



**City of Kenora  
Committee of the Whole Agenda**

**Tuesday, July 8, 2025, 9:00 a.m.  
City Hall Council Chambers**

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**Pages**

**1. Public Information Notice**

As required under Notice By-law #160-2022, the public is advised of Council's intention to adopt the following at its, July 15, 2025 meeting:-

- Amend the 2025 budget in the amount of \$212,000 to be funded through various Parks and Recreation Reserves for the Central Community Club project
- Adopt the Water & Wastewater 2025 to 2034 Long Range Financial Plan
- Adopt the 2023 audited financial statements

**2. Land Acknowledgement**

- Councillor Chaze

**3. Declaration of Pecuniary Interest & General Nature Thereof**

- On today's agenda
- From a meeting at which a Member was not in attendance.

**4. Confirmation of Previous Committee Minutes**

- June 5, 2025 Special Committee of the Whole
- June 12, 2025 Special Committee of the Whole
- June 17, 2025 Regular Committee of the Whole

**5. Deputations/Presentations**

- 5.1 Dr. Jillie Retson & Cheryl O'Flaherty, All Nations Health Partners Recruitment Committee Update
- 5.2 Charles Cirtwill - Northern Policy Institute - Changes to Immigration Streams & Impacts on Far North
- 5.3 Jim Neild, OPP Detachment Board - Annual Report Presentation
- 5.4 Kristin Spitoff, Auditor, MNP - 2023 Audit Presentation

|            |                                                                                                                                                                                          |     |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>6.</b>  | <b>Reports:</b>                                                                                                                                                                          |     |
| <b>6.1</b> | <b>Corporate Services/Finance/Human Resources</b>                                                                                                                                        |     |
| 6.1.1      | 2023 Audited Financial Statements                                                                                                                                                        | 16  |
| 6.1.2      | 2025 Insurance Renewal                                                                                                                                                                   | 17  |
| 6.1.3      | Budget Amendment - Central Park & Community Club                                                                                                                                         | 19  |
| 6.1.4      | Youth Engagement Program                                                                                                                                                                 | 22  |
| 6.1.5      | Council Committee Work Update                                                                                                                                                            |     |
| <b>6.2</b> | <b>Fire &amp; Emergency Services</b>                                                                                                                                                     |     |
|            | - No Reports                                                                                                                                                                             |     |
| <b>6.3</b> | <b>Engineering &amp; Infrastructure</b>                                                                                                                                                  |     |
| 6.3.1      | Water Rate Study & Long Term Financial Plan                                                                                                                                              | 54  |
| 6.3.2      | Donbrock Drive Speed Limit                                                                                                                                                               | 161 |
| <b>6.4</b> | <b>Recreation &amp; Culture</b>                                                                                                                                                          |     |
|            | - No Reports                                                                                                                                                                             |     |
| <b>6.5</b> | <b>Planning &amp; Building Services</b>                                                                                                                                                  |     |
| 6.5.1      | Updated Site Plan Control Bylaw                                                                                                                                                          | 163 |
| 6.5.2      | License Agreement - Tbaytel                                                                                                                                                              | 178 |
| <b>6.6</b> | <b>Economic Development &amp; Tourism</b>                                                                                                                                                |     |
| 6.6.1      | Keewatin Boat Lift Preliminary Feasibility Study                                                                                                                                         | 180 |
| <b>7.</b>  | <b>Other:</b>                                                                                                                                                                            |     |
| <b>8.</b>  | <b>Motion- Adjourn to Closed Meeting</b>                                                                                                                                                 |     |
|            | Pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization will be provided for Committee to move into a Closed Session to discuss items pertaining to the following: |     |
|            | - Disposition of Land (2 matters-lease of municipal land, sale of municipal land)                                                                                                        |     |
|            | - Educating & Training Members of Council (1 matter-Development update)                                                                                                                  |     |
|            | - Receiving advice that is subject to solicitor-client privilege, including communications necessary (1 matter)                                                                          |     |
| <b>9.</b>  | <b>Adjournment</b>                                                                                                                                                                       |     |

# ON THE OUTSIDE LOOKING IN

CHANGES TO IMMIGRATION STREAMS AND THE IMPACTS ON THE FAR  
NORTHWEST INCLUDING THE CITY OF KENORA

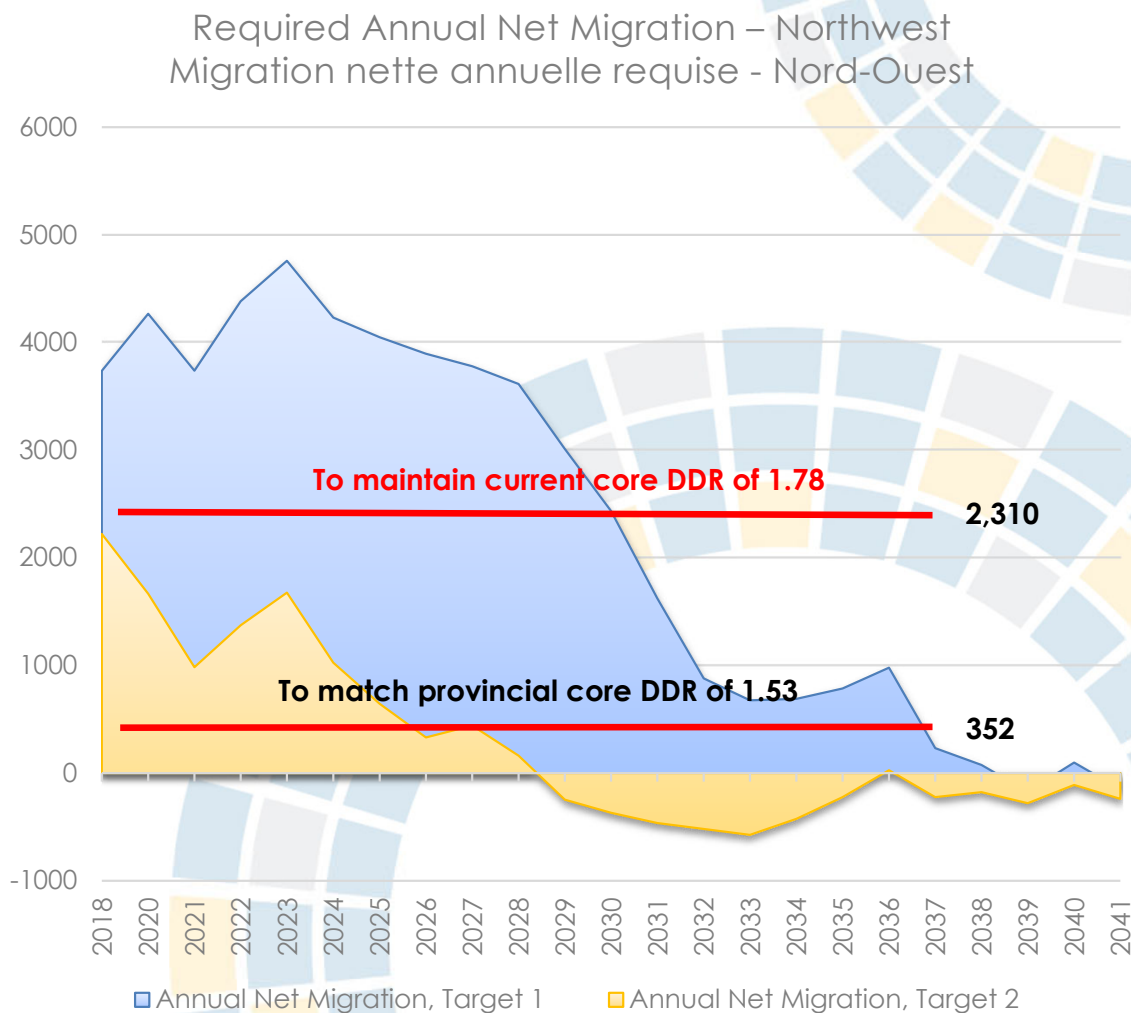
## PRESENTATION TO CITY OF KENORA

CHARLES CIRTWILL, PRESIDENT & CEO

8 JULY 2025

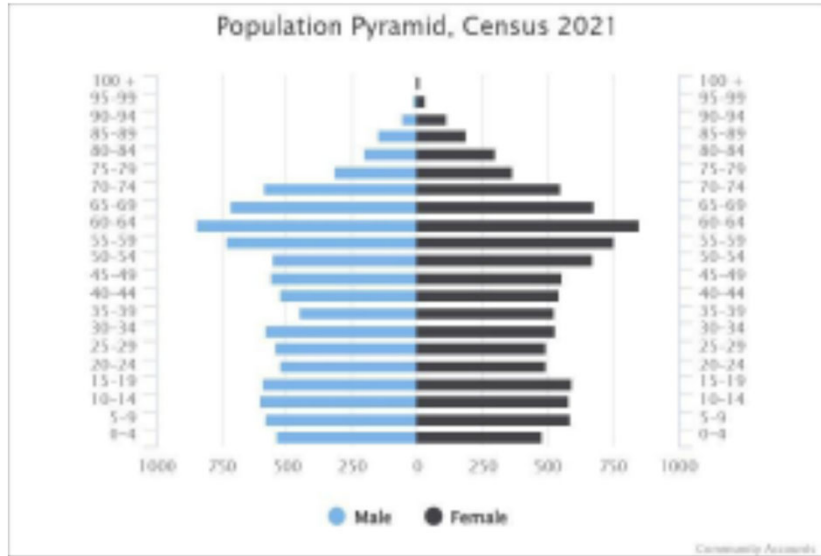
# Even IF we had FULL employment – still too few workers

- DDR is the ratio of working people to dependents. An “ideal” ratio would be 2.0 – 2 workers (a person aged 16-64) for every 1 dependent (a person under 15 or over 65)
- **This graph assumes FULL EMPLOYMENT of the FNMI Population**
  - economic inclusion and immigration are not “either/or” ideas – we need them both.

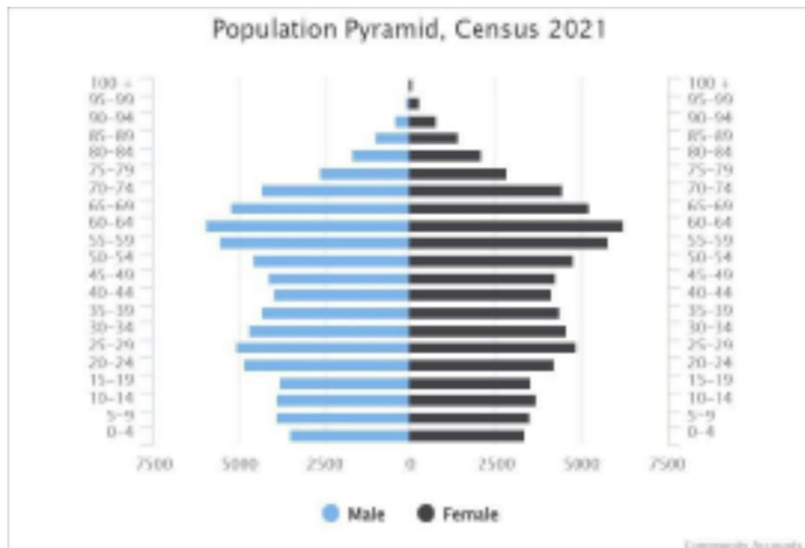
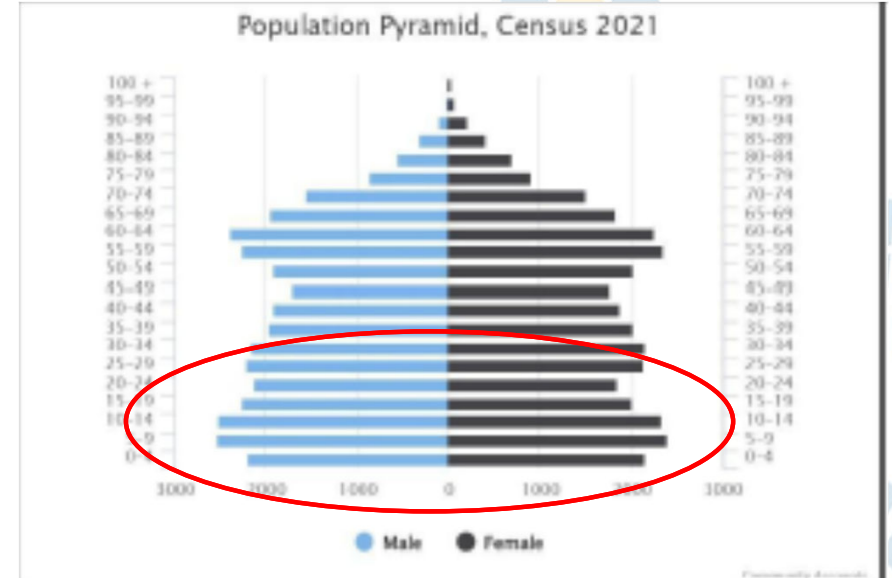


# How do you run out of workers? Well – you age.

Rainy River Census Division



Kenora Census Division



ONLY Kenora has the necessary foundation – and that is driven by relatively young First Nation population

Thunder Bay Census Division

# Economic Impact of NOT Solving our “People Problem”

Northern Economist 2.0

<https://northerneconomist.blogspot.com/2025/06/measuring-cost-of-labour-shortages-in.html?m=1>

*A recent Conference Board report has argued that **the main challenge for the labour market in Northern Ontario is a shortage of labour** with the region experiencing some of the highest job vacancy rates in the country.*

- In 2024, the average quarterly number of job vacancies comes out to 8,713 for Northeastern Ontario and 5,148 for the Northwest.
- Multiplying the number of vacancies by the GDP produced per employee results in a **foregone GDP** output of approximately \$1.1 billion in Northeastern Ontario and **about 0.7 billion in the Northwest** for a total of \$1.8 billion dollars.
- (A rough) estimate of (regional GDP is) about \$50 billion for current nominal GDP.
- In other words, the **output foregone represents nearly 4 percent of the current GDP** in Ontario's north.

*NB – Author highlights these are very rough estimates using readily available figures.*

# We were (finally) heading in the right direction

- Growth in Provincial Nominee Streams (**OINP more than doubled**)
  - Growing alignment to employment
    - Local markets with demonstrable labour shortages
    - Tied to job offers – not income potential
- Atlantic Immigration Pilot
- Rural & Northern Immigration Pilot
- Economic Mobility Pathways Pilot
- **BUT – we went astray**
  - Accelerated growth in Temporary Foreign Workers
  - Exponential growth in International students (to offset stagnant investment in PSE)
- Then we **OVERCORRECTED**
  - 2024 across the board cuts have applied a solution everywhere when, in rural and northern communities, there was no problem to begin with

# OINP Since 2009

| OINP Nominees by<br>Census Division | 2009      | 2014      | 2019      | 2023      | Jan-Jul<br>2024 | 2025<br>Estimated | 2021<br>Population | 2025<br>Proposed |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------------|-------------------|--------------------|------------------|
| Algoma                              | 5         | 10        | 5         | 15        | 15              | 8                 | 113,777            | 399              |
| Cochrane                            | --        | 5         | 10        | 20        | 10              | 5                 | 77,963             | 273              |
| Greater Sudbury                     | 10        | 90        | 35        | 85        | 55              | 28                | 166,004            | 581              |
| Kenora                              | 5         | --        | 10        | 5         | 15              | 8                 | 66,000             | 231              |
| Manitoulin                          | 0         | 0         | 0         | 0         | 0               | 0                 | 14,318             | 50               |
| Muskoka                             | 0         | 0         | 5         | 40        | 20              | 10                | 66,674             | 234              |
| Nipissing                           | --        | 5         | 5         | 10        | 10              | 5                 | 84,716             | 297              |
| Parry Sound                         | 0         | 0         | --        | 10        | --              | 0                 | 46,909             | 164              |
| Rainy River                         | 0         | 0         | --        | 10        | 0               | 0                 | 19,437             | 68               |
| Sudbury                             | 0         | 0         | --        | 0         | 0               | 0                 | 22,368             | 78               |
| Thunder Bay                         | 5         | --        | 60        | 55        | 85              | 43                | 146,862            | 514              |
| Timiskaming                         | 0         | 0         | --        | 5         | 10              | 5                 | 31,424             | 110              |
|                                     |           |           |           |           |                 |                   |                    |                  |
| Northern Ontario                    | 25        | 110       | 130       | 255       | 220             | 110               | 856,452            | 3,000            |
| Ontario                             | 1,000     | 2,500     | 6,650     | 16,500    | 21,500          | 10,000            | 14,223,942         | 10,000           |
| <b>NO as % Ontario</b>              | <b>3%</b> | <b>4%</b> | <b>2%</b> | <b>2%</b> | <b>1%</b>       | <b>1%</b>         | <b>6%</b>          | <b>30%</b>       |

Recall – to MAINTAIN our current workforce – **we need 2,000 people a year in the NW alone**  
about **750 of those need to be OUTSIDE OF THUNDER BAY**

# Allocated Rural/Northern Pilot Spots Per Year

|                    | 2020       | 2021       | 2022       | 2023        | 2024        | 2025        | 2025      | 2025       |
|--------------------|------------|------------|------------|-------------|-------------|-------------|-----------|------------|
| Pilot Site         | RNIP 1     | RNIP 2     | RNIP 3     | RNIP 4      | RNIP 5      | RCIP 1      | FCIP 1    | REDI       |
| <b>Thunder Bay</b> | 46         | 104        | 254        | 499         | 101         | <b>475</b>  | 0         | <b>200</b> |
| Timmins            | 23         | 98         | 131        | 206         | 138         | 200         | 25        | 0          |
| North Bay          | 1          | 45         | 115        | 228         | 172         | 250 (?)     | 0         | 0          |
| Sudbury            | 6          | 49         | 189        | 467         | 460         | 525         | 45        | 0          |
| Sault Ste Marie    | 39         | 65         | 149        | 356         | 238         | 300         | 0         | 0          |
| Superior East      | 0          | 0          | 0          | 0           | 0           | 0           | 25        | 0          |
| <b>TOTAL</b>       | <b>115</b> | <b>361</b> | <b>838</b> | <b>1756</b> | <b>1109</b> | <b>1500</b> | <b>95</b> | <b>200</b> |

Recall – to MAINTAIN our current workforce – **we need 2,000 people a year in the NW alone**  
about **750 of those need to be OUTSIDE OF THUNDER BAY**

1. RNIP = Number of Applications Received (excluding Prospective and Cancelled Applications) by CASE not PERSONS
2. 2024 is applications in calendar 2024 – final RNIP numbers will likely be higher once reported for first part of 2025
3. 2025 – RCIP is “First Year” of allocations – so will roll into 2026

# Northwest Communities & Immigration Pilots

| Community                                               | RNIP (Y1-2)<br>(CAN) | RNIP (Y3-5)<br>(CAN) | RCIP<br>(CAN) | FCIP<br>(CAN) | REDI<br>(ON) |
|---------------------------------------------------------|----------------------|----------------------|---------------|---------------|--------------|
| Thunder Bay                                             | Yes                  | Yes                  | Yes           | Yes           | Yes          |
| Nipigon, Marathon,<br>Manitouwadge, Greenstone          | No                   | Yes                  | No            | No            | Yes          |
| Sioux Lookout, Rainy River,<br>Dryden, Ignace, Atikokan | No                   | Yes                  | No            | No            | No           |
| Kenora, Sioux Narrows,<br>Ear Falls, Red Lake           | No                   | No                   | No            | No            | No           |

The Far Northwest is the **ONLY** region of Northern Ontario **NOT** currently included in either a provincial or federal rural/northern immigration pilot.

# Other Streams/Programs - 2025

## RECRUTE NORD (pending or submitted)

- Kenora - 4
- Fort Frances - 6
- Sioux Lookout - 8
- Long Lac - 1

## Communities Soon to Join

- Hearst, Kapuskasing, Timmins, Chapleau, Cochrane, Wawa, White River, Dubreuilville, Horne Payne, Manitouwadge, Temiskaming Shores, Sturgeon Falls

## ECONOMIC MOBILITY PATHWAY PILOT (pending or submitted)

Thunder Bay – 60  
Fort Frances – 25

Some good news - The Economic Mobility Pathway Pilot was extended on June 12 **until 31 December 2025.**

Recall – to MAINTAIN our current workforce – **we need 2,000 people a year in the NW alone about 750 of those need to be OUTSIDE OF THUNDER BAY**

# What has been done so far

- Kenora & the NW applied for RNIP in 2019 - **denied**
- Kenora & the NW applied for RCIP in 2024 - **denied**
- Northern Chambers advocating for an OINP set-aside since 2023 – **no changes (yet)**
- Ontario Chamber endorsed the set-aside in 2024 – **no changes (yet)**
- No community in the far NW was invited to compete for a REDI spot in 2024 – **was not (to my knowledge) an OPEN province wide competition**
- NOMA delegation to province included OINP set-aside and international students in rural/northern areas – **no changes (yet)**
- 84 communities and organizations signed a joint letter to provincial immigration minister on 31 March 2025 re OINP set-aside – **no changes (yet)**
- Northern Chambers (and NPI) met with Ministry to discuss OINP set-aside - – **no changes (yet)**

# Go Forward Options

## FEDERAL

- Short Term:
  - Continue Economic Mobility Pathways Pilot to match timing of windup of RCIP/FCIP – **this pilot was given a brief reprieve on 12 June**
  - One-time extension all Work Permits expiring in 2025 in rural and northern regions for 2 years – **would mitigate impact of sudden change in federal direction - concept was suggested by a local MP**
  - Work with Thunder Bay to expand RCIP service boundary to old RNIP boundary (or to all of NW?) – **mixed blessing – limited number of spots - if we share do we take heat off Ontario/Canada to grow the overall number?**
- Medium/Long Term
  - Reverse cuts to Provincial Nominee Programs on condition reinstituted allocations are assigned to rural and northern regions – **to date there has been limited departmental interest in making this change**
  - Expand Atlantic Immigration Program to be a PERMANENT Community Immigration Program nationwide – **this remains official federal policy – a permanent community led program – timing and size are the BIG questions**

# Go Forward Options

## PROVINCIAL

- Short Term
  - Expand NOCs under OINP to include some TEER 4 NOCs but ONLY in rural and northern communities – **OINP has indicated willingness to consider expanding list as labour market data supports the change**
  - **Add a REDI site in Far NWO** – The Thunder Bay REDI WAS expanded to include the communities to the east
- Medium Term
  - Allocate 3,000 spots within the OINP to rural and northern communities (50% of OCC request) – **to date there has been limited departmental interest in making this change**
  - Reallocate International students cuts to return northern and rural numbers to 2023 status quo – **to date there has been limited departmental interest in making this change**

Thank you. Marsee. ᑭᐅᑦᑎᑦᐃᑦ  
Merci. Miigwech.

info@northernpolicy.ca  
**www.northernpolicy.ca**



/NorthernPolicy

**July 8, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Ryan Marsh, Director of Finance**

**Re: 2023 Audited Financial Statements**

### **Recommendation:**

That Council hereby approves the City of Kenora's 2023 audited financial statements as presented by MNP.

### **Background:**

The preparation of annual financial statements is required by the Municipal Act, 2001, Section 294.1 which states: "A municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Chartered Professional Accounts of Canada." In addition, Section 296 states "a municipality shall appoint an auditor licensed under the Public Accounting Act" who is responsible for the annual auditing of accounts and transactions of the municipality and its local boards.

The City of Kenora ("the City") consolidated financial statements reflect the City's balances of assets and liabilities at the end of fiscal year 2023 and the net revenues and expenses for the fiscal year. The consolidated financial statements include the operations of the City, Kenora Public Library, Lake of the Woods Cemetery and Lake of the Woods Museum. The Provincial Offences Fund is a government partnership where the Municipality has shared control over the board / entity. The Municipality's pro rata share of the assets, liabilities, revenues, and expenses are reflected in the financial statements using the proportionate consolidation method.

### **Strategic Plan or other Guiding Document:**

Charting Our Course 2027 – Strategic Plan  
Corporate Values

**June 27, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Bruce Graham, Risk Management and Loss Prevention Officer**

**Re: 2025/2026 Municipal Insurance**

### **Recommendation:**

That Council hereby accepts the premiums for the Corporation's insurance portfolio for 2025/2026 as:

- Intact Public Entities (IPE) – Comprehensive Municipal Program - \$879,428.00
- VFIS – Paid-per-call Firefighter Income Supplement - \$6,298.00
- CFC – Cyber Liability Insurance - \$46,575.00, plus all applicable taxes; and further

That Council hereby directs Administration to finalize the 2025 Municipal Insurance Programs for the Policy Term July 1, 2025 to July 1, 2026.

### **Background:**

Westland Insurance Group Ltd. successfully negotiated the Corporation's insurance portfolio renewals.

The premiums for 2025/2026 Comprehensive Municipal Program reflect an overall increase of 9.6% (\$76,807) from the 2024/2025 program. This increase is reflective of market conditions, increased coverage, and our claims experience. In general, the municipal insurance market is seeing an increase of approximately 10% in 2025; the Corporation has added two Community Centre buildings to our property schedule; and in 2024 the Corporation submitted two separate claims with a combined value in excess of \$1,000,000.00.

A detailed breakdown of our premium increase is as follows:

**General Liability** increased by \$8,993.00 from \$149,888.00 to \$158,881.00 (6%)

**Errors and Omissions** increased by \$709.00 from \$14,185.00 to \$14,894.00

**Environmental Liability** increased by \$3,330.00 from \$16,652.00 to \$19,982.00 (20%)

**Legal Expense** increased by \$35.00 from \$1,007.00 to \$1,042.00

**Property** increased by \$62,503.00 from \$436,765.00 to \$499,268.00 (14%)

**Equipment Breakdown** increased by \$643.00 from \$11,355 to \$11,998.00

**Owned Automobile Transit** increased by \$78.00 from \$8,184.00 to \$8,262.00

Our **Excess Auto** saw a combined increase of \$516.00 from \$6,675.00 to \$7,009.00.

The premiums for the VFIS program remain unchanged from the previous term.

The premiums for the Cyber Liability Coverage are about 6.5% lower than the previous term.

Details of the renewal proposals are included in the various renewal packages for Council's review.

**Options for Council to Consider:**

Council could consider alternative deductible amounts for the 2025/2026 renewal and recognize associated premium savings by considering the following options below:

| Coverage Area      | Deductible Alternatives                               | Premium Savings |
|--------------------|-------------------------------------------------------|-----------------|
| Property           | Increase from \$25,000.00 to \$50,000.00              | \$42,376.00     |
|                    | Increase from \$25,000.00 to \$100,000.00             | \$94,173.00     |
|                    |                                                       |                 |
| Boiler Protection  | Increase from \$25,000.00 to \$50,000.00              | \$2,150.00      |
|                    | Increase from \$25,000.00 to \$100,000.00             | \$4,118.00      |
|                    |                                                       |                 |
| Liability          | Increase from \$25,000.00 to \$50,000.00              | \$13,794.00     |
|                    | Increase from \$25,000.00 to \$100,000.00             | \$34,484.00     |
|                    |                                                       |                 |
| Errors & Omissions | Increase from \$25,000 to \$50,000.00                 | \$1,309.00      |
|                    | Increase from \$25,000.00 to \$100,000.00             | \$3,247.00      |
|                    |                                                       |                 |
| Environmental      | Increase from \$25,000.00 to \$50,000.00              | \$1,756.00      |
|                    | Increase from \$25,000.00 to \$100,000.00             | \$4,391.00      |
|                    |                                                       |                 |
|                    | Total potential savings by increasing to \$50,000.00  | \$61,385.00     |
|                    | Total potential savings by increasing to \$100,000.00 | \$140,413.00    |

**Budget:** The insurance renewal will be applied to the 2025 and 2026 Operating Budgets.

**Risk Analysis:** The 2025/2026 Comprehensive Municipal Insurance Program supports the Corporations Enterprise Risk Management framework.

**Communication Plan/Notice By-law Requirements:**

Upon approval by Council, the appropriate renewal of documents will be signed.

**Strategic Plan or other Guiding Document:**

2022-2027 City of Kenora Strategic Plan

Focus Area: Service Delivery and Organizational Capacity

Goal 4.3 Improve fiscal planning capacity of our administration.

City of Kenora Enterprise Risk Management Strategy.

**June 25, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Stace Gander, Interim Co-CAO, Director of Economic Development  
& Tourism**

**Re: Budget Amendment – Central Park & Community Club**

### **Recommendation:**

That Council hereby approves a total budget amendment of \$212,000 of which \$166,000 is to be allocated to the Central Community Club green space project and \$46,000 be allocated to support completion of the construction of the new outdoor rink and clubhouse to be taken from various parks reserves; and further

That in accordance with Notice By-law Number 160-2022, public notice is hereby given that Council intends to amend its 2025 capital budget at its July 15, 2025 meeting for this purpose; and further

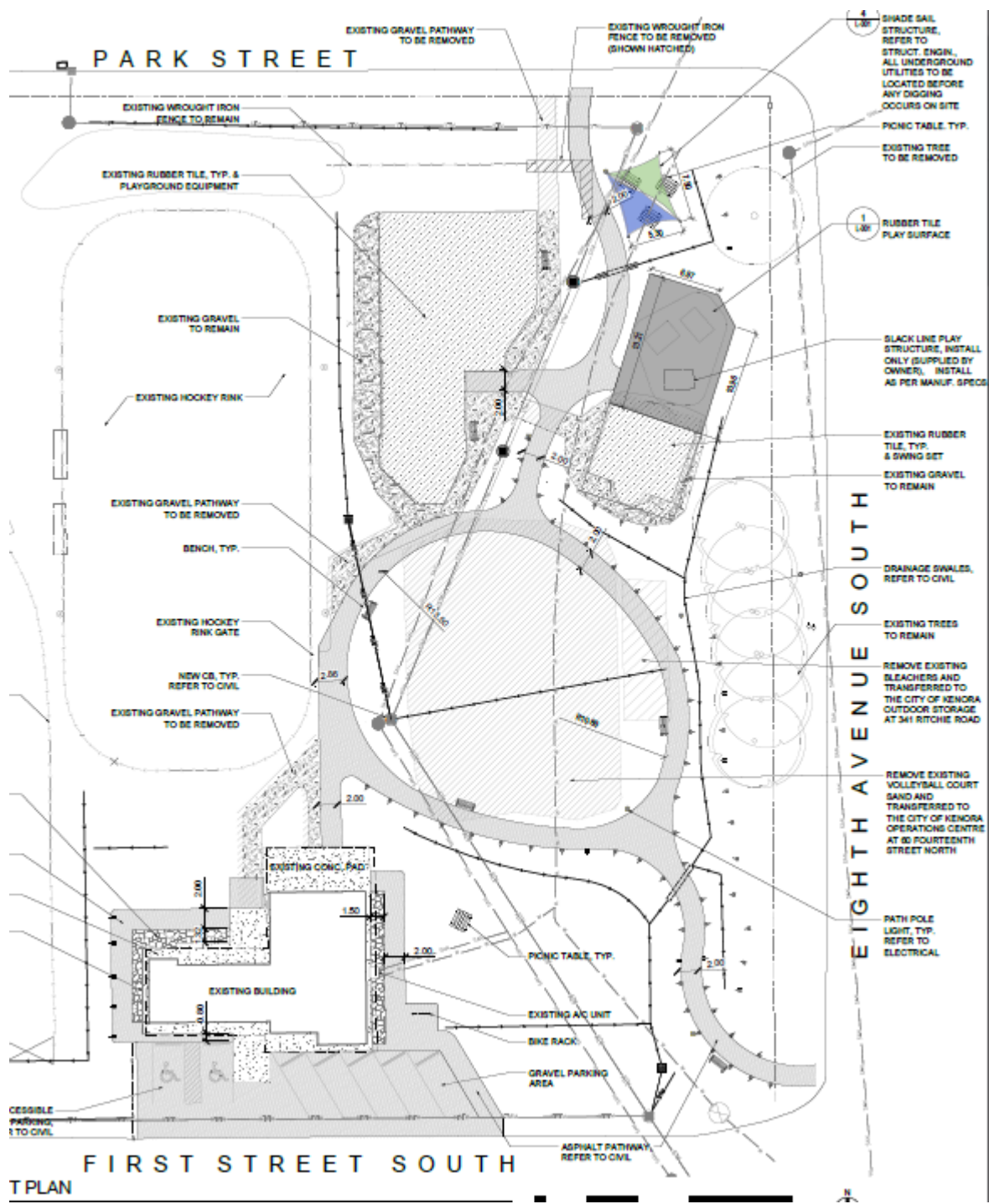
That Council gives three readings to a By-law to amend the 2025 capital budget for this purpose.

### **Background:**

#### **Greenspace Project**

In March 2023, Administration submitted an application to the NOHFC related to developing the green space of the new Central Park area. As part of the application, the City was to support the project up to \$166,000. The City was successful in receiving a grant from NOHFC in the amount of \$490,000 for the work in this park.

A rendition of the proposed works is as follows:



The scope of work is to include the following:

- Grading
- Paving of parking area
- Drainage
- Installation of shade structure
- Lighting enhancements
- Supply and install trees and sod
- Installation of benches

## **Ice Surface and Clubhouse Project**

In March 2021, Central Community Club received \$596,662 under The Investing In Canada Infrastructure Program (ICIP): Community, Culture And Recreation Stream to construct a new community club building and ice surface.

During the conceptualization of this project, Council authorized a contribution of \$100,000 to the project and the Board undertook a number of fundraising activities raising approximately \$101,800. At that time, the total amount secured for the project was approximately \$798,462.

Through the Expression of Interest process, bids were submitted to complete the proposed work. Upon review, submitted costs at the time were in excess of the secured funds of \$798,462 and there was a shortfall of \$370,000.

At the February 8, 2022 Committee of the Whole meeting, the Central Community Club Board agreed to commit to raise up to an additional \$153,590 and Solid Construction agreed to a donation of \$70,000 to enable the project to proceed. All work has now been completed on this phase of the project and a final reconciliation of the project has taken place. As part of this budget amendment, the City will contribute \$46,000 for costs related to necessary contingency costs to successfully complete the project. The revised balance owed by the Board is \$66,141.61. Those funds will be payable within five (5) years.

**Budget:** The total cost of this budget amendment is \$212,000.

**Risk Analysis:** There is a low to insignificant risk associated with this report.

**Communication Plan/Notice By-law Requirements:** Bylaw and public notice of budget amendment.

### **Strategic Plan or other Guiding Document: Charting Our Course – Strategic Plan**

3.1 Deliver coordinated four-season cultural and recreational infrastructure, programs, and events

### **Parks and Recreation Master Plan**

Community clubs are the second highest amenity prioritized for investment and play an important role in the provision of neighbourhood recreation opportunities in the City.

- Prioritize playground enhancement and development in areas where free, quality play spaces will have the greatest impact.

**June 30, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Akbar Imran, Corporate Services Governance Student**

**Re: Kenora Youth Engagement Guide**

### **Recommendation:**

That Council hereby accepts the draft Kenora Youth Engagement Guide as presented; and further

That Council directs Administration to proceed with the following programs in the 2025-2026 academic year:

- i. Reactivation of the Student Councillor Program;
- ii. Expansion of the Cooperative Education Program (co-op);
- iii. Participation in the Municipal Rep Day civic education initiative in partnership with school boards;
- iv. Conducting an analysis on amending the scholarship program for the high school graduating classes of 2026; and further

That three readings be given to a bylaw to adopt a new Student Councillor Program Policy #CC-16-1; and further

That bylaw number 100-2012 be hereby repealed.

### **Background:**

Municipalities across Canada are facing increased pressures to prepare for waves of retirement, while also being confronted by lower youth (18-24) turnouts in municipal elections and in recognition of the importance of early civic engagement and long term work force sustainability, we have reviewed the City's existing youth outreach strategies. Further, a review of other practices across Canada and Ontario, have identified several targeted programs and expansions aimed at not just building a civically engaged youth population, but also to inform youth of the pathways into municipal careers.

This guide is inspired by various findings from Association of Municipalities of Ontario, Federation of Canadian Municipalities and Statistics Canada which have identified civic disengagement as a growing priority to address. Youth voter turnout continues to trend lower than other age demographics, and much of the youth reports a lack of connection to institutions at the local level. In Kenora's context, this is evident in the youth (18-24) turnout during the 2022 municipal election declining from 30.69% in 2018 to 27.5%.

The Kenora Youth Engagement Guide proposes targeted programs (new and expansions to current programs) across different cohorts from grade 4 till grade 12 with specific initiatives aligned with student's level of maturity and understanding. The purpose of this guide is to create awareness, provide exposure and incorporate youth into active participation.

## **Summary of initiatives:**

- a. Grade 4-6 Early engagement through carefully created colouring and other materials:

Younger students within this cohort learn best through creative and indirect ways. The Communications Department has developed colouring pages featuring different areas across the City which have been well received during the City Hall tours. This initiative should now be expanded, with revised materials distributed to local schools during the academic year. These materials will include illustrations highlighting key municipal services such as parks, transit, and waste collection. This low-cost and high-impact tool introduces this group of students to the concept of a municipal government, without needing to spell out what a municipal government is, in a format that is age appropriate and engaging while subtly instilling values of civic pride and responsibility.

This could also be further complemented by contests and games. For example, in May, the Accessibility Advisory Committee hosted a flag design competition which received 23 entries from elementary students helping them explore how the City connects to accessibility and what it means to them. Such contests should be further encouraged as the sense of fun friendly competition allows for significant indirect exposure to local affairs.

