

STAFF REPORT

Department: Environmental Services and Special Projects

Date: May 20, 2025

Item: Municipal Drinking Water Financial Plan

Recommendation: Be It Resolved That: Council approves the Municipal Drinking Water Financial Plan pursuant to Section 31(1) of the Safe Drinking Water Act, 2002 as part of renewing our provincial license for the operation of a municipal drinking water system.

Background:

- Pursuant to Section 31(1) of the *Safe Drinking Water Act, 2002*, Provincial licenses are required for the operation of municipal drinking water systems in Ontario. Under Ontario Regulation 453/07, the Town is required to prepare a financial plan that is approved by Council, applies to a period of at least six years, and contains the required information as outlined in Section 3 (1) 4 and is made available to the public without charge.
- The Town of Espanola Municipal Drinking Water License is up for renewal. The deadline to file our application is July 28th and the financial plan is a required component of the application.
- This is the third Financial Plan to be adopted by Council since the new licencing program began in 2013.

Analysis:

- The Municipal Drinking Water Financial Plan is essentially a smaller specific Asset Management Plan strictly for the Drinking Water System and how it is to be funded from user fees.
- The revenues to support the plan are derived solely from the water portion of the water and sewer fees. Staff is projecting a 4.6% average annual rate increase just to maintain current operations and



service levels. Grants are not guaranteed sources of revenue and do not form part of the financial plan.

- To date water and sewer capital projects, specifically capital waterline replacement has relied heavily on funding grants and reserves from the sale of Hydro.

Existing Policy: Safe Drinking Water Act, 2022, as amended.

Strategic Goal: Infrastructure

Financial Commitment: None immediately, however Council will need to consider rate changes to the user fees for 2026-2031 to meet the financial demands of the plan

Budgeted: Yes ☐ No ☐

Implementation: Staff will complete the drinking water License Renewal application

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CAO/Clerk: Joseph Burke

Approval of Recommendation: Yes ☒ No ☐

Comments: