

THE CORPORATION OF THE TOWNSHIP OF MADAWASKA VALLEY

BY-LAW 2025-99

Being a By-Law to Adopt a Water System Financial Plan for the Corporation of the Township of Madawaska Valley.

WHEREAS the Sustainable Water and Sewage Systems Act, 2002 has been repealed, and the standards that it directs underpin the specific requirements of s.30 as they are outlined in O. Reg. 453/07;

AND WHEREAS Pursuant to Section 31(1) of the Safe Drinking Water Act, 2002 (the "SDWA"), Provincial licenses are required for the operation of municipal drinking water systems in Ontario. In obtaining these licenses, the Township of Madawaska Valley (the "Township") is required to meet five conditions under Section 44(1) of the SDWA, including the preparation of a financial plan for the water system.

AND WHEREAS the form and content of financial plans for municipal water systems are prescribed under Ontario Regulation 453/07 (the "Regulation"). Under the terms of the Regulation, the Township is required to prepare a financial plan. Reg. 453/07 also provides details about s.30 (1) part b of the S.D.W.A. for existing water systems;

AND WHEREAS the financial plans shall be for a forecast period of at least six years;

AND WHEREAS The financial plan is to be completed and approved by resolution of the Council or the governing body in accordance with subsection 3 (1) 1 of O. Reg. 453/07.

AND WHEREAS the Council for the Corporation of the Township of Madawaska Valley deems it expedient to adopt a Water System Financial Plan;

NOW THEREFORE the Council of the Corporation of the Township of Madawaska Valley hereby enacts as follows:

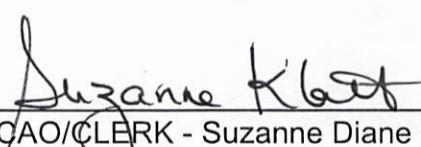
1. **THAT** the 2025 Water System Financial Plan for the Corporation of the Township of Madawaska Valley attached hereto as Schedule "A" is hereby approved and adopted;
2. **THAT** the Mayor and CAO/Clerk are hereby authorized to sign this By-law and affix the Corporate Seal thereto;
3. **THAT** this By-law is enacted upon the third and final reading thereof.

READ A FIRST, SECOND and THIRD TIME and FINALLY PASSED THIS 18 DAY OF November, 2025.





Mayor - David Shulist



CAO/CLERK - Suzanne Diane Klatt

Township of Madawaska Valley Water System Financial Plan

Final

October 6, 2025



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1 Introduction

1.1 Overview

This Financial Plan has been prepared in accordance with O. Reg. 453/07. The Financial Plan was prepared for the Township's water system based on the inventory of assets, forecasted operating and capital expenditures, and the current financial information on the water system. The Financial Plan covers a study period from 2025 to 2031 in accordance with O.Reg. 453/07 requirements (minimum 6-year study period).

1.2 Water System Overview

The Township's water system consists of:

- One water treatment plant in the urban centre of Barry's Bay.
- One water storage tank that supplies the system.
- Approximately 12 km of watermains and related appurtenances.

2 Financial Plan Overview

The financial plan includes the costs of operating, maintaining, rehabilitating and enhancing the water system, and the corresponding revenue plan to fund the necessary expenditures costs. The Township's Asset Management Plan documents a financial strategy for the water system. The following sections summarize the financial plan.

2.1 Expenditures

2.1.1 Operating Expenses

Recurring operating expenses for the water system consist of the items like staff salaries and benefits, OCWA's operating contract, utility costs, and debt servicing costs. The operating expenditures for the system were approximately \$500,000 in 2025. An additional ~\$70,000 was also transferred into the water reserve in 2025.

2.1.2 Capital Expenses

Capital costs are based on the Asset Management Plan. 2025 capital expenditures were approximately \$240,000. There is approximately \$2M of capital work forecasted for the water system from 2026 to 2031. A large portion of this is related to the replacement of watermains on Queen St, Bay St and Trader Lane.

2.1.3 Debt Management

The Township has one ongoing debenture with annual payments of approximately \$97,000. The last year of the loan is 2034.

2.1.4 Lead Pipe Replacement Costs

There are no costs associated with lead pipe replacement during the study period.

2.1.5 Source Water Protection Costs

There are no costs associated with source water protection during the study period.

2.2 Revenues

Water billing revenue was approximately \$560,000 in 2025. This represents the large majority of water revenues. Other common revenue sources include transfers from the water reserve and external grants. For the purposes of the Financial Plan, a total of \$700,000 in grants has been assumed to fund the watermain replacement projects.

3 Financial Statements

This section provides the financial information for the period 2025 to 2031 in compliance with O. Reg. 453.

3.1 Statement of Financial Position

The Net Financial Assets increase over the forecast period. This is related to repayment of the outstanding loan combined with replacing the high break rate watermains in the area of Queen and Bay Streets. The Accumulated Surplus increases over the forecast period. This is because of the acquisition of the tangible capital assets from replacing the watermains and other capital expenditures.

