TOWN OF SAUGEEN SHORES

WASTEWATER SYSTEM FINANCIAL PLAN
2025 - 2031

BMROSS
engineering better communities

TOWN OF SAUGEEN SHORES

WASTEWATER SYSTEM FINANCIAL PLAN 2025 - 2031

August 25, 2025

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File No. 24079

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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 wastewater system's Financial Plan. The purpose of this wastewater financial plan is to facilitate consideration of cost recovery (i.e. sewer rate) options for the period 2025 to 2031.

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

Financial Plans for municipal drinking water systems are mandated by O. Reg. 453/07. There is no such parallel mandate for wastewater systems. Regardless, many municipalities recognize the linkage ratepayers make between water and wastewater charges and recognize the benefits of long-term financial planning for all municipal services and thus prepare Financial Plans for the wastewater system as well as the water system.

2.0 BACKGROUND

2.1 Customer Information and Growth

The total average number of residential and non-residential customers in Saugeen Shores was 6,558 at the beginning of 2025.

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 Wastewater System Overview

A very basic description of the existing wastewater system is as follows:

- Southampton Water Pollution Control Plant:
  - Rated for 3,042 m^3/day average day flow.
  - 1 influent chamber

  - Primary screening and grit removal
  - 1 Inlet works pumping station
  - 1 equalization tank
  - 2 oxidation ditches
  - 2 secondary clarifiers
  - 1 UV disinfection channel
  - A 2 stage aerobic digester including a 198 m^3 aerated sludge storage tank

- Port Elgin Water Pollution Control Plant:
  - Rated for 6,455 m^3/day average day flow.
  - 1 imported sewage receiving station
  - Primary screening and grit removal
  - 2 aeration tanks with 4 blowers
  - 2 secondary clarifiers
  - 1 UV disinfection channel
  - A 2 stage aerobic digester including an aerated sludge storage tank

- Numerous Sewage Pumping Stations including:
  - SPS 1008 - Westlink Pumping Station
  - SPS 1001 – Southampton SPS #1
  - SPS 1002 – Southampton SPS #2
  - SPS 1003 – Southampton SPS #3
  - SPS 1004 – Southampton SPS #4
  - SPS 1005 – Southampton SPS #5
  - SPS 1009 – Harbour St. SPS
  - SPS 1007 – Tomlinson Dr. SPS
  - SPS 1010 – Mill Creek SPS
  - SPS 1011 – Shipley SPS
  - SPS 1006 – 10th Concession SPS

Additionally, both the Port Elgin and Southampton systems have extensive collection systems consisting of sewers ranging in size from 150mm to 700mm diameter and also including many kilometers of forcemain.

3.0 FULL COST OF SERVICE

3.1 Cost Components

The full cost of providing wastewater services includes the following major categories[1]:

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.

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

3.2 Operating Expenses

Budgets and actual expenses for the wastewater system were reviewed for 2022 and 2024. The 2025 Budget is believed to reflect the cost of operating the current system. The 2025 expenses for wastewater works operations are summarized in Table 3.1.

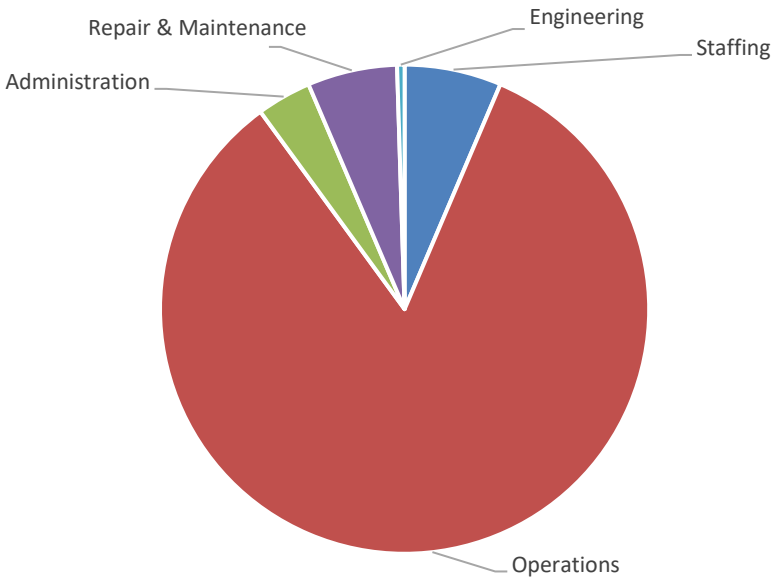
Table 3.1
Town of Saugeen Shores 2025 Wastewater Operations Budget

