

ONTARIO, CA

COCHRANE

TOWN OF COCHRANE
2022 BUDGET REPORT

WATER AND WASTEWATER SERVICES

Table of Contents

OPERATING BUDGET	2
CAPITAL BUDGET	6
WATER FINANCIAL PLAN 2021-2026 O.REG. 453/07	18

OPERATING BUDGET

WATER&SEWER - BUDGET REVIEW



For Period Ending 31-Dec-2021

GENERAL FUND	2021 BUDGET	2021 ACTUAL	VARIANCE	2021 BUDGET	2022 BUDGET	CHANGE FROM
	ANNUAL	preliminary unaudited YTD		ANNUAL	ANNUAL PROPOSED	PRIOR YEAR BUDGET
Revenue						
WATER AND SEWER REVENUES	(3,186,500.00)	(3,416,991.29)	(230,491.29)	(3,186,500.00)	(3,706,679.00)	(520,179.00) See following pages
Total Revenue	(3,186,500.00)	(3,416,991.29)	(230,491.29)	(3,186,500.00)	(3,706,679.00)	(520,179.00)
Expense						
LABOUR COSTS	779,026.00	670,001.78	(109,024.22)	779,026.00	769,036.00	(9,990.00) Note 1
UTILITIES	260,200.00	222,420.19	(37,779.81)	260,200.00	268,800.00	8,600.00 Note 2
REPAIRS AND MAINTENANCE	159,000.00	88,384.37	(70,615.63)	159,000.00	209,500.00	50,500.00 Note 3
MATERIALS AND SUPPLIES	130,750.00	39,264.46	(91,485.54)	130,750.00	77,000.00	(53,750.00) Note 3
WASTE DISPOSAL (SLUDGE)	140,000.00	207,208.94	67,208.94	140,000.00	200,000.00	60,000.00 Note 4
CONTRACTS AND OUTSIDE SERVICES	394,120.00	17,868.18	(376,251.82)	394,120.00	191,620.00	(202,500.00) Note 5
CHEMICALS	180,000.00	168,884.63	(11,115.37)	180,000.00	180,000.00	0.00
TESTING	48,250.00	35,107.11	(13,142.89)	48,250.00	48,000.00	(250.00)
VEHICLE AND EQUIPMENT COSTS	0.00	7,289.53	7,289.53	0.00	40,000.00	40,000.00 Note 6
TRAVEL & TRAINING	20,000.00	17,656.25	(2,343.75)	20,000.00	20,000.00	0.00
ADMIN COSTS-OFFICE/COMPUTERS, ETC	31,000.00	74,582.44	43,582.44	31,000.00	81,000.00	50,000.00 Note 7
INSURANCE AND LICENSES	51,600.00	73,251.46	21,651.46	51,600.00	90,050.00	38,450.00 Note 8
MISCELLANEOUS OPERATING	2,500.00	2,634.28	134.28	2,500.00	2,500.00	0.00
INTEREST ON LTD	115,145.00	94,983.57	(20,161.43)	115,145.00	108,005.00	(7,140.00)
ALLOCATION OF GEN GOV COSTS	236,176.00	236,172.00	(4.00)	236,176.00	255,943.00	19,767.00
Total Expense	2,547,767.00	1,955,709.19	(592,057.81)	2,547,767.00	2,542,954.00	(4,813.00)
Surplus/Deficit	(638,733.00)	(1,461,282.10)	(822,549.10)	(638,733.00)	(1,163,725.00)	(524,992.00)

Note 1: CPI increase offset by adjustment to allocations between PW and WS e.g. admin staff/mgnt allocating 60% PW and 40% WS prev. 50/50

Note 2: 2021 actuals misleading due to large credit for 2019 to 2021 usage only received in April 2021

Note 3: anticipating significant repairs for lift stations / reallocated from Materials/Supplies to Repairs

Note 4: monthly waste disposal service - estimate based on 2021 actuals and anticipation for 2022

Note 5: removal of Master Plan and Water Main Assessment Study both budgeted in 2021 - reserve

Note 6: no longer allocating truck usage / adjusted budget for vehicle fuel

Note 7: adjust per actuals most notably legal and postage allocation

Note 8: adjust per actuals

Surplus before depreciation	\$ 1,461,282	\$ 1,163,725	\$ (297,557)
Depreciation Expense	\$ 850,000	\$ 850,000	\$ -
Net Surplus (Accrual base accounting)	\$ 611,282	\$ 313,725	\$ (297,557)
CASH FLOW STATEMENT			
Add back Deprecation	\$ 850,000	\$ 850,000	
less NEW CY CAPITAL paid as incurred	\$ (201,337)	\$ (1,450,000)	
TOTAL PRINCIPAL LOAN REPAYMENT	\$ (195,396)	\$ (248,975)	Existing Debt
	\$ (53,579)	\$ (50,000)	NEW DEBT 2022
NET Surplus (Deficit) after Capital - also = change in reserves	\$ 1,010,970	\$ (585,250)	
RESERVES CONTINUITY SCHEDULE			
OPENING RESERVES	958,104	1,969,074	
NET CHANGE - current year surplus less current year capital needs	1,010,970	(585,250)	
CLOSING RESERVES	1,969,074	1,383,824	
TARGET - " recommended"	1,000,000	2,000,000	

2022 BUDGET

WATER AND WASTEWATER

REVENUE ANALYSIS

In early 2021, Council approved and submitted the Water Financial Plan for 2021 to 2026, as required by the Drinking Water Quality Management System, as part of licensing under the Safe Drinking Water Act. One of the requirements of the financial plan is that it must indicate financial viability of the system. The plan included the following notable items:

- Reduce and ultimately eliminate reliance on special funding opportunities to do critical infrastructure renewal work (100% of Capital Funding needs from OWN SOURCE Funds by 2026),
- No new long term debt for water system by 2026,
- Reach 100% of Recommended Target Minimum Reserves by 2026,
- 10% annual increase to rates.

See **Appendix A – Water Financial Plan 2021-2026**

The revenues in this 2022 budget reflect the following:

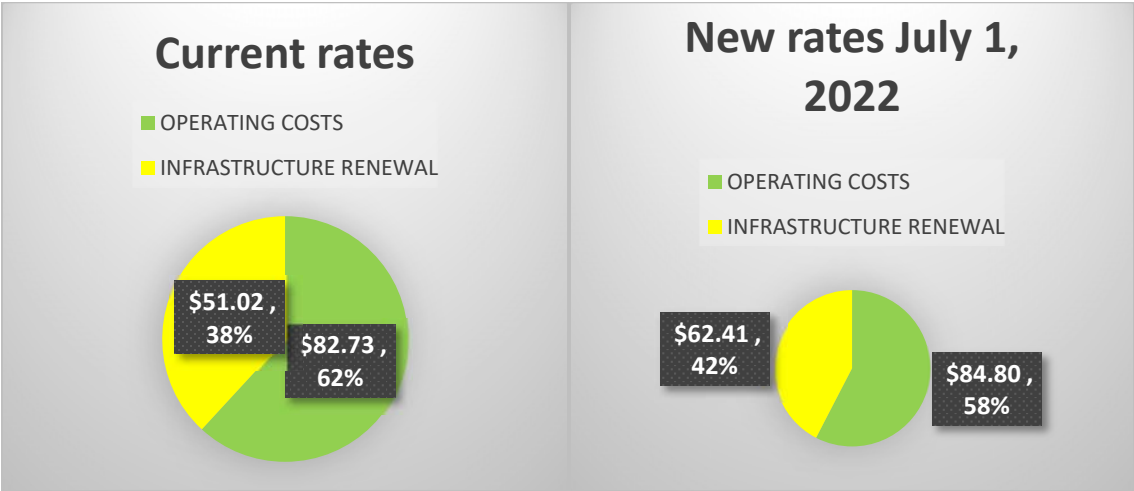
- 10% rate increase effective 2022 July 01 (Jan to June revenues based on current rates as implemented 2021 April 01 and July to December revenues reflect 10% increase),
- Similar service counts and volume level as 2021.