Statement of Financial Position							
Assets	2025	2026	2027	2028	2029	2030	2031
Assets: Cash and Reserves (end of year)	\$632,334	\$666,612	\$631,905	\$650,426	\$676,130	\$607,935	\$604,918
Assets: Tangible Capital Assets (end of year)	\$3,532,718	\$3,950,311	\$4,142,601	\$4,092,733	\$4,047,201	\$4,105,524	\$4,110,255
Total Assets	\$4,165,052	\$4,616,923	\$4,774,506	\$4,743,159	\$4,723,331	\$4,713,459	\$4,715,173
 Liabilities							
Liabilities: Loan Principal (end of year)	\$734,858	\$638,222	\$541,586	\$444,950	\$348,314	\$251,678	\$155,042
Total Liabilities	\$734,858	\$638,222	\$541,586	\$444,950	\$348,314	\$251,678	\$155,042
Net Financial Assets (Debt)	-\$102,524	\$28,390	\$90,319	\$205,476	\$327,816	\$356,257	\$449,876
Accumulated Surplus(deficit)	\$3,430,194	\$3,978,701	\$4,232,920	\$4,298,209	\$4,375,017	\$4,461,781	\$4,560,131

3.2 Statement of Financial Operations

The water system is forecasted to run a modest deficit over the next 5 years related to the amortization of the water infrastructure. The Township's Asset Management Plan includes a financial strategy that demonstrates that the capital renewal needs of the system can be addressed with increasing rates by 3.5%.

Statement of Financial Operations							
Revenues	2025	2026	2027	2028	2029	2030	2031
Water Sales	\$562,440	\$582,125	\$602,500	\$623,587	\$645,413	\$668,002	\$691,382
Misc. Revenue	\$38,363	\$39,130	\$39,913	\$40,711	\$41,525	\$42,356	\$43,203
Contribution from Reserve	\$212,591	\$216,843	\$221,180	\$225,603	\$230,115	\$234,718	\$239,412
Grants	\$0	\$500,000	\$200,000	\$0	\$0	\$0	\$0
Total Revenues	\$813,394	\$1,338,098	\$1,063,592	\$889,902	\$917,054	\$945,076	\$973,997
 Expenses							
OCWA Contract	\$290,512	\$296,322	\$302,249	\$308,294	\$314,460	\$320,749	\$327,164
Other Operating Expenses	\$112,255	\$114,500	\$116,790	\$119,126	\$121,508	\$123,939	\$126,417
Transfer to Reserve	\$71,400	\$74,285	\$75,770	\$77,285	\$78,831	\$80,407	\$81,907
Capital Expenditures	\$242,591	\$579,519	\$361,445	\$121,721	\$128,630	\$237,230	\$187,385
Debt Principal and Interest	\$96,636	\$96,636	\$96,636	\$96,636	\$96,636	\$96,636	\$96,636
Amortization	\$150,336	\$161,926	\$169,155	\$171,590	\$174,162	\$178,907	\$182,654
Total Expenses	\$963,730	\$1,323,189	\$1,122,045	\$894,652	\$914,227	\$1,037,867	\$1,002,163
Surplus (Deficit)	-\$150,336	\$14,910	-\$58,453	-\$4,750	\$2,826	-\$92,792	-\$28,166

3.3 Statement of Cash Flow

The water system is forecasted to have positive financial assets as the loan principal is repaid and the reserve balance increases slightly. This is because the large watermain replacement projects have been assumed to be funded via external grants.

Statement of Cash Flow							
	2025	2026	2027	2028	2029	2030	2031
Operating Transactions							
Cash received from Revenues	\$813,394	\$1,338,098	\$1,063,592	\$889,902	\$917,054	\$945,076	\$973,997
Cash paid for Operating Expenses	-\$474,167	-\$485,107	-\$494,809	-\$504,705	-\$514,799	-\$525,094	-\$535,488
Excess of Operating Revenues Over Operating Expenses	\$339,227	\$852,991	\$568,784	\$385,197	\$402,255	\$419,981	\$438,509
Capital							
Acquisition of Tangible Capital Assets	-\$242,591	-\$579,519	-\$361,445	-\$121,721	-\$128,630	-\$237,230	-\$187,385
Financing							
Repayment of Long Term Debt (principal + interest)	-\$96,636	-\$96,636	-\$96,636	-\$96,636	-\$96,636	-\$96,636	-\$96,636
Increase (decrease) in Financial Assets	\$96,636	\$130,914	\$61,929	\$115,157	\$122,340	\$28,440	\$93,620
Net Financial Assets (debt) at the beginning of the Year	-\$199,160	-\$102,524	\$28,390	\$90,319	\$205,476	\$327,816	\$356,257
Net Financial Assets (debt) at the End of the Year	-\$102,524	\$28,390	\$90,319	\$205,476	\$327,816	\$356,257	\$449,876

3.4 Conclusion

The Township has a viable plan to fund the expected operating and capital expenditures over the forecast period. It is noted that the Township is reliant on external grants to fund the large watermain replacement projects.