- b. Grade 6-7 Municipal Rep Day Program:

Association of Municipalities of Ontario (AMO) has developed a pilot Municipal Rep Day initiative, which in Kenora can be implemented for students between grades 6-7. This initiative consists of three in class lessons delivered by teachers, followed by a classroom visit from the Mayor, City Councillors, and City staff usually during Local Government Week. The visit will include a Q&A session, mock Council session, and informal dialogue around local services and student priorities. This program gives meaning to interactions with elected officials against the backdrop of recently learnt materials on the levels of government, helping students see themselves as potential future leaders or those involved within the delivery of much of these services. The success of this program is tied to support from school boards and principals who are responsible for executing the teaching components of this program.

- c. Grade 9-12 co-op program expansion:

The City currently hosts an average of 3-4 co-op students in departments such as by-law, fire and mechanics. However, there is a strong potential to expand co-op placements to include areas such as Finance, IT, Planning, Parks, Communications, and Recreation & Culture. By partnering with high schools, the City can increase the number of participating students and widen the learning experiences offered, while encouraging future local employment. The success of this expansion is tied to facilitation by department leads who will determine the logistics of having co-op student(s).

- d. Grade 10-12 student councillor program:

To ensure youth perspectives are present in the decision making process, the City needs to reactivate and modernize its Student Councillor Program. First introduced in 2012, the by-law has since remained underutilized. A revised by-law with an updated structure has now been developed to appoint one or more high school students as non-voting student councillor(s). Student councillor(s) will attend Council and Committee of the Whole meetings from October to June, participate in discussions, provide written reports,

and represent the voice of youth across the city. This initiative will build further into the component of civic literacy, and strengthen student representation.

e. Amending the bursary program:

Currently, the City awards one \$500 bursary to a graduating student from each secondary school in Kenora. However, to reflect rising costs and align better with municipal priorities and ambitions, the program should be enhanced through increased total allocation per school with flexibility to divide the amount among multiple students based on the need and future pathways with prioritization given to students who have already been involved with the City such as through co-op placements. This would significantly promote the co-op program, increase chances of students returning for placements while in school and help with a potential future career with the City.

**Budget:** Most initiatives have minimal costs, however there would be cost affiliated with \$500 honourariums per student councillor(s), as well as any increase affiliated should the Council increase the annual bursaires to schools.

**Risk Analysis:** There is a low risk associated with this report and only encourages youth involvement and engagement. There is a higher risk not engaging youth as outlined in the report.

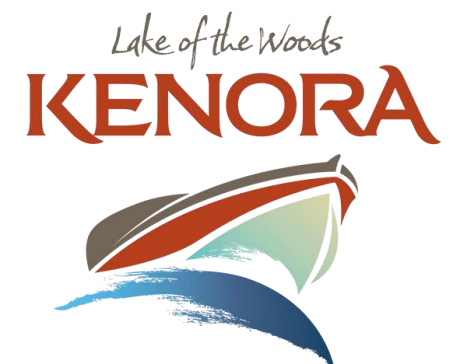
**Communication Plan/Notice By-law Requirements:** New student councillor(s) program bylaw, general promotional communication materials, communication with school boards and school principals

# Kenora Youth Engagement Guide

Akbar Imran

Corporate Services Assistant

July 8<sup>th</sup> 2025



# Youth (18-24) Voter Turnout 2022

809

Eligible to  
vote

223

Those who  
voted

27.56%

Voter  
Turnout

# From Elementary Youth to High School Graduates

1. Early Exposure
2. Municipal Rep Day program
3. Expanding the co-op program
4. Student Councillor program
5. Expanding the bursary program

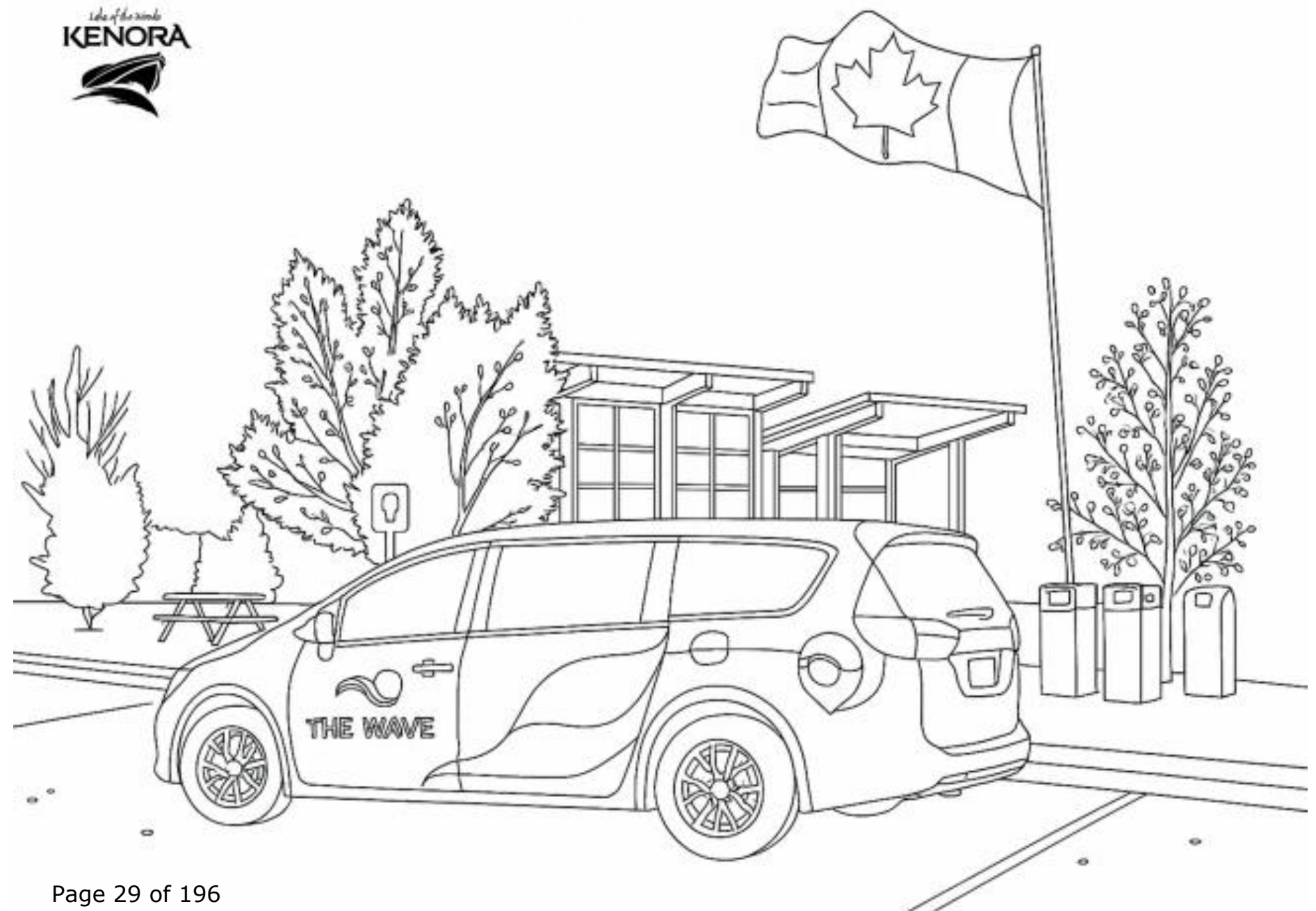
# Early Exposure

# Grades 4-6

## Early exposure

Introducing municipal concepts in fun, indirect ways using materials and games suited to younger learners.

- Distribute civic themed colouring books created by the City (e.g. parks, transit, recycling)
- Expand reach beyond City Hall tours into classrooms.
- Host creative contests like "design a park" or "draw a waterslide."
- Goal: Foster early curiosity, pride, and awareness of local services.





# Municipal Rep Day Program

# Grades 6-7 Municipal Rep Day Program

Building on classroom learning by pairing curriculum with in-person interaction with civic leaders.

- Program includes 3 interactive lessons delivered by teachers.
- Ends with in-class visit by Mayor, Councillors, and City staff.
- Reinforces classroom learning and encourages civic confidence





# Co-op Program Expansion

# Grades 9-12 co-op program expansion

Exposing students to real municipal careers through structured, diverse placements.

- Currently offered in Bylaw, Fire, and Trades (mechanics, electricians).
- Expand to include: Finance, IT, Planning, Communications, Recreation, Parks etc.
- Offer rotational or focused placements for a well-rounded experience.
- Promotes talent development and builds pipeline for municipal careers.





# Student Councillor Program

# Grades 10-12 Student Councillor Program

Empowering high school students by integrating their voice directly into Council proceedings.

- Non-voting members attend Council and Committee meetings.
- Report on and represent youth voice.
- Helps students understand governance and feel heard in civic affairs.





# Bursary Program Enhancements

# Grade 12 Bursary Program

Supporting student's post-secondary goals while aligning awards with City priorities

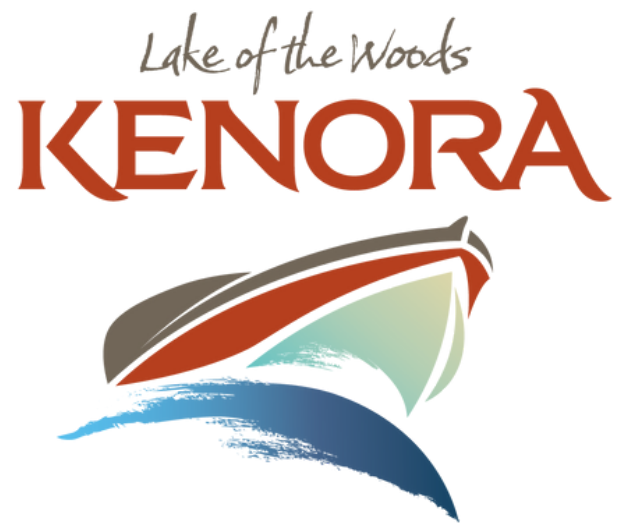
- Currently: \$500 per school per year.
- Proposed:
  - Increase total amount and flexibility to split among recipients.
  - Prioritize students engaged with the City (e.g. through co-op).
- Encourages return-to-work pathways and celebrates civic involvement.



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**KENORA**



# Thank you!



# **Kenora's Youth Engagement Guide**

**“BUILDING A COMMUNITY  
OF KNOWN OPPORTUNITIES”**

“

Because so many municipal employees are expected to retire within the next decade, it is critical for municipal leaders to make recruitment and retention of new municipal staff a priority now. Elected municipal leaders and administrators must engage with their young residents to demonstrate, to both those completing a post-secondary education, and also equally importantly, those entering high school, that careers in the municipal sector can be very rewarding. This will be critical to ensure that services Canadians rely on continue to operate smoothly and sustainably. Municipal leaders need to engage their youth constituency through more outlets and in ways that are more accessible and interactive than ever before. Currently, young Canadians do not perceive their interests to be represented by the democratic institutions they have at their disposal. This is clear from the declining youth voter turnout that communities across Canada have experienced at all levels of government. Many young Canadians simply do not envision themselves working for institutions in which they perceive do not represent their interests. Municipal leaders have the tools, resources, and the responsibility to challenge this perception”

FCM Youth Engagement Guidebook

Inspired by differing practices across Canada, with an understanding of constraints Kenora faces, this Kenora specific Youth Engagement Guide will be focused on engaging elementary youth from an early stage leading up to youth graduating high school.

# Grade 4/5/6

The years between grades 4 and 6 are a formative period in a young person's development, a time when values, habits, and curiosities begin to take root. While students at this age may not yet be thinking about local government or civic responsibility, it's the right time to begin planting the seeds of awareness and connection to their community.

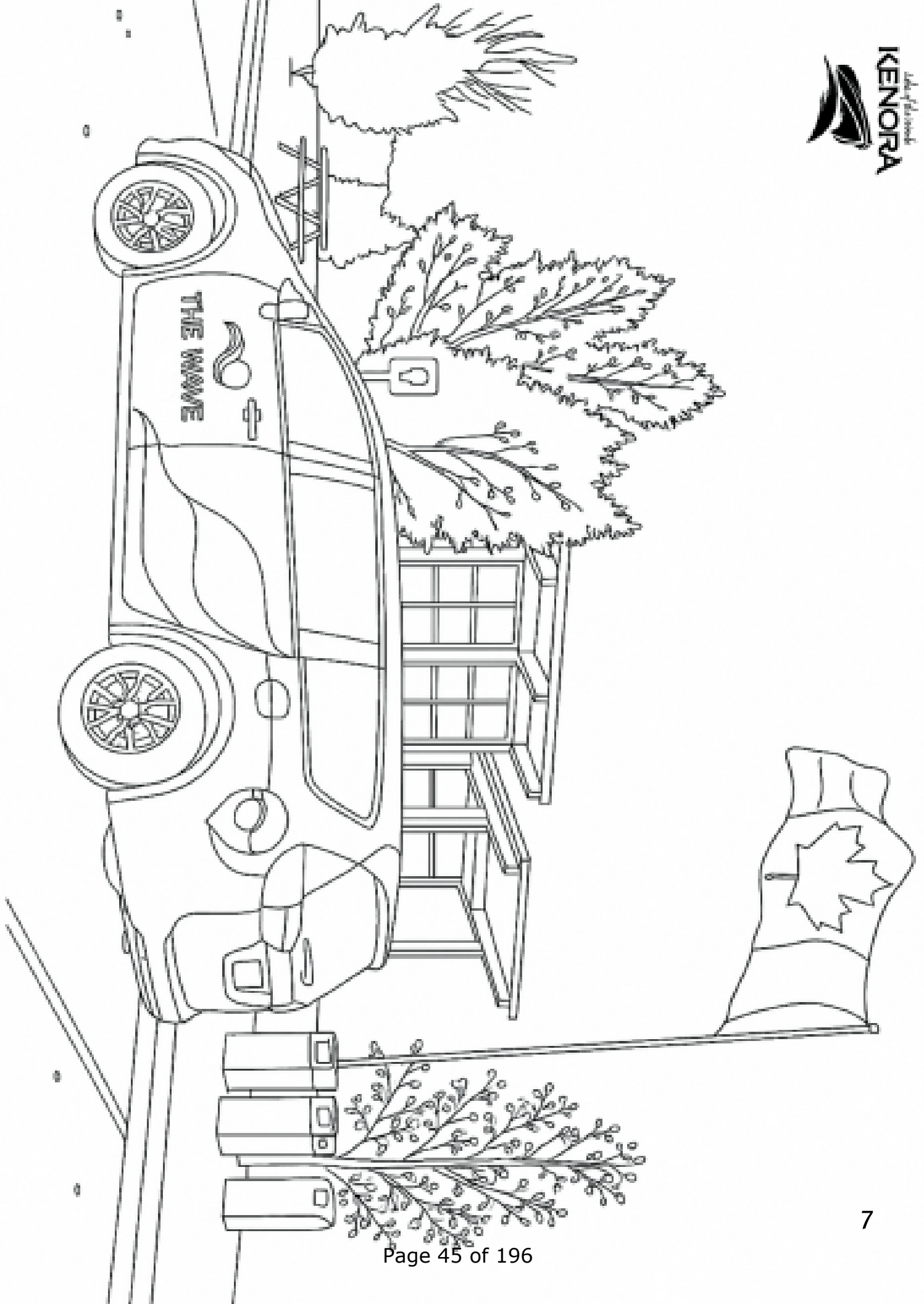
During this phase, the focus should be on integrating civic concepts into their everyday learning in ways that feel natural and fun. For example, the City's Communications Department has already created colouring books used during City Hall tours. This initiative could be expanded in the sense of distributing these materials more broadly across local schools which would provide young students with a fun introduction to what local government does and why it matters.

By incorporating elements of municipal life, from public parks to recycling trucks and local transit into materials they enjoy, we can help students start to recognize the value of the services around them. Over time, this early exposure fosters a sense of belonging and responsibility, helping youth develop an appreciation for the role municipalities play in their lives.

# Grade 4/5/6 - continued

Additionally, the City should keep pursuing opportunities for contests, as friendly competition drives interest. For example, contests such as “draw your vision” of a play area in a park, or a new water slide at the pool would go a long way. Moreover, games such as mock council sessions where students are asked if they want to expand the pool or build a new play area in the local park would help them directly engage with municipal decision making in a fun manner.

This approach may seem small, but it is an essential early step toward building a generation of engaged citizens who understand and value the work within their City. In a future where civic engagement will be more important than ever, this kind of early, accessible engagement can make a lasting difference.



# Grade 6 to 7

## Municipal Rep Day Program

AMO has launched a new initiative titled Municipal Rep Day which is an in-class program requiring collaboration between the City and schools, requiring teachers to deliver three short, interactive lessons that help students understand how local government functions, the services it provides, and how decisions are made.

What makes this program particularly impactful is its structure: after learning the foundational elements of government and their local municipality, students get the unique opportunity to engage directly with the Mayor, City Councillors, and municipal staff. This classroom visit includes a Q&A session, and overall an informal dialogue about local issues that matter most to them helping students directly engage in local democracy.

This program creates inspiration as it helps students begin to see themselves as part of the broader civic process. This type of early exposure is essential in a time when many municipalities are preparing for a wave of retirements among their workforce.

We have reached out to nearly all elementary schools in Kenora with the intention of launching this program during Local Government Week in October 2025. While the lessons themselves can be delivered flexibly in the weeks leading up to the visit, the direct classroom engagement offers the opportunity to be at the forefront as students begin to dream.

# Grade 9 to 12

## Expanding the co-op program

The City's Human Resources department has demonstrated leadership in facilitating co-operative education placements (coop) for secondary students, with an average of four students participating annually in departments such as Bylaw, Fire Services, and the trades area such as electricians and mechanics.

There is also significant potential to expand the program to offer rotational or area specific co-op placements across a broader range of municipal departments including Finance, Information Technology, Communications, Engineering, and Planning. Doing so would allow students to gain a more comprehensive understanding of municipal operations and the wide variety of careers available within local government helping build a well-rounded public service in the future.

This expanded model would not only enrich student learning but also serve as a strategic tool to support long-term talent retention. Early exposure to the inner workings of the municipality can foster a lasting interest in public service and increase the likelihood that students will consider municipal careers in the future.

By building stronger partnerships with local high schools and co-op coordinators, the City can position itself as an employer of choice as students start building their careers.

# Grade 10 to 12

## Student Councillor Program

The 2018 community profile survey noted 835 people between the ages of 15 and 19 who are mainly in high schools within Kenora. This is the demographic of youth which the municipality can pursue by bringing their voices to the table and showing them the municipal process and hearing from them on affairs of the youth. This is the age group which the City can enhance the representation of to retain the local talent and to build a generation of engaged citizens.

To ensure that the perspectives of this youth are meaningfully integrated into civic life, the City of Kenora should revitalize its Student Councillor Program, which is a structured opportunity for high school students in grades 10, 11 or 12 to serve as temporary non-voting representatives on the City Council.

Originally established by by-law 100-2012, the by-law needed to be updated to reflect current needs and realities. This program is being utilized by many municipalities across Canada in the form of student councillors or on an advanced level in the form of Mayors' student council. Given Kenora's resource constraints, the form of student councillor(s) approach is best in providing students with direct exposure to local governance while allowing Council to better understand the concerns and priorities of its younger residents.

# Grade 12

## Expanding the bursary program

The City of Kenora currently awards one \$500 bursary annually to graduating students from secondary schools. This is a meaningful step and investment in our youth, however, there is growing recognition that the program could be expanded to reflect the rising costs associated with pursuing opportunities after secondary graduation.

The updated vision for the bursary program should include:

- Increasing the total annual amount per school with flexibility to divide this amount among multiple recipients based on demonstrated need and educational direction.
- Using a more equitable distribution formula that considers key factors such as tuition costs, geographic distance, and the nature of the student's plans (e.g., local college vs. out-of-community college).
- Priority for students who have already been involved with the City through co-op or other means, with endorsement from the relevant manager. This would promote the co-op program, increase chances of students to return for placements while they are in school, and help build a potential future career with the City.

This approach would allow the City to maximize the reach of its support, ensuring a broader group of graduating students can benefit from meaningful financial assistance.

The updated scholarship form should also clearly state the City's intention to support students pursuing education or training in fields that align with municipal operations. These include, but are not limited to: Civil and Environmental Engineering, Water and Wastewater Management, Finance and Accounting, Recreation, Parks, and Planning.

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**KENORA**



## Student Councillor Program Policy



| Section      | Date                         | By-Law Number | Page          | Of |
|--------------|------------------------------|---------------|---------------|----|
| City Council | July 15 <sup>th</sup> , 2025 |               | 1             | 3  |
| Subsection   | Repeals By-Law Number        |               | Policy Number |    |
|              | 100-2012                     |               | CC-16-1       |    |

### Purpose

To establish a program policy for the appointment and participation of a non-voting student councillor(s) between grade 10 to 12 at any school within the City of Kenora.

### Policy statement

In recognition of having an effective process of incorporating Kenora's "senior secondary" (grade 10/11/12) youth's perspective into relevant municipal decisions with the overarching objective of providing a holistic view on how municipalities operate, scope and impact of various decisions while enhancing leadership skills of its youth.

#### 1.0 Eligibility

In order to be eligible to apply to become a student councillor, individuals shall meet the following criteria:

1.1 Be a full-time secondary student in grade 10, 11 or 12 at a high school within Kenora.

1.2 Provide a 500-word essay written to Council answering why they wish to partake in this opportunity.

1.3 Provide an endorsement letter from a principal, vice principal or a teacher in support of participation.

1.4 Meet any other conditions set out in this policy.

#### 2.0 Term/Appointment

2.1 The term of office shall commence from the first Committee of the Whole meeting scheduled in October to the first Council meeting scheduled in June.

## Student Councillor Program Policy

| Policy Number | Page | Of |
|---------------|------|----|
| CC-16-1       | 2    | 3  |

2.2 The number of student councillor(s) to be appointed is to be determined by the Clerk based on municipal resources.

2.3 Student councillor(s) are to take an oath of office and confidentiality at the time of their appointment.

### 3.0 Attendance

3.1 Student councillor(s) are to attend a minimum of one (1) Committee of the Whole or Council meeting per month throughout their appointment, unless absence is due to reasonable circumstances, as approved by the Clerk.

3.2 Student councillor(s) may be requested to attend additional non-scheduled sessions such as orientation(s), agenda setting discussion(s) etc.

### 4.0 Responsibilities

4.1 Student councillor(s) shall conform to the code of ethics required of Council members. Student councillor(s) shall act in accordance with the municipalities procedural by-law.

4.2 Partake in discussions from the youth lens concerning current business of the Council.

4.3 Communicate student updates or provide comments at the end of each meeting.

4.4 Communicate undertakings and relevant matters of the Council to the student body.

4.5 At the discretion of the Clerk, student councillor(s) may request for items to added to an agenda.

4.6 Student councillor(s) may not move or second any motion, participate in any legal or employee matter proceedings except at the discretion of the Clerk.

## **Student Councillor Program Policy**

| <b>Policy Number</b> | <b>Page</b> | <b>Of</b> |
|----------------------|-------------|-----------|
| CC-16-1              | 3           | 3         |

### **5.0 Other Committees of Council**

5.1 The student councillor(s) may request or be offered to partake and attend other Committees of the Council as non-voting members at the discretion of the Clerk.

### **6.0 Mentorship**

6.1 The Clerk shall act as a mentor to the student councillor(s), primarily responsible for orientation, training and general supervision.

### **7.0 Honorarium**

7.1 At the end of the term, an honorarium of \$500 will be presented to the student councillor(s), if full participation in the program has been achieved.

### **8.0 Disqualifications**

8.1 Student councillor(s) program period will end at the June Council meeting.

8.2 Student councillor(s) may be disqualified by the Council for low attendance or conflicts with the Council procedural bylaw.

8.3 Student councillor(s) wishing to resign may do so by providing the City Clerk with a written resignation letter at-least fourteen days prior to the next Council or Committee of the Whole meeting.



**July 8, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Greg Breen, Director of Engineering & Infrastructure**

**Re: Water Rate Study and Long-Range Financial Plan**

### **Recommendation:**

That Council hereby receives the City of Kenora Water and Wastewater Rate Study completed by Watson and Associates; and further

That in accordance with O.Reg 453/07 Financial Plans, Council hereby approves the City of Kenora Long Range Financial Plan effective 2025 to 2034 as presented.

### **Background:**

Council carried Councillor VanBelleghem's motion in the April 2023 Council Meeting to engage in a fulsome review of the current water and wastewater funding model to ensure equitable and sustainable revenue streams are in place to support the capital and operational needs of these assets via a third-party study.

Over the following months, Administration developed the scope of work for this study, and included the requirement to develop/update the City's Longterm Financial Plan in accordance with O.Reg 453/07.

Budget to complete the study was approved in the 2024 Operating Budget and Administration conducted a public RFP process which resulted in Watson and Associates Economists being awarded the work in February 2024.

Throughout the execution of the study, Watson and Associates presented to and sought feedback from Council at several meetings.

In April 2024, Watson provided an overview of the study program for Council's information.

In September 2024, Watson provided preliminary findings of the utility being underfunded, that could impact Kenora's water and wastewater billing rates. Following that presentation and acknowledging the current pressures on the water and wastewater reserve, Administration presented Council with the recommendation to adopt rate increases of 8.8-9.2%, depending on meter size, for the 2025 and 2026 years during the 2025 Budget process. Council adopted these increases, and they have been incorporated into the final Long Range Financial Plan.

In February 2025 Watson shared alternative rate structure options to support equitability between billing classes. Following Watson's presentation, Administration presented Council with options of alternative rate structures to be built into the long-range financial plan.

Council directed Administration to, starting in 2027, incorporate a new rate structure, that, in alignment with the American Water Works Association and industry best practice, bills consistently across user classes such as commercial or multi-unit residential, for similar access to the water and wastewater network. The Long-Range Financial Plan therefore incorporates the following:

- Single-detached residential customers only experience a 5.2% increase in 2027, then 8.8% is resumed in the outyears.
- Large commercial customers experience a 59.8% increase in 2027 and a 9.0% increase in the outyears.
- Multi unit residential customers (4 or more units) experience a 32.6% decrease in 2027 and a 9.0% increase in the outyears.

Although the impact of these rate structure changes will not be felt by customers until 2027, there is an immediate impact to the development community. Developers looking to support the City in its housing unit growth can plan their projects with these incoming rate structure changes in mind.

The rate study report is attached for Council and public information. Key highlights from the study are as follows:

- City of Kenora assets have been assessed with an estimated replacement cost of \$696.7M (2025 dollars).
  - This translates to an average annual lifecycle cost of \$11.4M (the amount the City should be spending or setting aside for capital works to ensure the system remains safe, operable and reliable)
- The City has a 10-year capital expenditure plan that includes \$111.3M in projected capital works (inflated) funded by \$40.8M in debt, and \$70.5M from reserves.
- The City has a 10-year operating forecast expenditure of \$96.9M (inflated) funded from reserves.

By the end of 2024, the City had been funding the utility annually with \$8.25M (2024 dollars) **less** than the annual life cycle cost of the utility. In late 2024, during the 2025 budget process, Administration presented to Council that this had led to an unbalanced 2025 Budget, with the reserve balance being depleted.

Administration presented and Council adopted the recommendation to increase rates by 8.8-9.2% in 2025 and 2026. This balanced the 2025 budget, with a positive reserve balance.

The rate study provides the following table summarizing the 2025 to 2034 billing rates increases that create a sustainable funding model to support the capital and operational needs of the water and wastewater utility network, incorporating the 2027 rate structure changes noted above.

| Customer Type                                                                                               | Bill Component  | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             | 2034             |
|-------------------------------------------------------------------------------------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Residential - single-detached</b><br>(170 m³ annual consumption, 5/8" meter)                             | Water           | \$ 996           | \$ 1,087         | \$ 1,146         | \$ 1,251         | \$ 1,365         | \$ 1,490         | \$ 1,626         | \$ 1,774         | \$ 1,936         | \$ 2,113         |
|                                                                                                             | Wastewater      | \$ 990           | \$ 1,074         | \$ 1,127         | \$ 1,223         | \$ 1,327         | \$ 1,441         | \$ 1,564         | \$ 1,698         | \$ 1,844         | \$ 2,003         |
|                                                                                                             | <b>Total</b>    | <b>\$ 1,986</b>  | <b>\$ 2,161</b>  | <b>\$ 2,273</b>  | <b>\$ 2,474</b>  | <b>\$ 2,692</b>  | <b>\$ 2,931</b>  | <b>\$ 3,190</b>  | <b>\$ 3,472</b>  | <b>\$ 3,780</b>  | <b>\$ 4,116</b>  |
|                                                                                                             | <b>% change</b> | <b>8.8%</b>      | <b>8.8%</b>      | <b>5.2%</b>      | <b>8.8%</b>      | <b>8.8%</b>      | <b>8.8%</b>      | <b>8.8%</b>      | <b>8.9%</b>      | <b>8.9%</b>      | <b>8.9%</b>      |
| <b>Large Commercial</b><br>(2,500 m³ annual consumption, 2" meter)                                          | Water           | \$ 6,689         | \$ 7,288         | \$ 11,726        | \$ 12,789        | \$ 13,947        | \$ 15,211        | \$ 16,589        | \$ 18,093        | \$ 19,732        | \$ 21,521        |
|                                                                                                             | Wastewater      | \$ 6,718         | \$ 7,352         | \$ 11,667        | \$ 12,704        | \$ 13,836        | \$ 15,070        | \$ 16,416        | \$ 17,885        | \$ 19,488        | \$ 21,238        |
|                                                                                                             | <b>Total</b>    | <b>\$ 13,407</b> | <b>\$ 14,640</b> | <b>\$ 23,393</b> | <b>\$ 25,493</b> | <b>\$ 27,783</b> | <b>\$ 30,281</b> | <b>\$ 33,006</b> | <b>\$ 35,978</b> | <b>\$ 39,221</b> | <b>\$ 42,759</b> |
|                                                                                                             | <b>% change</b> | <b>9.2%</b>      | <b>9.2%</b>      | <b>59.8%</b>     | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      |
| <b>Multi-residential Building</b><br>(33 residential accounts, 2,376 m³ total annual consumption, 2" meter) | Water           | \$ 15,627        | \$ 17,056        | \$ 11,448        | \$ 12,486        | \$ 13,618        | \$ 14,853        | \$ 16,200        | \$ 17,669        | \$ 19,271        | \$ 21,018        |
|                                                                                                             | Wastewater      | \$ 15,514        | \$ 16,813        | \$ 11,379        | \$ 12,387        | \$ 13,486        | \$ 14,684        | \$ 15,992        | \$ 17,418        | \$ 18,973        | \$ 20,671        |
|                                                                                                             | <b>Total</b>    | <b>\$ 31,141</b> | <b>\$ 33,869</b> | <b>\$ 22,827</b> | <b>\$ 24,873</b> | <b>\$ 27,104</b> | <b>\$ 29,537</b> | <b>\$ 32,191</b> | <b>\$ 35,086</b> | <b>\$ 38,244</b> | <b>\$ 41,689</b> |
|                                                                                                             | <b>% change</b> | <b>8.8%</b>      | <b>8.8%</b>      | <b>-32.6%</b>    | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      |
| <b>Multi-residential Unit</b><br>(72 m³ annual consumption)                                                 | Water           | \$ 474           | \$ 517           | \$ 347           | \$ 378           | \$ 413           | \$ 450           | \$ 491           | \$ 535           | \$ 584           | \$ 637           |
|                                                                                                             | Wastewater      | \$ 470           | \$ 509           | \$ 345           | \$ 375           | \$ 409           | \$ 445           | \$ 485           | \$ 528           | \$ 575           | \$ 626           |
|                                                                                                             | <b>Total</b>    | <b>\$ 944</b>    | <b>\$ 1,026</b>  | <b>\$ 692</b>    | <b>\$ 754</b>    | <b>\$ 821</b>    | <b>\$ 895</b>    | <b>\$ 975</b>    | <b>\$ 1,063</b>  | <b>\$ 1,159</b>  | <b>\$ 1,263</b>  |
|                                                                                                             | <b>% change</b> | <b>8.8%</b>      | <b>8.8%</b>      | <b>-32.6%</b>    | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      | <b>9.0%</b>      |

Implementing the recommended rates of this 10-year plan will still see the City's reserve balance depleted in the 2029, 2030, 2031 and 2032 years. The City will leverage debt in these years to operate the utility.

If the recommendations in the study are followed, the reserve balance will recover to a positive position, with an estimated closing balance of \$7.1M in 2034. This is a much better position for the utility to be in, with some ability to address unforeseen situations such as a sudden critical equipment failure.

### **Long-Term Financial Plan**

O.Reg 453/07 Financial Plans, under the Safe Drinking Water Act, 2002, requires that the operator of a drinking water system (The City of Kenora) supply their updated long-term financial plan, approved by Council, when the City's drinking water license is renewed.

Financial plans must include details of the projected financial position of the drinking water system, details of the proposed or projected financial operations of the drinking water system, details of the drinking water system's proposed or projected gross cash receipts and gross cash payments and details of the extent to which the above information relates directly to the replacement of lead service pipes.

Financial plans must cover a period of six (6) years, including the year of expiry of the existing license. As an example, for a license that expires in 2025, the plan must cover at least the years 2025 through 2030 but could also include additional years before or after those.

The City's existing drinking water license expires January 28, 2026. The application for renewal is due July 28, 2025. The City's existing long term financial plan (May 2021) covers years 2021 through 2026 and is therefore not eligible to submit in this year's renewal application.

The City must provide notice of the availability of the financial plan, publish it on the City website and otherwise make it available, on request, to members of the public without charge.

Following Council's approval of the financial plan, Administration will complete the application for renewal of the City's drinking water licence this month.

**Budget:**

Approval of the plan has no immediate impact on the budget. The water and wastewater billing rates for 2025 and 2026 are currently incorporated into the 2025 adopted and 2026 projected budgets. Administration will bring the recommended 2027 and future rate increases to Council for their approval in future Tariff of Fees and Charges bylaw revisions.

**Risk Analysis:**

The outcomes of the water and wastewater rate study directly inform the financial plan. These are important documents that help ensure that the City is planning and spending within the utility in a manner that protects the safety, reliability and sustainability of the utility into the future. They help prevent the impacts from lack of foresight and help municipalities position themselves with financial protection for unforeseen events.

Council's approval of this financial plan represents approval of how existing conditions will be managed financially. We know that Kenora is expecting to realize growth of our community and that the City is actively pursuing provincial funding to support rehabilitation works needed. Changes to existing conditions like these may influence the plan in the future. If required, the plan can be amended when this occurs, ensuring that it continues to meet the regulatory requirements.

**Communication Plan/Notice By-law Requirements:** Public notice of plan approval and publishing on City website.

**Strategic Plan or other Guiding Document:**

Strategic Plan

Goal 1.2 – Ensure well maintained and sustainably financed City infrastructure

Safe Drinking Water Act, 2002

O.Reg 453/07 – Financial Plans



 **Watson**  
& Associates  
ECONOMISTS LTD.

# Water and Wastewater Rate Study

City of Kenora

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July 2, 2025

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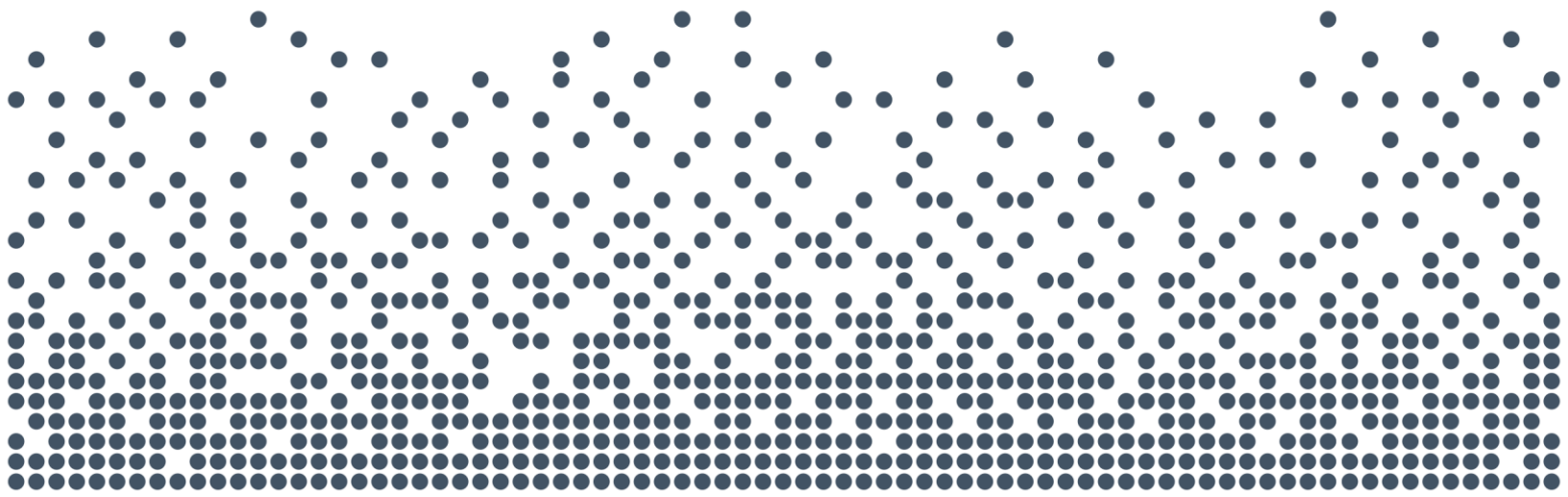
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## List of Acronyms and Abbreviations

| Acronym | Full Description of Acronym |
|---------|-----------------------------|
| C.P.I.  | Consumer Price Index        |
| D.C.    | Development Charges         |
| O. Reg. | Ontario Regulation          |



# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Background

---

The City of Kenora (City) operates and maintains a municipal water supply system that currently services approximately 6,000 5/8" meter equivalent customers and a wastewater collection system that currently services approximately 5,880 5/8" meter equivalent customers. Additionally, the City provides a water delivery service areas for properties that are not connected to the City's water distribution system. The City's water supply system comprises a network of distribution mains, a water treatment facility, booster pumping stations, and related vehicles and equipment. The City's wastewater system comprises a network of collection mains, pumping stations, a wastewater treatment facility, and related equipment.

