

LaSalle Water

-Accounting for Every Drop-

(Updated for 2020 License Submission)

Water System Financial Plan

The Corporation of the Town of LaSalle
032-101

Prepared in accordance with the Safe Drinking
Water Act and its associated regulations

November 14, 2019

I. Introduction & Background

The Town of LaSalle (LaSalle or Town) operates a water distribution system which services approximately 10,944 water users located primarily within the Town of LaSalle boundaries. There are a few customers, generally located along boundary lines which are serviced by other municipal water systems. The municipal water system is comprised of approximately 217.8 kilometers of watermains which vary in size.

The Town purchases its water supply from the Windsor Utilities Commissions, an agency of the City of Windsor, through an agreement which last update took effect January 1, 2018. The water is transmitted or received from the Windsor Utilities Commission via a number of boundary meters located on the northerly and easterly borders of the Town.

With the introduction of the Safe Drinking Water Act, 2002 and the associated Ontario Regulations the legislative framework which governs the operations and maintenance of water services in Ontario has changed dramatically. The purpose of the Safe Drinking Water Act is to protect human health through the control and regulation of drinking-water systems and drinking-water testing.

Building on existing policy and practice in Ontario's treatment and distribution of drinking water, the Safe Drinking Water Act requires that all municipal drinking water systems obtain an approval from the Director of the Ministry of the Environment in order to operate. Operators are required to be trained and certified to provincial standards. The act also provides legally binding standards for testing of drinking water and requires that testing be done in licensed and accredited laboratories. As part of the Act and Regulations water system owners are required to provide a Financial Plan (Plan) to the Ministry of Municipal Affairs and Housing, which:

- Accounts for the inventory of the tangible capital assets required to provide the service
- Assesses the revenue and expenditures of providing the services – and forecasts these revenues and expenditures for a minimum of a six (6) year period
- Describes how the funding will be generated to cover the costs of the service
- Be approved by a resolution of Council

Currently there is no requirement to establish a plan to deal with Wastewater Service, however the Act and Regulations encourages wastewater system owners to prepare a financial plan.

II. Towards Financially Sustainable Drinking-Water and Wastewater Systems

Guidelines for the Plan

The LaSalle Plan has been prepared using the financial planning guidelines released by the Ministry of the Environment report – Towards Financially Sustainable Drinking-Water and Wastewater systems that are outlined below.

- Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.
- Principle #2: An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.
- Principle #3: Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.
- Principle #4: Life-cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.
- Principle #5: An asset management plan is a key input to the development of a financial plan.
- Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
- Principle #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.
- Principle #8: Financial plans are “living” documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.
- Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

Format of the Plan

The Regulation requires the Plan to contain projections of prescribed categories of financial information. The required categories of information in the Regulation are consistent with the presentation of financial statements in accordance with Section PS 1200 of the CICA Public Sector Accounting Handbook.

In essence, the Regulation requires owners to project certain elements of their statement of financial position, statement of operations, and statement of cash flow. Each of these statements are discussed briefly below:

- The statement of financial position highlights the key figures that describe the financial position of the government at the reporting date. For example, the net debt position of the government is calculated as the difference between its liabilities and financial assets. The non-financial assets of the government are assets that are, by nature, normally for use in service provision and include purchased, constructed, contributed, developed or leased tangible capital assets, inventories of supplies, and prepaid expenses.
- The statement of operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of government services provided in the period, the revenues recognized in the period and the difference between them. It measures, in monetary terms, the extent to which a government has maintained its net assets in the period.
- The statement of cash flow reports the change in cash and cash equivalents in the accounting period, and how a municipality finances its activities and meets its cash requirements.

Projections of these three statements will help provide a snapshot of a drinking-water system's projected financial situation, as well as the resources required to run and sustain the system.

III. FINANCIAL PLAN SUMMARY

The following table summarizes the 10 year forecasted Financial Plan for Water Services for the Town of LaSalle. Detailed information can be found on the following pages (5-1 to 5-6).

| Forecasted Year: | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Statement of Financial Position (in thousands) | | | | | | | | | | |
| Financial Assets | 4,758 | 4,619 | 4,695 | 4,916 | 5,355 | 5,942 | 6,666 | 7,462 | 8,408 | 9,440 |
| Liabilities | 1,101 | 1,177 | 1,255 | 1,335 | 1,416 | 1,499 | 1,583 | 1,670 | 1,757 | 1,847 |
| Net Financial Assets | 3,657 | 3,442 | 3,440 | 3,581 | 3,939 | 4,443 | 5,083 | 5,792 | 6,651 | 7,593 |
| Non Financial Assets | 31,052 | 32,107 | 33,215 | 34,378 | 35,599 | 36,881 | 38,228 | 39,643 | 41,129 | 42,690 |
| Accumulated Surplus | 34,709 | 35,549 | 36,655 | 37,959 | 39,538 | 41,324 | 43,311 | 45,435 | 47,780 | 50,283 |
| Statement of Financial Activity (in thousands) | | | | | | | | | | |
| Revenues | 5,627 | 6,019 | 6,494 | 6,911 | 7,413 | 7,858 | 8,305 | 8,700 | 9,189 | 9,626 |
| Expenditures | 5,083 | 5,179 | 5,388 | 5,607 | 5,834 | 6,071 | 6,318 | 6,575 | 6,844 | 7,123 |
| Annual Water Surplus | 544 | 840 | 1,106 | 1,304 | 1,579 | 1,787 | 1,987 | 2,125 | 2,345 | 2,503 |
| Affect to the Average Homeowner | | | | | | | | | | |
| Base Rate | 60 | 60 | 66 | 66 | 72 | 72 | 78 | 78 | 84 | 84 |
| Capital Charge | 132 | 150 | 168 | 186 | 204 | 222 | 233 | 245 | 257 | 270 |
| Consumption Charge | 283 | 294 | 305 | 317 | 330 | 343 | 357 | 371 | 385 | 401 |
| Total Charges | 475 | 504 | 539 | 569 | 606 | 637 | 668 | 693 | 726 | 754 |

It should be noted that the Plan has been prepared using the most accurate information available at the time of writing. The estimates are based on the current technical and financial requirements and may be subject to change. Actual results could differ from these estimates.

