,000 m ³ 2019 metered charge is \$3.72 / m ³ . Budgeted to increase by 8% each year as per Water Study. | \$651,631 | \$708,106 | \$780,050 |
| IMPOST FEES | \$0 | \$0 | \$0 | \$0 | 2019 Amount set in By-Law is \$6,802.22. (\$6,225 per connection, indexed at 3% annually starting 2016, plus the cost of the service connection to the water main.) | \$0 | \$0 | \$0 |
| CONNECTION FEES | \$510 | \$10,529 | \$510 | \$3,700 | \$275 per new connection | \$550 | \$550 | \$550 |
| PENALTIES | \$4,400 | \$3,342 | \$4,600 | \$139 | As laid out in By-Law | \$500 | \$500 | \$500 |
| SALES OF METERS AND PARTS | \$2,000 | \$7,658 | \$2,000 | \$3,577 | Cost Recovery. Expenses posted to 5440 Misc. | \$2,000 | \$2,000 | \$2,000 |
| TRANSFER FROM RESERVE | \$0 | \$39,586 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$713,910 | \$781,382 | \$777,492 | \$800,403 | | \$836,511 | \$900,259 | \$979,727 |

| Description | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected YE | 106 Notes / Comments | 2020 Budget | 2021 Budget | 2022 Budget |
|------------------------------------|-------------|-------------|-------------|-------------------|--|-------------|-------------|-------------|
| OPERATING EXPENSES | | | | | | | | |
| STAFFING | | | | | | | | |
| WAGES | \$71,169 | \$52,280 | \$62,000 | \$60,804 | Allocation of Wages - Water Manager, Director, other staff. | \$64,233 | \$65,518 | \$66,828 |
| BENEFITS | \$25,245 | \$15,862 | \$18,600 | \$18,241 | | \$19,270 | \$19,655 | \$20,048 |
| MILEAGE | \$600 | \$0 | \$600 | \$0 | No longer applicable since Water Manager uses township vehicle | \$0 | \$0 | \$0 |
| CONF/SEMINARS/ TRAINING | \$2,000 | \$1,860 | \$2,000 | \$2,000 | | \$2,500 | \$2,500 | \$2,500 |
| DUES & MEMBERSHIPS | \$750 | \$145 | \$750 | \$0 | Licensing and Association memberships | \$750 | \$750 | \$750 |
| BOOSTER STATION | | | | | | | | |
| UTILITIES | \$12,000 | \$7,924 | \$12,600 | \$8,090 | 5% increase per year, however, base adjusted to align with actuals seen in 2018 and 2019. | \$10,480 | \$11,004 | \$11,554 |
| BUILDING MAINTENANCE GROUNDS | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| MAINTENANCE | \$1,500 | \$178 | \$1,500 | \$1,500 | | \$1,500 | \$1,500 | \$1,500 |
| SYSTEM OPERATIONS | | | | | | | | |
| LINE REPAIRS | \$10,000 | \$5,780 | \$10,000 | \$9,500 | Repairs arise due to unforeseen uncontrollable issues | \$10,000 | \$10,000 | \$10,000 |
| SYSTEM MAINTENANCE | \$5,000 | \$19,716 | \$10,000 | \$10,000 | Regular maintenance checks could result in repairs & replacement | \$10,000 | \$10,000 | \$10,000 |
| SMALL TOOLS & PARTS | \$500 | \$782 | \$500 | \$366 | | \$750 | \$750 | \$750 |
| SUPPLIES | \$500 | \$638 | \$1,000 | \$4,124 | Includes meters in stock that will be cost recovered. | \$2,000 | \$2,000 | \$2,000 |
| SCADA MAINTENANCE | \$5,100 | \$2,384 | \$5,202 | \$2,500 | | \$4,000 | \$4,080 | \$4,162 |
| OCWA CONTRACT | \$75,878 | \$72,911 | \$77,396 | \$77,396 | | \$78,944 | \$80,523 | \$82,133 |
| PURCHASE OF WATER | \$427,140 | \$389,288 | \$437,100 | \$437,100 | Budget set at: 161,000 m ³ + 25,000 m ³ loss * \$2.35/m ³ (avg); 5% / yr. thereafter | \$458,955 | \$481,903 | \$505,998 |

