

**Municipality of
Central Manitoulin**

WATER SYSTEM FINANCIAL PLAN

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1. Introduction

1.1. Background

The Municipality of Central Manitoulin maintains a water treatment plant providing drinking water to approximately 240 customers within the Town of Mindemoya. The Municipality retains the services of the Ontario Clean Water Agency (OCWA) to operate these facilities and recovers its water related costs through a flat fee charged to its residential customers and a meter rate charged to commercial customers with no financial support from property taxes.

The Safe Drinking Water Act (SDWA) was passed in December 2002 in order to address some of the recommendations made by the Walkerton Inquiry Part II report. One of the main requirements of the act is the mandatory licensing of municipal water providers. Section 31 (1) specifically states

“No person shall,

- a) Establish a new municipal drinking water system or replace or carry out an alteration to a municipal drinking water system except under the authority of and in accordance with an approval under this part or a drinking water works permit; or
- b) Use or operate a municipal drinking water system that was established before or after this section comes into force except under the authority of and in accordance with an approval under this part or municipal drinking water License”

In order to become licensed, a municipality must satisfy five key requirements as per section 44 (1):

1. Obtain a drinking water works permit.
2. Acceptance of the operational plan for the system based on the Drinking Water
3. Quality Management Standard.
4. Accreditation of the Operating Authority.
5. Prepare and provide a financial plan.
6. Obtain permit to take water.

Under O.Reg. 188/07 the Municipality is required to obtain a Drinking Water System Licence which was received on June 2, 2011. The licensing process mandates the preparation of a water system financial plan in accordance with O.Reg. 453/07. The Municipality has accordingly prepared a financial plan for its drinking water systems to meet the O.Reg. 453/07 requirements. This financial plan required under O.Reg. 453/07 is for the six (6) year period from 2015 to 2020 inclusive.

1.2. Purpose

This financial plan is prepared as a part of the five submission requirements for the purposes of obtaining a municipal drinking water license as per the Safe Drinking Water Act, 2002. In general, a financial plan requires an in-depth analysis of capital and operating needs, a review of current and future demand versus supply, and consideration of available funding sources. Detailed financial planning and forecasting in regards to the Municipality’s water system has already been completed and documented by municipal staff. The objective of the report provided herein is to convert the Municipality’s water forecast into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O.Reg. 453/07). The number for the financial plan is 188-301.

2. Regulatory Requirements

Regulation 188/07 under the Safe Drinking Water Act, 2002 requires Ontario municipalities to apply for and obtain drinking water system licenses as part of their overall Drinking Water Quality Management System (DWQMS). One of the requirements to obtain a drinking water licence is to prepare and submit a financial plan in accordance with O.Reg. 453/07. In general, the financial plan must include the following:

- The proposed or projected financial position of the drinking water system;
- The proposed or projected gross cash receipts and gross cash payments of the drinking water system;
- The proposed or projected financial operations of the drinking water system; and
- Details on the extent to which the above information applies to the replacement of lead service pipes, if applicable.

Table A1 in Appendix A lists each requirement of the regulation and references the respective financial statements and other items that contain relevant information required under each item. The financial plan must apply to a period of at least six (6) years with the first year being the latter of 2010 or the year in which the licence was received. In the Municipality's case, the first year is 2011 and the six (6) year period from 2011 to 2016 inclusive. It is anticipated that this financial plan would be made available to the public at no charge and posted on the Municipality's website following final approval of the plan by resolution of the Municipality Council.

3. Key Considerations

This section presents the projections for key items over the six (6) year period and the assumptions used in order to prepare the financial plan. These include:

- Operations & maintenance (O&M) cost projections;
- Capital budget forecasts;
- Revenue requirements;
- Debt repayment;
- Reserve projections; and
- Tangible Capital Asset (TCA) projections.

3.1. O&M Cost Projections

The Municipality's annual operating budget includes costs related to the following:

- Water system operations and maintenance;
- Utilities and chemicals;
- Equipment, repairs, materials & supplies;
- Transfers to operating and capital reserves; and
- Miscellaneous expenditures.

A portion of these costs is offset by non-rate revenues including:

- Fill-up station sales;
- OSWAP grant.

The projection of the gross costs and non-rate revenues over the six (6)-year period from 2015 to 2020 were based on the Municipality's 2015 operating budget. The assumptions used in arriving at the 2016-2020 cost and revenue projections are as follows:

- Water O&M costs and non-rate revenues (not including non-recurring costs and reserve transfers) increase annually by 2%;
- Annual operating and capital reserve contributions remain constant over the forecast period; and
- OSWAP grant expires in 2012.

