ONTARIO CLEAN WATER AGENCY
AGENCE ONTARIENNE DES EAUX

Township of Black River-Matheson

Drinking Water System Financial Plan #204-301

SUBMITTED BY

Ontario Clean Water Agency
2085 Hurontario Street, Suite 500,
Mississauga, Ontario L5A 4G1

Date: July 20, 2026

Rev: 1

Issue and Revision Record					
Rev. No.	Date	Prepared by:	Reviewed by:	Approved by:	Rev. Description
1	July 20, 2026	Jason Younker	Carla Coveart	Stephen Romano	Initial Draft

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STATEMENT OF CONFIDENTIALITY

OCWA's Report to
the Township of Black River-Matheson for the
Black River-Matheson Drinking Water System Financial Plan

Table of Contents

1 Introduction

The Township of Black River-Matheson (the Township) has retained the Ontario Clean Water Agency (OCWA) to update the Financial Plan for the Township's Drinking Water System (DWS) in order to comply with the Financial Plan Regulation (O. Reg. 453/07) made under the Safe Drinking Water Act (SDWA).

This Financial Plan has been prepared in accordance with O. Reg. 453/07, as well as the provisions of the financial planning guidelines published by the Ministry of the Environment (MOE), now Ministry of the Environment, Conservation, and Parks (MECP), in August 2007 entitled "Toward Financially Sustainable Drinking-Water and Wastewater Systems".

The Financial Plan was prepared for the Township's DWS based on information supplied by the Township and operational staff, including future capital and major maintenance projects, water system financial information, as well as tangible capital asset information that the Township provided.

The information supplied by the Township and operational staff was used to generate a financial operating plan that forecasted future expenditure requirements from 2026 to 2032. A revenue plan relying primarily on user fees was generated to support the expenditure requirements outlined in the operating plan. The information generated in the operating and revenue plans along with the tangible capital asset information was used to develop a Financial Plan for the Township's DWS covering a study period from 2026 to 2032 in accordance with O. Reg. 453/07 requirements (minimum six-year study period).

1.1 Legislative Context to Financial Planning

There have been a number of legislative initiatives affecting water system management and operations following the waterborne illness tragedy in Walkerton in 2000. Following this incident, the Government of Ontario established a public inquiry chaired by the Honourable Dennis O'Connor to look into the tragedy. The Inquiry Report recommended a comprehensive approach to the delivery of safe drinking water in Ontario.

The MECP has responded to the Inquiry recommendations by making legislative changes. One change directly related to the development of this Financial Plan was the passage of the Safe Drinking Water Act, 2002. It requires owners of a municipal drinking water system to apply for and obtain a Municipal Drinking Water Licence. There are five elements that must be in place in order for the owner of a drinking water system to obtain a Licence:

1) A Drinking Water Works Permit to establish or alter a drinking-water system.
2) An accepted Operational Plan. The Drinking Water Quality Management Standard (DWQMS) is the standard upon which operational plans are based. The plan documents an operating authority's quality management system (QMS).
3) An Accredited Operating Authority. A third-party audit of an operating authority's QMS will be the basis for accreditation.
4) A Permit to Take Water.

5) A Financial Plan to be prepared and approved in accordance with the prescribed requirements in the Financial Plans Regulation.

Under Section 30 of the SDWA, the Financial Plan element of the licence program must either be prepared in accordance with the Sustainable Water and Sewage System Act, 2002 (SWSSA) or in accordance with the requirements set by the Minister of the Environment. SWSSA regulations have not been published. Accordingly, the requirements set by the Minister of the Environment apply as per the 2007 MECP guidelines.

Regulation 453/07 of the Safe Drinking Water Act was passed in 2007 and contains two key provisions that apply to an existing water system:

1) A person who makes an application under 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 of O. Reg. 453/07, S. 1(1).
2) 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 by O. Reg. 453/07, S. 1(3).

Several other provisions are also set out in the regulation that must be met by a Township operating a water system:

- The Financial Plan must be approved by a resolution that is passed by the Council of the Township.
- The Financial Plan must apply to a period of at least six years.
- The Financial Plan must be available, upon request, to members of the public at no charge and posted on the internet (if the Township maintains a website).
- The Township must provide notice as deemed appropriate to advise the public of the availability of the Financial Plan.

Once a system is licenced, the Township's Financial Plan is required to be updated every five years, in conjunction with every application for licence renewal. Full documentation of the Financial Plan Regulation, O. Reg. 453/07 can be found in Appendix A

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants approved new municipal financial accounting and reporting standards (PS1201) requiring that Tangible Capital Assets (TCA), statement of financial position, statement of net debt, statement of Operations, and statement of cash flow, including the assets of drinking water systems, be included in municipal financial statements. *Stat 3150* came into effect on January 1, 2009, requiring statements to be reported on a full accrual accounting basis.

The Clean Water Act, 2006 targets the protection of drinking water supplies through the development of collaborative, locally driven, science and watershed-based source protection plans. According to the MECP financial planning guidelines, Financial Plans should include source water protection costs related to the provision of water services. Utilities are encouraged to have, at minimum, estimates of any current source protection costs as a separate cost item by the time that their Financial Plans are required in order to effectively align with the anticipated approval timelines for source protection plans (2010-2012).

In June 2007, the government of Ontario proposed a lead action plan. The Financial Plans regulation requires municipalities' Financial Plans to include the costs associated with replacing lead service pipes that are part of their drinking water system.

Additionally, the MECP guideline "Towards Financially Sustainable Drinking Water and Wastewater Systems" (2007) provides municipalities with a flexible framework to develop long-term financial strategies that support sustainable service delivery.

The Water Opportunities Act, 2010 promotes innovation and economic development in water-related technologies and requires municipalities to prepare water sustainability plans.

Ontario Regulation 588/17, under the Infrastructure for Jobs and Prosperity Act, 2015, requires municipalities to develop asset management plans for core infrastructure, including water systems, to ensure long-term financial and operational sustainability.

1.2 Black River-Matheson's Drinking Water Systems

The Township of Black River-Matheson Drinking Water Systems is comprise of four separate municipal groundwater systems serving the communities of Holtyre, Val Gagné, Ramore, and Matheson. Collectively, the systems are supplied by eleven groundwater wells and provide drinking water to approximately 1,630 residents through roughly 675 service connections. Treatment consists primarily of sodium hypochlorite disinfection, with supplementary chemical addition for iron and manganese control where required. Water storage is provided through a combination of clear wells, reservoirs, pressure tanks, and chlorine contact facilities. Distribution infrastructure includes asbestos cement, PVC, ductile iron, galvanized steel, and other legacy watermains ranging from 25 mm to 250 mm in diameter. Emergency power generation is available at all systems to maintain service reliability during electrical outages. The systems vary in size and complexity, ranging from small community supplies in Holtyre, Val Gagné, and Ramore, to the larger Matheson Drinking Water System, which serves the majority of the Township's population.