The City recovers all costs related to operating, maintaining, and rehabilitating these systems through user fees. Billing is done monthly and comprises monthly base charges (varied by meter size<sup>1</sup>) and a consumptive charge based on metered water consumption. For water delivery customers, the charge is based on the volume of water delivered. An additional fee is applied for after-hours and same-day delivery. A summary of the water and wastewater rates that are currently in effect is provided in Table 1-1 to Table 1-3.

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<sup>1</sup> Customer accounts in multi-unit buildings get charged 50% of the monthly base charge applicable to a 5/8" meter.



Table 1-1  
City of Kenora  
2025 Water and Wastewater Rates – Base Charges

| Service Type | Monthly Base Charge<br>(water & wastewater<br>combined) |
|--------------|---------------------------------------------------------|
| 5/8" meter   | \$111.56                                                |
| 3/4" meter   | \$122.71                                                |
| 1" meter     | \$156.18                                                |
| 1 1/2" meter | \$200.80                                                |
| 2" meter     | \$323.51                                                |
| 3" meter     | \$1,227.12                                              |
| 4" meter     | \$1,561.79                                              |
| 6" meter     | \$2,342.68                                              |
| 8" meter     | \$4,462.25                                              |

Table 1-2  
City of Kenora  
2025 Water and Wastewater Rates – Consumptive Charge

| Service Type                          | Consumptive Charge<br>(water & wastewater<br>combined) |
|---------------------------------------|--------------------------------------------------------|
| General Service (per m <sup>3</sup> ) | \$3.81                                                 |

Table 1-3  
City of Kenora  
2025 Water Delivery Rates

| Service Type                   | Service Charge |
|--------------------------------|----------------|
| Water delivery 1-500 gal       | \$85.15        |
| Water delivery 501-1,000 gal   | \$93.67        |
| Water delivery 1,001-1,500 gal | \$102.18       |



## 1.2 Study Process

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The City retained Watson & Associates Economists Ltd. (Watson) to undertake a water and wastewater rate study. The objectives of the study and the steps involved in carrying out this assignment are summarized below:

- Update water and wastewater service demand assumptions based on analysis of the current customer profile, historical consumption, and recent trends;
- Estimate future consumption levels by applying revised demand assumptions to forecast growth;
- Identify all current and future water and wastewater system capital needs to assess the immediate and longer-term implications;
- Build a capital program that blends lifecycle needs arising from the City's capital budget, Asset Management Plan, and specific needs identified by staff;
- Identify potential methods of cost recovery with respect to the capital needs listing. These recovery methods may include other statutory authorities (e.g., *Development Charges Act, 1997, Municipal Act*, etc.) as an offset to recovery through the water and wastewater rates;
- Forecast annual operating costs and rate-based funding requirements;
- Develop a long-term water and wastewater rate forecast;
- Provide an impact assessment on the rate payers;
- Develop a water financial plan based on the findings of the study; and
- Present findings to staff and Council for their consideration.

In approaching this study, the following analysis is provided:

- Chapter 2 – Forecast Growth and Service Demands
- Chapter 3 – Capital Infrastructure Needs
- Chapter 4 – Capital Cost Financing Options
- Chapter 5 – Operating Expenditure Forecast
- Chapter 6 – Forecast Water and Wastewater Rates

## 1.3 Legislative Context

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Resulting from the water crisis in Walkerton, significant regulatory changes have been made in Ontario. These changes arose as a result of the Walkerton Commission and



the 93 recommendations made by the Walkerton Inquiry Part II report. Areas of recommendation included:

- watershed management and source protection;
- quality management;
- preventative maintenance;
- research and development;
- new performance standards;
- sustainable asset management; and
- lifecycle costing.

The following sections describe significant applicable regulatory areas.

### **1.3.1 Sustainable Water and Sewage Systems Act**

The *Sustainable Water and Sewage Systems Act* was passed on December 13, 2002. The intent of the Act was to introduce the requirement for municipalities to undertake an assessment of the “full cost” of providing their water and wastewater services. In total, there were 40 areas within the Act to which the Minister may make regulations; however regulations were never issued. On December 31, 2012, the *Sustainable Water and Sewage Systems Act* was repealed.

### **1.3.2 Safe Drinking Water Act**

The *Safe Drinking Water Act* was passed in December 2002. The *Safe Drinking Water Act* provides for 50 of the 93 Walkerton Part II recommendations. It focuses on the administrative and operational aspects of the provision of water.

The purposes of the *Safe Drinking Water Act* are to “recognize that the people of Ontario are entitled to expect their drinking water to be safe and to provide for the protection of human health and the prevention of drinking water health hazards through the control and regulation of drinking water systems and drinking water testing. 2002, c. 32, s. 1.”

The following is a brief summary of the key elements included in the *Safe Drinking Water Act*:

- Mandatory licensing and accreditation of testing laboratories;
- New standards for treatment, distribution quality and testing;



- Mandatory operator training and certification;
- Mandatory licensing of municipal water providers;
- Stronger enforcement and compliance provisions; and
- “Standard of care” requirements for municipalities.

This legislation impacts the costs of operating a water system with the need for higher skilled operators including increased training costs, increased reporting protocols and requirements, continuing enhancements to quality standards, and the costs to license each water system.

### **1.3.3 Financial Plans Regulation**

On August 16, 2007, the Ministry of Environment introduced Ontario Regulation (O. Reg.) 453/07 which requires the preparation of financial plans for water systems (and municipalities are encouraged to prepare plans for wastewater systems). The Ministry of Environment has also provided a Financial Plan Guideline to assist municipalities with preparing the plans. A brief summary of the key elements of the regulation is provided below:

- The financial plan will represent one of the key elements to obtain a Drinking Water Licence.
- The plan is to be completed, approved by Council Resolution, and submitted to the Ministry of Municipal Affairs and Housing as part of the application for receiving approval of a water licence.
- The financial plans shall be for a period of at least six years, but longer planning horizons are encouraged.
- As the regulation is under the *Safe Drinking Water Act*, the preparation of the plan is mandatory for water services and encouraged for wastewater services.
- The plan is considered a living document (i.e., it can be updated if there are significant changes to budgets) but an update will need to be undertaken at a minimum every five years.
- The plans generally require the forecasting of capital, operating and reserve fund positions, and providing detailed capital inventories. In addition, Public Sector Accounting Board full accrual information on the system must be provided for each year of the forecast (i.e., total non-financial assets, tangible capital asset acquisitions, tangible capital asset construction, betterments, write-downs, disposals, total liabilities, net debt, etc.).



- The financial plans must be made available to the public (at no charge) upon request and be available on the City's web site. The availability of this information must also be advertised.

In general, the financial principles of this regulation follow the intent of the *Sustainable Water and Sewage Systems Act, 2002* to move municipalities towards financial sustainability for water services. Many of the prescriptive requirements, however, have been removed (e.g. preparation of two separate documents for provincial approval, auditor opinions, engineer certifications, etc.).

A guideline ("Towards Financially Sustainable Drinking-Water and Wastewater Systems") has been developed to assist municipalities in understanding the Province's direction and provides a detailed discussion on possible approaches to sustainability. The Province's Principles of Financially Sustainable Water and Wastewater Services are provided below:

Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.

Principle #2: An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.

Principle #3: Revenues collected for the provision of water and wastewater services should ultimately be used to meet the needs of those services.

Principle #4: Lifecycle planning with mid-course corrections is preferable to planning over the short term, or not planning at all.

Principle #5: An asset management plan is a key input to the development of a financial plan.

Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.

Principle #7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.



Principle #8: Financial Plans are “living” documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.

Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

### **1.3.4 Water Opportunities Act**

The *Water Opportunities Act* received Royal Assent on November 29, 2010. The Act provides for the following elements:

- Foster innovative water, wastewater, and stormwater technologies, services, and practices in the private and public sectors;
- Prepare water conservation plans to achieve water conservation targets established by the regulations; and
- Prepare sustainability plans for municipal water services, municipal wastewater services, and municipal stormwater services.

With regard to the sustainability plans:

- The Act extends from the water financial plan and requires a more detailed review of the water financial plan, and requires a full plan for wastewater and stormwater services; and
- Regulations (when issued) will provide performance targets for each service – these targets may vary based on the jurisdiction of the regulated entity or the class of entity.

The Financial Plan shall include:

- An asset management plan for the physical infrastructure;
- Financial Plan;
- For water, a water conservation plan;
- Assessment of risks that may interfere with the future delivery of the municipal service, including, if required by the regulations, the risks posed by climate change and a plan to deal with those risks; and
- Strategies for maintaining and improving the municipal service, including strategies to ensure the municipal service can satisfy future demand, consider technologies, services, and practices that promote the efficient use of water and



reduce negative impacts on Ontario's water resources, and increase co-operation with other municipal service providers.

Performance indicators will be established by service that:

- May relate to the financing, operation, or maintenance of a municipal service or to any other matter in respect of which information may be required to be included in a plan; and
- May be different for different municipal service providers or for municipal services in different areas of the Province.

Regulations will prescribe:

- Timing;
- Contents of the plans;
- Portions of the plan that will require certification;
- Public consultation process; and
- Limitations, updates, refinements, etc.

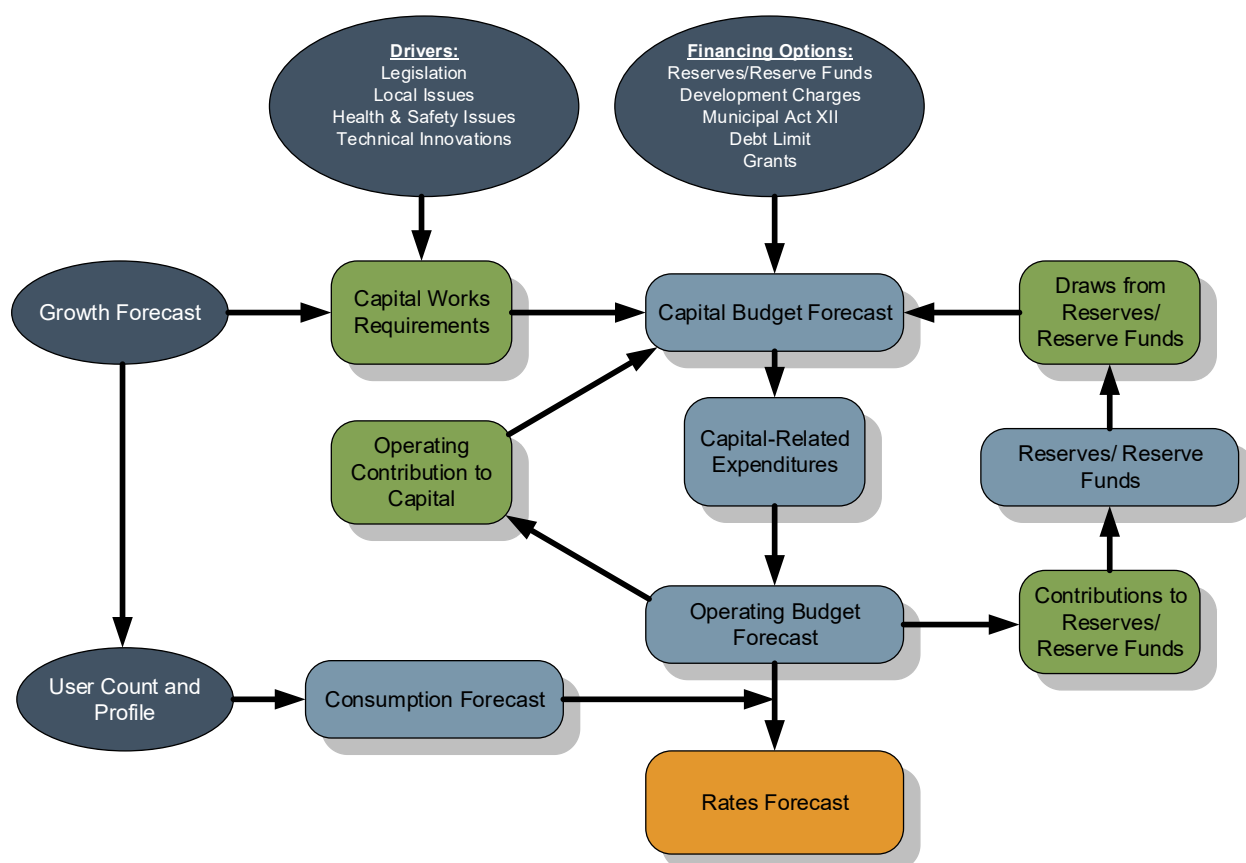
## **1.4 Water and Wastewater Rate Calculation Methodology**

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Figure 1-1 illustrates the general methodology used in determining the full cost recovery water and wastewater rate forecast.



Figure 1-1  
Water and Wastewater Rate Calculation Methodology



The methodology employed generally consists of five major elements:

#### **1.4.1 Customer Demands and Consumption Forecast**

As noted in Section 1.1, the City employs a rate structure consisting of a monthly base charge in addition to a consumptive rate. The monthly base charge is based on customer type and water meter size with higher charges imposed on larger meters, generally reflective of higher capital infrastructure demands. Customer accounts in multi-unit buildings are each charged 50% of the monthly base charge applicable to the smallest meter size (i.e., a 5/8" meter). The consumptive rate is imposed at a constant rate based on metered water consumption.

This first step in the analysis is important as it produces the current base revenue by source and assumptions for forecasting purposes. The monthly base charge revenues



are forecast with customer growth. The customer profile forecast is modeled based on historical customer growth witnessed in the City over the 2020 to 2023 period.

The water consumption forecast is prepared by applying average annual consumption estimates to the number of residential units expected to connect to the water and wastewater systems in each year of the forecast period. Average annual consumption estimates are based on average consumption levels observed in the City's 2024 billing data.

### **1.4.2 Capital Needs Forecast**

The capital needs forecast is developed to measure program/service level adjustments, lifecycle requirements, and growth-related needs. Analysis conducted by the City's staff identified capital projects that form the basis for the capital forecast.

Capital expenditures are forecast with inflationary adjustments based on capital cost indexes (i.e., the Statistics Canada Building Construction Price Index for non-residential buildings).

### **1.4.3 Capital Funding Plan**

The capital funding plan considers the potential funding sources available to address the capital needs forecast. The sources of capital funding include rate-based support, reserves/reserve funds, grant funding, development charge revenues, and debt for program/service level improvements. The use of rate-based funding is measured against the revenue projections and affordability impacts. The reserve/reserve fund sources are measured against the sustainability of these funds, relative to lifecycle demands, revenue projections, and affordability impacts. Debt financing is considered for significant capital expenditures where funding is required beyond long-term lifecycle needs or to facilitate rate transition policies. Debt financing is measured against annual repayment limits to ensure a practical and sustainable funding mix.

### **1.4.4 Operating Budget Forecast**

The operating budget forecast considers adjustments to the City's base budget reflecting program/service level changes, operating fund impacts associated with infrastructure, and financing for capital needs. The operating expenditures are forecast with inflationary adjustments and growth in service demand, based on fixed and variable cost characteristics. The operating budget forecast ties the capital funding plan and



reserve/reserve fund continuity forecast to the rate-based revenue projections. This ensures sufficient funding for both the ongoing annual operation and maintenance of the water and wastewater systems, as well as the capital cost requirements to ensure service sustainability. Operating revenues are projected to identify the billing revenues net of anticipated operating revenues.

#### **1.4.5 Rate Forecast and Structure**

The rate forecast and structure component of the analysis considers various rate structures to recover the forecast rate-based revenue from the projected customer demands. At this stage in the analysis, the full costs of service are measured against the customer growth and consumption demands to determine full cost recovery rates. The analysis may consider alternative structures, consistent with municipal policies/strategies, industry practice, and customer affordability. Providing context to the rate forecast, the results are quantified to measure the impacts on a range of customer types and in relation to other municipalities.



# Chapter 2

## Forecast Growth and Service Demands



## 2. Forecast Growth and Service Demands

### 2.1 Current Service Demands

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In preparing the demand forecast for water and wastewater services, detailed billing records were analyzed. These records were used to develop a profile of existing customers. Based on analysis of this information, as of the last quarter of 2024, the City was providing service to approximately 6,001 5/8" meter equivalent water customers, and 5,877 5/8" meter equivalent wastewater customers.

As noted earlier, under the City's current rate structure, residential customers in multi-unit buildings are each charged half of the monthly base charge applicable to the smallest meter size (i.e., 5/8" meter). Therefore, it is important to understand the number of individual units that base charges apply to (billing units). The number of 5/8" meter equivalent customers identified in the previous paragraph accounts for all billing units (e.g., a residential customer in a multi-unit building is counted as half a 5/8" meter equivalent customer).

### 2.2 Forecast Service Demands

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Over the next ten years (i.e., to 2034), the number of water and wastewater billing units is anticipated to increase by 60. This is based on the customer growth witnessed in City over the 2020 to 2023 period. Table 2-1 provides the detailed billing unit forecast for the period 2025 to 2034, showing the number of billing units for water and wastewater.

Consumption records from 2024 were utilized to develop a forecast of water demands for the period from 2025 to 2034. Annual consumption levels were analyzed and utilized to calculate an annual average per billing unit. Average annual water consumption per billing unit was approximately 160 m<sup>3</sup>. Applying this estimate to the forecast of new water customers results in an estimated increase in total metered water consumption from approximately 1,200,331 m<sup>3</sup> in 2024 to 1,210,441 m<sup>3</sup> by 2034. For wastewater customers, total metered water consumption is estimated to increase from approximately 1,185,677 m<sup>3</sup> in 2024 to 1,195,757 m<sup>3</sup> by 2034.

Table 2-2 presents the forecast of annual water consumption for water and wastewater customers.



Table 2-1  
City of Kenora  
Water and Wastewater Customer Forecast (Billing Units)

| Water Customer Forecast           | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         | 2033         | 2034         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Existing (5/8" meter equivalents) | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        | 6,060        |
| New - Growth                      | 9            | 15           | 21           | 27           | 33           | 39           | 45           | 51           | 57           | 63           |
| <b>Total</b>                      | <b>6,069</b> | <b>6,075</b> | <b>6,081</b> | <b>6,087</b> | <b>6,093</b> | <b>6,099</b> | <b>6,105</b> | <b>6,111</b> | <b>6,117</b> | <b>6,123</b> |

| Wastewater Customer Forecast      | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         | 2033         | 2034         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Existing (5/8" meter equivalents) | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        | 5,936        |
| New - Growth                      | 9            | 15           | 21           | 27           | 33           | 39           | 45           | 51           | 57           | 63           |
| <b>Total</b>                      | <b>5,945</b> | <b>5,951</b> | <b>5,957</b> | <b>5,963</b> | <b>5,969</b> | <b>5,975</b> | <b>5,981</b> | <b>5,987</b> | <b>5,993</b> | <b>5,999</b> |

Table 2-2  
City of Kenora  
Water Consumption Forecast (m<sup>3</sup>) – Water and Wastewater Customers

| Water Volume Forecast (m <sup>3</sup> ) | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             | 2034             |
|-----------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Existing                                | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        | 1,200,331        |
| New                                     | 1,440            | 2,400            | 3,360            | 4,320            | 5,280            | 6,240            | 7,200            | 8,160            | 9,120            | 10,080           |
| <b>Total</b>                            | <b>1,201,771</b> | <b>1,202,731</b> | <b>1,203,691</b> | <b>1,204,651</b> | <b>1,205,611</b> | <b>1,206,571</b> | <b>1,207,531</b> | <b>1,208,491</b> | <b>1,209,451</b> | <b>1,210,411</b> |

| Wastewater Flows Forecast (m <sup>3</sup> ) | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             | 2034             |
|---------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Existing                                    | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        | 1,185,677        |
| New                                         | 1,440            | 2,400            | 3,360            | 4,320            | 5,280            | 6,240            | 7,200            | 8,160            | 9,120            | 10,080           |
| <b>Total</b>                                | <b>1,187,117</b> | <b>1,188,077</b> | <b>1,189,037</b> | <b>1,189,997</b> | <b>1,190,957</b> | <b>1,191,917</b> | <b>1,192,877</b> | <b>1,193,837</b> | <b>1,194,797</b> | <b>1,195,757</b> |

Note: Above flows are water flows on which the wastewater billing will be calculated



# Chapter 3

## Capital Infrastructure Needs



## 3. Capital Infrastructure Needs

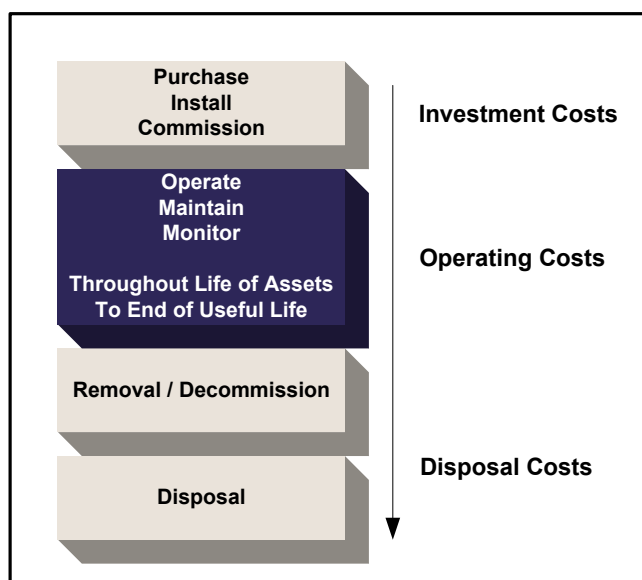
### 3.1 Overview of Lifecycle Costing

#### 3.1.1 Definition

For many years, lifecycle costing has been used in the field of maintenance engineering and to evaluate the advantages of using alternative materials in construction or production design. The method has gained wider acceptance and use in the areas of industrial decision-making and the management of physical assets.

Lifecycle costs are all the costs which are incurred during the lifecycle of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The stages that the asset goes through in its lifecycle are specification, design, manufacture (or build), installation, commissioning, operation, maintenance, and disposal. Figure 3-1 depicts these stages in a schematic form.

Figure 3-1  
Lifecycle Costing





### **3.1.2 Financing Costs**

This section will focus on financing mechanisms in place to fund the costs incurred throughout the asset's life.

In a municipal context, services are provided to benefit tax/rate payers. Acquisition of assets is normally timed in relation to direct needs within the community. At times, economies of scale or technical efficiencies will lead to oversizing an asset to accommodate future growth within the City. Over the past few decades, new financing techniques such as Development Charges (D.C.s) have been employed, based on the underlying principle of having tax/rate payers who benefit directly from the service, pay for that service. Operating costs which reflect the cost of the service for that year are charged directly to all existing tax/rate payers who have received the benefit. Operating costs are normally charged through the tax base or user rates.

Capital expenditures are recouped through several methods, the most common being operating budget contributions, D.C.s, reserves, developer contributions and debentures.

New construction related to growth could produce D.C.s and developer contributions (e.g., works internal to a subdivision which are the responsibility of the developer to construct) to fund a significant portion of projects, where new assets are being acquired to allow growth within the City to continue. As well, debentures could be used to fund such works, with the debt charge carrying costs recouped from taxpayers in the future.

Capital construction to replace existing infrastructure, however, is largely not growth-related and will therefore not yield D.C.s or developer contributions to assist in financing these works. Hence, a City will be dependent upon debentures, reserves, and contributions from the operating budget to fund these works.

Figure 3-2 depicts the costs of an asset from its initial conception through to replacement and then continues to follow the associated costs through to the next replacement.

As referred to earlier, growth-related financing methods such as D.C.s and developer contributions could be utilized to finance the growth-related component of the new asset. These revenues are collected (indirectly) from the new homeowner who benefits directly from the installation of this asset. Other financing methods may be used as well



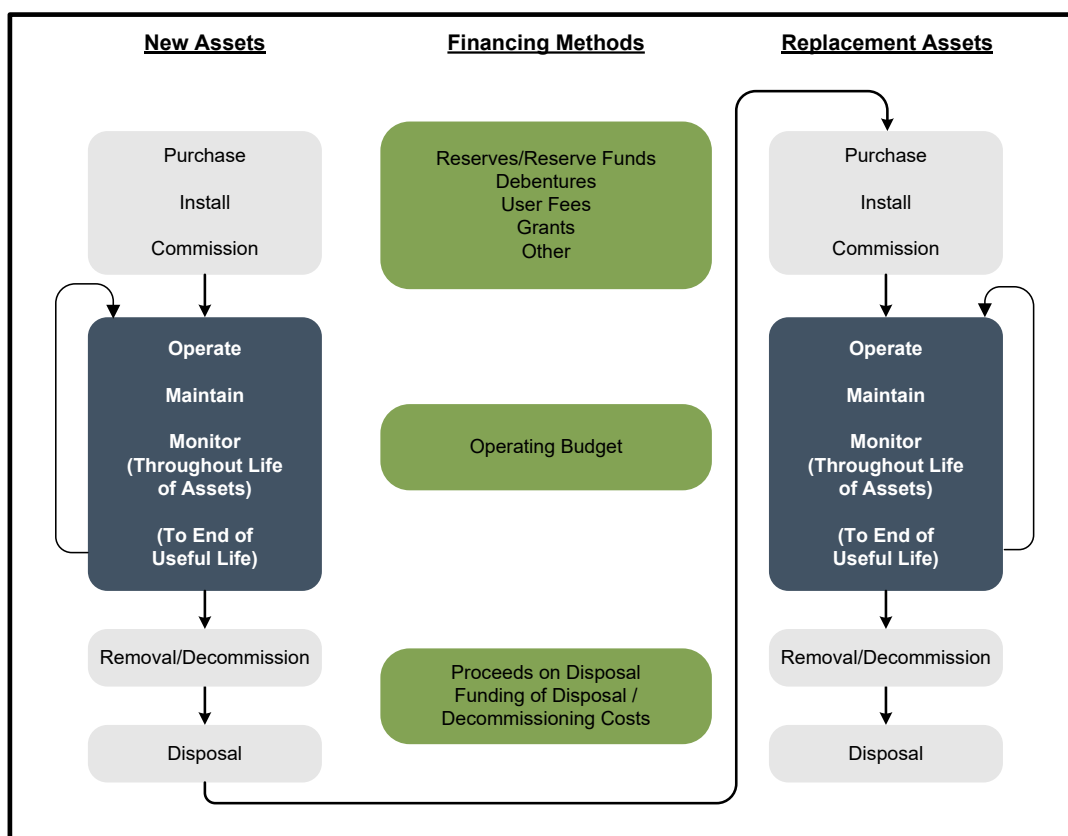
to finance the non-growth-related component of this project: reserves which have been collected from past tax/rate payers, operating budget contributions which are collected from existing tax/rate payers, and debt financing which will be carried by future tax/rate payers. Ongoing costs for monitoring, operating, and maintaining the asset will be charged annually to the existing tax/rate payer.

When the asset requires replacement, the sources of financing will be limited to reserves, debentures, and contributions from the operating budget. At this point, the question is raised: “If the cost of replacement is to be assessed against the tax/rate payer who benefits from the replacement of the asset, should the past tax/rate payer pay for this cost or should future rate payers assume this cost?” If the position is taken that the past user has used up the asset, hence he should pay for the cost of replacement, then a charge should be assessed annually through the life of the asset to have funds available to replace it when the time comes. If the position is taken that the future tax/rate payer should assume this cost, then debt financing and possibly a contribution from the operating budget should be used to fund this work.

Charging for the cost of using up an asset is the fundamental concept behind amortization methods utilized by the private sector. This concept allows for expending the asset as it is used up in the production process. The tracking of these costs forms part of the product's selling price and hence end users are charged for the asset's amortization. The same concept can be applied in a municipal setting to charge existing users for the asset's use and set those funds aside in a reserve to finance the cost of replacing the asset in the future.



Figure 3-2  
Financing Lifecycle Costs



### 3.1.3 Costing Methods

A method of calculating the cost of the usage of an asset and for the provision of the revenue required when the time comes to retire and replace it was utilized. Based on the City's asset management inventory, each asset's estimated useful life and total replacement cost was utilized to calculate an average annual lifecycle cost for all water and wastewater assets.

### 3.1.4 Asset Inventory

Water and wastewater capital asset inventory information was compiled from the City's asset management inventory and indexed to today's dollars using the Statistics Canada Building Construction Price Index for non-residential buildings.

Lifecycle contribution amounts for each piece of infrastructure have also been included. These calculations determine the level of capital investment to be included in the full



cost assessment and rate forecast. Table 3-1 summarizes the asset replacement value and long-run average annual lifecycle contribution amounts in today's dollars (2025\$).

Table 3-1  
City of Kenora  
Replacement Costs and Average Annual Lifecycle Costs of Water and Wastewater  
Infrastructure

| Asset Class/Type                    | Replacement Cost (2025\$) | Average Annual Lifecycle Cost (2025\$) |
|-------------------------------------|---------------------------|----------------------------------------|
| <b>Water</b>                        |                           |                                        |
| Water Treatment Plant               | \$ 65,249,800             | \$ 1,270,700                           |
| Water Standpipes & Booster Stations | \$ 14,337,400             | \$ 194,400                             |
| Water Mains                         | \$ 259,369,000            | \$ 4,036,800                           |
| Hydrants                            | \$ 9,990,200              | \$ 134,800                             |
| Water Valves                        | \$ 16,364,700             | \$ 218,400                             |
| Valve Chambers                      | \$ 271,700                | \$ 3,100                               |
| <b>Total Water</b>                  | <b>\$ 365,582,800</b>     | <b>\$ 5,858,200</b>                    |
| <b>Wastewater</b>                   |                           |                                        |
| Wastewater Treatment Plant          | \$ 69,858,300             | \$ 1,114,000                           |
| Pumping/Lift Stations               | \$ 52,197,800             | \$ 806,700                             |
| Sanitary Manholes                   | \$ 23,376,700             | \$ 465,000                             |
| Wastewater Mains                    | \$ 174,535,900            | \$ 2,495,500                           |
| <b>Total Wastewater</b>             | <b>\$ 319,968,700</b>     | <b>\$ 4,881,200</b>                    |
| <b>Shared Infrastructure</b>        |                           |                                        |
| Water Meters                        | \$ 4,681,600              | \$ 246,600                             |
| Equipment                           | \$ 1,055,500              | \$ 26,100                              |
| Fleet                               | \$ 4,451,700              | \$ 321,900                             |
| Trails & Walkways                   | \$ 961,400                | \$ 38,700                              |
| <b>Total Shared Infrastructure</b>  | <b>\$ 11,150,200</b>      | <b>\$ 633,300</b>                      |
| <b>Total</b>                        | <b>\$ 696,701,700</b>     | <b>\$ 11,372,700</b>                   |

## 3.2 Capital Needs Forecast

Ten-year capital forecasts are generally consistent with the City's 2025-2034 capital plan, but have been expanded to include a water meter replacement program based on consultation with the City's staff.



Some of the most significant works identified for the forecast period include the following:

- Watermain Renewal Program (\$13.6 million, 2025-2033);
- Wastewater Collection Piping System Renewal Program (\$13.6 million, 2025-2033);
- Sewage Treatment Plant Capital Upgrades (\$11.5 million, 2026-2033);
- Water Treatment Plant Capital Upgrades (\$11.1 million, 2027-2034);
- Norman/Keewatin Water & Sewer Redundancy (\$17.2 million, 2028-2029)

The total capital forecast—in current dollars—includes approximately \$91.1 million in capital needs, with approximately 51% of that related to the water system and the remaining 49% related to the wastewater system.

The average annual value of the capital program is approximately \$9.1 million in today's dollars (i.e., 2025\$). This level of expenditure is lower than the forecasted annual lifecycle costs identified in Section 3.1.4. This suggests that the 10-year forecast of infrastructure renewal and replacement needs identified in this study are lower than the longer-term capital funding requirements.

The listing of water and wastewater capital needs is presented in Table 3-2 and Table 3-3, respectively. For rate determination purposes, the capital needs forecast has been indexed at 4.5% annually, as described in Section 1.4.2. This is reflective of the average annual capital cost inflation witnessed in the Statistics Canada Building Construction Price Index over the past 20 years. It is noted that this is higher than the 2.5% index used by the City in its capital forecast.



Table 3-2  
City of Kenora  
Water Capital Budget Forecast (Uninflated \$)<sup>1</sup>

| Description                                               | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                  |                  |                  |
|-----------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                                                           |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032             | 2033             | 2034             |
| <b>Capital Expenditures</b>                               |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| <b>Waterworks</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Hospital Servicing - Watermain                            | 1,800,210         | -                | -                | -                | 32,501           | -                 | 1,767,709        | -                | -                | -                | -                |
| Norman/Keewatin Water Redundancy                          | 8,609,136         | -                | -                | -                | 106,789          | 8,502,347         | -                | -                | -                | -                | -                |
| Watermain Renewal Program                                 | 13,587,393        | 1,495,500        | 746,341          | 1,570,494        | 835,739          | 1,877,229         | 1,831,443        | 1,786,774        | 1,743,194        | 1,700,677        | -                |
| Coney Island Watermain Replacement                        | 418,210           | -                | 146,341          | -                | 139,290          | -                 | 132,578          | -                | -                | -                | -                |
| DTR Matheson & First St S-Construction                    | 682,927           | -                | 682,927          | -                | -                | -                 | -                | -                | -                | -                | -                |
| DTR Matheson, Main and 3rd St                             | 3,417,986         | -                | -                | -                | -                | 95,125            | 123,740          | 3,199,121        | -                | -                | -                |
| <b>Standpipe &amp; Booster</b>                            |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Replacement of Norman Booster Station MCC/PLC             | 292,683           | -                | 292,683          | -                | -                | -                 | -                | -                | -                | -                | -                |
| Standpipe and Booster Station Water Review & Improvements | -                 | -                | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>Water Treatment Plant</b>                              |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| WTP Pump Replacement                                      | 3,129,318         | 900,000          | -                | 1,142,177        | -                | 1,087,141         | -                | -                | -                | -                | -                |
| WTP Capital Upgrades                                      | 11,131,319        | -                | -                | 285,544          | 3,714,398        | 1,540,116         | -                | -                | 294,443          | 3,775,434        | 1,521,384        |
| Engineering Environmental Compliance Regulatory Changes   | 62,500            | 62,500           | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Water Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Fleet - Water and Wastewater Vehicles                     | 1,225,107         | -                | 290,512          | 59,822           | 78,560           | 164,883           | 158,563          | 65,535           | 79,500           | 34,266           | 293,467          |
| Water Meter Replacement                                   | 1,955,689         | -                | -                | -                | -                | -                 | 989,917          | 965,772          | -                | -                | -                |
| <b>Total Capital Expenditures</b>                         | <b>46,312,476</b> | <b>2,458,000</b> | <b>2,158,805</b> | <b>3,058,037</b> | <b>4,907,276</b> | <b>13,266,841</b> | <b>5,003,950</b> | <b>6,017,202</b> | <b>2,117,137</b> | <b>5,510,378</b> | <b>1,814,851</b> |

<sup>1</sup> Figures are different from the capital forecast presented in the City's 2025 Budget document due to inflationary adjustments (i.e., Table 3-2 is presented in real, uninflated dollars) and inclusion of the Water Meter Replacement program.