Table 3-1 summarizes the gross operating costs, non-rate revenues and net costs to be recovered from users through the Municipality's user charges.

Table 3-1: O&M Cost Projections

Description	2015	2016	2017	2018	2019	2020
Non User Revenue						
P&I - Water Use	3,000	3,000	3,000	3,000	3,000	3,000
Coin Operated Water Revenue	1,500	1,500	1,500	1,500	1,500	1,500
Non User Revenue	4,500	4,500	4,500	4,500	4,500	4,500
Operating Expenses						
Water Supplies/Services	9,000	9,180	9,364	9,551	9,742	9,937
Water Maintenance	16,000	16,320	16,646	16,979	17,319	17,665
NON TCA Capital	5,605	28,300	15,650	3,700	15,350	3,850
Water Plant Hydro	53,000	54,060	55,141	56,244	57,369	58,516
Water Insurance	2,600	2,652	2,705	2,759	2,814	2,871
Water OCWA Contract	105,000	107,100	109,242	111,427	113,655	115,928
Coin Operated Unit Expense	1,000	1,020	1,040	1,061	1,082	1,104
Transfer to Reserves	10,000	10,000	10,000	10,000	10,000	10,000
Gross Operating Costs	202,205	228,632	219,789	211,721	227,332	219,871
Net Operating Cost to be recovered from Users	197,705	224,132	215,289	207,221	222,832	215,371

3.2. Capital Budget Forecast

The Municipality's capital budget forecast used for the financial plan is presented in Appendix B. This identifies the planned projects to be undertaken between 2050 and 2020 (Projects and associated costs

were provided by OCWA). Note that some future projects are deemed to be operational i.e. they do not meet the definition of a TCA or betterment as per Municipality's TCA policy and therefore are considered an operational expense in the financial statements.

3.3. Revenue Requirements

The Municipality recovers its net system costs through flat and metered user fees charged to its various customer classes. The projection of user revenues over the six (6)-year period from 2011 to 2016 are detailed in Table 3-2.

Table 3-2 Revenue Projections

Description	2015	2016	2017	2018	2019	2020
Total User Revenue	197,705	224,132	215,289	207,221	222,832	215,371
Annual Percentage increase		13.37%	-3.95%	-3.75%	7.53%	-3.35%

3.4. Debt Repayment

The Municipality currently holds no debt for its water systems. It is projected that no water related debt is required to fund the 2015 to 2020 capital program.

3.5. TCA Projections

The Municipality's PSAB 3150 TCA data was used to develop the financial information related to water assets which include:

- Infrastructure;
- Buildings; and
- Machinery & Equipment.

The TCA projections for the study period are presented in Table 3-3 and are based on the following assumptions:

- Amortization of existing assets is based on the Municipality's Tangible Capital Assets policies and procedures. Amortization of new assets is based on straight line depreciation with half year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life as per the PSAB 3150 data provided by the Municipality;
- Fully depreciated assets continue to be used in service i.e. no asset removals;
- New assets acquired are based on the capital forecast presented in Appendix B. These are added to the TCA in the year of acquisition and depreciated over their useful life. As noted previously some future projects are deemed to be operational i.e. they do not meet the definition of a TCA or betterment as per the Municipality's TCA policy and therefore are considered as operating expenses in the financial statements; and
- Contributed assets from new development are assumed to be zero.

Table 3-3: TCA Projections

CONSOLIDATED (TOTAL)						
TCA	2015	2016	2017	2018	2019	2020
Opening Cost	7,101,010	7,117,061	7,156,911	7,156,911	7,280,911	7,280,911
Capital Additions	16,051	39,850	-	124,000	-	-
Accumulated Depreciation (Beginning)	3,392,209	3,569,154	3,747,095	3,925,037	4,106,078	4,287,120
Depreciation Expense	176,945	177,942	177,942	181,042	181,042	181,042
Accumulated Depreciation (Ending)	3,569,154	3,747,095	3,925,037	4,106,078	4,287,120	4,468,162
Net Book Value	3,547,907	3,409,816	3,231,874	3,174,833	2,993,791	2,812,750

3.6. Reserve Balances

The projected transfers to and from the Municipality's water related reserves and their respective balances are presented in Tables 3-4.

Table 3-6 Main Water Reserve

	2015	2016	2017	2018	2019	2020
Opening Balance	101,432	111,432	121,432	131,432	141,432	151,432
Transfer from Operating	10,000	10,000	10,000	10,000	10,000	10,000
Closing Balance	111,432	121,432	131,432	141,432	151,432	161,432

3.7. Lead Service Pipe Removal

There are no lead pipes to be replaced. Therefore, the financial statements do not include costs associated with lead service pipe removal.