Table 1: Drinking Water System Summary

System	Water Source	Population Served	Service Connections	Storage	Treatment
Holtyre	2 groundwater wells	~255	~99	151 m³ clearwell	Sodium hypochlorite disinfection and iron/manganese sequestration
Val Gagné	2 groundwater wells	~175	~88	550 m³ reservoir	Sodium hypochlorite disinfection
Ramore	3 groundwater wells	~300	~98	Pressure tanks and chlorine contact main	Sodium hypochlorite disinfection and sodium silicate addition
Matheson	4 groundwater wells	~900	~390	450 m³ reservoir	Sodium hypochlorite disinfection

2 Financial Operating Plan

The financial plan includes the full costs of operating the Township's DWS on an ongoing basis and includes capital investments, operating costs, maintenance costs, administration costs, debt management costs, and other miscellaneous costs.

A financial operating plan for the Township's DWS was developed using historical financial statements, forecasted capital and major maintenance expenditures, and tangible capital asset information. These aforementioned elements were used to forecast the annual expenditure requirements while taking into account inflation and expected growth.

2.1 Operating Expenses

Recurring operating expenses for the Township's DWS mostly consist of operational contracted services as well as administration costs, materials and supplies, and repairs and maintenance activities.

The total water system operating expenses anticipated in 2026 (excluding capital items, major maintenance, and financial expenses) for the Township's DWS are estimated to be $589,202 with 63% of the operating budget for contracted services (OCWA's operations contract). Maintenance costs associated with the building, grounds, and equipment is estimated to be at $80,330 for 2026 and is projected to average approximately $39,000 annually throughout the rest of the planning period (2027-2032). The majority of these costs are expected to increase by at least 2% annually over the course of the study period based on inflation and the increasing costs associated with energy and treatment chemicals. Projected expenses are based on budgeted expenses from previous years and have been adjusted for inflation and forecasted to 2032.

2.2 Capital Costs

Yearly maintenance expenditures refer to upkeep costs to maintain assets in service. Capital expenditures are the costs involved in upgrading, acquiring, or replacing an asset used in the DWS.

An existing 10-Year Recommended Capital/Major Maintenance from 2026 to 2031 plan prepared by OCWA for 2026 (Appendix B) was reviewed and updated to include cost estimates for capital and major maintenance out to the end of the financial planning window of 2032. Capital expenditures increase the value of the system's assets, whereas routine annual maintenance (even major maintenance) does not contribute to asset value and is treated as an operating expense.

The following major expenditures are capitalized during the study period (2026-2032):

- Lighting replacement in Ramore WTP ($600 in 2026)
- Pitless adapter removal and replacement in Ramore WTP($25,000 in 2026)
- Chemical feed pump replacement in Val Gagné WTP ($15,000 in 2027 and 2031)

There were also two likely projects listed but not costed in the Capital/Major Maintenance Plan. These projects do not yet have a sufficiently defined scope, but both are likely to exceed $250k in cost:

1. Solution to resolve the high sodium concentration in Val Gagné DWS. Solutions may include filtration or the replacement of the existing well.

2. Addition of a manganese dioxide media filtration system for the Holtyre WTP in the form of a pressurized greensand filtration system or a manganese dioxide filter.

2.3 Debt Management

The Black River-Matheson DWS presently has no debts/debentures associated with it and is not projected to incur any debts during the planning period.

2.4 Lead Pipe Replacement Cost

There are no costs associated with lead pipe replacement for the Township's DWS.

2.5 Source Water Protection Costs

No direct source water protection costs have been allocated from the drinking water system for the purposes of this Financial Plan.

3 Funding Plan

A funding plan was developed to ensure that the annual expenditures forecasted in the financial operating plan can be sustained over the study period. The funding plan relies mainly on the revenues generated from the direct users of the DWS through water user rates to cover forecasted capital and operating costs.

3.1 Water Rates

Water billing in the Township is a combination of a flat fee and a metered water rate billing every two months. The current 2026 rates as passed by By-Law 2026-06 are shown in the table below along with forecasted water rates to 2032.

Table 2: Black River-Matheson Water Rate Projections

BLACK RIVER-MATHESON WATER RATE PROJECTIONS								
Classification	**2025***	**2026***	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Single Residential - Water Levy	$697	$746	$761	$776	$792	$807	$824	$840
Small Commercial - Water Levy	$1,020	$1,091	$1,113	$1,135	$1,158	$1,181	$1,205	$1,229
Proposed Rate Increase	3.98%	6.96%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

*In 2025 and 2026 refers to rate changes that have already been ratified by the Township.

It is OCWA's recommendation that water rates increase in order to counter the yearly inflation. This Financial Plan utilizes a 2% yearly minimum water rate increase during the planning period 2027-2032 (approximately $15 increase per year for single residential dwellings). These rate increases are illustrative only and any rate increase is subject to Council approval.

3.2 Water System Reserve

The Township's opening 2026 Water Reserve balance was $2,151,794 as stated in the Township's 2025 Financial Information Return.

The DWS Reserve is used to set aside funds to finance future expenditures. This account determines the financial health/viability of the DWS. The DWS is considered to be financially healthy and/or viable when the reserve is projected to increase over the long-term. Although no prescribed reserve target exists under O. Reg. 453/07, maintaining reserve balances equivalent to approximately 10% of replacement value is commonly considered prudent asset management practice.

The account receives cash inflows through funds transferred from the Township's operating account, additional annual surplus from water rates, and interest accrued (if any). The cash outflows consist of expenditures on capital and major maintenance works, and any interest paid.

3.3 Government Funding

Government funding programs are typically directed toward projects with substantial capital costs and demonstrated financial need. While the currently costed capital works are not considered significant enough to justify grant applications, the two uncosted projects are expected to be of sufficient scale to warrant external funding support. Accordingly, future grant opportunities should be explored as these projects advance.

4 Financial Plan Summary

This section provides a summary of the principal features concerning the current and projected future state of the Township's DWS. The financial information is contained in financial statements covering at least six years (2026-2032) in compliance with O. Reg. 453/07. Detailed financial statements are set out in tabular form in Section 7. Notes regarding the financial statements are presented at the end of the financial statement section of this report.

4.1 Statement of Financial Position

4.1.1 Net Financial Assets/ (Debt)

An important financial feature of a DWS is its Net Financial Assets/ (debt). A positive net financial asset indicates that the system has a reserve fund to deal with future capital and other needs. A negative number indicates that past capital and other investments must be financed from future revenues. The Township's DWS's Net Financial Assets/ (Debt) is shown in Figure 4-1 below.