Table 3-3  
City of Kenora  
Wastewater Capital Budget Forecast (Uninflated \$)<sup>1</sup>

| Description                                                    | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                  |                  |                  |
|----------------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032             | 2033             | 2034             |
| <b>Capital Expenditures</b>                                    |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| <b>Sanitary System</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Hospital Servicing - Wastewater Collection                     | 1,800,210         | -                | -                | -                | 32,501           | -                 | 1,767,709        | -                | -                | -                | -                |
| Norman/Keewatin Sewer Redundancy                               | 8,609,136         | -                | -                | -                | 106,789          | 8,502,347         | -                | -                | -                | -                | -                |
| Wastewater Collection Piping System Renewal                    | 13,587,401        | 1,495,500        | 746,341          | 1,570,494        | 835,739          | 1,877,231         | 1,831,445        | 1,786,776        | 1,743,196        | 1,700,679        | -                |
| Wastewater Piping System Relining                              | 577,135           | -                | -                | -                | -                | -                 | 176,771          | -                | -                | -                | 400,364          |
| DTR Matheson & First St S-Construction                         | 551,220           | -                | 551,220          | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>Sewer Lift Station</b>                                      |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Pumping Station Roof Replacement                               | 80,000            | 80,000           | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| Replacement of Liftstation Pumps                               | 787,972           | 78,800           | 78,780           | 78,763           | 78,792           | 78,818            | 78,796           | 78,814           | 78,827           | 78,792           | 78,792           |
| Electrical Transformer Delta/Wye Conversion for Lift Stations  | 698,740           | 65,000           | 82,927           | 68,531           | 68,716           | 68,852            | 68,941           | 68,984           | 68,984           | 68,943           | 68,863           |
| Lift Station Renewal Program                                   | 1,762,896         | 133,000          | 133,659          | 199,881          | 185,720          | 185,720           | 185,609          | 185,394          | 185,078          | 184,668          | 184,168          |
| <b>Sewage Treatment Plant</b>                                  |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Replace MCC at the WWTP Headworks (Bldg 100)                   | 300,000           | 300,000          | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| WWTP - Aeration Tank Piping Repair and Replacement.            | 200,000           | 200,000          | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| Replace MCC at the WWTP Digester Building (Bldg 400)           | 414,872           | -                | 34,146           | 380,726          | -                | -                 | -                | -                | -                | -                | -                |
| WWTP - Replace Scum Box East Clarifier                         | 23,795            | -                | -                | 23,795           | -                | -                 | -                | -                | -                | -                | -                |
| WWTP SCADA Upgrade Design and Costin                           | 50,000            | 50,000           | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| WWTP - Replace Sluice Gates and Valve Stems                    | 195,610           | 20,000           | 175,610          | -                | -                | -                 | -                | -                | -                | -                | -                |
| WWTP - Replace Screw Pump Electric Generator                   | 489,024           | 50,000           | 439,024          | -                | -                | -                 | -                | -                | -                | -                | -                |
| WWTP Capital Upgrades                                          | 11,488,053        | -                | 292,683          | 5,425,342        | -                | -                 | -                | 301,804          | 5,468,224        | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Wastewater Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Fleet - Water and Wastewater Vehicles                          | 1,225,107         | -                | 290,512          | 59,822           | 78,560           | 164,883           | 158,563          | 65,535           | 79,500           | 34,266           | 293,467          |
| Water Meter Replacement                                        | 1,955,689         | -                | -                | -                | -                | -                 | 989,917          | 965,772          | -                | -                | -                |
| <b>Total Capital Expenditures</b>                              | <b>44,796,860</b> | <b>2,472,300</b> | <b>2,824,902</b> | <b>7,807,353</b> | <b>1,386,817</b> | <b>10,877,851</b> | <b>5,257,750</b> | <b>3,453,078</b> | <b>7,623,808</b> | <b>2,067,347</b> | <b>1,025,653</b> |

<sup>1</sup> Figures are different from the capital forecast presented in the City's 2025 Budget document due to inflationary adjustments (i.e., Table 3-3 is presented in real, uninflated dollars) and inclusion of the Water Meter Replacement program.



# Chapter 4

## Capital Cost Financing Options



## 4. Capital Cost Financing Options

Historically, the powers that municipalities have had to raise alternative revenues to taxation to fund capital services have been restrictive. Over the past number of years, legislative reforms have been introduced. Some of these have expanded municipal powers (e.g., Bill 130 providing for natural person powers for fees and charges by-laws); while others appear to restrict them (Bill 98 in 1997 providing amendments to the *Development Charges Act*).

The most recent *Municipal Act* came into force on January 1, 2003, with significant amendments in 2006 through the *Municipal Statute Law Amendment Act*. Part XII of the Act and O. Reg. 584/06 govern a City's ability to impose fees and charges. This Act provides municipalities with broadly defined powers and provides the ability to impose fees for both operating and capital purposes. Under s. 484 of the *Municipal Act, 2001*, the *Local Improvement Act* was repealed with the in-force date of the *Municipal Act* (January 1, 2003). The municipal powers granted under the *Local Improvement Act* now fall under the jurisdiction of the *Municipal Act*.

The methods of capital cost recovery available to municipalities are provided as follows:

| Recovery Methods                     | Section Reference |
|--------------------------------------|-------------------|
| <i>Development Charges Act, 1997</i> | 4.1               |
| <i>Municipal Act, 2001</i>           |                   |
| ○ Fees and Charges                   | 4.2               |
| ○ Local Improvements                 |                   |
| Grant Funding                        | 4.3               |
| Reserves/Reserve Funds               | 4.4               |
| Debenture Financing                  | 4.5               |



## 4.1 Development Charges Act, 1997

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The *Development Charges Act* received Royal Assent on December 8, 1997, replacing the previous Act, which had been in-force since November 23, 1989.

The Province's stated intentions were to "create new construction jobs and make home ownership more affordable" by reducing the charges and to "make municipal Council decisions more accountable and more cost effective." The basis for this Act is to allow municipalities to recover the growth-related capital cost of infrastructure necessary to accommodate new growth within the City. The *Development Charges Act, 1997* as amended, provides for limitations and ceilings on services that can be included in the charges.

The City does not currently impose D.C.s on new development as a source of funding for anticipated growth-related capital needs.

## 4.2 Municipal Act

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The *Municipal Act, 2001*, came into force on January 1, 2003. Part XII Fees and Charges, gives municipalities the statutory authority to recover the costs of services, including capital costs, through by-law. Municipalities have used these types of charges to recover infrastructure costs associated with the extension of municipal services to private service users, to recover capital improvement costs from existing developments, and to recover growth-related costs of service extensions. These by-laws are typically used where D.C.s would not be applicable (e.g., recovery from existing developments) or where existing and growth-related cost recovery would be simplified under the administration of one by-law.

The City does not recover capital costs through capital charges imposed under the *Municipal Act*.

## 4.3 Grant Funding Availability

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No grant funding has been shown as an expected funding source over the forecast period. To the extent that the City is successful in securing grant funding for future infrastructure needs and the financial impacts are material, the rate forecast may be revisited.



## 4.4 Existing Reserves/Reserve Funds

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The City has established reserves and reserve funds for water and wastewater capital costs. These reserves have been used in the capital funding forecast for rate-based needs. The following table summarizes the water and wastewater reserves utilized in this analysis and the estimated December 31, 2024 closing balances.

Table 4-1  
City of Kenora  
Water and Wastewater Reserve/Reserve Fund Balances

| Reserve/Reserve Fund | Estimated Balance<br>(as of Dec. 31, 2024) |
|----------------------|--------------------------------------------|
| Water Reserve        | \$1,312,663                                |
| Wastewater Reserve   | \$578,782                                  |

## 4.5 Debenture Financing

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Although it is not a direct method of minimizing the overall cost to the ratepayer, debentures are used by municipalities to assist in cash-flowing large capital expenditures.

The Ministry of Municipal Affairs and Housing regulates the level of debt incurred by Ontario municipalities through its powers established under the *Municipal Act*. O. Reg. 403/02 provides the current rules respecting municipal debt and financial obligations. Through the rules established under these regulations, a municipality's debt capacity is capped at a level where no more than 25% of the municipality's own-source revenue may be allotted for servicing the debt (i.e., debt charges).

The City has outstanding external debt for water and wastewater services. With respect to water services, the City had approximately \$1.2 million of principal outstanding at the end of 2024, which is scheduled to be fully repaid by 2044. With respect to wastewater services, the City had approximately \$850,600 of principal outstanding at the end of 2024, which is scheduled to be fully repaid by 2049.

The capital forecast proposes additional debt financing for the water system totaling \$15.9 million over the forecast period and totaling \$25.7 million for the wastewater system.



## 4.6 Recommended Approach

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The following table summarizes the capital funding sources for the capital needs forecast, for consideration by the City.

Table 4-2  
City of Kenora  
2025 to 2034 Water and Wastewater Capital Funding Plan (Inflated \$)

| Description                    | Water               | Wastewater          | Total                |
|--------------------------------|---------------------|---------------------|----------------------|
| Debt Financing                 | \$15,904,832        | \$25,693,602        | \$41,598,434         |
| Capital Reserves               | \$41,055,368        | \$28,698,798        | \$69,754,166         |
| <b>Total Capital Financing</b> | <b>\$56,960,200</b> | <b>\$54,392,400</b> | <b>\$111,352,600</b> |

Table 4-3 and Table 4-4 provide the full 10-year capital expenditure and funding program for Water and Wastewater, respectively. These capital funding plans are provided in inflated dollars.



Table 4-3  
City of Kenora  
Water Service Capital Budget Forecast (Inflated \$)

| Description                                               | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                  |                  |                  |
|-----------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                                                           |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032             | 2033             | 2034             |
| <b>Capital Expenditures</b>                               |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| <b>Waterworks</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Hospital Servicing - Watermain                            | 2,240,000         | -                | -                | -                | 37,100           | -                 | 2,202,900        | -                | -                | -                | -                |
| Norman/Keewatin Water Redundancy                          | 10,261,100        | -                | -                | -                | 121,900          | 10,139,200        | -                | -                | -                | -                | -                |
| Watermain Renewal Program                                 | 16,582,500        | 1,495,500        | 779,900          | 1,715,000        | 953,700          | 2,238,600         | 2,282,300        | 2,326,800        | 2,372,200        | 2,418,500        | -                |
| Coney Island Watermain Replacement                        | 477,100           | -                | 152,900          | -                | 159,000          | -                 | 165,200          | -                | -                | -                | -                |
| DTR Matheson & First St S-Construction                    | 713,700           | -                | 713,700          | -                | -                | -                 | -                | -                | -                | -                | -                |
| DTR Matheson, Main and 3rd St                             | 4,433,700         | -                | -                | -                | -                | 113,400           | 154,200          | 4,166,100        | -                | -                | -                |
| <b>Standpipe &amp; Booster</b>                            |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Replacement of Norman Booster Station MCC/PLC             | 305,900           | -                | 305,900          | -                | -                | -                 | -                | -                | -                | -                | -                |
| Standpipe and Booster Station Water Review & Improvements | -                 | -                | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>Water Treatment Plant</b>                              |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| WTP Pump Replacement                                      | 3,443,700         | 900,000          | -                | 1,247,300        | -                | 1,296,400         | -                | -                | -                | -                | -                |
| WTP Capital Upgrades                                      | 14,417,700        | -                | -                | 311,800          | 4,238,700        | 1,836,600         | -                | -                | 400,700          | 5,369,000        | 2,260,900        |
| Engineering Environmental Compliance Regulatory Changes   | 62,500            | 62,500           | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Water Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Fleet - Water and Wastewater Vehicles                     | 1,531,000         | -                | 303,600          | 65,300           | 89,600           | 196,600           | 197,600          | 85,300           | 108,200          | 48,700           | 436,100          |
| Water Meter Replacement                                   | 2,491,300         | -                | -                | -                | -                | -                 | 1,233,600        | 1,257,700        | -                | -                | -                |
| <b>Total Capital Expenditures</b>                         | <b>56,960,200</b> | <b>2,458,000</b> | <b>2,256,000</b> | <b>3,339,400</b> | <b>5,600,000</b> | <b>15,820,800</b> | <b>6,235,800</b> | <b>7,835,900</b> | <b>2,881,100</b> | <b>7,836,200</b> | <b>2,697,000</b> |
| <b>Capital Financing</b>                                  |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Non-Growth Related Debenture Requirements                 | 15,904,832        | -                | -                | -                | 48,798           | 11,275,903        | 1,824,169        | 2,755,962        | -                | -                | -                |
| Water Reserve                                             | 41,055,368        | 2,458,000        | 2,256,000        | 3,339,400        | 5,551,202        | 4,544,897         | 4,411,631        | 5,079,938        | 2,881,100        | 7,836,200        | 2,697,000        |
| <b>Total Capital Financing</b>                            | <b>56,960,200</b> | <b>2,458,000</b> | <b>2,256,000</b> | <b>3,339,400</b> | <b>5,600,000</b> | <b>15,820,800</b> | <b>6,235,800</b> | <b>7,835,900</b> | <b>2,881,100</b> | <b>7,836,200</b> | <b>2,697,000</b> |



Table 4-4  
City of Kenora  
Wastewater Service Capital Budget Forecast (Inflated \$)

| Description                                                    | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                   |                  |                  |
|----------------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|
|                                                                |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032              | 2033             | 2034             |
| <b>Capital Expenditures</b>                                    |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| <b>Sanitary System</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Hospital Servicing - Wastewater Collection                     | 2,240,000         | -                | -                | -                | 37,100           | -                 | 2,202,900        | -                | -                 | -                | -                |
| Norman/Keewatin Sewer Redundancy                               | 10,261,100        | -                | -                | -                | 121,900          | 10,139,200        | -                | -                | -                 | -                | -                |
| Wastewater Collection Piping System Renewal                    | 16,582,500        | 1,495,500        | 779,900          | 1,715,000        | 953,700          | 2,238,600         | 2,282,300        | 2,326,800        | 2,372,200         | 2,418,500        | -                |
| Wastewater Piping System Relining                              | 815,300           | -                | -                | -                | -                | -                 | 220,300          | -                | -                 | -                | 595,000          |
| DTR Matheson & First St S-Construction                         | 576,000           | -                | 576,000          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| <b>Sewer Lift Station</b>                                      |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Pumping Station Roof Replacement                               | 80,000            | 80,000           | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| Replacement of Liftstation Pumps                               | 968,200           | 78,800           | 82,300           | 86,000           | 89,900           | 94,000            | 98,200           | 102,600          | 107,300           | 112,000          | 117,100          |
| Electrical Transformer Delta/Wye Conversion for Lift Stations  | 856,900           | 65,000           | 86,700           | 74,800           | 78,400           | 82,100            | 85,900           | 89,800           | 93,900            | 98,000           | 102,300          |
| Lift Station Renewal Program                                   | 2,185,300         | 133,000          | 139,700          | 218,300          | 211,900          | 221,500           | 231,300          | 241,400          | 251,900           | 262,600          | 273,700          |
| <b>Sewage Treatment Plant</b>                                  |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Replace MCC at the WWTP Headworks (Bldg 100)                   | 300,000           | 300,000          | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Aeration Tank Piping Repair and Replacement             | 200,000           | 200,000          | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| Replace MCC at the WWTP Digester Building (Bldg 400)           | 451,500           | -                | 35,700           | 415,800          | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Scum Box East Clarifier                         | 26,000            | -                | -                | 26,000           | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP SCADA Upgrade Design and Costin                           | 50,000            | 50,000           | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Sluice Gates and Valve Stems                    | 203,500           | 20,000           | 183,500          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Screw Pump Electric Generator                   | 508,800           | 50,000           | 458,800          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP Capital Upgrades                                          | 14,065,000        | -                | 305,900          | 5,924,600        | -                | -                 | -                | 393,000          | 7,441,500         | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Wastewater Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Fleet - Water and Wastewater Vehicles                          | 1,531,000         | -                | 303,600          | 65,300           | 89,600           | 196,600           | 197,600          | 85,300           | 108,200           | 48,700           | 436,100          |
| Water Meter Replacement                                        | 2,491,300         | -                | -                | -                | -                | -                 | 1,233,600        | 1,257,700        | -                 | -                | -                |
| <b>Total Capital Expenditures</b>                              | <b>54,392,400</b> | <b>2,472,300</b> | <b>2,952,100</b> | <b>8,525,800</b> | <b>1,582,500</b> | <b>12,972,000</b> | <b>6,552,100</b> | <b>4,496,600</b> | <b>10,375,000</b> | <b>2,939,800</b> | <b>1,524,200</b> |
| <b>Capital Financing</b>                                       |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Non-Growth Related Debenture Requirements                      | 25,693,602        | 241,461          | 754,522          | 5,917,215        | -                | 8,624,817         | 3,326,883        | 828,093          | 6,000,612         | -                | -                |
| Wastewater Reserve                                             | 28,698,798        | 2,230,839        | 2,197,578        | 2,608,585        | 1,582,500        | 4,347,183         | 3,225,217        | 3,668,507        | 4,374,388         | 2,939,800        | 1,524,200        |
| <b>Total Capital Financing</b>                                 | <b>54,392,400</b> | <b>2,472,300</b> | <b>2,952,100</b> | <b>8,525,800</b> | <b>1,582,500</b> | <b>12,972,000</b> | <b>6,552,100</b> | <b>4,496,600</b> | <b>10,375,000</b> | <b>2,939,800</b> | <b>1,524,200</b> |



# Chapter 5

## Operating Expenditure Forecast



## 5. Operating Expenditure Forecast

### 5.1 Operating Expenditures

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The City's 2025-2027 Operating Budget formed the basis for the water and wastewater services operating expenditure forecast. For the period 2028-2034, operating expenditures were generally inflated at 2.5% from the 2027 estimates.

The operating budget forecast generally includes two components – operating expenditures and capital-related expenditures. The former is based on the City's projected annual spending for ongoing operations and maintenance, while the latter is based on the capital funding plan decisions (i.e., transfers to reserve funds, debt repayment, and capital fund transfers) presented earlier.

Capital-related expenditures in the forecast include annual debt repayments and contributions to reserves and reserve funds to finance the capital forecast and fund future infrastructure lifecycle renewal and replacement needs. While operating aspects identified above generally increase with inflation and service demands over the period, the capital-related aspects tend to increase more specifically with the increase in capital funding requirements.

As a result, gross operating expenditures for water services are projected to increase from approximately \$4.1 million in 2025 to \$5.2 million by 2034. Similarly, gross operating expenditures for wastewater services are projected to increase from approximately \$4.6 million in 2025 to \$5.6 million by 2034.

### 5.2 Operating Revenues

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The City has operating revenue sources such as water delivery charges, vehicle expense recoveries, and miscellaneous revenues (e.g., on/off charges, new account setup, etc.) that offset some of the annual operating costs related to water and wastewater services. The water delivery and miscellaneous revenues have been forecasted to grow at the same annual rate of increase as the consumptive charges, while the vehicle expense recoveries have been maintained over the forecast period with general inflation of 2.5% annually.



The ongoing, annual operating revenues are forecast to increase from approximately \$185,700 in 2025 to \$306,700 by 2034 for the water system, and from \$95,400 in 2025 to approximately \$113,300 in 2034 for the wastewater system.

Table 5-1 and Table 5-2 provide the operating budget forecasts for water and wastewater systems, respectively. The operating budget forecasts are presented in inflated dollars.



Table 5-1  
City of Kenora  
Water Service Operating Budget Forecast (Inflated \$)

| Description                                       | Forecast         |                  |                  |                  |                  |                   |                   |                   |                   |                   |
|---------------------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                   | 2025             | 2026             | 2027             | 2028             | 2029             | 2030              | 2031              | 2032              | 2033              | 2034              |
| <b>Expenditures</b>                               |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| <u>Operating Costs</u>                            |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Waterworks                                        | 2,167,434        | 2,086,379        | 2,344,693        | 2,403,300        | 2,463,400        | 2,525,000         | 2,588,100         | 2,652,800         | 2,719,100         | 2,787,100         |
| Standpipe & Booster                               | 191,820          | 199,840          | 208,238          | 213,400          | 218,800          | 224,200           | 229,900           | 235,600           | 241,500           | 247,500           |
| Water Treatment Plant                             | 1,599,113        | 1,845,140        | 1,698,684        | 1,741,200        | 1,784,700        | 1,829,300         | 1,875,000         | 1,921,900         | 1,970,000         | 2,019,200         |
| Water & Sewer Vehicles (50% Water Share)          | 125,287          | 122,965          | 130,737          | 134,000          | 137,400          | 140,800           | 144,300           | 147,900           | 151,600           | 155,400           |
| <b>Sub-total Operating Costs</b>                  | <b>4,083,654</b> | <b>4,254,324</b> | <b>4,382,351</b> | <b>4,491,900</b> | <b>4,604,300</b> | <b>4,719,300</b>  | <b>4,837,300</b>  | <b>4,958,200</b>  | <b>5,082,200</b>  | <b>5,209,200</b>  |
| <u>Capital-Related Costs</u>                      |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Existing Debt (Principal) - Non-Growth Related    | 98,237           | 101,214          | 104,192          | 77,295           | 110,414          | 113,663           | 116,942           | 110,418           | 27,183            | 27,926            |
| Existing Debt (Interest) - Non-Growth Related     | 36,155           | 33,179           | 30,201           | 27,098           | 23,979           | 20,729            | 17,450            | 13,975            | 10,372            | 9,629             |
| New Non-Growth Related Debt (Principal)           | -                | -                | -                | -                | 1,556            | 361,058           | 435,453           | 542,898           | 567,328           | 592,858           |
| New Non-Growth Related Debt (Interest)            | -                | -                | -                | -                | 2,196            | 509,542           | 575,382           | 679,804           | 655,374           | 629,844           |
| Transfer to Capital Reserve                       | 2,336,173        | 2,760,220        | 3,281,699        | 3,913,847        | 4,544,897        | 4,411,631         | 5,079,938         | 5,769,058         | 6,836,782         | 7,916,239         |
| <b>Sub-total Capital Related Costs</b>            | <b>2,470,565</b> | <b>2,894,613</b> | <b>3,416,092</b> | <b>4,018,240</b> | <b>4,683,041</b> | <b>5,416,623</b>  | <b>6,225,164</b>  | <b>7,116,153</b>  | <b>8,097,039</b>  | <b>9,176,496</b>  |
| <b>Total Expenditures</b>                         | <b>6,554,219</b> | <b>7,148,936</b> | <b>7,798,443</b> | <b>8,510,140</b> | <b>9,287,341</b> | <b>10,135,923</b> | <b>11,062,464</b> | <b>12,074,353</b> | <b>13,179,239</b> | <b>14,385,696</b> |
| <b>Revenues</b>                                   |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| <u>Operating Revenues</u>                         |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Water Delivery                                    | 58,853           | 64,042           | 69,688           | 75,832           | 82,518           | 89,793            | 97,709            | 106,323           | 115,697           | 125,897           |
| Miscellaneous (ON/OFF charges, new account setup) | 31,535           | 34,315           | 37,341           | 40,633           | 44,215           | 48,113            | 52,355            | 56,971            | 61,993            | 67,459            |
| Vehicle Expense Recovery (50% Water Share)        | 95,350           | 95,350           | 95,350           | 97,700           | 100,200          | 102,700           | 105,200           | 107,900           | 110,600           | 113,300           |
| Contributions from Reserves / Reserve Funds       | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 | -                 |
| <b>Sub-total Operating Revenues</b>               | <b>185,738</b>   | <b>193,707</b>   | <b>202,379</b>   | <b>214,165</b>   | <b>226,932</b>   | <b>240,606</b>    | <b>255,264</b>    | <b>271,194</b>    | <b>288,290</b>    | <b>306,656</b>    |
| <u>Billing Revenues</u>                           |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Base Charge                                       | 4,093,044        | 4,477,205        | 4,897,419        | 5,357,066        | 5,859,848        | 6,409,812         | 7,011,385         | 7,669,410         | 8,389,182         | 9,176,496         |
| Consumptive Charge                                | 2,275,437        | 2,478,024        | 2,698,646        | 2,938,909        | 3,200,561        | 3,485,505         | 3,795,815         | 4,133,749         | 4,501,766         | 4,902,544         |
| <b>Sub-total Billing Revenues</b>                 | <b>6,368,480</b> | <b>6,955,229</b> | <b>7,596,065</b> | <b>8,295,975</b> | <b>9,060,409</b> | <b>9,895,317</b>  | <b>10,807,200</b> | <b>11,803,159</b> | <b>12,890,948</b> | <b>14,079,040</b> |
| <b>Total Revenues</b>                             | <b>6,554,219</b> | <b>7,148,936</b> | <b>7,798,443</b> | <b>8,510,140</b> | <b>9,287,341</b> | <b>10,135,923</b> | <b>11,062,464</b> | <b>12,074,353</b> | <b>13,179,239</b> | <b>14,385,696</b> |



Table 5-2  
City of Kenora  
Wastewater Service Operating Budget Forecast (Inflated \$)

| Description                                     | Forecast         |                  |                  |                  |                  |                  |                   |                   |                   |                   |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                                                 | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031              | 2032              | 2033              | 2034              |
| <b>Expenditures</b>                             |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| <u>Operating Costs</u>                          |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Sanitary System                                 | 2,345,103        | 2,379,041        | 2,412,242        | 2,472,500        | 2,534,400        | 2,597,700        | 2,662,700         | 2,729,200         | 2,797,500         | 2,867,400         |
| General Sewer Lift Stations                     | 536,973          | 582,327          | 560,844          | 574,900          | 589,200          | 604,000          | 619,100           | 634,500           | 650,400           | 666,700           |
| Sewage Treatment Plant                          | 1,599,711        | 1,497,357        | 1,595,074        | 1,635,000        | 1,675,800        | 1,717,700        | 1,760,700         | 1,804,700         | 1,849,800         | 1,896,000         |
| Water & Sewer Vehicles (50% Wastewater Share)   | 125,287          | 122,965          | 130,737          | 134,000          | 137,400          | 140,800          | 144,300           | 147,900           | 151,600           | 155,400           |
| <b>Sub-total Operating Costs</b>                | <b>4,607,073</b> | <b>4,581,689</b> | <b>4,698,897</b> | <b>4,816,400</b> | <b>4,936,800</b> | <b>5,060,200</b> | <b>5,186,800</b>  | <b>5,316,300</b>  | <b>5,449,300</b>  | <b>5,585,500</b>  |
| <u>Capital-Related</u>                          |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Existing Debt (Principal) - Non-Growth Related  | 24,944           | 25,921           | 26,868           | 27,886           | 28,883           | 29,956           | 31,021            | 32,215            | 33,482            | 34,752            |
| Existing Debt (Interest) - Non-Growth Related   | 35,597           | 34,619           | 33,673           | 32,655           | 31,658           | 30,585           | 29,520            | 28,326            | 27,059            | 25,789            |
| New Non-Growth Related Debt (Principal)         | -                | 7,697            | 32,094           | 222,157          | 232,154          | 517,527          | 646,863           | 702,369           | 925,252           | 966,888           |
| New Non-Growth Related Debt (Interest)          | -                | 10,866           | 44,473           | 309,303          | 299,306          | 676,976          | 803,397           | 811,552           | 1,049,973         | 1,008,337         |
| Transfer to Capital Reserve                     | 1,652,057        | 2,197,578        | 2,608,585        | 2,676,554        | 3,253,129        | 3,225,217        | 3,668,507         | 4,374,388         | 4,758,955         | 5,688,704         |
| <b>Sub-total Capital Related Costs</b>          | <b>1,712,598</b> | <b>2,276,682</b> | <b>2,745,694</b> | <b>3,268,555</b> | <b>3,845,130</b> | <b>4,480,260</b> | <b>5,179,309</b>  | <b>5,948,850</b>  | <b>6,794,721</b>  | <b>7,724,470</b>  |
| <b>Total Expenditures</b>                       | <b>6,319,671</b> | <b>6,858,371</b> | <b>7,444,590</b> | <b>8,084,955</b> | <b>8,781,930</b> | <b>9,540,460</b> | <b>10,366,109</b> | <b>11,265,150</b> | <b>12,244,021</b> | <b>13,309,970</b> |
| <b>Revenues</b>                                 |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| <u>Operating Revenues</u>                       |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Miscellaneous Charges                           | -                | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 |
| Contributions from Reserves / Reserve Funds     | -                | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 |
| Vehicle Expense Recovery (50% Wastewater Share) | 95,350           | 95,350           | 95,350           | 97,700           | 100,200          | 102,700          | 105,200           | 107,900           | 110,600           | 113,300           |
| <b>Sub-total Operating Revenues</b>             | <b>95,350</b>    | <b>95,350</b>    | <b>95,350</b>    | <b>97,700</b>    | <b>100,200</b>   | <b>102,700</b>   | <b>105,200</b>    | <b>107,900</b>    | <b>110,600</b>    | <b>113,300</b>    |
| <u>Billing Revenues</u>                         |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Base Charge                                     | 3,949,015        | 4,254,672        | 4,583,983        | 4,938,777        | 5,321,026        | 5,732,854        | 6,176,551         | 6,654,580         | 7,169,600         | 7,724,470         |
| Wastewater Billing Recovery - Total             | 2,275,306        | 2,508,348        | 2,765,258        | 3,048,478        | 3,360,704        | 3,704,906        | 4,084,358         | 4,502,670         | 4,963,822         | 5,472,200         |
| <b>Sub-total Billing Revenues</b>               | <b>6,224,321</b> | <b>6,763,021</b> | <b>7,349,240</b> | <b>7,987,255</b> | <b>8,681,730</b> | <b>9,437,760</b> | <b>10,260,909</b> | <b>11,157,250</b> | <b>12,133,421</b> | <b>13,196,670</b> |
| <b>Total Revenues</b>                           | <b>6,319,671</b> | <b>6,858,371</b> | <b>7,444,590</b> | <b>8,084,955</b> | <b>8,781,930</b> | <b>9,540,460</b> | <b>10,366,109</b> | <b>11,265,150</b> | <b>12,244,021</b> | <b>13,309,970</b> |



# Chapter 6

## Forecast Water and Wastewater Rates



## 6. Forecast Water and Wastewater Rates

To summarize the analysis presented thus far, Chapter 2 summarized the growth expected to occur within the serviced areas of the City, Chapter 3 reviewed capital-related needs of the water and wastewater systems and responds to the lifecycle needs of the City's infrastructure. Chapter 4 provided a review of capital financing options of which internal sources (i.e., reserve fund transfers) and external sources (i.e., debt) will be the predominant basis for financing future capital needs. Chapter 5 established the 10-year operating expenditure forecast for the City's water and wastewater systems. This chapter presents the calculated rates for the next 10-year period. These calculations are based on the net operating expenditures identified in Chapter 5 and the customer counts and metered water consumption identified in Chapter 2.

The calculated rate forecast is provided to address full costs of the water and wastewater systems, including annual operating and capital expenditures from a lifecycle perspective. The rate forecast is presented in Table 6-1 below. The detailed financial forecast and rate calculations for water and wastewater services are provided in Appendices A and B to this report, respectively.

### 6.1 Water and Wastewater Rates

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The rate forecast was developed to ensure that base charge revenues cover capital and capital-related expenditures (i.e., transfers to capital reserves and debt payments). This approach provides a level of revenue stability and predictability, ensuring that fixed costs are recovered regardless of the volume of water used by customers in any particular year. Consumptive rates are designed to recover net operating expenditures.

As noted earlier in Chapter 2, the City's current rate structure consists of monthly base charges varied by meter size and a consumptive charge based on metered water consumption. Customer accounts in multi-unit buildings get charged 50% of the monthly base charge applicable to a 5/8" meter.

The rate forecast for 2025 and 2026 was developed based on the City's existing rate structure. The remainder of the rate forecast (i.e., 2027 and onwards) was developed with the following adjustments to the rate structure:



1. Starting in 2027, customer accounts in multi-unit buildings would no longer be charged a monthly base charge equivalent to half of the 5/8" meter charge but instead would be charged a proportionate share (based on number of units in the building) of the monthly base charge applicable to the meter size servicing the building.
2. Starting in 2027, the City would transition from the meter equivalency ratios currently in effect to those published by the American Water Works Association<sup>1</sup>.

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<sup>1</sup> *Principles of Water Rates Fees and Charges, Seventh Edition* by American Water Works Association



Table 6-1  
City of Kenora  
Water and Wastewater Rate Forecast

| Description                                      | 2025<br>(Current) | 2026        | 2027                    | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        |
|--------------------------------------------------|-------------------|-------------|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>WATER RATES</b>                               |                   |             |                         |             |             |             |             |             |             |             |
| <b>Monthly Base Charge (\$/meter)</b>            |                   |             |                         |             |             |             |             |             |             |             |
| 5/8" meter                                       | \$ 56.20          | \$ 61.41    | \$ 63.76                | \$ 69.68    | \$ 76.15    | \$ 83.22    | \$ 90.95    | \$ 99.39    | \$ 108.61   | \$ 118.70   |
| 3/4" meter                                       | \$ 61.82          | \$ 67.55    | \$ 95.65                | \$ 104.52   | \$ 114.23   | \$ 124.83   | \$ 136.42   | \$ 149.08   | \$ 162.92   | \$ 178.05   |
| 1" meter                                         | \$ 78.68          | \$ 85.98    | \$ 159.41               | \$ 174.21   | \$ 190.38   | \$ 208.05   | \$ 227.36   | \$ 248.47   | \$ 271.54   | \$ 296.74   |
| 1 1/2" meter                                     | \$ 101.16         | \$ 110.54   | \$ 318.82               | \$ 348.41   | \$ 380.76   | \$ 416.10   | \$ 454.73   | \$ 496.94   | \$ 543.07   | \$ 593.49   |
| 2" meter                                         | \$ 162.98         | \$ 178.10   | \$ 510.11               | \$ 557.46   | \$ 609.21   | \$ 665.76   | \$ 727.57   | \$ 795.11   | \$ 868.92   | \$ 949.58   |
| 3" meter                                         | \$ 618.19         | \$ 675.54   | \$ 1,020.22             | \$ 1,114.92 | \$ 1,218.42 | \$ 1,331.53 | \$ 1,455.13 | \$ 1,590.22 | \$ 1,737.84 | \$ 1,899.16 |
| 4" meter                                         | \$ 786.78         | \$ 859.78   | \$ 1,594.09             | \$ 1,742.07 | \$ 1,903.78 | \$ 2,080.51 | \$ 2,273.65 | \$ 2,484.71 | \$ 2,715.37 | \$ 2,967.44 |
| 6" meter                                         | \$ 1,180.17       | \$ 1,289.67 | \$ 3,188.17             | \$ 3,484.13 | \$ 3,807.57 | \$ 4,161.03 | \$ 4,547.30 | \$ 4,969.42 | \$ 5,430.73 | \$ 5,934.87 |
| 8" meter                                         | \$ 2,247.95       | \$ 2,456.51 | \$ 5,101.08             | \$ 5,574.62 | \$ 6,092.11 | \$ 6,657.64 | \$ 7,275.67 | \$ 7,951.08 | \$ 8,689.18 | \$ 9,495.79 |
| Annual Percentage Change - Monthly Base Charge   |                   | 9.3%        | varies by<br>meter size | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        |
| <b>Consumptive Rates (\$/m<sup>3</sup>)</b>      |                   |             |                         |             |             |             |             |             |             |             |
| General Service                                  | \$ 1.89           | \$ 2.06     | \$ 2.24                 | \$ 2.44     | \$ 2.65     | \$ 2.89     | \$ 3.14     | \$ 3.42     | \$ 3.72     | \$ 4.05     |
| Annual Percentage Change - Consumptive Rates     |                   | 8.8%        | 8.8%                    | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        |
| <b>Water Delivery Charge</b>                     |                   |             |                         |             |             |             |             |             |             |             |
| Water delivery 1-500 gal                         | \$ 85.15          | \$ 92.66    | \$ 100.82               | \$ 109.71   | \$ 119.39   | \$ 129.91   | \$ 141.37   | \$ 153.83   | \$ 167.39   | \$ 182.15   |
| Water delivery 501-1,000 gal                     | \$ 93.67          | \$ 101.93   | \$ 110.91               | \$ 120.69   | \$ 131.33   | \$ 142.91   | \$ 155.51   | \$ 169.22   | \$ 184.14   | \$ 200.37   |
| Water delivery 1,001-1,500 gal                   | \$ 102.18         | \$ 111.19   | \$ 120.99               | \$ 131.66   | \$ 143.26   | \$ 155.89   | \$ 169.64   | \$ 184.59   | \$ 200.87   | \$ 218.58   |
| Annual Percentage Change - Water Delivery Charge |                   | 8.8%        | 8.8%                    | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        |
| <b>WASTEWATER RATES</b>                          |                   |             |                         |             |             |             |             |             |             |             |
| <b>Monthly Base Charge (\$/meter)</b>            |                   |             |                         |             |             |             |             |             |             |             |
| 5/8" meter                                       | \$ 55.35          | \$ 59.58    | \$ 60.97                | \$ 65.62    | \$ 70.64    | \$ 76.03    | \$ 81.84    | \$ 88.09    | \$ 94.81    | \$ 102.05   |
| 3/4" meter                                       | \$ 60.89          | \$ 65.54    | \$ 91.45                | \$ 98.44    | \$ 105.95   | \$ 114.05   | \$ 122.76   | \$ 132.13   | \$ 142.22   | \$ 153.08   |
| 1" meter                                         | \$ 77.50          | \$ 83.41    | \$ 152.42               | \$ 164.06   | \$ 176.59   | \$ 190.08   | \$ 204.59   | \$ 220.22   | \$ 237.03   | \$ 255.14   |
| 1 1/2" meter                                     | \$ 99.64          | \$ 107.24   | \$ 304.84               | \$ 328.12   | \$ 353.18   | \$ 380.15   | \$ 409.18   | \$ 440.43   | \$ 474.07   | \$ 510.27   |
| 2" meter                                         | \$ 160.53         | \$ 172.78   | \$ 487.75               | \$ 525.00   | \$ 565.09   | \$ 608.24   | \$ 654.69   | \$ 704.69   | \$ 758.51   | \$ 816.43   |
| 3" meter                                         | \$ 608.90         | \$ 655.37   | \$ 975.50               | \$ 1,049.99 | \$ 1,130.18 | \$ 1,216.49 | \$ 1,309.39 | \$ 1,409.38 | \$ 1,517.01 | \$ 1,632.86 |
| 4" meter                                         | \$ 774.97         | \$ 834.11   | \$ 1,524.21             | \$ 1,640.62 | \$ 1,765.91 | \$ 1,900.76 | \$ 2,045.92 | \$ 2,202.16 | \$ 2,370.33 | \$ 2,551.35 |
| 6" meter                                         | \$ 1,162.45       | \$ 1,251.16 | \$ 3,048.43             | \$ 3,281.23 | \$ 3,531.81 | \$ 3,801.53 | \$ 4,091.84 | \$ 4,404.32 | \$ 4,740.67 | \$ 5,102.70 |
| 8" meter                                         | \$ 2,214.19       | \$ 2,383.17 | \$ 4,877.49             | \$ 5,249.97 | \$ 5,650.90 | \$ 6,082.44 | \$ 6,546.94 | \$ 7,046.92 | \$ 7,585.07 | \$ 8,164.32 |
| Annual Percentage Change - Monthly Base Charge   |                   | 7.6%        | varies by<br>meter size | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        |
| <b>Consumptive Rates (\$/m<sup>3</sup>)</b>      |                   |             |                         |             |             |             |             |             |             |             |
| General Service                                  | \$ 1.92           | \$ 2.11     | \$ 2.33                 | \$ 2.56     | \$ 2.82     | \$ 3.11     | \$ 3.42     | \$ 3.77     | \$ 4.15     | \$ 4.58     |
| Annual Percentage Change - Consumptive Rates     |                   | 10.2%       | 10.2%                   | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       |



## 6.2 Customer Impacts

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Table 6-2 summarizes the impact of the calculated rates on annual water and wastewater bills for several types of customers.

