



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Don Giberson, Director of Infrastructure & Development**
Date: February 4 2019
Report: ESD.19.05
Subject: Water Distribution System Financial Plan Update

Recommendations:

That South Huron Council receives the report from Don Giberson, Director of Infrastructure and Development RE: Water Distribution System Financial Plan Update, AND;

That South Huron Council accepts the updated Financial Plan covering the period from 2019 to 2032 for the South Huron Water Distribution System as prepared by Watson and Associates Economists Limited in accordance with Subsection 3.(1) 1. of Ontario Regulation 453/07.

Purpose:

To provide Council with background information regarding the updated Financial Plan for the South Huron Water Distribution System and to confirm Council's acceptance of the updated Financial Plan required for the next renewal of the Municipal Drinking Water Licence.

Background and Analysis:

When Watson & Associates Economists Limited were retained in 2018 to update the Water and Wastewater Rate Study, their assignment also included updating the Water Financial Plan to cover the period necessary for the next renewal of the Municipal Drinking Water Licence for the South Huron Water Distribution System.

By regulation, a Financial Plan is required to be in place and approved by the owner of a municipal drinking water system, covering a period of at least six years, beginning in the year that their Municipal Drinking Water Licence expires. The current South Huron Water Distribution System Licence expires on May 18, 2021 and an application for renewal is required to be submitted prior to November 18, 2020. Therefore a Council approved Financial Plan covering the period from 2021 to 2027 is required to be in place prior to the application deadline.

The Water Financial Plan update presented by Andrew Grunda, Watson & Associates Economists Limited, at the Council Meeting of February 4, 2019 covered the period from 2019 to 2032 and meets the requirements for the next renewal of the Municipal Drinking Water Licence for the South Huron Water Distribution System.

Operational Considerations:

No alternatives were considered.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key objectives that are reflective of the collective perspectives of the strategic planning process.

The recommendations and actions outlined in this report are reflective of the following strategic objectives:

Administrative Efficiency and Fiscal Responsibility

Increased Communications and Municipal Leadership

Transparent, Accountable and Collaborative Governance

Dedicated Economic Development Effort

Financial Impact:

There are no financial implications for the Corporation resulting from the proposed recommendation.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

1. Safe Drinking Water Act, 2002, S.O. 2002, c. 32
2. Ontario Regulation 453/07 - Financial Plans
3. Ontario Regulation 188/07 - Licensing of Municipal Drinking Water Systems
4. Municipal Drinking Water Licence #054-201 Issue 2 (issued May 19, 2016)
5. Drinking Water Works Permit #054-201 Issue 3 (issued December 1, 2016)
6. QMS Operational Plan (Version #9 dated September 11, 2018).
7. An Accredited operating Authority Certificate # C0122376-DWQ6 (Issued: November 3, 2017; Expires: October 25, 2020)
8. Water Financial Plan (Watson & Associates – dated February 4, 2019)

Consultation:

Director of Financial Services/Asset Management
Manager of Environmental Services

Related Documents:

None

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by several vertical strokes and a horizontal line at the bottom.

Don Giberson, Director of Infrastructure & Development