



The Corporation of the Township of Huron-Kinloss

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September 16, 2025

Re: 2026-2031 Water System Financial Plan

Please find below a certified copy of the resolution passed by the Township of Huron-Kinloss at the September 15, 2025 Council meeting.

Motion No: 09/15/2025-08
Moved by: Carl Sloetjes
Seconded by: Jim Hanna

THAT the Township of Huron-Kinloss Council approve the 2026 to 2031 water system financial plan prepared in accordance with Ontario Regulation 453/07.

Certified to be a true and complete copy of resolution 09/15/2025-08, passed by the Council of The Corporation of the Township of Huron-Kinloss on the 15th day of September, 2025.

Kelly Lush, Deputy Clerk
Township of Huron-Kinloss

**Financial Plan 087-301A - Option 1, 6.0% Increase
HURON-KINLOSS FINANCIAL PLAN FOR WATER WORKS
Set Rate of Replacement to Match Current Rate of Replacement**

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| FINANCIAL POSITION | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 7,083,382 | 5,436,401 | 5,929,307 | 4,987,664 | 790,274 | 1,001,477 |
| Total FINANCIAL ASSETS | 7,083,382 | 5,436,401 | 5,929,307 | 4,987,664 | 790,274 | 1,001,477 |
| Liabilities | | | | | | |
| Long-term debt | - | - | - | - | 4,000,000 | 3,814,631 |
| Total LIABILITIES | - | - | - | - | 4,000,000 | 3,814,631 |
| NET DEBT (Liabilities - Assets) | (7,083,382) | (5,436,401) | (5,929,307) | (4,987,664) | 3,209,726 | 2,813,153 |
| Non-financial assets (Tangible capital assets) | | | | | | |
| Existing watermain and facilities - book value | 29,767,899 | 30,758,847 | 33,449,362 | 34,121,434 | 36,412,218 | 46,093,735 |
| New watermains and facilities - at cost | 1,605,000 | 3,324,000 | 1,345,000 | 2,980,000 | 10,405,000 | 1,745,000 |
| Less: Amortization | (614,052) | (633,485) | (672,928) | (689,216) | (723,483) | (841,216) |
| Total NON-FINANCIAL ASSETS | 30,758,847 | 33,449,362 | 34,121,434 | 36,412,218 | 46,093,735 | 46,997,518 |
| Financial position (Non-Financial assets - Net Debt) | 37,842,229 | 38,885,763 | 40,050,741 | 41,399,882 | 42,884,009 | 44,184,365 |

