



Municipality of  
**Dutton Dunwich**

Drinking Water Quality  
Management System

Financial Plan

Number 047-301

**O.Reg. 453/07**

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## 1. INTRODUCTION

In 2007, as part of the Municipal Drinking Water Licensing Program, the Ministry of Environment (MOE) released Ontario Regulation 453/07 (O.Reg. 453/07) that requires the preparation of a Financial Plan for all municipal drinking water systems. The information contained within this document is intended to act as a guide for Council and staff in establishing water rates and associated water system infrastructure capital and operating budgets. This document will continue to be regularly reviewed and updated and be used to prepare this Financial Plan required as part of the Municipal Drinking Water Licensing Program.

### **1.1 MUNICIPAL DRINKING WATER LICENSING PROGRAM**

As a result of Justice Dennis O'Connor's Report of the Walkerton Inquiry, and the passing of Ontario's Safe Drinking Water Act, 2002 (SDWA), the Province has introduced and is implementing a new Municipal Drinking Water Licensing Program. In order to be issued a license, the Ministry has established the following licensing requirements:

- (1) A Drinking Water Works Permit (DWWP)
  - A permit to establish or alter a drinking water system.
  - A DWWP together with a license will replace the certificates of approval.
- (2) An Accepted Operational Plan
  - The Operational Plan is based on the Drinking Water Quality Management Standard (DWQMS).
  - The Operational Plan will document an Operating Authority's Quality Management System (QMS).
- (3) Accreditation of the Operating Authority
  - A third-party audit of an Operating Authority's Quality Management System (QMS) will be the basis for accreditation.
- (4) A Financial Plan
  - As required under the Financial Plans Regulation, O.Reg. 453/07.
- (5) A Permit to take Water (PTTW) - A valid PTTW is required to be in place.
- (6) Director Satisfaction
  - Before a license is issued, the Director appointed under the Safe Drinking Water Act, 2002 (SDWA) must be satisfied that the system will be operated in accordance with the requirements under the SDWA and the proposed conditions of the license.

## **1.2 PLAN AREA**

The Corporation of the Municipality of Dutton Dunwich is the Owner and Operating Authority of the drinking water system which services approximately 1567 properties, including industrial, commercial and institutional establishments.

The drinking water system is comprised of a distribution system which includes:

- 252.56 km of distribution plastic watermain
- 136 fire hydrants
- 1567 Approximate Service connections
- 21 air release chambers
- 19 drain valve chambers
- 26 blow offs
- 4 meter chambers

## **1.3 PLAN OBJECTIVE**

As the Owner and Operating Authority, the Corporation of the Municipality of Dutton Dunwich must prepare a Financial Plan for the Municipal Drinking Water System in order to meet the requirements of the municipal drinking water license. The Financial Plan must be updated at a minimum of every five years, but it is recommended that it be updated more frequently to reflect changes in operations, economic climate, financing costs, consumption and pricing.

## **1.4 PRINCIPLES OF FINANCIALLY SUSTAINABLE WATER & SEWAGE SYSTEMS**

Achieving financial sustainability in Ontario's municipal water and wastewater sector is a long-term provincial goal. The overall guiding principle in the development of this Financial Plan is to ensure that both current operating needs and longer term infrastructure renewal planning is addressed.

### **1.4.1 Expected Achievements**

Through the process of developing this Financial Plan, the Operating Authority, being the Municipality of Dutton Dunwich, set out to achieve the following:

- Financial viability;
- Provide safe drinking water;
- Enable the long-term plan for capital renewal to be realized;
- Achieve full cost recovery over the long-term; and
- Maintain current service levels.

## **2. ONTARIO REGULATION 453/07 – FINANCIAL PLANS**

### **2.1 BACKGROUND**

On August 14, 2007, the Ontario Ministry of the Environment (MOE) filed Ontario Regulation 453/07 (O.Reg. 453/07), the Financial Plans Regulation, under the Safe

Drinking Water Act (SDWA). This new regulation requires holders of a Drinking Water License to develop and implement a comprehensive Financial Plan that addresses long-term capital and operating costs for the municipal drinking water system over a set time frame.