Town of LaSalle
Unaudited: Water Financial Plan
Ontario Regulation 453/07

| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-------------------|-------------------|-------------------|-----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| STATEMENT OF FINANCIAL POSITION | | | | | | | | | | | | | | |
| FINANCIAL ASSETS | | | | | | | | | | | | | | |
| Cash and investments - Unrestricted/Operating | 440,946 | 1,211,515 | 962,964 | A | 2,285,443 | 2,076,302 | 2,066,200 | 2,212,055 | 2,560,864 | 3,067,846 | 3,711,688 | 4,436,112 | 5,295,027 | 6,247,473 |
| Cash Investments - Restricted/Capital | 3,846,115 | 3,439,676 | 4,911,549 | A | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Accounts Receivable (net) | 501,143 | 917,594 | 964,474 | B | 972,363 | 1,042,992 | 1,128,354 | 1,203,543 | 1,293,858 | 1,373,880 | 1,454,404 | 1,525,451 | 1,613,470 | 1,692,121 |
| TOTAL FINANCIAL ASSETS | 4,788,204 | 5,568,785 | 6,838,988 | | 4,757,806 | 4,619,294 | 4,694,554 | 4,915,598 | 5,354,721 | 5,941,725 | 6,666,092 | 7,461,564 | 8,408,497 | 9,439,594 |
| LIABILITIES | | | | | | | | | | | | | | |
| Accounts Payable and Accrued Liabilities | 78 | 450,508 | - | C | - | - | - | - | - | - | - | - | - | - |
| Long Term Debt | - | - | - | | - | - | - | - | - | - | - | - | - | - |
| Post Retirement Obligations | 1,125,920 | 939,267 | 1,025,838 | D | 1,100,838 | 1,177,338 | 1,255,368 | 1,334,958 | 1,416,141 | 1,498,947 | 1,583,409 | 1,669,560 | 1,757,435 | 1,847,067 |
| TOTAL LIABILITIES | 1,125,998 | 1,389,775 | 1,025,838 | | 1,100,838 | 1,177,338 | 1,255,368 | 1,334,958 | 1,416,141 | 1,498,947 | 1,583,409 | 1,669,560 | 1,757,435 | 1,847,067 |
| NET FINANCIAL ASSETS/(DEBT) | 3,662,206 | 4,179,010 | 5,813,150 | | 3,656,969 | 3,441,956 | 3,439,186 | 3,580,640 | 3,938,580 | 4,442,779 | 5,082,683 | 5,792,003 | 6,651,062 | 7,592,527 |
| NON-FINANCIAL ASSETS | | | | | | | | | | | | | | |
| Net-Tangible Capital Assets | 26,274,969 | 27,611,739 | 28,352,381 | E | 31,052,381 | 32,107,381 | 33,215,381 | 34,378,381 | 35,599,381 | 36,881,381 | 38,228,381 | 39,643,381 | 41,129,381 | 42,690,381 |
| Prepaid Expenses (net) | - | - | - | | - | - | - | - | - | - | - | - | - | - |
| TOTAL NON-FINANCIAL ASSETS | 26,274,969 | 27,611,739 | 28,352,381 | | 31,052,381 | 32,107,381 | 33,215,381 | 34,378,381 | 35,599,381 | 36,881,381 | 38,228,381 | 39,643,381 | 41,129,381 | 42,690,381 |
| ACCUMULATED SURPLUS/(DEFICIT) | 29,937,175 | 31,790,748 | 34,165,531 | | 34,709,350 | 35,549,338 | 36,654,568 | 37,959,021 | 39,537,962 | 41,324,160 | 43,311,064 | 45,435,385 | 47,780,444 | 50,282,908 |
| ACCUMULATED SURPLUS/(DEFICIT) Consists of: | | | | | | | | | | | | | | |
| Deferred Revenue, Capital Deposits & Retained Earnings | 4,788,126 | 5,118,277 | 6,838,988 | | 4,757,806 | 4,619,294 | 4,694,554 | 4,915,598 | 5,354,721 | 5,941,725 | 6,666,092 | 7,461,564 | 8,408,497 | 9,439,594 |
| Net Tangible Capital Assets | 26,274,969 | 27,611,739 | 28,352,381 | E | 31,052,381 | 32,107,381 | 33,215,381 | 34,378,381 | 35,599,381 | 36,881,381 | 38,228,381 | 39,643,381 | 41,129,381 | 42,690,381 |
| Post Retirement Obligations | (1,125,920) | (939,267) | (1,025,838) | | (1,100,838) | (1,177,338) | (1,255,368) | (1,334,958) | (1,416,141) | (1,498,947) | (1,583,409) | (1,669,560) | (1,757,435) | (1,847,067) |
| ACCUMULATED SURPLUS/(DEFICIT) | 29,937,175 | 31,790,748 | 34,165,531 | | 34,709,350 | 35,549,338 | 36,654,568 | 37,959,021 | 39,537,962 | 41,324,160 | 43,311,064 | 45,435,385 | 47,780,444 | 50,282,908 |

Town of LaSalle
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| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------------------|------------------|------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| STATEMENT OF FINANCIAL ACTIVITY | | | | | | | | | | | | | | |
| WATER REVENUE | | | | | | | | | | | | | | |
| Consumption Revenues | 2,643,299 | 2,923,263 | 3,062,036 | F | 3,216,867 | 3,379,192 | 3,549,320 | 3,727,617 | 3,914,461 | 4,110,250 | 4,315,399 | 4,530,341 | 4,755,531 | 4,991,442 |
| Base Rate Revenues | 659,899 | 720,331 | 682,695 | F | 682,860 | 690,060 | 766,986 | 774,906 | 853,992 | 862,632 | 943,878 | 953,238 | 1,036,644 | 1,046,724 |
| Watermain replacement levy revenue | 1,322,884 | 1,507,146 | 1,415,469 | F | 1,502,292 | 1,725,150 | 1,952,328 | 2,183,826 | 2,419,644 | 2,659,782 | 2,820,743 | 2,991,151 | 3,171,548 | 3,362,506 |
| Capital Grant / Other Revenue | 2,378,794 | 1,019,723 | 1,425,174 | | - | - | - | - | - | - | - | - | - | - |
| Interest and Penalty Revenue | 83,885 | 120,435 | 178,385 | | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Other Contributions | | | - | | - | - | - | - | - | - | - | - | - | - |
| Gain / (Loss) on disposal of Tangible Capital Assets | (53,787) | (48,254) | (13,861) | | - | - | - | - | - | - | - | - | - | - |
| Other Revenues | 162,260 | 133,153 | 163,614 | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Water Revenue | 7,197,235 | 6,375,797 | 6,913,512 | | 5,627,019 | 6,019,402 | 6,493,634 | 6,911,349 | 7,413,097 | 7,857,664 | 8,305,020 | 8,699,730 | 9,188,723 | 9,625,672 |
| WATER EXPENDITURES | | | | | | | | | | | | | | |
| Water Purchases | 1,616,651 | 1,420,856 | 1,488,910 | G | 1,800,000 | 1,757,459 | 1,845,941 | 1,938,670 | 2,035,844 | 2,137,670 | 2,244,365 | 2,356,153 | 2,473,270 | 2,595,963 |
| Labour Costs | 876,945 | 740,754 | 821,549 | H | 985,300 | 1,043,000 | 1,079,505 | 1,117,288 | 1,156,393 | 1,196,866 | 1,238,757 | 1,282,113 | 1,326,987 | 1,373,432 |
| Administrative Expenses | 16,468 | - | - | I | - | - | - | - | - | - | - | - | - | - |
| Personnel Expenses | - | - | - | I | - | - | - | - | - | - | - | - | - | - |
| Facility Expenses | - | - | - | I | - | - | - | - | - | - | - | - | - | - |
| Vehicle/Equipment Expenses | 14,178 | 17,304 | 12,346 | I | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | 22,523 | 22,974 | 23,433 | 23,902 |
| System Operations/Maintenance | 430,985 | 737,423 | 289,525 | I | 321,500 | 327,930 | 334,489 | 341,178 | 348,002 | 354,962 | 362,061 | 369,302 | 376,688 | 384,222 |
| Overhead Allocation | 902,900 | 943,200 | 962,000 | J | 981,400 | 1,009,125 | 1,037,632 | 1,066,945 | 1,097,087 | 1,128,079 | 1,159,948 | 1,192,716 | 1,226,410 | 1,261,056 |
| Post Retirement Benefit Expense | 54,577 | (186,653) | 86,571 | D | 75,000 | 76,500 | 78,030 | 79,591 | 81,182 | 82,806 | 84,462 | 86,151 | 87,874 | 89,632 |
| Amortization of Capital Assets | 705,929 | 849,339 | 877,828 | E | 900,000 | 945,000 | 992,000 | 1,042,000 | 1,094,000 | 1,149,000 | 1,206,000 | 1,266,000 | 1,329,000 | 1,395,000 |
| Water Expenditures | 4,618,632 | 4,522,223 | 4,538,729 | | 5,083,200 | 5,179,414 | 5,388,404 | 5,606,896 | 5,834,156 | 6,071,466 | 6,318,116 | 6,575,410 | 6,843,664 | 7,123,208 |
| ANNUAL WATER SURPLUS/(DEFICIT) | 2,578,602 | 1,853,573 | 2,374,783 | | 543,819 | 839,988 | 1,105,230 | 1,304,453 | 1,578,941 | 1,786,198 | 1,986,904 | 2,124,321 | 2,345,059 | 2,502,465 |

