



## The Corporation of the Township of Huron-Kinloss

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### Staff Report

**Report Title: Water System Financial Plan 2026 to 2031**

**Date: Sep. 3, 2025**

**Report Number: TRE-2025-39**

**Department: Treasury**

**File Number: C11 TRE 25**

**Prepared By: Christine Heinisch, Manager of Financial Services/Treasurer**

**Attachments: 2025 Financial Plan - Water**

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#### **Recommendation:**

THAT the Township of Huron-Kinloss Committee of the Whole hereby receives Report TRE-2025-39 prepared by Christine Heinisch, Treasurer;

AND FURTHER directs Staff to put a motion on the Council agenda to approve the 2026 to 2031 water system financial plan prepared in accordance with Ontario Regulation 453/07 as presented.

#### **Background:**

The Township is in the process of renewing our current municipal drinking water license. Ontario Regulation 453/07 requires a financial plan to be prepared and approved as part of the renewal process. The plan will be posted on the Township's website.

#### **Discussion/Analysis/Overview:**

The current water system financial plan for 2021 to 2026 had identified a need for a 1.8% annual rate increase to match the replacement to the average age of our assets. A review of our estimated replacement cost of the water system assets and required rates to match the average age of those assets requires a 6% annual rate increase over the next 5 years.

One of the reasons for the increase is the new Lakeshore area Elevated water tower planned for 2030. There was not any grant funding assumed in the financial plan for this project. In order to keep the reserves in the positives, a \$4,000,000 debenture was assumed would be secured to fund this project.

It is important to note that the adoption of the financial plan indicates Council's intentions, but is not binding. The actual rate increases will be decided annually taking into account any new or updated information.

#### **Financial Impacts:**

Based on our current annual water service rate of \$500.00, a 6% increase would result in an increase of \$30.00. On the combined water charges, including the

waterworks distribution rate; a 6% increase would increase the annual charge from \$750.00 to \$795.00.

**Performance Measurement:**

The Water System Financial Plan 2026-2031 is a legislative requirement; the Township has achieved compliance with Ontario Regulation 453-07.

**Strategic Area:**

- Embrace a thriving rural lifestyle
- Enhance Municipal Service Delivery
- Prepare for Inclusive Growth
- Ensure Financial Stability

**Strategic Goal: Commit to financial health and sustainability**

**Respectfully Submitted By:**

Christine Heinisch, Manager of Financial Services/Treasurer

**Report Approved By:**

Jodi MacArthur, Chief Administrative Officer