For an average residential customer on a 5/8" meter consuming 170 m<sup>3</sup> of water annually, the total water and wastewater bill in 2025 with current rates would be approximately \$1,986. Based on the rate forecast, the annual water and wastewater bill for this customer would change as follows over the forecast period:

- Increase by approximately \$175 (8.8%) in 2026
- Increase by approximately \$112 (5.2%) in 2027. The smaller increase is due to the rate structure changes proposed for 2027 (as noted above).
- Increase by approximately 8.8% to 8.9% per year from 2028 to 2034.

For a large commercial customer on a 2" meter consuming 2,500 m<sup>3</sup> of water annually, the total water and wastewater bill in 2025 with current rates would be approximately \$13,407. Based on the rate forecast, the annual water and wastewater bill for this customer would change as follows over the forecast period:

- Increase by approximately \$1,232 (9.2%) in 2026
- Increase by approximately \$8,754 (59.8%) in 2027. The larger increase is due to the rate structure changes proposed for 2027 (as noted above).
- Increase by approximately 9.0% per year from 2028 to 2034.

For a residential customer in a 33-unit residential building on a 2" meter consuming 72 m<sup>3</sup> of water annually, the total water and wastewater bill in 2025 with current rates would be approximately \$944. Based on the rate forecast, the annual water and wastewater bill for this customer would change as follows over the forecast period:

- Increase by approximately \$83 (8.8%) in 2026
- Decrease by approximately \$335 (32.6%) in 2027. The reduction is due to the rate structure changes proposed for 2027 (as noted above).
- Increase by approximately 9.0% per year from 2028 to 2034.



Table 6-2  
City of Kenora  
Annual Water and Wastewater Bill Impacts

| Customer Type                                                                                                           | Bill Component | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034      |
|-------------------------------------------------------------------------------------------------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Residential - single-detached</b><br>(170 m <sup>3</sup> annual consumption, 5/8" meter)                             | Water          | \$ 996    | \$ 1,087  | \$ 1,146  | \$ 1,251  | \$ 1,365  | \$ 1,490  | \$ 1,626  | \$ 1,774  | \$ 1,936  | \$ 2,113  |
|                                                                                                                         | Wastewater     | \$ 990    | \$ 1,074  | \$ 1,127  | \$ 1,223  | \$ 1,327  | \$ 1,441  | \$ 1,564  | \$ 1,698  | \$ 1,844  | \$ 2,003  |
|                                                                                                                         | Total          | \$ 1,986  | \$ 2,161  | \$ 2,273  | \$ 2,474  | \$ 2,692  | \$ 2,931  | \$ 3,190  | \$ 3,472  | \$ 3,780  | \$ 4,116  |
|                                                                                                                         | % change       | 8.8%      | 8.8%      | 5.2%      | 8.8%      | 8.8%      | 8.8%      | 8.8%      | 8.9%      | 8.9%      | 8.9%      |
| <b>Large Commercial</b><br>(2,500 m <sup>3</sup> annual consumption, 2" meter)                                          | Water          | \$ 6,689  | \$ 7,288  | \$ 11,726 | \$ 12,789 | \$ 13,947 | \$ 15,211 | \$ 16,589 | \$ 18,093 | \$ 19,732 | \$ 21,521 |
|                                                                                                                         | Wastewater     | \$ 6,718  | \$ 7,352  | \$ 11,667 | \$ 12,704 | \$ 13,836 | \$ 15,070 | \$ 16,416 | \$ 17,885 | \$ 19,488 | \$ 21,238 |
|                                                                                                                         | Total          | \$ 13,407 | \$ 14,640 | \$ 23,393 | \$ 25,493 | \$ 27,783 | \$ 30,281 | \$ 33,006 | \$ 35,978 | \$ 39,221 | \$ 42,759 |
|                                                                                                                         | % change       | 9.2%      | 9.2%      | 59.8%     | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      |
| <b>Multi-residential Building</b><br>(33 residential accounts, 2,376 m <sup>3</sup> total annual consumption, 2" meter) | Water          | \$ 15,627 | \$ 17,056 | \$ 11,448 | \$ 12,486 | \$ 13,618 | \$ 14,853 | \$ 16,200 | \$ 17,669 | \$ 19,271 | \$ 21,018 |
|                                                                                                                         | Wastewater     | \$ 15,514 | \$ 16,813 | \$ 11,379 | \$ 12,387 | \$ 13,486 | \$ 14,684 | \$ 15,992 | \$ 17,418 | \$ 18,973 | \$ 20,671 |
|                                                                                                                         | Total          | \$ 31,141 | \$ 33,869 | \$ 22,827 | \$ 24,873 | \$ 27,104 | \$ 29,537 | \$ 32,191 | \$ 35,086 | \$ 38,244 | \$ 41,689 |
|                                                                                                                         | % change       | 8.8%      | 8.8%      | -32.6%    | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      |
| <b>Multi-residential Unit</b><br>(72 m <sup>3</sup> annual consumption)                                                 | Water          | \$ 474    | \$ 517    | \$ 347    | \$ 378    | \$ 413    | \$ 450    | \$ 491    | \$ 535    | \$ 584    | \$ 637    |
|                                                                                                                         | Wastewater     | \$ 470    | \$ 509    | \$ 345    | \$ 375    | \$ 409    | \$ 445    | \$ 485    | \$ 528    | \$ 575    | \$ 626    |
|                                                                                                                         | Total          | \$ 944    | \$ 1,026  | \$ 692    | \$ 754    | \$ 821    | \$ 895    | \$ 975    | \$ 1,063  | \$ 1,159  | \$ 1,263  |
|                                                                                                                         | % change       | 8.8%      | 8.8%      | -32.6%    | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      | 9.0%      |



# Chapter 7

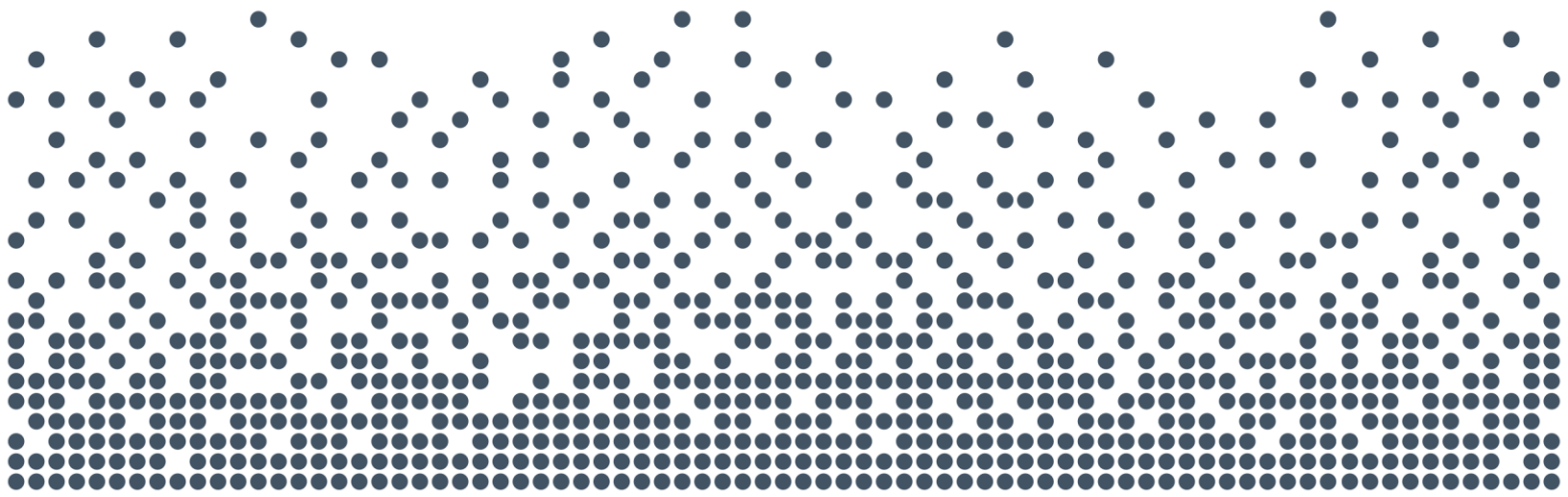
## Recommendations



## 7. Recommendations

Based upon the analysis in this report, the following recommendations are provided for Council's consideration:

1. That Council provide for the recovery of all water and wastewater costs through full cost recovery rates and maintain reserve funds for water and wastewater services;
2. That Council consider the rate forecast presented in Chapter 6 as part of the annual budget process;
3. That Council approve the Rate Study;
4. That Council direct staff to undertake a review of the key assumptions underlying the Rate Study (e.g., asset costing and lifecycle funding requirements, operating cost escalation, customer growth and consumptions patterns, etc.) every two to three years and update the Rate Study as needed.



# Appendices



# Appendix A

## Water Service



**Table A-1**  
**City of Kenora**  
**Water Service**  
**Capital Budget Forecast**  
 Inflated \$

| Description                                               | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                  |                  |                  |
|-----------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                                                           |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032             | 2033             | 2034             |
| <b><u>Capital Expenditures</u></b>                        |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| <b>Waterworks</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Hospital Servicing - Watermain                            | 2,240,000         | -                | -                | -                | 37,100           | -                 | 2,202,900        | -                | -                | -                | -                |
| Norman/Keewatin Water Redundancy                          | 10,261,100        | -                | -                | -                | 121,900          | 10,139,200        | -                | -                | -                | -                | -                |
| Watermain Renewal Program                                 | 16,582,500        | 1,495,500        | 779,900          | 1,715,000        | 953,700          | 2,238,600         | 2,282,300        | 2,326,800        | 2,372,200        | 2,418,500        | -                |
| Coney Island Watermain Replacement                        | 477,100           | -                | 152,900          | -                | 159,000          | -                 | 165,200          | -                | -                | -                | -                |
| DTR Matheson & First St S-Construction                    | 713,700           | -                | 713,700          | -                | -                | -                 | -                | -                | -                | -                | -                |
| DTR Matheson, Main and 3rd St                             | 4,433,700         | -                | -                | -                | -                | 113,400           | 154,200          | 4,166,100        | -                | -                | -                |
| <b>Standpipe &amp; Booster</b>                            |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Replacement of Norman Booster Station MCC/PLC             | 305,900           | -                | 305,900          | -                | -                | -                 | -                | -                | -                | -                | -                |
| Standpipe and Booster Station Water Review & Improvements | -                 | -                | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>Water Treatment Plant</b>                              |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| WTP Pump Replacement                                      | 3,443,700         | 900,000          | -                | 1,247,300        | -                | 1,296,400         | -                | -                | -                | -                | -                |
| WTP Capital Upgrades                                      | 14,417,700        | -                | -                | 311,800          | 4,238,700        | 1,836,600         | -                | -                | 400,700          | 5,369,000        | 2,260,900        |
| Engineering Environmental Compliance Regulatory Changes   | 62,500            | 62,500           | -                | -                | -                | -                 | -                | -                | -                | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Water Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Fleet - Water and Wastewater Vehicles                     | 1,531,000         | -                | 303,600          | 65,300           | 89,600           | 196,600           | 197,600          | 85,300           | 108,200          | 48,700           | 436,100          |
| Water Meter Replacement                                   | 2,491,300         | -                | -                | -                | -                | -                 | 1,233,600        | 1,257,700        | -                | -                | -                |
| <b>Total Capital Expenditures</b>                         | <b>56,960,200</b> | <b>2,458,000</b> | <b>2,256,000</b> | <b>3,339,400</b> | <b>5,600,000</b> | <b>15,820,800</b> | <b>6,235,800</b> | <b>7,835,900</b> | <b>2,881,100</b> | <b>7,836,200</b> | <b>2,697,000</b> |
| <b><u>Capital Financing</u></b>                           |                   |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |
| Non-Growth Related Debenture Requirements                 | 15,904,832        | -                | -                | -                | 48,798           | 11,275,903        | 1,824,169        | 2,755,962        | -                | -                | -                |
| Water Reserve                                             | 41,055,368        | 2,458,000        | 2,256,000        | 3,339,400        | 5,551,202        | 4,544,897         | 4,411,631        | 5,079,938        | 2,881,100        | 7,836,200        | 2,697,000        |
| <b>Total Capital Financing</b>                            | <b>56,960,200</b> | <b>2,458,000</b> | <b>2,256,000</b> | <b>3,339,400</b> | <b>5,600,000</b> | <b>15,820,800</b> | <b>6,235,800</b> | <b>7,835,900</b> | <b>2,881,100</b> | <b>7,836,200</b> | <b>2,697,000</b> |



**Table A-2**  
**City of Kenora**  
**Water Service**  
**Schedule of Non-Growth Related Debenture Repayments**  
Inflated \$

| Debenture<br>Year                | Principal<br>(Inflated) | Forecast |      |      |      |       |         |           |           |           |           |
|----------------------------------|-------------------------|----------|------|------|------|-------|---------|-----------|-----------|-----------|-----------|
|                                  |                         | 2025     | 2026 | 2027 | 2028 | 2029  | 2030    | 2031      | 2032      | 2033      | 2034      |
| 2025                             | -                       |          | -    | -    | -    | -     | -       | -         | -         | -         | -         |
| 2026                             | -                       |          |      | -    | -    | -     | -       | -         | -         | -         | -         |
| 2027                             | -                       |          |      |      | -    | -     | -       | -         | -         | -         | -         |
| 2028                             | 48,798                  |          |      |      |      | 3,751 | 3,751   | 3,751     | 3,751     | 3,751     | 3,751     |
| 2029                             | 11,275,903              |          |      |      |      |       | 866,848 | 866,848   | 866,848   | 866,848   | 866,848   |
| 2030                             | 1,824,169               |          |      |      |      |       |         | 140,235   | 140,235   | 140,235   | 140,235   |
| 2031                             | 2,755,962               |          |      |      |      |       |         |           | 211,868   | 211,868   | 211,868   |
| 2032                             | -                       |          |      |      |      |       |         |           |           | -         | -         |
| 2033                             | -                       |          |      |      |      |       |         |           |           |           | -         |
| 2034                             | -                       |          |      |      |      |       |         |           |           |           |           |
| <b>Total Annual Debt Charges</b> | <b>15,904,832</b>       | -        | -    | -    | -    | 3,751 | 870,599 | 1,010,834 | 1,222,702 | 1,222,702 | 1,222,702 |

**Table A-3**  
**City of Kenora**  
**Water Service**  
**Water Reserves/ Reserve Funds Continuity**  
Inflated \$

| Description             | 2025             | 2026             | 2027             | 2028      | 2029      | 2030      | 2031      | 2032             | 2033             | 2034             |
|-------------------------|------------------|------------------|------------------|-----------|-----------|-----------|-----------|------------------|------------------|------------------|
| Opening Balance         | 1,312,663        | 1,190,836        | 1,695,055        | 1,637,355 | -         | -         | -         | -                | 2,887,958        | 1,888,539        |
| Transfer from Operating | 2,336,173        | 2,760,220        | 3,281,699        | 3,913,847 | 4,544,897 | 4,411,631 | 5,079,938 | 5,769,058        | 6,836,782        | 7,916,239        |
| Transfer to Capital     | 2,458,000        | 2,256,000        | 3,339,400        | 5,551,202 | 4,544,897 | 4,411,631 | 5,079,938 | 2,881,100        | 7,836,200        | 2,697,000        |
| Transfer to Operating   | -                | -                | -                | -         | -         | -         | -         | -                | -                | -                |
| <b>Closing Balance</b>  | <b>1,190,836</b> | <b>1,695,055</b> | <b>1,637,355</b> | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>2,887,958</b> | <b>1,888,539</b> | <b>7,107,778</b> |



**Table A-4**  
**City of Kenora**  
**Water Services**  
**Operating Budget Forecast**  
Inflated \$

| Description                                       | Forecast         |                  |                  |                  |                  |                   |                   |                   |                   |                   |
|---------------------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                   | 2025             | 2026             | 2027             | 2028             | 2029             | 2030              | 2031              | 2032              | 2033              | 2034              |
| <b>Expenditures</b>                               |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| <u>Operating Costs</u>                            |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Waterworks                                        | 2,167,434        | 2,086,379        | 2,344,693        | 2,403,300        | 2,463,400        | 2,525,000         | 2,588,100         | 2,652,800         | 2,719,100         | 2,787,100         |
| Standpipe & Booster                               | 191,820          | 199,840          | 208,238          | 213,400          | 218,800          | 224,200           | 229,900           | 235,600           | 241,500           | 247,500           |
| Water Treatment Plant                             | 1,599,113        | 1,845,140        | 1,698,684        | 1,741,200        | 1,784,700        | 1,829,300         | 1,875,000         | 1,921,900         | 1,970,000         | 2,019,200         |
| Water & Sewer Vehicles (50% Water Share)          | 125,287          | 122,965          | 130,737          | 134,000          | 137,400          | 140,800           | 144,300           | 147,900           | 151,600           | 155,400           |
| <b>Sub-total Operating Costs</b>                  | <b>4,083,654</b> | <b>4,254,324</b> | <b>4,382,351</b> | <b>4,491,900</b> | <b>4,604,300</b> | <b>4,719,300</b>  | <b>4,837,300</b>  | <b>4,958,200</b>  | <b>5,082,200</b>  | <b>5,209,200</b>  |
| <u>Capital-Related Costs</u>                      |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Existing Debt (Principal) - Non-Growth Related    | 98,237           | 101,214          | 104,192          | 77,295           | 110,414          | 113,663           | 116,942           | 110,418           | 27,183            | 27,926            |
| Existing Debt (Interest) - Non-Growth Related     | 36,155           | 33,179           | 30,201           | 27,098           | 23,979           | 20,729            | 17,450            | 13,975            | 10,372            | 9,629             |
| New Non-Growth Related Debt (Principal)           | -                | -                | -                | -                | 1,556            | 361,058           | 435,453           | 542,898           | 567,328           | 592,858           |
| New Non-Growth Related Debt (Interest)            | -                | -                | -                | -                | 2,196            | 509,542           | 575,382           | 679,804           | 655,374           | 629,844           |
| Transfer to Capital Reserve                       | 2,336,173        | 2,760,220        | 3,281,699        | 3,913,847        | 4,544,897        | 4,411,631         | 5,079,938         | 5,769,058         | 6,836,782         | 7,916,239         |
| <b>Sub-total Capital Related Costs</b>            | <b>2,470,565</b> | <b>2,894,613</b> | <b>3,416,092</b> | <b>4,018,240</b> | <b>4,683,041</b> | <b>5,416,623</b>  | <b>6,225,164</b>  | <b>7,116,153</b>  | <b>8,097,039</b>  | <b>9,176,496</b>  |
| <b>Total Expenditures</b>                         | <b>6,554,219</b> | <b>7,148,936</b> | <b>7,798,443</b> | <b>8,510,140</b> | <b>9,287,341</b> | <b>10,135,923</b> | <b>11,062,464</b> | <b>12,074,353</b> | <b>13,179,239</b> | <b>14,385,696</b> |
| <b>Revenues</b>                                   |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| <u>Operating Revenues</u>                         |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Water Delivery                                    | 58,853           | 64,042           | 69,688           | 75,832           | 82,518           | 89,793            | 97,709            | 106,323           | 115,697           | 125,897           |
| Miscellaneous (ON/OFF charges, new account setup) | 31,535           | 34,315           | 37,341           | 40,633           | 44,215           | 48,113            | 52,355            | 56,971            | 61,993            | 67,459            |
| Vehicle Expense Recovery (50% Water Share)        | 95,350           | 95,350           | 95,350           | 97,700           | 100,200          | 102,700           | 105,200           | 107,900           | 110,600           | 113,300           |
| Contributions from Reserves / Reserve Funds       | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 | -                 |
| <b>Sub-total Operating Revenues</b>               | <b>185,738</b>   | <b>193,707</b>   | <b>202,379</b>   | <b>214,165</b>   | <b>226,932</b>   | <b>240,606</b>    | <b>255,264</b>    | <b>271,194</b>    | <b>288,290</b>    | <b>306,656</b>    |
| <u>Billing Revenues</u>                           |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Base Charge                                       | 4,093,044        | 4,477,205        | 4,897,419        | 5,357,066        | 5,859,848        | 6,409,812         | 7,011,385         | 7,669,410         | 8,389,182         | 9,176,496         |
| Consumptive Charge                                | 2,275,437        | 2,478,024        | 2,698,646        | 2,938,909        | 3,200,561        | 3,485,505         | 3,795,815         | 4,133,749         | 4,501,766         | 4,902,544         |
| <b>Sub-total Billing Revenues</b>                 | <b>6,368,480</b> | <b>6,955,229</b> | <b>7,596,065</b> | <b>8,295,975</b> | <b>9,060,409</b> | <b>9,895,317</b>  | <b>10,807,200</b> | <b>11,803,159</b> | <b>12,890,948</b> | <b>14,079,040</b> |
| <b>Total Revenues</b>                             | <b>6,554,219</b> | <b>7,148,936</b> | <b>7,798,443</b> | <b>8,510,140</b> | <b>9,287,341</b> | <b>10,135,923</b> | <b>11,062,464</b> | <b>12,074,353</b> | <b>13,179,239</b> | <b>14,385,696</b> |



**Table A-5**  
**City of Kenora**  
**Water Services**  
**Water Rate Forecast**  
**Inflated \$**

| Description                                             | 2025<br>(Current) | 2026        | 2027                    | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        |
|---------------------------------------------------------|-------------------|-------------|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Monthly Base Charge (\$/meter)</b>                   |                   |             |                         |             |             |             |             |             |             |             |
| 5/8" meter                                              | \$ 56.20          | \$ 61.41    | \$ 63.76                | \$ 69.68    | \$ 76.15    | \$ 83.22    | \$ 90.95    | \$ 99.39    | \$ 108.61   | \$ 118.70   |
| 3/4" meter                                              | \$ 61.82          | \$ 67.55    | \$ 95.65                | \$ 104.52   | \$ 114.23   | \$ 124.83   | \$ 136.42   | \$ 149.08   | \$ 162.92   | \$ 178.05   |
| 1" meter                                                | \$ 78.68          | \$ 85.98    | \$ 159.41               | \$ 174.21   | \$ 190.38   | \$ 208.05   | \$ 227.36   | \$ 248.47   | \$ 271.54   | \$ 296.74   |
| 1 1/2" meter                                            | \$ 101.16         | \$ 110.54   | \$ 318.82               | \$ 348.41   | \$ 380.76   | \$ 416.10   | \$ 454.73   | \$ 496.94   | \$ 543.07   | \$ 593.49   |
| 2" meter                                                | \$ 162.98         | \$ 178.10   | \$ 510.11               | \$ 557.46   | \$ 609.21   | \$ 665.76   | \$ 727.57   | \$ 795.11   | \$ 868.92   | \$ 949.58   |
| 3" meter                                                | \$ 618.19         | \$ 675.54   | \$ 1,020.22             | \$ 1,114.92 | \$ 1,218.42 | \$ 1,331.53 | \$ 1,455.13 | \$ 1,590.22 | \$ 1,737.84 | \$ 1,899.16 |
| 4" meter                                                | \$ 786.78         | \$ 859.78   | \$ 1,594.09             | \$ 1,742.07 | \$ 1,903.78 | \$ 2,080.51 | \$ 2,273.65 | \$ 2,484.71 | \$ 2,715.37 | \$ 2,967.44 |
| 6" meter                                                | \$ 1,180.17       | \$ 1,289.67 | \$ 3,188.17             | \$ 3,484.13 | \$ 3,807.57 | \$ 4,161.03 | \$ 4,547.30 | \$ 4,969.42 | \$ 5,430.73 | \$ 5,934.87 |
| 8" meter                                                | \$ 2,247.95       | \$ 2,456.51 | \$ 5,101.08             | \$ 5,574.62 | \$ 6,092.11 | \$ 6,657.64 | \$ 7,275.67 | \$ 7,951.08 | \$ 8,689.18 | \$ 9,495.79 |
| <b>Annual Percentage Change - Monthly Base Charge</b>   |                   | 9.3%        | varies by<br>meter size | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        | 9.3%        |
| <b>Consumptive Rates (\$/m<sup>3</sup>)</b>             |                   |             |                         |             |             |             |             |             |             |             |
| General Service                                         | \$ 1.89           | \$ 2.06     | \$ 2.24                 | \$ 2.44     | \$ 2.65     | \$ 2.89     | \$ 3.14     | \$ 3.42     | \$ 3.72     | \$ 4.05     |
| <b>Annual Percentage Change - Consumptive Rates</b>     |                   | 8.8%        | 8.8%                    | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        |
| <b>Water Delivery Charge</b>                            |                   |             |                         |             |             |             |             |             |             |             |
| Water delivery 1-500 gal                                | \$ 85.15          | \$ 92.66    | \$ 100.82               | \$ 109.71   | \$ 119.39   | \$ 129.91   | \$ 141.37   | \$ 153.83   | \$ 167.39   | \$ 182.15   |
| Water delivery 501-1,000 gal                            | \$ 93.67          | \$ 101.93   | \$ 110.91               | \$ 120.69   | \$ 131.33   | \$ 142.91   | \$ 155.51   | \$ 169.22   | \$ 184.14   | \$ 200.37   |
| Water delivery 1,001-1,500 gal                          | \$ 102.18         | \$ 111.19   | \$ 120.99               | \$ 131.66   | \$ 143.26   | \$ 155.89   | \$ 169.64   | \$ 184.59   | \$ 200.87   | \$ 218.58   |
| <b>Annual Percentage Change - Water Delivery Charge</b> |                   | 8.8%        | 8.8%                    | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        | 8.8%        |



# Appendix B

## Wastewater Service



**Table B-1**  
**City of Kenora**  
**Wastewater Service**  
**Capital Budget Forecast**  
 Inflated \$

| Description                                                    | Total             | Forecast         |                  |                  |                  |                   |                  |                  |                   |                  |                  |
|----------------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|
|                                                                |                   | 2025             | 2026             | 2027             | 2028             | 2029              | 2030             | 2031             | 2032              | 2033             | 2034             |
| <b>Capital Expenditures</b>                                    |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| <b>Sanitary System</b>                                         |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Hospital Servicing - Wastewater Collection                     | 2,240,000         | -                | -                | -                | 37,100           | -                 | 2,202,900        | -                | -                 | -                | -                |
| Norman/Keewatin Sewer Redundancy                               | 10,261,100        | -                | -                | -                | 121,900          | 10,139,200        | -                | -                | -                 | -                | -                |
| Wastewater Collection Piping System Renewal                    | 16,582,500        | 1,495,500        | 779,900          | 1,715,000        | 953,700          | 2,238,600         | 2,282,300        | 2,326,800        | 2,372,200         | 2,418,500        | -                |
| Wastewater Piping System Relining                              | 815,300           | -                | -                | -                | -                | -                 | 220,300          | -                | -                 | -                | 595,000          |
| DTR Matheson & First St S-Construction                         | 576,000           | -                | 576,000          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| <b>Sewer Lift Station</b>                                      |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Pumping Station Roof Replacement                               | 80,000            | 80,000           | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| Replacement of Liftstation Pumps                               | 968,200           | 78,800           | 82,300           | 86,000           | 89,900           | 94,000            | 98,200           | 102,600          | 107,300           | 112,000          | 117,100          |
| Electrical Transformer Delta/Wye Conversion for Lift Stations  | 856,900           | 65,000           | 86,700           | 74,800           | 78,400           | 82,100            | 85,900           | 89,800           | 93,900            | 98,000           | 102,300          |
| Lift Station Renewal Program                                   | 2,185,300         | 133,000          | 139,700          | 218,300          | 211,900          | 221,500           | 231,300          | 241,400          | 251,900           | 262,600          | 273,700          |
| <b>Sewage Treatment Plant</b>                                  |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Replace MCC at the WWTP Headworks (Bldg 100)                   | 300,000           | 300,000          | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Aeration Tank Piping Repair and Replacement             | 200,000           | 200,000          | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| Replace MCC at the WWTP Digester Building (Bldg 400)           | 451,500           | -                | 35,700           | 415,800          | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Scum Box East Clarifier                         | 26,000            | -                | -                | 26,000           | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP SCADA Upgrade Design and Costin                           | 50,000            | 50,000           | -                | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Sluice Gates and Valve Stems                    | 203,500           | 20,000           | 183,500          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP - Replace Screw Pump Electric Generator                   | 508,800           | 50,000           | 458,800          | -                | -                | -                 | -                | -                | -                 | -                | -                |
| WWTP Capital Upgrades                                          | 14,065,000        | -                | 305,900          | 5,924,600        | -                | -                 | -                | 393,000          | 7,441,500         | -                | -                |
| <b>W&amp;S Vehicles &amp; Equipment (50% Wastewater Share)</b> |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Fleet - Water and Wastewater Vehicles                          | 1,531,000         | -                | 303,600          | 65,300           | 89,600           | 196,600           | 197,600          | 85,300           | 108,200           | 48,700           | 436,100          |
| Water Meter Replacement                                        | 2,491,300         | -                | -                | -                | -                | -                 | 1,233,600        | 1,257,700        | -                 | -                | -                |
| <b>Total Capital Expenditures</b>                              | <b>54,392,400</b> | <b>2,472,300</b> | <b>2,952,100</b> | <b>8,525,800</b> | <b>1,582,500</b> | <b>12,972,000</b> | <b>6,552,100</b> | <b>4,496,600</b> | <b>10,375,000</b> | <b>2,939,800</b> | <b>1,524,200</b> |
| <b>Capital Financing</b>                                       |                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |                  |
| Non-Growth Related Debenture Requirements                      | 25,693,602        | 241,461          | 754,522          | 5,917,215        | -                | 8,624,817         | 3,326,883        | 828,093          | 6,000,612         | -                | -                |
| Wastewater Reserve                                             | 28,698,798        | 2,230,839        | 2,197,578        | 2,608,585        | 1,582,500        | 4,347,183         | 3,225,217        | 3,668,507        | 4,374,388         | 2,939,800        | 1,524,200        |
| <b>Total Capital Financing</b>                                 | <b>54,392,400</b> | <b>2,472,300</b> | <b>2,952,100</b> | <b>8,525,800</b> | <b>1,582,500</b> | <b>12,972,000</b> | <b>6,552,100</b> | <b>4,496,600</b> | <b>10,375,000</b> | <b>2,939,800</b> | <b>1,524,200</b> |



**Table B-2**  
**City of Kenora**  
**Wastewater Service**  
**Schedule of Non-Growth Related Debenture Repayments**  
Inflated \$

| Debenture<br>Year                | Principal<br>(Inflated) | Forecast |               |               |                |                |                  |                  |                  |                  |                  |
|----------------------------------|-------------------------|----------|---------------|---------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
|                                  |                         | 2025     | 2026          | 2027          | 2028           | 2029           | 2030             | 2031             | 2032             | 2033             | 2034             |
| 2025                             | 241,461                 |          | 18,563        | 18,563        | 18,563         | 18,563         | 18,563           | 18,563           | 18,563           | 18,563           | 18,563           |
| 2026                             | 754,522                 |          |               | 58,005        | 58,005         | 58,005         | 58,005           | 58,005           | 58,005           | 58,005           | 58,005           |
| 2027                             | 5,917,215               |          |               |               | 454,893        | 454,893        | 454,893          | 454,893          | 454,893          | 454,893          | 454,893          |
| 2028                             | -                       |          |               |               |                | -              | -                | -                | -                | -                | -                |
| 2029                             | 8,624,817               |          |               |               |                |                | 663,043          | 663,043          | 663,043          | 663,043          | 663,043          |
| 2030                             | 3,326,883               |          |               |               |                |                |                  | 255,758          | 255,758          | 255,758          | 255,758          |
| 2031                             | 828,093                 |          |               |               |                |                |                  |                  | 63,661           | 63,661           | 63,661           |
| 2032                             | 6,000,612               |          |               |               |                |                |                  |                  |                  | 461,304          | 461,304          |
| 2033                             | -                       |          |               |               |                |                |                  |                  |                  |                  | -                |
| 2034                             | -                       |          |               |               |                |                |                  |                  |                  |                  |                  |
| <b>Total Annual Debt Charges</b> | <b>25,693,602</b>       | <b>-</b> | <b>18,563</b> | <b>76,567</b> | <b>531,460</b> | <b>531,460</b> | <b>1,194,503</b> | <b>1,450,261</b> | <b>1,513,921</b> | <b>1,975,225</b> | <b>1,975,225</b> |

**Table B-3**  
**City of Kenora**  
**Wastewater Service**  
**Wastewater Reserves/ Reserve Funds Continuity**  
Inflated \$

| Description             | 2025      | 2026      | 2027      | 2028             | 2029      | 2030      | 2031      | 2032      | 2033             | 2034             |
|-------------------------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|-----------|------------------|------------------|
| Opening Balance         | 578,782   | -         | -         | -                | 1,094,054 | -         | -         | -         | -                | 1,819,155        |
| Transfer from Operating | 1,652,057 | 2,197,578 | 2,608,585 | 2,676,554        | 3,253,129 | 3,225,217 | 3,668,507 | 4,374,388 | 4,758,955        | 5,688,704        |
| Transfer to Capital     | 2,230,839 | 2,197,578 | 2,608,585 | 1,582,500        | 4,347,183 | 3,225,217 | 3,668,507 | 4,374,388 | 2,939,800        | 1,524,200        |
| Transfer to Operating   | -         | -         | -         | -                | -         | -         | -         | -         | -                | -                |
| <b>Closing Balance</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>1,094,054</b> | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>1,819,155</b> | <b>5,983,660</b> |



**Table B-4**  
**City of Kenora**  
**Wastewater Services**  
**Operating Budget Forecast**  
 Inflated \$

| Description                                     | Forecast         |                  |                  |                  |                  |                  |                   |                   |                   |                   |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                                                 | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031              | 2032              | 2033              | 2034              |
| <b>Expenditures</b>                             |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| <u>Operating Costs</u>                          |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Sanitary System                                 | 2,345,103        | 2,379,041        | 2,412,242        | 2,472,500        | 2,534,400        | 2,597,700        | 2,662,700         | 2,729,200         | 2,797,500         | 2,867,400         |
| General Sewer Lift Stations                     | 536,973          | 582,327          | 560,844          | 574,900          | 589,200          | 604,000          | 619,100           | 634,500           | 650,400           | 666,700           |
| Sewage Treatment Plant                          | 1,599,711        | 1,497,357        | 1,595,074        | 1,635,000        | 1,675,800        | 1,717,700        | 1,760,700         | 1,804,700         | 1,849,800         | 1,896,000         |
| Water & Sewer Vehicles (50% Wastewater Share)   | 125,287          | 122,965          | 130,737          | 134,000          | 137,400          | 140,800          | 144,300           | 147,900           | 151,600           | 155,400           |
| <b>Sub-total Operating Costs</b>                | <b>4,607,073</b> | <b>4,581,689</b> | <b>4,698,897</b> | <b>4,816,400</b> | <b>4,936,800</b> | <b>5,060,200</b> | <b>5,186,800</b>  | <b>5,316,300</b>  | <b>5,449,300</b>  | <b>5,585,500</b>  |
| <u>Capital-Related</u>                          |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Existing Debt (Principal) - Non-Growth Related  | 24,944           | 25,921           | 26,868           | 27,886           | 28,883           | 29,956           | 31,021            | 32,215            | 33,482            | 34,752            |
| Existing Debt (Interest) - Non-Growth Related   | 35,597           | 34,619           | 33,673           | 32,655           | 31,658           | 30,585           | 29,520            | 28,326            | 27,059            | 25,789            |
| New Non-Growth Related Debt (Principal)         | -                | 7,697            | 32,094           | 222,157          | 232,154          | 517,527          | 646,863           | 702,369           | 925,252           | 966,888           |
| New Non-Growth Related Debt (Interest)          | -                | 10,866           | 44,473           | 309,303          | 299,306          | 676,976          | 803,397           | 811,552           | 1,049,973         | 1,008,337         |
| Transfer to Capital Reserve                     | 1,652,057        | 2,197,578        | 2,608,585        | 2,676,554        | 3,253,129        | 3,225,217        | 3,668,507         | 4,374,388         | 4,758,955         | 5,688,704         |
| <b>Sub-total Capital Related Costs</b>          | <b>1,712,598</b> | <b>2,276,682</b> | <b>2,745,694</b> | <b>3,268,555</b> | <b>3,845,130</b> | <b>4,480,260</b> | <b>5,179,309</b>  | <b>5,948,850</b>  | <b>6,794,721</b>  | <b>7,724,470</b>  |
| <b>Total Expenditures</b>                       | <b>6,319,671</b> | <b>6,858,371</b> | <b>7,444,590</b> | <b>8,084,955</b> | <b>8,781,930</b> | <b>9,540,460</b> | <b>10,366,109</b> | <b>11,265,150</b> | <b>12,244,021</b> | <b>13,309,970</b> |
| <b>Revenues</b>                                 |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| <u>Operating Revenues</u>                       |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Miscellaneous Charges                           | -                | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 |
| Contributions from Reserves / Reserve Funds     | -                | -                | -                | -                | -                | -                | -                 | -                 | -                 | -                 |
| Vehicle Expense Recovery (50% Wastewater Share) | 95,350           | 95,350           | 95,350           | 97,700           | 100,200          | 102,700          | 105,200           | 107,900           | 110,600           | 113,300           |
| <b>Sub-total Operating Revenues</b>             | <b>95,350</b>    | <b>95,350</b>    | <b>95,350</b>    | <b>97,700</b>    | <b>100,200</b>   | <b>102,700</b>   | <b>105,200</b>    | <b>107,900</b>    | <b>110,600</b>    | <b>113,300</b>    |
| <u>Billing Revenues</u>                         |                  |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Base Charge                                     | 3,949,015        | 4,254,672        | 4,583,983        | 4,938,777        | 5,321,026        | 5,732,854        | 6,176,551         | 6,654,580         | 7,169,600         | 7,724,470         |
| Wastewater Billing Recovery - Total             | 2,275,306        | 2,508,348        | 2,765,258        | 3,048,478        | 3,360,704        | 3,704,906        | 4,084,358         | 4,502,670         | 4,963,822         | 5,472,200         |
| <b>Sub-total Billing Revenues</b>               | <b>6,224,321</b> | <b>6,763,021</b> | <b>7,349,240</b> | <b>7,987,255</b> | <b>8,681,730</b> | <b>9,437,760</b> | <b>10,260,909</b> | <b>11,157,250</b> | <b>12,133,421</b> | <b>13,196,670</b> |
| <b>Total Revenues</b>                           | <b>6,319,671</b> | <b>6,858,371</b> | <b>7,444,590</b> | <b>8,084,955</b> | <b>8,781,930</b> | <b>9,540,460</b> | <b>10,366,109</b> | <b>11,265,150</b> | <b>12,244,021</b> | <b>13,309,970</b> |