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| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|--------------------|--------------------|--------------------|-----|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| STATEMENT OF NET CASH FLOWS | | | | | | | | | | | | | | |
| Opening Cash Position | 3,831,431 | 4,287,061 | 4,651,190 | | 5,874,513 | 3,785,443 | 3,576,302 | 3,566,200 | 3,712,055 | 4,060,864 | 4,567,846 | 5,211,688 | 5,936,112 | 6,795,027 |
| Operating Transactions | | | | | | | | | | | | | | |
| Annual Water Surplus/(Deficit) | 2,578,602 | 1,853,573 | 2,374,783 | | 543,819 | 839,988 | 1,105,230 | 1,304,453 | 1,578,941 | 1,786,198 | 1,986,904 | 2,124,321 | 2,345,059 | 2,502,465 |
| Amortization of Capital Assets | 705,929 | 849,339 | 877,828 | | 900,000 | 945,000 | 992,000 | 1,042,000 | 1,094,000 | 1,149,000 | 1,206,000 | 1,266,000 | 1,329,000 | 1,395,000 |
| Loss on disposal of Capital Assets | 53,787 | 48,254 | 13,861 | | - | - | - | - | - | - | - | - | - | - |
| Change in Post Retirement Benefits | 54,577 | (186,653) | 86,571 | | 75,000 | 76,500 | 78,030 | 79,591 | 81,182 | 82,806 | 84,462 | 86,151 | 87,874 | 89,632 |
| Change in Accounts Receivable | (21,177) | (416,451) | (46,880) | | (7,890) | (70,629) | (85,362) | (75,189) | (90,315) | (80,022) | (80,524) | (71,048) | (88,019) | (78,651) |
| Change in Accounts Payable | 78 | 450,430 | (450,508) | | - | - | - | - | - | - | - | - | - | - |
| Change in Prepaid Expenses | - | - | - | | - | - | - | - | - | - | - | - | - | - |
| Changes in Cash Position - Operating | 3,371,796 | 2,598,492 | 2,855,655 | | 1,510,930 | 1,790,859 | 2,089,898 | 2,350,855 | 2,663,809 | 2,937,982 | 3,196,842 | 3,405,424 | 3,673,915 | 3,908,446 |
| Capital Transactions | | | | | | | | | | | | | | |
| Acquisition of Tangible Capital Assets | (2,916,166) | (2,234,362) | (1,632,332) | | (3,600,000) | (2,000,000) | (2,100,000) | (2,205,000) | (2,315,000) | (2,431,000) | (2,553,000) | (2,681,000) | (2,815,000) | (2,956,000) |
| Changes in Cash Position-Capital | (2,916,166) | (2,234,362) | (1,632,332) | | (3,600,000) | (2,000,000) | (2,100,000) | (2,205,000) | (2,315,000) | (2,431,000) | (2,553,000) | (2,681,000) | (2,815,000) | (2,956,000) |
| CLOSING CASH POSITION | 4,287,061 | 4,651,190 | 5,874,513 | | 3,785,443 | 3,576,302 | 3,566,200 | 3,712,055 | 4,060,864 | 4,567,846 | 5,211,688 | 5,936,112 | 6,795,027 | 7,747,473 |
| CLOSING CASH POSITION | | | | | | | | | | | | | | |
| Cash and Investments - Unrestricted/Operating | 440,946 | 1,211,515 | 962,964 | | 2,285,443 | 2,076,302 | 2,066,200 | 2,212,055 | 2,560,864 | 3,067,846 | 3,711,688 | 4,436,112 | 5,295,027 | 6,247,473 |
| Cash and Investments - Restricted/Capital | 3,846,115 | 3,439,676 | 4,911,549 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| CLOSING CASH POSITION | 4,287,061 | 4,651,191 | 5,874,514 | | 3,785,443 | 3,576,302 | 3,566,200 | 3,712,055 | 4,060,864 | 4,567,846 | 5,211,688 | 5,936,112 | 6,795,027 | 7,747,473 |

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| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-------------------|-------------------|-------------------|-----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| STATEMENT OF CHANGES IN NET ASSETS/(DEBT) | | | | | | | | | | | | | | |
| Opening Net Assets/(Debt) | 3,240,054 | 3,662,206 | 4,179,010 | | 5,813,150 | 3,656,969 | 3,441,957 | 3,439,187 | 3,580,640 | 3,938,581 | 4,442,779 | 5,082,683 | 5,792,004 | 6,651,063 |
| Annual Water Surplus/(Deficit) | 2,578,602 | 1,853,573 | 2,374,783 | | 543,819 | 839,988 | 1,105,230 | 1,304,453 | 1,578,941 | 1,786,198 | 1,986,904 | 2,124,321 | 2,345,059 | 2,502,465 |
| Acquisition of Tangible Capital Assets | (2,916,166) | (2,234,362) | (1,632,332) | | (3,600,000) | (2,000,000) | (2,100,000) | (2,205,000) | (2,315,000) | (2,431,000) | (2,553,000) | (2,681,000) | (2,815,000) | (2,956,000) |
| Amortization of Tangible Capital Assets | 705,929 | 849,339 | 877,828 | | 900,000 | 945,000 | 992,000 | 1,042,000 | 1,094,000 | 1,149,000 | 1,206,000 | 1,266,000 | 1,329,000 | 1,395,000 |
| (Gain) / Loss on Disposal of Tangible Capital Assets | 53,787 | 48,254 | 13,861 | | - | - | - | - | - | - | - | - | - | - |
| Change in Prepaid Expenses | - | - | - | | - | - | - | - | - | - | - | - | - | - |
| Changes in Net Debt | 422,152 | 516,804 | 1,634,140 | | (2,156,181) | (215,012) | (2,770) | 141,453 | 357,941 | 504,198 | 639,904 | 709,321 | 859,059 | 941,465 |
| CLOSING NET ASSETS/(DEBT) | 3,662,206 | 4,179,010 | 5,813,150 | | 3,656,969 | 3,441,957 | 3,439,187 | 3,580,640 | 3,938,581 | 4,442,779 | 5,082,683 | 5,792,004 | 6,651,063 | 7,592,527 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| STATEMENT OF CHANGES IN ACCUMULATED SURPLUS/(DEFICIT) | | | | | | | | | | | | | | |
| Opening Accumulated Surplus/(Deficit) | 27,358,572 | 29,937,175 | 31,790,748 | | 34,165,531 | 34,709,350 | 35,549,338 | 36,654,568 | 37,959,021 | 39,537,962 | 41,324,160 | 43,311,064 | 45,435,385 | 47,780,443 |
| Acquisition of Tangible Capital Assets | 2,916,166 | 2,234,362 | 1,632,332 | | 3,600,000 | 2,000,000 | 2,100,000 | 2,205,000 | 2,315,000 | 2,431,000 | 2,553,000 | 2,681,000 | 2,815,000 | 2,956,000 |
| Amortization of Tangible Capital Assets | (705,929) | (849,339) | (877,828) | | (900,000) | (945,000) | (992,000) | (1,042,000) | (1,094,000) | (1,149,000) | (1,206,000) | (1,266,000) | (1,329,000) | (1,395,000) |
| Gain / (Loss) on Disposal of Tangible Capital Assets | (53,787) | (48,254) | (13,861) | | - | - | - | - | - | - | - | - | - | - |
| Change in Reserves and Reserve Funds | 476,728 | 330,151 | 1,720,711 | | (2,081,181) | (138,512) | 75,260 | 221,044 | 439,123 | 587,004 | 724,366 | 795,472 | 946,933 | 1,031,097 |
| Change in Post Retirement Benefits | (54,577) | 186,653 | (86,571) | | (75,000) | (76,500) | (78,030) | (79,591) | (81,182) | (82,806) | (84,462) | (86,151) | (87,874) | (89,632) |
| CLOSING ACCUMULATED SURPLUS/(DEFICIT) | 29,937,175 | 31,790,748 | 34,165,531 | | 34,709,350 | 35,549,338 | 36,654,568 | 37,959,021 | 39,537,962 | 41,324,160 | 43,311,064 | 45,435,385 | 47,780,443 | 50,282,908 |