| Description | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Projected YE | 107 Notes / Comments | 2020 Budget | 2021 Budget | 2022 Budget |
|----------------------------------|------------------|------------------|------------------|----------------------|---|------------------|------------------|------------------|
| OTHER - ADMIN COSTS | | | | | | | | |
| LICENSES, SUPPORT | \$500 | \$495 | \$500 | \$523 | | \$500 | \$500 | \$500 |
| PHONE & INTERNET | \$2,040 | \$1,378 | \$2,081 | \$1,465 | | \$2,122 | \$2,165 | \$2,208 |
| POSTAGE & COURIER | \$0 | \$219 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| INSURANCE | \$839 | \$839 | \$881 | \$734 | 5% increase estimated | \$925 | \$971 | \$1,019 |
| LEGAL | \$500 | \$766 | \$500 | \$0 | | \$500 | \$500 | \$500 |
| AUDITS | \$1,500 | \$0 | \$1,550 | \$1,550 | | \$1,600 | \$1,650 | \$1,700 |
| ADVERTISING | \$150 | \$0 | \$150 | \$150 | | \$150 | \$150 | \$150 |
| PURCHASE OF METERS & PARTS | \$0 | \$6,532 | \$0 | \$3,869 | These expenses are recovered, the revenue is in account 4500 Sale of Parts & Meters | \$0 | \$0 | \$0 |
| ONE CALL LOCATES | \$150 | \$0 | \$150 | \$230 | | \$150 | \$150 | \$150 |
| OVERHEAD - TRANSFER IN | \$15,371 | \$15,371 | \$15,678 | \$15,678 | | \$15,992 | \$16,311 | \$16,638 |
| FUEL | \$0 | \$2,003 | \$0 | \$1,192 | Fuel budget set up instead of mileage since Water Manager uses township vehicle now. | \$600 | \$600 | \$600 |
| VEHICLE MAINTENANCE | \$0 | \$1,940 | \$0 | \$1,985 | Truck # 72. (2019 Expenses consist of Oil changes, new tires, fuel pump) | \$500 | \$500 | \$500 |
| BAD DEBT EXPENSE | \$100 | \$1,786 | \$100 | \$0 | | \$100 | \$100 | \$100 |
| STUDIES | | | | | | | | |
| WATER RATES STUDY | \$0 | \$0 | \$0 | \$0 | Previous Water Study was conducted in 2013. New one needed after ten years. | \$0 | \$0 | \$0 |
| TRANSFER TO RESERVES | | | | | | | | |
| LIFECYCLE RESERVE | \$55,379 | \$180,307 | \$116,654 | \$141,406 | For lifecycle replacement of assets. | \$149,991 | \$186,480 | \$237,438 |
| OPERATING EXPENSES | \$713,910 | \$781,382 | \$777,491 | \$800,403 | | \$836,511 | \$900,259 | \$979,727 |

TOWNSHIP OF MALAHIDE WATER SYSTEM
 WATER SYSTEM TANGIBLE CAPITAL ASSETS INVENTORY

BUILDINGS / FACILITIES

| Location | Description | Year Installed | Estimated Life | Replacement Year | Historical Cost Dec. 31, 2013 |
|------------------------------------|-----------------------|----------------|----------------|------------------|-------------------------------|
| Copenhagen Booster Station | Civil/Structural | 2004 | 50 | 2054 | \$ 88,076 |
| Copenhagen Booster Station | Mechanical/Electrical | 2004 | 25 | 2029 | \$ 88,076 |
| Copenhagen Booster Station & Other | SCADA System | 2011 | 10 | 2021 | \$ 67,921 |
| TOTAL BLDG / FACILITIES | | | | | \$ 244,073 |