Item[1.]	2025	Category[2.]
Wages	$ 113,006	Staffing
Benefits	$ 37,965	Staffing
Billing Costs	$ 4,268	Administration
Materials – Maintenance/Repairs	$ 39,933	Repairs & Maintenance
Fuel	$ 12,812	Operations
Plant Maintenance/Repair	$ 79,866	Repairs & Maintenance
Locates	$ 6,993	Operations
Consultants	$ 11,621	Engineering
Insurance	$ 31,284	Administration
OCWA Maintenance – South Contract	$ 831,031	Operations
OCWA Maintenance – P E Contract	$ 1,116,595	Operations
Contract – Lateral Clean/Repair	$ 19,967	Repairs & Maintenance
Taxes	$ 46,037	Administration
Debenture interest - LT Debt	$ 3,397	Administration
Total 2025	**$ 2,354,775**	

Note: 1. Grouping provided by the Town
2. Category assignments by BMROSS
3. Above budget does not show amortization

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

Figure 3.1
Wastewater System Operational Expenses



3.3 Operations Contract

The wastewater 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 wastewater system are not anticipated so we have assumed service fees will increase by between 1.5 and 3.0% 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 (CMHC Inlet Works Building) for the Town's wastewater system. As of the beginning of 2025, there was $81,855 remaining in outstanding principal. It is set to be paid off by the end of 2025.

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 wastewater system, as of 2025, are as follows:

Table 3.2
2025 Net Book Value and Amortization Expense for Wastewater System

System Component	Amortization Expense (2025)	Net Book Value (2025)[1.]
Collection Systems	$ 584,112	$ 26,673,669
Treatment Systems	$ 338,029	$ 3,972,887
Totals	$ 922,141	$ 30,646,556

Note: 1. Start of year

3.6 Reserve Funds

A general capital wastewater works reserve fund is in place. The balance in reserves at the beginning of 2025 was reported to be $7,537,323 in that reserve. In addition to this value, there is also $8,137,774 (end of 2024) in the development charges reserve fund allocated to wastewater (i.e. growth related projects). This reserve fund was projected to grow at $1,200,000/yr which matches what has historically been occurring. Reserves (general and DCs) were also 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 Wastewater System as of 2025 is projected to be approximately $131M. This value increases annually as construction costs increase. The annual increment would be roughly $5.2M, 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
Wastewater Rates Adopted by Council

Wastewater Usage Rates	2021	2022	2023	2024	2025
Bi-monthly Flat Rate ($)[1.]	$54.78	$54.78	$63.88	$66.12	$68.96
Metered Rate	$1.99	$2.15	$2.32	$2.40	$2.50
Increase per year[2.]	8%	8%	8%	3.5%	4.2%

Note: 1. Fees are based on a 19mm meter.
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

The 2025 budget anticipates approximately $6,171,000 in wastewater revenue. In 2025 the revenue is expected to be approximately 162% greater than operating costs excluding amortization, resulting in net revenue exclusive of the amortization amount of approximately $3.8 million. Out of this value capital replacement and improvement projects will be funded. When amortization is considered, the surplus declines to approximately $2.9 million.

5.0 FULL COST PROJECTIONS

5.1 General

The purpose of this section is to identify the expected costs of service.

5.2 Assumptions

Assumptions regarding full cost of service for the Plan period (2025-2031) 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 was conservatively assumed not to grow over the same period.

4. The wastewater 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 between 1.5% and 3% for

2026 and beyond (matching what the Town has used in their 2025-2033 proposed operating budget).

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 $1,275,900 in collection system and treatment plant replacement and other capital replacement projects was completed, in addition to the amount being transferred into reserves ($304,200) and any amount put towards paying off debenture principal ($78,600). Therefore, a total of approximately $1,658,700 was put towards replacing wastewater infrastructure in 2024. This is less than the annual allowance, but well in excess of the amortization expense.

The average total weighted life expectancy as expressed in the Wastewater Asset Inventory database of all of the wastewater assets is approximately 59 years. The remaining average life expectancy is 26 years.