Following the May 2000 contaminated water tragedy in Walkerton, Justice Dennis O'Connor released his Report of the Walkerton Inquiry, which set out strategies for preventing such a tragedy from reoccurring. In addition to the many recommendations made, including a recommendation that the provincial government require all owners of municipal water systems to obtain a license for the operation of their drinking water systems, Justice O'Connor further recommended that the municipal owners be required to submit a Financial Plan as a condition of obtaining this license.

Justice O'Connor explained that proper financial planning is a necessary component of providing safe drinking water because it helps to ensure that drinking water systems become self-financing and sustainable, and thus helps to ensure that systems have adequate funds to finance both ongoing operations costs, infrastructure repairs and upgrades as required. According to Justice O'Connor, sustainable financial planning entails two components: (1) a "full-cost accounting" of the water system, including the long-term infrastructure needs to determine the true cost of providing safe water; and (2) a "full-cost recovery" plan to determine how the municipality will raise the funds necessary to cover the full costs.

## **2.2 REQUIREMENTS**

The key points of Ontario Regulation (O.Reg.) 453/07, the Financial Plan Regulation, are described in the following subsections:

### **2.2.1 General Requirements**

The following general requirements apply to both new and existing systems:

- The Financial Plan must include a statement that the financial impacts of the drinking water system have been considered;
- The Financial Plan shall be for a period of at least six years;
- The Financial Plan must be made available on request and without charge to members of the public that are served by the water system;
- The Financial Plan must be published on the internet, but only if the Owner maintains an internet website;
- The Owner must provide notice to the public of the availability of the Financial Plan in a manner that the Owner deems fit to bring the notice to the attention of the members of the public that are served by the water system;
- The Financial Plan must be approved by a council resolution that indicates that the drinking water system is financially viable. A copy of the Financial Plan, along with the resolution must be submitted to the Ministry of Municipal Affairs and Housing (MMAH); and

- The Financial Plan should be updated and approved prior to applying for a license renewal (i.e. every five years). However, the Regulation does not prevent the Plan from being amended more regularly.

### **2.2.2 New System Requirements**

In addition to the general requirements, each Financial Plan is required to document projected financial operating expenditures for each fiscal year that the plan is in effect. This information must be itemized by:

- Total revenues (water rates, user charges and other revenues);
- Total expenses (amortization expenses, interest expenses and other expenses); and
- Annual and accumulated surplus or deficit.

### **2.2.3 Existing System Requirements**

For existing supply and distribution systems the Financial Plan must also include:

- Details of the system's projected financial position for each fiscal year, itemized by total financial assets, total liabilities, net debt, non-financial assets (tangible capital assets, tangible capital assets under construction, inventories of supplies, and prepaid expenses), changes in tangible capital assets (additions, donations, write downs, and disposals);
- Details of the system's projected cash flow; and
- Financial information relating to the replacement of lead service connections.

## **2.3 APPROVAL AUTHORITY**

Ontario Regulation 453/07 requires that the Financial Plan be formally approved by the Owner of the municipal drinking water system. In our situation, a resolution approving the proposed Financial Plan by Municipal Council is required. This resolution shall state that the drinking water system is financially sustainable.

The regulation does not require Financial Plans to be approved by the Province; however, the Owner is required to submit a copy of the Financial Plan to the Ministry of Municipal Affairs and Housing (MMAH) for their records.

In addition, all Financial Plans must be made available to members of the public serviced by the drinking water system, as requested, at no charge. The Owner of the systems must also publish the Financial Plans on the internet, but only if the Owner maintains an internet website.

## **2.4 UPDATING FINANCIAL PLANS**

Owner of drinking water systems are required to update their Financial Plans prior to any renewal application of their license (i.e. every five years), and to provide a copy to

the Ministry of Municipal Affairs and Housing (MMAH). Notwithstanding the renewal timelines, Owners are encouraged to update their Financial Plans more frequently when substantial changes in process or operating procedure occur.

## **2.5 ONTARIO'S LEAD ACTION PLAN**

Ontario Regulation 453/07 also contains requirements for municipalities to include in their Financial Plans the costs associated with replacing lead service pipes that are part of the drinking-water system. It is estimated that 95% of lead pipes in the older parts of Dutton have been replaced. It is expected that the remaining lead pipes will be replaced over the next several years through operational expenditures as they are identified.

