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MUNICIPALITY OF ARRAN-ELDERSLIE
TARA DRINKING WATER SYSTEM
FINANCIAL PLAN

15-013



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The Municipality of Arran-Elderslie
Tara Drinking Water System
Financial Plan

EXECUTIVE SUMMARY

In 2007, the Ministry of Environment released Regulation 453/07 requiring all municipalities to complete a Financial Plan for their drinking water system. This report outlines the Municipality of Arran-Elderslie's Tara Drinking Water System Financial Report. It has been prepared in accordance with the MOE Financial Plans Regulation (O Reg. 453/07).

In preparing this Financial Plan, the financial impacts of the drinking water system have been considered. Based on the Projected Financial Statements and the assumptions herein, the Water System will be financially viable to provide safe drinking water for the short and long terms.

Anticipated Achievements

By way of the process of developing this Financial Plan, the Water System sets out to achieve the following goals:

- ★ Financial viability of the water system,
- ★ Limit overall water costs and ensure affordability,
- ★ Provide safe drinking water in short and long terms, and
- ★ Ensure that sufficient resources are available to replace and rehabilitate the capital infrastructure as required.

Operating Plan

The operating plan includes: the cost related to day to day operations, maintenance and administration of the drinking water system, capital investments to renew and replace its existing capital infrastructure. Key highlights from the operating plan include:

- ★ Commencing in the year 2016, all expenses have been indexed by 2% annually to reflect anticipated inflation.
- ★ Total capital infrastructure investment for the drinking water system for the period of 2015 - 2021 is expected to be approximately \$1.5 million.

Funding Plan

The funding plan was developed in consultation with town staff. Two (2) funding models were considered to determine the most appropriate balance of operating revenues and expenses, government funding and capital expenses. The achievements of the funding plan include:

- ★ This plan does not rely on the use of municipal tax dollars to operate the Water System,
- ★ The existing water customers do not carry the burden of any new capital projects related to new development,
- ★ Proposed operating revenues will achieve sufficient cash receipts to cover its annual cash expenditures and future capital expenditures.

Financial Plan

Appendix A of this Financial Plan Report includes projected financial statement(s) for the Water System. These statements include a Statement of Financial Position, Statement of Operations, and Statement of Cash Flow – annually for the period from 2015 to 2021.

As required, these statements are in accordance with the new Public Sector Accounting Standards. Actual results will vary from the projections herein and the town staff is advised to review the plan projections with actual financial position on an annual basis and make necessary amendments.

1.0 INTRODUCTION

The financial plan for the Tara Drinking Water System (the “Water System”) has been prepared in accordance with Regulation 453/07 as approved by the Ontario Ministry of Environment on August 14, 2007. The plan development has focused on achieving a balance between managing water rate increases while ensuring that the water system will continue to provide safe drinking water in the long term.

Considering historic results and future needs, six (6) year financial projections to the year 2021 have been prepared. The projections anticipate that the Water System will achieve financial viability, while providing safe drinking water over the short and long term.

1.1 Ministry of Environment Financial Plans Regulation 453/07

Drinking water system owners are required to prepare a financial plan for their drinking water system as part of the new Municipal Drinking Water Licensing Program as set out in Part V of the Safe Drinking Water Act (SDWA). The financial plan must be prepared in accordance with the Ministry of Environment Financial Plans Regulation 453/07.

Regulation 453/07 requires the following:

- ★ The financial plan be approved by resolution of Council that specifies that the drinking water system is financially sustainable,
- ★ Full-cost accounting be utilized to determine the true cost of the drinking water system, and
- ★ Projections be at least for a six (6) year duration, but recommends a long term plan.

There are numerous recommendations and other guidelines that have been prepared by the province to assist municipalities in the development of their financial plan.

1.2 Financial Plan Guidelines

To assist municipalities in preparing the Financial Plan under O. Reg. 453/07, the Ministry of Environment released a document titled “Toward Financially Sustainable Drinking-Water and Wastewater Systems” (August, 2007). This document applies to stormwater and wastewater systems as well. However, a Financial Plan for stormwater and wastewater system is only encouraged and not mandatory.

These guidelines set out the following nine principles to help develop this Financial Plan:

1. Ongoing public engagement and transparency can build support for, and confidence in 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 a 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 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 improvements. 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, utility staff, and municipal council.

1.3 Public Sector Account Board (PSAB) Requirements

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) approved new municipal financial accounting and reporting standards in June 2006. The new standards require full accrual accounting for 2009 and future years, as well as accounting of tangible capital assets in the financial statements.

The accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when the payment was actually made. Since the exchange of cash is not necessary to report a financial transaction, the accrual method provides a more accurate picture of the municipality's financial position. Tangible capital assets will be capitalized so as to create an inventory of the assets owned and to account for their ability to provide future benefits.

1.4 Approach

The Financial Plan guidelines were used to select the approach for preparing the Tara Drinking Water System Financial Plan.

The following steps summarize the general approach:

- ★ Determine current period expenses and forecast future period expenses.
- ★ Determine and forecast capital expenditure needs.