The Rate of Replacement has been defined as the current replacement cost of the wastewater assets (i.e. $131M) 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:

$$\text{Rate of Replacement (2024)} = \frac{\text{2024 Replacement Cost}}{\text{Average Capital Investment + Transfer to Reserves}}$$

$$= \frac{\$130,867,788}{\$1,354,461 + \$304,210}$$

$$= 79 \text{ Years}$$

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 and debentures, as required. 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 Wastewater System Capital Projects 2026 – 2031

Project	Year	Approximate Cost
Sewage Pumping Station Upgrades	2026	$ 580,000
Wastewater Treatment Plant Annual Minor Capital Program	2026	$ 738,000
Wastewater Collection System Upgrades	2026	$ 3,545,300
Southampton WWTP Headworks Upgrades[2.]	2026	$ 26,320,000
Port Elgin WWTP Upgrade Class EA[2.]	2026	$ 800,000
Total for 2026		***$ 31,983,300***
Wastewater Treatment Plant Annual Minor Capital Program	2027	$ 506,000
Wastewater Collection System Upgrades	2027	$ 1,056,000
Southampton WWTP UV Upgrade	2027	$ 300,000
Port Elgin WWTP Interim Upgrade	2027	$ 2,000,000
Total for 2027		***$ 3,862,000***
Wastewater Treatment Plant Annual Minor Capital Program	2028	$ 438,000
Wastewater Collection System Upgrades	2028	$ 1,800,900
Port Elgin WWTP Interim Upgrade	2027	$ 8,000,000
Total for 2028		***$ 10,238,900***
Wastewater Treatment Plant Annual Minor Capital Program	2029	$ 272,000
Wastewater Collection System Upgrades	2029	$ 1,470,000
Southampton WWTP Phase 2 Upgrades	2029	$ 300,000
Total for 2029		***$ 2,042,000***
Wastewater Treatment Plant Annual Minor Capital Program	2030	$ 367,500
Wastewater Collection System Upgrades	2030	$ 785,700
Southampton WWTP Phase 2 Upgrades	2030	$ 3,000,000
Total for 2030		***$ 4,153,200***
Wastewater Treatment Plant Annual Minor Capital Program	2031	$ 333,000
Wastewater Collection System Upgrades	2031	$ 1,645,500
Total for 2031		***$ 1,978,500***
Total for 2026-2031		***$ 47,757,900***

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. Includes carry forward from 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 with this financial plan is to create a long-term plan that will ensure adequate funding to operate, maintain and replace wastewater infrastructure in a similar manner as water infrastructure. This section of the Memo identifies the revenue increase 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. To supplement this, DC reserve contributions are being made in 2026 ($5.2 million) and 2028 ($7.0 million) to assist with growth related capital projects.
- Securing a grant fund of $18,760,000 in 2026 to assist with the Southampton WWTP Upgrades has also been incorporated into the Plan.

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:

- A 2.5% per year rate increase (i.e. match Rate of Replacement to what is being achieved on the water system - 45 years by the year 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 Wastewater 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:

<u>Match Rate of Replacement to the Water System (45 years)</u>

The suggested rate increase of 2.5% per year would achieve a rate of replacement of 45 years by the year 2031 matching what is being targeted on the water system.

7.3 Summary of Results

Table 8.1, found in Appendix A, provides year-by-year details of the wastewater system financial position. If selecting the recommended rate increase of 2.5% 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 2.5% Rate Increase

Description	% Annual Increase Required	Reserves at 2031	Financial Position (2031)			Rate of Replacement [2.] (Years)
			$	Change[1.] $	Change[1.] %	
2024 Position	-	$7.5M	$46.3M	-	-	79
Set RoR to match Water System RoR	2.5	$9.8M	$97.0M	$50.7M	110	45

Notes:
1. Difference between 2024 and 2031.
2. Rate of Replacement in year 2031 based on method described in Section 5.4.
3. Securing a Government grant of $18.8M in 2026 and large DC contributions in 2026 and 2028 are significant contributors to the large increase in the Financial Position by 2031.

8.0 SUMMARY

This Financial Plan has been prepared in a similar format to what was completed for the water system. The plan is guided by the MECP's *Principles of Financially Sustainable Water and Wastewater Systems*. Its primary objective is to ensure that the wastewater 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 wastewater 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 wastewater 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:** Wastewater rate revenues are expected to rise from $6.2 million in 2025 to $8.0 million by 2031.

3. **Cash and Reserve Outlook:** End-of-year cash and reserve balances are expected to rise from $7.5 million in 2025 to $9.8 million by 2031. Alternatively, the wastewater allocated portion of the DC reserves are expected to decline from $9.5 million in 2025 to $4.8 million by 2031, after contributing $12.2 million to various growth-related projects over the plan period.

