
TOWN OF SAUGEEN SHORES

WATER SYSTEM FINANCIAL PLAN

2025 - 2031



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2025 - 2031

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**TOWN OF SAUGEEN SHORES
WATER SYSTEM FINANCIAL PLAN
2025 - 2031**

1.0 INTRODUCTION

A financial plan is a projection of future revenues and expenses for a set period of time in conjunction with an evaluation of potential rate increases and the impact of those increases on the ability to operate and maintain the system now and in the future.

On behalf of the Town of Saugeen Shores, B. M. Ross and Associates Limited (BMROSS) has updated the water system's Financial Plan. The Financial Plan for the water system was created to fulfill a requirement of the existing Municipal Drinking Water License (MDWL) Number 093-101. A condition in that License requires that Council adopt a Financial Plan as described in Ontario Regulation (O.Reg.) 453/07.

This purpose of this report is to present the Financial Plan created for the period 2025 – 2031 which was created to fulfill the above requirement. For additional information on the background information used and for more details on the actual evaluation that was undertaken, please refer to the earlier memo dated August 19, 2025.

1.1 Key Legislated Requirements

One of the main requirements under the Safe Drinking Water Act, O. Reg. 453/07, is the development of a long-term financial plan for water systems. The intent of this plan is to ensure the ongoing financial sustainability of the system.

O. Reg. 453/07 defines what must be included within a Financial Plan, which includes:

1. The Financial Plan must apply to a period of at least six years. The first year to which the Financial Plan must apply must be the year in which the drinking water system's existing municipal drinking water license would otherwise expire (i.e. 2026). Although the Plan applies to a minimum 6-year period, the Regulation does not prevent the Town from revising or amending it before the expiry of the 6-year period. The Town is permitted to revise/amend it as many times as they see fit.
2. Amortization costs for existing infrastructure must be identified in the Financial Plan, but there is no requirement to recover those costs.
3. The financial plan must be approved through a council resolution. A copy of both the financial plan and the resolution must be submitted to the Ministry of Municipal Affairs and Housing (MMAH) with the MDWL renewal application.
4. The plan must be made available and provided free of charge to any member of the public served by the water system.

Note that the Town's Drinking Water Licence is set to expire on March 18, 2026 and an application for renewal must be submitted on or before **September 18, 2025**. As part of the application for renewal the Town must prepare and adopt a new Financial Plan.

2.0 BACKGROUND

2.1 Customer Information and Growth

The total average number of residential and non-residential customers in Saugeen Shores was 6,563 in 2024.

Based on recent Master Plan work, future growth is predicted to occur at a range of 1.8% to 2.4% per year. The 1.8% growth forecast is from the County's Good Growth forecast and the 2.4% growth forecast is from the Development Charges forecast. For the purposes of this Financial Plan we have assumed growth at the more conservative 1.8% rate for the next six-year planning period. We have also assumed no growth to the ICI sector.

2.2 Water System Overview

The Town owns one water treatment plant located at 140 Island St. in Southampton. Water is then distributed to two distribution systems (Southampton and Port Elgin). The distribution systems include one chlorine booster pumping station, one ground level reservoir and pumping station (Port Elgin), and two standpipes (one in Southampton and one in Port Elgin). This system is currently operated by Ontario Clean Water Agency (OCWA).

The raw water for the treatment process is taken from Lake Huron. There are approximately 8 km of transmission watermains and 146 km of distribution watermains.

3.0 FULL COST OF SERVICE

3.1 Cost Components

The full cost of providing water services includes the following major categories¹:

1. Operating expenses
2. Interest expense
3. Funding for Debt Principal Repayment
4. Amortization of Tangible Capital Assets
5. Funding for Inflation in Asset Costs
6. Funding for Historic Under-investment
7. Funding for Service Enhancements
8. Funding for System Growth

Items 2 and 3 would apply when debt has been, or will be, incurred for capital projects. Items 4 to 6 relate to asset maintenance and replacement. The final two items, 7 and 8, relate to planned capital projects for improvements or growth. In some cases the improvements may be driven by changing regulations, in other cases the Town may initiate the project.