-
- ★ Identify all sources of current revenues and forecast revenues by considering two (2) different funding models.
 - ★ Prepare the following statements based on the required (new) revenues:
 - Statement of Operations
 - Statement of Cash Flow
 - Statement of Financial Position

1.5 Tara Drinking Water System

The Tara water system currently has 476 water connections. The majority of the water distribution system is comprised of cast iron and ductile iron mains that are approximately 40 to 50 years old. There are also numerous small diameter polyethylene watermains throughout the former Village. There are three (3) pumphouses and treatment plants as follows:

Pumping Station #2 – 59 Market St.

- Pumphouse building with the approximate dimensions of 4.89 m x 5.6 m, equipped with:
- One (1) cartridge filter with a treatment capacity of 11.37 l/s, equipped with 14 - one (1) micron size filter cartridges used to reduce turbidity spikes on the Well No. 2 pump start up, complete with a differential pressure monitoring system;
- One (1) turbidity sampling point located downstream of the cartridge filter provided with the existing on-line turbidity analyzer;
- Two (2) chemical metering pumps: one (1) duty and one (1) standby with automatic switch over, complete with associated piping appurtenances and controls;
- One (1) sodium hypochlorite solution tank and one (1) secondary containment tank;
- Well pump rated at 4.9 L/s at a total dynamic head (TDH) of 161 m, approximately;
- One (1) flow meter and associated mechanical, electrical and structural work;
- 150 mm diameter x 360 m watermain along River Street, dedicated to provide chlorine contact time necessary for well water discharge from PH No. 2, complete with treated water sample line.

Pumping Station #3 – 217 River Street

- Pumphouse building with approximate dimensions of 6.1 m x 7.3 m, equipped with:
- One (1) cartridge filter with a treatment capacity of 11.3 l/s, equipped with 14 - one (1) micron size filter cartridges, certified for cyst removal in accordance with procedures

specified in NSF 53 or equivalent, and used on line with the Well No. 3 pump, complete with a differential pressure monitoring system;

- One (1) turbidity sampling point located on the downstream of the cartridge filter for on-line turbidity monitoring;
- A primary disinfection system using, Ultra Violet (UV) disinfection system consisting of two (2) UV disinfection reactors, one (1) duty, one (1) standby, located after the cartridge filter unit, each unit rated at 11.37 l/s, capable of providing minimum dose of 40 mJ/cm² at the end of the lamp life, together with automatic cleaning system, on-line UV intensity monitor with alarm, complete with a portable UV transmittance monitor;
- A secondary disinfection system using sodium hypochlorite disinfection, consisting of two (2) chemical metering pumps, one (1) duty, one (1) standby with automatic switch over, dosing sodium hypochlorite solution at the downstream of the UV units, complete with associated piping, appurtenances and controls;
- One (1) sodium hypochlorite solution tank and one (1) secondary containment tank;
- A submersible deep well pump rated at 5.3 l/s at a total dynamic head (TDH) of 164 m, approximately;
- One (1) flow meter and associated mechanical, electrical and structural work;
- One (1) 60 kW natural gas generator set capable of providing power to both Pumphouses No. 2 and No. 3 during power failure.

Pumping Station #4 – 158 Yonge Street North

- A 250 mm diameter 25.91 m deep drilled ground water well, located within the pumphouse equipped with:
- A submersible deep well pump rated at 9.8 l/s with an operating head varying between approximately 42.06 m and 71.08 m complete with variable frequency drive and well level transducer;
- One (1) cartridge filter with a treatment capacity of 9.8 L/s, equipped with three (3) micron size filter cartridges {One (1) micron cartridges also acceptable} to be used on the well startup to reduce initial turbidity spikes;
- One (1) magnetic flow meter;
- A sodium hypochlorite disinfection system consisting of two (2) chemical metering pumps, one (1) duty, one (1) standby with automatic switch over and a 200 L sodium hypochlorite solution tank with a secondary containment tank and associated piping, appurtenances and controls;

- 12 m of 600 mm diameter watermain buried (chlorine contact chamber) outside the pumphouse to provide chlorine contact time necessary for well water discharge from pumphouse No. 4.
- One (1) online free chlorine residual analyzer to monitor free chlorine residual after the chlorine contact chamber;
- One (1) raw water turbidity analyzer; and
- Associated SCADA, PLC and controls.

Miscellaneous

- A Supervisory Control and Data Acquisition (SCADA) system for automation of Pumphouses No. 2, No. 3 and No. 4, complete with associated Program Logic Controllers (PLC) and alarm dialers; and
- All associated electrical, mechanical, structural and appurtenances necessary for an operable system.

Water Storage Tank

An elevated water storage tank (standpipe), constructed in 2010 is located at Pumphouse No. 4 site on the northern outskirts of Tara (NAD83, UTM Zone 17, 488250 E, 4925627N). It has an operating capacity of 852 m³ and a total capacity of 3,952 m³.