The average Residential (3/4inch service) customer uses between 12 and 13 cubic meters per month.

				RATES			
				TOTAL (OP & CAP)			
				WATER		SEWER	
				Fixed	per m3	Fixed	per m3
METER TYPE							
CURRENT RATES	MW3/4	01-Apr-21	\$ 43.87	\$ 2.669	\$ 33.60	\$ 2.027	
PROPOSED RATES	MW3/4	01-Jul-22	\$ 48.26	\$ 2.936	\$ 36.96	\$ 2.230	

		MONTHLY CHARGES					Funds go towards		
		If Residential Customer uses Avg 12m3/month					OPERATING COSTS	INFRASTRUCTURE RENEWAL	TOTAL
		WATER		SEWER		TOTAL MONTHLY BILL			
		Fixed	per m3	Fixed	per m3				
METER TYPE							62%	38%	
CURRENT RATES	MW3/4	\$ 43.87	\$ 32.03	\$ 33.60	\$ 24.32	\$ 133.82	\$ 82.73	\$ 51.02	\$ 133.75
PROPOSED RATES	MW3/4	\$ 48.26	\$ 35.23	\$ 36.96	\$ 26.76	\$ 147.20	\$ 84.80	\$ 62.41	\$ 147.20
							58%	42%	
							2%	22%	10%
							Breakout of increase between OPERATING AND CAPITAL		

Please note the majority of the 10% rate increase is designated to the Capital Levy/Infrastructure renewal portion of the rates. As seen below, the proportion of the rates/revenues being designated to operating costs decreases while the portion for infrastructure renewal increases. This will be the case each year – demonstrating that the increase in rates/revenues is substantially being driven by infrastructure renewal needs.



CAPITAL BUDGET

TOWN OF COCHRANE

2022 WATER & WASTEWATER CAPITAL BUDGET

		FUNDING SOURCE (HOW PAID FOR)									
	BUDGET Detail	Funding Notes	OTHER RESERVES / DEFERED REVENUE	GENERAL CAPITAL RESERVES	GAS TAX	FORMULA BASED OCIF	SPECIAL FUNDING / CONTRIBUTIONS	WATER RESERVE	SEWER RESERVE	FINANCED	BALANCE UNACCOUNTED for
		<i>Available for use >>></i>	\$ -	\$ -	\$ -	\$ -		\$ 1,530,114	\$ 1,530,114	\$ 3,151,759	
<u>BUILDINGS/FACILITIES</u>										\$ -	\$ -
										\$ -	\$ -
		New - Diffusers for Tank 1 and Tank 2 - \$300K red circle again 2022)	<i>would use Sewer reserve if done</i>							\$ -	\$ -
<u>MACHINERY/EQUIPMENT</u>										\$ -	\$ -
										\$ -	\$ -
		Lawn Mower	4,000					\$ 2,000	\$ 2,000	\$ -	\$ -
		DR 3900 at WTP	7,000					\$ 3,500	\$ 3,500	\$ -	\$ -
<u>VEHICLES</u>										\$ -	\$ -
										\$ -	\$ -
		Truck Replacement (2008 Dodge Ram 4X4)	55,000					\$ 27,500	\$ 27,500	\$ -	\$ -
		Dump Trailer Replacement (2000 Dump Trailer)	15,000					\$ 7,500	\$ 7,500	\$ -	\$ -
<u>WATER/WASTEWATER NETWORK</u>										\$ -	\$ -
										\$ -	\$ -
		Project - Second Street - Water/Sewer Lines	370,000					\$ 185,000	\$ 185,000	\$ -	\$ -
		Project - Second/Third Ave (between Sixth and Seventh St) - X2 laneway	1,250,000					\$ 475,000	\$ 475,000	\$ 300,000.00	\$ -
		Project - Fifth Ave Water and Wastewater Rehabilitation	1,840,000				\$ 914,824			\$ 925,176.00	\$ -
		Project - Phase 2 of LS Pumping Station	1,500,000				\$ 1,275,000			\$ 225,000.00	\$ -
		Project - Fifth Street Wastewater Main Reconstruction - Engineering	111,428						\$ 52,892	\$ 58,536.00	\$ -
										\$ -	\$ -
										\$ -	\$ -
										\$ -	\$ -
			<u>\$ 5,152,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,189,824</u>	<u>\$ 700,500</u>	<u>\$ 753,392</u>	<u>\$ 1,508,712</u>

RED CIRCLED

TOWN OF COCHRANE CAPITAL PROJECT SUMMARY

BUDGET YEAR:	2022	Timeline:	Summer 2022	Date Prepared:	December 6th, 2021
Project Name:	Diffusers for Tank 1 & 2 at STP			Department:	Infrastructure Services - WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	3	Notes:	Serious Lifecycle Maintenance Item		
Included in Current Asset Management Plan:	YES	If NO, Explain:	Not an individual item within the asset management plan. Plant is 28 years old with no improvements, all assets are poor based on age.		
Basic Project Description:	Purchase new heads and replacing existing.				
Project Justification & Readiness:	The existing diffusers have small openings which easily get blocked by sludge. They are made with with very thin aluminum and are easily damaged. This causes a poor distribution of air, if any, throughout the tank. New diffusers would increase efficiency and reduce operating cost.				
Age of Existing Asset:	28	Ne Book Value: (if applicable)		Notes:	260- process piping and equipment
Expected Asset Life (new item/infrastructure)	20	Notes:			

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 300,000.00					\$ 300,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
NOTES:						

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve:	\$ 300,000.00					\$ 300,000
Reserve:						\$ -
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOTES:						

Project Cost Centre # - <small>assigned when approved)</small>	
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**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Spring 2022	Date Prepared:	December 6th, 2021
Project Name:	Riding Lawn Mower			Department:	Infrastructure Services-WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	3	Notes:	Serious Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	Yes	If NO, Explain:			
Basic Project Description:	Purchase and replace the riding lawn mower for the water and wastewater treatment plant grounds.				
Project Justification & Readiness:	The riding lawn mower was purchased in 2010 and is in very poor condition. This riding lawn mower is used to cut the grass around the wastewater treatment plant, water treatment plant and well area. The staff have suggested purchasing an industrial lawn mower as the residential lawn mower always over heats with the amount of grass that is required to cut.				
Age of Existing Asset:	12	Ne Book Value: (if applicable)	3,083	Notes:	Asset ID 613
Expected Asset Life (new item/infrastructure)		Notes:			

EXPENDITURES

Capital Costs	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 4,000.00					\$ 4,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000

NOTES:

Funding sources

Funding Source	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 2,000.00					\$ 2,000
Reserve: Sewer	\$ 2,000.00					\$ 2,000
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

Project Cost Centre # - (assigned when approved)	
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**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Upon Approval	Date Prepared:	December 6th, 2021
Project Name:	DR 3900			Department:	Infrastructure Services-WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle maintenance item		
Included in Current Asset Management Plan:	No	If NO, Explain:	This item should be added to Asset Management. The are essential for performing lab testing on water and wastewater in house.		
Basic Project Description:	Purchase a new DR 3900 for the Water Treatment Plant				
Project Justification & Readiness:	The DR 2800 (older model) has been acting up at the Wastewater Treatment Plant. To have a current model at the Water Treatment plant, a new model should be purchased for the Water Treatment Plant and the current DR 3900 at the Water Treatment Plant will be moved to the Wastewater Treatment Plant. This unit is used daily for in house laboratory testing at the Water and Wastewater Treatment Plant.				
Age of Existing Asset:	N/A	Ne Book Value: (if applicable)	7,000	Notes:	
Expected Asset Life (new item/infrastructure)		Notes:			