## **3. MINISTRY OF ENVIRONMENT GUIDANCE DOCUMENT**

The Ministry of the Environment (MOE), in cooperation with the Ministry of Public Infrastructure and the Ministry of Municipal Affairs and Housing, developed a guidance document entitled "Toward Financially Sustainable Drinking Water and Wastewater Systems" in August 2007, to assist municipalities in preparing the Financial Plan. This document applies to wastewater systems as well; however, a Financial Plan for a wastewater system is only encouraged and not mandatory.

The intent of the guideline is to assist municipalities in meeting their regulatory obligations (i.e., preparation of the Financial Plan) as well as provide broad practical advice regarding financial planning for both drinking water and wastewater services by providing guidance on sustainable financial planning (i.e., long-term capital planning, asset management, accounting practices and financial plan development).

The guideline makes it clear that the intent of the new Financial Plans Regulation is to be flexible and adaptive to meet local applications. MOE acknowledges that Ontario municipalities each have different circumstances, different approaches to finances, and different starting points for their financial planning. Therefore, the province is taking a flexible locally-driven and gradual approach to financial planning that can be tailored to meet local needs.

The guideline set out nine principles to help develop this Financial Plan:

- (1) Ongoing public engagement and transparency can build support for, and confidence in the Financial Plans and their corresponding system(s).
- (2) An integrated approach to planning among water, wastewater and stormwater systems is encouraged considering the inherent relationship among these systems.
- (3) Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
- (4) Life-cycle planning with mid-course corrections is preferable to short-term planning or no planning at all.
- (5) An asset management plan is key input to the development of a Financial Plan.



- (6) A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while ensuring sufficient resources for future rehabilitation and replacement needs.
- (7) Ensuring users pay for the services they are provided with leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.
- (8) Financial Plans are documents that require continuous updates and improvement. Improved planning for the future can be achieved by comparing the accuracy of financial projections with actual results.
- (9) Financial Plans can benefit from the close collaboration of various groups, including engineers, accountants, auditors, water department staff, and municipal council.

## **4. MUNICIPAL DRINKING WATER LICENSE**

### **4.1 DRINKING WATER SYSTEM INFORMATION**

System Owner: Corporation of the Municipality of Dutton Dunwich  
License Number: 047-101 – Issue Number 2  
Drinking Water System Name: Dutton Dunwich Distribution System

#### **4.1.1 License**

License Issue Date: January 19, 2016  
License Expiry Date: January 19, 2021  
Application for License Renewal Date: July 19, 2020

#### **4.1.2 Drinking Water Works Permit**

System Owner: Corporation of the Municipality of Dutton Dunwich  
Permit Number: 047-201 – Issue Number 3  
Drinking Water System Name: Dutton Dunwich Distribution System

The Dutton Dunwich Distribution System was issued permit number 047-201 – Issue Number 3 January 19, 2016.

#### **4.1.3 Permits to Take Water (PTTW)**

Not applicable

#### **4.1.4 Financial Plan**

This document has been prepared to meet the requirements of O.Reg. 453/07, it is understood that upon approval, the Financial Plan Number shall be appointed, based on the Financial Plan being developed for this drinking water system, shall be 047-301.

#### **4.1.5 Accredited Operating Authority**

The Municipality of Dutton Dunwich is the accredited Operating Authority for Dutton Dunwich Distribution System. The Municipality of Dutton Dunwich is committed to providing safe drinking water in the short-term and long-term. The Municipality's Operational Plan includes its day to day operations maintaining and administering the drinking water system.

### **5. OPERATING PLAN**

#### **5.1 OPERATING EXPENDITURES**

Operating expenses can be generally defined as recurring expenses associated with providing a service. They are straightforward and are typically expenses that need to be made to keep the operation running on a day to day basis. In general, operating expenses are easily identifiable, measurable, and can be readily verified (or audited) as they are based on actual cash expenses and liabilities. As this plan extends over many fiscal years, operating expenditures must be projected based on estimation of service costs over time.

The following parameters are considered in estimating future expenditures:

- Future customer demands
- Projected repair and maintenance costs

#### **5.2 CAPITAL EXPENDITURES**

The Dutton Dunwich Distribution System for the Municipality of Dutton Dunwich provides safe drinking water to the Municipality of Dutton Dunwich's residential, industrial, and commercial customers. Council is committed to continual improvement and upgrading of infrastructure.