Town of LaSalle
Unaudited: Water Financial Plan
Ontario Regulation 453/07

| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|------------|------------|------------|-----|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| STATEMENT OF TANGIBLE CAPITAL ASSETS | | | | | | | | | | | | | | |
| Opening: Net Book Value | 24,118,518 | 26,274,969 | 27,611,739 | | 28,352,381 | 31,052,381 | 32,107,381 | 33,215,381 | 34,378,381 | 35,599,381 | 36,881,381 | 38,228,381 | 39,643,381 | 41,129,381 |
| Opening: Cost | 34,847,618 | 37,604,787 | 39,689,005 | | 41,238,555 | 44,838,555 | 46,838,555 | 48,938,555 | 51,143,555 | 53,458,555 | 55,889,555 | 58,442,555 | 61,123,555 | 63,938,555 |
| Acquisition of Tangible Capital Assets | 2,916,166 | 2,234,362 | 1,632,332 | | 3,600,000 | 2,000,000 | 2,100,000 | 2,205,000 | 2,315,000 | 2,431,000 | 2,553,000 | 2,681,000 | 2,815,000 | 2,956,000 |
| Disposal of Tangible Capital Assets | (158,997) | (150,145) | (82,782) | | - | - | - | - | - | - | - | - | - | - |
| Closing: Cost | 37,604,787 | 39,689,005 | 41,238,555 | | 44,838,555 | 46,838,555 | 48,938,555 | 51,143,555 | 53,458,555 | 55,889,555 | 58,442,555 | 61,123,555 | 63,938,555 | 66,894,555 |
| Opening: Accumulated Amortization | 10,729,100 | 11,329,818 | 12,077,266 | | 12,886,173 | 13,786,173 | 14,731,173 | 15,723,173 | 16,765,173 | 17,859,173 | 19,008,173 | 20,214,173 | 21,480,173 | 22,809,173 |
| Amortization of Tangible Capital Assets | 705,929 | 849,339 | 877,828 | | 900,000 | 945,000 | 992,000 | 1,042,000 | 1,094,000 | 1,149,000 | 1,206,000 | 1,266,000 | 1,329,000 | 1,395,000 |
| Accumulated Amortization of Disposed Assets | (105,210) | (101,891) | (68,921) | | - | - | - | - | - | - | - | - | - | - |
| Closing: Accumulated Amortization | 11,329,818 | 12,077,266 | 12,886,173 | | 13,786,173 | 14,731,173 | 15,723,173 | 16,765,173 | 17,859,173 | 19,008,173 | 20,214,173 | 21,480,173 | 22,809,173 | 24,204,173 |
| Closing Net Book Value | 26,274,969 | 27,611,739 | 28,352,381 | | 31,052,381 | 32,107,381 | 33,215,381 | 34,378,381 | 35,599,381 | 36,881,381 | 38,228,381 | 39,643,381 | 41,129,381 | 42,690,381 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| CASH FLOW REQUIREMENTS: | | | | | | | | | | | | | | |
| Water Purchases | 1,616,651 | 1,420,856 | 1,488,910 | | 1,800,000 | 1,757,459 | 1,845,941 | 1,938,670 | 2,035,844 | 2,137,670 | 2,244,365 | 2,356,153 | 2,473,270 | 2,595,963 |
| Labour Costs | 876,945 | 740,754 | 821,549 | | 985,300 | 1,043,000 | 1,079,505 | 1,117,288 | 1,156,393 | 1,196,866 | 1,238,757 | 1,282,113 | 1,326,987 | 1,373,432 |
| Operating Costs | 461,631 | 754,727 | 301,871 | | 1,322,900 | 1,357,455 | 1,392,929 | 1,429,348 | 1,466,737 | 1,505,123 | 1,544,532 | 1,584,992 | 1,626,532 | 1,669,181 |
| Capital (TCA) requirements | 2,916,166 | 2,234,362 | 1,632,332 | | 3,600,000 | 2,000,000 | 2,100,000 | 2,205,000 | 2,315,000 | 2,431,000 | 2,553,000 | 2,681,000 | 2,815,000 | 2,956,000 |
| Cash Flow Requirement | 5,871,393 | 5,150,699 | 4,244,662 | | 7,708,200 | 6,157,914 | 6,418,374 | 6,690,305 | 6,973,974 | 7,270,660 | 7,580,654 | 7,904,258 | 8,241,789 | 8,594,576 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Forecasted Water Revenues | 7,197,235 | 6,375,797 | 6,913,512 | | 5,627,019 | 6,019,402 | 6,493,634 | 6,911,349 | 7,413,097 | 7,857,664 | 8,305,020 | 8,699,730 | 9,188,723 | 9,625,672 |
| | | | | | | | | | | | | | | |
| Surplus/(Deficit) | 1,325,841 | 1,225,097 | 2,668,850 | | (2,081,181) | (138,512) | 75,260 | 221,044 | 439,123 | 587,004 | 724,366 | 795,472 | 946,933 | 1,031,097 |

Town of LaSalle
Unaudited: Water Financial Plan
Ontario Regulation 453/07

| Town of LaSalle | 2016 | 2017 | 2018 | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|-----------|-----------|-----------|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Water Department Summary | Actual | Actual | Actual | Ref | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| BASE OPERATIONS DATA | | | | | | | | | | | | | | |
| Inflationary Factor (CPI-Ontario) | | | | | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Household Growth Rate | | | | | | | | | | | | | | |
| Household Growth Rate | | | | | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| Average Household Count | 10,792 | 10,989 | 11,261 | | 11,381 | 11,501 | 11,621 | 11,741 | 11,861 | 11,981 | 12,101 | 12,221 | 12,341 | 12,461 |
| Water Consumption (m3) per Household | 282 | 306 | 272 | | 269 | 267 | 264 | 261 | 259 | 256 | 253 | 251 | 248 | 246 |
| | | | | | | | | | | | | | | |
| Water Sales (m3) | 3,038,276 | 3,360,115 | 3,062,000 | | 3,063,683 | 3,065,026 | 3,066,036 | 3,066,720 | 3,067,083 | 3,067,132 | 3,066,873 | 3,066,313 | 3,065,458 | 3,064,313 |
| Average unit sale price per m3 (consumption) | 0.87 | 0.87 | 1.00 | | 1.05 | 1.10 | 1.16 | 1.22 | 1.28 | 1.34 | 1.41 | 1.48 | 1.55 | 1.63 |
| Water Sales (\$) | 2,643,300 | 2,923,300 | 3,062,000 | | 3,216,867 | 3,379,192 | 3,549,320 | 3,727,617 | 3,914,461 | 4,110,250 | 4,315,399 | 4,530,341 | 4,755,531 | 4,991,442 |
| | | | | | | | | | | | | | | |
| Water Purchases (m3) | 4,157,110 | 3,653,638 | 3,344,340 | | 3,330,090 | 3,331,550 | 3,332,648 | 3,333,391 | 3,333,786 | 3,333,839 | 3,333,558 | 3,332,949 | 3,332,019 | 3,330,775 |
| Average cost per unit purchased (\$/m3) | 0.39 | 0.39 | 0.45 | | 0.50 | 0.53 | 0.55 | 0.58 | 0.61 | 0.64 | 0.67 | 0.71 | 0.74 | 0.78 |
| Water purchases (\$) | 1,616,700 | 1,420,900 | 1,488,900 | | 1,673,037 | 1,757,459 | 1,845,941 | 1,938,670 | 2,035,844 | 2,137,670 | 2,244,365 | 2,356,153 | 2,473,270 | 2,595,963 |
| | | | | | | | | | | | | | | |
| Water Loss | 26.9% | 8.0% | 8.4% | | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Unaccounted water (m3) | 1,118,834 | 293,524 | 282,340 | | 266,407 | 266,524 | 266,612 | 266,671 | 266,703 | 266,707 | 266,685 | 266,636 | 266,562 | 266,462 |
| Value of unaccounted water (\$) | 435,115 | 114,151 | 125,698 | | 133,843 | 140,597 | 147,675 | 155,094 | 162,868 | 171,014 | 179,549 | 188,492 | 197,862 | 207,677 |
| | | | | | | | | | | | | | | |
| Average base rate per household | 61.15 | 65.55 | 60.62 | | 60.00 | 60.00 | 66.00 | 66.00 | 72.00 | 72.00 | 78.00 | 78.00 | 84.00 | 84.00 |
| Average capital charge per household | 122.58 | 137.15 | 125.70 | | 132.00 | 150.00 | 168.00 | 186.00 | 204.00 | 222.00 | 233.10 | 244.76 | 256.99 | 269.84 |
| Average consumption revenue per household | 244.93 | 266.02 | 271.91 | | 282.65 | 293.82 | 305.42 | 317.49 | 330.03 | 343.06 | 356.62 | 370.70 | 385.34 | 400.57 |
| Total average annual water billing | 428.66 | 468.72 | 458.23 | | 474.65 | 503.82 | 539.42 | 569.49 | 606.03 | 637.06 | 667.72 | 693.46 | 726.34 | 754.41 |

