

Staff Report

Presented By: Matt Prentice, Director, Operations

Meeting Date: September 22, 2025

Subject: Water and Wastewater Financial Plan

Attachment(s): BM Ross Financial Plan Presentation
Water Financial Plan
Wastewater Financial Plan

Recommendation

That Council approve the Water and Wastewater Financial Plan (2026 to 2030) prepared by BM Ross and Associates Ltd, dated August 2025; and

That Council direct staff to submit the Financial Plan to the Ministry of Municipal Affairs and Housing as required by O Reg 453/07 “Financial Plans;” and

That Council direct staff to submit this Council Resolution approving the Financial Plan to the Ministry of Environment, Conservation, and Parks as required by the Safe Drinking Water Act.

Report Summary

Ontario Regulation 453/07 requires Municipal Owners of Drinking Water Systems to prepare Financial Plans every five (5) years in support of the renewal of the Municipality’s Drinking Water Licence. The rate increases recommended in the Water and Wastewater Financial Plans (4.7% and 2.5% respectively) will be incorporated into the Town’s 2026 Business Plan.

Background/Analysis

The Town’s Water and Wastewater Master Plan is an Operations Major Initiative in 2025. B M Ross is completing the Master Plan and provided a summary of the findings to Council at Council’s regular meeting on September 8, 2025. The Water and Wastewater Master Plan has informed the Town’s 10-Year Business Planning process, and the 10-year Capital Plan has been revised accordingly. Total spending in the 10-year plan is comparable to that shown in the 2025 Business Plan, with some projects increasing in priority and others decreasing in priority, as a result of the assessment of new information including population growth rates, water and wastewater flow rates, and development proposals.

This updated Master Plan and the updated 10-year capital spending plan included in the Business Plan were required to be completed to provide an accurate update of the Financial Plan, incorporating the most recent information to allow the calculation of suitable recommended rate increases.

The consulting engineer's attached reports includes recommended rate increases for the Water and Wastewater systems for the next 5 years, resulting from their analysis which includes the following considerations:

- Supporting the Operating expenses and the Capital program forecasted in the most current version of the Business Plan, including the inflation rates assumed in that plan.
- Ensuring that reserves remain at acceptable levels throughout the life of the Plan.
- Assuming appropriate use of Development Charges.
- Including known Capital funding grants, such as the recently announced funding for the Southampton Wastewater Treatment Plant upgrade project, which positively impacted the rates being brought forward.
- With respect to asset management, ensuring that the calculated Rate of Replacement for the water and wastewater assets will continue to maintain the systems in a sustainable manner.

In accordance with the above, the calculated rate increases for the life of this Financial Plan (2026-2031) are 4.7% for the Water system, and 2.5% for the Wastewater system. These values will be used in the development of the Town's 2026 Business Plan.

Linkages

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Operations Major Initiative

Financial Impacts/Source of Funding

Revenue associated with the Water and Wastewater programs will be included in the 2026 Business Plan for Council consideration.

Prepared By: Matt Prentice, Director, Operations

Reviewed By: Dan Waechter, Chief Financial Officer/Treasurer

Approved By: Kara Van Myall, Chief Administrative Officer