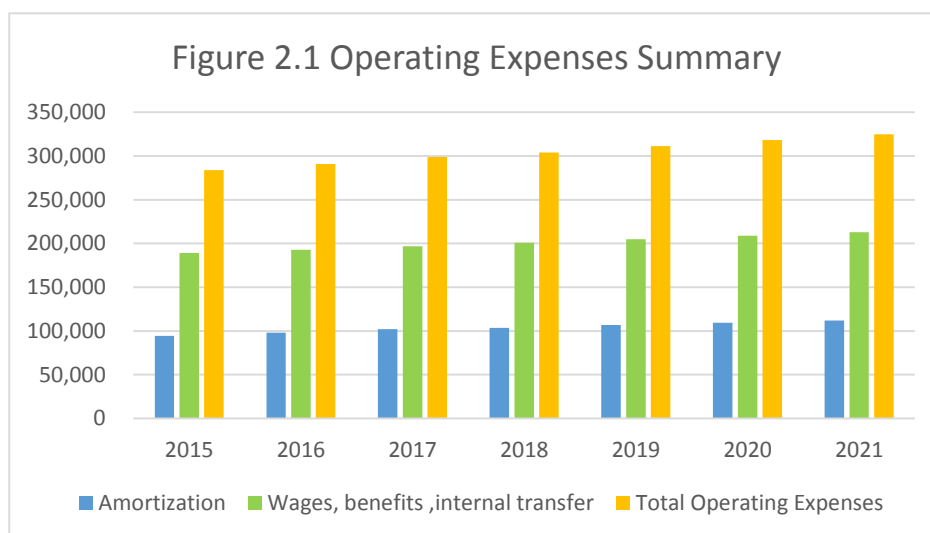
2.0 OPERATING PLAN

The Water System is required to have an operating plan that will ensure provision of safe drinking water in the short and long term. The Water System's operating plan accounts for expenses for its day to day operations for maintenance and administration of the drinking water system; the capital investments that it will incur to renew and replace its existing capital infrastructure; and debt management (if applicable) by way of debt repayments and interest charges that are incurred to achieve the above.

2.1 Operations

The Water System has components dating back to the 1960's. While the municipality has been operating the water system without incident for many years, the system is aging and requiring capital infrastructure replacement on a continual basis.

Some of the Water System's key operating expenses include personnel costs, utilities, materials and supplies, plus repairs and maintenance. Annual operating expenses are projected to be approximately \$284K including amortization (\$94K) in 2015. Of these costs, wages, benefits and internal transfer costs comprise approximately 54%.



Key Assumptions in Projections

The detailed operating expenses are outlined in the projected statement of operations (**Appendix A**). In these projections, it is assumed that operating expenses will increase by 2% in the projection period 2015-2021.

2.2 Capital Costs

To provide safe drinking water to all customers, Tara water system holds significant assets, including: three (3) water treatment plant and pumphouses and associated wells, approximately

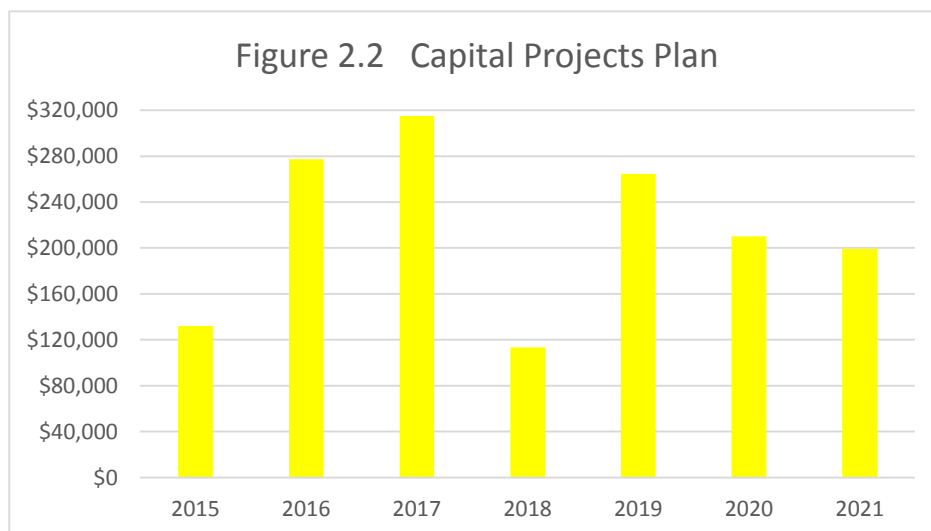
10.3 km of watermains, with associated watermain appurtenances, 852 m³ operating capacity (total capacity 3,952 m³) water tower, 476 service connections. In the financial statements, the water treatment plant & pumphouses and reservoirs, the watermains, hydrants and service connections and the valves, SCADA system and other equipment are referred to as buildings, linear assets and machinery and equipment respectively. These assets are referred to as capital.

In determining the future capital costs, the renewal and rehabilitation of the Town's water system has been considered in accordance with the six (6) year capital plan prepared by town staff. The prioritization of the capital infrastructure replacement was based on safety, cost and operational efficiencies. While some capital assets may have reached their useful life, these assets can continue to provide value to the Water System but may require additional maintenance until they are replaced.

As Tara's Water System ages, there will be significant capital costs required to upgrade and maintain it. From 2015 to 2021, it is projected that on average, approximately \$216K will be spent each year on capital expenditures, to a total of about \$1.5 million. These expenditures will ensure the delivery of safe and viable drinking water to residents over the long term, and will be performed in a cost-effective manner through priority planning and integration with other upgrades.