3.2 Operating Expenses

Budgets and actual expenses for the water system were reviewed for 2022 to 2024. Over that time period, budgeted and actual costs for most items were fairly consistent. The 2025 budget is believed

¹ Ministry of the Environment, "Toward Financially Sustainable Drinking Water and Wastewater Systems", August 2007.

to reflect the cost of operating the current system. The 2025 anticipated expenses for water system operations are summarized in Table 3.1.

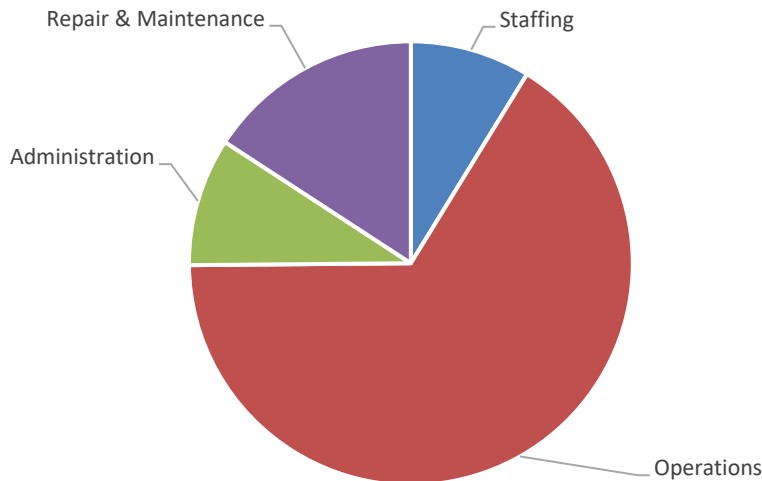
**Table 3.1
Town of Saugeen Shores 2025 Water Operations Budget**

Item ¹	2025	Category ²
Wages	101,176	Staffing
Benefits	33,176	Staffing
Billing Costs	5,040	Administration
Materials-Distribution Maintenance/Repair	94,710	Repair & Maint.
Materials-Meter Maintenance	159,781	Repair & Maint.
Fuel	6,648	Operations
Plant Maintenance/Repair	46,838	Repair & Maint.
Reservoir Utilities	625	Operations
Locates	10,119	Administration
Insurance	31,284	Administration
Water/Sewer Reading	32,853	Staffing
OCWA-Treatment	872,678	Operations
OCWA-Distribution	380,075	Operations
Taxes	43,447	Administration
Debt Charges (Interest)	88,034	Administration
TOTAL	\$ 1,906,484	

Note: 1. Grouping provided by the Town
2. Category assignments by BMROSS

The following Figure presents the general distribution of the various budget items.

**Figure 3.1
Water System Operational Expenses**



3.3 Operations Contract

The water system is currently operated by the Ontario Clean Water Agency under an Agreement set to expire in 2030. Significant changes to the operation of the water system are not anticipated so we have assumed service fees will increase by 1.5% in 2026 and beyond which matches what the Town has used in their proposed 2025-2033 Operating Budget.

3.4 Interest Expense and Debt Repayment

There is one existing debenture (OMEIFA) for the Town's water system. As of the beginning of 2025, there was \$2,022,228 remaining in outstanding principal.

3.5 Amortization of Tangible Capital Assets

Amortization is defined as "...the accounting process of allocating the cost less the residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use."²

The current value (sometimes referred to as "net book value") of the asset is its original cost less depreciation. It can be calculated as, original cost times current age divided by its life expectancy. This is a method traditionally called straight line depreciation.