#### **5.3 DEBT MANAGEMENT**

At this time the Municipality of Dutton Dunwich carries \$1,248,222 of debt regarding the Dutton Dunwich Distribution System.

#### **5.4 TOTAL CASH EXPENDITURES**

The Municipality of Dutton Dunwich's cash expenditures include operating and capital expenses.

## **6. FUNDING PLAN – WATER RATES**

Water rates are reviewed and set annually as part of the budget process. All costs associated with the operations of the Water system are paid for through water rates on a user pay basis. The Municipality of Dutton Dunwich currently charges \$54.00 as a flat charge per quarter and \$2.19/cubic meter for water consumption. Any surplus received on a yearly basis is deposited into a water reserve for future capital expenses.

## **7. PROJECTED FINANCIAL STATEMENTS**

The following three unaudited schedules for Municipality of Dutton Dunwich Water Supply System provide the information required by Ontario regulation 453/07:

- I. Schedule 1 is Municipality of Dutton Dunwich 's Statement of Financial Position which identifies the financial assets, liabilities, net debt and non-financial assets;
- II. Schedule 2 is the Statement of Operations which provides water revenue, expenses, annual surplus or deficit and accumulated surplus or deficit; and
- III. Schedule 3 is the Statement of Cash Flow which provides cash provided by operating transactions, cash applied to capital transactions, cash provided by investing transactions, cash applied to financing transactions and cash equivalents (beginning and end of year).
- IV. Schedule 4 shows the effects of the prepared rate increases on an average household who uses 72m<sup>3</sup> of water per quarter.
- V. Schedule 5 is the Water Operation Budget for the period shown in detail.
- VI. Schedule 6 shows the Long-Term Water Debt of the Municipality as well as any new debt planned.
- VII. Schedule 7 shows the breakdown of the Water Department assets, depreciation, and net book value.

Although great effort has been made to present accurate financial projections, based upon data available at the time, a Financial Plan is a dynamic document and should be updated and re-evaluated on an ongoing basis. As such the 2020 Water Financial Plan should be considered a work-in-progress. Any change in operation which would have a major effect on the Municipal Financial Plan would require an amendment to this Financial Plan.

It is not an exercise in precision; rather it is intended for use as a forecasting tool to ensure that the Municipality is on the right course to meet its financial obligations and future challenges.

## **8. SUMMARY**

The Municipality of Dutton Dunwich will continue long-term planning in developing an understanding of the Municipality's infrastructure and creating a financial structure that puts in place resources to maintain the water system in a safe and effective manner, while maintaining financial viability. The Municipality recognizes that the integrity of its

finances is critical to the successful operation of the Municipality and to its reputation and trust by ratepayers.

This Financial Plan has been created by the Municipality's current and past budgets while preparing the plan in accordance with the MOE Financial Plans Regulation (O.Reg. 453/07).

The Financial Plan must be approved by Council resolution, indicating that as a result of this plan, the Corporation of the Municipality of Dutton Dunwich, being the Operating Authority, is financially viable.

## **9. FEEDBACK AND CONTINUOUS IMPROVEMENT**

The financial plan must be updated every five years, and submitted with the Municipal Drinking Water License renewal, however, it is recommended that the Plan be reviewed at least annually, and updated as required to reflect changes in operations, economic climate, financing costs, consumption and pricing.

**This is a living document which will require regular review and updates.**

It is the intention of staff to regularly review this plan for internal compliance, performance measurement, adjustment and revisions if required, and to ensure absolute performance in accordance with O.Reg. 453/07 and the Safe Drinking Water Act, 2002. Consequently, this plan can be considered to be a work in progress even after its adoption.

**Schedule 1 - Statement of Financial Position – Unaudited**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Financial Assets</b>						
Cash	546,313	630,756	685,324	747,137	850,522	964,882
Accounts Receivable	150,000	152,449	155,449	158,449	164,449	165,449
Total Liabilities						
Debt - Principal Outstanding	1,143,112	2,215,078	2,108,262	2,131,198	2,138,107	2,181,190
Net Financial Assets/(Debt)	- 446,799	- 1,431,873	- 1,267,489	- 1,225,613	- 1,123,136	- 1,050,860
<b>Non-Financial Assets</b>						
Tangible Capital Assets	12,895,984	13,083,634	13,265,284	13,210,371	13,082,291	12,987,666