**Table B-5**  
**City of Kenora**  
**Wastewater Services**  
**Wastewater Rate Forecast**  
**Inflated \$**

| Description                                           | 2025<br>(Current) | 2026        | 2027                    | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        |
|-------------------------------------------------------|-------------------|-------------|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Monthly Base Charge (\$/meter)</b>                 |                   |             |                         |             |             |             |             |             |             |             |
| 5/8" meter                                            | \$ 55.35          | \$ 59.58    | \$ 60.97                | \$ 65.62    | \$ 70.64    | \$ 76.03    | \$ 81.84    | \$ 88.09    | \$ 94.81    | \$ 102.05   |
| 3/4" meter                                            | \$ 60.89          | \$ 65.54    | \$ 91.45                | \$ 98.44    | \$ 105.95   | \$ 114.05   | \$ 122.76   | \$ 132.13   | \$ 142.22   | \$ 153.08   |
| 1" meter                                              | \$ 77.50          | \$ 83.41    | \$ 152.42               | \$ 164.06   | \$ 176.59   | \$ 190.08   | \$ 204.59   | \$ 220.22   | \$ 237.03   | \$ 255.14   |
| 1 1/2" meter                                          | \$ 99.64          | \$ 107.24   | \$ 304.84               | \$ 328.12   | \$ 353.18   | \$ 380.15   | \$ 409.18   | \$ 440.43   | \$ 474.07   | \$ 510.27   |
| 2" meter                                              | \$ 160.53         | \$ 172.78   | \$ 487.75               | \$ 525.00   | \$ 565.09   | \$ 608.24   | \$ 654.69   | \$ 704.69   | \$ 758.51   | \$ 816.43   |
| 3" meter                                              | \$ 608.90         | \$ 655.37   | \$ 975.50               | \$ 1,049.99 | \$ 1,130.18 | \$ 1,216.49 | \$ 1,309.39 | \$ 1,409.38 | \$ 1,517.01 | \$ 1,632.86 |
| 4" meter                                              | \$ 774.97         | \$ 834.11   | \$ 1,524.21             | \$ 1,640.62 | \$ 1,765.91 | \$ 1,900.76 | \$ 2,045.92 | \$ 2,202.16 | \$ 2,370.33 | \$ 2,551.35 |
| 6" meter                                              | \$ 1,162.45       | \$ 1,251.16 | \$ 3,048.43             | \$ 3,281.23 | \$ 3,531.81 | \$ 3,801.53 | \$ 4,091.84 | \$ 4,404.32 | \$ 4,740.67 | \$ 5,102.70 |
| 8" meter                                              | \$ 2,214.19       | \$ 2,383.17 | \$ 4,877.49             | \$ 5,249.97 | \$ 5,650.90 | \$ 6,082.44 | \$ 6,546.94 | \$ 7,046.92 | \$ 7,585.07 | \$ 8,164.32 |
| <b>Annual Percentage Change - Monthly Base Charge</b> |                   | 7.6%        | varies by<br>meter size | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        | 7.6%        |
| <b>Consumptive Rates (\$/m<sup>3</sup>)</b>           |                   |             |                         |             |             |             |             |             |             |             |
| General Service                                       | \$ 1.92           | \$ 2.11     | \$ 2.33                 | \$ 2.56     | \$ 2.82     | \$ 3.11     | \$ 3.42     | \$ 3.77     | \$ 4.15     | \$ 4.58     |
| <b>Annual Percentage Change - Consumptive Rates</b>   |                   | 10.2%       | 10.2%                   | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       | 10.2%       |



 **Watson**  
& Associates  
ECONOMISTS LTD.

# **Water Ontario Regulation 453/07 Financial Plan**

City of Kenora

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Financial Plan #228-301

July 2, 2025

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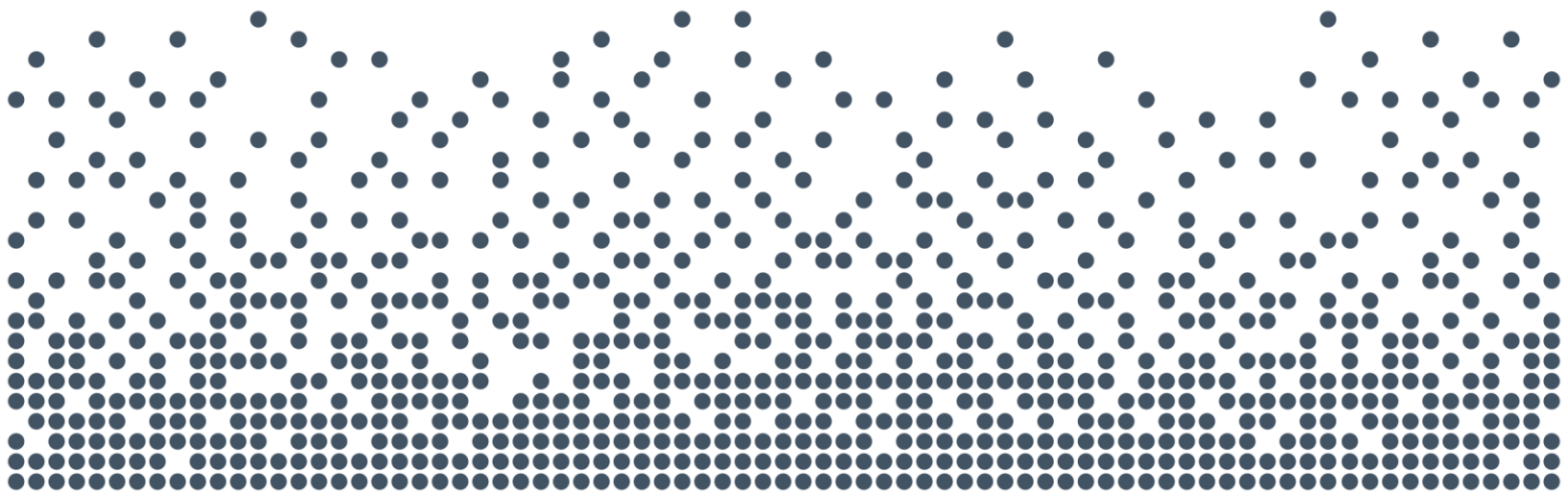
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## List of Acronyms and Abbreviations

| Acronym  | Full Description of Acronym                         |
|----------|-----------------------------------------------------|
| A.M.P.   | Asset Management Plan                               |
| D.C.     | Development Charges                                 |
| F.I.R.   | Financial Information Return                        |
| MECP     | Ministry of the Environment, Conservation and Parks |
| MMAH     | Ministry of Municipal Affairs and Housing           |
| OCIF     | Ontario Community Infrastructure Fund               |
| O. Reg.  | Ontario Regulation                                  |
| PSAB     | Public Sector Accounting Board                      |
| S.D.W.A. | Safe Drinking Water Act                             |
| T.C.A.   | Tangible Capital Assets                             |
| W.O.A.   | Water Opportunities Act                             |



# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Study Purpose

---

Watson & Associates Economists Ltd. (Watson) was retained by the City of Kenora (City) to prepare a water financial plan as part of the five submission requirements for the purposes of renewing a municipal drinking water license as per the *Safe Drinking Water Act, 2002*. In general, a financial plan requires an in-depth analysis of capital and operating needs, a review of current and future demand versus supply, and consideration of available funding sources. This detailed financial planning and forecasting in regard to the City's water system has already been completed and documented by Watson within the "City of Kenora Water and Wastewater Rate Study" (2025 Rate Study). The objective of the report provided herein is to convert the findings of the 2025 Rate Study into the prescribed reporting requirements for a financial plan as defined by Ontario Regulation 453/07 (O. Reg. 453/07).

## 1.2 Background

---

The *Safe Drinking Water Act* (S.D.W.A.) was passed in December 2002 in order to address some of the recommendations made by the Walkerton Inquiry Part II report. One of the main requirements of the Act is the mandatory licensing of municipal water providers. Subsection 31 (1) specifically states,

"No person shall,

- a) establish a new municipal drinking water system or replace or carry out an alteration to a municipal drinking water system except under the authority of and in accordance with an approval under this Part or a drinking water works permit; or
- b) use or operate a municipal drinking water system that was established before or after this section comes into force except under the authority of and in accordance with an approval under this Part or municipal drinking water licence."

In order to become licensed, a municipality must satisfy five key requirements as per subsection 44 (1):

1. Obtain a drinking water works permit.



2. Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard.
3. Accreditation of the Operating Authority.
4. Prepare and provide a financial plan.
5. Obtain permit to take water.

The preparation of a financial plan is a key requirement for licensing and as such, must be undertaken by all water providers.

### **1.2.1 Financial Plan Defined**

Section 30 of the S.D.W.A. provides the following definition of financial plans:

"financial plans" means financial plans that satisfy the requirements prescribed by the Minister.

These requirements are outlined in O. Reg. 453/07 and are examined in detail below.

### **1.2.2 Financial Plan Requirements – Existing System (Licence Renewal)**

O. Reg. 453/07 provides details on the requirements for existing water systems (licence renewal), which are summarized as follows:

- Financial plans must be approved by resolution of Council (or governing body);
- Financial plans must include a statement that the financial impacts have been considered and apply for a minimum six-year period (commencing in the year of licence expiry);
- Financial plans must include detail regarding proposed or projected financial operations itemized by total revenues, total expenses, annual surplus/deficit and accumulated surplus/deficit (i.e. the components of a "Statement of Operations" as per the P.S.A.B.) for each year in which the financial plans apply;
- Financial plans must present financial position itemized by total financial assets, total liabilities, net debt, non-financial assets, and tangible capital assets (i.e. the components of a "Statement of Financial Position" as per P.S.A.B.) for each year in which the financial plans apply;
- Gross cash receipts/payments itemized by operating transactions, capital transactions, investing transactions and financial transactions (i.e. the



components of a “Statement of Cash Flow” as per P.S.A.B.) for each year in which the financial plans apply;

- 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;
- If a website is maintained, financial plans are to be made available to the public through publication on the Internet at no charge;
- Notice of the availability of the financial plans is to be given to the public; and
- Financial plan is to be submitted to the Ministry of Municipal Affairs and Housing.

### ***1.2.3 Financial Plan Requirements – General***

Given that the requirement for a financial plan is legislated under the S.D.W.A., a financial plan is mandatory for water systems. The financial plans shall be for a forecast period of at least six years but longer planning horizons are encouraged. The ten-year forecast included in this financial plan goes above and beyond the minimum requirement. The financial plan is to be completed and approved by resolution of Council or the governing body in accordance with subsection 3 (1), paragraph 1 of O. Reg. 453/07. Confirmation of approval of the financial plan must be submitted at the time of municipal drinking water license renewal (i.e., six months prior to license expiry).

A copy of the financial plan must be submitted to the Ministry of Municipal Affairs and Housing (MMAH). The financial plan does not need to be submitted to the Ministry of the Environment, Conservation, and Parks (MECP); however, the MECP may request it in the course of review of the licence renewal. Financial plans may be amended and additional information beyond what is prescribed can be included if deemed necessary. The financial plan must contain on the front page, the appropriate financial plan number as set out in Schedule A of the Municipal Drinking Water Licence.

### ***1.2.4 Public Sector Accounting Board (P.S.A.B.) Requirements***

The components of the financial plans indicated by the regulation are consistent with the requirements for financial statement presentation as set out in section PS1201 of the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook:

“Financial statements should include a Statement of Financial Position, a Statement of Operations, a Statement of Change in Net Debt, and a Statement of Cash Flow.”



The format required is to conform to the requirements of PS1201 and PS3150. The financial statements are to be reported on a full accrual accounting basis. The accrual accounting method recognizes revenues and expenses in the same period as the activities that give rise to them regardless of when they are actually paid for. Since an exchange of cash is not necessary to report a financial transaction, the accrual method is meant to provide a more accurate picture of financial position.

The accounting treatment of tangible capital assets is prescribed under section PS3150. Tangible capital assets are to be capitalized to ensure an inventory of the assets owned is recorded and to account for their ability to provide future benefits.

The Statement of Cash Flow and the Statement of Change in Net Financial Assets/Debt are required statements. The Statement of Change in Net Financial Assets/Debt reports on whether enough revenue was generated in a period to cover the expenses in the period and whether sufficient resources have been generated to support current and future activities. The Statement of Cash Flow reports on how activities were financed for a given period providing a measure of the changes in cash for that period.



# Chapter 2

## Sustainable Financial Planning



## 2. Sustainable Financial Planning

### 2.1 Introduction

---

In general, sustainability refers to the ability to maintain a certain position over time. While the S.D.W.A. requires a declaration of the financial plan's sustainability, it does not give a clear definition of what would be considered sustainable. Instead, the MECP released a guideline ("Towards Financially Sustainable Drinking-Water and Wastewater Systems") that provides possible approaches to achieving sustainability. The Province's Principles of Financially Sustainable Water Services are provided below:

Principle #1: Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system to which they relate.

Principle #2: An integrated approach to planning among water, wastewater, and storm water systems is desirable given the inherent relationship among these services.

Principle #3: Revenues collected for the provision of water services should ultimately be used to meet the needs of those services.

Principle #4: Life-cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.

Principle #5: An asset management plan is a key input to the development of a financial plan.

Principle #6: A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.

Principle #7: Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.

Principle #8: Financial plans are "living" documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.



Principle #9: Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff, and municipal council.

## 2.2 Sustainable Water and Sewage Systems Act

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The *Sustainable Water and Sewage Systems Act* (S.W.S.S.A.) was passed on December 13, 2002. The intent of the Act was to introduce the requirement for municipalities to undertake an assessment of the “full cost” of providing their water and wastewater services. In total, there were 40 areas within the Act to which the Minister could have made Regulations. It is noted that the regulations, which accompany the Act, were not issued and the Act was repealed on December 31, 2012.

## 2.3 Water Opportunities Act, 2010

---

Since the passage of the *Safe Drinking Water Act*, changes and refinements to the legislation have been introduced, including the *Water Opportunities Act* (W.O.A). W.O.A. was introduced into legislation on May 18, 2010 and received Royal Assent on November 29, 2010.

The purposes of the W.O.A. are to foster innovative water, wastewater and storm water technologies, services, and practices; create opportunities for economic development and clean-technology jobs; and conserve and sustain water resources. To achieve this, the W.O.A. provides for the creation of performance targets (financial, operational and maintenance related), which will vary by service type and location and the required submission of conservation and sustainability plans for water, wastewater, and stormwater.

The sustainability plan in the W.O.A. expands on interim legislation for financial plans included in O. Reg. 453/07, to include the following:

- an asset management plan (A.M.P.) for the physical infrastructure;
- financial plan;
- water conservation plan (for water service only);
- a risk assessment;
- a strategy for maintaining and improving the services; and
- additional information considered advisable.



Where a Board has jurisdiction over a service, the plan (and any plan amendments) must be approved by the municipality in which the municipal service is provided, before submission to the Minister. The Minister may also direct preparation of joint or partially joint plans.

Regulations (still forthcoming) will prescribe details in regard to any time periods or time limits, contents of the plans, identifying which portions of the plan will require certification, the public consultation process (if required), limitations updates and refinements.

## **2.4 Infrastructure for Jobs and Prosperity Act (I.J.P.A.), 2015**

---

On June 4, 2015, the Province passed the *Infrastructure for Jobs and Prosperity Act* (I.J.P.A.) which, over time, will require municipalities to undertake and implement A.M.P.s for all infrastructure they own. On December 27, 2017, the Province of Ontario released O. Reg. 588/17 under I.J.P.A. which has three phases that municipalities must meet. The timelines associated with the three phases were later extended by O. Reg. 193/21 which was filed on March 15, 2021.

Every municipality in Ontario will have to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates, as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2022):
  - For core assets – Municipalities must have the following:
    - Inventory of assets;
    - Current levels of service measured by standard metrics; and
    - Costs to maintain levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
  - Same elements as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
  - Builds on Phase 1 and 2 by adding:
    - Proposed levels of service; and
    - Lifecycle management and Financial strategy.



In relation to water (which is considered a core asset), municipalities will need to have an A.M.P. that addresses the related infrastructure by July 1, 2022 (Phase 1). O. Reg. 588/17 specifies that the City's A.M.P. must include the following for each asset category:

- the current levels of service being provided;
  - determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the A.M.P.
- the current performance of each asset category;
- a summary of the assets in the category;
- the replacement cost of the assets in the category;
- the average age of the assets in the category, determined by assessing the average age of the components of the assets;
- the information available on the condition of the assets in the category;
- a description of the City's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- the lifecycle activities that would need to be undertaken to maintain the current levels of service.

The City completed an A.M.P. in 2022 which included a review of the City's water and wastewater infrastructure. The impacts of funding the lifecycle requirements of water wastewater infrastructure have been considered in the City's 2025 Rate Study.

## 2.5 Water Forecast

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The City has already completed financial planning through the 2025 Rate Study. The forecast was designed to address "full cost" principles and reflect the guiding principles toward sustainable financial planning.

As a result of employing this process, the 2025 Rate Study provides the basis for a financial plan for the City's water systems by including:

- A detailed assessment of current and future capital needs including an analysis of potential funding sources;



- An analysis of operating costs in order to determine how they will be impacted by evolving infrastructure needs and the systems growth;
- An analysis of required water rates that ensure revenues are equitable and sufficient to meet the systems needs; and
- A public process that involves consultation with the main stakeholders including the City's staff, Council, the general public (specifically the users of the systems) and others, with the aim of gaining input and collaboration on the sustainability of the water financial plan.

The background information and details of the financial plan are contained within the City's 2025 Rate Study.



# Chapter 3

## Approach



## 3. Approach

### 3.1 Overview

---

The 2025 Rate Study has been used as a starting point to prepare the water financial plan. The water forecast contained in the 2025 Rate Study was prepared on a modified cash basis; therefore, a conversion is required in order to present a full accrual financial plan for the purposes of this report. The conversion process used will help to establish the structure of the financial plan along with the opening balances that will underpin the forecast. This chapter outlines the conversion process utilized and summarizes the adjustments made to prepare the financial plan.

### 3.2 Conversion Process

---

The conversion from the existing modified cash basis financial plan to the full accrual reporting format required under O. Reg. 453/07 can be summarized in the following steps:

1. Calculate Tangible Capital Asset Balances
2. Convert Statement of Operations
3. Convert Statement of Financial Position
4. Convert Statement of Cash Flow and Net Assets/Debt
5. Verification and Note Preparation

#### **3.2.1 Calculate Tangible Capital Asset Balances**

In calculating tangible capital asset balances, existing and future purchased, developed, and/or contributed assets will need to be considered. For existing water assets, an inventory has already been compiled and summarized as part of the City's annual P.S.A.B. 3150 compliance processes. As required for P.S.A.B. 3150 reporting purposes, the asset inventory listing included historical cost (which is the original cost to purchase, develop, or construct each asset) along with an estimated useful life for each asset. The following calculations are made to determine net book value:



- Accumulated amortization up to the year prior to the first forecast year.
- Amortization expense on existing assets for each year of the forecast period.
- Acquisition of new assets for each year of the forecast period.
- Disposals and related gains or losses for each year of forecast period.

Future water capital needs have also been determined and summarized within the 2025 Rate Study. However, these estimates only represent future assets that the City anticipates purchasing or constructing. At present, the City does not have an estimate of the extent of infrastructure that may be contributed by developers and other parties (at no or partial cost to the City). If, over the forecast period, additional capital needs arise or contributed assets are anticipated, the financial plan may need to be adjusted to properly account for these transactions. Once the sequence and total asset acquisition has been determined for the forecast period, annual amortization of these assets for each year is calculated in a similar manner to that used for existing assets.

Once the historical cost, accumulated amortization, and amortization expenses are calculated as described above, the total net book value of the tangible capital assets can be determined and recorded on the Statement of Financial Position.

### **3.2.2 *Convert Statement of Operations***

A wide range of adjustments will be considered, dependent on the size and complexity of the system, in order to convert from the cash to full accrual basis (see Table 3-1). For example, debt repayment costs relating to the principal payment portion only need to be removed under the accrual basis, as they no longer qualify as an expense for reporting purposes. Principal payments are reported as a decrease in debt liability on the Statement of Financial Position. Transfers to and from reserves are removed as these transactions are represented by changes in cash and accumulated surplus. Finally, expenses relating to tangible capital assets, such as amortization, write-offs, and (gain)/loss on disposal of assets are reported on the Statement of Operations in order to capture the allocation of the cost of these assets to operating activities over their useful lives and therefore are added in under the accrual basis.



Table 3-1  
Conversion Adjustments  
Statement of Operations (Water)

| Modified Cash Basis                            | Budget<br>2025   | Adjustments      |                  | Full Accrual<br>Budget<br>2025 | Accrual Basis                                     |
|------------------------------------------------|------------------|------------------|------------------|--------------------------------|---------------------------------------------------|
|                                                |                  | DR               | CR               |                                |                                                   |
| <b>Revenues</b>                                |                  |                  |                  |                                | <b>Revenues</b>                                   |
| Base Charge Revenue                            | 4,093,044        |                  |                  | 4,093,044                      | Base Charge Revenue                               |
| Rate Based Revenue                             | 2,275,437        |                  |                  | 2,275,437                      | Rate Based Revenue                                |
| Transfers from Reserves                        | -                | -                |                  |                                |                                                   |
| Other Revenue                                  | 185,738          |                  | -                | 185,738                        | Other Revenue                                     |
| <b>Total Revenues</b>                          | <b>6,554,219</b> |                  |                  | <b>6,554,219</b>               | <b>Total Revenues</b>                             |
| <b>Expenditures</b>                            |                  |                  |                  |                                | <b>Expenses</b>                                   |
| Operating                                      | 4,083,654        | -                |                  | 4,083,654                      | Operating Expenses                                |
| Capital                                        |                  |                  |                  |                                |                                                   |
| Transfers to Reserves                          | 2,336,173        |                  | 2,336,173        |                                |                                                   |
| Transfers to Capital                           | -                |                  | -                |                                |                                                   |
| Debt Repayment (Principal & Interest)          | 134,392          |                  | 98,237           | 36,155                         | Interest on Debt                                  |
|                                                |                  | 926,158          |                  | 926,158                        | Amortization                                      |
|                                                |                  | -                |                  | -                              | Loss on Disposal of Tangible Capital Assets       |
| <b>Total Expenditures</b>                      | <b>6,554,219</b> |                  |                  | <b>5,045,967</b>               | <b>Total Expenses</b>                             |
|                                                |                  |                  |                  |                                |                                                   |
| <b>Net Expenditures</b>                        | <b>-</b>         |                  |                  | <b>1,508,252</b>               | <b>Annual Surplus/(Deficit)</b>                   |
| Increase (decrease) in amounts to be recovered | -                |                  |                  | 33,397,833                     | Accumulated Surplus/(Deficit), beginning of year  |
| <b>Change in Fund Balances</b>                 | <b>-</b>         | <b>1,508,252</b> | <b>-</b>         | <b>34,906,085</b>              | <b>Accumulated Surplus/(Deficit), end of year</b> |
| <b>TOTAL ADJUSTMENTS</b>                       |                  | <b>2,434,410</b> | <b>2,434,410</b> |                                |                                                   |

**Note:** The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



### **3.2.3 Convert Statement of Financial Position**

Once the Statement of Operations has been converted and the net book value of tangible capital assets has been recorded, balances for the remaining items on the Statement of Financial Position are determined and recorded (see Table 3-2). As noted earlier, the applicable balances from the Statement of Capital and the Statement of Reserve and Reserve Funds will need to be transferred to this statement. The opening/actual balances for the remaining accounts such as accounts receivable, inventory, accounts payable, outstanding debt (principal only), are recorded and classified according to the structure of the Statement of Financial Position as outlined in PS1201.

It is acknowledged that some of the balances required on the Statement of Financial Position will be consolidated across the City and as such, it may be difficult to isolate the information that is relevant to water. An example of this is accounts receivable, which may be administered centrally by the Finance Department. O. Reg. 453/07 allows for the exclusion of these numbers if they are not known at the time of preparing the financial plan. Please refer to the Financial Plan Notes in Chapter 4 for more details.

### **3.2.4 Convert Statement of Cash Flow and Net Financial Assets/Debt**

The Statement of Cash Flow summarizes how the City financed its activities or in other words, how the costs of providing services were recovered. The statement is derived using comparative Statement of Financial Position, the current Statement of Operations and other available transaction data.

The Statement of Change in Net Financial Assets/Debt is a new statement which reconciles the difference between the surplus or deficit from current operations and the change in net financial assets/debt for the year. This is significant, as net debt provides an indication of future revenue requirements. In order to complete the Statement of Net Financial Assets/Debt, additional information regarding any gains/losses on disposals of assets, asset write-downs, acquisition/use of supplies inventory, and the acquisition use of prepaid expenses is necessary, (if applicable). Although the Statement of Change in Net Financial Assets/Debt is not required under O. Reg. 453/07, it has been included in this report as a further indicator of financial viability.



Table 3-2  
Conversion Adjustments  
Statements of Financial Position (Water)

| Modified Cash Basis                    | Budget<br>2025   | Adjustments       |                   | Full Accrual<br>Budget<br>2025 | Accrual Basis                                     |
|----------------------------------------|------------------|-------------------|-------------------|--------------------------------|---------------------------------------------------|
|                                        |                  | DR                | CR                |                                |                                                   |
| <b>ASSETS</b>                          |                  |                   |                   |                                | <b>ASSETS</b>                                     |
| <b>Financial Assets</b>                |                  |                   |                   |                                | <b>Financial Assets</b>                           |
| Cash                                   | 945,123          |                   |                   | 945,123                        | Cash                                              |
| Accounts Receivable                    | 739,637          |                   |                   | 739,637                        | Accounts Receivable                               |
| <b>Total Financial Assets</b>          | <b>1,684,760</b> |                   |                   | <b>1,684,760</b>               | <b>Total Financial Assets</b>                     |
| <b>LIABILITIES</b>                     |                  |                   |                   |                                | <b>Liabilities</b>                                |
| Accounts Payable & Accrued Liabilities | 493,925          |                   |                   | 493,925                        | Accounts Payable & Accrued Liabilities            |
| Gross Long-term Liabilities            | 1,113,847        |                   |                   | 1,113,847                      | Debt (Principal only)                             |
| <b>Total Liabilities</b>               | <b>1,607,772</b> |                   |                   | <b>1,607,772</b>               | <b>Total Liabilities</b>                          |
|                                        |                  |                   |                   |                                |                                                   |
| <b>Net Assets/(Debt)</b>               | <b>76,988</b>    |                   |                   | <b>76,988</b>                  | <b>Net Financial Assets/(Debt)</b>                |
|                                        |                  |                   |                   |                                | <b>Non-Financial Assets</b>                       |
|                                        |                  | 34,829,097        | -                 | 34,829,097                     | Tangible Capital Assets                           |
|                                        |                  |                   |                   | <b>34,829,097</b>              | <b>Total Non-Financial Assets</b>                 |
| <b>Municipal Position</b>              |                  |                   |                   |                                |                                                   |
| Water Reserves                         | 1,190,835        | 1,190,835         | -                 |                                |                                                   |
| Amounts to be Recovered                | (1,113,847)      | -                 | 1,113,847         |                                |                                                   |
|                                        |                  |                   |                   |                                |                                                   |
| <b>Total Municipal Position</b>        | <b>76,988</b>    |                   | 34,906,085        | <b>34,906,085</b>              | <b>Accumulated Surplus/(Deficit), end of year</b> |
| <b>TOTAL ADJUSTMENTS</b>               |                  | <b>36,019,932</b> | <b>36,019,932</b> |                                |                                                   |

**Note:** The combined adjustments above should be balanced and net to \$0 (i.e. Total DR = Total CR)



### **3.2.5 Verification and Note Preparation**

The final step in the conversion process is to ensure that all of the statements created by the previous steps are in balance. The Statement of Financial Position summarizes the resources and obligations of the City at a set point in time. The Statement of Operations summarizes how these resources and obligations changed over the reporting period. To this end, the accumulated surplus/deficit reported on the Statement of Financial Position should equal the accumulated surplus/deficit reported on the Statement of Operations.

The Statement of Change in Net Financial Assets/Debt and the Statement of Financial Position are also linked in terms of reporting on net financial assets/debt. On the Statement of Financial Position, net financial assets/debt is equal to the difference between financial assets and liabilities and should equal net financial assets/debt as calculated on the Statement of Net Financial Assets/Debt.

While not part of the financial plan, the accompanying notes are important to summarize the assumptions and estimates made in preparing the financial plan. Some of the significant assumptions that need to be addressed within the financial plan are as follows:

- a) Opening cash balances – Opening cash balances are necessary to complete the Statement of Cash Flows and balance the Statement of Financial Position. Preferably, opening cash balances should be derived from actual information contained within the City's ledgers. However, it may not be possible to extract this information from the ledgers for water alone; therefore, a reasonable proxy will be needed. One approach is to assume that opening cash balances equal ending reserve and reserve fund balances from the previous year adjusted for accrual-based transactions reflected by accounts receivable/payable balances. The following equation outlines this approach:

Ending Reserve/Reserve Fund Balance  
Plus: Ending Accounts Payable Balance  
Less: Ending Accounts Receivable Balance  
Equals: Approximate Ending Cash Balance



- b) Amortization Expense – The method and timing of amortization should be based on the City’s amortization policy. Otherwise, an assumption will need to be made and applied consistently throughout the financial plan.
- c) Accumulated Amortization – Will be based on the culmination of accumulated amortization expenses throughout the life of each asset however derived, along with information on construction/acquisition date and useful life obtained from the 2025 Rate Study.
- d) Contributed Assets – As noted earlier, contributed assets could represent a significant part of the City’s infrastructure acquisitions. As such, a reasonable estimate of value and timing of acquisition/donation may be required in order to adequately capture these assets. In the case where contributed assets are deemed to be insignificant or unknown, an assumption of “no contributed assets within the forecast period” will be made.
- e) Accumulated Surplus – The magnitude of the surplus in this area may precipitate the need for additional explanation especially in the first year of reporting. This Accumulated Surplus captures the historical infrastructure investment which has not been reported in the past but has accumulated to significant levels. It also includes all water reserve and reserve fund balances.
- f) Other Revenues – Will represent the recognition of revenues previously deferred (i.e. development charge revenues) and/or accrued revenues (developer contributions), and/or other minor miscellaneous revenues.



# Chapter 4

## Financial Plan



## 4. Financial Plan

### 4.1 Introduction

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The following tables provide the complete financial plan for the City's water system. A brief description and analysis of each table is provided below. It is important to note that the financial plan that follows is a forward look at the financial position of the City's water system. It is not an audited document<sup>1</sup> and contains various estimates as detailed in the "Notes to the Financial Plan" section below.

### 4.2 Water Financial Plan

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#### 4.2.1 *Statement of Financial Position (Table 4-1)*

The Statement of Financial Position provides information that describes the assets, liabilities, and accumulated surplus of the City's water system. The first important indicator is net financial assets/(debt), which is defined as the difference between financial assets and liabilities. This indicator provides an indication of the system's "future revenue requirement." A net financial asset position is where financial assets are greater than liabilities and implies that the system has the resources to finance future operations. Conversely, a net debt position implies that the future revenues generated by the system will be needed to finance past transactions, as well as future operations. Table 4-1 indicates that for 2025, the City's water system will be in a net financial asset position of approximately \$77,000. The City's net financial asset position is forecast to increase in 2026 and 2027, and subsequently to decrease to a peak net financial debt position of approximately \$15.6 million in 2031. The net financial debt position is then forecast to decrease to approximately \$6.6 million by the end of the forecast period.

Another important indicator on the Statement of Financial Position is the tangible capital asset balance. As noted earlier, providing this information is a requirement for municipalities as part of PS3150 compliance and is significant from a financial planning perspective for the following reasons:

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<sup>1</sup> O. Reg. 453/07 does not require an audited financial plan.



- Tangible capital assets such as water mains and treatment plants are imperative to water service delivery.
- These assets represent significant economic resources in terms of their historical and replacement costs. Therefore, ongoing capital asset management is essential to managing significant replacements and repairs.
- The annual maintenance required by these assets has an enduring impact on water operational budgets.

In general terms, an increase in the tangible capital asset balance indicates that assets may have been acquired either through purchase by the City or donation/contribution by a third party. A decrease in the tangible capital asset balance can indicate a disposal, write down, or use of assets. A use of assets is usually represented by an increase in accumulated amortization due to annual amortization expenses arising as a result of allocating the cost of the asset to operations over the asset's useful life. Table 4-1 shows tangible capital assets are expected to grow by approximately \$43.5 million over the ten-year forecast period. This indicates that the City has plans to invest in tangible capital assets in excess of the anticipated use of existing assets over the forecast period.

#### **4.2.2 Statement of Operations (Table 4-2)**

The Statement of Operations summarizes the revenues and expenses generated by the water system for a given period. The annual surplus/deficit measures whether the revenues generated were sufficient to cover the expenses incurred and in turn, whether net financial assets have been maintained or depleted. Table 4-2 illustrates the ratio of expenses to revenues decreasing over the forecast period, from 77% in 2025 to 53% by 2034. As a result, an annual surplus position is forecasted for all years of the forecast, ultimately reaching an annual surplus position of approximately \$6.7 million by the end of the forecast period. It is important to note that an annual surplus is beneficial to ensure funding is available for non-expense costs such as tangible capital asset acquisitions, reserve/reserve fund transfers and debt principal payments.

Another important indicator on this statement is accumulated surplus/deficit. An accumulated surplus indicates that the available net resources are sufficient to provide future water services. An accumulated deficit indicates that resources are insufficient to provide future services and that borrowing or rate increases are required to finance annual deficits. From Table 4-2, the financial plan proposes to add approximately \$36.8



million to an opening 2025 accumulated surplus of \$33.4 million over the forecast period. This accumulated surplus, as indicated in Table 4-2, is predominantly made up of up of reserve and reserve fund balances as well as investments in tangible capital assets.

#### **4.2.3 Statement of Change in Net Financial Assets/Debt (Table 4-3)**

The Statement of Change in Net Financial Assets/Debt indicates whether revenue generated was sufficient to cover operating and non-financial asset costs (i.e., inventory supplies, prepaid expenses, tangible capital assets, etc.) and in so doing, explains the difference between the annual surplus/deficit and the change in net financial assets/debt for the period.

Table 4-3 indicates that in some years forecasted tangible capital asset acquisitions (net of amortization for the year) exceed forecasted annual surplus, while in others the forecasted annual surplus exceeds forecasted tangible capital asset acquisitions (net of amortization for the year). The overall result is an increase of the net financial debt balance, peaking in 2031 then decreasing and ultimately reaching a net financial debt position of approximately \$6.6 million by the end of the forecast period. The overall increase to net financial debt balance is the result of a long-term plan of funding capital asset acquisitions through accumulated surplus (i.e., reserves and reserve funds) and debt issuance. The ratio of cumulative annual surplus before amortization to cumulative tangible capital asset acquisitions is forecasted to decrease over the forecast period, decreasing from 0.99 in 2025 to 0.88 by 2034 (note: a desirable ratio is 1:1 or better).