Using the above approach the annual amortization expense and net book value for the water system, as of 2025, are as follows:

Table 3.2
2024 Net Book Value and Amortization Expense for Water System

System Component	Amortization Expense (2024)	Net Book Value (2024) ¹
Distribution Systems	\$ 759,625	\$ 35,320,596
Supply and Storage Systems	\$ 86,704	\$ 4,510,483
Totals	\$ 846,329	\$ 39,831,079

Note: 1. Start of year

3.6 Reserve Funds

A general capital water system reserve fund is in place. The balance in reserves at the beginning of 2025 was reported to be \$1,554,898. In addition to this value, there is also \$2,168,648 (end of 2024) in the development charges reserve fund allocated to water (i.e. growth related projects). This reserve fund was projected to grow at \$920,000/yr as it has historically been seen to do. The Plan also incorporates the DC reserves contributing \$3 million dollars in 2026 to the Water Treatment Plant expansion project. Reserves (general and DC) were projected to grow at 2% interest/year which again matches growth in previous years.

3.7 Replacement Costs

The replacement cost of the Town of Saugeen Shore's Water System as of 2025 is estimated to be \$138 M. This value increases annually as construction costs increase. The annual increment would be roughly \$5.5 M, based on inflation in construction costs at 4% per year.

² MOE, August 2007

4.0 ANALYSIS OF REVENUE

4.1 Current Rate Structure and Charges

For the past 5 years, the rate structure presented in Table 4.1 has been used by the Town of Saugeen Shores. Rates are split into two main charges: a fixed bi-monthly rate and a metered (per usage) rate.

**Table 4.1
Water Rates Adopted by Council**

Water Usage Rates	2021	2022	2023	2024	2025
Bi-monthly Flat Rate (\$)¹.	\$47.85	\$50.73	\$52.76	\$54.34	\$56.68
Metered Rate	\$1.08	\$1.15	\$1.19	\$1.22	\$1.27
Increase per year².	6%	6%	4%	3%	4.3%

Note: 1. Fees are based on a 19mm water service.
2. Increase is based on the flat rate.

It is our understanding that the Town is looking to complete a detailed Rate Study Review in 2027 to look at the existing rate structure and to determine whether there is a need/benefit to changing components of that structure. For the purposes of this Financial Plan, we have continued to use the existing rate structure and have applied increases uniformly to all existing rate components.

4.2 2025 Revenue

Revenue for the water system was reviewed for 2024 and 2025. Over that period, budgeted and actual revenue for most items was fairly consistent. The 2025 expected revenue for water operations is summarized in Table 4.2.

**Table 4.2
2025 Expected Revenue**

Source of Revenue	2025	% of Total
Water billings	\$ 5,145,000	97.5
Misc. recoveries¹.	\$ 131,000	2.5
TOTAL	\$ 5,276,000	100

Note: 1. Revenue from all items above (other than water billings) was projected to increase at 1.5%/year between 2025 and 2031.

5.0 FULL COST PROJECTIONS

5.1 General

O. Reg 453/07 requires that a Financial Plan be developed for a 6-year period (2026 to 2031). The purpose of this section is to identify the expected costs of service.

5.2 Assumptions

Assumptions regarding full cost of service are as follows:

1. The starting point for the Financial Operations Section was the 2025-2033 proposed operating budget.
2. For the 2026 to 2031 projections, we have matched the proposed operation expense increases in the above noted budget which, for most expenses, have generally assumed an annual 1.5% increase.

3. As noted in Section 2.1, we will assume future residential growth at 1.8% per year and factor the impact of this into the future revenue projections. The ICI sector and Saugeen Reserve sector were conservatively assumed not to grow over the same period.
4. The water system is operated by OCWA under an Agreement set to expire in 2030. Significant changes to the operation of the system are not anticipated and based on historical increases we have continued to assume service fees will increase at 1.5% for 2026 and beyond.
5. Revenue from sources other than the fixed and metered service charges are relatively minor compared to revenue from the fixed rate fee and the metered rate fee and as such we have projected all miscellaneous revenue to increase uniformly at 1.5% per annum for the duration of the plan.
6. 2025 rates as shown in Table 4.1 were used for 2025 revenue projections. Further increases were applied to the 2026 – 2031 period.