EXPENDITURES

Capital Costs	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 7,000.00					\$ 7,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000

NOTES: 50% split with Water and Wastewater

Funding sources

Funding Source	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 3,500.00					\$ 3,500
Reserve: Sewer	\$ 3,500.00					\$ 3,500
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

Project Cost Centre # -
(assigned when approved)

**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Upon Approval	Date Prepared:	December 6th, 2021
Project Name:	1/2 ton Truck with cap to Replace 321			Department:	Infrastructure Services-WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	3	Notes:	Serious Lifecycle Maintenance Item		
Included in Current Asset Management Plan:	YES	If NO, Explain:			
Basic Project Description:	Replace unit 321 - 2008 Dodge Ram 4x4				
Project Justification & Readiness:	The frame and body is rotten and the unit has numerous electrical problems. Condition rating is very poor. This unit has been removed from service.				
Age of Existing Asset:	14	Ne Book Value: (if applicable)		Notes:	ID 776
Expected Asset Life (new item/infrastructure)	15	Notes:			

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 50,000.00					\$ 50,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000
NOTES:						

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 25,000.00					\$ 25,000
Reserve: Sewer	\$ 25,000.00					\$ 25,000
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOTES:						

Project Cost Centre # - (assigned when approved)	
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**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Upon Approval	Date Prepared:	December 6th, 2021
Project Name:	Dump Trailer			Department:	Infrastructure Services-WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	3	Notes:	Serious Lifecycle Maintenance Item		
Included in Current Asset Management Plan:	YES	If NO, Explain:			
Basic Project Description:	Replace unit 315 - 2000 Dump Trailer				
Project Justification & Readiness:	Asset is at the end of its useful life and required to be replaced.				
Age of Existing Asset:	21	Ne Book Value: (if applicable)		Notes:	ID 834
Expected Asset Life (new item/infrastructure)	15	Notes:			

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 15,000.00					\$ 15,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 15,000
NOTES:						

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 7,500.00					\$ 7,500
Reserve: Sewer	\$ 7,500.00					\$ 7,500
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 15,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOTES:						

Project Cost Centre # - assigned when approved)	
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**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Spring 2021	Date Prepared:	December 6th, 2021
Project Name:	2nd Street/Aurora/Nakita Water and Wastewater Replacement			Department:	Infrastructure Services - WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	YES	If NO, Explain:			
Basic Project Description:	This is a continuation of the committed project from 2021 for the full road reconstruction of 2nd Street, Aurora and Nakita Avenue. It includes the replacement of 435 meters of water main including 10 valves and 4 hydrants and the replacement of 450 meters of sanitary line including manholes. Continuation of committed project in 2021				
Project Justification & Readiness:	Due to full road reconstruction and deterioration of the sanitary sewer main this infrastructure is to be replaced. Engineering completed early 2021 and project commenced in fall 2021 (78% completed) and the remaining 22% of the project will be completed in 2022.				
Age of Existing Asset:	49	Net Book Value: (if applicable)		Notes:	
Expected Asset Life (new item/infrastructure)	Sanitary mains have an expected life of 80 years, Water mains have an expected life of 50 years.	Notes:			

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:						\$ -
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:	\$ 370,000.00					\$ 370,000
Other Related Costs:						\$ -
Total Capital Costs	\$ 370,000.00	\$ -	\$ -	\$ -	\$ -	\$ 370,000

NOTES:

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 185,000.00					\$ 185,000
Reserve: Sewer	\$ 185,000.00					\$ 185,000
Current Revenues (taxes):						\$ -
Other:						\$ -
Financing/Debt:						\$ -
Unfunded:						\$ -
Total Funding Sources	\$ 370,000.00	\$ -	\$ -	\$ -	\$ -	\$ 370,000
<i>NET should be 0</i>		\$ -	\$ -	\$ -	\$ -	

NOTES:

Project Cost Centre # -
(assigned when approved)

TOWN OF COCHRANE CAPITAL PROJECT SUMMARY

BUDGET YEAR:	2021	Timeline:	Spring 2021	Date Prepared:	December 6th, 2021
Project Name:	2nd/3d Avenue Laneway between 6th -7th Street WS Replacement			Department:	Infrastructure Services - WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	YES	If NO, Explain:			
Basic Project Description:	Full laneway reconstruction to replace the sanitary and water mains, manholes and valves on 1st/2nd Avenue between 6th/7th Street				
Project Justification & Readiness:	The sanitary lines in this section is 65 years old and deemed to be in poor condition on Asset Management. It is clay tile and in very poor condition as seen in the CCTV inspections. We have had numerous sanitary issues in this area. Engineering is currently being completed and is expected to be tendered by end of March.				
Age of Existing Asset:	Sanitary mains are 65 years old, Water mains are 48 years old.	Ne Book Value: (if applicable)		Notes:	3659, 3658, 3657, 3656, 4227, 4028, 4223, 4224, 4225, 2801, 2803, 3068, 3069, 3067, 3071, 3072
Expected Asset Life (new item/infrastructure)	Sanitary mains have an expected life of 80 years, Water mains have an expected life of 50 years.	Notes:	Water and Wastewater mains age based condition very poor		

EXPENDITURES

Capital Costs	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:						\$ -
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:	\$ 1,250,000.00					\$ 1,250,000
Other Related Costs:						\$ -
Total Capital Costs	\$ 1,250,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000

NOTES:

Funding sources

Funding Source	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water	\$ 475,000.00					\$ 475,000
Reserve: Sewer	\$ 475,000.00					\$ 475,000
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:	\$ 300,000.00					\$ 300,000
Unfunded:						\$ -
Total Funding Sources	\$ 1,250,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

Project Cost Centre # -
(assigned when approved)

**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2021	Timeline:	Upon Approval	Date Prepared:	December 6th, 2021
Project Name:	5th Avenue Wastewater and Water Rehabilitation			Department:	Infrastructure Services - WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	YES	If NO, Explain:			
Basic Project Description:	Replacing and rehabilitating sanitary and water mains in the 5th Avenue area in conjunction with the replacement of the storm sewer. The objective of the project is to replace the existing wastewater linear infrastructure so that the sanitary systems can provide adequate capacity and replace deteriorated infrastructure.				
Project Justification & Readiness:	The existing infrastructure has deteriorated beyond maintenance or repair and must be replaced and rehabilitated. The system in its current condition is inadequate for the flow it receives in the area. The deterioration has caused settling in some sections of the pipe and significant infiltration due to the poor condition of the storm sewers. A grant has been applied for this project. The water main replacement is also included in the grant for this area. The area to be excavated also has a water main that is near the end of its lifecycle and is in very poor age-based condition that will be replaced at the same time as the other infrastructure.				
Age of Existing Asset:	End of Useful Life	Net Book Value: (if applicable)		Notes:	
Expected Asset Life (new item/infrastructure)	Sanitary mains have an expected life of 80 years, Water mains have an expected life of 50 years.				