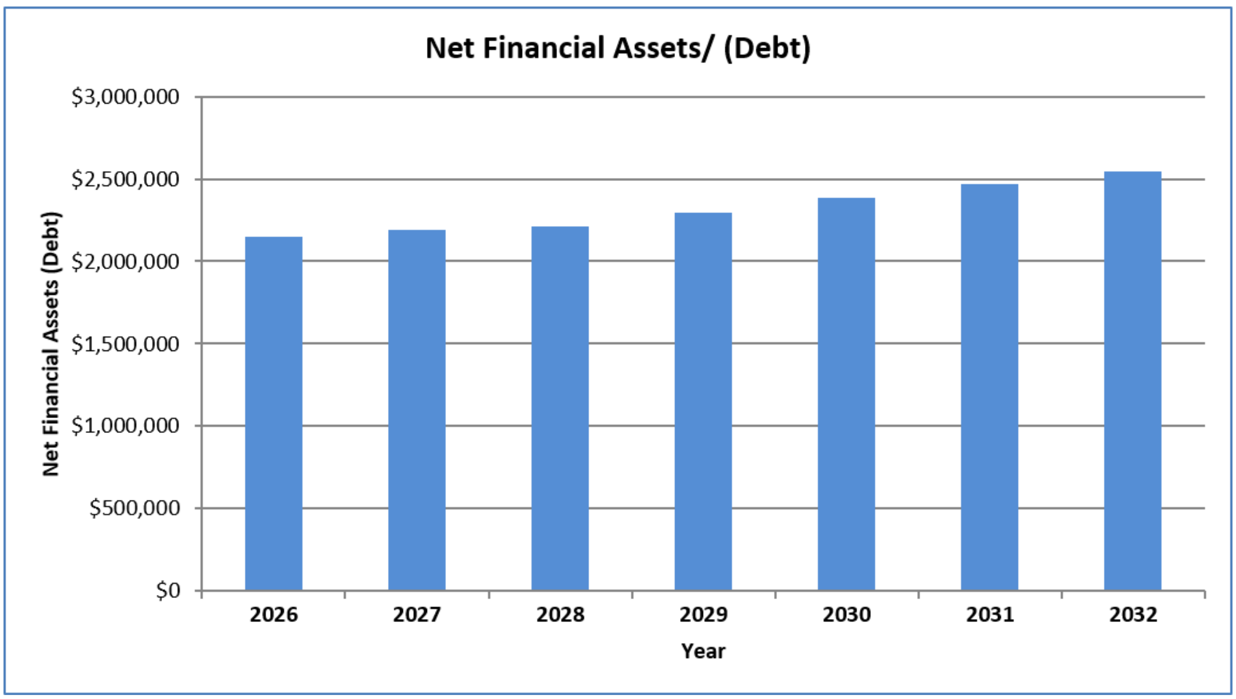

Figure 4-1: Black River-Matheson's DWS Net Financial Assets/ (Debt)

Figure 4-1 shows that the DWS's Net Financial Assets are presently in a significantly positive position and projected to remain positive and growing throughout the remainder of the study period of 2026-2032. It should be noted that the uncosted capital items may require a large portion of the existing reserve but is unlikely to put the system into debt. Also, the accounting of capital works is more comprehensive in the short term than in the long-term and there may be more unidentified capital works that may have to be included in the capital budget at a future date. It is also possible that unidentified funding opportunities may also occur in the planning period.

4.1.2 Tangible Capital Assets

A second financial feature of the DWS is the total value of the system's Tangible Capital Assets (building, equipment, and water mains). Consideration of the value of Tangible Capital Assets is part of PSAB compliance. The current value of the capital assets is termed Net Book Value. Net Book Value is the difference between the original cost of an asset less the accumulated amortization.

Drinking water systems have significant resources in Tangible Capital Assets and managing these assets is critical to maintaining current and future levels of service. Tangible Capital Assets once installed and are being used, their value will decrease over time. An increase in the Net Book Value of Tangible Capital Assets is an indication that assets have been renewed faster than they are being amortized. A decrease in Net Book Value indicates that assets are being amortized faster than they are renewed. The Net Book Value of the assets is set out in Figure 4-2.

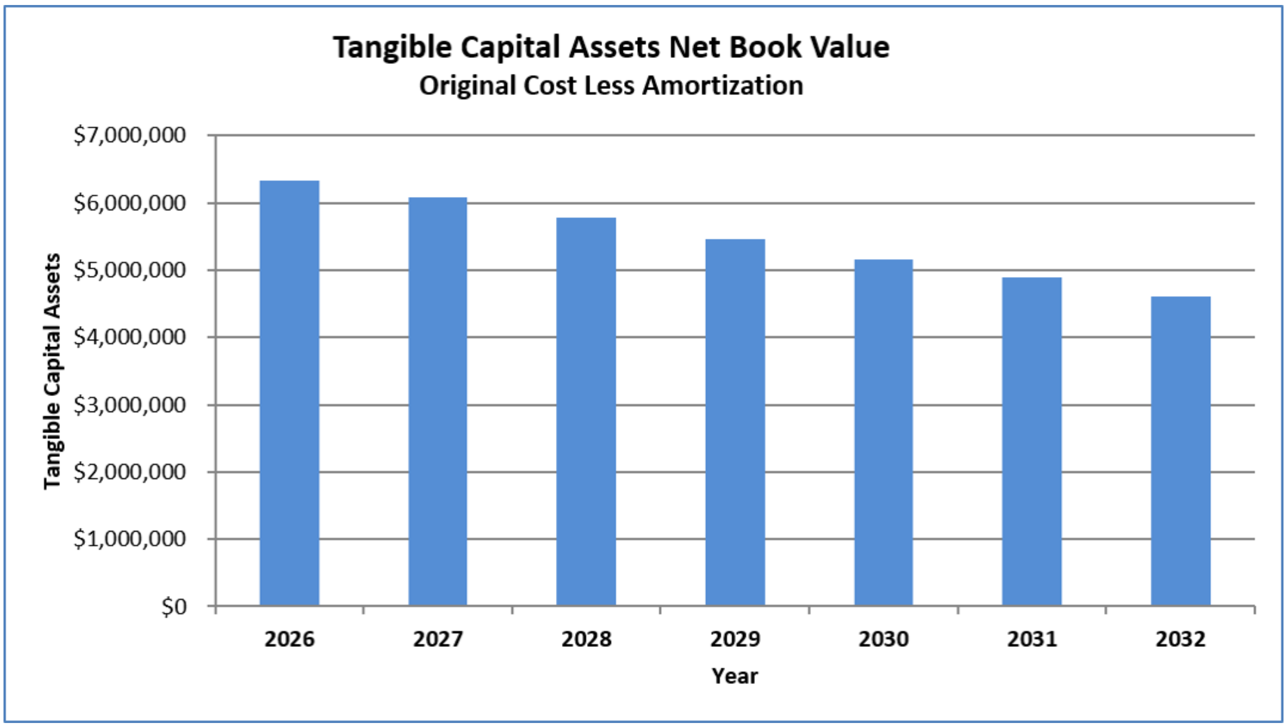

Figure 4-2: Black River-Matheson's DWS Tangible Capital Assets

As shown in the figure above, the system's current Net Book Value is $6.3M. Throughout the planning period the value of the Tangible Capital Assets of the system is expected to steadily decrease for the remainder of the planning period to a 2032 value of $4.6M. The 2026 opening tangible capital asset replacement cost (cost to replace the entire system) is estimated to be $20.3M. The decreasing trend indicates that the system is amortizing faster than it is being renewed.