5.3 Funding for Historic Under-Investment

In recent years there have been some infrastructure replacement projects funded from reserves. Historically, neither the amortization expense nor the inflation of asset costs for tangible capital assets was completely funded each year. As well, maintenance and replacement may have been deferred. These two factors combined are the historic under-investment in the system. As with amortization and inflation of asset costs there is no legislated requirement to generate a surplus which funds historic under-investment. If this amount is recovered along with amortization and inflation of asset costs the full cost of ongoing system replacement could be funded through reserves.

Noting a historic under-investment for this system is based solely on a numerical calculation. Recent Rate of Replacement rates (as noted in the following section) suggest the Town has been replacing infrastructure at a fairly rapid rate compared to its relative age.

5.4 Rate of Replacement

In 2024, approximately \$3,302,400 in watermain replacement and other capital replacement projects was completed, less the amount being transferred out of reserves (\$222,700). Therefore, a total of approximately \$3,080,000 was put towards replacing water infrastructure in 2024.

The average total weighted life expectancy, as expressed in the Water Asset Inventory database, of all of the water assets is approximately 70 years. The remaining average life expectancy is 41 years.

The Rate of Replacement has been defined as the current replacement cost of the water assets (i.e. \$138M) divided by the sum of the average annual capital expenditure on replacement plus the contribution to reserves. Based on the 2024 capital expenditures and reserve contributions the current Rate of Replacement is:

$$\begin{aligned}
 \text{Rate of Replacement} &= \frac{\text{2024 Replacement Cost}}{\text{Average Capital Investment + Transfer to Reserves}} \\
 \text{(2024)} &= \frac{\$138,026,786}{\$3,302,405 - \$222,740} \\
 &= 45 \text{ Years}
 \end{aligned}$$

5.5 Anticipated Capital Projects

It is assumed that over the life of this Financial Plan capital costs will continue to be funded from reserves. A summary of replacement, growth and service enhancement projects expected to occur

over the life of this financial plan is provided in Table 5.1. This information was provided through discussions with Town staff.

**Table 5.1
Potential Water System Capital Projects 2026 – 2031**

Project	Year	Approximate Cost
WTP - Annual Minor Capital program	2026	\$ 455,500
Water Distribution System Replacements	2026	\$ 4,254,400
Water Distribution and Storage Upgrades (Class EA)	2026	\$ 150,000
Water Treatment Plant Expansion ²	2026	\$ 7,050,000
Total for 2026		\$ 11,909,900
WTP - Annual Minor Capital program	2027	\$ 389,000
Water Distribution System Replacements	2027	\$ 1,267,200
WTP – Membrane Replacement Modules	2027	\$ 250,000
Water Distribution and Storage Upgrades	2027	\$ 4,000,000
Total for 2027		\$ 5,906,200
WTP - Annual Minor Capital program	2028	\$ 485,500
Water Distribution System Replacements	2028	\$ 2,156,100
Water Distribution and Storage Upgrades	2028	\$ 4,000,000
Southampton Water Meter Replacement Program	2028	\$ 625,000
Total for 2028		\$ 7,266,600
WTP - Annual Minor Capital program	2029	\$ 349,000
Water Distribution System Replacements	2029	\$ 1,692,900
Water Distribution and Storage Upgrades	2029	\$ 3,850,000
WTP – Membrane Replacement Modules	2029	\$ 250,000
Southampton Water Meter Replacement Program	2029	\$ 625,000
Total for 2029		\$ 6,766,900
WTP - Annual Minor Capital program	2030	\$ 461,500
Water Distribution System Replacements	2030	\$ 942,900
Total for 2030		\$ 1,404,400
WTP - Annual Minor Capital program	2031	\$ 424,000
Water Distribution System Replacements	2031	\$ 1,974,600
WTP – Membrane Replacement Modules	2031	\$ 250,000
Total for 2031		\$ 2,648,600
	Total for 2026-2031	\$ 35,902,600

Notes

1. The above project costs have been developed for budgetary planning for this Financial Plan and should be used cautiously for other purposes.
2. This is part of a multi-year project estimated at a total of \$7.05 million. Number shown includes carry forward budgets from 2023, 2024 and 2025.