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:						\$ -
Project Management:						\$ -
Design/Engineering:	Included					\$ -
Construction:	\$ 1,840,000.00					\$ 1,840,000
Other Related Costs:						\$ -
Total Capital Costs	\$ 1,840,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000

NOTES:

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:	\$ 914,824.00					\$ 914,824
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve:						\$ -
Reserve:						\$ -
Current Revenues (taxes):						\$ -
Other :						\$ -
Financing/ Debt:	\$ 925,176.00					\$ 925,176
Unfunded:						\$ -
Total Funding Sources	\$ 1,840,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

Project Cost Centre # -
assigned when approved)

TOWN OF COCHRANE CAPITAL PROJECT SUMMARY

BUDGET YEAR:	2022	Timeline:	Spring 2022	Date Prepared:	December 6th, 2021
Project Name:	Phase 2 of LS Pumping Station			Department:	Infrastructure Services-WS
Maintenance or Growth:	Growth			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	NO	If NO, Explain:			
Basic Project Description:	Proceed with Phase 2 of the LS Pumping Station				
Project Justification & Readiness:	The initial upgrade in 2011, was the first of a 3-phased alternative approach allowing the Town to reduce initial capital expenditures and work towards future upgrades. This overview and proposed project to be presented for OCIF consists of the 2nd phase of the alternative approach and will increase the pumping capacity of the L&S Lift Station to 65 L/s or 100 L/s, depending on budget estimates. Specifically, this project would extend the existing 550 metre forcemain by 650 metres from Railway Street to MH-56 located further into the existing gravity trunk sewer system, bypassing weak sewer infrastructure so that the L&S Lift Station can increase pumping from the current 40 L/s to 65 L/s. Further, and as part of this upgrade, the gravity sewer system along Eighth Avenue will be replaced to eventually realize the full pumping capacity of the facility at 100 L/s.				
Age of Existing Asset:	N/A	Ne Book Value: (if applicable)		Notes:	
Expected Asset Life (new item/infrastructure)	N/A	Notes:			

EXPENDITURES

Capital Costs	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 1,500,000.00					\$ 1,500,000
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
NOTES:						

Funding sources

Funding Source	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:	\$ 1,275,000.00					\$ 1,275,000
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve:						\$ -
Reserve:						\$ -
Current Revenues (taxes):						\$ -
Other : 2019 Capital Availability						\$ -
Financing/ Debt:	\$ 225,000.00					\$ 225,000
Unfunded:						\$ -
Total Funding Sources	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOTES:						

Project Cost Centre # -
(assigned when approved)

**TOWN OF COCHRANE
CAPITAL PROJECT SUMMARY**

BUDGET YEAR:	2022	Timeline:	Ongoing	Date Prepared:	December 6th, 2021
Project Name:	5th Street Sanitary Reconstruction			Department:	Infrastructure Services-WS
Maintenance or Growth:	Maintenance			Prepared by:	Infrastructure Staff
SCORE/RANKING 1-5 (per Budget Policy criteria)	4	Notes:	Critical Lifecycle Maintenance Items		
Included in Current Asset Management Plan:	Yes	If NO, Explain:			
Basic Project Description:	The sanitary trunk servicing the area of 4th Street to 7th Street between 1st Avenue and 5th Avenue currently travels from 1st Avenue to 5th Avenue between 5th Street and 6th Street under private property. The main is at approximately 97% capacity and condition is deteriorating. Many sanitary mains feeding into this trunk are beyond their useful life and have infiltration as a result, causing the trunk sewer to be over capacity. The Town is looking for a detailed engineering design to construct a new sanitary trunk within 5th Street Right-of-Way. The sanitary main between 5th Street and the existing sanitary trunk will have to be replaced as well. It is expected that the water distribution system within the area to be excavated will be replaced as well. The storm drainage system, sidewalk, and curb and gutter will be reconstructed as required.				
Project Justification & Readiness:	The sanitary sewer trunk that travels from 1st Avenue to 5th Avenue between 5th Street and 6th Street was to be rehabilitated during 5th Avenue Storm/Sanitary project. Due to the sanitary sewer being at 90% capacity, the sanitary trunk main cannot be rehabilitated and must be replaced to allow adequate capacity for current and future development. Since the current asset is located under existing private properties, replacement in kind is not likely feasible and alternatives for replacement such as location must be identified. This engineering is being completed to ensure the project shovel ready for future budget and grant opportunities.				
Age of Existing Asset:	N/A	Net Book Value: (if applicable)		Notes:	
Expected Asset Life (new item/infrastructure)	N/A	Notes:			

EXPENDITURES

<u>Capital Costs</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Purchase Price:	\$ 111,428.00					\$ 111,428
Project Management:						\$ -
Design/Engineering:						\$ -
Construction:						\$ -
Other Related Costs:						\$ -
Total Capital Costs	\$ 111,428.00	\$ -	\$ -	\$ -	\$ -	\$ 111,428

NOTES:

Funding sources

<u>Funding Source</u>	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	Total 5 years (2022-2026)
Special Funding/Grant:						\$ -
Dedicated Funding - Gas Tax:						\$ -
Dedicated Funding - OCIF:						\$ -
Reserve: Water						\$ -
Reserve: Sewer	\$ 52,892.00					\$ 52,892
Current Revenues (taxes):						\$ -
Other : 2019 Capital Availability						\$ -
Financing/ Debt:	\$ 58,536.00					\$ 58,536
Unfunded:						\$ -
Total Funding Sources	\$ 111,428.00	\$ -	\$ -	\$ -	\$ -	\$ 111,428
<i>NET should be 0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

Project Cost Centre # -
(assigned when approved)

CORPORATION
OF THE TOWN OF COCHRANE



DRINKING WATER QUALITY MANAGEMENT
SYSTEM

FINANCIAL PLAN

DWQP NUMBER: 207-201

O.REG. 453/07

[Approved by Town of Cochrane Council Resolution 35-2021](#)

INTRODUCTION

Purpose

Corporation of the Town of Cochrane staff prepared the Water Financial Plan as part of the five elements the Ministry requires to issue a municipal drinking water license as per the Safe Drinking Water Act, 2002. These elements include:

1. **A drinking water works permit (DWWP):** A permit to establish or alter a drinking water system
2. **An acceptable operational plan:** The Drinking Water Quality Management Standard (DWQMS) will be the standard upon which operational plans will be based. The plan will document 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 Financial Plan:** This must be prepared in accordance with the prescribed requirement in the Financial Plans Regulation, including an indication that the drinking water system is viable.
5. **A permit to take water (PTTW):** Requirements as outlined in the Ontario Water Resources Act.

The Town encloses its Financial Plan herein. It is prepared in accordance with the Ministry of the Environment Financial Plans Regulation (O. Reg. 453/07).

Financial Plan Requirements

The O.Reg. 453/07 provides details with regards to the Financial Plans for existing water systems. The requirements for existing systems are summarized as follows:

- Must indicate financial viability of the system
- Must be approved by resolution of Council (or governing body)
- Must apply to a period of at least six years (commencing the year of license expiry)
- Details of the proposed or projected financial position
- Details of the proposed or projected financial operations
- Details of the proposed or projected gross cash receipts and gross cash payments
- Financial plans applicable to two or more solely-owned drinking water systems can be prepared as if they are for one drinking water system
- Financial plans are to be made available to the public upon request and at no charge
- Made available to the public through publication on the internet
- Notice of availability to be given to the public
- Submitted to the Ministry of Municipal Affairs and Housing

Town of Cochrane Drinking Water System Background

The Corporation of the Town of Cochrane is the owner and operating authority of the drinking water system which services approximately 4,500 residents, including industrial, commercial and institutional establishments.