4.1.3 Accumulated Surplus

A third financial feature of the DWS finances is the accumulated surplus, which represents the cash on hand less debt plus the Net Book Value of Tangible Capital Assets. In other words, the accumulated surplus is calculated by adding net financial assets (Figure 4-1) and Tangible Capital Assets (Figure 4-2).

The accumulated surplus provides an indication to quantify the Township's ability to maintain the current value of the DWS.

Figure 4-3 presents the projected accumulated surplus over the planning horizon. The accumulated surplus reflects the net financial position of the water system after accounting for operating revenues and expenses, capital expenditures, and the non-cash impact of amortization. Under the current revenue structure, the system does not generate sufficient funding to fully offset lifecycle costs, particularly the ongoing consumption of assets represented by amortization, resulting in a gradual decline in accumulated surplus over time. This downward trend indicates that, while the system can remain viable over the planning period and a long time after, it is not fully self-sustaining under the current revenue model and will continue to rely on periodic government funding or external contributions to address funding gaps and support capital reinvestment.

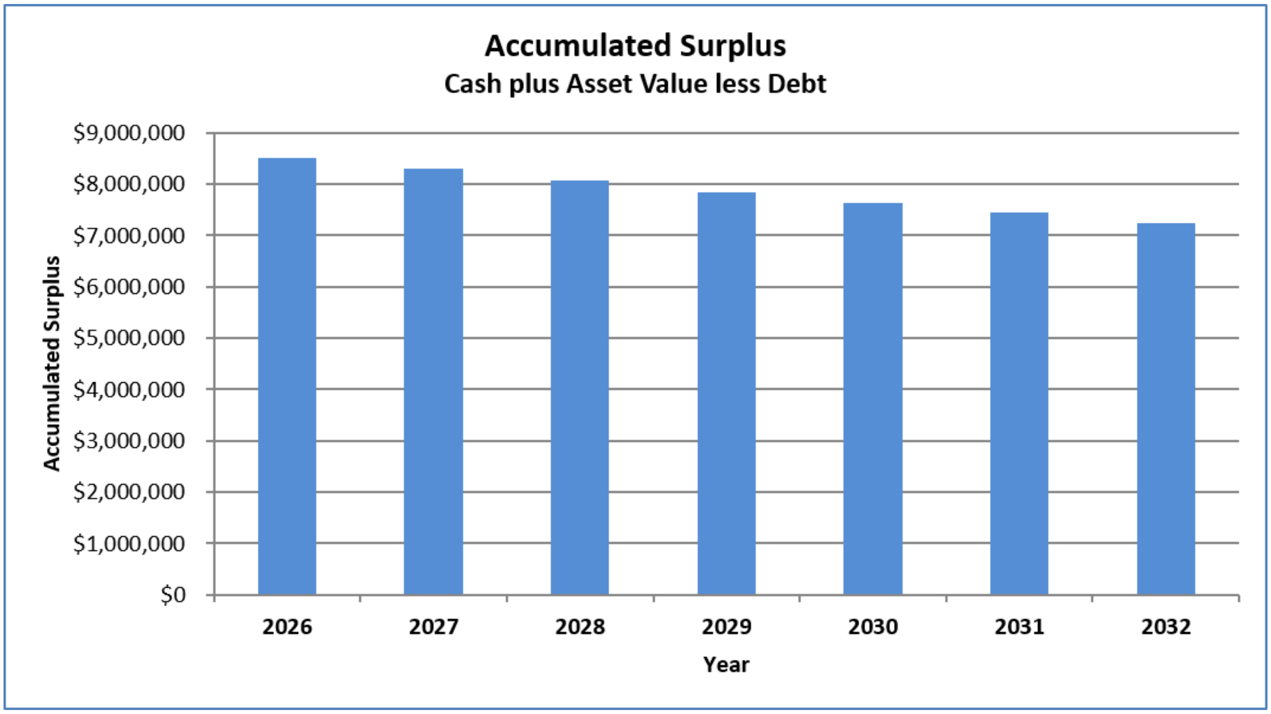

Figure 4-3: Black River-Matheson's DWS Accumulated Surplus

In order to fully account for the amortization, the rates would need to be increased, one time, by 30-40% beyond the 2% yearly recommended rate increase.

4.2 Statement of Financial Operation

The statement of financial operations summarizes the Township's DWS revenues and expenditures over the study period. This represents the gain or loss in the accumulated surplus over the study period. The majority of the revenue collected in the DWS comes from residential water user fees. Expenditures include operating costs, major maintenance costs, debt payment, annual asset amortization, and cost of capital projects.

Figure 4-4 projects that the system's negative and relatively flat trend of excess revenues over expenses reflects the steady decreasing trend of the accumulated surplus seen in Figure 4-3. This shows that the system's revenue is insufficient to counter the amortization rate of the system ($307k/year).