6.0 COST RECOVERY

6.1 General

Section 30(2) of the SDWA (2002) requires water system owners to develop a “Cost Recovery Plan”. The intent is to create a long-term plan that will ensure adequate funding to operate, maintain and replace infrastructure. This section of the Memo identifies the revenue increases required to achieve the goals of the Plan.

6.2 Goals of the 2026-2031 Financial Plan

For purposes of this report, the goals are as follows:

- The annual amortization expense of assets will continue to be recovered.
- Capital spending during the next 6-year period is expected to exceed the annual expected net revenue such that reserves are expected to be fully depleted and borrowing will be necessary. We have assumed that a \$5 million dollar debenture will be secured in 2026, along with a \$5 million dollar debenture in 2027 and another \$5 million dollar debenture in 2028, all with 30-year borrowing periods at 4.75% interest. Additionally, we have included the DC reserves contributing \$4 million dollars in 2026 and another \$2.5 million dollars in 2029 to help fund growth related projects. The cumulative result is that positive reserves will be maintained through 2031 while allowing the Town to proceed with the capital project list identified in Table 5.1.

The required rate increase in the Plan period is dependent on what the Town wants to achieve. The Province has advocated for full cost recovery (i.e. full funding of asset replacement) but there is no legislated requirement to do so.

Through discussions with staff members, we are recommending the following rate increase:

- 4.7% Increase (i.e. matching current rate of replacement by 2031).

7.0 PROPOSED RATES

7.1 Overview

Rates have been developed in the past to enable operational costs of the systems to be recovered, to recover amortization expenses of the tangible capital assets and to offset some of the inflation of those assets.

7.2 Proposed Water Rates 2026 to 2031

In addition to the goals set out in Section 6.2 and the assumptions stated in Section 5.2, the recommended rate increase has incorporated the following additional considerations:

Maintain Current Rate of Replacement

Based on 2024, the rate at which replacement is currently occurring is approximately once every 45 years. The suggested rate increase of 4.7% per year would maintain this rate of replacement.

7.3 Summary of Results

Table 8.1, found in Appendix A, provides year-by-year details of the water system financial position. If selecting the recommended rate increase of 4.7% per year, Table 7.1 summarizes the:

- Annual % increase required
- Reserves at end of planning period (2031)

- Financial Position at 2031 (Asset value + Reserves)
- Financial Position change (\$ and %)
- Rate of Replacement

**Table 7.1
Summary of Outcomes for a 4.7% Rate Increase**

Description	% Annual Increase Required	Reserves at 2031	Financial Position (2031)			Rate of Replacement ² (Years)
			\$	Change ¹		
				\$	%	
2024 Position	-	\$1.6M	\$40.8M	-	-	45
4.7% Increase (Matching Current RoR)	4.7	\$10.0M	\$69.0M	\$28.2M	69	45

Notes: 1. Difference between 2024 and 2031.

2. Rate of Replacement in year 2031 based on method described in Section 5.3.

8.0 SUMMARY

This Financial Plan has been prepared in compliance with the Ministry of Environment, Conservation and Parks (MECP) Financial Plans Regulation (O. Reg. 453/07). The plan is guided by the MECP's *Principles of Financially Sustainable Water and Wastewater Systems*. Its primary objective is to ensure that the drinking water system remains financially sustainable - not only today, but also for future generations.

A key consideration in this approach is Intergenerational Equity, which emphasizes distributing the costs of municipal operations and capital works fairly between current and future ratepayers.