The drinking water system is comprised of a treatment facility (Lime softening Treatment Plant) and distribution system. The distribution system is comprised of approximately:

- }> 45 km of distribution watermain
- }> 207 fire hydrants
- }> 434 valves (not including the service valves or hydrant valves)
- }> One elevated water storage tank

The 45 km of distribution watermain is constructed with a combination of PVC, cast iron and ductile iron.

WATER CONSUMPTION, RATES AND REVENUES - HISTORY

Water Consumption:

The following chart outlines the Treated Water Flows for the Town of Cochrane. The Town's current permit to take water (PTTW) from the Three Wells is for 11,784.96 m³/day.

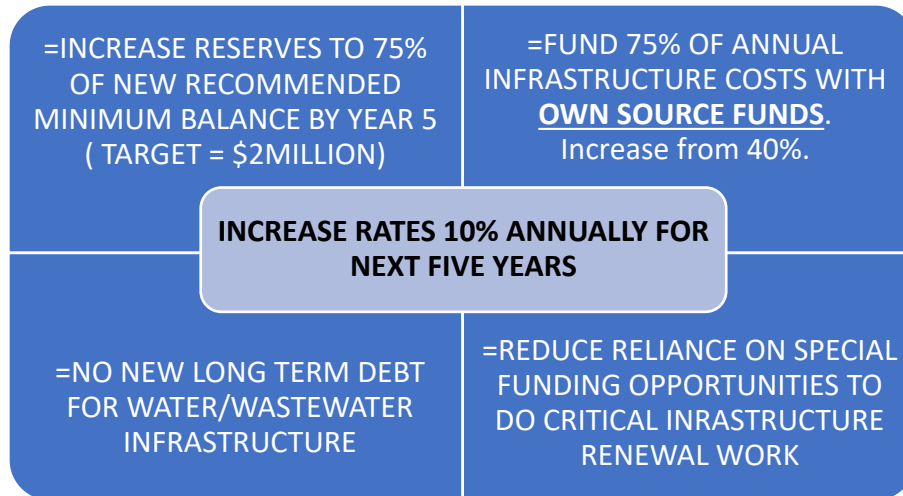
TREATED WATER FLOWS				
	Year	Daily Monthly Average (m³)	Daily Maximum (l/s)	Yearly Total (m³)
	2014	2,735		1,005,856
	2015	2,336	79.1	851,348
	2016	1,777	81.5	647,352
	2017	1,561	77.8	570,011
	2018	1,453	81.4	524,541
	2019	1,414	82.4	515,901
	2020	1,342	80.4	491,161

Water Rates and Revenues

Since the last financial plan was filed in 2015 the Town has seen significant changes to its water consumption, revenues and rates. These changes are summarized as follows:

- A significant water user closed its operations in mid 2015. This resulted in an annual reduction to water consumption of 297,000 m³, and represented 23% of annual water revenues.
- In 2015/2016 The municipality installed water meters to all residential premises and what was thought to be "Revenue Neutral" rates were established and implemented. As residential consumption was monitored, it became evident that the per household usage used to develop rates was higher than what was actually being used, putting additional downward pressure on revenues.
- In 2016/2017 – a rate adjustment/increase was implemented to re-set the new metered residential rates to generate same level of residential revenues as pre-metered scenario.

- 2017/2018/2019 – the municipality continued to monitor the impact of residential meters and other operational changes affecting the water financial results. In order to mitigate rate increases from the financial pressures of the loss of gross profit from the 2015 closure of the large user, the municipality altered its financial strategy and used long term debt as a means of paying for some of its water infrastructure renewal needs.
- 2020 – The 2020 Budget to Council was highlighted with a recommendation that it is time to “reset” the financial plan for **both water and wastewater services**. The recommendation is essentially recapped as follows:



This Water Financial Plan largely follows the recommendations made in the 2020 budget. It includes:

- ✓ Reach 100% of Recommended Target Minimum Reserve by 2026
- ✓ No new Long Term Debt by 2026
- ✓ 100% of Capital Funding needs from OWN SOURCE Funds – by 2026
- ✓ No reliance on special funding opportunities
- ✓ 10% annual increase to rates

SUSTAINABLE FINANCIAL PLAN

FINANCIAL PLAN RECAP

Schedule 1 – Projected Statement of Operations – REVENUES AND EXPENSES

Schedule 2 – Projected Statement of Cash Flow

Schedule 3- Projected Statement of Financial Position

Schedule 4 – Projected Tangible Capital Asset Schedule

Schedule 5 – Projected Rates

As required, these statements are in accordance with the new Public Sector Accounting Standards. Actual results will vary from the projections herein and the differences may be material.

KEY INPUTS

This section discussed the key inputs and documents used to develop the financial plan consistent with governing legislation. The costs, revenues and assumptions used in preparing the financial projections are based on the Town's data such as the 2020 approved and 2021 draft operating budget and capital plan, year end reserve continuity schedules and other relevant information provided by staff. The five key financial inputs below drive the prescribed statements in this plan.

1. Expenditure and Revenue Forecast

The expenditure and revenue forecast is based on information obtained from the Town's 2020 operating budget. Some main assumptions used to derive the operating and revenues projections are as follows:

- Expenditures will increase annually as follows:
 - Salaries, Wages and Benefits – 2.5% per annum
 - Operating and Maintenance Costs – 2.5% per annum
 - Interest on long term debt – in accordance with existing or forecast financing needs and rates
- Revenues – see section 5. RATES

2. Capital Expenditure and Funding

The Town's capital budget forecast used in preparing the financial plan is outlined in the attached schedules. The schedule identifies the cumulative cost for capital infrastructure renewal projects over the planning period and identifies the annual funding sources as outlined by Town staff and Council. This schedule does not include any growth related projects as none have been identified as part of the multi year capital plan as provided by staff.

Asset Management – The asset inventory that has been compile includes asset original. The Town is actively reviewing its water inventory and facilities assessments with the goal to determine the appropriate level of detail for the facility assets, as well as compile the level of detail for the assets including asset conditions, life expectations, risk assessments and replacement costs. The Town has

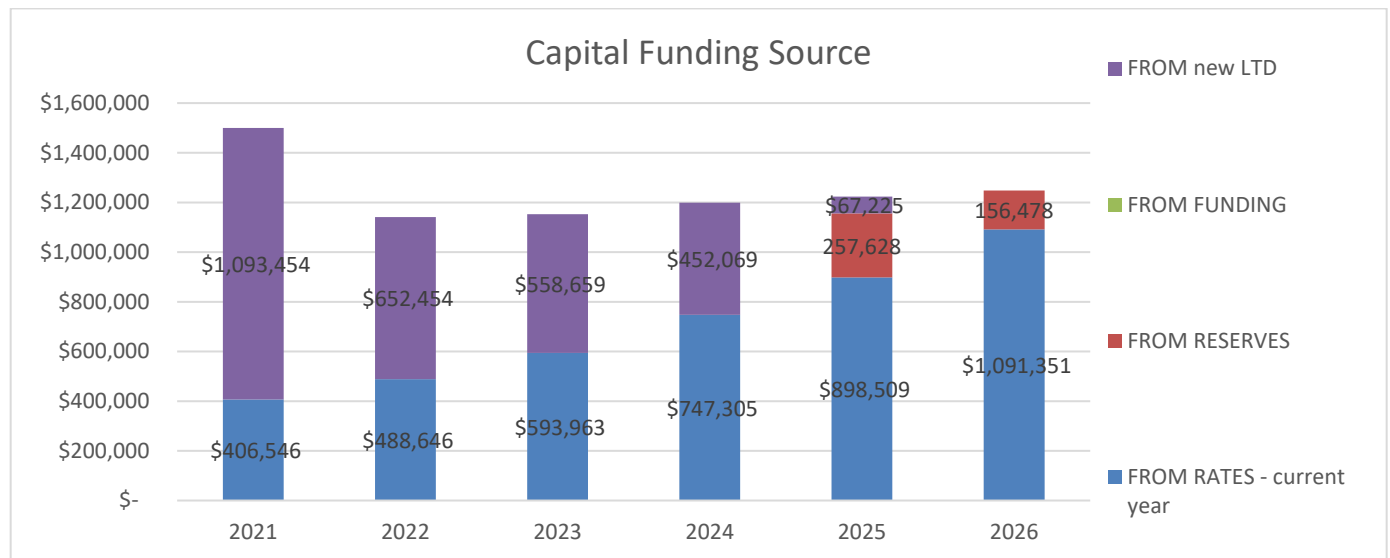
implemented an asset management system to track and analyse the data and assist with long term life cycle planning.