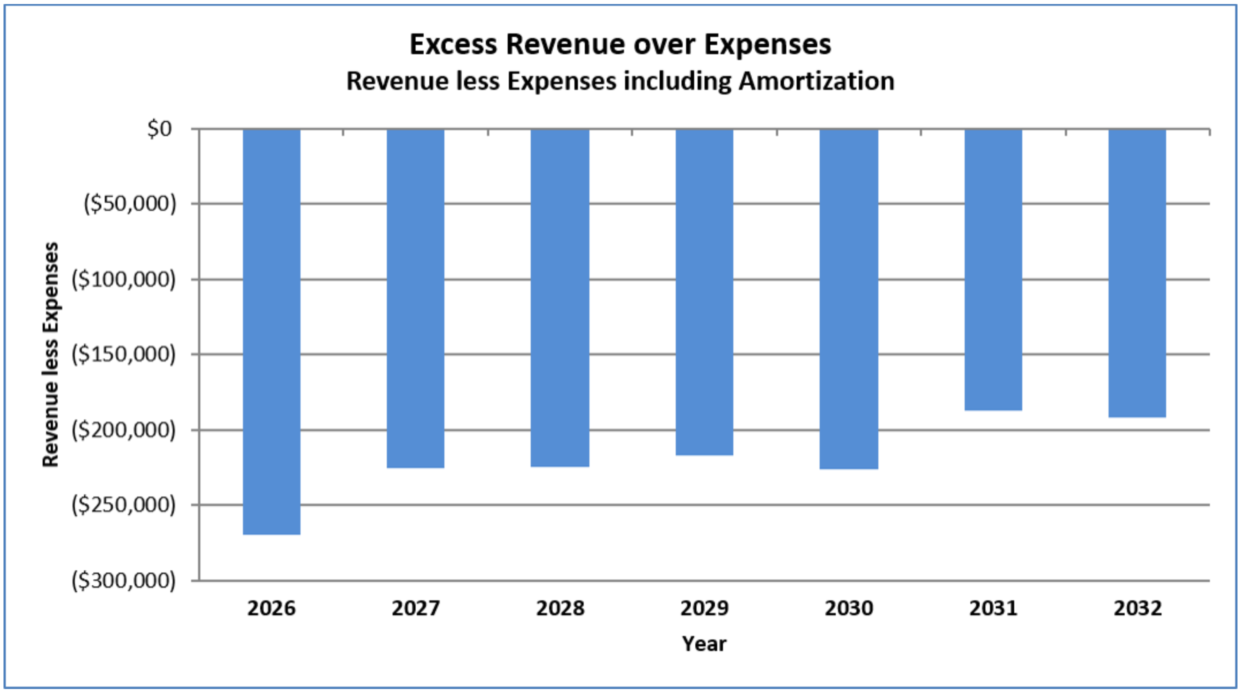

Figure 4-4 Black River-Matheson's DWS Revenues less Operational Expenses

It is important to note that amortization expense is a financial write-off of the capital assets, and it is not a cash expenditure itself. Amortization is included in financial statements to represent the loss in value of the resources required to operate the DWS.

5 Continuous Improvement

The Safe Drinking Water Act requires that the Township's Municipal Drinking Water Licence be renewed every five years, with an updated Financial Plan prepared and approved in advance of each renewal. Accordingly, this Financial Plan should be reviewed and updated regularly to ensure that financial projections remain current and reflective of system performance, regulatory requirements, and evolving infrastructure needs.

Future updates to the Financial Plan should continue to be informed by the Township's Asset Management Plan, asset condition assessments, and updated capital and major maintenance planning. Changes in asset condition, remaining useful life, or renewal priorities may materially affect long-term financial requirements and should be incorporated as improved information becomes available.

Although the Drinking Water System is financially viable over the current planning period, this Plan demonstrates that lifecycle costs are not fully funded on a full-cost accounting basis, as amortization exceeds ongoing reinvestment. Future planning cycles should therefore monitor reserve balances, accumulated surplus trends, and tangible capital asset decline to identify emerging financial pressures and inform timely financial decision-making.

6 Conclusion

The financial outlook for the Black River-Matheson Drinking Water System indicates that the system is financially viable over the 2026–2032 planning period and is projected to maintain a positive net financial asset position throughout the timeframe. The absence of system-related debt and the maintenance of a positive reserve balance support the system's ability to meet forecasted operating, maintenance, and planned capital obligations in the short to medium term.

While the system remains viable on a cash basis, long-term financial indicators demonstrate that it is not fully self-sustaining under the current revenue structure. The Net Book Value of Tangible Capital Assets is projected to decline steadily over the planning period, indicating that asset consumption exceeds capital reinvestment. Although planned capital projects address several priority needs, overall renewal activity does not fully offset amortization, reflecting the continued aging of system infrastructure.

The accumulated surplus exhibits a gradual downward trend over the study period, consistent with the system's inability to fully fund lifecycle costs through existing revenues. Annual user fees are sufficient to support ongoing operations and maintain positive reserves; however, they do not fully account for the long-term consumption of assets on a full-cost accounting basis. As a result, continued system viability beyond the planning horizon may require future financial strategy adjustments, subject to Council approval, including changes to user rates, reinvestment levels, or other funding approaches.

This Financial Plan has been prepared in accordance with Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002, and reflects the best available information at the time of preparation. It should be reviewed and updated regularly to reflect changes in operating costs, infrastructure condition, regulatory requirements, and long-term capital needs. Ongoing monitoring and adaptive financial planning will be essential to ensure the continued reliability, safety, and financial integrity of the Black River-Matheson Drinking Water System.

7 Financial Statements

The detailed financial statements are set out in the following tables. Section 8 details the notes that correspond to the "notes" numbers on the right side of the tables.

Table 7.1 – Statement of Financial Position

Statement of Financial Position	2026	2027	2028	2029	2030	2031	2032	Notes
Financial Assets								
Cash/Cash Equivalents								
System Reserve (Beginning of Year)	$2,151,794	$2,165,643	$2,167,279	$2,221,847	$2,288,761	$2,346,237	$2,398,188	
System Reserve (End of Year)	$2,165,643	$2,167,279	$2,221,847	$2,288,761	$2,346,237	$2,398,188	$2,465,138	1
Total Financial Assets	**$2,165,643**	**$2,167,279**	**$2,221,847**	**$2,288,761**	**$2,346,237**	**$2,398,188**	**$2,465,138**	
Liabilities								
Debt	$0	$0	$0	$0	$0	$0	$0	
Operating Debt	$0	$0	$0	$0	$0	$0	$0	
Total Liabilities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	
Net Financial Assets (Debt)	**$2,165,643**	**$2,167,279**	**$2,221,847**	**$2,288,761**	**$2,346,237**	**$2,398,188**	**$2,465,138**	
Non Financial Assets								
Tangible Capital Asset Cost (Opening)	$20,223,739	$20,224,339	$20,280,949	$20,285,111	$20,285,111	$20,285,111	$20,302,224	2
Changes in Tangible Capital Assets - Additions	$600	$56,610	$4,162	$0	$0	$17,113	$0	3
Tangible Capital Asset Cost (Closing)	$20,224,339	$20,280,949	$20,285,111	$20,285,111	$20,285,111	$20,302,224	$20,302,224	
Accumulated Amortization (opening)	$13,587,329	$13,894,712	$14,202,095	$14,509,478	$14,818,064	$15,126,650	$15,408,767	4
Accumulated Amortization (closing)	$13,894,712	$14,202,095	$14,509,478	$14,818,064	$15,126,650	$15,408,767	$15,693,714	4
Total Non Financial Assets	**$6,329,627**	**$6,078,854**	**$5,775,632**	**$5,467,046**	**$5,158,460**	**$4,893,457**	**$4,608,510**	
Accumulated Surplus(deficit)	**$8,495,270**	**$8,246,133**	**$7,997,480**	**$7,755,807**	**$7,504,697**	**$7,291,645**	**$7,073,648**	

Note: Unaudited for Planning Purposes Only – Actual results will differ from the above and these differences could be material.