It is recognized that municipalities face numerous immediate financial pressures across a wide range of services, often with increasing demands and limited resources. As a result, long-term planning is not always prioritized. However, best practices demonstrate that long-term financial planning is a proven strategy for managing fiscal challenges while ensuring the continued delivery of a high-quality, reliable, and sustainable system.

This plan seeks to strike a balance between managing acceptable levels of risk, maintaining a safe and viable water system, and minimizing rate increases. To achieve this, Town staff (with the assistance of B. M. Ross and Associates Ltd.) developed and analyzed multiple revenue and expenditure (including capital replacements/upgrades) scenarios for each year. The impacts of these scenarios were carefully assessed before selecting one and applying a recommended annual rate increase percentage to that scenario.

Ultimately, this financial plan provides Saugeen Shores with a flexible roadmap toward long-term financial stability for the drinking water system, supported by predictable funding and sound decision-making.

9.0 RECOMMENDATIONS AND CONCLUSIONS

The following are our conclusions/recommendations:

1. **Financial Plans Are Dynamic:** This plan should be treated as an evolving tool, updated and refined regularly. Comparing the Plan's financial projections against actual results each year will help identify trends and better understand how customer water usage may impact the system's overall financial health.

2. **Projected Revenue Growth:** Water rate revenues are expected to rise from \$5.3 million in 2025 to \$7.6 million by 2031.
3. **Cash and Reserve Outlook:** End-of-year cash and reserve balances are expected to rise from \$1.6 million in 2025 to \$10 million by 2031. Alternatively, the water allocated portion of the DC reserves are expected to decline from \$3.1 million in 2025 to \$2.2 million by 2031, after contributing \$6.5 million to various growth-related projects over the plan period.
4. **Capital Financing:** Multiple debentures were incorporated over the planning period. It was assumed that a \$5 million dollar debenture would be secured in 2026, a \$5 million dollar debenture in 2027 and a \$5 million dollar debenture in 2028, all with 30-year borrowing periods at 4.75% interest. The outstanding principal amount by the end of 2031 is anticipated to be approximately \$13.7 million.
5. **Public Accessibility:** A copy of this Water Financial Plan should be made available on the municipality's website for public access.
6. **Regulatory Compliance:** To support the renewal of the Municipal Drinking Water License, Council must approve the Financial Plan through a resolution. Both the approved resolution and a copy of the Plan must be submitted to the Ministry of Municipal Affairs and Housing (MMAH) as supporting documents to the Municipal Drinking Water Licence (MDWL) renewal application.

B. M. ROSS AND ASSOCIATES LIMITED

Per



Ryan P. DeVries, P. Eng.

RPD:hv
Encl.

APPENDIX A

YEAR-BY-YEAR WATER SYSTEM FINANCIAL POSITION

Table 8.1
TOWN OF SAUGEEN SHORES
2025-2031 Financial Plan for Waterworks
FINANCIAL PLAN 093-301