4. **Capital Financing:** The plan does not incorporate any debentures but does take into account a grant fund of $18,760,000 in 2026 to assist with the Southampton WWTP Upgrades.

5. **Public Accessibility:** A copy of this Wastewater Financial Plan should be made available on the municipality's website for public access.

B. M. ROSS AND ASSOCIATES LIMITED

Per _____
Ryan P. DeVries, P. Eng.

RPD:hv
Encl.

APPENDIX A

YEAR-BY-YEAR WASTEWATER SYSTEM FINANCIAL POSITION

Table 8.1
TOWN OF SAUGEEN SHORES
2025-2031 Financial Plan for Wastewater Works

25-Aug-25

2.5% Revenue Increase - Reduce RoR to match 45 years Being Achieved on Water System

	2025	2026	2027	2028	2029	2030	2031
FINANCIAL POSITION							
Financial assets							
Cash and cash equivalents	3,827,539	184,052	806,677	2,247,790	5,150,643	6,292,632	9,841,122
Total FINANCIAL ASSETS	3,827,539	184,052	806,677	2,247,790	5,150,643	6,292,632	9,841,122
Liabilities							
Loans and Debentures	81,855	-	-	-	-	-	-
Total LIABILITIES	81,855	-	-	-	-	-	-
NET DEBT (Liabilities - Assets)	(3,745,684)	(184,052)	(806,677)	(2,247,790)	(5,150,643)	(6,292,632)	(9,841,122)
Non-financial assets (Tangible capital assets)							
Existing collection system and treatment facilities	30,646,556	37,318,876	68,271,573	70,657,484	79,365,112	79,729,599	82,176,091
Less: Amortization	(922,141)	(1,030,633)	(1,476,109)	(1,531,281)	(1,677,551)	(1,706,723)	(1,766,055)
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
New watermains and facilities - at cost	7,594,461	31,983,330	3,862,021	10,238,910	2,042,038	4,153,215	1,978,519
Total NON-FINANCIAL ASSETS	37,318,876	68,271,573	70,657,484	79,365,112	79,729,599	82,176,091	82,388,555
Financial position (Non Finance assets - Net Debt)	**41,064,560**	**68,455,624**	**71,464,161**	**81,612,902**	**84,880,242**	**88,468,723**	**92,229,677**
Analysis of financial position							
Equity in tangible capital assets	37,237,021	68,271,573	70,657,484	79,365,112	79,729,599	82,176,091	82,388,555
Reserves and reserve funds (excl. DCs)	3,827,539	184,052	806,677	2,247,790	5,150,643	6,292,632	9,841,122
DC reserve fund (wastewater allocation)	9,500,529	5,547,780	6,858,736	1,055,910	2,277,029	3,522,569	4,793,021
General surplus (deficit)		-	-	-	-	-	-
Financial position (from analysis)	**50,565,090**	**74,003,405**	**78,322,896**	**82,668,813**	**87,157,271**	**91,991,292**	**97,022,697**