IV. FINANCIAL PLAN – Notes and References

- A. **Cash and Investment:** Cash and Investments are comprised of two difference accounts. The first is the Net Operating Cash Balance, which is the combination of the operating bank balance less any temporary borrowings outstanding. The second component is the Restrict Capital Balance which is typically invested and was established, by a resolution of Council, to set aside funding to address an unforeseen or scheduled water emergency which would require financial support. The minimum balance set was \$1.5 million.
- B. **Accounts Receivable:** Account Receivable balances have been estimated based as a percentage of the total revenues billed to users. The accounts receivable rate utilized, 18%, was determined as part of an analysis of the historical rate. It assumed that in the current year the previous balances are collected and the current years balances remain outstanding.
- C. **Accounts Payable & Accrued Liabilities:** The Accounts Payable & Accrued Liabilities balances have been calculated based on historical trends.
- D. **Post Retirement Obligation:** The Post Retirement Obligation represents the future cost of extend health benefits to existing current employees and retired employees. The Town obtains this value through the engagement of an actuarial valuation for the Town as a whole. The Water Operation's portion has been calculated as 4% of the entire Town portion, based on the ratio of Water employees and retirees to the total Town employees and retirees. Annual increases to the post retirement obligation have been based on historical trends.
- E. **Tangible Capital Assets:** Tangible Capital Assets (TCA) represent the capital assets of the systems as well as assets related to the delivery of services. As part of the changeover in 2009/2010 to the Public Sector Accounting Board recommendations, the Town compiled the inventory of TCA of the water system along all other assets of the Town. Previously, capital assets were expensed in the year they were purchased. The chart below summarized in total the tangible capital assets of the water system.

| (In Thousands) | 2016 | | | 2017 | | | 2018 | | |
|-----------------|--------|----------------------|----------------|--------|----------------------|----------------|--------|----------------------|----------------|
| | Cost | Accum. Amort-ization | Net Book Value | Cost | Accum. Amort-ization | Net Book Value | Cost | Accum. Amort-ization | Net Book Value |
| Opening Balance | 34,848 | 10,729 | 24,119 | 37,605 | 11,330 | 26,275 | 39,689 | 12,077 | 27,612 |
| Net Additions | 2,757 | 601 | 2,156 | 2,084 | 747 | 1,337 | 1,550 | 809 | 741 |
| Closing Balance | 37,605 | 11,330 | 26,275 | 39,689 | 12,077 | 27,612 | 41,239 | 12,886 | 28,352 |

As part compiling the inventory of the Town utilized a TCA system to track additions, disposals and amortization of the assets. While the TCA System does not address the replacement of singular assets the system does approximate the replacement date and approximate further replacement cost. The following chart summarizes the expected replacement schedule of the assets of the water system.

| Now Due | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------|------|------|------|------|------|------|------|------|--------------------|---------|
| 507 | 48 | 27 | 10 | 35 | 21 | 6 | 12 | 6 | 6 | - |
| | | | | | | | | | Beyond 2028 | 512,921 |

For the purposes of the Financial Plan the replacement of tangible capital assets has been on the following schedule. It is important to note, it is assumed that \$2,000,000 of capital expenditures will occur in 2020 and increase annually at a rate of 5% thereafter for inflation.

| Now Due/2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 3,600 | 2,000 | 2,100 | 2,205 | 2,315 | 2,431 | 2,553 | 2,681 | 2,815 | 2,956 |

Annual amortization has been calculated based on past amortization expenses adjusted for additional amortization expenses resulting from projected future capital purchases.

- F. Water Sales & Revenues: Water Sales are the product of average household count of the Town, the average water consumption per household and water rates. In determining the water sales for the forecast, the following assumptions were made:
- The household growth rate will be consistent at 120 homes per year over the next 10 years. This is consistent with expectations of the Development and Strategic Initiatives department assuming that the Town is able to develop the Howard-Bouffard area of Town within a five-year timeframe.
 - The average household utilization of water would decrease over time at an average annual rate of 1%. This is consistent with current and expected further conservation policies and historic trends for water utilization.
 - The average consumption sale price per unit (cubic meter) is assumed to increase at an annual rate consistent with the bulk rate increase from the Windsor Utilities Commission (WUC). Based on historical trends, this results in an annual 5% rate increase.

It should be noted that the average unit sale price per unit is the weighted average of the 3 block rates 70% of Block 1 (0-81 cubic meters per quarter), 12% of Block 2 (81-135 cubic meters per quarter) and 18% of Block 3 (over 135 cubic meters per quarter) which are currently in place.

- iv. Fixed and Base Charges are assumed to increase at the following intervals:
 - a) Base Rate: The base rate, used to fund operating expenditures is assumed to increase by an amount of \$6 every second year (\$1.50 per quarter). This is based on the objective of decreasing the reliance on consumption related revenues over time, thus ensuring a stable funding base.
 - b) Capital Rate: The capital rate is assumed to increase at a rate of \$18 every year (\$4.50 per quarter) up to 2024 and a 5% annual increase thereafter to ensure that the appropriate funding is raised to address the capital replacement requirements of the system and any inflationary increases.
- G. Water Purchases: Water purchases are a function of the water sales and the unaccounted water lost. In determining the water purchases for the forecast the following assumptions were made:
 - i. The average purchase price per unit from WUC is assumed to increase at a rate of 5% per year. This increase is due to three factors:
 - 1) inflationary production and distribution cost increases,
 - 2) lower overall consumption, which results in less cubic meters to allocate cost to
 - 3) increase in LaSalle's share percentage as compared to Tecumseh and Windsor as LaSalle's usage is decreasing at a rate slower than Windsor and Tecumseh's usage rates and LaSalle's growth rate is faster than Windsor and Tecumseh's growth rate.
 - ii. It is assumed that over the forecast period the amount of unaccounted for water will stay consistent at 8.0% annually.
- H. Labour Costs: Labour Costs have been estimated based on the following: (1) Wages and Salary costs (which represent 75% of the total labour cost) will increase at the assumed inflationary factor, and (2) the Benefits cost (which represents the remaining 25% of the total labour cost) will increase at an annual rate of 7.5%. The inflationary factor and the benefit increase rate are based on historical trends.
- I. Operating Expenditures: Operating Expenditures have been increased by the assumed inflationary factor, which has been based on historical trends of 2%.
- J. Overhead Allocation: Overhead expenditures are 55% labour related and 45% operating expense related. The labour portion is assumed to increase 3.5% annually, based on historical trends (consists of wages and benefits) and the operating portion has increased based on the inflationary factor of 2%.

V. Submission to and Approval by the Province

As part of Ontario Regulation 453/07, the process established for approval of the plan, public circulation, and filing is provided as follows:

1. The financial plan must be approved by resolution of the municipality who owns the drinking water systems or the governing body of the owner.
2. The owner of the drinking water systems must provide notice advertising the availability of the financial plan. The plans will be made available to the public upon request and without charge. The plans must also be made available to the public on the municipality's website. The owner of the drinking water systems must provide a copy of the financial plan to the Director of Policy Branch, Ministry of Municipal Affairs and Housing.
3. The owner of the drinking water system must provide proof satisfactory to the Ministry of the Environment that the financial plans for the system satisfy the requirements under the Safe Water Drinking Act.