MALAHIDE TERTIARY WATER MAINS

| Location | ID | Length (m) | Diameter (mm) | Material | Year Installed | Estimated Life | Replacement Year | Historical Cost Dec. 31, 2013 |
|--|-----------------|------------|---------------|----------|----------------|----------------|------------------|-------------------------------|
| Dingle Street - Town to Hacienda Rd | RDIN001 | 1,127.8 | 200 | PVC | 1995 | 100 | 2095 | 114,189 |
| Rogers Road - Rogers Rd south Imperial | RROG003 | 415.0 | 200 | PVC | 1997 | 100 | 2097 | 45,378 |
| Imperial Road - Jamestown Rd to Calton Ln | RCO7303/04 | 3,550.0 | 200 | PVC | 2004 | 100 | 2104 | 328,409 |
| Hacienda Rd OPC - Hacienda to OPC | RHAC008,RC03202 | 2,941.0 | 200 | PVC | 2005 | 100 | 2105 | 441,154 |
| Highway 3 East to Town - Lot 14 | RMTAL003 | 500.0 | 160 | DI | 1965 | 100 | 2065 | 7,801 |
| Highway 3 North side west of Elk | RMTAL003 | 96.0 | 150 | PVC | 1972 | 100 | 2072 | 1,900 |
| Port Bruce Water System - various | various | 3,852.5 | 150 | PVC | 1983 | 100 | 2083 | 375,628 |
| Copenhagen | RNOV001 | 454.2 | 150 | PVC | 1987 | 100 | 2087 | 53,030 |
| Creek Road Extension - Creek Road to Pineos | RPRU001 | 105.0 | 150 | PVC | 1987 | 100 | 2087 | 10,930 |
| Jamestown Road On Imperial Road | RCO7303 | 536.0 | 150 | PVC | 1989 | 100 | 2089 | 19,371 |
| Waneeta Beach to Waneeta Beach | Private Dnve | 780.0 | 150 | PVC | 1994 | 100 | 2094 | 100,873 |
| Highway 3 Extension to Church | RMTAL003 | 249.0 | 150 | PVC | 2003 | 100 | 2103 | 41,877 |
| Vienna Line Vienna east of Imperial | RVIE002 | 500.0 | 150 | PVC | 2004 | 100 | 2104 | 41,254 |
| Calton Line Calton east of Imperial | RCAL004 | 58.0 | 150 | PVC | 2004 | 100 | 2104 | 4,785 |
| Jamestown Upsize 410 m to 150mm | RJAM001 | 410.0 | 150 | PVC | 2004 | 100 | 2104 | 62,599 |
| Orwell - Church/Norton & Church Streets | ROCH001/NO001 | 332.0 | 150 | PVC | 2006 | 100 | 2106 | 94,386 |
| Rush Creek Line Extension | | 517.0 | 50 | PVC | 2012 | 100 | 2112 | 32,362 |
| Jamestown Road - Jamestown west of Imp | RJAM001 | 3,330.0 | 100 | PVC | 1989 | 100 | 2089 | 67,906 |
| Jamestown Road Extension - Jamestown west of Imp | RJAM001 | 920.0 | 100 | PVC | 1990 | 100 | 2090 | 23,740 |
| Granger Rd (Grovesend) - Dead End to Nova Scolia | RGRA001 | 460.0 | 100 | PVC | 1991 | 100 | 2091 | 25,705 |
| Pede Road | RPED001 | 134.0 | 100 | PVC | 1994 | 100 | 2094 | 15,675 |
| TOTAL WATER MAINS | | | | | | | | \$ 1,908,952 |