#### **4.2.4 Statement of Cash Flow (Table 4-4)**

The Statement of Cash Flow summarizes how the City's water system is expected to generate and use cash resources during the forecast period. The transactions that provide/use cash are classified as operating, capital, investing, and financing activities as shown in Table 4-4. This statement focuses on the cash aspect of these transactions and thus is the link between cash- and accrual-based reporting. Table 4-4 indicates that cash from operations will be used to fund capital transactions (i.e., tangible capital asset acquisitions) and build internal reserves and reserve funds over the forecast period. The financial plan projects the cash position of the City's water system to increase from a positive balance of approximately \$1.15 million at the beginning of 2025 to a positive balance of approximately \$6.11 million by the end of



2034. For further discussion on projected cash balances please refer to the Notes to the Financial Plan.



Table 4-1  
Statement of Financial Position: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2025-2034

|                                                   | Notes               | Forecast          |                   |                   |                   |                     |                     |                     |                     |                     |                    |
|---------------------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
|                                                   |                     | 2025              | 2026              | 2027              | 2028              | 2029                | 2030                | 2031                | 2032                | 2033                | 2034               |
| <b>Financial Assets</b>                           |                     |                   |                   |                   |                   |                     |                     |                     |                     |                     |                    |
| Cash                                              | 1                   | 945,123           | 1,402,871         | 1,287,360         | -                 | -                   | -                   | -                   | 2,125,080           | 1,015,974           | 6,114,427          |
| Accounts Receivable                               | 1                   | 739,637           | 806,751           | 880,047           | 960,361           | 1,048,068           | 1,143,829           | 1,248,389           | 1,362,579           | 1,487,265           | 1,623,412          |
| <b>Total Financial Assets</b>                     |                     | <b>1,684,760</b>  | <b>2,209,622</b>  | <b>2,167,407</b>  | <b>960,361</b>    | <b>1,048,068</b>    | <b>1,143,829</b>    | <b>1,248,389</b>    | <b>3,487,659</b>    | <b>2,503,239</b>    | <b>7,737,839</b>   |
| <b>Liabilities</b>                                |                     |                   |                   |                   |                   |                     |                     |                     |                     |                     |                    |
| Bank Indebtedness                                 |                     | -                 | -                 | -                 | 417,059           | 491,171             | 573,023             | 663,311             | -                   | -                   | -                  |
| Accounts Payable & Accrued Liabilities            | 1                   | 493,925           | 514,567           | 530,053           | 543,303           | 556,898             | 570,807             | 585,079             | 599,702             | 614,700             | 630,061            |
| Debt (Principal only)                             | 2                   | 1,113,847         | 1,012,632         | 908,441           | 879,944           | 12,043,877          | 13,393,325          | 15,596,893          | 14,943,577          | 14,349,065          | 13,728,282         |
| Deferred Revenue                                  | 3                   | -                 | -                 | -                 | -                 | -                   | -                   | -                   | -                   | -                   | -                  |
| <b>Total Liabilities</b>                          |                     | <b>1,607,772</b>  | <b>1,527,199</b>  | <b>1,438,494</b>  | <b>1,840,306</b>  | <b>13,091,946</b>   | <b>14,537,155</b>   | <b>16,845,283</b>   | <b>15,543,279</b>   | <b>14,963,765</b>   | <b>14,358,343</b>  |
| <b>Net Financial Assets/(Debt)</b>                |                     | <b>76,988</b>     | <b>682,423</b>    | <b>728,913</b>    | <b>(879,945)</b>  | <b>(12,043,878)</b> | <b>(13,393,326)</b> | <b>(15,596,894)</b> | <b>(12,055,620)</b> | <b>(12,460,526)</b> | <b>(6,620,504)</b> |
| <b>Non-Financial Assets</b>                       |                     |                   |                   |                   |                   |                     |                     |                     |                     |                     |                    |
| Tangible Capital Assets                           | 4                   | 34,829,097        | 36,121,936        | 38,456,674        | 42,980,390        | 57,554,442          | 62,373,456          | 68,652,180          | 69,882,606          | 75,979,957          | 76,838,449         |
| <b>Total Non-Financial Assets</b>                 |                     | <b>34,829,097</b> | <b>36,121,936</b> | <b>38,456,674</b> | <b>42,980,390</b> | <b>57,554,442</b>   | <b>62,373,456</b>   | <b>68,652,180</b>   | <b>69,882,606</b>   | <b>75,979,957</b>   | <b>76,838,449</b>  |
| <b>Accumulated Surplus/(Deficit)</b>              | 5                   | <b>34,906,085</b> | <b>36,804,359</b> | <b>39,185,587</b> | <b>42,100,445</b> | <b>45,510,564</b>   | <b>48,980,130</b>   | <b>53,055,286</b>   | <b>57,826,986</b>   | <b>63,519,431</b>   | <b>70,217,945</b>  |
| <b>Financial Indicators</b>                       | <b>Total Change</b> | <b>2025</b>       | <b>2026</b>       | <b>2027</b>       | <b>2028</b>       | <b>2029</b>         | <b>2030</b>         | <b>2031</b>         | <b>2032</b>         | <b>2033</b>         | <b>2034</b>        |
| 1) Increase/(Decrease) in Net Financial Assets    | (6,721,082)         | (23,590)          | 605,435           | 46,490            | (1,608,858)       | (11,163,933)        | (1,349,448)         | (2,203,568)         | 3,541,274           | (404,906)           | 5,840,022          |
| 2) Increase/(Decrease) in Tangible Capital Assets | 43,541,194          | 1,531,842         | 1,292,839         | 2,334,738         | 4,523,716         | 14,574,052          | 4,819,014           | 6,278,724           | 1,230,426           | 6,097,351           | 858,492            |
| 3) Increase/(Decrease) in Accumulated Surplus     | 36,820,112          | 1,508,252         | 1,898,274         | 2,381,228         | 2,914,858         | 3,410,119           | 3,469,566           | 4,075,156           | 4,771,700           | 5,692,445           | 6,698,514          |



Table 4-2  
Statement of Operations: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2025-2034

|                                                      | Notes               | Forecast          |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                      |                     | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032              | 2033              | 2034              |
| <b>Water Revenue</b>                                 |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Base Charge Revenue                                  |                     | 4,093,044         | 4,477,205         | 4,897,419         | 5,357,066         | 5,859,848         | 6,409,812         | 7,011,385         | 7,669,410         | 8,389,182         | 9,176,496         |
| Rate Based Revenue                                   |                     | 2,275,437         | 2,478,024         | 2,698,646         | 2,938,909         | 3,200,561         | 3,485,505         | 3,795,815         | 4,133,749         | 4,501,766         | 4,902,544         |
| Other Revenue                                        | 6                   | 185,738           | 193,709           | 202,377           | 214,165           | 226,933           | 240,606           | 255,264           | 271,194           | 288,292           | 306,656           |
| <b>Total Revenues</b>                                |                     | <b>6,554,219</b>  | <b>7,148,938</b>  | <b>7,798,442</b>  | <b>8,510,140</b>  | <b>9,287,342</b>  | <b>10,135,923</b> | <b>11,062,464</b> | <b>12,074,353</b> | <b>13,179,240</b> | <b>14,385,696</b> |
| <b>Water Expenses</b>                                |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Operating Expenses                                   | Sch. 4-1            | 4,083,654         | 4,254,324         | 4,382,351         | 4,491,900         | 4,604,300         | 4,719,300         | 4,837,300         | 4,958,200         | 5,082,200         | 5,209,200         |
| Interest on Debt                                     | 2                   | 36,155            | 33,179            | 30,201            | 27,098            | 26,175            | 530,271           | 592,832           | 693,779           | 665,746           | 639,474           |
| Amortization                                         | 4                   | 926,158           | 963,161           | 1,004,662         | 1,076,284         | 1,246,748         | 1,416,786         | 1,557,176         | 1,650,674         | 1,738,849         | 1,838,508         |
| Loss on Disposal of Tangible Capital Assets          |                     | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Expenses</b>                                |                     | <b>5,045,967</b>  | <b>5,250,664</b>  | <b>5,417,214</b>  | <b>5,595,282</b>  | <b>5,877,223</b>  | <b>6,666,357</b>  | <b>6,987,308</b>  | <b>7,302,653</b>  | <b>7,486,795</b>  | <b>7,687,182</b>  |
| <b>Annual Surplus/(Deficit)</b>                      |                     | <b>1,508,252</b>  | <b>1,898,274</b>  | <b>2,381,228</b>  | <b>2,914,858</b>  | <b>3,410,119</b>  | <b>3,469,566</b>  | <b>4,075,156</b>  | <b>4,771,700</b>  | <b>5,692,445</b>  | <b>6,698,514</b>  |
| Accumulated Surplus/(Deficit), beginning of year     | 5                   | 33,397,833        | 34,906,085        | 36,804,359        | 39,185,587        | 42,100,445        | 45,510,564        | 48,980,130        | 53,055,286        | 57,826,986        | 63,519,431        |
| Accumulated Surplus/(Deficit), end of year           |                     | 34,906,085        | 36,804,359        | 39,185,587        | 42,100,445        | 45,510,564        | 48,980,130        | 53,055,286        | 57,826,986        | 63,519,431        | 70,217,945        |
| <b>Note 5:</b>                                       |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Accumulated Surplus/(Deficit) Reconciliation:</b> |                     | <b>2025</b>       | <b>2026</b>       | <b>2027</b>       | <b>2028</b>       | <b>2029</b>       | <b>2030</b>       | <b>2031</b>       | <b>2032</b>       | <b>2033</b>       | <b>2034</b>       |
| <b>Reserve Balances</b>                              |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserves: Capital/Other                              |                     | 1,190,835         | 1,695,055         | 1,637,354         | (1)               | (1)               | (1)               | (1)               | 2,887,957         | 1,888,539         | 7,107,778         |
| <b>Total Reserves Balance</b>                        |                     | <b>1,190,835</b>  | <b>1,695,055</b>  | <b>1,637,354</b>  | <b>(1)</b>        | <b>(1)</b>        | <b>(1)</b>        | <b>(1)</b>        | <b>2,887,957</b>  | <b>1,888,539</b>  | <b>7,107,778</b>  |
| Less: Debt Obligations and Deferred Revenue          |                     | (1,113,847)       | (1,012,632)       | (908,441)         | (879,944)         | (12,043,877)      | (13,393,325)      | (15,596,893)      | (14,943,577)      | (14,349,065)      | (13,728,282)      |
| Add: Tangible Capital Assets                         | 4                   | 34,829,097        | 36,121,936        | 38,456,674        | 42,980,390        | 57,554,442        | 62,373,456        | 68,652,180        | 69,882,606        | 75,979,957        | 76,838,449        |
| <b>Total Ending Balance</b>                          |                     | <b>34,906,085</b> | <b>36,804,359</b> | <b>39,185,587</b> | <b>42,100,445</b> | <b>45,510,564</b> | <b>48,980,130</b> | <b>53,055,286</b> | <b>57,826,986</b> | <b>63,519,431</b> | <b>70,217,945</b> |
| <b>Financial Indicators</b>                          | <b>Total Change</b> | <b>2025</b>       | <b>2026</b>       | <b>2027</b>       | <b>2028</b>       | <b>2029</b>       | <b>2030</b>       | <b>2031</b>       | <b>2032</b>       | <b>2033</b>       | <b>2034</b>       |
| 1) Expense to Revenue Ratio                          |                     | 77%               | 73%               | 69%               | 66%               | 63%               | 66%               | 63%               | 60%               | 57%               | 53%               |
| 2) Increase/(Decrease) in Accumulated Surplus        | 36,820,112          | 1,508,252         | 1,898,274         | 2,381,228         | 2,914,858         | 3,410,119         | 3,469,566         | 4,075,156         | 4,771,700         | 5,692,445         | 6,698,514         |



Schedule 4-1  
Statement of Operating Expenses: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2025-2034

|                                          | Notes | Forecast         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------|-------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                          |       | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             | 2034             |
| <b>Operating Expenses</b>                |       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Waterworks                               |       | 2,167,434        | 2,086,379        | 2,344,693        | 2,403,300        | 2,463,400        | 2,525,000        | 2,588,100        | 2,652,800        | 2,719,100        | 2,787,100        |
| Standpipe & Booster                      |       | 191,820          | 199,840          | 208,238          | 213,400          | 218,800          | 224,200          | 229,900          | 235,600          | 241,500          | 247,500          |
| Water Treatment Plant                    |       | 1,599,113        | 1,845,140        | 1,698,684        | 1,741,200        | 1,784,700        | 1,829,300        | 1,875,000        | 1,921,900        | 1,970,000        | 2,019,200        |
| Water & Sewer Vehicles (50% Water Share) |       | 125,287          | 122,965          | 130,737          | 134,000          | 137,400          | 140,800          | 144,300          | 147,900          | 151,600          | 155,400          |
| Non TCA - Expenses from Capital Budget   | 7     | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| <b>TOTAL OPERATING EXPENSES</b>          |       | <b>4,083,654</b> | <b>4,254,324</b> | <b>4,382,351</b> | <b>4,491,900</b> | <b>4,604,300</b> | <b>4,719,300</b> | <b>4,837,300</b> | <b>4,958,200</b> | <b>5,082,200</b> | <b>5,209,200</b> |

Table 4-3  
Statement of Changes in Net Financial Assets/Debt: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2025-2034

|                                                               | Notes | Forecast        |                |                |                    |                     |                     |                     |                     |                     |                    |
|---------------------------------------------------------------|-------|-----------------|----------------|----------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
|                                                               |       | 2025            | 2026           | 2027           | 2028               | 2029                | 2030                | 2031                | 2032                | 2033                | 2034               |
| Annual Surplus/(Deficit)                                      |       | 1,508,252       | 1,898,274      | 2,381,228      | 2,914,858          | 3,410,119           | 3,469,566           | 4,075,156           | 4,771,700           | 5,692,445           | 6,698,514          |
| Less: Acquisition of Tangible Capital Assets                  | 4     | (2,458,000)     | (2,256,000)    | (3,339,400)    | (5,600,000)        | (15,820,800)        | (6,235,800)         | (7,835,900)         | (2,881,100)         | (7,836,200)         | (2,697,000)        |
| Add: Amortization of Tangible Capital Assets                  | 4     | 926,158         | 963,161        | 1,004,662      | 1,076,284          | 1,246,748           | 1,416,786           | 1,557,176           | 1,650,674           | 1,738,849           | 1,838,508          |
|                                                               |       | (1,531,842)     | (1,292,839)    | (2,334,738)    | (4,523,716)        | (14,574,052)        | (4,819,014)         | (6,278,724)         | (1,230,426)         | (6,097,351)         | (858,492)          |
| <b>Increase/(Decrease) in Net Financial Assets/(Net Debt)</b> |       | <b>(23,590)</b> | <b>605,435</b> | <b>46,490</b>  | <b>(1,608,858)</b> | <b>(11,163,933)</b> | <b>(1,349,448)</b>  | <b>(2,203,568)</b>  | <b>3,541,274</b>    | <b>(404,906)</b>    | <b>5,840,022</b>   |
| Net Financial Assets/(Net Debt), beginning of year            |       | 100,578         | 76,988         | 682,423        | 728,913            | (879,945)           | (12,043,878)        | (13,393,326)        | (15,596,894)        | (12,055,620)        | (12,460,526)       |
| <b>Net Financial Assets/(Net Debt), end of year</b>           |       | <b>76,988</b>   | <b>682,423</b> | <b>728,913</b> | <b>(879,945)</b>   | <b>(12,043,878)</b> | <b>(13,393,326)</b> | <b>(15,596,894)</b> | <b>(12,055,620)</b> | <b>(12,460,526)</b> | <b>(6,620,504)</b> |

| Financial Indicators                                                                | 2025      | 2026      | 2027      | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       | 2034       |
|-------------------------------------------------------------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| 1) Acquisition of Tangible Capital Assets (Cumulative)                              | 2,458,000 | 4,714,000 | 8,053,400 | 13,653,400 | 29,474,200 | 35,710,000 | 43,545,900 | 46,427,000 | 54,263,200 | 56,960,200 |
| 2) Annual Surplus/Deficit before Amortization (Cumulative)                          | 2,434,410 | 5,295,845 | 8,681,735 | 12,672,877 | 17,329,744 | 22,216,096 | 27,848,428 | 34,270,802 | 41,702,096 | 50,239,118 |
| 3) Ratio of Annual Surplus before Amortization to Acquisition of TCA's (Cumulative) | 0.99      | 1.12      | 1.08      | 0.93       | 0.59       | 0.62       | 0.64       | 0.74       | 0.77       | 0.88       |



Table 4-4  
Statement of Cash Flow – Indirect Method: Water Services  
UNAUDITED: For Financial Planning Purposes Only  
2025-2034

|                                                      | Notes | Forecast    |             |             |             |              |             |             |             |             |             |
|------------------------------------------------------|-------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
|                                                      |       | 2025        | 2026        | 2027        | 2028        | 2029         | 2030        | 2031        | 2032        | 2033        | 2034        |
| <b>Operating Transactions</b>                        |       |             |             |             |             |              |             |             |             |             |             |
| Annual Surplus/Deficit                               |       | 1,508,252   | 1,898,274   | 2,381,228   | 2,914,858   | 3,410,119    | 3,469,566   | 4,075,156   | 4,771,700   | 5,692,445   | 6,698,514   |
| Add: Amortization of TCA's                           | 4     | 926,158     | 963,161     | 1,004,662   | 1,076,284   | 1,246,748    | 1,416,786   | 1,557,176   | 1,650,674   | 1,738,849   | 1,838,508   |
| (Gain)/Loss on disposal of Tangible Capital Assets   |       | -           | -           | -           | -           | -            | -           | -           | -           | -           | -           |
| Change in A/R (Increase)/Decrease                    |       | (86,312)    | (67,115)    | (73,295)    | (80,314)    | (87,707)     | (95,761)    | (104,559)   | (114,190)   | (124,687)   | (136,146)   |
| Change in A/P Increase/(Decrease)                    |       | 2,589       | 20,642      | 15,486      | 13,250      | 13,595       | 13,909      | 14,272      | 14,623      | 14,998      | 15,361      |
| Cash Provided by Operating Transactions              |       | 2,350,687   | 2,814,962   | 3,328,081   | 3,924,078   | 4,582,755    | 4,804,500   | 5,542,045   | 6,322,807   | 7,321,605   | 8,416,237   |
| <b>Capital Transactions</b>                          |       |             |             |             |             |              |             |             |             |             |             |
| Proceeds on sale of Tangible Capital Assets          |       | -           | -           | -           | -           | -            | -           | -           | -           | -           | -           |
| Less: Cash Used to acquire Tangible Capital Assets   | 4     | (2,458,000) | (2,256,000) | (3,339,400) | (5,600,000) | (15,820,800) | (6,235,800) | (7,835,900) | (2,881,100) | (7,836,200) | (2,697,000) |
| Cash Applied to Capital Transactions                 |       | (2,458,000) | (2,256,000) | (3,339,400) | (5,600,000) | (15,820,800) | (6,235,800) | (7,835,900) | (2,881,100) | (7,836,200) | (2,697,000) |
| <b>Investing Transactions</b>                        |       |             |             |             |             |              |             |             |             |             |             |
| Proceeds from Investments                            |       | -           | -           | -           | -           | -            | -           | -           | -           | -           | -           |
| Less: Cash Used to Acquire Investments               |       | -           | -           | -           | -           | -            | -           | -           | -           | -           | -           |
| Cash Provided by (applied to) Investing Transactions |       | -           | -           | -           | -           | -            | -           | -           | -           | -           | -           |
| <b>Financing Transactions</b>                        |       |             |             |             |             |              |             |             |             |             |             |
| Proceeds from Debt Issue                             | 2     | -           | -           | -           | 48,798      | 11,275,903   | 1,824,169   | 2,755,962   | -           | -           | -           |
| Less: Debt Repayment (Principal only)                | 2     | (98,237)    | (101,214)   | (104,192)   | (77,295)    | (111,970)    | (474,721)   | (552,395)   | (653,316)   | (594,511)   | (620,784)   |
| Cash Applied to Financing Transactions               |       | (98,237)    | (101,214)   | (104,192)   | (28,497)    | 11,163,933   | 1,349,448   | 2,203,567   | (653,316)   | (594,511)   | (620,784)   |
| Increase in Cash and Cash Equivalents                |       | (205,550)   | 457,748     | (115,511)   | (1,704,419) | (74,112)     | (81,852)    | (90,288)    | 2,788,391   | (1,109,106) | 5,098,453   |
| Cash and Cash Equivalents, beginning of year         | 1     | 1,150,673   | 945,123     | 1,402,871   | 1,287,360   | (417,059)    | (491,171)   | (573,023)   | (663,311)   | 2,125,080   | 1,015,974   |
| Cash and Cash Equivalents, end of year               | 1     | 945,123     | 1,402,871   | 1,287,360   | (417,059)   | (491,171)    | (573,023)   | (663,311)   | 2,125,080   | 1,015,974   | 6,114,427   |



## Water

### Notes to Financial Plan

The financial plan format as outlined in Chapter 4 closely approximates the full accrual format used by municipalities (2009 onward) on their audited financial statements. However, the financial plan is not an audited document and contains various estimates. In this regard, subsection 3 (2) of O. Reg. 453/07 states the following:

“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).”

The information referred to in sub-subparagraphs 4 i A, B and C of subsection (1) includes:

- A. Total financial assets (i.e., cash and receivables);
- B. Total liabilities (i.e., payables, debt and deferred revenue);
- C. Net debt (i.e., the difference between A and B above).

The information referred to in sub-subparagraphs 4 iii A, C, E and F of subsection (1) includes:

- A. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges
- B. Investing transactions that are acquisitions and disposal of investments
- C. Change in cash and cash equivalents during the year
- D. Cash and cash equivalents at the beginning and end of the year

In order to show a balanced financial plan in a full accrual format for the City, some of the items listed above have been estimated given that the City does not maintain all financial asset and liability data separately for water. Usually, this type of data is combined with the financial assets and liabilities of other departments and services given that there is not a current obligation to disclose this data separately (as there is with revenue and expenses).



The assumptions used have been documented below:

## **1. Cash, Receivables and Payables**

It is assumed that the opening cash balances required to complete the financial plan are equal to:

Ending Reserve/Reserve Fund Balance  
*Plus:* Ending Accounts Payable Balance  
*Less:* Ending Accounts Receivable Balance  
*Equals:* *Approximate Ending Cash Balance*

Receivable and payable balances were estimated for each year of the forecast based on the following factors:

- a) Receivables: Based on ratios of City-wide receivables as a percentage of annual City-wide revenues (using the City's 2022 audited financial statements); and
- b) Payables: Based on ratios of City-wide payables as a percentage of annual City-wide expenses (using the City's 2022 audited financial statements).

## **2. Debt**

Outstanding water related debt principal at the end of 2024 was approximately \$1.2 million. It is anticipated that additional debentures will be required over the forecast period. Principal repayments over the forecast period are scheduled as follows.



| Year         | Principal Payments |
|--------------|--------------------|
| 2025         | 98,237             |
| 2026         | 101,214            |
| 2027         | 104,192            |
| 2028         | 77,295             |
| 2029         | 111,970            |
| 2030         | 474,721            |
| 2031         | 552,395            |
| 2032         | 653,316            |
| 2033         | 594,511            |
| 2034         | 620,784            |
| <b>Total</b> | <b>3,388,635</b>   |

For financial reporting purposes, debt principal payments represent a decrease in debt liability and the interest payments represent a current year operating expense.

### 3. Deferred Revenue

Deferred revenue is typically made up of water development charge reserve fund balances which are considered to be a liability for financial reporting purposes until the funds are used to emplace the works for which they have been collected. In years when a water development charge reserve fund balance is negative, it is shown as an asset (accounts receivable – other) for financial reporting purposes, representing future amounts to be collected from developers. Deferred revenue can also represent grant funding that has not been earned as revenue in any given year. For the purposes of this financial plan it is assumed all grant funding received will be earned in the year it is received.

### 4. Tangible Capital Assets

- Opening net book value of tangible capital assets includes water related assets, based on information contained with the City's asset database.
- Amortization is calculated based on the straight-line approach with half the annual amortization applied in the year of acquisition or construction.
- Given the planned asset replacement forecast in the 2025 Rate Study, useful life on acquisitions is assumed to be equal to typical values assigned by the City for each asset category.
- Write-offs are assumed to equal \$0 for each year in the forecast period.



- Tangible capital assets are shown on a net basis. It is assumed that disposals occur when the asset is being replaced, unless the asset is documented as a new asset. The value of each asset disposal is calculated by estimating the original purchase/construction date and deflating current replacement cost values to those estimated dates in order to calculate original historical cost.
- Gains/losses on disposal are assumed to be \$0 (it is assumed that historical cost is equal to accumulated amortization for all disposals).
- Residual value is assumed to be \$0 for all assets contained within the forecast period.
- Contributed Assets, as described in Section 3.2.1, are deemed to be insignificant/ unknown during the forecast period and are therefore assumed to be \$0.
- The City is unaware of any specific lead service piping in the municipal water system.

The balance of tangible capital assets is summarized on Table 4-5, as follows:



Table 4-5  
Tangible Capital Asset Summary

| Asset Historical Cost                         | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032              | 2033               | 2034               |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Opening Tangible Capital Asset Balance        | 54,057,136        | 56,356,567        | 58,358,516        | 61,424,886        | 66,422,426        | 81,262,033        | 86,582,988        | 93,457,019        | 96,106,518         | 102,817,888        |
| Acquisitions                                  | 2,458,000         | 2,256,000         | 3,339,400         | 5,600,000         | 15,820,800        | 6,235,800         | 7,835,900         | 2,881,100         | 7,836,200          | 2,697,000          |
| Disposals                                     | 158,569           | 254,051           | 273,030           | 602,460           | 981,193           | 914,845           | 961,869           | 231,601           | 1,124,830          | 705,587            |
| <b>Closing Tangible Capital Asset Balance</b> | <b>56,356,567</b> | <b>58,358,516</b> | <b>61,424,886</b> | <b>66,422,426</b> | <b>81,262,033</b> | <b>86,582,988</b> | <b>93,457,019</b> | <b>96,106,518</b> | <b>102,817,888</b> | <b>104,809,301</b> |
| Opening Accumulated Amortization              | 20,759,881        | 21,527,470        | 22,236,580        | 22,968,212        | 23,442,036        | 23,707,591        | 24,209,532        | 24,804,839        | 26,223,912         | 26,837,931         |
| Amortization Expense                          | 926,158           | 963,161           | 1,004,662         | 1,076,284         | 1,246,748         | 1,416,786         | 1,557,176         | 1,650,674         | 1,738,849          | 1,838,508          |
| Amortization on Disposal                      | 158,569           | 254,051           | 273,030           | 602,460           | 981,193           | 914,845           | 961,869           | 231,601           | 1,124,830          | 705,587            |
| <b>Ending Accumulated Amortization</b>        | <b>21,527,470</b> | <b>22,236,580</b> | <b>22,968,212</b> | <b>23,442,036</b> | <b>23,707,591</b> | <b>24,209,532</b> | <b>24,804,839</b> | <b>26,223,912</b> | <b>26,837,931</b>  | <b>27,970,852</b>  |
| <b>Net Book Value</b>                         | <b>34,829,097</b> | <b>36,121,936</b> | <b>38,456,674</b> | <b>42,980,390</b> | <b>57,554,442</b> | <b>62,373,456</b> | <b>68,652,180</b> | <b>69,882,606</b> | <b>75,979,957</b>  | <b>76,838,449</b>  |



## 5. Accumulated Surplus

Opening accumulated surplus for the forecast period is reconciled as follows:

| Water                                       | 2025 Opening<br>Accumulated<br>Surplus |
|---------------------------------------------|----------------------------------------|
| <b>Reserve Balances</b>                     |                                        |
| Reserves: Capital/Other                     | 1,312,662                              |
| <b>Total Reserves Balance</b>               | <b>1,312,662</b>                       |
| Less: Debt Obligations and Deferred Revenue | (1,212,084)                            |
| Add: Tangible Capital Assets                | 33,297,255                             |
| <b>Total Opening Balance</b>                | <b>33,397,833</b>                      |

The accumulated surplus reconciliation for all years within the forecast period is contained in Table 4-2.

## 6. Other Revenue

Other revenue includes revenues collected from water delivery, vehicle expense recovery, and other miscellaneous revenues.

## 7. Operating Expenses

Capital expenditures for items not meeting the definition of tangible capital assets have been reclassified as operating expenses and have been expensed in the year in which they occur.



# Chapter 5

## Process for Financial Plan Approval and Submission to the Province



## 5. Process for Financial Plan Approval and Submission to the Province

As mentioned in Section 1.2, preparation and approval of a financial plan for water assets that meets the requirements of the Act is mandatory for municipal water providers. Proof of the plan preparation and approval is a key submission requirement for municipal drinking water licensing and, upon completion, must be submitted to the MECP. The process established for plan approval, public circulation and filing is set out in O. Reg. 453/07 and can be summarized as follows:

1. The financial plan must be approved by resolution of Council of the municipality who owns the drinking water system or the governing body of the owner. (O. Reg. 453/07, subsection 3 (1), paragraph 1).
2. The owner of the drinking water system must provide notice advertising the availability of the financial plan. The plans will be made available to the public upon request and without charge. The plans must also be made available to the public on the municipality's website. (O. Reg. 453/07, subsection 3 (1), paragraph 5).
3. The owner of the drinking water system must provide a copy of the financial plan to the Director of Policy Branch, Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, subsection 3 (1), paragraph 6).
4. The owner of the drinking water system must provide proof satisfactory to the Director that the financial plans for the system satisfy the requirements under the *Safe Drinking Water Act*. (S.D.W.A. subsection 32 (5), subparagraph 2 ii).



# Chapter 6

## Recommendations



## 6. Recommendations

This report presents the water financial plan for the City of Kenora in accordance with the mandatory reporting formats for water systems as detailed in O. Reg. 453/07. It is important to note that while mandatory, the financial plan is provided for Council's interest and approval however, for decision making purposes, it may be more informative to rely on the information contained within the 2025 Rate Study. Nevertheless, Council is required to pass certain resolutions with regard to this plan and regulations and it is recommended that:

1. The City of Kenora Water Financial Plan prepared by Watson & Associates Economists Ltd. dated July 2, 2025 be approved.
2. Notice of availability of the Financial Plan be advertised.
3. The Water Financial Plan dated July 2, 2025 be submitted to the Ministry of Municipal Affairs and Housing. (O. Reg. 453/07, subsection 3 (1), paragraph 6)
4. The Council Resolution approving the Financial Plan be submitted to the Ministry of the Environment, Conservation, and Parks satisfying the requirements under the *Safe Drinking Water Act*. (S.D.W.A. subsection 32 (5), subparagraph 2 ii).

July 8, 2025



## City Council Committee Report

**To: Mayor & Council**

**Fr: Greg Breen, Director of Engineering & Infrastructure**

**Re: Donbrock Drive Speed Limit Reduction**

### **Recommendation:**

That Council approves an amendment to the Traffic and Parking Bylaw, Schedule "T" Rates of Speed, reducing the speed limit of Donbrock Drive to 40 kilometers per hour; and further

That three readings be given to a bylaw for this purpose.

### **Background:**

The City's Engineering Department received a request from a resident(s) of Donbrock Drive, requesting that the speed limit of Donbrock Drive be reduced, and/or that a Community Safety Zone be implemented.

The resident(s) noted concerns traffic flow through a neighbourhood where there is a growing number of children playing and having witnessed vehicle speeds that appeared to exceed the current speed limit of 50km/h.

### **Notes from staff's review:**

The City's primary speed limit for residential areas is 50km/h. This is a default speed noted in the traffic and parking bylaw. As a default, it may not be posted in all areas.

Over the years, the City has implemented reduced speed and community safety zones on residential streets that lead to, or are nearby, a park, school, or community gathering location or building that is activated regularly. Other areas where this has been done are more rural neighbourhoods where the alignment of the road creates areas of reduced visibility or road shoulders are narrow.

Implementing a reduced speed limit on Donbrock Drive would not be consistent with others across the City. Despite that, the potentially positive safety impacts of a speed reduction would outweigh what is a practically negligible impact to drivers. It must be considered that the implementation of a reduced speed limit for Donbrock Drive may lead to an increase in requests for these types of changes. Were the City to receive a large number of speed limit review requests, that evaluation would impact the department and response time could be perceived to not meet the expectations of the community.

At the present time however, apart from City-wide consistency of speed limits, there is no reason to deny a speed limit reduction to 40km/hr. Though, it would not be recommended that a Community Safety Zone be implemented, to maintain consistency among the types of areas in Kenora where speed fines are increased.

Traffic and Parking bylaw Schedule "T" Rates of Speed would be updated as follows:

**ADD:**

| Column 1    | Column 2                      | Column 3             |
|-------------|-------------------------------|----------------------|
| Street      | Location                      | Maximum Speed (km/h) |
| Donbrock Dr | From Airport Rd to Airport Rd | 40                   |

**Budget:**

There is no budget impact associated with this report. Signage would be installed on Donbrock Drive as part of regular operations.

**Risk Analysis:**

The risk associated with this report is positive. The speed reduction increases neighbour vehicle and pedestrian safety, while minimally impacting drivers.

**Communication Plan/Notice By-law Requirements:** Bylaw Required, Resolution Transmitted to R. Wilcott, Roads Maintenance Manager.

**Strategic Plan or other Guiding Document:**

Strategic Plan

Goal 1.2 – Ensure well maintained and sustainably financed City infrastructure

**June 28, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Janis Pochailo, Director of Planning & Building**

**Re: New Site Plan Control By-Law**

### **Recommendation:**

That Council hereby approves an amendment to the Site Plan Control By-Law to consolidate previously adopted changes to security calculations and incorporate additional administrative and policy refinements that align with Council's overall direction; and further

That bylaw number 47-2025 be hereby repealed; and further

That three readings be given to a bylaw for this purpose.

### **Executive Summary**

In April 2025, Council adopted By-law number 47-2025 to modernize the City's Site Plan Control framework. While that by-law correctly implemented key changes related to financial securities, it did not fully incorporate several additional policy refinements that align with Council's intended direction and support improved clarity and administration. These include a new purpose section, enhanced exemption provisions, and definitional consistency.

This report recommends replacing By-law 47-2025 with an updated version that consolidates all intended amendments. This approach maintains continuity in policy implementation while improving clarity and alignment with best practices.

### **Background**

The City of Kenora updated its Site Plan Control framework in 2023 through By-law 23-2023. In early 2025, further changes were proposed to address security deposit calculations and departmental structure updates.

By-law 47-2025, adopted in April 2025, correctly reflected Council's approval of a revised securities model:

- On-site Works: 10% of construction costs (excluding buildings), with a \$1,000 minimum.
- Off-site Works: 100% of costs within the municipal right-of-way or on City property.
- Provisions for exceptional circumstances and staged release.

However, several additional changes that were part of the intended policy direction; such as a new purpose section, updated exemption criteria for residential projects, and improved definitions; were inadvertently excluded or not fully incorporated.

### **Proposed Changes in the Replacement By-law**

The updated by-law being brought forward includes all of the provisions from By-law 47-2025 plus the following refinements which are outlined in the attachment.

**Budget:** There is no budget impact associated with this report.

**Risk Analysis:** There is a low risk associated with this report.

**Communication Plan/Notice By-law Requirements:** updated bylaw circulated within Planning team.

## The Corporation of the City of Kenora

### By-Law Number 47 - 2025

#### A By-Law to Designate the Whole of the City of Kenora as a Site Plan Control Area, Pursuant to Section 41 of the Planning Act, R.S.O. 2001, Chapter P-13, as amended, and to Adopt Certain Procedures for the Processing of Site Plan Control Applications and to Exempt Certain Classes of Development from Approval of Plans and Drawings

~~Whereas,~~ **Whereas** Subsection 41(2) of The Planning Act, R.S.O., 2001, c.P.13 provides that a Council of a local municipality may, where in an official plan an area is shown or described as a proposed site plan control area, designate the whole or any part of such area as a site plan control area; and

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~~Whereas,~~ **Whereas** the Official Plan for the City of Kenora describes the whole of the City of Kenora as an area subject to Site Plan Control; and

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Whereas Bill 23, the More Homes Built Faster Act, received royal assent on November 28, 2022;

**~~Now Therefore Be It Resolved:-~~ ~~Now Therefore Be It Resolved~~** That the Council of the Corporation of the City of Kenora enacts as follows:

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All lands within the limits of the City of Kenora effective July 14, 2005 are subject to the provisions of this By-law, and of S.41(4) of the Planning Act, R.S.O. 2001 c.P-13, as amended.

#### **1.0 PURPOSE**

Site Plan Control ensures the implementation of City requirements (e.g. street widenings, road improvements, parking, drainage, servicing etc.). It also helps to improve the quality and appearance of the development and provides for the safe circulation of traffic.

During the Site Plan Approval process, the City will review site design features and co-ordinate the following:

- Overall Site Design
- Effect on Surrounding Land Uses
- Siting of Buildings
- Grading
- Sewer and Water Servicing
- Stormwater Management
- Parking Lot Layout
- Access
- Building Design
- Crime Prevention Through Environmental Design (CPTED)
- Landscaping

In particular, the following components are included in the City's site plan process as they are critical to achieving compliance with municipal standards and ensuring sustainable development practices:

### **1.1 Site Servicing**

Including site servicing (water, wastewater, and utilities) in the site plan control process allows the City to:

- **Ensure Adequate Infrastructure Capacity:** Verify that existing municipal systems can support the proposed development ensuring compliance with regulatory requirements. In addition, private utilities such as natural gas, hydro and communications may require significant upgrades on City property which must be contemplated as part of the approval process.
- **Avoid Service Disruptions:** Assess connection points and design details to mitigate potential risks of leaks, blockages, or service interruptions.
- **Promote Efficient Development:** Align service installations with broader municipal planning strategies and utility corridors to reduce redundancy and improve accessibility for maintenance.

### **1.2 Stormwater Management**

As the City of Kenora is not in a watershed managed by a Conservation Authority, all stormwater management requirements (i.e. MECP Environmental Compliance Approval conditions) are the responsibility of the municipality.