| Analysis of financial position | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Equity in tangible capital assets | 30,758,847 | 33,449,362 | 34,121,434 | 36,412,218 | 42,093,735 | 43,182,887 |
| Reserves and reserve funds | 7,083,382 | 5,436,401 | 5,929,307 | 4,987,664 | 790,274 | 1,001,477 |
| General surplus (deficit) | - | - | - | - | - | - |
| Financial position (from analysis) | 37,842,229 | 38,885,763 | 40,050,741 | 41,399,882 | 42,884,009 | 44,184,365 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| FINANCIAL OPERATIONS | | | | | | |
| REVENUE | | | | | | |
| Lakeshore Area Waterworks | | | | | | |
| 7000-3100 Water Service Rate - Lakeshore | 1,327,650 | 1,407,309 | 1,491,748 | 1,581,252 | 1,676,128 | 1,776,695 |
| 7000-3101 Metered Water - Lakeshore | 26,500 | 28,090 | 29,775 | 31,562 | 33,456 | 35,463 |
| 7000-3112 Water Connection Permits | - | - | - | - | - | - |
| 7000-3200 Waterworks Distribution Rate | 521,625 | 572,930 | 607,306 | 658,982 | 711,108 | 778,155 |
| 7000-4000 Hydrant Rental - Lakeshore | 14,840 | 14,840 | 14,840 | 14,840 | 14,840 | 14,840 |
| 7000-6010 Water Service Connection | - | - | - | - | - | - |
| Whitechurch | | | | | | |
| 7003-3100 Water Service Rate - Whitechurch | 21,730 | 23,034 | 24,416 | 25,881 | 27,434 | 29,080 |
| 7003-6010 Water Service Connection | - | - | - | - | - | - |
| Ripley | | | | | | |
| 7005-3100 Water Service Rate - Ripley | 214,120 | 226,967 | 240,585 | 255,020 | 270,322 | 286,541 |
| 7005-3101 Metered Water - Ripley | 15,900 | 16,854 | 17,865 | 18,937 | 20,073 | 21,278 |
| 7005-3200 Waterworks Distribution Rate - Ripley | 82,813 | 87,781 | 93,048 | 98,631 | 104,549 | 110,822 |
| 7005-4000 Hydrant Rental - Ripley | 2,968 | 2,968 | 2,968 | 2,968 | 2,968 | 2,968 |
| 7005-6000 Water Service Connection | - | - | - | - | - | - |
| Lucknow | | | | | | |
| 7007-3100 Water Service Rate - Lucknow | 355,100 | 376,406 | 398,990 | 422,930 | 448,306 | 475,204 |
| 7007-3101 Metered Water - Lucknow | 21,200 | 22,472 | 23,820 | 25,250 | 26,765 | 28,370 |
| 7007-3200 Waterworks Distribution Rate - Lucknow | 132,500 | 140,450 | 148,877 | 157,810 | 167,278 | 177,315 |
| 7007-4000 Hydrant Rental - Lucknow | 4,240 | 4,240 | 4,240 | 4,240 | 4,240 | 4,240 |
| 7007-6010 Water Service Connection | - | - | - | - | - | - |
| New Developments | | | | | | |
| Assumed rate of growth is 23 units/year | 18,285 | 38,764 | 61,635 | 87,111 | 115,422 | 146,817 |
| Total REVENUE | 2,759,471 | 2,963,105 | 3,160,114 | 3,385,413 | 3,622,887 | 3,887,787 |

| EXPENSES | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| Huron-Kinloss | | | | | | |
| 7000-7100 Salaries | 83,377 | 85,045 | 86,746 | 88,481 | 90,250 | 92,055 |
| 7000-7200 Benefits | 28,880 | 29,458 | 30,047 | 30,648 | 31,261 | 31,886 |
| 7000-7215 Drinking Water Quality Management Standard | - | - | - | - | - | - |
| 7000-7220 Operation Contract | 474,300 | 483,786 | 493,462 | 503,331 | 513,398 | 523,666 |
| 7000-7225 Adjustments/Writedowns | - | - | - | - | - | - |
| 7000-7250 Office Supplies | 510 | 520 | 531 | 541 | 552 | 563 |
| 7000-7259 Courier | - | - | - | - | - | - |
| 7000-7260 Telephone | 18,360 | 18,727 | 19,102 | 19,484 | 19,873 | 20,271 |
| 7000-7261 Advertising | 2,040 | 2,081 | 2,122 | 2,165 | 2,208 | 2,252 |
| 7000-7265 Association Memberships | - | - | - | - | - | - |
| 7000-7266 Insurance | 30,600 | 31,212 | 31,836 | 32,473 | 33,122 | 33,785 |
| 7000-7267 Legal | 5,100 | 5,202 | 5,306 | 5,412 | 5,520 | 5,631 |
| 7000-7269 Property Taxes | 8,670 | 8,843 | 9,020 | 9,201 | 9,385 | 9,572 |
| 7000-7270 Meetings - Registration | 255 | 260 | 265 | 271 | 276 | 282 |
| 7000-7271 Meetings - Travel | - | - | - | - | - | - |
| 7000-7272 Meetings - Meals | - | - | - | - | - | - |
| 7000-7275 Miscellaneous | - | - | - | - | - | - |
| 7000-7276 Engineering - Provincial Orders | - | - | - | - | - | - |
| 7000-7277 Chemicals | 51,000 | 52,020 | 53,060 | 54,122 | 55,204 | 56,308 |
| 7000-7278 Engineering | 51,000 | 52,020 | 53,060 | 54,122 | 55,204 | 56,308 |
| 7000-7279 Water Quality Analysis | 30,600 | 31,212 | 31,836 | 32,473 | 33,122 | 33,785 |
| 7000-7285 Depreciation Expense | 614,052 | 633,485 | 672,928 | 689,216 | 723,483 | 841,216 |
| 7000-7310 Scada System Repairs and Maintenance | 40,800 | 41,616 | 42,448 | 43,297 | 44,163 | 45,046 |
| 7000-7312 Treatment Equipment Repairs and Maintenance | 30,600 | 31,212 | 31,836 | 32,473 | 33,122 | 33,785 |
| 7000-7319 Energy Audit | - | - | - | - | - | - |
| 7000-7320 Utilities - Hydro | 126,000 | 132,300 | 138,915 | 145,861 | 153,154 | 160,811 |