Water Meters - Various Locations

Various installation dates, replacement on as needed basis

20

\$ 273,836

Water Hydrants - Various Locations

Various installation dates, replacement on as needed basis

40

\$ 104,452

TOTAL WATER SYSTEM ASSETS

\$ 2,531,313

| Description | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget | 2025 Budget |
|--|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | | |
| WATER BILLINGS Base Charge | \$181,830 | \$189,103 | \$196,627 | \$205,380 | \$213,696 | \$222,264 |
| WATER BILLINGS Metered Charge | \$651,631 | \$708,106 | \$780,050 | \$859,327 | \$946,625 | \$1,042,804 |
| IMPOST FEES | \$0 | \$0 | \$0 | \$22,968 | \$0 | \$0 |
| CONNECTION FEES | \$550 | \$550 | \$550 | \$550 | \$550 | \$550 |
| PENALTIES | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| SALES OF METERS AND PARTS | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| TOTAL REVENUES | \$836,511 | \$900,259 | \$979,727 | \$1,090,725 | \$1,163,371 | \$1,268,118 |
| OPERATING EXPENSES | | | | | | |
| STAFFING | | | | | | |
| WAGES | \$64,233 | \$65,518 | \$66,828 | \$68,165 | \$69,528 | \$70,919 |
| BENEFITS | \$19,270 | \$19,655 | \$20,048 | \$20,449 | \$20,858 | \$21,276 |
| MILEAGE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CONF/SEMINARS/TRAINING | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| DUES & MEMBERSHIPS | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 |
| BOOSTER STATION | | | | | | |
| UTILITIES | \$10,480 | \$11,004 | \$11,554 | \$12,132 | \$12,739 | \$13,375 |
| BUILDING MAINTENANCE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| GROUND MAINTENANCE | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| SYSTEM OPERATIONS | | | | | | |
| LINE REPAIRS | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| SYSTEM MAINTENANCE | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| SMALL TOOLS & PARTS | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 |
| SUPPLIES | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| SCADA MAINTENANCE | \$4,000 | \$4,080 | \$4,162 | \$4,245 | \$4,330 | \$4,416 |
| OCWA CONTRACT | \$78,944 | \$80,523 | \$82,133 | \$83,776 | \$85,452 | \$87,161 |
| PURCHASE OF WATER | \$458,955 | \$481,903 | \$505,998 | \$531,298 | \$557,863 | \$585,756 |
| ADMIN COSTS | | | | | | |
| COMPUTER LICENSES, SUPPORT | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| PHONE & INTERNET | \$2,122 | \$2,165 | \$2,208 | \$2,252 | \$2,297 | \$2,343 |
| POSTAGE & COURIER | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| INSURANCE | \$925 | \$971 | \$1,019 | \$1,070 | \$1,124 | \$1,180 |
| LEGAL | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| AUDITS | \$1,600 | \$1,650 | \$1,700 | \$1,750 | \$1,800 | \$1,850 |
| ADVERTISING | \$150 | \$150 | \$150 | \$150 | \$150 | \$150 |
| PURCHASE OF METERS & PARTS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| ONE CALL LOCATES | \$150 | \$150 | \$150 | \$150 | \$150 | \$150 |
| OVERHEAD - TRANSFER IN | \$15,992 | \$16,311 | \$16,638 | \$16,970 | \$17,310 | \$17,656 |
| FUEL | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 |
| VEHICLE MAINTENANCE | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| BAD DEBT EXPENSE | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| STUDIES | | | | | | |
| WATER RATES STUDY | \$0 | \$0 | \$0 | \$30,000 | \$0 | \$0 |
| TOTAL OPERATING EXPENSES | \$686,521 | \$713,780 | \$742,289 | \$802,108 | \$803,300 | \$835,932 |
| AMORTIZATION | \$60,752 | \$60,752 | \$60,752 | \$60,752 | \$60,752 | \$60,752 |
| SURPLUS FOR FINANCIAL STATEMENT PRESENTATION PURPOSES | | | | | | |
| | \$89,239 | \$125,728 | \$176,686 | \$227,865 | \$299,319 | \$371,435 |
| LIFECYCLE CAPITAL EXPENSES | | | | | | |
| PRV Rebuilds | \$27,500 | \$5,000 | \$0 | \$0 | \$0 | \$14,500 |
| Sample stations replace | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$0 |
| Booster Station Pump & motor replacement | \$0 | \$4,000 | \$0 | \$0 | \$0 | \$0 |
| Hydrant repairs & replacement | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| PLC -Replacement | | | \$15,000 | | | |
| SCADA Replacement - Hardware & Software (Malahide share) | \$19,762 | | | | | |
| Talbot St E (500m) | \$22,000 | \$100,000 | \$100,000 | | | |
| TOTAL LIFECYCLE COSTS | \$81,262 | \$121,000 | \$127,000 | \$12,000 | \$12,000 | \$18,500 |
| TOTAL CASH COSTS | \$767,782 | \$834,780 | \$869,289 | \$814,108 | \$815,300 | \$854,432 |
| SURPLUS REVENUES OVER CASH EXPENSES | | | | | | |
| | \$68,729 | \$65,480 | \$110,438 | \$276,617 | \$348,071 | \$413,687 |
| (TO BE TFD INTO REPLACEMENT RESERVE) | | | | | | |
| Accumulated Surplus | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 | \$1,361,533 |
| Proposed Water Rate Information | | | | | | |
| Estimated Users/Customers | 627 | 627 | 627 | 630 | 630 | 630 |
| Estimated Volume water sold (m ³) | 162,000 | 163,000 | 166,260 | 169,590 | 172,980 | 176,440 |
| Estimated Flat Rate per quarter | \$72.50 | \$75.40 | \$78.40 | \$81.50 | \$84.80 | \$88.20 |
| Estimated Metered Rate per m ³ sold | \$4.02 | \$4.34 | \$4.69 | \$5.07 | \$5.47 | \$5.91 |
| Estimated Water Rates Revenue | \$833,461 | \$897,209 | \$976,677 | \$1,064,707 | \$1,160,321 | \$1,265,068 |