4. Financial Plan

The preparation of the financial plan involves the review, analysis and assessment of financial information relevant to the Municipality's water systems including costs, revenues, debt, cash transactions and TCA data. The components of the financial plan as indicated by O.Reg 453/07 are consistent with the requirements for financial statement presentation as set out in PS1200 of the Canadian Institute of Chartered Accountants (CICA) Public Sector Handbook, as such the Municipality's financial plan consists of the following three (3) financial statements covering the period 2015 to 2020:

- Statement of Financial Position;

- Statement of Operations; and
- Statement of Cash Flow.

4.1. Statement of Financial Position

The Statement of Financial Position is presented in Table 4-1. This statement summarizes the Municipality's water-related financial and non-financial assets and liabilities, and provides the net financial asset/(net debt) position and accumulated surplus related to managing the water system. The financial assets are primarily cash balances in the water reserve. There are no financial liabilities. The non-financial assets (TCA) include the Municipality's water infrastructure, buildings, and machinery and equipment. The historical TCA costs are amortized over the asset life to arrive at the net book value each year from 2015 to 2020. New assets are added in the years acquired, developed or built. It is assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets/ (debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of a water system's "future revenue requirement". Table 4.1 shows that in 2015, the Municipality's water system will be in a net financial asset position of \$0.171 million. This position will increase to \$0.221 million by 2020. The net financial asset position indicates that financial resources are available to fund future operations and is due to an increase in the cash position.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides a measure of the resources available to the Municipality for managing its water system and reflects how well a municipality has managed its financial and TCA resources over time. As shown in Table 4-1 the accumulated surplus is projected to decrease from approximately \$3.72 million in 2015 to approximately \$3.03 million by 2020 and is predominately the result of a depletion of the net TCA balance.

Table 4-1 Statement of Financial Position

	2015	2016	2017	2018	2019	2020
Financial Assets						
Cash, Receivables and Investment	171,432	181,432	191,432	201,432	211,432	221,432
Total Financial Assets	171,432	181,432	191,432	201,432	211,432	221,432
Financial Liabilities						
Total Financial Liabilities	-	-	-	-	-	-
Net Financial Assets (Net Debt)	171,432	181,432	191,432	201,432	211,432	221,432
Non-Financial Assets						
Tangible Capital Assets	7,117,061	7,156,911	7,156,911	7,280,911	7,280,911	7,280,911
Accumulated Amortization	(3,569,154)	(3,747,095)	(3,925,037)	(4,106,078)	(4,287,120)	(4,468,162)
Total Non-Financial Assets	3,547,907	3,409,816	3,231,874	3,174,833	2,993,791	2,812,750

Accumulated Surplus	3,719,339	3,591,248	3,423,306	3,376,265	3,205,223	3,034,182
Financial Indicators	2,015	2,016	2,017	2,018	2,019	2,020
Increase (Decrease) in Net Financial Assets	111,062	10,000	10,000	10,000	10,000	10,000
Increase (Decrease) in Tangible Capital Assets	(160,894)	(138,092)	(177,942)	(57,042)	(181,042)	(181,042)
Increase (Decrease) in Accumulated Surplus	(49,832)	(128,092)	(167,942)	(47,042)	(171,042)	(171,042)

4.2. Statement of Operations

The Statement of Operations is presented in Table 4-2. It summarizes the annual revenues and expenses associated with managing the Municipality's water system. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- User revenues; and
- Other Revenues (coin operated fill up sales.).

The main expense items are:

- The annual cost of operating and maintaining the water systems; and
- Amortization expenses on existing and added TCA.

The operating surplus/ (deficit) is an important indicator contained in the Statement of Operations. An operating surplus/ (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. Generating an annual surplus is deemed necessary to ensure funds are available to address non-expense items such as TCA acquisitions over and above amortization expenses, and reserve/reserve fund contributions for asset replacement and rate stabilization.

As reflected in Table 4-2 operating deficits are projected to occur each year over the forecast period, averaging \$0.122 million per year. System long-term sustainability is dependent upon ensuring, on average, that current period expenses are less than current period revenues, as such the Municipality's water system is not considered financially sustainable. Therefore it is recommended that the Municipality undertake a long-term financial planning exercise to develop financial policies and strategies to address the fiscal long-term sustainability of the water system.