Future Significant Capital Costs

Looking beyond six (6) years from now, this plan, will be updated continuously over time and it is anticipated to allow the Water System to have a good portion of its own funds available to pay for significant capital investments, such as new watermains, treatment plant and pumphouse upgrades. Future loans may become necessary, if funding from provincial/federal government is unavailable.

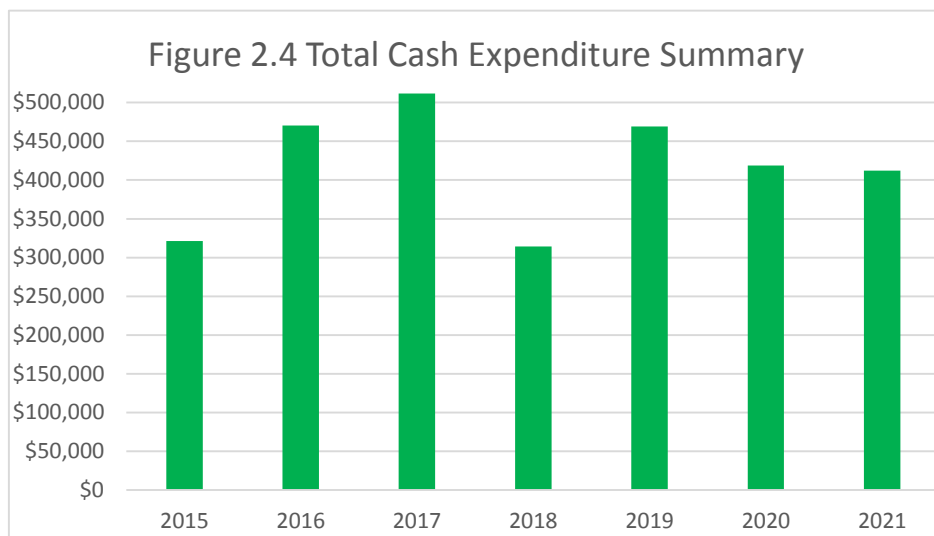


2.3 Debt Management

The Tara water system does not carry any debts.

2.4 Total Cash Expenditures

Tara's Drinking Water System has increasing operating cash expenditures, including operating expenses, debt repayments and interest charges (none existing at this time), and capital costs. From 2015 to 2021, average cash expenditures have been assumed to increase by 2% per year. In 2015, total cash expenditure is approximately \$312K which is anticipated to increase to \$412K in 2021. Total cash expenditure summary is presented in Figure 2.4.



Note that the aggregate cash expenditures cannot be found on any of the projected financial statements attached in Appendix A. Rather, these cash expenditures are gathered from the various statements to illustrate the cash required to operate a safe drinking water system. They include payroll & benefits, building overheads, insurance & utilities, engineering & consultant costs, internal transfer and capital project costs.

3.0 FUNDING PLAN

As noted in the previous section, operating cash expenditures (excluding amortization and capital expense) are projected to be over \$1.6 million total for 2015 to 2021. To fund these expenditures, the Water System needs to rely on operating revenues.

3.1 Funding Models

Two (2) funding models were considered for the Tara Water System as follows:

- 1) **Capital Plan Model:** This model intends to utilize an average capital expenditures for the projection period (2015 to 2021) and uses this average amount for the annual contribution to water reserve fund. It utilizes a 2% increase in operating expenses over the same period and utilizes a constant average price for the next seven (7) years.

This model was not pursued further, because in initial investigations, it was noted that a capital expense of \$1.5 million approximately for period 2015-2021, will require a significant increase in water rates which will be unaffordable and unacceptable to Tara residents. Current water reserves is planned to be used towards capital expenditures.

- 2) **CPI Model:** According to the Bank of Canada website “The CPI is the most relevant estimate of the cost of living for most Canadians”. In the past five (5) year period, Bank of Canada’s inflation control target was 2%. This model assumes an increase in water rates from their present level by 3% per annum (as opposed to 2% to be conservative) for the six (6) year period 2016 to 2021. It further assumes 2% increase in operating expenses over the same period. All annual surpluses are directed to the water reserve.

Current reserves and reserve fund balances are used towards capital expenditures.

3.2 Operating Revenues

Typically operating revenues are composed of three (3) charges as follows:

- Base Charge: A fixed monthly charge to recover the fixed operating expenses to operate and maintain the water system(s).
- Water Consumption Charge: It is charged based on actual water consumption recorded by the water meter. For non-metered customers, a flat rate is charged to the customer in lieu of base charge, water consumption charge and lifecycle reserve charge.
- Lifecycle Reserve Charge: It is charged based on actual water consumption recorded by the water meter.

In Tara, the residents do not have water meters, and therefore a flat rate of \$50.80/month (in 2015) is charged from the water customers. To provide water conservation, Arran-Elderslie encourages water customers to install water meters. Such customers, in 2015, pay a base rate of \$22.76/month and a water consumption charge of \$2.22/m³. Any surplus is directed to water reserve fund.

For the projection period, the operating revenues are summarized in Figure 3.5

3.3 Government Funding

No new government funding has been utilized for development of the financial plan, as a worst case funding scenario.

3.4 New Debt

While the plan is to increase operating revenues, there is still monies required to cover the major capital expenditures. In the financial plan, through careful consideration for rate increases charged to customers, the water reserve has been considered to decline from current level. No new debt is planned.