VII. Recommendations

This report presents the water financial plan for the Town of LaSalle in accordance with the mandatory reporting formats for water systems as detailed in Act and Regulations. Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The Town of LaSalle Water Financial Plan dated November 14, 2019 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. Submit the Financial Plan, the Council Resolution approving the Financial Plan, and the Water and Wastewater Rate Study underpinning the Financial Plan, to the Ministry of Municipal Affairs and Housing.
4. Submit the Financial Plan, the Council Resolution approving the Financial Plan, and the Water and Wastewater Rate Study underpinning the Financial Plan, to the Ministry of the Environment, satisfying the requirements under the Safe Drinking Water Act.

Submitted by:



Dale Langlois, CPA, CA
Director of Finance & Treasurer

Appendix A: Town of LaSalle
Ontario – Municipal Drinking Water License



MUNICIPAL DRINKING WATER LICENCE

Licence Number: 032-101

Issue Number: 3

Pursuant to the *Safe Drinking Water Act*, 2002, S.O. 2002, c. 32, and the regulations made thereunder and subject to the limitations thereof, this municipal drinking water licence is issued under Part V of the *Safe Drinking Water Act*, 2002, S.O. 2002, c. 32 to:

The Corporation of the Town of LaSalle

**5950 Malden Road
LaSalle, ON N9H 1S4**

For the following municipal residential drinking water system:

Town of LaSalle Distribution System

This municipal drinking water licence includes the following:

| Schedule | Description |
|-----------------|--|
| Schedule A | Drinking Water System Information |
| Schedule B | General Conditions |
| Schedule C | System-Specific Conditions |
| Schedule D | Conditions for Relief from Regulatory Requirements |

DATED at TORONTO this 24th day of December, 2015

Signature

A handwritten signature in black ink that reads "A. Ahmed". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Aziz Ahmed, P.Eng.
Director
Part V, *Safe Drinking Water Act*, 2002

Schedule A: Drinking Water System Information

| | |
|----------------------------|--|
| System Owner | The Corporation of the Town of LaSalle |
| Licence Number | 032-101 |
| Drinking Water System Name | Town of LaSalle Distribution System |
| Schedule A Issue Date | December 24th, 2015 |

The following information is applicable to the above drinking water system and forms part of this licence:

Licence

| | |
|--------------------------------------|------------|
| Licence Issue Date | 2015-12-24 |
| Licence Expiry Date | 2020-06-23 |
| Application for Licence Renewal Date | 2019-12-23 |

Drinking Water Works Permit

| Drinking Water System Name | Permit Number | Issue Date |
|-------------------------------------|---------------|-------------------|
| Town of LaSalle Distribution System | 032-201 | December 24, 2015 |

Permit To Take Water

| Water Taking Locations | Permit Number | Issue Date |
|------------------------|----------------|----------------|
| Not Applicable | Not Applicable | Not Applicable |

Financial Plans

| | |
|--|----------|
| The Financial Plan Number for the Financial Plan required to be developed for this drinking water system in accordance with O. Reg. 453/07 shall be: | 032-301 |
| Alternately, if one Financial Plan is developed for all drinking water systems owned by the owner, the Financial Plan Number shall be: | 032-301A |

Accredited Operating Authority

| Drinking Water System or Operational Subsystems | Accredited Operating Authority | Operational Plan No. | Operating Authority No. |
|---|--|----------------------|-------------------------|
| Town of LaSalle Water Distribution System | The Corporation of the Town of LaSalle | 032-401 | 032-OA1 |

Schedule B: General Conditions

| | |
|----------------------------|--|
| System Owner | The Corporation of the Town of LaSalle |
| Licence Number | 032-101 |
| Drinking Water System Name | Town of LaSalle Distribution System |
| Schedule B Issue Date | December 24th, 2015 |

1.0 Definitions

1.1 Words and phrases not defined in this licence and the associated drinking water works permit shall be given the same meaning as those set out in the SDWA and any regulations made in accordance with that act, unless the context requires otherwise.

1.2 In this licence and the associated drinking water works permit:

“adverse effect”, “contaminant” and “natural environment” shall have the same meanings as in the EPA;

“alteration” may include the following in respect of this drinking water system:

- (a) An addition to the system,
- (b) A modification of the system,
- (c) A replacement of part of the system, and
- (d) An extension of the system;

“compound of concern” means a contaminant that, based on generally available information, may be emitted from a component of the drinking water system to the atmosphere in a quantity that is significant either in comparison to the relevant point of impingement limit or if a point of impingement limit is not available for the compound, then based on generally available toxicological information, the compound has the potential to cause an adverse effect as defined by the EPA at a point of impingement;

“Director” means a Director appointed pursuant to section 6 of the SDWA for the purposes of Part V of the SDWA;

“drinking water works permit” means the drinking water works permit for the drinking water system, as identified in Schedule A of this licence and as amended from time to time;

“emission summary table” means the table that was prepared by a Professional Engineer in accordance with O. Reg. 419/05 and the procedure document listing the appropriate point of impingement concentrations of each compound of concern emitted from a component of the drinking water system and providing comparison to the corresponding point of impingement limit;

“EPA” means the *Environmental Protection Act*, R.S.O. 1990, c. E.19;

“financial plan” means the financial plan required by O. Reg. 453/07;

“licence” means this municipal drinking water licence for the municipal drinking water system identified in Schedule A of this licence;

“operational plan” means an operational plan developed in accordance with the Director’s Directions – Minimum Requirements for Operational Plans made under the authority of subsection 15(1) of the SDWA;

“owner” means the owner of the drinking water system as identified in Schedule A of this licence;

“permit to take water” means the permit to take water that is associated with the taking of water for purposes of the operation of the drinking water system, as identified in Schedule A of this licence and as amended from time to time;

“point of impingement” means any point in the natural environment that is not on the same property as the source of the contaminant and as defined by section 2 of O. Reg. 419/05;

“point of impingement limit” means the appropriate standard from Schedule 1, 2 or 3 of O. Reg. 419/05 and if a standard is not provided for a compound of concern, the appropriate criteria listed in the Ministry of the Environment and Climate Change publication titled “Summary of Standards and Guidelines to support Ontario Regulation 419: Air Pollution – Local Air Quality (including Schedule 6 of O. Reg. 419 on Upper Risk Thresholds)”, dated February 2008, as amended;

“procedure document” means the Ministry of the Environment and Climate Change procedure titled “Procedure for Preparing an Emission Summary and Dispersion Modelling Report” dated July 2005, as amended;

“Professional Engineer” means a Professional Engineer who has been licenced to practice in the Province of Ontario;

“provincial officer” means a provincial officer appointed pursuant to section 8 of the SDWA;

“publication NPC-300” means the Ministry of the Environment and Climate Change publication titled “Environmental Noise Guideline: Stationary and Transportation Sources – Approval and Planning” dated August 2013, as amended;

“SDWA” means the *Safe Drinking Water Act*, 2002, S.O. 2002, c. 32;

“sensitive populations” means any one or a combination of the following locations where the health effects of nitrogen oxides emissions from emergency generators shall be considered using the point of impingement limit instead of the Ministry of the Environment and Climate Change screening level for emergency generators:

- (a) health care units (e.g., hospitals and nursing homes),
- (b) primary/junior public schools,
- (c) day-care facilities, and
- (d) playgrounds;

“subsystem” has the same meaning as in Ontario Regulation 128/04 (Certification of Drinking Water System Operators and Water Quality Analysts);

“surface water” means water bodies (lakes, wetlands, ponds - including dug-outs), water courses (rivers, streams, water-filled drainage ditches), infiltration trenches, and areas of seasonal wetlands;

2.0 Applicability

- 2.1 In addition to any other requirements, the drinking water system identified above shall be established, altered and operated in accordance with the conditions of the drinking water works permit and this licence.