| | | | | | | | |
|---|--|------------------|------------------|------------------|------------------|------------------|------------------|
| 7000-7346 | Machinery Rental | 510 | 520 | 531 | 541 | 552 | 563 |
| 7000-7350 | Material and Supplies | 10,200 | 10,404 | 10,612 | 10,824 | 11,041 | 11,262 |
| 7000-7351 | Services | 204,000 | 208,080 | 212,242 | 216,486 | 220,816 | 225,232 |
| 7000-7352 | Lakeshore Area Shoreline Monitoring | 12,240 | 12,485 | 12,734 | 12,989 | 13,249 | 13,514 |
| 7000-7353 | Source Water Protection | 7,731 | 7,885 | 8,043 | 8,204 | 8,368 | 8,535 |
| Lakeshore Area | | | | | | | |
| 7000-7315 | Watermain Repairs and Maintenance - Lake | 30,600 | 31,212 | 31,836 | 32,473 | 33,122 | 33,785 |
| 7000-7318 | Pump House Repairs and Maintenance - Lake | 25,500 | 26,010 | 26,530 | 27,061 | 27,602 | 28,154 |
| 7000-8042 | Well Inspections - Lake | - | 20,000 | - | - | 21,000 | - |
| | Loss (Gain) on disposal of Capital Assets | - | - | - | - | - | - |
| Whitechurch | | | | | | | |
| 7003-7315 | Watermain Repairs and Maintenance - Whitechurch | 3,570 | 3,641 | 3,714 | 3,789 | 3,864 | 3,942 |
| 7003-7318 | Pump House Repairs and Maintenance - Whitechurch | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 | 16,892 |
| 7003-8042 | Well Inspections - Whitechurch | 20,000 | - | - | - | - | - |
| | Loss (Gain) on disposal of Capital Assets | - | - | - | - | - | - |
| Ripley | | | | | | | |
| 7005-7315 | Watermain Repairs and Maintenance - Ripley | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | 22,523 |
| 7005-7318 | Pump House Repairs and Maintenance - Ripley | 3,060 | 3,121 | 3,184 | 3,247 | 3,312 | 3,378 |
| 7005-8060 | Well Inspection - Ripley | - | - | - | - | - | - |
| | Loss (Gain) on disposal of Capital Assets | - | - | - | - | - | - |
| Lucknow | | | | | | | |
| 7007-7315 | Watermain Repairs and Maintenance - Lucknow | 21,420 | 21,848 | 22,285 | 22,731 | 23,186 | 23,649 |
| 7007-7318 | Pump House Repairs and Maintenance - Lucknow | 5,100 | 5,202 | 5,306 | 5,412 | 5,520 | 5,631 |
| 7007-8049 | Well Inspection - Lucknow | - | - | - | - | - | 55,000 |
| | Loss (Gain) on disposal of Capital Assets | - | - | - | - | - | - |
| | Debtenture interest - LT Debt | - | - | - | - | - | 200,000 |
| Total EXPENSES | | 1,975,775 | 2,025,823 | 2,076,681 | 2,125,212 | 2,213,575 | 2,599,285 |
| Net Revenue (Deficit) for the year | | 783,695 | 937,282 | 1,083,433 | 1,260,201 | 1,409,312 | 1,288,502 |