4-2 : Statement of Operations

	2015	2016	2017	2018	2019	2020
Water Revenue						
User Revenue	197,705	224,132	215,289	207,221	222,832	215,371
Other Revenue	4,500	4,500	4,500	4,500	4,500	4,500

Total Revenues	202,205	228,632	219,789	211,721	227,332	219,871
Water Expenses						
Operating Expenses	202,205	228,632	219,789	211,721	227,332	219,871
Amortization	176,945	177,942	177,942	181,042	181,042	181,042
Total Expenses	379,150	406,574	397,730	392,763	408,373	400,913
Annual Surplus/ (Deficit)	(49,832)	(128,092)	(167,942)	(47,042)	(171,042)	(171,042)
Accumulated Surplus/ (Deficit), Beginning of Year	3,769,172	3,719,339	3,591,248	3,423,306	3,376,265	3,205,223
Accumulated Surplus/ (Deficit), End of Year	3,719,339	3,591,248	3,423,306	3,376,265	3,205,223	3,034,182

4.3. Statement of Cash Flow

The Statement of Cash Flow is presented in Table 4-3. This statement summarizes the main cash inflows and outflows related to the water system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses). The capital section indicates the amounts spent to acquire capital assets (TCA) or received from the sale of assets. In the Municipality's case, there are no assets to be sold to generate cash. It is assumed that there were no investing or financing activities over the period. Table 4-3 indicates that cash has been generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves over the forecast period. The Municipality's cash position is projected to increase slightly over the forecast period from \$0.154 million in 2015 to \$0.203 million in 2020.

Table 4.3: Statement of Cash Flow

	2015	2016	2017	2018	2019	2020
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	(49,832)	(128,092)	(167,942)	(47,042)	(171,042)	(171,042)
Non-Cash Items	-	-	-	-	-	-
Amortization	176,544	177,942	177,942	181,042	181,042	181,042
Net Change in Cash Provided by Operating Activities	126,712	49,850	10,000	134,000	10,000	10,000
Capital Activities						
Purchase of TCA	(16,051)	(39,850)	-	(124,000)	-	-

Net Change in Cash Used in Capital Activities	(16,051)	(39,850)	-	(124,000)	-	-
Net Change in Cash and Cash Equivalents	110,661	10,000	10,000	10,000	10,000	10,000
Cash and Cash Equivalents, Beginning of the Year	43,090	153,751	163,751	173,751	183,751	193,751
Cash and Cash Equivalents, End of the Year	153,751	163,751	173,751	183,751	193,751	203,751

4.4. Data Sources

The primary sources of data used to prepare this financial plan are listed in Table 4-4.

Table 4.4: Data Sources

Item	Data Source
Asset Life Expectancy	<ul style="list-style-type: none"> • Municipality TCA Policy • Information provided by the Municipality
Asset Values	<ul style="list-style-type: none"> • Municipality TCA Policy • Information provided by the Municipality
O & M Costs and Revenue Projections	<ul style="list-style-type: none"> • 2015 Operating Budget • Information provided by the Municipality
Capital Cost Projections	<ul style="list-style-type: none"> • 2015 Capital Budget • Information provided by Municipality/OCWA
Debt	<ul style="list-style-type: none"> • Information provided by the Municipality
Investments, Reserve balances etc.	<ul style="list-style-type: none"> • Information provided by the Municipality

5. Conclusions & Recommendations

The following are the main conclusions and recommendations:

- The annual net cost to be recovered from rates is projected to increase from \$0.198 million in 2015 to approximately \$0.215 million by 2020 ;
- Reserve balances over the period is projected to increase from \$0.111 million in 2015 to approximately \$0.161 million by 2020;
- The Net Book Value (NBV) of the Municipality's water system is projected to decrease from approximately \$3.5 million in 2015 to approximately \$2.8 million by 2020 (This decrease in asset value is due to asset consumption exceeding asset replacement over the next six (6) years);

- Annual operating deficits occur each year over the forecast period, averaging \$0.122 million per year;
- At present the Municipality's revenues are not sufficient to offset asset depreciation and fund future replacement. Therefore it is recommended that the Municipality undertake a long-term financial planning exercise to develop financial policies and strategies to address the long-term financial sustainability of the water system.
- That the Water Financial Plan including the Financial Statements presented herein be approved for submission to the Ministry of Municipal Affairs and Housing (MMAH) in accordance with the Drinking Water System Licence requirements and O. Reg 453/07.