3.0 Licence Expiry

- 3.1 This licence expires on the date identified as the licence expiry date in Schedule A of this licence.

4.0 Licence Renewal

- 4.1 Any application to renew this licence shall be made on or before the date identified as the application for licence renewal date set out in Schedule A of this licence.

5.0 Compliance

- 5.1 The owner and operating authority shall ensure that any person authorized to carry out work on or to operate any aspect of the drinking water system has been informed of the SDWA, all applicable regulations made in accordance with that act, the drinking water works permit and this licence and shall take all reasonable measures to ensure any such person complies with the same.

6.0 Licence and Drinking Water Works Permit Availability

- 6.1 At least one copy of this licence and the drinking water works permit shall be stored in such a manner that they are readily viewable by all persons involved in the operation of the drinking water system.

7.0 Drinking Water Works Permit

- 7.1** A drinking water works permit identified in Schedule A of this licence is the applicable permit on the date identified as the Schedule A Issue Date.

8.0 Financial Plan

- 8.1** For every financial plan prepared in accordance with subsections 2(1) and 3(1) of O. Reg. 453/07, the owner of the drinking water system shall:
- 8.1.1 Ensure that the financial plan contains on the front page of the financial plan, the appropriate financial plan number as set out in Schedule A of this licence; and
- 8.1.2 Submit a copy of the financial plan to the Ministry of Municipal Affairs and Housing within three (3) months of receiving approval by a resolution of municipal council or the governing body of the owner.

9.0 Interpretation

- 9.1** Where there is a conflict between the provisions of this licence and any other document, the following hierarchy shall be used to determine the provision that takes precedence:
- 9.1.1 The SDWA;
- 9.1.2 A condition imposed in this licence that explicitly overrides a prescribed regulatory requirement;
- 9.1.3 A condition imposed in the drinking water works permit that explicitly overrides a prescribed regulatory requirement;
- 9.1.4 Any regulation made under the SDWA;
- 9.1.5 Any provision of this licence that does not explicitly override a prescribed regulatory requirement;
- 9.1.6 Any provision of the drinking water works permit that does not explicitly override a prescribed regulatory requirement;
- 9.1.7 Any application documents listed in this licence, or the drinking water works permit from the most recent to the earliest; and
- 9.1.8 All other documents listed in this licence, or the drinking water works permit from the most recent to the earliest.
- 9.2** If any requirement of this licence or the drinking water works permit is found to be invalid by a court of competent jurisdiction, the remaining requirements of this licence and the drinking water works permit shall continue to apply.

- 9.3** The issuance of and compliance with the conditions of this licence and the drinking water works permit does not:
- 9.3.1 Relieve any person of any obligation to comply with any provision of any applicable statute, regulation or other legal requirement, including the *Environmental Assessment Act*, R.S.O. 1990, c. E.18; and
 - 9.3.2 Limit in any way the authority of the appointed Directors and provincial officers of the Ministry of the Environment and Climate Change to require certain steps be taken or to require the owner to furnish any further information related to compliance with the conditions of this licence or the drinking water works permit.
- 9.4** For greater certainty, nothing in this licence or the drinking water works permit shall be read to provide relief from regulatory requirements in accordance with section 46 of the SDWA, except as expressly provided in the licence or the drinking water works permit.

10.0 Adverse Effects

- 10.1** Nothing in this licence or the drinking water works permit shall be read as to permit:
- 10.1.1 The discharge of a contaminant into the natural environment that causes or is likely to cause an adverse effect; or
 - 10.1.2 The discharge of any material of any kind into or in any waters or on any shore or bank thereof or into or in any place that may impair the quality of the water of any waters.
- 10.2** All reasonable steps shall be taken to minimize and ameliorate any adverse effect on the natural environment or impairment of the quality of water of any waters resulting from the operation of the drinking water system including such accelerated or additional monitoring as may be necessary to determine the nature and extent of the effect or impairment.
- 10.3** Fulfillment of one or more conditions imposed by this licence or the drinking water works permit does not eliminate the requirement to fulfill any other condition of this licence or the drinking water works permit.

11.0 Change of Owner or Operating Authority

- 11.1** This licence is not transferable without the prior written consent of the Director.
- 11.2** The owner shall notify the Director in writing at least 30 days prior to a change of any operating authority identified in Schedule A of this licence.
- 11.2.1 Where the change of operating authority is the result of an emergency situation, the owner shall notify the Director in writing of the change as soon as practicable.

12.0 Information to be Provided

- 12.1** Any information requested by a Director or a provincial officer concerning the drinking water system and its operation, including but not limited to any records required to be kept by this licence or the drinking water works permit, shall be provided upon request.

13.0 Records Retention

- 13.1** Except as otherwise required in this licence or the drinking water works permit, any records required by or created in accordance with this licence or the drinking water works permit, other than the records specifically referenced in section 12 of O. Reg. 170/03, shall be retained for at least 5 years and made available for inspection by a provincial officer, upon request.

14.0 Chemicals and Materials

- 14.1** All chemicals and materials used in the alteration or operation of the drinking water system that come into contact with water within the system shall meet all applicable standards set by both the American Water Works Association ("AWWA") and the American National Standards Institute ("ANSI") safety criteria standards NSF/60, NSF/61 and NSF 372.
- 14.1.1 In the event that the standards are updated, the owner may request authorization from the Director to use any on hand chemicals and materials that previously met the applicable standards.
- 14.1.2 The requirement for the owner to comply with NSF 372 shall come into force no later than June 25, 2017..
- 14.2** The most current chemical and material product registration documentation from a testing institution accredited by either the Standards Council of Canada or by the American National Standards Institution ("ANSI") shall be available at all times for each chemical and material used in the operation of the drinking water system that comes into contact with water within the system.
- 14.3** Conditions 14.1 and 14.2 do not apply in the case of the following:
- 14.3.1 Water pipe and pipe fittings meeting AWWA specifications made from ductile iron, cast iron, PVC, fibre and/or steel wire reinforced cement pipe or high density polyethylene (HDPE);
- 14.3.2 Articles made from stainless steel, glass, HDPE or Teflon®;
- 14.3.3 Cement mortar for watermain lining and for water contacting surfaces of concrete structures made from washed aggregates and Portland cement;
- 14.3.4 Gaskets that are made from NSF approved materials;
- 14.3.5 Food grade oils and lubricants, food grade anti-freeze, and other food grade chemicals and materials that are compatible for drinking water use; or

- 14.3.6 Any particular chemical or material where the owner has written documentation signed by the Director that indicates that the Ministry of the Environment and Climate Change is satisfied that the chemical or material is acceptable for use within the drinking water system and the chemical or material is only used as permitted by the documentation.

15.0 Drawings

- 15.1 All drawings and diagrams in the possession of the owner that show any treatment subsystem as constructed shall be retained by the owner unless the drawings and diagrams are replaced by a revised or updated version showing the subsystem as constructed subsequent to the alteration.
- 15.2 Any alteration to any treatment subsystem shall be incorporated into process flow diagrams, process and instrumentation diagrams, and record drawings and diagrams within one year of the substantial completion of the alteration.
- 15.3 Process flow diagrams and process and instrumentation diagrams for any treatment subsystem shall be kept in a place, or made available in such a manner, that they may be readily viewed by all persons responsible for all or part of the operation of the drinking water system.

16.0 Operations and Maintenance Manual

- 16.1 An up-to-date operations and maintenance manual or manuals shall be maintained and applicable parts of the manual or manuals shall be made available for reference by all persons responsible for all or part of the operation or maintenance of the drinking water system.
- 16.2 The operations and maintenance manual or manuals, shall include at a minimum:
- 16.2.1 The requirements of this licence and associated procedures;
 - 16.2.2 The requirements of the drinking water works permit for the drinking water system;
 - 16.2.3 A description of the processes used to maintain secondary disinfection within the drinking water system.
 - 16.2.4 Procedures for monitoring and recording the in-process parameters necessary for the control of any treatment subsystem and for assessing the performance of the drinking water system;
 - 16.2.5 Procedures for the operation and maintenance of monitoring equipment;
 - 16.2.6 Contingency plans and procedures for the provision of adequate equipment and material to deal with emergencies, upset conditions and equipment breakdown;
 - 16.2.7 Procedures for dealing with complaints related to the drinking water system, including the recording of the nature of the complaint and any investigation and corrective action taken in respect of the complaint;

- 16.3** Procedures necessary for the operation and maintenance of any alterations to the drinking water system shall be incorporated into the operations and maintenance manual or manuals prior to those alterations coming into operation.