	2025	2026	2027	2028	2029	2030	2031
FINANCIAL OPERATIONS							
Revenue							
User Fees							
Sewer-Recoveries	2,264	2,298	2,332	2,367	2,403	2,439	2,475
Sewer-Septic Waste Disposal	4,534	4,602	4,671	4,741	4,812	4,885	4,958
Sewer-Metered-Residential	2,231,428	2,238,451	2,335,724	2,437,237	2,543,159	2,653,669	2,747,212
Sewer-Metered-Commercial	692,619	830,409	851,169	872,449	894,260	916,616	939,532
Sewer-Service Charges-Commercial	520,159	580,386	594,896	609,768	625,013	640,638	656,654
Sewer-Service Charges-Residential	2,711,546	2,999,270	3,129,605	3,265,620	3,407,545	3,555,615	3,680,952
Sewer-Installation Charges	8,010	8,130	8,252	8,376	8,502	8,629	8,759
Total REVENUE	6,170,561	6,663,547	6,926,650	7,200,559	7,485,693	7,782,490	8,040,542
Expenses							
Administration							
Sewer-Wages	113,006	115,266	117,571	158,477	161,646	124,768	127,263
Sewers-Benefits	37,965	39,308	40,825	46,955	48,582	45,361	46,958
Sewers-Billing Costs	4,268	4,332	4,397	4,463	4,530	4,597	4,666
Sewers-Materials-Main Maintenance/Repairs	39,933	40,532	41,140	41,757	42,384	43,019	43,665
Sewers-Fuel	12,812	13,004	13,199	13,397	13,598	13,802	14,009
Sewers-Plant Maintenance/Repair	79,866	81,064	82,280	83,514	84,767	86,039	87,329
Sewers-Locates	6,993	7,098	7,205	7,313	7,423	7,534	7,647
Sewers-Consultants	11,621	11,796	11,973	12,152	12,334	12,519	12,707
Sewers-Insurance	31,284	31,753	32,230	32,713	33,204	33,702	34,207
Sewers-OCWA Maintenance-South Contract	115,574	117,308	119,067	120,853	122,666	124,506	126,374
Sewers-OCWA Maintenance-South Contract	715,457	736,457	757,457	778,457	799,457	820,457	841,457
Sewers-OCWA Maintenance-P E Contract	155,288	157,617	159,982	162,381	164,817	167,289	169,799
Sewers-OCWA Maintenance-P E Contract	961,307	975,726	990,362	1,005,218	1,020,296	1,035,601	1,051,135
Sewers-Contract-Lateral Clean/Repair	19,967	20,267	20,571	20,879	21,192	21,510	21,833
Sewers-Taxes	9,391	9,532	9,675	9,820	9,967	10,117	10,268
Sewers-Taxes	36,646	37,195	37,753	38,320	38,894	39,478	40,070
Sewers-Water/Sewer Reading	-	-	-	-	-	-	-
Subtotal Operating Expense	**2,351,378**	**2,398,255**	**2,445,686**	**2,536,669**	**2,585,758**	**2,590,299**	**2,639,386**
Sewers-Debt Int	3,397	-	-	-	-	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
Amortization of capital assets	922,141	1,030,633	1,476,109	1,531,281	1,677,551	1,706,723	1,766,055
Total EXPENSES	3,276,916	3,428,889	3,921,795	4,067,951	4,263,309	4,297,022	4,405,441
Net Revenue (Deficit) for the year	**2,893,644**	**3,234,658**	**3,004,855**	**3,132,608**	**3,222,384**	**3,485,468**	**3,635,101**

	2025	2026	2027	2028	2029	2030	2031
CASH FLOW							
Operating Transactions							
Net revenue (deficit) for the year	2,893,644	3,234,658	3,004,855	3,132,608	3,222,384	3,485,468	3,635,101
Add-back (deduct) non-cash expense:							
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-
Amortization of capital assets	922,141	1,030,633	1,476,109	1,531,281	1,677,551	1,706,723	1,766,055
Total OPERATING TRANSACTIONS	3,815,785	4,265,292	4,480,964	4,663,889	4,899,936	5,192,191	5,401,156
Capital Transactions							
Studies	-	(800,000)	-	-	-	-	-
Growth Related	-	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-	-
Replacement of Existing Treatment Works	(5,791,500)	(27,638,000)	(2,806,000)	(8,438,000)	(572,000)	(3,367,500)	(333,000)
Replacement of Existing Collection System	(1,802,961)	(3,545,330)	(1,056,021)	(1,800,910)	(1,470,038)	(785,715)	(1,645,519)
Total CAPITAL TRANSACTIONS	(7,594,461)	(31,983,330)	(3,862,021)	(10,238,910)	(2,042,038)	(4,153,215)	(1,978,519)
Investing Transactions							
Proceeds from portfolio investments	150,746	76,551	3,681	16,134	44,956	103,013	125,853
Purchase of portfolio investments	-	-	-	-	-	-	-
Total INVESTING TRANSACTIONS	150,746	76,551	3,681	16,134	44,956	103,013	125,853
Financing Transactions							
Loan - New Debenture	-	-	-	-	-	-	-
Debt Charges - Debenture Principal	(81,855)	-	-	-	-	-	-
Federal/Provincial grants	-	18,760,000	-	-	-	-	-
Contributions from DC Reserves	-	5,238,000	-	7,000,000	-	-	
Total FINANCING TRANSACTIONS	(81,855)	23,998,000	-	7,000,000	-	-	-
Net Cash Receipts (Payments) for the year	**(3,709,784)**	**(3,643,487)**	**622,625**	**1,441,113**	**2,902,854**	**1,141,989**	**3,548,489**
Cash at beginning of year	**7,537,323**	**3,827,539**	**184,052**	**806,677**	**2,247,790**	**5,150,643**	**6,292,632**
Cash at end of year	**3,827,539**	**184,052**	**806,677**	**2,247,790**	**5,150,643**	**6,292,632**	**9,841,122**