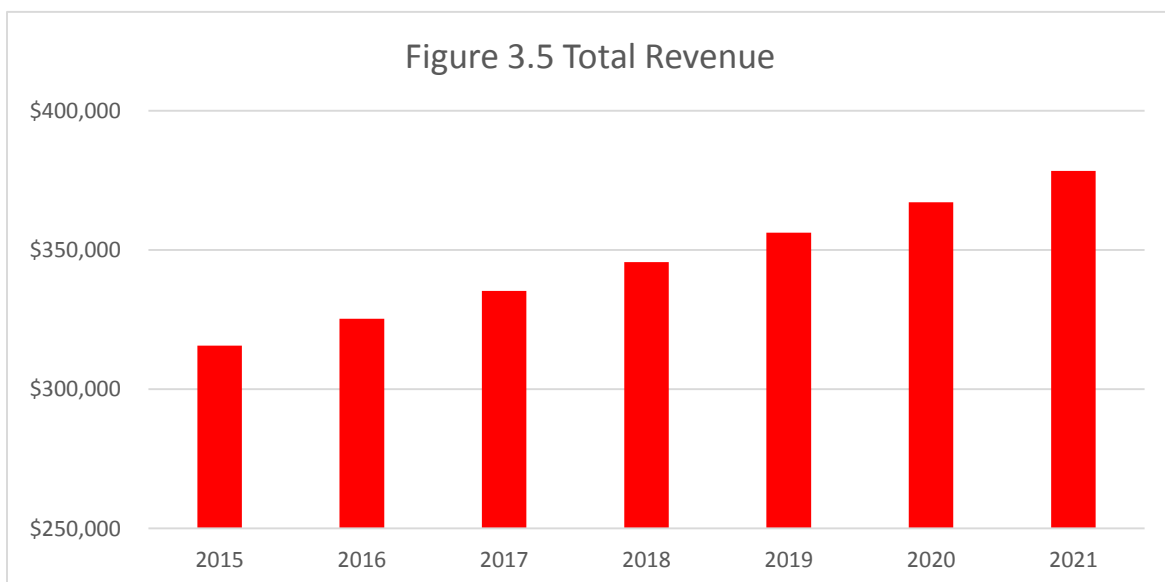
Key Assumption

There is a plan to amalgamate the three (3) water systems in Arran-Elderslie, which will allow a decline in water reserves for Tara Water System for a short period of time without causing any concerns.

3.5 Cash Requirements Summary

The funds required to pay for the Water System's total cash expenditures will be derived from operating revenues, and the water reserves that it builds up over time as a result of prudent and responsible planning.

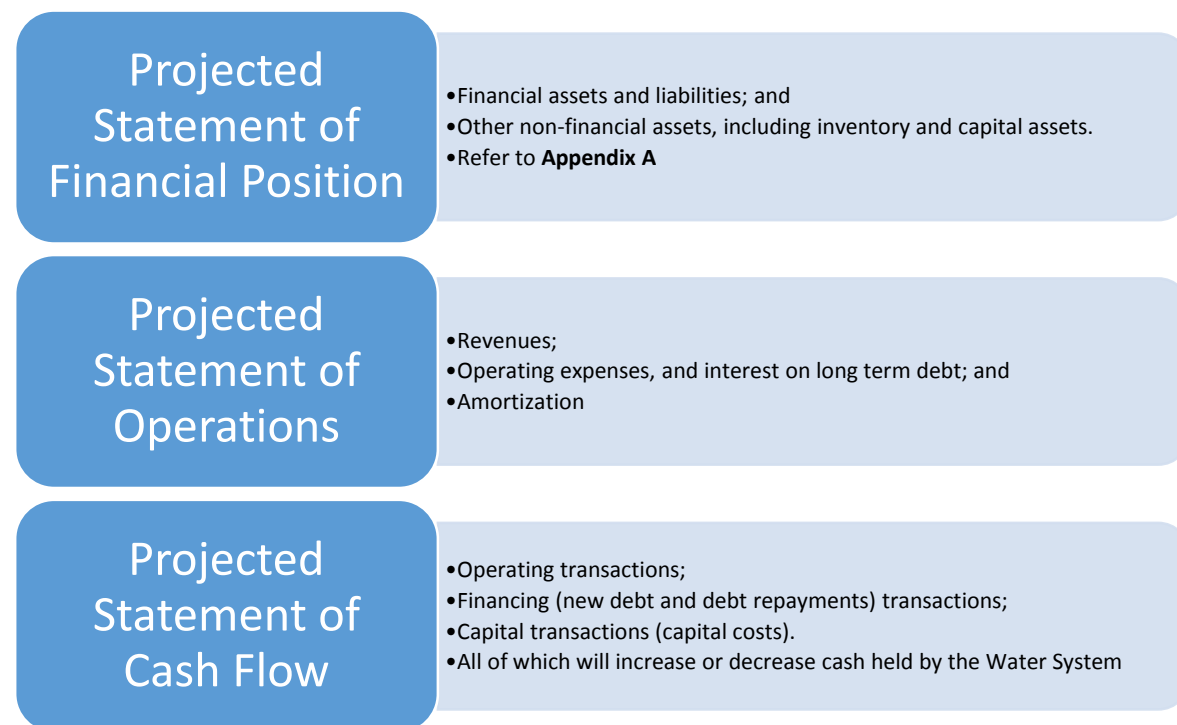
In the **Figures 3.5** below, funding to meet cash required is provided. For Tara water system, the main funding source is water billings, which is being increased at 3% per year for the period of 2016 to 2021. The financial statements include a grant-funding amount of \$285K for water meters in 2015. Water meters, however, will be installed only if government funding is available. Figure 3.5 represents a worst case scenario by not including the \$285K in 2015.