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| CASH FLOW | | | | | | |
| Operating Transactions | | | | | | |
| Net revenue (deficit) for the year | 783,695 | 937,282 | 1,083,433 | 1,260,201 | 1,409,312 | 1,288,502 |
| Add back (deduct) non-cash expense: | - | - | - | - | - | - |
| Add back Amortization of Capital Assets | 614,052 | 633,485 | 672,928 | 689,216 | 723,483 | 841,216 |
| Total OPERATING TRANSACTIONS | 1,397,747 | 1,570,768 | 1,756,360 | 1,949,417 | 2,132,795 | 2,129,719 |
| Capital Transactions | | | | | | |
| Lakeshore Systems | | | | | | |
| Growth related | 160,000 | 440,000 | - | - | 1,800,000 | - |
| Service enhancement (system upgrades) | 725,000 | 1,855,000 | 65,000 | 70,000 | 7,290,000 | 70,000 |
| Lead service reduction | - | - | - | - | - | - |
| Replacement of existing infrastructure | - | - | 930,000 | 900,000 | 990,000 | 1,250,000 |
| Whitechurch System | | | | | | |
| Growth related | - | - | - | - | - | - |
| Service enhancement (system upgrades) | - | - | - | - | - | - |
| Lead service reduction | - | - | - | - | - | - |
| Replacement of existing infrastructure | - | - | - | - | - | - |
| Ripley System | | | | | | |
| Growth related | - | - | - | - | - | - |
| Service enhancement (system upgrades) | - | 15,000 | - | 40,000 | - | - |
| Lead service reduction | - | - | - | - | - | - |
| Replacement of existing infrastructure | 720,000 | 764,000 | - | - | - | - |
| Lucknow System | | | | | | |
| Growth related | - | 50,000 | 70,000 | 360,000 | - | - |
| Service enhancement (system upgrades) | - | 200,000 | 280,000 | 1,440,000 | 60,000 | 25,000 |
| Lead service reduction | - | - | - | - | - | - |
| Replacement of existing infrastructure | - | - | - | 170,000 | 265,000 | 400,000 |
| Total CAPITAL TRANSACTIONS | (1,605,000) | (3,324,000) | (1,345,000) | (2,980,000) | (10,405,000) | (1,745,000) |
| Investing transactions | | | | | | |
| Proceeds from portfolio investments | 107,743 | 106,251 | 81,546 | 88,940 | 74,815 | 11,854 |
| Purchase of portfolio investments | - | - | - | - | - | - |
| Total INVESTING TRANSACTIONS | 107,743 | 106,251 | 81,546 | 88,940 | 74,815 | 11,854 |
| Financing transactions | | | | | | |
| Federal/Provincial grants | - | - | - | - | - | - |
| New Lakeshore ET Debenture | - | - | - | - | 4,000,000 | - |
| Transfer from other reserves | - | - | - | - | - | - |
| Debenture principal - LT Debt | - | - | - | - | - | (185,369) |
| Total FINANCING TRANSACTIONS | - | - | - | - | 4,000,000 | (185,369) |
| Net Cash Receipts (Payments) for the year | (99,509) | (1,646,982) | 492,906 | (941,643) | (4,197,390) | 211,203 |
| Cash at beginning of year | 7,182,892 | 7,083,382 | 5,436,401 | 5,929,307 | 4,987,664 | 790,274 |
| Cash at end of year | 7,083,382 | 5,436,401 | 5,929,307 | 4,987,664 | 790,274 | 1,001,477 |

Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5%).
2. There are multiple reserve accounts. The Financial Plan does not distinguish which account is to be used for a particular capital project.
3. Revenue considers new growth at 23 units/year (matching previous 10-year average as noted in the recent 2024 Development Charge: Background Review) charged at base rate of \$250 + \$500 (2025 rate) inflated each year. Development charges were conservatively not factored in