**Schedule 2 - Statement of Operations Water Supply - Unaudited**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Revenues</b>						
Water Revenues	1,241,862	1,260,681	1,279,596	1,298,608	1,317,717	1,339,484
Increases Due to Retail Rate Change	66,186	108,088	150,490	193,398	236,815	280,826
Other Revenues	84,118	85,118	88,218	89,318	90,418	85,183
Revenues Sub-Total	1,392,166	1,453,887	1,518,304	1,581,324	1,644,950	1,705,492
<b>Expenses</b>						
Operating Expenses	1,145,543	1,161,167	1,172,052	1,167,412	1,183,626	1,190,118
Increases Due to Wholesale Water Rate	17,006	34,012	51,018	68,024	85,031	102,037
Amortization Expenses	191,850	191,850	239,350	253,913	293,625	214,025
Interest Expenses	37,615	47,165	55,097	62,439	62,842	63,423
Expenses Sub-Total	1,392,014	1,434,194	1,517,517	1,551,789	1,625,123	1,569,603
<b>Total Annual Surplus</b>	152	19,692	788	29,535	19,827	135,889
<b>Accumulated Surplus</b>	152	19,844	20,632	50,167	69,994	205,884



**Schedule 3 - Statement of Cash Flows - Unaudited**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Cash provided by operating transactions	189,553	209,093	237,138	280,448	307,452	348,914
Cash provided by/(applied to) Capital Transactions	(895,000)	(430,000)	(430,000)	(200,000)	(200,000)	(120,000)
Cash provided by/(applied to) Investing Transactions		-	-	-	-	-
Cash provided by/(applied to) Financing Transactions	789,890	275,475	254,675	22,937	6,908	(76,916)
Increase in Cash and Cash Equivalents	84,443	54,568	61,813	103,385	114,360	151,998
Cash and Cash Equivalents						
Cash and Cash Equivalents, beginning of the year	546,313	630,756	685,324	747,137	850,522	964,882
Cash and Cash Equivalents, end of the year	630,756	685,324	747,137	850,522	964,882	1,116,880

**Schedule 4 - Effect on Average Quarterly Water Invoice 2015-2021 - Unaudited**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Charges</b>							
Flat Charge	54	56	58.00	60.00	62.00	64.00	66.00
Water Usage (72 cubic meters/quarter)	157.68	167.04	174.24	181.44	188.64	195.84	203.04
Total	211.68	223.04	232.24	241.44	250.64	259.84	269.04
Quarterly Change in Billing Percentage		5.37%	4.12%	3.96%	3.81%	3.67%	3.54%
Quarterly Change in Billing Cost		11.36	9.20	9.20	9.20	9.20	9.20
Cost per Cubic Meter	2.19	2.32	2.42	2.52	2.62	2.72	2.82

**NOTE:**

The actual change on each individual water bill will vary depending on the actual water usage.