The capital cost projections built into this financial plan have been provided by the department based on the information it has to date.

It should be noted that the **capital funding plan** includes the following strategy.

- Generate 100% of Capital Funding needs through own source revenues by year 2026.
- Reduce and eliminate need for new long term debt by the year 2026
- Forecast includes 0% of annual capital infrastructure renewal needs to come from Special Funding opportunities from other levels of government (Federal and Provincial)

The following chart shows the capital funding composition built into this financial plan. As we move from 2021 to 2026, we see the reduction in the need for long term debt and increase in ability to fund from own source revenues (current revenues and reserves in excess of minimum target balance).



3. Water Reserve Fund

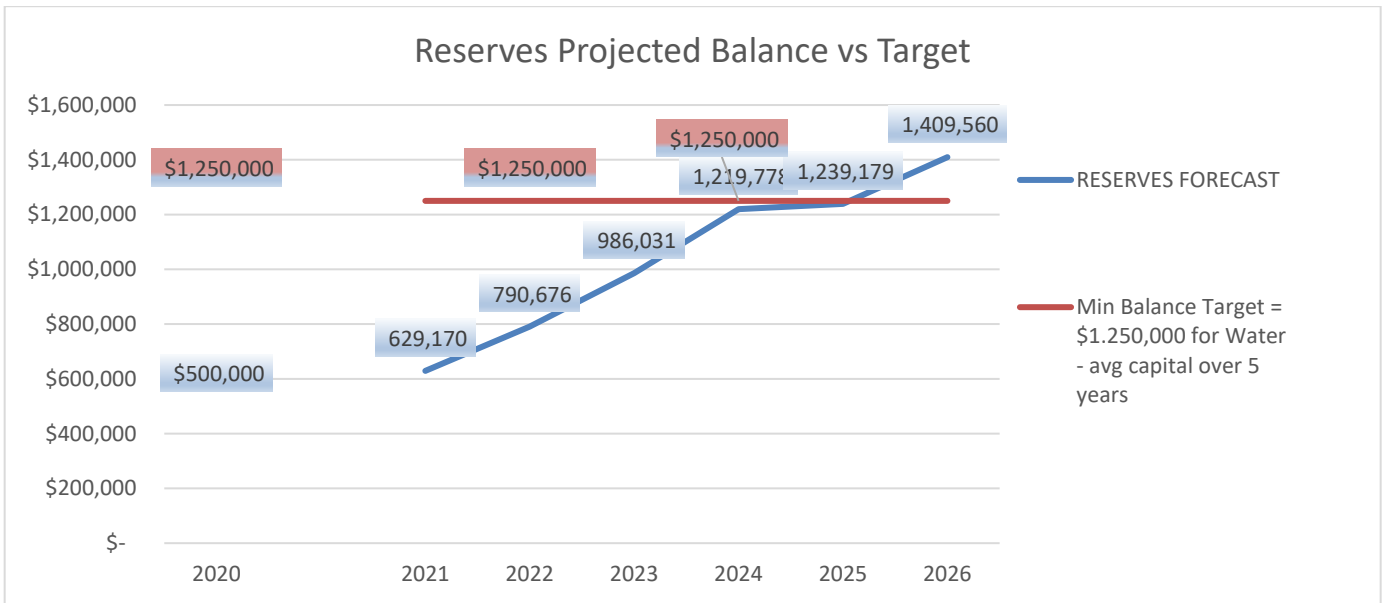
The results of the projected transfers to and from the Water Reserve Fund are outlined in the Schedule. The reserve activity includes the following strategy:

- Target Minimum Reserve Balance equivalent to average 5 year capital infrastructure needs + average 5 year Special Funding Source Forecast

Reserve Target Component	\$
Average 5 year capital infrastructure needs	\$1,250,000
RECOMMENDED TARGET MINIMUM RESERVE BALANCE	\$1,250,000

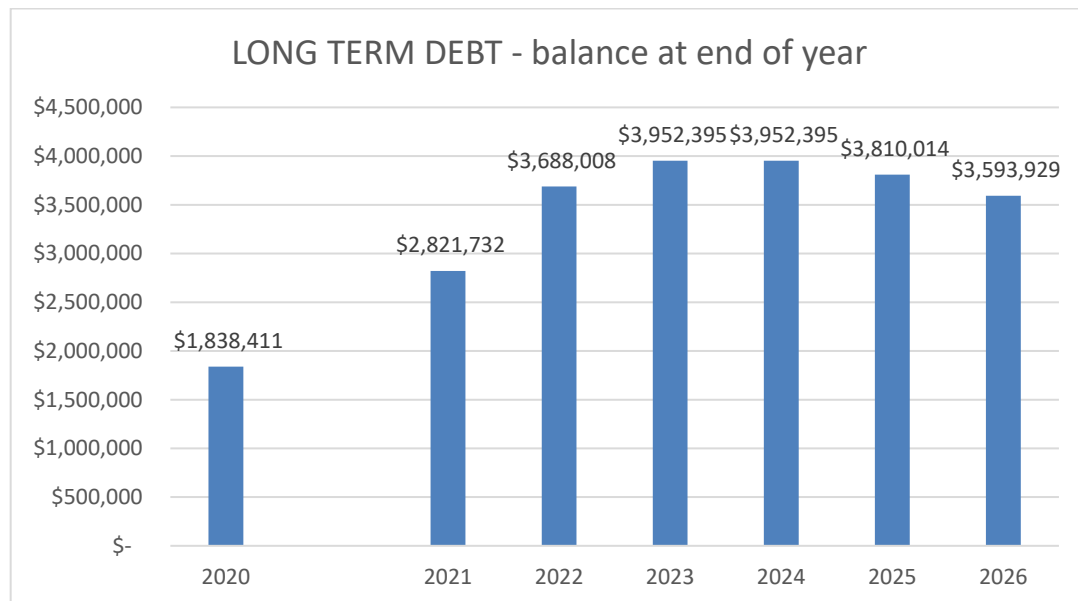
- 20% of Annual Cash Based Surplus from Operations to be transferred to Reserve until Recommended Minimum Reserve Balance Target is achieved.

The following chart demonstrates the changes to reserves built into this financial plan. This financial plan projects the municipality will reach its Minimum Reserve Balance Target in 2026.