Stormwater management is a critical component of urban planning and is addressed during site plan review to:

- **Prevent Flooding and Erosion:** Proper drainage design mitigates the risk of localized flooding and soil erosion on-site and in surrounding areas.
- **Maintain Water Quality:** Incorporating stormwater best management practices (BMPs) ensures runoff does not contaminate local water bodies, safeguarding environmental health.
- **Comply with Regulatory Standards:** Stormwater infrastructure must meet provincial and municipal standards, ensuring consistency with policies like low-impact development (LID) principles.

## **2.0 General Provisions**

Subject to Section 3(a).0, Exemptions, the following residential, commercial, industrial and institutional developments shall be subject to Site Plan Control:

- ~~1~~1 New non-residential developments or additions to existing non-residential developments in the Settlement Area, as designated in Schedule "A" of the Official Plan.
- ~~1~~2 Any residential development containing ten (10) or more dwelling units.

- ~~1.3~~ The development, redevelopment, alteration or expansion of any above ground broadcasting and communications buildings or structures.
- ~~1.4~~ The development, redevelopment, alteration or expansion to any above ground utilities infrastructure, including wind or water turbines.
- ~~1.5~~ Commercial Parking Lots and Commercial Parking Structures as defined in Section 14 of this By-law.
- ~~1.6~~ Any patio accessory to a commercial use and located outdoors on private property; this does not apply to industrial or institutional uses.
- ~~1.7~~ Environmental Areas: Any development on or adjacent to lands designated environmental protection area, environmental resource area, environmental wetland area, area of natural or scientific interest or similar designation in an Official Plan, including Black Sturgeon Lake, or identified through reports required as a component of an application for development, made under the *Planning Act*. This section applies equally to the adjacent lands. For the purpose of this section, adjacent lands means those lands contiguous to a specific natural heritage feature or area where it is likely that development or site alteration would have a negative impact on the feature or area.
- ~~1.8~~ Harbourtown Centre: Any development located within the Harbourtown Centre.
- ~~1.9~~ Propane: Any propane transfer station.
- ~~1.10~~ Any new development of, or conversion to, a community-based care facility, school, place of worship, private social facility, hospital, cultural facility or community centre.
- ~~1.11~~ Any new development of or conversion to community homes, residential care facilities, detoxification centres, recovery homes, crisis care shelters, corrections residences or community support houses as defined in Section 14 of this By-law.
- ~~1.12~~ Any development of real property designated under the Ontario Heritage Act where the addition or alteration has the effect of adding one or more dwelling units, adding more than 100 square metres of building area or altering site grading; and any development of new buildings or additions more than 100 square metres on lands abutting a real property designated under the Ontario Heritage Act.
- ~~1.13~~ Any development of a commercial outdoor recreational facility such as a campground, swimming pool or amusement park.
- ~~1.14~~ Any industrial ~~development including, but not limited to, the lands known as the City of Kenora Industrial Park per Schedule B to this By-law.~~

## **~~23.0~~ Exemptions**

The following classifications of development shall be exempt from Site Plan Control:

- ~~23.1~~ Developments which, upon preliminary review by the City of Kenora City Planner, or in their absence, or in conjunction with, the Planner, Associate Planner or Director of Planning and Building, ~~determine that the development~~

comply with Municipal By-laws and ~~is are~~ beyond the intent of this By-law or the scope of Section 41 of The Planning Act, R.S.O. 2001, Chapter P-13.

- 23.2 Notwithstanding Sections ~~12.7~~ and ~~12.8~~, a ~~residential building with ten fewer dwelling-~~ units shall be exempt from ~~sSite pPlan eControl~~, unless, site control the subject property is located within 300m has been made a lease, lot addition or of approval of a ~~railway line subdivision or condominium~~
- 23.3 Notwithstanding Sections ~~12.7~~ and ~~12.8~~ a bed and breakfast with not more than 4 guest bedrooms or ~~a~~ building or structure accessory thereto shall be exempt from ~~site plan control~~ Site Plan Control:-
- 23.4 Notwithstanding Sections ~~12.7~~ and ~~12.8~~ a building or structure accessory to non-residential use ~~if shall be exempt from Site Plan Control, provided~~ the gross floor area of the accessory building or structure is less than 10 square metres ~~shall be exempt from site plan control~~.
- 23.5 Works which result from the requirements of the *Fire Marshall's Act* or an Order issued by the Corporation's Fire Department shall be exempt from ~~Site Plan Control~~ site plan control.
- 23.6 Where there is an approved Site Plan, any deviation ~~in the from any~~ respecting the location of buildings and structures shown in the approved plans ~~shall be exempt from site plan control~~, provided the deviation does not does not result in a violation of any By-law enacted by the Corporation or other applicable ~~laws law, shall be exempt from Site Plan Control~~.
- 23.7 Interior building alterations which do not involve a change in major occupancy as defined by the Ontario Building Code shall be exempt from Site Plan Control ~~site plan control~~.
- 23.8 Signs, which are not erected as part of a commercial development, and temporary construction buildings placed in accordance with any applicable By-law shall be exempt from ~~Site Plan Control~~ site plan control.
- 23.9 A utility installation having a gross floor area of less than 10 square metres shall be exempt from Site Plan Control ~~site plan control~~.
- 23.10 Any changes change to ~~the a~~ public parking area in a commercial parking lot necessary to provide handicapped parking or to install an authorized sign required by By-law, provided that the ~~change is accommodated changes are~~ the ~~public parking area lot~~ used for ~~the vehicle parking of motor vehicles~~ or shall be exempt from ~~site plan control~~ Site Plan Control.
- 23.11 Any change to the following developments shall be exempt from Site Plan Control:
- (i) ~~a~~ -bed and breakfast with not more than 4 guest bedrooms~~;~~
  - (ii) ~~b~~ -group home ~~that accommodates for a maximum of 10 or less~~ in one building;
  - (iii) ~~c. developments consisting of up to 10 total any residential units;~~ units:-

#### **34.0 Delegation of Authority**

- ~~34~~.1 The City of Kenora's City Planner, or in their absence, the Director of Planning and Building, or the Planner or Associate Planner, are hereby delegated as being appointed officers of the City to exercise Council's powers or authority under section 41 of the Planning Act, R.S.O. 2001, c.P.13, as amended, to approve plans and drawings, to impose conditions and to require agreements.
- ~~34~~.2 Except for the exemptions listed in Section 3.0 above, no persons shall undertake any development in the City of Kenora until the City of Kenora or the Ontario Land Tribunal, in accordance with Section 41 of the Planning Act, has approved of the plans and any required Agreements have been entered into respecting matters set out in Section 41 of the Planning Act, R.S.O. 2001, Chapter P-13 as amended.

#### **~~4.05.0~~ — Approval Authority**

- ~~4.15.1~~—Council, at the time of consideration of an Application for Official Plan Amendment and/or Zone Change, may pass a resolution requesting that the development proposal be subject to Site Plan Control.

#### **~~56.0~~ Agreements**

- ~~56~~.1 Council's authority under Section 41(7)(c) of the Planning Act to require an owner to enter into an agreement with The Corporation of the City of Kenora and the authority to approve the form of agreement is hereby delegated to the City Planner, Planner, Associate Planner, or the Director of Planning and Building Services and they are hereby authorized to recommend execution of any agreement or amendments thereto which may be required pursuant to the provisions of this By-law.
- ~~56~~.2 The Mayor or Clerk is hereby authorized to execute on behalf of The Corporation of the City of Kenora under corporate seal any agreement which may be required pursuant to the provisions of this By-law upon the written recommendation of the City Planner, Planner, Associate Planner, or the Director of Planning and Building Services, as the case may be.
- ~~56~~.3 Registration of Agreement: Any agreement or amendment thereto entered into in accordance with this By-law, shall be registered against the title of the land to which it applies.
- ~~56~~.4 Section 446(1) of the Municipal Act, R.S.O. 2001 Chapter M.45, applies to any requirements made under clauses 7(a) and (b) of Section 41 of the Planning Act and to any requirements made under an agreement entered into under Clause 7(c) of Section 41 of the Planning Act, so that, in default of anything being done pursuant to those sections and agreements by the person required to do it, it may be done at his expense and the expense may be recovered in like manner as municipal taxes.

#### **~~67.0~~ Execution of Agreements**

The Mayor and City Clerk of the City of Kenora are authorized to execute any agreement required pursuant to this by-law and affix the corporate seal.

## **78.0 Liens**

**78.1** When the City of Kenora causes any work to be done pursuant to any approval provided for in this by-law, the City shall have a lien for any amount expended by or on behalf of the City and for an administrative fee of ten percent of any amount expended by or on behalf of the City, and the certificate of the City Clerk as to the total amount expended shall be admissible in evidence as prima facie proof of the total amount expended and such total amount together with the administrative fee shall be deemed to be municipal real property taxes and shall be added to the collector's roll of taxes to be collected and shall be subject to the same penalty and interest charges as real property taxes and shall be collected in the same manner and with the same remedies as real property taxes.

**78.2** Before the certificate of the City Clerk is issued under ~~subsection~~ section certificate shall be delivered to the owner of the property that is subject to the lien, as well as to all prior mortgagees or other encumbrances and the affected owner, mortgagees or other encumbrances shall have two weeks from the date of receipt of the interim certificate to appeal the amount shown thereon to Council.

## **89.0 Prior Approvals**

Plans, drawings, agreements or other matters approved under Section 41 of the Planning Act by an old municipality shall hereafter be continued, enforced and deemed to have been approved or executed under this By-law.

## **910.0 — Letters of Undertaking**

**910.1** In the case of a residential development, a letter of undertaking ~~generally~~ provided as an alternative to an agreement where:

- ~~(a)~~ **a)** easements or conveyances are not required to be made to the City issuance of the building permit,
- ~~(b)~~ **b)** special measures for the protection of existing private trees are not required,
- ~~(c)~~ **c)** the owner is not required to enter into other related development agreements with the City after the issuance of the building permit, and
- ~~(d)~~ **d)** special conditions have not been imposed that require an agreement purposes of enforcement and notification of subsequent owners of the conditions.

**910.2** — In the case of non-residential development, a letter of undertaking provided as an alternative to an agreement where:

- ~~(a)~~ **a)** easements or conveyances are not required to be made to the City issuance of the building permit,

- ~~(e)~~b) the owner is not required to enter into other related development agreements with the City after the issuance of the building permit,
- ~~(d)~~c) special conditions have not been imposed that require an agreement purposes of enforcement and notification of subsequent owners of the conditions, and
- ~~(e)~~d) the total amount of securities to be provided to the City does not \$5,000.

~~910.3~~—For small projects to which there is either no security required, or that does not exceed \$5,000.00 in value, the City Planner, Planner, Associate Planner or Director of Planning and Building has the authority to execute letters of undertaking as outlined.

## **~~4011.0~~ Administration**

### **~~4011.1~~—Issuance of Building Permits**

~~(a)~~a) Notwithstanding any provisions of the Building By-law or any other By-law of the Corporation to the contrary, no building permit shall be issued until the plans and drawings and any such agreements required by the Municipality for such development have been approved by the appointed officers, or where a referral has been made to the Ontario Land Tribunal or so ordered by a Court of competent jurisdiction;

~~(b)~~b) Nothing in this By-law shall prevent development on any lands subject to this By-law where such development is proceeding in accordance with a valid building permit which was issued by the Corporation prior to the passing of this By-law.

### **~~4011.2~~—Violations and Penalties**

~~(a)~~a) ~~Subject to Section 2, no~~No person shall deviate from the plans ~~unless such deviation is expressly authorized by this By-law or is exempt under Section 3.~~

~~(b)~~b) Any person who contravenes any ~~of the provisions~~provision of Section ~~Act~~, or ~~its successors thereto, or the provisions~~any provision of this By-law, is liable to the penalties ~~provided for~~set out in Section 67 (1) and (2) of the ~~amended~~, as follows:

- i) ~~Where a person an individual is convicted, (and, if the person every director or officer of the corporation who knowingly concurs in contravention), the maximum~~ penalty that may be imposed
  - ~~a) on On~~ a first conviction, ~~to~~ a fine of not more than
  - ~~b) on On~~ a subsequent conviction, ~~to~~ a fine ~~or of~~ not more than \$10,000 for each day or part ~~thereof upon which the continues after the~~ the person was first
- ii) ~~Where a corporation is convicted, the maximum~~ penalty that may
  - ~~a) on On~~ a first conviction, ~~to~~ a fine of not more than

- ~~b) on On~~ a subsequent conviction, ~~to a fine or of~~ not more \$25,000 for each day or part ~~thereof upon which the~~ contravention continues after the corporation was first

### ~~1011.3~~ Validity

If any section, clause or provision of this By-law is, for any reason, declared by a Court of competent jurisdiction to be invalid, the same shall not affect the validity of the By-law as a whole or any part hereof other than the section, clause or provision so declared to be invalid. It is hereby declared to be the intention that the remaining sections, clauses and provisions of this By-law shall remain in full force and effect until repealed, notwithstanding that one or more provisions hereof shall have been declared to be invalid.

### ~~1011.4~~ Interpretation

For the purposes of this By-law, words used in the present tense also include the future; words in the singular also include the plural and words in the plural include the singular number; words in the neuter gender include the masculine and the feminine; and the word "shall" is mandatory.

### ~~1011.5~~ Imperial Values

Only the values provided with metric units of measure which appear in the By-law are official.

### ~~1011.6~~ Financial Securities

Where an agreement is required pursuant to Section ~~67~~ of this By-law, and said agreement requires the submission of financial securities to ensure the satisfactory completion/maintenance of the works required by the Agreement and approved plans listed therein, the amount of the financial security shall be calculated on the basis of the total value of construction, as follows:

- On-site Deposit – 10% of the construction costs of all onsite works (including stormwater management facilities and excluding the buildings and structures). A deposit of \$1,000 will be required as a minimum.
- Off-site Deposit – 100% of the construction costs for all works within the Municipal Right of Way, on other City property, or for municipal owned services on private property.
- Exceptional Circumstances - Where it is deemed that full security as provided for under the above calculation is not required, an alternative amount as deemed appropriate by the Director of Planning and Building Services may be used.

At the request of the owner, a staged payment schedule, as deemed appropriate by the Director of Planning and Building Services, may be

used. The staged payments shall be structured to ensure adequate financial security remains in place at all times to guarantee the completion of required site works. The schedule for staged payments shall be determined based on the scope of work, projected timelines, and risk assessment, to the satisfaction of the City.

The total value of construction shall include any site grading, storm water management facilities, sewer and water servicing, landscaping and paving works, sidewalks, fences, retaining walls, on-site lighting or similar works as shown on the approved plans.

The calculation is used to estimate the required deposit only, and does not limit the use of the deposit to ensure compliance with any and all work required under the Site Plan Control Agreement, including but not limited to servicing, grading, rock faces, structures, lighting, landscaping, pavement, etc.

#### ~~10~~11.7 Release of Financial Securities

Once all the Conditions in the Site Plan Agreement have been complied with and there are no deficiencies noted during the Site Plan Compliance Review, the deposits will be released to the then owner of the property as follows:

- a. Off-site Deposit – reduced to 10% until the end of the 1-year maintenance period.

On-site Deposit – reduced to 10% until the end of the 1-year maintenance period.

#### 11.8 Staged Release of Deposit

The City may, at its sole discretion and upon written request from the Developer, release portions of the deposit in stages as work progresses. Such releases shall be subject to:

- a) Inspection and Approval – The City must inspect the completed works and confirm, to its satisfaction, that they have been carried out in compliance with the approved site plan, associated agreements, and applicable municipal standards.
- b) Percentage-Based Releases – The staged release of the deposit shall be in accordance with a percentage-based schedule determined by the City, ensuring that a sufficient balance is retained to secure the completion of all outstanding works.
- c) Final Release – The final portion of the deposit shall not be released until all site works, including landscaping, servicing, and any outstanding deficiencies, are completed to the satisfaction of the City.

d) Written Confirmation – Each staged release shall be confirmed in writing by the City, outlining the portion released, the remaining balance, and any remaining conditions to be met before further releases.

b.

#### ~~10.8~~11.9 Costs

Unless otherwise ~~negotiate~~neogotiated payment of all fees/costs associated agreement, or the works required within the agreement, shall be the responsibility of the Applicant/property owner.

#### ~~11. Schedule~~

#### **12. Repeal**

By-law Number ~~23-2023~~ 047-2025 is hereby repealed

#### **13. Short Title**

This By-law may be cited as the Site Plan Control By-law, July 2025.

#### **14. Definitions**

In this By-law, unless the context requires otherwise, the following definitions and interpretations shall apply:

- 14.1 **Building By-law** - means any By-law of the Corporation passed pursuant to the Building Code Act, as amended;
- 14.2 **Building Permit** - means a permit required by the Building By-law;
- 14.3 **Commercial Parking Lot** - means an open area, including any related aisles, parking spaces, ingress and egress lanes, other than a public street or public lane or parking structure, used for the temporary parking of five or more motor vehicles and available for the public and/or private use, whether or not for compensation or as an accommodation for tenants, employees, clients or customers, other than parking areas which are accessory to a permitted use on the same lot. A commercial parking lot shall have its principal access to a public street or public laneway and shall constitute the main use of the lot;
- 14.4 **Commercial Parking Structure** – means a partially open and/or enclosed area, including any related aisles, parking spaces, ingress and egress lanes, other than a public street or public lane, used for the temporary parking of five or more motor vehicles and available for public and/or private use, whether or not for compensation or as an accommodation for tenants, employees, clients or customers, other than parking areas which are accessory to a permitted use on the same lot. A commercial parking structure shall have its principal access to a public street or public laneway and shall constitute the main use of the lot;
- 14.~~6~~**5 Corporation** - means The Corporation of the City of Kenora;
- 14.~~7~~**6 Council** - means the Municipal Council of the Corporation of the City of Kenora;

**14.7 Community Home** - means a residential building that is the principal residence of three (3) to ten (10) persons, exclusive of their dependents or staff, who live under responsible supervision consistent with the needs of the residents and who share cooking, sanitary, and living facilities. A Community Home may be licensed, funded, or approved by the Province of Ontario, but does not include a corrections residence, crisis care shelter, or other institutional use.

**14.8 Community Home-Support House** - means a community-based group arrangement providing short-term accommodation and incidental support services for persons temporarily residing in the City for medical, correctional, or related purposes. This includes, but is not limited to, relatives of persons receiving treatment or in custody. A Community Support House may be licensed, funded or approved by a provincial ministry or agency. ,in a single

**14.9 Community-Support HouseCorrection Residence**- means a secure the authority of the Province of Ontario or the Government of Canada for persons placed on probation, released on parole, admitted for correctional or rehabilitative purposes, or awaiting trial. Residents live under continuous supervision consistent with applicable legislative and institutional standards.

a community-based group living arrangement, in a single housekeeping unit, for

**14.10 Corrections Residence** means a group living arrangement, in a secure facility for persons who have been placed on probation, who have been released on parole, who are admitted to the facility for correctional or rehabilitation purposes or who are awaiting trial, and live together under responsible twenty-four (24) hour secure supervision consistent with the requirements of its residents and accepted standards for secure detention. A Corrections residence is licensed, funded or approved by the Province of Ontario or the Federal Government;

**14.12 Detoxification Centre**- means an institution a facility or single are admitted for supervised withdrawal, and initial treatment and/or alcohol dependency. Residents live together under continuous care and A Detoxification Centre is may be licensed, funded or approved by the of Ontario and shall be registered with the City of Kenora;

**14.13 Drawing** - means a graphic rendering, bearing a drawing number, date of revision and drawn to scale, showing plan, elevation and cross-section views for each industrial and commercial building to be erected and for each residential building containing twenty-five or more dwelling units to be erected, which is sufficient to display:

(a) the massing and conceptual design of the proposed building;

(b) the relationship of the proposed building to adjacent buildings, streets and exterior areas to which members of the public have access; and

(c) the provision of interior walkways, stairs and escalators to which of the public have access from streets, open spaces and interior walkways in adjacent buildings.

- 14.~~15~~**14** **Erect** - means the carrying out of any activity within the meaning of Development herein;
- 14.~~16~~**15** **Land** - includes lands, tenements, and hereditments, and any estate or interest therein, and any right or easement affecting them, and lands covered with water and any right or easement affecting them;
- 14.~~17~~**16** **Land Lease Community Home** - means any dwelling that is a structure where the owner of the dwelling leases the land used or intended for use as the site for the dwelling, but does not include a mobile home;
- 14.~~18~~**17** **Municipal Act** - means the *Municipal Act*, R.S.O. 2001, Chapter M.45, any amendments thereto;
- 14.~~19~~**18** **Person** - includes any association, firm, partnership, syndicate, Corporation, its agents or trustee, and the heirs, administrators, executors, assigns and other legal representatives of such person to whom the context may apply according to law;
- 14.~~20~~**19** **Plan** - means a formal drawing, bearing a drawing number, date or revision and author's registration stamp drawn to scale and showing;  
(a) the location of all buildings and structures to be erected;  
(b) the location of all facilities and works to be provided in conjunction with (1) above; and  
(c) all facilities and works required by Council pursuant to Section 41 of *Planning Act*, R.S.O. 2001, Chapter P-13 as amended;
- 14.~~21~~**20** **Planning Act** - means the *Planning Act*, R.S.O. 2001, Chapter P-13 as amended;
- 14.~~22~~**21** **Recovery Homes** - means a group living arrangement, in which with substance use issues or related dependencies reside under 24-hour supervision in a single housekeeping unit that is developed for the treatment continuum of care through short-term or long-term residential structured social, psychological, occupational, spiritual, social, and rehabilitative licensed, funded or approved by the Province of Ontario;
- 14.~~23~~**22** **Residential Care Facilities-Facility** - means a community-based in which residents live together in a single housekeeping unit, for eight (8) responsible supervision and receive care, support, or services consistent with their needs. A Residential Care Facility may provide either short-term or long-term accommodation, and may be licensed, funded or approved the Province of Ontario.

## 15. Effect and Force and Repeal

That this By-law shall take effect and come into force upon third and final reading thereof; ~~and bylaw number 23-2023 be hereby repealed.~~

By-law read a First and Second time this 15<sup>th</sup> day of July, 2025

By-law read a Third and Final time this 15<sup>th</sup> day of July, 2025

**The Corporation of the City of Kenora:-**

.....  
**Andrew Poirier, Mayor**

.....  
**Heather L. Pihulak, City Clerk**



**July 8, 2025**

## **City Council Committee Report**

**TO: Mayor & Council**

**FR: Janis Pochailo, Director Planning and Building**

**RE: Telecommunications Site Agreement, Tbaytel**

### **Recommendation:**

That Council hereby authorizes the Mayor and Clerk to enter into a five (5) year lease agreement between the Corporation of the City of Kenora and Tbaytel for the use of municipal property located on Valley Drive; and further

That three readings be given to a by-law for this purpose.

### **Background:**

In 2008, The Corporation of the City of Kenora entered a ten-year lease agreement with Tbaytel for real property located adjacent to the 'Valley Drive Water Tower', identified as PIN: 421730015, legally described as Part of Location 16V Jaffrey Part 1-4 23R-5391, excepting Part 2 on Plan 23R-9498; Kenora.

Under By-law 58-2019, the City agreed to extend the lease agreement in accordance with the terms of the agreement for one additional period of five (5) years, ending December 31, 2024.

Upon expiration, and prior to entering into a new agreement, Administration required a survey of the telecommunications site to clearly define and delineate the leased lands comprised of approximately 525 square feet, as to not encumber municipally owned lands. Tbaytel surveyed its infrastructure, which has been registered as parts 1, 2,3 and 4 on 23R-15185.

The Agreement is for five (5) years, for lands comprised of approximately 525 square feet. Rent shall be paid annually in the amount of \$10,465,38 plus HST and adjusted annually in accordance with the Consumer Price Index, Thunder Bay.

The adjacent city owned lands are designated ES-Established Area in the City of Kenora Official Plan, and zoned RU-Rural in the City of Kenora Zoning By-law. The land is greenfield and used by residents as a recreational trail network, connecting Ninth Street North and Beaver Brae Secondary School to Valley Drive. The lands are considered a long-term prospect within the scope of disposition as identified within the 2020 City of Kenora Vacant Land and Growth Analysis.

**Risk Analysis:** There is a low governance risk to entering into a new agreement with Tbaytel for the continued use of municipal lands providing telecommunication service to the

community. Surveying of the communication infrastructure clearly defines leased lands, supporting the long-term disposition prospect.

**Communication Plan/Notice By-law Requirements:** By-law

**Strategic Plan:**

Goal 1.1- Position Kenora for growth through proactive infrastructure planning

Goal 2.1- Promote new investment and development of City-owned and private lands in Kenora

**July 8, 2025**

## **City Council Committee Report**

**To: Mayor & Council**

**Fr: Stace Gander, Director of Economic Development and Tourism**

**Re: Keewatin Boatlift – Preliminary Feasibility Report**

### **Recommendation:**

That Council hereby receives the preliminary feasibility study prepared by LBE Group Inc. for the potential re-implementation of infrastructure to connect Winnipeg River and Lake of the Woods and identified as an action item in the 2021 Five Year Tourism and Economic Development Strategy.

### **Background:**

The opportunity to examine the potential re-implementation of infrastructure to connect the Winnipeg River and Lake of the Woods is identified as an action in the 2021 Five Year Tourism and Economic Development Strategy. Specifically, it is listed as a priority initiative under the objective to improve lake access and boating infrastructure. The projects feasibility has also come forward as a potential project during the annual MAT budget planning sessions with Council. In 2023, Council allocated \$10,000 of MAT to conduct a prefeasibility study to assess if a lift was feasible from an engineering standpoint.

In late 2023, the City of Kenora retained LBE Group Inc. to develop a preliminary feasibility report to investigate potential lift methods that would provide access between the Winnipeg River and Lake of the Woods.

The preliminary feasibility study was received and concluded that a lift is feasible at an approximate cost of \$1M. This price should be considered preliminary and the actual cost cannot be confirmed until a detailed design and costing is conducted. Additional elements that would have to be undertaken include:

- Public engagement in an effort to understand community demand and potential revenue models;
- A detailed review of the operating model post construction which would be linked to the type of lift designed (eg: fully automated versus operator controlled);
- Engagement with the Ministry related to installation and operation of a lift in Lake of the Woods and the Winnipeg River System.

**Budget:** There is no budget impact as a result of receiving this study.

**Risk Analysis:** There is no risk associated with this report as it is administrative in nature and for Council's information only.

**Communication Plan/Notice By-law Requirements:** n/a

**Strategic Plan or other Guiding Document:**

City of Kenora 2022-2027 Strategic Plan

2.1.5 Activate the City of Kenora 5-Year Tourism and Economic Development Strategy

2021 Five Year Tourism and Economic Development Strategy

1.3 Improve lake access and boating infrastructure;

6. Explore feasibility to redevelop Keewatin boatlift.

City of Kenora  
**Keewatin Boat Lift**  
*Preliminary Feasibility Report*  
*June 7, 2024*



**LBE group inc.**

Engineering Services

[www.lbegroup.ca](http://www.lbegroup.ca)

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Appendix A - Photographs

## Executive Summary

LBE Group Inc. (LBE) has been retained by the City of Kenora (the City) to develop a pre-feasibility study regarding the implementation of a boat lift connecting the Winnipeg River (the river) and Lake of the Woods (LOTW) at the Keewatin LOTW Boat Launch site north of Portage Bay. Preliminary research was first completed by LBE to determine potential solutions for portaging boats. Each of the options were presented to the City providing benefits and drawbacks of each. A final decision was made on the system to be explored further and parameters of the operation were established. This pre-feasibility study serves to provide a detailed breakdown of the requirements to implement a marine railway/patent slip system capable of transporting boats up to 8.53m (28ft) in length and with a maximum beam (width) of 3m (10 ft), as determined by the City. Key stakeholders to be considered for the project include the citizens of Kenora, including summer residents, surrounding Indigenous communities, as well as the City.

Upon deciding to proceed with the project, it is recommended that the City engage in community and regulatory outreach for determining whether the boat lift will be used and what legal requirements may need to be met in order to proceed. Expected cost for the construction of a marine railway is \$840,000.

Site Analysis

The Keewatin LOTW Boat Launch Site has a UTM Easting of 387683.497 and Northing of 5513622.861 in Zone 15 or Latitude/Longitude of N49°45'52.47", W94°33'34.66". Existing site conditions provide a linear distance of 70.6m (231.63ft) required to be covered by the boat lift. On the LOTW side there exists a 10.5 m (34.45ft) wide cove just north of the existing boat launch that provides the shortest distance to the river. This provides a good route for the marine railway to follow. At its widest point the cove opens to 22m (72.18ft) at the end of the boat launch before reducing to 12m (29.37ft) at the inlet to the river/tributary leading to Portage Bay. There are no obvious limitations on the river side of the divide due to landmass.

Water level data was collected from the Lake of the Woods Control Board to determine the elevation needing to be covered by the marine railway. Data from 1916-2023 was analysed to develop the 10<sup>th</sup> percentile and 90<sup>th</sup> percentile water levels of both the Winnipeg River and LOTW. This data can be seen in Table 1 below. Assuming the high and low water levels for both bodies of water occur at the same time the change in elevation from the river to LOTW ranges from 6.27m (20.57ft) at times of low water (10<sup>th</sup> percentile) and 4.2m (13.78ft) at times of high water (90<sup>th</sup> percentile). This assumption is not 100% accurate but provides a good basis for feasibility/preliminary design.

Table 1 LOTW Control Board Data Analysis

| Water Body     | 10 <sup>th</sup> Percentile (1916-2023) Water Level (m) | 90 <sup>th</sup> Percentile (1916-2023) Water Level (m) |
|----------------|---------------------------------------------------------|---------------------------------------------------------|
| LOTW           | 322.32                                                  | 323.60                                                  |
| Winnipeg River | 316.05                                                  | 319.40                                                  |

A topographic survey was completed in the January 2024 to provide a general overview of the land. At the time of the survey, there was little to snow coverage however there was ice coverage of both bodies of water. Peak height of the landmass dividing both bodies of water was at 325m with ice elevations of LOTW and the river at 322.4m and 316.7m, respectively. This justifies the previous assumption made that the water levels of both bodies of water generally fluctuate at equivalent rates. Slope of land from water level to local peak is approximately 44% on the LOTW side and 31% on the Winnipeg River side. There exists a rough land area of 1,555m<sup>2</sup> (16,737.88ft<sup>2</sup>) between these two local peaks that is generally flat.

A geotechnical assessment has not been completed at this time, however, from site investigations as well as historical data there is a large amount of fill present that was placed to create the plateau for parking and entrance to the existing boat launch. Historical and current arial photography is provided in Appendix A.

## Technical Feasibility

The marine railway/patent slip is a well-established system for carrying marine vessels up/down an inclined plane, having been invented in 1818 and since modified to suite current technology and safety regulations. The Big Chute Marine Railway located in the township of Georgian Bay serving the Trent-Severn Waterway is still being operated today, federally overseen by Parks Canada. As established by the City, the marine railway shall be designed to transport boats not exceeding 28ft long by 10 ft wide. To determine design weight, an investigation into boats commonly seen on Lake of the Woods was conducted that fall under the design dimensions. It was determined that a maximum weight of 10,000 lbs would be a reasonable parameter, not including design safety factors. The results of the investigation can be seen in Table 2 below.

Table 2 Various Boat Specifications

| Vessel Type   | Mfr.        | Model       | Length | Width | Dry Weight (lbs) | Weight Capacity (lbs) | Total Weight (lbs) |
|---------------|-------------|-------------|--------|-------|------------------|-----------------------|--------------------|
| Wakeboard     | Malibu      | M242        | 24'-2" | 8'-6" | 7,500            | 2,397                 | 9,897              |
| Bass (Fiber)  | Ranger      | Z521R       | 21'-9" | 8'-0" | 2,300            | 1,900                 | 4,200              |
| Fishing/Sport | Ranger      | VX1988WT    | 20'-0" | 8'-6" | 2,200            | 2,000                 | 4,200              |
| Pontoon       | Princecraft | Vectra 25RL | 24'-8" | 8'-5" | 2,197            | 3,932                 | 6,129              |
| Cruiser       | Cobalt      | R6          | 25'-9" | 8'-6" | 5,800            | 2,300                 | 8,100              |

The marine railway operates by floating vessels into a mesh cradle supported on a submersible cart. An electric motor then pulls the cart up the inclined plane along a track system via cable. The track system consists of two separate rails which alternate relatively to one another to maintain the carriage at a horizontal plane as it traverses the incline and decline from one body of water to the next. As alluded to, this will require two sets of steel railways designed to suite the topography and bathymetry of the design surface, a VFD (variable frequency drive) controlled motor, steel cables, and some low voltage operator controls.

As a result of the existing soil conditions mentioned above, a geotechnical analysis needs to be completed to determine the best method of attachment of the steel railways to land. For determining overall length and location of the railways, a bathymetry survey needs to be completed on both the Winnipeg River and Lake of the Woods in the surrounding water for analysis of subsurface conditions and relation to low water levels. Completion of these tasks should be accomplished as part of the first stages of the detailed design process.

Financial Feasibility

A high-level cost estimate of construction is provided below in Table 3. It should be noted that this estimate does not take into account any costs related to utility upgrades that may be required to accommodate the design, landscaping, or additional facilities that may be required for operation such as washrooms, control booth, docks or walkways/stairs.

Table 3 High-Level Construction Cost Estimate

| High-Level Construction Cost Estimate |                                                                                                                                                                                                                                        |           |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Item                                  | Description                                                                                                                                                                                                                            | Cost      |
| Investigation                         | Completion of detailed bathymetry and topographic surveys to be used for completion of detailed design                                                                                                                                 | \$10,000  |
| Engineering                           | Mechanical, Electrical, Structural and Geotechnical engineering design of marine railway, environmental analysis, regulatory consultation, production of construction drawings and documents, construction support, and commissioning. | \$70,000  |
| Construction                          | Site preparation, manufacturing, installation of marine railway design                                                                                                                                                                 | \$750,000 |
| Legal/Regulatory                      | Permits and environmental compliance                                                                                                                                                                                                   | \$10,000  |
| Total                                 |                                                                                                                                                                                                                                        | \$840,000 |

Consideration from the City can be made for potential investors/donors that may be willing to contribute to the construction cost of the project as part of a naming donation. There should also be consideration made towards a user cost that can be implemented to offset operator wages as well as the relatively low operational and maintenance costs associated with the system.

## Legal and Regulatory Analysis

Compliance with Federal and Provincial institution's regulatory requirements should be expected. Discussions with these authorities should begin as part of the early stages in the detailed design process. A list of the organisations that should be contacted can be found below.

- Department of Fisheries and Oceans (DFO)
- Transportation Canada (TC)
- Ministry of the Environment, Conservation, and Parks (MECP)

LBE has completed numerous Environmental Compliance Approvals (ECA) through the MECP as required when an organization plans to carry out activities that have the potential to impact the public or natural environment. This process typically takes a year to complete.

## Risk Analysis

This section identifies and evaluates potential risks that could impact the successful completion of the construction project. This analysis is essential for understanding and mitigating uncertainties, ensuring that the project can proceed with minimized disruptions, optimized outcomes and operational success.

Some of the potential risks identified include:

- Regulatory rejection
- Operator and passenger safety
- Transport of foreign species to WR/LOTW
- System breakdown
- Lack of users

Some strategies for mitigating the identified risks include:

- Early coordination with authorities having jurisdiction and compliance with regulatory requirements
- Walkways, stairs, and docks for passenger transport
- Operations and Maintenance schedule/contract

## Project Management and Implementation Plan

This section outlines the strategic approach and operational framework for successfully executing the project, detailing suggested project management methodology, key milestones and timelines, resource allocation, and coordination strategies.

Following a conventional project delivery approach, a design-bid-build would provide a good methodology for achieving the intended design at a fixed price, however, may result in a prolonged schedule. A design-build approach would allow for designer, construction contractors, manufacturers, and the City to collaborate throughout design and construction to ensure the output of the project is optimal, however, this approach does not always result in the lowest cost. Either of these approaches would provide a successful framework for design and construction of the marine railway. Estimated timeline for a design-bid-build approach under a stipulated price contract is about 24-30 months for design and construction with simultaneous coordination with AHJs, possibly extending to 36 months for regulatory compliance. Due to the overlapping structure of the design process with the construction process, a design-build approach typically shortens the expected timeline as compared to a design-bid-build however is hard to evaluate the time saved.

## Recommendations and Next Steps

This section outlines key recommendations based on the analysis conducted, addressing identified risks, regulatory requirements, financial considerations, and project management strategies. It also details the next steps necessary to initiate the project, ensuring a clear and actionable path forward.

The success of a marine railway system implemented at the Keewatin LOTW Boat Launch site is a perfectly viable project given the identified risks and design considerations are mitigated and/or addressed before proceeding with the design phase. Recommendations for ensuring this occurs are as follows:

- Early investigation into legal and regulatory requirements.
- Definition of design scope of work to meet City expectations outside of marine railway function. i.e. implementation of docks and walkways along marine railway, accessibility, washroom facilities.

Should the City decide the project is something worth proceeding with, LBE suggests that the next step be to reach out to the community to see if the implementation of a boat lift connecting the Winnipeg River and Lake of the Woods is something that will be used. This task should proceed concurrently with outreach to the regulatory bodies for any required compliance approvals or permits that may be required.

## Closure

LBE Group Inc. is pleased to provide you with this report. If you wish to discuss any aspect of the report, please do not hesitate to contact us.

Sincerely,



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## Company Information



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# Appendix A

Photographs



*Figure 1 1996 Aerial Photograph of Keewatin Boat Launch/Portage Bay*



*Figure 2 2023 Aerial Photograph of Keewatin Boat Launch/Portage Bay*