**Schedule 5 - Proposed Cash Budget – Unaudited**

	2021	2022	2023	2024	2025	2026
<b>WATER REVENUE</b>						
Collections on Tax Roll	7,618	7,618	7,618	7,618	7,618	1,183
Flat Charges	349,888	363,312	376,800	390,352	403,968	420,288
Sale of Water	958,160	1,005,457	1,053,287	1,101,654	1,150,564	1,200,022
Penalty	9,500	9,500	9,600	9,700	9,800	10,000
Re-Connection and Connection Charges	42,000	42,000	44,000	44,000	44,000	44,000
Other Income	25,000	26,000	27,000	28,000	29,000	30,000
<b>Total Revenue</b>	<b>1,392,166</b>	<b>1,453,887</b>	<b>1,518,304</b>	<b>1,581,324</b>	<b>1,644,950</b>	<b>1,705,492</b>
<b>WATER OPERATING EXPENSES</b>						
Salaries and Benefits	226,149	230,672	235,285	239,991	244,791	249,687
Federal tax, CPP, EI	10,961	11,180	11,404	11,632	11,865	12,102
Omers	24,608	25,100	25,602	26,114	26,636	27,169
WSIB	2,756	2,811	2,867	2,924	2,982	3,042
Travel	1,000	1,020	1,040	1,061	1,082	1,104
Training	3,000	3,060	3,121	3,183	3,247	3,312
EHT	4,410	4,498	4,588	4,680	4,774	4,869
Benefits - Dental, health, life, LTD	16,326	16,653	16,986	17,326	17,673	18,026
AD&D	136	139	142	145	148	151
Water Purchases	664,306	681,312	698,318	715,324	732,331	749,337
Materials and Supplies	68,000	70,040	72,141	74,305	76,534	78,830
Office Supplies	9,000	9,180	9,364	9,551	9,742	9,937
Utilities	12,747	13,384	14,053	14,756	15,494	16,269
Telephone and Computer	8,100	8,262	8,427	8,596	8,768	8,943
Insurance	11,200	11,648	12,114	12,599	13,103	13,627
Professional Fees	2,000	2,000	2,000	2,000	2,000	2,000
Contracted Services	37,500	38,250	39,015	29,000	29,580	30,172
Building maintenance and repairs	1,500	1,530	1,561	1,592	1,624	1,656
Equipment maintenance and repairs	18,000	18,360	18,727	19,102	19,484	19,874
Water Tower/dispenser costs	9,500	9,690	9,884	10,082	15,284	10,490
Interest costs	2,000	2,040	2,081	2,123	2,165	2,208
Hydrants and Misc. Expenses	4,000	4,000	4,000	4,000	4,000	4,000
Bad Debt Expense	350	350	350	350	350	350
Debt charges (principal & interest)	142,725	181,690	210,421	239,503	255,933	260,339
Capital Expenses	25,000	30,000	30,000	25,000	25,000	25,000
<b>Total Expenses</b>	<b>1,305,274</b>	<b>1,376,870</b>	<b>1,433,491</b>	<b>1,474,939</b>	<b>1,524,590</b>	<b>1,552,494</b>
Net Surplus/(Deficit)	86,892	77,017	84,813	106,385	120,360	152,998



**Schedule 6 - Water Department Long Term Debt – Unaudited**

<b>EXISTING DEBT</b>				
<b>Year</b>	<b>Principle Beginning of the Year</b>	<b>Interest Payment</b>	<b>Principle Payment</b>	<b>Principle End of year</b>
2021	1,248,222	37,615	105,110	1,143,112
2022	1,143,112	34,415	108,310	1,034,802
2023	1,034,802	31,133	106,816	927,986
2024	927,986	27,931	105,593	822,393
2025	822,393	24,800	108,724	713,669
2026	713,669	21,590	99,264	614,405
<b>NEW DEBT</b>				
<b>Year</b>	<b>Principle Beginning of the Year</b>	<b>Interest Payment</b>	<b>Principle Payment</b>	<b>Principle End of year</b>
2021				425,000
2022	425,000	12,750	26,215	798,785
2023	798,785	23,964	48,509	1,180,276
2024	1,180,276	34,508	71,470	1,308,805
2025	1,308,805	38,042	84,368	1,424,438
2026	1,424,438	41,833	97,652	1,446,785
<b>TOTAL DEBT</b>				
<b>Year</b>	<b>Principle Beginning of the Year</b>	<b>Interest Payment</b>	<b>Principle Payment</b>	<b>Principle End of year</b>
2021	1,248,222	37,615	105,110	1,568,112
2022	1,941,897	47,165	134,525	2,215,078
2023	1,833,587	55,097	155,325	2,108,262
2024	2,108,262	62,439	177,063	2,131,198
2025	2,131,198	62,842	193,092	2,138,107
2026	2,138,107	63,423	196,916	2,181,190





**Schedule 7 – Water Department – Tangible Capital Assets - Unaudited**

**2020 CAPITAL ASSETS**

<b><u>TYPE</u></b>	<b><u>Cost</u></b>	<b><u>Additions</u></b>	<b><u>Accumulated Amortization</u></b>	<b><u>Net Book Value</u></b>	<b><u>Yearly Amortization</u></b>
Buildings	1,274,773	-	855,807	418,966	27,809
Land	25,000	-		25,000	
Waterlines	14,229,390		2,570,554	11,658,836	145,722
Equipment	82,106		30,869	51,237	6,448
Fleet	213,208		140,777	72,431	11,871
<b>Total</b>	<b>15,824,477</b>	<b>-</b>	<b>3,598,007</b>	<b>12,226,470</b>	<b>191,850</b>