4. Long Term Debt

As of December 31, 2020, the Town had outstanding long term debt related to Water services of \$1,838,211. The forecasts include the need to borrow for capital renewal needs until 2025, at which time the Town is expected to fully fund capital renewal costs from own source funds (100%)

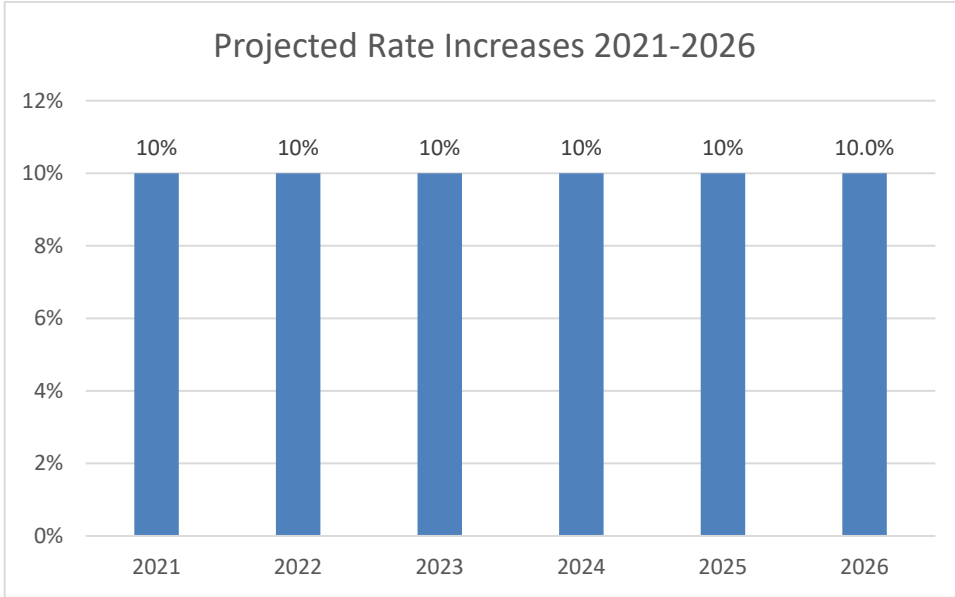


5. Rates

In order for the municipality to:

- 1) meet its infrastructure renewal needs
- 2) reduce/eliminate reliance on long term debt
- 3) eliminate reliance on funding from other levels of government
- 4) establish adequate reserve levels

Significant rate increases are recommended and built into this financial plan, as follows:



TOWN OF COCHRANE

WATER OPERATIONS

Schedule 1

PROJECTED STATEMENT OF OPERATIONS						
	2021	2022	2023	2024	2025	2026
REVENUES						
Water Rates	\$1,909,765	\$2,100,742	\$2,310,816	\$2,541,897	\$2,796,087	\$3,075,696
TOTAL						
EXPENSES						
Operating Expenses	\$1,207,591	\$1,237,781	\$1,268,726	\$1,300,444	\$1,332,955	\$1,366,279
Amortization Expense	\$546,002	\$574,530	\$603,345	\$633,329	\$663,913	\$695,109
Interest Expense	\$56,326	\$55,430	\$65,313	\$72,719	\$77,989	\$75,121
TOTAL	\$1,809,919	\$1,867,740	\$1,937,383	\$2,006,492	\$2,074,857	\$2,136,509
EXCESS REVENUES OVER EXPENSES BEFORE OTHER	\$99,846	\$233,001	\$373,432	\$535,405	\$721,230	\$939,186
OTHER						
Government Transfers related to Capital (Funding)	\$0	\$0	\$0	\$0	\$0	\$0
EXCESS REVENUES OVER EXPENSES	\$99,846	\$233,001	\$373,432	\$535,405	\$721,230	\$939,186

TOWN OF COCHRANE

WATER OPERATIONS

Schedule 2

	PROJECTED STATEMENT OF CASH FLOW					
	2021	2022	2023	2024	2025	2026
PROJECTED EXCESS REVENUES OVER EXPENSES	\$99,846	\$233,001	\$373,432	\$535,405	\$721,230	\$939,186
Add back Amortization	\$546,002	\$574,530	\$603,345	\$633,329	\$663,913	\$695,109
CASH PROVIDED BY OPERATIONS	\$645,848	\$807,531	\$976,777	\$1,168,734	\$1,385,143	\$1,634,295
CAPITAL TRANSACTIONS						
Acquisition of Tangible Capital Assets	-\$1,500,000	-\$1,141,100	-\$1,152,622	-\$1,199,374	-\$1,223,362	-\$1,247,829
FINANCIAL TRANSACTIONS						
Proceeds from new debt	\$1,093,454	\$652,454	\$558,659	\$452,069	\$67,225	\$0
Debt Repayment	-\$110,132	-\$157,379	-\$187,459	-\$187,682	-\$209,606	-\$216,085
TOTAL Financing Transactions	\$983,322	\$495,075	\$371,200	\$264,387	-\$142,381	-\$216,085
Increase(Decrease) in Cash Equivalents	\$129,170	\$161,506	\$195,355	\$233,747	\$19,401	\$170,381
Cash Equivalents (Reserve Fund) beginnning of period	\$500,000	\$629,170	\$790,676	\$986,031	\$1,219,778	\$1,239,179
Cash Equivalents (Reserve Fund) end of period	\$629,170	\$790,676	\$986,031	\$1,219,778	\$1,239,179	\$1,409,560

TOWN OF COCHRANE

WATER OPERATIONS

Schedule 3

PROJECTED STATEMENT OF FINANCIAL POSITION						
	2021	2022	2023	2024	2025	2026
FINANCIAL ASSETS						
Cash and cash equivalents	\$629,170	\$790,676	\$986,031	\$1,219,778	\$1,239,179	\$1,409,560
Long Term Debt	-\$2,821,732	-\$3,688,008	-\$3,952,395	-\$3,952,395	-\$3,810,014	-\$3,593,929
Net Financial Assets (Liabilities)	-\$2,192,563	-\$2,897,332	-\$2,966,364	-\$2,732,617	-\$2,570,835	-\$2,184,369
NON FINANCIAL ASSETS						
Tangible Capital Assets	\$10,397,535	\$10,964,106	\$11,513,382	\$12,079,427	\$12,638,876	\$13,191,596
ACCUMULATED SURPLUS	\$8,204,972	\$8,066,773	\$8,547,019	\$9,346,811	\$10,068,040	\$11,007,227
<u>The ACCUMULATED SURPLUS IS COMPRISED OF:</u>						
Surplus Invested in tangible capital assets	\$10,397,535	\$10,964,106	\$11,513,382	\$12,079,427	\$12,638,876	\$13,191,596
TCA Debt	-\$2,821,732	-\$3,688,008	-\$3,952,395	-\$3,952,395	-\$3,810,014	-\$3,593,929
Reserves set aside by Council	\$629,170	\$790,676	\$986,031	\$1,219,778	\$1,239,179	\$1,409,560
	\$8,204,972	\$8,066,773	\$8,547,019	\$9,346,811	\$10,068,040	\$11,007,227

TOWN OF COCHRANE

WATER OPERATIONS

Schedule 4

Tangible Capital Asset Schedule						
2021-2026 FINANCIAL PLAN						
	2021	2022	2023	2024	2025	2026
Tangible Capital Assets - COST						
Opening Balance	\$ 23,361,457	\$ 24,861,457	\$ 26,002,557	\$ 27,155,179	\$ 28,354,553	\$ 29,577,915
Additions	\$ 1,500,000	\$ 1,141,100	\$ 1,152,622	\$ 1,199,374	\$ 1,223,362	\$ 1,247,829
Closing Balance	\$ 24,861,457	\$ 26,002,557	\$ 27,155,179	\$ 28,354,553	\$ 29,577,915	\$ 30,825,745
Tangible Capital Assets - ACCUMULATED DEPRECIATION						
Opening Balance	\$ 13,917,920	\$ 14,463,922	\$ 15,038,452	\$ 15,641,797	\$ 16,275,126	\$ 16,939,039
Additions	\$ 546,002	\$ 574,530	\$ 603,345	\$ 633,329	\$ 663,913	\$ 695,109
Closing Balance	\$ 14,463,922	\$ 15,038,452	\$ 15,641,797	\$ 16,275,126	\$ 16,939,039	\$ 17,634,149
NET BOOK VALUE	\$ 10,397,535	\$ 10,964,106	\$ 11,513,382	\$ 12,079,427	\$ 12,638,876	\$ 13,191,596
<i>Change in net book value</i>	\$ 953,998	\$ 566,571	\$ 549,277	\$ 566,045	\$ 559,448	\$ 552,720