25-Aug-25
4.7% Revenue Increase - Maintain RoR of 45 years by 2031

	2025	2026	2027	2028	2029	2030	2031
FINANCIAL POSITION							
Financial assets							
Cash and cash equivalents	1,339,574	1,296,738	3,611,458	4,905,068	4,579,240	7,674,645	9,990,825
Total FINANCIAL ASSETS	1,339,574	1,296,738	3,611,458	4,905,068	4,579,240	7,674,645	9,990,825
Liabilities							
Loans and Debentures	7,022,228	6,227,702	10,449,206	14,866,370	14,435,447	13,983,835	13,699,925
Total LIABILITIES	7,022,228	6,227,702	10,449,206	14,866,370	14,435,447	13,983,835	13,699,925
NET DEBT (Liabilities - Assets)	5,682,653	4,930,964	6,837,748	9,961,302	9,856,207	6,309,189	3,709,100
Non-financial assets (Tangible capital assets)							
Existing water mains and facilities	39,831,079	41,884,303	52,842,482	57,659,480	63,760,239	69,245,650	69,259,713
Less: Amortization	(846,329)	(951,717)	(1,089,227)	(1,165,851)	(1,281,459)	(1,390,296)	(1,409,919)
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
New watermains and facilities - at cost	2,899,553	11,909,896	5,906,225	7,266,609	6,766,871	1,404,359	2,648,623
Total NON-FINANCIAL ASSETS	41,884,303	52,842,482	57,659,480	63,760,239	69,245,650	69,259,713	70,498,417
Financial position (Non Finance assets - Net Debt)	36,201,650	47,911,518	50,821,732	53,798,937	59,389,443	62,950,524	66,789,317
Analysis of financial position							
Equity in tangible capital assets	34,862,076	46,614,780	47,210,274	48,893,869	54,810,203	55,275,878	56,798,492
Reserves and reserve funds (excl. DCs)	1,339,574	1,296,738	3,611,458	4,905,068	4,579,240	7,674,645	9,990,825
DC reserve fund (water allocation)	3,132,021	34,661	955,355	1,894,462	302,351	1,228,398	2,172,966
General surplus (deficit)	-	-	-	-	-	-	-
Financial position (from analysis)	39,333,671	47,946,180	51,777,087	55,693,398	59,691,794	64,178,922	68,962,283
	2025	2026	2027	2028	2029	2030	2031
FINANCIAL OPERATIONS							
Revenue							
User Fees							
Water-Recoveries	3,171	3,218	3,267	3,316	3,365	3,416	3,467
Water-Metered-Bulk Sales	20,509	20,817	21,129	21,446	21,768	22,095	22,426
Water-Metered-Residential	1,350,443	1,340,105	1,428,363	1,522,424	1,622,686	1,729,550	1,843,438
Water-Metered-Commercial	478,151	581,075	608,385	636,979	666,917	698,262	731,081
Water-Service Charges-Commercial	540,569	603,795	632,173	661,886	692,994	725,565	759,667
Water-Service Charges-Residential	2,474,456	2,701,313	2,879,218	3,068,822	3,270,925	3,486,334	3,715,904
Water-Meters/Parts-GST & PST	102,440	105,537	107,120	108,726	110,357	112,013	113,693
Water-Department Service Charges	4,522	4,590	4,659	4,729	4,800	4,872	4,945
Water-Metered-Saugeen Reserve	273,420	305,829	320,203	335,252	351,009	367,506	384,779
Water-Saugeen Res-Service Charges	27,913	35,606	37,280	39,032	40,867	42,787	44,798
Total REVENUE	5,275,594	5,701,885	6,041,797	6,402,612	6,785,689	7,192,400	7,624,198
Expenses							
Administration							
Water-Wages	101,176	34,283	35,647	36,799	38,068	39,385	40,539
Water-Wages-Overtime	-	-	-	-	-	-	-
Water-Benefits	33,176	34,283	35,647	36,799	38,068	39,385	40,539
Water-Billing Costs	5,040	5,115	5,192	5,270	5,349	5,429	5,511
Water-Materials-Distribution Maint/Repair	94,710	96,131	97,573	99,037	100,522	102,030	103,561
Water-Materials-Hydrant Repair/Replacement	-	-	-	-	-	-	-
Water-Materials-Meter Maintenance	159,781	162,177	164,610	167,079	169,585	172,129	174,711