APPENDICES

APPENDIX A

**REQUIREMENTS OF ONTARIO
REGULATION 453/07**

APPENDIX A: Requirements of Ontario Regulation 453/07

Appendix A

Requirements		How Requirements are Met
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.	<ul style="list-style-type: none"> • This will be sent under separate cover following approval of the Financial Plan by Council
	ii. The governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.	<ul style="list-style-type: none"> • N/A
2.	The financial plans must apply to a period of at least six years.	<ul style="list-style-type: none"> • Applies from 2015 to 2020 inclusive.
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 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	<ul style="list-style-type: none"> • This applies to the Municipality of Central Manitoulin which received its licence in 2011. The first year of the Financial Plan is 2015.
	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.	<ul style="list-style-type: none"> • N/A
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:	<ul style="list-style-type: none"> • See Table 4-1 Statement of Financial Position in Financial Plan.
	a. Total financial assets	<ul style="list-style-type: none"> • See Table 4-1 Statement of Financial Position in Financial Plan
	b. Total liabilities	<ul style="list-style-type: none"> • See Table 4-1 Statement of Financial Position in Financial Plan.
	c. Net financial assets (debt)	<ul style="list-style-type: none"> • See Table 4-1 Statement of Financial Position in Financial Plan
	d. Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses,	<ul style="list-style-type: none"> • See Table 4-1 Statement of Financial Position in Financial Plan and Section 3.5 TCA Projections

APPENDIX A: Requirements of Ontario Regulation 453/07

		e. Changes in tangible capital assets that are additions, donations, write downs and disposals.	• See Table 4-1 Statement of Financial Position in Financial Plan and Section 3.5 TCA Projections.
	ii.	Details of the proposed or projected financial operations of the drinking water system itemized by,	• See Table 4-2 Statement of Operations in Financial Plan.
		a. Total revenues, further itemized by water rates, user charges and other revenues.	• See Table 4-2 Statement of Operations in Financial Plan.
		b. Total expenses, further itemized by amortization expenses, interest expenses and other expenses	• See Table 4-2 Statement of Operations in Financial Plan.
		c. Annual surplus or deficit, and	• See Table 4-2 Statement of Operations In Financial Plan.
		d. Accumulated surplus or deficit	• See Table 4-2 Statement of Operations in Financial Plan.
	iii.	Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		a. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges, - done in full cost report	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		b. Capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		c. Investing transactions that are acquisitions and disposal of investments,	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		d. Financing transactions that are proceeds from the issuance of debt and debt repayment.	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		e. Changes in cash and cash equivalents during the year,	• See Table 4-3 Statement of Cash Flow in Financial Plan.
		f. Cash and cash equivalents at the beginning and end of the year.	• See Table 4-3 Statement of Cash Flow in Financial Plan.
	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.	• There are no lead service pipes to be changed in the Municipality of Central Manitoulin. Therefore, the information in the Financial Plan does not include lead services pipe replacement.
5	The owner of the drinking water system must.		

APPENDIX A: Requirements of Ontario Regulation 453/07

	i.	Make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,	<ul style="list-style-type: none"> • This will be done by the Municipality of Central Manitoulin following Council approval.
	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,	<ul style="list-style-type: none"> • The Financial Plan will be posted on the Municipality's website and made available for public review at no charge.
	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.	<ul style="list-style-type: none"> • A notice will be issued following Council approval.
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).	<ul style="list-style-type: none"> • Will be submitted following Council approval.
		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.	<ul style="list-style-type: none"> • The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	1	Sub-subparagraphs 4 i A, 8 and C of subsection (1).	<ul style="list-style-type: none"> • The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	2	Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).	<ul style="list-style-type: none"> • The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.

APPENDIX B

**WATER 6-YEAR CAPITAL
FORECAST (2015 TO 2020)**

Appendix B: WATER 6-YEAR CAPITAL FORECAST (2015 TO 2020)

Description	2015	2016	2017	2018	2019	2020
CAPITAL EXPENDITURES						
UpgradeSCADA tower				14,000		
New PLC				110,000		
High Lift Pump #1		25,000				
Zebra mussel chlorine line connection and raw water sample pump		3,500				
Replacement chlorine pump system	16,051					
Singer Valve Inspection/Rebuild (3)		3,500				
Rebuild kit for pre-chlorine pump		750				
Chemical transfer pump		1,600				
Replace Chlorine analyzer		5,500				
Estimated Total	16,051	39,850	-	124,000	-	-
NON - TCA EXPENDITURES						
SCADA programming updates		2,100	2,100		2,100	2,200
DWQMS on site and desk top audits	1,500	3,500	1,550	1,600	3,750	1,650
Permit to Take Water Renewal	1,000					
Every 3 years		1,900			2,100	
Replace generator fuel return line	765					
Spray foam room			12,000			
Repair to mixers in monoplants		1,700				
Fridge/freezer		700				
Lab pH meter	2,340					
Raw Water Quality Analysis					1,800	
Load Test Generator		1,900		2,100		
Intake Inspection					5,600	
SWOB System every 5 years		16,500				
Estimated Total	5,605	28,300	15,650	3,700	15,350	3,850