Table 7.2 – Statement of Financial Operations

Statement of Financial Operations	2026	2027	2028	2029	2030	2031	2032	
Total Revenues								
Revenue from Users								
Water Sales	$603,651	$615,724	$628,039	$640,599	$653,411	$666,480	$679,809	5
Misc. Revenue	$0	$0	$0	$0	$0	$0	$0	
Total Revenue from Users	**$603,651**	**$615,724**	**$628,039**	**$640,599**	**$653,411**	**$666,480**	**$679,809**	
Contribution from General Reserve	$0	$0	$0	$0	$0	$0	$0	
Interest								
System Reserve	$0	$0	$0	$0	$0	$0	$0	6
Grants								
Government Funding Programs	$0	$0	$0	$0	$0	$0	$0	
Total Revenues	**$603,651**	**$615,724**	**$628,039**	**$640,599**	**$653,411**	**$666,480**	**$679,809**	
Expenses								
Expenses	$508,872	$519,049	$529,430	$540,019	$550,819	$561,836	$573,073	7
OCWA Contract	$0	$0	$0	$0	$0	$0	$0	7
OCWA Maintenance	$80,330	$38,429	$39,879	$33,667	$45,116	$35,579	$39,787	8
Expenses before interest and amortization	**$589,202**	**$557,478**	**$569,309**	**$573,686**	**$595,935**	**$597,415**	**$612,860**	
Debt Interest	$0	$0	$0	$0	$0	$0	$0	
Amortization	$307,383	$307,383	$307,383	$308,586	$308,586	$282,117	$284,947	4
Total Expenses	**$896,585**	**$864,861**	**$876,692**	**$882,272**	**$904,521**	**$879,531**	**$897,807**	
Excess of Revenues over Expenses	($292,934)	($249,137)	($248,653)	($241,673)	($251,110)	($213,052)	($217,998)	
Annual Surplus (Deficit) Beginning of year	**$8,788,203**	**$8,495,269**	**$8,246,132**	**$7,997,479**	**$7,755,807**	**$7,504,697**	**$7,291,645**	
Accumulated Surplus (Deficit) End of Year	**$8,495,269**	**$8,246,132**	**$7,997,479**	**$7,755,807**	**$7,504,697**	**$7,291,645**	**$7,073,647**	

Note: Unaudited for Planning Purposes Only – Actual results will differ from the above and these differences could be material.

Table 7.3 – Statement of Cash Flow

Statement of Cash Flow	2026	2027	2028	2029	2030	2031	2032	
Operating Transactions								
Cash received from Revenues	$603,651	$615,724	$628,039	$640,599	$653,411	$666,480	$679,809	
Cash paid for Operating Expenses	$589,202	$557,478	$569,309	$573,686	$595,935	$597,415	$612,860	
Cash paid for Financing Charges (Interest)	$0	$0	$0	$0	$0	$0	$0	
Excess of Operating Revenues Over Operating Expenses	$14,449	$58,246	$58,730	$66,914	$57,476	$69,065	$66,949	
Working Capital Items								
Accounts Receivable	$0	$0	$0	$0	$0	$0	$0	
Inventory	$0	$0	$0	$0	$0	$0	$0	
Capital Work in Progress	$0	$0	$0	$0	$0	$0	$0	
Cash provided by Operating Transactions	**$14,449**	**$58,246**	**$58,730**	**$66,914**	**$57,476**	**$69,065**	**$66,949**	
Capital								
Acquisition of TCAs	$600	$56,610	$4,162	$0	$0	$17,113	$0	3
Proceeds on Disposal of TCA	$0	$0	$0	$0	$0	$0	$0	
Cash used in Capital Transactions	**$600**	**$56,610**	**$4,162**	**$0**	**$0**	**$17,113**	**$0**	
Investing								
Cash (used in)/Provided by Investing Activities	$0	$0	$0	$0	$0	$0	$0	6
Increase (decrease) Cash Provided by Investing Activitie	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	
Financing								
Repayment of Long Term Debt (principal)	$0	$0	$0	$0	$0	$0	$0	
Cash Provided by (used) in Financing Activities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	
Increase (decrease) in Cash Equivalents	**$13,849**	**$1,636**	**$54,568**	**$66,914**	**$57,476**	**$51,952**	**$66,949**	
Cash and Cash Equivalents at the beginning of the Year	**$2,151,794**	**$2,165,643**	**$2,167,279**	**$2,221,847**	**$2,288,761**	**$2,346,237**	**$2,398,188**	
Cash and Cash Equivalents at the End of the Year	**$2,165,643**	**$2,167,279**	**$2,221,847**	**$2,288,761**	**$2,346,237**	**$2,398,188**	**$2,465,138**	

Note: Unaudited for Planning Purposes Only – Actual results will differ from the above and these differences could be material.

8 Notes on the Black River-Matheson DWS Financial Plan

The Black River-Matheson DWS Financial Plan represents a forecast of the financial performance of the DWS over a study period starting in the year 2026 to the year 2032. The following notes are intended to document and/or clarify some of the assumptions made in generating the financial information contained in the tables. The reader is cautioned that the Financial Plan contains unaudited financial information and is subject to change:

1) The Township's water reserve fund is, as of 2026 opening at $ 2,151,794.
2) Tangible Capital Assets Cost (Opening) is the initial value of all Tangible Capital Assets at the beginning of the year, without factoring in asset amortization.
3) Tangible Capital Assets (TCA) Additions include various capital projects that were carried out during the study period, which increase the value of the system's tangible assets.
4) TCAs are assumed to have no residual value when they have reached the end of their projected useful life. Amortization was determined using the straight-line method. Assets are assumed to be put into service at the end of the year. Amortization is therefore added at the start of the year following installation.
5) Water Revenue – Includes residential and commercial water.
6) No investment income is presently associated with the DWS.
7) Total Operating Expense – expenditures (Wages & Benefits, Materials, Utilities and Contracted Services) related to the DWS.
8) Total Maintenance Expenses – maintenance expenditures related to the DWS (e.g. annual part replacement, inspections, etc.).

APPENDIX A
Ontario Regulation 453/07

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: O. Reg. 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 licence 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.

APPENDIX B

Black River-Matheson

Recommended Capital/Major Maintenance from 2026 to 2031

Black River Matheson

6 Year Recommended Capital/Major Maintenance from 2026 to 2031

The Ontario Clean Water Agency has identified the following capital projects/major maintenance for your review and approval.