TOWNSHIP OF MALAHIDE WATER SYSTEM
STATEMENT OF FINANCIAL POSITION

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| Description | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget | 2025 Budget |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financial Assets | | | | | | |
| Cash | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 | \$1,361,533 |
| Total Financial Assets | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 | \$1,361,533 |
| Liabilities | | | | | | |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Financial Assets | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 | \$1,361,533 |
| Non Financial Assets | | | | | | |
| Tangible Capital Assets | \$2,531,313 | \$2,531,313 | \$2,531,313 | \$2,531,313 | \$2,531,313 | \$2,531,313 |
| ACCUMULATED SURPLUS | \$2,678,554 | \$2,744,033 | \$2,854,471 | \$3,131,089 | \$3,479,160 | \$3,892,846 |

| STATEMENT OF CASH FLOW | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|
| Operating Transactions | | | | | | |
| Cash received - Water Rates | \$833,461 | \$897,209 | \$976,677 | \$1,064,707 | \$1,160,321 | \$1,265,068 |
| Cash Received - Other Fees & Penalties | \$3,050 | \$3,050 | \$3,050 | \$26,018 | \$3,050 | \$3,050 |
| Deduct Cash Paid for Operations | \$686,521 | \$713,780 | \$742,289 | \$802,108 | \$803,300 | \$835,932 |
| Total Cash available from Operating Activity | \$149,991 | \$186,480 | \$237,438 | \$288,617 | \$360,071 | \$432,187 |
| Capital Transactions | | | | | | |
| Cash Paid for Capital Transactions | \$81,262 | \$121,000 | \$127,000 | \$12,000 | \$12,000 | \$18,500 |
| Increase / (Decrease) in Cash | \$68,729 | \$65,480 | \$110,438 | \$276,617 | \$348,071 | \$413,687 |
| Cash Balance at beginning of the year | \$78,512 | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 |
| Cash Balance at end of year | \$147,241 | \$212,720 | \$323,158 | \$599,776 | \$947,847 | \$1,361,533 |

**SCHEDULE "A"
TO
BY-LAW NO. 15-71 (AMENDED)**

Water Rates

| ITEM | | 2019 | 2020 | 2021 |
|--|--------------------|----------|----------|----------|
| Quarterly Base Charge (s.128) | Annual | \$278.80 | \$290.00 | \$301.60 |
| | Quarterly | \$69.70 | \$72.50 | \$75.40 |
| Consumption Charge (per cubic meter) (s.120, s.128, s.129, s.130) | Per cubic meter | \$3.72 | \$4.02 | \$4.34 |

Water Impost Fees

| ITEM | 2019 | 2020 | 2021 |
|--|--|--|--|
| New Connection on existing Water main \$6,225.00 per connection as of 2016, indexed at 3% annually thereafter, plus the cost of the service connection to the water main. | \$6,802.22 plus the cost of the service connection to the water main. | \$7,006.28 plus the cost of the service connection to the water main. | \$7,216.48 plus the cost of the service connection to the water main. |