4.0 FINANCIAL PLAN

The financial impacts of the drinking water system have been considered through the projected financial statements for years ending December 31, 2015 to 2021 (**Appendix A**), and summarized below. The financial statements are required by the Financial Plans Regulation to include a full-cost accounting, meaning that all of the costs, whether operating, financial or capital, related to operating the drinking water system, must be included.

The projected financial statements include the following:



The projected financial statements are prepared to conform to new Public Sector Accounting Board (PSAB) Standards. These statements reflect the Municipality of Arran-Elderslie accounting policies, along with estimates and assumptions related to the operations of the Water System, and are based on 2014 actual results, as derived from the Water System's internal financial statements of the Municipality.

Actual results will vary from these projections and the differences may be significant. Any future changes to accounting policies or key assumptions will impact these projected financial statements, and should be updated to reflect such changes.

4.1 New Public Sector Accounting Board Standards

In 2006, the Canadian institute of Chartered Accountant's Public Sector Accounting Board approved that municipalities will prepare annual financial statements, utilizing full accrual accounting. In simple terms, full accrual accounting means that all municipalities will be required to include tangible capital assets and amortization in their financial statements.

Accumulated Surplus

The accumulated surplus is essentially the accumulation of the Water System's excess revenues exceeding expenses over time, plus the non-financial assets.

4.2 Projected Statement of Operations

The projected statement of operations includes the revenue less the expenses, arriving at the excess or net revenues over expenses. The projected statement based on all four (4) funding models is provided in **Appendix A**.

Revenues

Total revenues include all operating revenues and government funding and other funding sources, if available. A chart illustrating the total revenues earned is shown in the chart in Section 3.5.

Expenses

Expenses include a list of detailed projected expenses, including operating expenses, and amortization. Amortization is the depreciation of the capital assets or the water system infrastructure over their estimated useful life. It does not represent a cash expenditure.

4.3 Projected Statement of Cash Flow

The projected statement of cash flow is very useful in providing an indication of sufficient cash availability for the Water System. The projected statement of cash flow summarizes the key transactions that either increase or decrease the water system's cash balance. It involves operating transactions, capital transactions, and financing transactions.

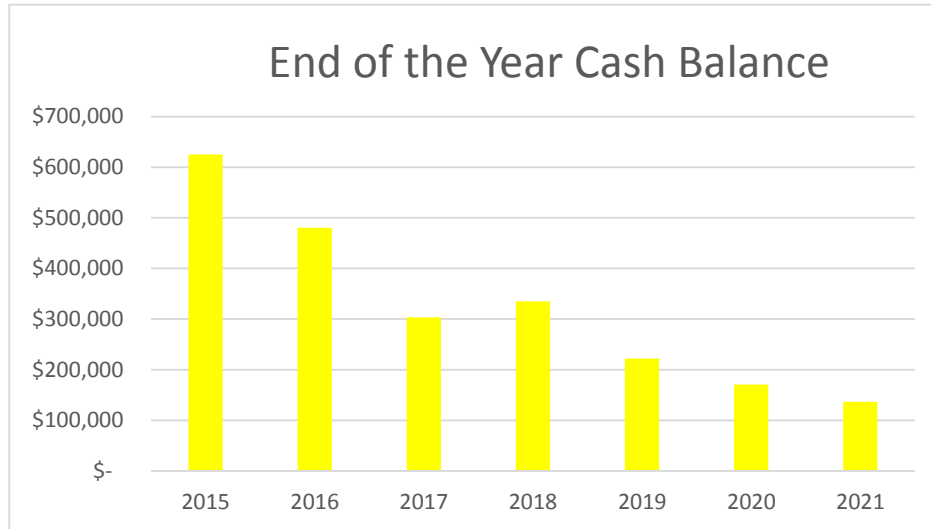
Projected operating transactions section is a summary of the projected net revenues over expenses, adjusted for any non-cash items. Projected capital transactions show the capital additions and sale of assets (if any) while the projected financing transactions outlines any new debt that will be incurred and the amount of debt that will be repaid. Financing transactions do not apply to the Tara Water System.

In the Operating Plan section of the financial plan, the cash expenditures, such as operating expenses, debt repayment and capital costs, were identified. In the Funding Plan section of the financial plan, the cash receipts, or funds required to cover the cash expenditures were presented. These funds comprise operating revenues only for the Tara Water System.

The chart in **Figure 4.3** below is a summary "End of the Year cash & cash Equivalent".

It may be noted that year end cash balances continually decline primarily due to capital projects.

Over the projection period, it is projected that the Water System will have several capital upgrade projects which will be funded through water reserves. However, water reserve is anticipated to fall from \$625 thousand in 2015 to \$136 thousand in 2021.