Ref. No.	Scope of Work	2026	2027	2028	2029	2030	2031	Compliance	DWQMS RA Outcome*	Health & Safety	Repair / Maintenance	Lifecycle Replacement	Improvement	Spare Parts Inventory	Approved by Client	Rationale for Project
	Holtyre Water Treatment (6517)	2026	2027	2028	2029	2030	2031									
1	Purchase of enhanced Manganese sequestering chemical	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000			x			x			Sequestering agent for iron and manganese sequestering: This will continue until installation of a iron and manganese removal system as directed by the local health unit
2	Well #3 Pump Lowering	$15,500										x	x			Pump and motor replaced in 2024; upon investigations; the pump show be lowered to be submerged completely in water at all times to decrease oxidation of manganese and iron
3	Generator servicing	$850	$850	$850	$850	$850	$850			x	x					Annual servicing for emergency generator
4	Sodium hypochlorite pumps spare parts kit	$1,400	$1,400	$1,400	$1,400	$1,400	$1,400	x			x			x		Replacement parts/kit for regular operations- chemical pumps (2- pump types and 2-chemical types)
5	Minor capital. Unforeseen repairs throughout the year.	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000				x			x		Captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
6	Manganese Removal	TBD	TBD					x					x			Currently sequestering the Iron and Manganese in Solution; discolouration has improved greatly over the past 5-6 years. Northeast Public Health Unit directive to remove Managanese from the water distribution system via filtration: a pilot project was conducted in 2025 to investigate and ensure the proposed system would work prior to engineering and implementation of a full manganese removal system
7	Permit to take water renewal			$2,500				x								Permit to take water renewal required in 2028
8	Replace submersible well pump		$15,000									x	x			Equipment life cycle replacement
9	Replace sequestrant feed pump			$4,000								x	x			Equipment life cycle replacement (if required)
	Total Estimate -Holtyre WTP	$27,750	$27,250	$18,750	$12,250	$12,250	$12,250									

	Matheson Reservoir and Distribution System	2026	2027	2028	2029	2030	2031									

1	Hydrant Repair Parts and Servicings for all townsites	$5,000								x	x	x	x	x		Purchase parts for various hydrant repairs and increased functionality
2	Trailer Vacuum Rental: Cleanining of Watermain Valves	$8,000								x			x			OCWA vacuum trailer rental to clean out watermain valves and ensure proper access and begin investigating non-functional valves
	Total Estimate- Matheson Reservoir	$13,000	$0	$0	$0	$0	$0									
	Matheson Water Treatment Plant (6011)	2026	2027	2028	2029	2030	2031									
1	Generator servicing	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000			x	x					Annual servicing of 2 generators (water plant and reservoir)
2	Sodium hypochlorite pumps spare parts kit	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800				x					Spare parts for operational wear and tear on injection pumps
3	Minor capital. Unforeseen repairs throughout the year.	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500				x			x		This line item captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
4	Water Treatment Buildings- Fire Extinguisher Inspections and Certifications	$500	$500	$500	$500	$500	$500	x		x						Third party fire extinguisher inspections and certifications; historically township completed works
5	Misc standard pvc piping, fittings, and connections	$5,000		$2,000		$2,000								x		Misc piping, fittings, and connections for on-going regular operations and maintenance workswithin the water plant
6	Matheson Permit to take water renewal							x								Permit to take water renewal required in 2031
	Total Estimate -Matheson WTP	$11,800	$6,800	$8,800	$6,800	$8,800	$6,800									
	Ramore Water Treatment System (5756)	2026	2027	2028	2029	2030	2031									
1	Sodium hypochlorite pump spare parts kits and injectors	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800					x				Yearly rebuilds of chemical pumps as per operations manual.
2	Generator servicing	$900	$900	$900	$900	$900	$900			x	x					Annual servicing of the emergency generator
3	Minor capital. Unforeseen repairs throughout the year.	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000				x					Captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
4	Change Lighting Inside Waterplant Building	$600								x		x	x			Interior waterplant existing lighting flickers and is very dim; request to install updated LED lighting for plant operations and safety requirements
5	Well No.5 Pitless adaptor removal and piping/pump installation		$25,000					x			x	x				Require to excavate around well 5 casing; remove welded or bolted pitless adaptor, and re install new piping and well pump that was purchased in 2025
6	Permit to take water renewal					$2,200		x								required in 2030
	Total Estimate - Ramore WTP	$4,300	$28,700	$3,700	$3,700	$5,900	$3,700									
	Val Gagne Water Treatment System (5624)	2026	2027	2028	2029	2030	2031									

1	Generator servicing	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500			x	x					3 units (Emergency Generator, Fire suppression generator, and Vg South well generator);
2	Sodium hypochlorite pumps spare parts kit	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000				x			x		Rebuild and on-going matenance kits: Diaphragms, Check valves, seals etc.
3	Minor capital. Unforeseen repairs throughout the year.	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000				x					Captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
4	Chlorine analyser replacement		$15,500				$15,500		x			x				Replace aging unit with current model to match other units in the area; this will aid in maintenance materials inventory and processes
5	Permit to take water renewal					$2,200		x								2030
6	Well #1 produces water with high concentrations of sodium >20mg/L : regulation is <20mg/L, OCWA advised the Porcupine Health Unit to notify persons in the area with sodium restricted diets. Investigations can be completed for a source relocation	TBD	TBD	TBD	TBD	TBD	TBD	x					x			Discussions are required with Township administration and Council, regulators, and engineering to formulate a directive for well investigations. 2022 allocated budget was 35K in engineering investigative cost; a preliminary background investigations were completed on well uses for Val Gagne, Holtyre, and Ramore. Report was issued to Township via 3rd party engineering firm
	Total Estimate - Val Gagne WTP	$4,500	$20,000	$4,500	$4,500	$6,700	$20,000									

	Costs common to all water AND sewer plants in BRM	2026	2027	2028	2029	2030										
1	DWQMS internal and external audits as required by regulators	$1,800	$5,700	$1,800	$1,800	$5,700	$1,800	x								This covers the audit at all water plant in the system as this is considered one operational plan. Every 3rd year is an external audit performed by SAI Global.
2	Flood level probe sensors (2 per year)	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000									Replacement of flood sensors in each water treatment plant
3	Solution for Eyewash Station 4/year (For all WaterPlant Sites)	$650	$650	$650	$650	$650	$650	x		x		x				Stabalizer for emergency eyewash station replace every 6-months in accordance with regulatory requirements
4	Consolidated Linear Infrastructure- Environmental Compliance Approval- Regulatory Change	$27,000	TBD	TBD	TBD	TBD	TBD	x								Conduct mandatory works for Consolidated Linear Infrastructure Environmental Compliance Approvals (Operations Manuals, Wet and Dry Weather Assessments,etc.)
5	Generator Fuel for all sites (Estimated Cost, Actual Fuel Usage to be Invoiced)	$5,500	$5,500	$5,500	$5,500	$5,500	$5,500				x					Fuel cost for generators at all sites (11 units) within the water and sewer operations. Fuel will be billed to the municipality on a "as used" basis: this line item is only an estimate of usage
6	Chlorine Injectors Spare Parts Kits	$3,210		$3,210		$3,210										1 annual kit approx. $610 + 1- 4year kit 2600
7	Lab Equipment Calibration standards			$1,000			$1,000	x			x					Calibration standards for unit calibations
8	Municipal Drinking Water License Renewals		$4,000					x								This is a cost of $1,000 for each of the water plants for a total of $4,000.
9	Resolution by council to show acceptance of the financial plan. The resolution must be submitted to the MECP as part of the MDWL renewal package.		Client Responsibility					x								This is a prerequisite of the Municipal Drinking Water Licence Renewal process in 2027