TOWN OF COCHRANE

WATER OPERATIONS

Schedule 5

		WATER RATES						
		Current	2021-2026 FINANCIAL PLAN					
		2020	2021	2022	2023	2024	2025	2026
Rate Increase % from prior>>>		10%	10%	10%	10%	10%	10%	10.0%
METERED SERVICES								
Water Rates (water line size)		Fixed Monthly Charge						
.75" (3/4)	\$	39.88	\$ 43.87	\$ 48.26	\$ 53.08	\$ 58.39	\$ 64.23	\$ 70.65
1.00"	\$	55.82	\$ 61.41	\$ 67.55	\$ 74.30	\$ 81.73	\$ 89.90	\$ 98.89
1.5"	\$	71.78	\$ 78.95	\$ 86.85	\$ 95.53	\$ 105.09	\$ 115.60	\$ 127.15
2.0"	\$	115.60	\$ 127.16	\$ 139.88	\$ 153.86	\$ 169.25	\$ 186.17	\$ 204.79
3.0"	\$	438.63	\$ 482.49	\$ 530.74	\$ 583.82	\$ 642.20	\$ 706.42	\$ 777.06
4.0"	\$	558.26	\$ 614.09	\$ 675.50	\$ 743.05	\$ 817.35	\$ 899.09	\$ 989.00
Sprinkler Systems	\$	94.56	\$ 104.02	\$ 114.42	\$ 125.86	\$ 138.45	\$ 152.29	\$ 167.52
Unit Hydrant Rental	\$	51.26	\$ 56.38	\$ 62.02	\$ 68.22	\$ 75.05	\$ 82.55	\$ 90.80
		Volume charge per cubic meter						
Any metered service	\$	2.43	\$ 2.67	\$ 2.94	\$ 3.23	\$ 3.55	\$ 3.91	\$ 4.30
NON-METERED SERVICES								
Water Rates		Fixed Monthly Charge						
Residential - Water	\$	71.83	\$ 79.02	\$ 86.92	\$ 95.61	\$ 105.17	\$ 115.69	\$ 127.26
Commercial - Water	\$	74.55	\$ 82.01	\$ 90.21	\$ 99.23	\$ 109.15	\$ 120.07	\$ 132.07

TOWN OF COCHRANE

WATER OPERATIONS

Operating % of rates based on budget

Capital % of rates based on budget (includes debt repayment)

ORIGINAL SPLIT
66%
34%
100%

METERED SERVICES - OPERATING COMPONENT

	2020	2021	2022	2023	2024	2025	2026
Water Rates (water line size)	Fixed Monthly Charge						
.75" (3/4)	\$ 26.32	\$ 27.14	\$ 27.82	\$ 28.75	\$ 29.65	\$ 30.52	\$ 31.22
1.00"	\$ 36.84	\$ 37.99	\$ 38.94	\$ 40.25	\$ 41.51	\$ 42.72	\$ 43.70
1.5"	\$ 47.37	\$ 48.85	\$ 50.06	\$ 51.75	\$ 53.37	\$ 54.93	\$ 56.19
2.0"	\$ 76.30	\$ 78.68	\$ 80.63	\$ 83.35	\$ 85.95	\$ 88.47	\$ 90.50
3.0"	\$ 289.50	\$ 298.53	\$ 305.94	\$ 316.25	\$ 326.14	\$ 335.68	\$ 343.38
4.0"	\$ 368.45	\$ 379.96	\$ 389.38	\$ 402.51	\$ 415.09	\$ 427.24	\$ 437.03
Sprinkler Systems	\$ 62.41	\$ 64.36	\$ 65.95	\$ 68.18	\$ 70.31	\$ 72.37	\$ 74.03
Unit Hydrant Rental	\$ 33.83	\$ 34.89	\$ 35.75	\$ 36.96	\$ 38.11	\$ 39.23	\$ 40.13
	Volume charge per cubic meter						
Any metered service	\$ 1.60	\$ 1.65	\$ 1.69	\$ 1.75	\$ 1.80	\$ 1.86	\$ 1.90

METERED SERVICES - CAPITAL COMPONENT

	2020	2021	2022	2023	2024	2025	2026
Water Rates (water line size)	Fixed Monthly Charge						
.75" (3/4)	\$ 13.56	\$ 16.73	\$ 20.44	\$ 24.33	\$ 28.74	\$ 33.71	\$ 39.43
1.00"	\$ 18.98	\$ 23.41	\$ 28.61	\$ 34.05	\$ 40.22	\$ 47.18	\$ 55.19
1.5"	\$ 24.40	\$ 30.10	\$ 36.79	\$ 43.78	\$ 51.72	\$ 60.67	\$ 70.97
2.0"	\$ 39.30	\$ 48.48	\$ 59.25	\$ 70.52	\$ 83.30	\$ 97.71	\$ 114.30
3.0"	\$ 149.13	\$ 183.96	\$ 224.81	\$ 267.57	\$ 316.06	\$ 370.74	\$ 433.68
4.0"	\$ 189.81	\$ 234.13	\$ 286.12	\$ 340.54	\$ 402.27	\$ 471.85	\$ 551.97
Sprinkler Systems	\$ 32.15	\$ 39.66	\$ 48.46	\$ 57.68	\$ 68.14	\$ 79.92	\$ 93.49
Unit Hydrant Rental	\$ 17.43	\$ 21.50	\$ 26.27	\$ 31.27	\$ 36.93	\$ 43.32	\$ 50.68
	Volume charge per cubic meter						
Any metered service	\$ 0.82	\$ 1.02	\$ 1.24	\$ 1.48	\$ 1.75	\$ 2.05	\$ 2.40

TOWN OF COCHRANE

WATER OPERATIONS

Schedule 5

EXAMPLE of Average Residential Customer (12m3/month)

WATER SERVICES ONLY

OPERATING COMPONENT

	2020	2021	2022	2023	2024	2025	2026
Fixed service charge	\$ 26.32	\$ 27.14	\$ 27.82	\$ 28.75	\$ 29.65	\$ 30.52	\$ 31.22
Variable charge	\$ 19.21	\$ 19.81	\$ 20.30	\$ 20.99	\$ 21.64	\$ 22.28	\$ 22.79
TOTAL OPERATING COMPONENT	\$ 45.53	\$ 46.96	\$ 48.12	\$ 49.74	\$ 51.30	\$ 52.80	\$ 54.01

CAPITAL COMPONENT

Fixed service charge	\$ 13.56	\$ 16.73	\$ 20.44	\$ 24.33	\$ 28.74	\$ 33.71	\$ 39.43
Variable charge	\$ 9.90	\$ 12.21	\$ 14.92	\$ 17.76	\$ 20.98	\$ 24.60	\$ 28.78
TOTAL CAPITAL COMPONENT	\$ 23.46	\$ 28.93	\$ 35.36	\$ 42.08	\$ 49.71	\$ 58.31	\$ 68.21

TOTAL WATER SERVICES BILL FOR THE MONTH

\$ 68.99	\$ 75.89	\$ 83.48	\$ 91.83	\$ 101.01	\$ 111.11	\$ 122.22
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