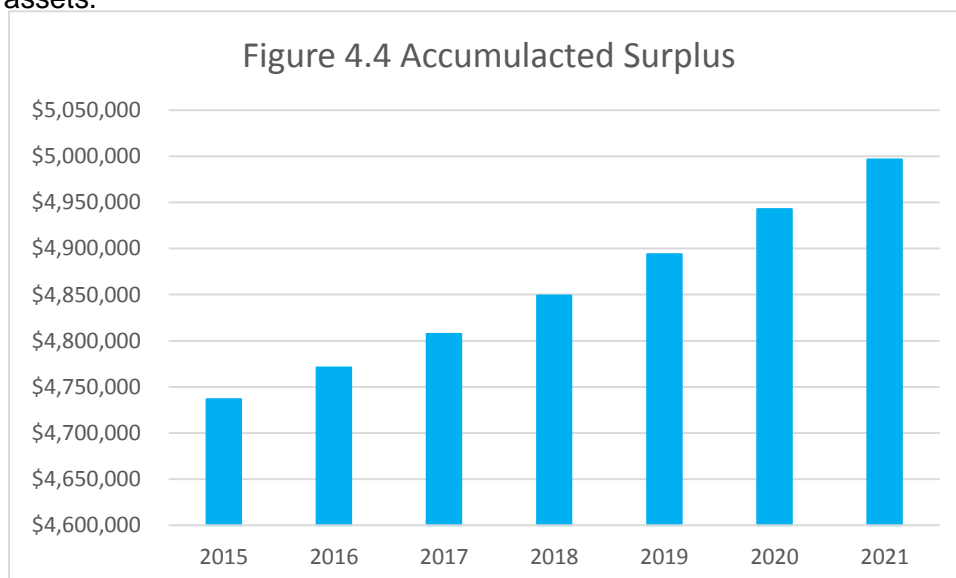


4.4 Statement of Financial Position

The statement of financial position reflects both the financial and non-financial assets of the water system. The projected statement for the CPI model is provided in **Appendix A**.

Accumulated Surplus

Accumulated surplus is the sum of net financial assets (End of Year Cash Balance) plus total non-financial assets (tangible capital assets minus accumulated amortization). Accumulated surplus is presented in Figure 4.4 for the projection period. A steady rise in accumulated surplus indicated proper maintenance of water system assets by timely replacements of fully amortized assets.



5.0 DISCUSSION ON FINANCIAL PLAN

As noted in earlier sections, the capital expenditure over 2015 – 2021 is \$1.5 million as opposed to water reserve contribution of \$1.0 million approximately. This will create a significant decline in water reserve fund from \$625K in 2015 to \$114K in 2021 despite a 3% per year increase in operating revenue. However, Arran-Elderslie council is proceeding with the amalgamation of three (3) water systems, mainly Chesley, Paisley and Tara into one (1) system. This is anticipated to reduce the risk of the Tara Water System's exposure to any unanticipated emergency expenditures due to a significant amount of funds in the life cycle water reserve that are anticipated for the combined systems.

6.0 SUMMARY

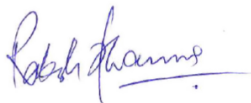
This Financial Plan has been prepared in accordance with the Provincial Regulation O. Reg 453/07. The process in developing this plan has focused on the achievement of a balance between managing water rate increases while ensuring that the water system will continue to provide safe drinking water in the long term.

A 3% per year increase in operating revenue is proposed.

This financial plan has been approved by a Town Council resolution, indicating that as a result of this plan, Tara's Drinking Water System is financially viable. Refer to **Appendix C**.

FEEDBACK AND CONTINUOUS IMPROVEMENT

The Financial Plan must be updated every five (5) years but it is recommended to be updated more frequently to reflect changes in operations, economic climate, financing costs, consumption and pricing.



Rakesh Sharma, MAsc. Eng., P. Eng.,
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GSS Engineering Consultants Ltd.

APPENDIX A

PROJECTED FINANCIAL STATEMENTS

8-2 Statement of Cash Flow

AE-Tara - Water Treatment System - Statement of Cash Flow

Table 8-2	Unaudited	Forecasted						
	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING ACTIVITIES								
Projected Revenue over Expenses	47,390	31,977	34,401	36,579	41,509	44,790	49,001	53,603
Plus Non-Cash Amortization	89,945	94,581	98,049	101,988	103,406	106,713	109,339	111,831
NET CHANGE IN CASH BY OPERATING ACTIVITIES (Annual Surplus/Deficit, excluding Amortization Expense) CASH PROVIDED BY OPERATING	137,335	126,558	132,450	138,567	144,915	151,504	158,341	165,434
INVESTMENT ACTIVITIES								
Proceeds from Investments (Reserve Fund Interest)	-	-	-	-	-	-	-	-
CAPITAL ACTIVITIES								
Proceeds from Debt Issued/Developer Front-end	-	-	-	-	-	-	-	-
Less Debt Repayment (principle only)	0	0	0	0	0	0	0	0
CASH TRANSACTIONS THROUGH FINANCING	0	0	0	0	0	0	0	0
Cash applied to fund Capital Projects	61,746	132,000	277,440	315,120	113,420	264,600	210,100	199,360
NET CHANGE IN CASH AND CASH EQUIVALENTS	75,588	(5,442)	(144,990)	(176,553)	31,495	(113,096)	(51,759)	(33,926)
CASH AND CASH EQUIVALENTS, Beginning of Year	555,063	630,651	625,209	480,219	303,666	335,161	222,065	170,305
CASH AND CASH EQUIVALENTS, End of Year	630,651	625,209	480,219	303,666	335,161	222,065	170,305	136,380