Miscellaneous Water Fees

| ITEM | 2019 | 2020 | 2021 |
|--|---|--|---|
| Hydrant Connection Permit (Bulk Use) The applicant will be invoiced for the difference between the actual cost incurred and the deposit. If the deposit exceeds the actual costs, a refund will be made. Full cost recovery shall be based on municipal staff time and associated costs. The cost of the water purchased is an additional cost, see above. (s.94, s.110(e)) | \$80.00 daily fee plus a deposit of \$350.00. | \$80.00 daily fee plus a deposit of \$350.00. | \$80.00 daily fee plus a deposit of \$350.00. |
| Water Meter Assembly (3/4") and inspection (s.108, s.110) | \$525.00 plus HST for meters under 3/4" & Full Cost Recovery for meters | \$525.00 plus HST for meters under 3/4" & Full Cost Recovery | \$525.00 plus HST for meters under 3/4" & Full Cost Recovery for meters |

| ITEM | 2019 | 2020 | 2021 |
|---|---|---|---|
| | larger than ¾" | for meters larger than ¾" | larger than ¾" |
| New Water connection to inspect from curb stop to house | \$275.00 | \$275.00 | \$275.00 |
| Water Frost Plates | \$15.00 plus HST | \$15.00 plus HST | \$15.00 plus HST |
| Connection to waterline where a line tap is required. The applicant will be invoiced for the difference between the actual cost incurred and the deposit. If the deposit exceeds the actual costs, a refund will be made. Full cost recovery shall be based on municipal time and associated costs. (s.31). | \$275.00 plus Deposit of \$3,000.00. | \$275.00 plus Deposit of \$3,000.00. | \$275.00 plus Deposit of \$3,000.00. |
| Water Meter Testing – when no problem discovered. The applicant will be invoiced for the difference between the actual cost incurred and the deposit. If the deposit exceeds the actual costs, a refund will be made. Full cost recovery shall be based on municipal time and associated costs. | \$140.00 plus a deposit of \$100.00. | \$140.00 plus a deposit of \$100.00. | \$140.00 plus a deposit of \$100.00. |
| Voluntary Shut Off/On exceeding 1 per year There is one free voluntary shut off/on per year. Each request thereafter is \$50.00. | \$50.00 | \$50.00 | \$50.00 |
| Water Service Reconnection includes reconnection after shut off for non-compliance and/or non-payment (s.83, s.91, s.138) | \$60.00 | \$60.00 | \$60.00 |
| Water Disconnection and Inspection The applicant will be invoiced for the difference between the actual cost incurred and the deposit. If the deposit exceeds the actual costs, a refund will be made. Full cost recovery shall be based on municipal time and associated costs (s.84, s.85, s.86, s.90) | \$100.00 plus a deposit of \$1,000.00. | \$100.00 plus a deposit of \$1,000.00. | \$100.00 plus a deposit of \$1,000.00. |
| Water Meter Maintenance – The Township will be responsible for normal testing and repairs to maintain water meters in good operating condition. The cost to repair water meters damaged by freezing, vandalism or wilful neglect will be the responsibility of the property owner (s.120) | Full Cost Recovery | Full Cost Recovery | Full Cost Recovery |
| Repair to replace curb stop and drain valve | Full Cost Recovery | Full Cost Recovery | Full Cost Recovery |
| Read Meter and/or Attend Property Any additional reads other than the regular meter reading for quarterly billing purposes or final meter reading for billing purposes (s.129) | \$50.00 | \$50.00 | \$50.00 |

Administration Fees

| ITEM | 2019 | 2020 | 2021 |
|--|---------|---------|---------|
| Transfer to Taxes: Administration Fee for all water accounts left unpaid after the second consecutive billing to be transferred to the corresponding tax account. (s.135) | \$25.00 | \$25.00 | \$25.00 |
| Penalty – Utilities Imposed on first day of default (s.133) | 5% | 5% | 5% |