<b>CAPITAL ASSET CHANGES</b>					
<b>TYPE</b>	<b>Addition</b>	<b>Disposal</b>	<b>cumulated Amortizat</b>	<b>Net Book Value</b>	<b>Yearly Amortization</b>
2021 Waterlines	250,000		1,250	248,750	2,500
2021 Building	400,000		4,000	396,000	8,000
2021 Equipment	200,000		5,000	195,000	10,000
2021 Fleet	45,000	18,886	4,500	21,614	9,000
<b>2021 Total</b>	<b>895,000</b>	<b>18,886</b>	<b>14,750</b>	<b>861,364</b>	<b>29,500</b>
2022 Waterlines	200,000		1,000	199,000	2,000
2022 Equipment	200,000		5,000	195,000	10,000
2022 Fleet	30,000	12,000	3,000	15,000	6,000
<b>2022 Total</b>	<b>430,000</b>	<b>12,000</b>	<b>9,000</b>	<b>409,000</b>	<b>18,000</b>
2023 Waterlines	200,000		1,000	199,000	2,000
2023 Equipment	200,000		5,000	195,000	10,000
2023 Fleet	30,000		3,000	27,000	6,000
<b>2023 Total</b>	<b>430,000</b>	<b>-</b>	<b>9,000</b>	<b>421,000</b>	<b>18,000</b>
2024 Waterlines	200,000		1,000	199,000	2,000
<b>2024 Total</b>	<b>200,000</b>	<b>-</b>	<b>1,000</b>	<b>199,000</b>	<b>2,000</b>
2025 Waterlines	200,000		1,000	199,000	2,000
<b>2025 Total</b>	<b>200,000</b>	<b>-</b>	<b>1,000</b>	<b>199,000</b>	<b>2,000</b>
2026 Waterlines	120,000		600	119,400	1,200
<b>2026 Total</b>	<b>120,000</b>	<b>-</b>	<b>600</b>	<b>119,400</b>	<b>1,200</b>

**NET BOOK VALUE**

<b>TYPE</b>	<b>NBV 2021</b>	<b>NBV 2022</b>	<b>NBV 2023</b>	<b>NBV 2024</b>	<b>NBV 2025</b>	<b>NBV 2026</b>
Buildings	787,157	751,348	715,539	679,730	641,921	606,112
Land	25,000	25,000	25,000	25,000	25,000	25,000
Waterlines	11,761,864	11,812,642	11,861,420	11,908,198	11,856,376	11,819,554
Equipment	239,789	418,341	586,893	550,445	513,997	513,003
Fleet	82,174	76,303	76,432	46,998	44,997	23,997
<b>Total</b>	<b>12,895,984</b>	<b>13,083,634</b>	<b>13,265,284</b>	<b>13,210,371</b>	<b>13,082,291</b>	<b>12,987,666</b>



**CAPITAL ASSETS ADDITIONS**

<b>Year</b>	<b>Projects</b>	<b>Cost</b>	<b>Details</b>
<b>2021</b>	Meter Read Upgrades	200,000	Phase 1 of conversion to radio read meters
<b>2021</b>	Currie - Jordan to Pioneer	250,000	Replacing the watermain based on Asset Management Plan From Annabella St to Jordan St. and Pioneer Line to Annabella St.
<b>2021</b>	Truck Replacement	45,000	Scheduled Fleet Replacement Truck 117
<b>2021</b>	Interconnect at Pioneer	400,000	New Interconnect to improve water flow for development
<b>2022</b>	Meter Read Upgrades	200,000	Phase 2 of conversion to radio read meters
<b>2022</b>	Willey - Talbot to Silver Clay	200,000	New Waterline to improve pressure
<b>2022</b>	Pickup Replacement	30,000	Scheduled Fleet Replacement Truck 119
<b>2023</b>	Meter Read Upgrades	200,000	Phase 3 of conversion to radio read meters
<b>2023</b>	Willey - Silver Clay to Thomps	200,000	New Waterline to improve pressure
<b>2023</b>	Pickup Replacement	30,000	Scheduled Fleet Replacement Truck 120
<b>2024</b>	Willey - Thompson to Shackle	200,000	New Waterline to improve pressure
<b>2025</b>	Currie - Thomson to Silver Clay	200,000	Replacement scheduled
<b>2026</b>	Margaret - Jordan to Ridge	120,000	Located on Margaret Street from Jordan St. to Ridge St.