8-3 Statement of Financial Position

AE-Tara - Water Treatment System - Statement of Financial Position

Table 8-3	Unaudited	Approved	Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021
Financial Assets								
Cash, Receivables and Investments	630,651	625,209	480,219	303,666	335,161	222,065	170,305	136,380
Total Financial Assets	630,651	625,209	480,219	303,666	335,161	222,065	170,305	136,380
Financial Liabilities								
Accounts Payable and Deferred Revenue	-	-	-	-	-	-	-	-
Long Term Liabilities (Net Debt)	0	0	0	0	0	0	0	0
Total Financial Liabilities	-	-	-	-	-	-	-	-
Deferred Revenue (net Chg)	-	-	-	-	-	-	-	-
Net Financial Assets (Net Debt)	630,651	625,209	480,219	303,666	335,161	222,065	170,305	136,380
Non Financial Assets								
Prepaid Expenses	-	-	-	-	-	-	-	-
Tangible Capital Assets	5,760,945	5,889,633	6,164,856	6,478,881	6,592,191	6,855,586	7,063,579	7,259,627
Accumulated Amortization	(1,686,961)	(1,778,230)	(1,874,062)	(1,974,955)	(2,078,250)	(2,183,758)	(2,290,991)	(2,399,510)
Total Non Financial Assets	4,073,984	4,111,403	4,290,794	4,503,926	4,513,941	4,671,827	4,772,588	4,860,117
ACCUMULATED SURPLUS	\$ 4,704,635	\$ 4,736,612	\$ 4,771,014	\$ 4,807,592	\$ 4,849,102	\$ 4,893,892	\$ 4,942,893	\$ 4,996,496

APPENDIX B

CAPITAL PROJECTIONS

8-6 Capital Projects

Arran-Elderslie - Tara Water Treatment System - Capital Budget Projections (includes CPI 2% annually)										
Capital Budget Projections	Useful Life	Year in Service	Multi-year Capital Budget	2015	2016	2017	2018	2019	2020	2021
Well #3 - New Chlorine Pumps		2015	11,000	\$ 11,000						
Well #4 - Standby Power		2015	10,000	\$ 10,000						
Scada Upgrades		2015	12,000	\$ 12,000						
Install Water Meters - Inventory/Non Capital Expense		2015								
Install 6" Main - Yonge St to Ann St		2015	99,000	\$ 99,000						
Replacement - Watermain Main St from Market to Ann St		2016	179,520		\$ 183,110					
Replacement - Watermain Market St from Main to River St		2016	92,480		\$ 94,330					
Replacement - Watermain Union St from Yonge to Miller St		2017	303,000			\$ 315,120				
New Main - Watermain River St to Park Rd		2018	107,000				\$ 113,420			
Replacement - Watermain Maria St from Brook to River St		2019	183,750					\$ 198,450		
Replacement - Watermain Brooke St from Yonge to Maria St		2019	61,250					\$ 66,150		
Replacement - Watermain Matilda St from Yonge to Francis St		2020	191,000						\$ 210,100	
Replacement - Watermain Whites Ave from Yonge west to Cul-de-sac		2021	178,000							\$ 199,360
Total			1,428,000	132,000	277,440	315,120	113,420	264,600	210,100	199,360

APPENDIX C

COUNCIL RESOLUTION



THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE

1925 Bruce Road 10, Box 70, Chesley, ON N0G 1L0
519-363-3039 Fax: 519-363-2203 areld@bmts.com

July 15th, 2015

Via Email - [rakeshsharma@gssengineering.ca]

Rakesh Sharma, MAsc Eng, P.Eng.,
GSS Engineering Consultants Ltd.
Unit 104D
1010 9th Avenue West
Owen Sound, ON N4K 5R7

Re: Financial Plan – Chesley, Paisley & Tara Water Systems

Please be advised that Council of the Municipality of Arran-Elderslie at its meeting of July 13th, 2015 passed the following motion:

- "Be It Resolved,* That Council of the Municipality of Arran-Elderslie
- 1) Accepts the Water Financial Plans for Arran-Elderslie and Tara Water Systems for a six (6) year plan; and
 - 2) Directs GSS to submit these plans to the Ministry of Municipal Affairs and Housing in accordance with the requirements of the Safe Drinking Water Act."

Yours truly,
MUNICIPALITY OF ARRAN-ELDERSLIE
Per:

A handwritten signature in black ink, appearing to read "Peggy Rouse", written over a circular stamp or seal.

(Mrs.) Peggy Rouse
Clerk-Administrator
clerk@arran-elderslie.ca

cc: V. Wepler, Works Manager (works@arran-elderslie.ca)
D. Hunks, Treasurer (treasurer@arran-elderslie.ca)
S. McLeod, Water Foreperson (water@arran-elderslie.ca)