Schedule C: System-Specific Conditions

| | |
|----------------------------|--|
| System Owner | The Corporation of the Town of LaSalle |
| Licence Number | 032-101 |
| Drinking Water System Name | Town of LaSalle Distribution System |
| Schedule C Issue Date | December 24th, 2015 |

1.0 Additional Sampling, Testing and Monitoring

Drinking Water Health and Non-Health Related Parameters

- 1.1** For a drinking water system or drinking water subsystem identified in column 1 of Tables 1 and 2 and in addition to any other sampling, testing and monitoring that may be required, sampling, testing and monitoring shall be undertaken for a test parameter listed in column 2 at the sampling frequency listed in column 3 and at the monitoring location listed in column 4 of the same row.

Table 1: Drinking Water Health Related Parameters

| Column 1 Drinking Water System or Drinking Water Subsystem Name | Column 2 Test Parameter | Column 3 Sampling Frequency | Column 4 Monitoring Location |
|--|----------------------------|--------------------------------|---------------------------------|
| Not Applicable | Not Applicable | Not Applicable | Not Applicable |

Table 2: Drinking Water Non-Health Related Parameters

| Column 1 Drinking Water System or Drinking Water Subsystem Name | Column 2 Test Parameter | Column 3 Sampling Frequency | Column 4 Monitoring Location |
|--|----------------------------|--------------------------------|---------------------------------|
| Not Applicable | Not Applicable | Not Applicable | Not Applicable |

Environmental Discharge Parameters

- 1.2** Pursuant to Condition 10 of Schedule B of this licence, the owner may undertake the following environmental discharges associated with the maintenance and/or repair of the drinking water system:

1.2.1 The discharge of potable water from a watermain to a road or storm sewer;

1.2.2 The discharge of potable water from a water storage facility or pumping station:

1.2.2.1 To a road or storm sewer; or

1.2.2.2 To a watercourse where the discharge has been dechlorinated and if necessary, sediment and erosion control measures have been implemented.

1.2.3 The discharge of dechlorinated non-potable water from a watermain, water storage facility or pumping station to a road or storm sewer; and

1.2.4 The discharge of potable water or non-potable water from a treatment subsystem to the environment where if necessary, the discharge has been dechlorinated and sediment and erosion control measures have been implemented.

2.0 Studies Required

2.1 Not Applicable

3.0 Source Protection

3.1 Not Applicable

Schedule D: Conditions for Relief from Regulatory Requirements

| | |
|----------------------------|---|
| System Owner | The Corporation of the Town of LaSalle |
| Licence Number | 032-101 |
| Drinking Water System Name | Town of LaSalle Distribution System |
| Schedule D Issue Date | December 24th, 2015 |

1.0 Lead Regulatory Relief

- 1.1** Any relief from regulatory requirements previously authorized by the Director in respect of the drinking water system under section 38 of the SDWA in relation to the sampling, testing or monitoring requirements contained in Schedule 15.1 of O. Reg. 170/03 shall remain in force until such time as Schedule 15.1 of O. Reg. 170/03 is amended after June 1, 2009.

2.0 Other Regulatory Relief

- 2.1** Not Applicable

**Appendix B: Safe Drinking Water Act, 2002
Ontario Regulation 453/07
Financial Plans**

Safe Drinking Water Act, 2002

ONTARIO REGULATION 453/07 FINANCIAL PLANS

Consolidation Period: From April 1, 2008 to the [e-Laws currency date](#).

Last amendment: 69/08.

Legislative History: 69/08.

This is the English version of a bilingual regulation.

Requirement to prepare financial plans

1. (1) A person who makes an application under clause 32 (1) (b) of the Act for a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 2. O. Reg. 453/07, s. 1 (1).

(2) A person who makes an application under subsection 32 (4) of the Act for the renewal of a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (2).

(3) As a condition in a municipal drinking water licence that is issued in response to an application made under section 33 of the Act for a municipal drinking water licence, the Director shall include a requirement that the owner of the drinking water system, by the later of July 1, 2010 and the date that is six months after the date the first licence for the system is issued, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (3).

(4) The Director shall include, as a condition in a municipal drinking water licence, the requirement set out in subsection (3) in any amendments to a license made after the application, if the condition is not satisfied at the time when the amendment is made. O. Reg. 453/07, s. 1 (4).

Financial plan requirements; new systems

2. For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (1) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that indicates that the drinking water system is financially viable and that is passed by,
 - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
 - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
2. The financial plans,
 - i. must include a statement that the financial impacts of the drinking water system have been considered, and
 - ii. must apply for a period of at least six years.
3. The first year to which the financial plan must apply is the year in which the drinking water system is expected to first serve the public.
4. For each year in which the financial plans apply, the financial plans must include details of the proposed or projected financial operations of the drinking water system itemized by,
 - i. total revenues, further itemized by water rates, user charges and other revenues,
 - ii. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
 - iii. annual surplus or deficit, and
 - iv. accumulated surplus or deficit.
5. The owner of the drinking water system must,
 - i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,

- ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
 - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 2.

Financial plan requirements; licence renewal

3. (1) For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (2) or a condition that is included in a municipal drinking water licence under subsection 1 (3) to satisfy the requirements of this section:

- 1. The financial plans must be approved by a resolution that is passed by,
 - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
 - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
- 2. The financial plans must apply to a period of at least six years.
- 3. The first year to which the financial plans must apply must be the year determined in accordance with the following rules:
 - i. If the financial plans are required by subsection 1 (2), the first year to which the financial plans must apply must be the year in which the drinking water system’s existing municipal drinking water licence would otherwise expire.
 - ii. If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.
- 4. Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:
 - i. Details of the proposed or projected financial position of the drinking water system itemized by,
 - A. total financial assets,
 - B. total liabilities,
 - C. net debt,
 - D. non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses, and
 - E. changes in tangible capital assets that are additions, donations, write downs and disposals.
 - ii. Details of the proposed or projected financial operations of the drinking water system itemized by,
 - A. total revenues, further itemized by water rates, user charges and other revenues,
 - B. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
 - C. annual surplus or deficit, and
 - D. accumulated surplus or deficit.
 - iii. Details of the drinking water system’s proposed or projected gross cash receipts and gross cash payments itemized by,
 - A. operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges,
 - B. capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,
 - C. investing transactions that are acquisitions and disposal of investments,
 - D. financing transactions that are proceeds from the issuance of debt and debt repayment,
 - E. changes in cash and cash equivalents during the year, and

F. cash and cash equivalents at the beginning and end of the year.

iv. Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.

5. The owner of the drinking water system must,

- i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
- ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
- iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.

6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).

(2) Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

1. Sub-subparagraphs 4 i A, B and C of subsection (1).
2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).

Alternative requirements for two or more drinking water systems

4. If section 3 applies to the financial plans of two or more drinking water systems that are solely owned by the same owner, the requirements prescribed by the section may, as an alternative, be satisfied by financial plans that comply with the section but treat those systems as if they were one drinking water system. O. Reg. 453/07, s. 4.

Amendment of financial plans

5. Sections 2 and 3 do not prevent financial plans from being amended. O. Reg. 453/07, s. 5.

Additional information

6. The requirements of this Regulation do not prevent a person from providing additional information in financial plans prepared for the purpose of meeting the requirements of the Act. O. Reg. 453/07, s. 6.

7. OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS REGULATION). O. Reg. 453/07, s. 7.

Français

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