Water-Fuel	6,648	6,748	6,849	6,952	7,056	7,162	7,270
Water-Plant Maintenance/Repair	46,838	47,540	48,253	48,977	49,712	50,458	51,214
Water-Telephone Meter Maintenance	-	-	-	-	-	-	-
Water-Reservoir Utilities	625	634	644	653	663	673	683
Water-Consultant	-	-	-	-	-	-	-
Water-Locates	10,119	10,271	10,425	10,581	10,740	10,901	11,064
Water-Insurance	31,284	31,753	32,230	32,713	33,204	33,702	34,207
Water-Water/Sewer Reading	32,853	33,346	33,846	34,354	34,869	35,392	35,923
Water-OCWA-Treatment	872,678	885,768	899,055	912,541	926,229	940,122	954,224
Water-OCWA-Distribution	380,075	332,126	337,107	342,164	347,297	352,506	357,794
Water-Contract Services	-	150,000	50,000	-	-	-	-
Water-Bad Debt Write-off	-	-	-	-	-	-	-
Water-Taxes	43,447	44,098	44,760	45,431	46,113	46,804	47,506
Future studies	-	-	50,000	-	-	125,000	-
Subtotal Operating Expense	1,818,450	1,874,276	1,851,839	1,779,350	1,807,475	1,836,079	1,864,747
Debt Charges - Debenture Interest	88,034	291,123	498,298	716,083	695,950	677,106	664,232
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
Amortization of capital assets	846,329	951,717	1,089,227	1,165,851	1,281,459	1,390,296	1,409,919
Total EXPENSES	2,752,813	3,117,116	3,439,365	3,661,283	3,784,884	3,903,481	3,938,897
Net Revenue (Deficit) for the year	2,522,781	2,584,769	2,602,433	2,741,329	3,000,805	3,288,919	3,685,301
	2025	2026	2027	2028	2029	2030	2031
CASH FLOW							
Operating Transactions							
Net revenue (deficit) for the year	2,522,781	2,584,769	2,602,433	2,741,329	3,000,805	3,288,919	3,685,301
Add-back (deduct) non-cash expense:							
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
Amortization of capital assets	846,329	951,717	1,089,227	1,165,851	1,281,459	1,390,296	1,409,919
Total OPERATING TRANSACTIONS	3,369,110	3,536,486	3,691,660	3,907,179	4,282,263	4,679,214	5,095,219
Capital Transactions							
Growth Related	-	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-	-
Replacement of Existing Storage and Treatment Works	(686,000)	(7,655,500)	(4,639,000)	(4,485,500)	(599,000)	(461,500)	(674,000)
Replacement of Existing Watermain Works	(2,163,553)	(4,254,396)	(1,267,225)	(2,156,109)	(5,542,871)	(942,859)	(1,974,623)
Hydrant & Valve Replacement	-	-	-	-	-	-	-
Water Meter and Equipment Replacement	(50,000)	-	-	(625,000)	(625,000)	-	-
Total CAPITAL TRANSACTIONS	(2,899,553)	(11,909,896)	(5,906,225)	(7,266,609)	(6,766,871)	(1,404,359)	(2,648,623)
Investing Transactions							
Proceeds from portfolio investments	31,098	26,791	25,935	72,229	98,101	91,585	153,493
Purchase of portfolio investments	-	-	-	-	-	-	-
Total INVESTING TRANSACTIONS	31,098	26,791	25,935	72,229	98,101	91,585	153,493
Financing Transactions							
Loan - New Debenture	-	5,000,000	5,000,000	5,000,000	-	-	-
Debt Charges - Debenture Principal	(715,978)	(696,218)	(496,650)	(419,190)	(439,322)	(271,035)	(283,910)
Federal/Provincial grants	-	-	-	-	-	-	-
Contributions from DC Reserves	-	4,000,000	-	-	2,500,000	-	-
Total FINANCING TRANSACTIONS	(715,978)	8,303,782	4,503,350	4,580,810	2,060,678	(271,035)	(283,910)
Net Cash Receipts (Payments) for the year	(215,323)	(42,836)	2,314,720	1,293,609	(325,828)	3,095,405	2,316,180
Cash at beginning of year	1,554,898	1,339,574	1,296,738	3,611,458	4,905,068	4,579,240	7,674,645
Cash at end of year	1,339,574	1,296,738	3,611,458	4,905,068	4,579,240	7,674,645	9,990,825