



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Water and Wastewater Financial Plans

Report Number: Public Works-2020-12

Meeting Date: Monday, April 6, 2020

Recommendation: That Council adopt the following resolution:

WHEREAS pursuant to the Safe Drinking Water act, 2002 and Ontario Regulation 453/7 financial plans are required for municipal drinking water licence applications;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Municipality of Kincardine approve the Municipality of Kincardine Water Financial Plan dated March 26, 2020

AND FURTHER THAT the Kincardine area and Tiverton Area Drinking water systems are financially viable;

AND FURTHER THAT Council receive the Water and Wastewater Rate Study as presented by Hemson Consulting

Date to be considered by Council: Monday, April 6, 2020

Report Summary:

The purpose of this report is to obtain Council authorization for the Kincardine Water financial plan as required under the Safe Drinking Water Act, 2002. The Financial Plan documents the financial commitments and funding sources for the current budget year, and projections for the subsequent nine years.

Origin: Safe Drinking Water Act 2002; O.Reg 453/07

Existing Policy: 2020 Consolidated Rates and Fees By-law

Background/Analysis: Under the Safe Drinking Water Act (SDWA), all municipal residential water systems must be licensed under the municipal drinking water licencing program. Municipal drinking water licences are valid for

five years, and the Municipality's licences are set to expire in November 2020. The deadline for application submission is May 12, 2020.

In order to renew the licences, the Municipality must submit a Water Financial Plan for each system to the Ministry of Municipal Affairs & Housing. O. Reg 453/07 stipulates the requirements of a Water Financial Plan, which must consist of a planning period of at least 6 years and must be approved by Council resolution indicating that the water system is "financially viable".

As a precursor to the Financial Plan, the Municipality's water and wastewater rates were reviewed to ensure that the Municipality continues to address the full cost of providing water and wastewater services. The Municipality has been implementing the recommended utility rates annually in accordance with the previous rate study that was received by Council in April 2015.

A new harmonized rate structure was passed by Council on March 9, 2020 to amalgamate the Tiverton and Kincardine water systems financially, and the water systems will transition to the new rate structure in 2021. The rates were updated based on recent consumption data and a revised long-term capital plan. The harmonized rates are forecasted to increase by 2.75% per year (fixed and variable) for water users compared to 2% in the past. The annual rate increase for sewer users will increase to 3% compared to 2% previously.

Community Plan and Integrated Community Sustainability Plan (ICSP)

Considerations: Our community will be water efficient and waste conservative minimizing our impacts on the natural environment.

Financial Implications: By approving the Financial Plans, Council endorses the financial viability of the Municipality's water systems. The Financial Plans and rate studies collectively, will be used to form the basis for developing the user fees in 2021 and beyond.

Attachments: Municipality of Kincardine Water Financial Plan- 27March 2020