	Total Estimate -Common Cost	$39,160	$16,850	$13,160	$8,950	$16,060	$9,950								

	Holtyre Sewage Lagoon (5707)	2026	2027	2028	2029	2030	2031								
1	Minor capital. Unforeseen repairs throughout the year including sewage plant and lift stations.	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000					x					Captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
2	cattail removal		$12,000		$12,000		$12,000				x		x			Commence re-occuring cattail and vegetation removal on a shorter frequence to avoid efficiency loss and decrease overall maintenance cost
	Total Estimate - Holtyre Lagoon	$2,000	$14,000	$2,000	$14,000	$2,000	$14,000									

	Matheson Waste Pollution Control Plant (5918)	2026	2027	2028	2029	2030	2031									
1	Concrete Grit Channels: Repairs and Maintenance	$15,000	$12,000	$12,000							x					Concrete grit channels are showing signs of mild to moderate distresses; repair visible cracks and concrete flaking to ensure process efficiency and extend the life cycle of the concrete structure
2	Generator servicing	$3,400	$3,400	$3,400	$3,400	$3,400	$3,400				x					Includes Matheson WWTP, lift station 2 and 3; for a total of 3 generator servicings
3	SCBA Inspections (1Yr)	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100			x						Regulatory Health & Safety Equipment Inspections and certifications
4	Lifting Device Inspections Trailer and Chain Blocks	$700	$700	$700	$700	$700	$700			x						Regulatory Health & Safety Equipment Inspections and certifications
5	Minor capital. Unforeseen repairs throughout the year including sewage plant and all 3 lift stations.	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000					x				This line item captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
6	Year-Round Chemical Cost for Dechlorination- MECP Requirement (Sodium Bisulfate)	$28,000	$28,000	$28,000	$28,000			x		x						Cost of sodium bisuflate usage year-round, previous usage of sodium bisulfate was seasonal only (may to october), MECP directed to chlorinate and dechlorinate year round;
7	Year-Round Chemical Cost for Disinfection- MECP Requirement (Chlorine Gas)	$25,000	$25,000	$25,000	$25,000			x		x						Cost of chlorine gas usage year-round, previous usage of chlorine gas was seasonal only (may to october), MECP directed to chlorinate and dechlorinate year round;
8	Digestor Sludge Removal and Hauling (Process Requirement)	$25,000	$25,000	$30,000	$30,000	$30,000	$30,000	x			x					Sludge removal and disposal from waste plant process; typically completed quarterly or semi annually depending on waste volumes and process. Please note: budget number of 35K is an estimate, actuals will be invoices depending on quantity, price per cubic meter is approximately $73

9	Engineering services: Tendering of Item 12 (Ultraviolet Disinfection System), Tendering Support, and Award Documents	$93,000							x					x		Project is 90% engineered. Costing is to develop tender documents, administer tender/award. Contract administration of the construction, and site supervision
10	Waste Plant Process Blowers Servicing and Maintenance	$15,600		$15,600		$15,600										Have the manufacturer attend site and service two (2) industrial 50HP 600V Turbo Blowers for the Waste Pollution Control Plant aeration
11	Lighting Upgrades to Exterior of Building and Property	$3,000								x		x	x			Various burnt out/aged outdoor lightings within the pollution control plant property require updating and replacements. Works will require a boom truck to access light poles
12	Implementation of the De-Chlorination Project (Ultraviolet Disinfection System)	TBD	$1,500,000	TBD	TBD				x					x		Implementation of the UltraViolet dinsinfection system within 5-years of Ammended ECA(2024); tentative implementation by 2029: the associated cost is a high level estimate only
	Total Estimate -Matheson WPCP	$213,800	$1,599,200	$119,800	$92,200	$54,800	$39,200									
	Ramore Lagoon (5737)	2026	2027	2028	2029	2030	2031									
1	Generator servicing	$1,700	$1,700	$1,700	$1,700	$1,700	$1,700				x					Annual servicing of the emergency generator
2	PAC for Chemical Treatment of Lagoon Discharge	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	x								Chemical Treatment for Discharge - aids in the quality of the effluent leaving the lagoon to the natural water body; this allows the effluent to meet the required specifications on
3	Minor capital. Unforeseen repairs throughout the year.	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000			x						This line item captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
4	Pump Station: 5HP Sewage Pump Rebuild (main pump)	$6,085														Rebuild required for one of the main sewage pumps: Lifecycle requirement; currently utilizing the spare unit
5	Pump Station: 5HP spare sewage pump rebuild	$4,765														Rebuild required for a secondary spare sewage pump; important to have self spare for compliance matters and ensuring no backup of sewage of houses in the case of main pump failure
6	Cattail removal on both lagoon cell 1 and 2		$12,000		$12,000		$12,000				x					Commence re-occuring cattail and vegetation removal on a shorter frequence to avoid efficiency loss and decrease overall maintenance cost
	Total Estimate - Ramore Lagoon	$15,550	$16,700	$4,700	$16,700	$4,700	$16,700									
	Val Gagne Lagoon (5899)	2026	2027	2028	2029	2030	2031									

1	Minor capital. Unforeseen repairs throughout the year.	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000					x				This line item captures on-going or minor unforseen operational and maintenance expenditures over the year that are not covered within the operating agreement
2	Lagoon fencing repairs		$10,000	$10,000		$10,000					x					Perimeter and site security fencing remediation; many fence segments require replacement to ensure site security
3	Cattail removal on cell 2		$12,000		$12,000		$12,000				x					Commence re-occuring cattail and vegetation removal on a shorter frequence to avoid efficiency loss and decrease overall maintenance cost
	Total Estimate - Val Gagne Lagoon	$1,000	$23,000	$11,000	$13,000	$11,000	$13,000									

	Total Capital Estimate	$332,860	$1,752,500	$186,410	$172,100	$122,210	$135,600

2026 Recommended Capital by: Christopher D Ciarrocca C.E.T, CMM III

2026 Recommended Capital Approved by:

* NOTE : a requirement of DWQMS v. 2.0 is to consider the outcomes of the risk assessment (RA) documented under Element 8 as part of the system's infrastructure review

H	*High priority recommended to be completed in*
M	*Medium priority recommended to be completed in 1*