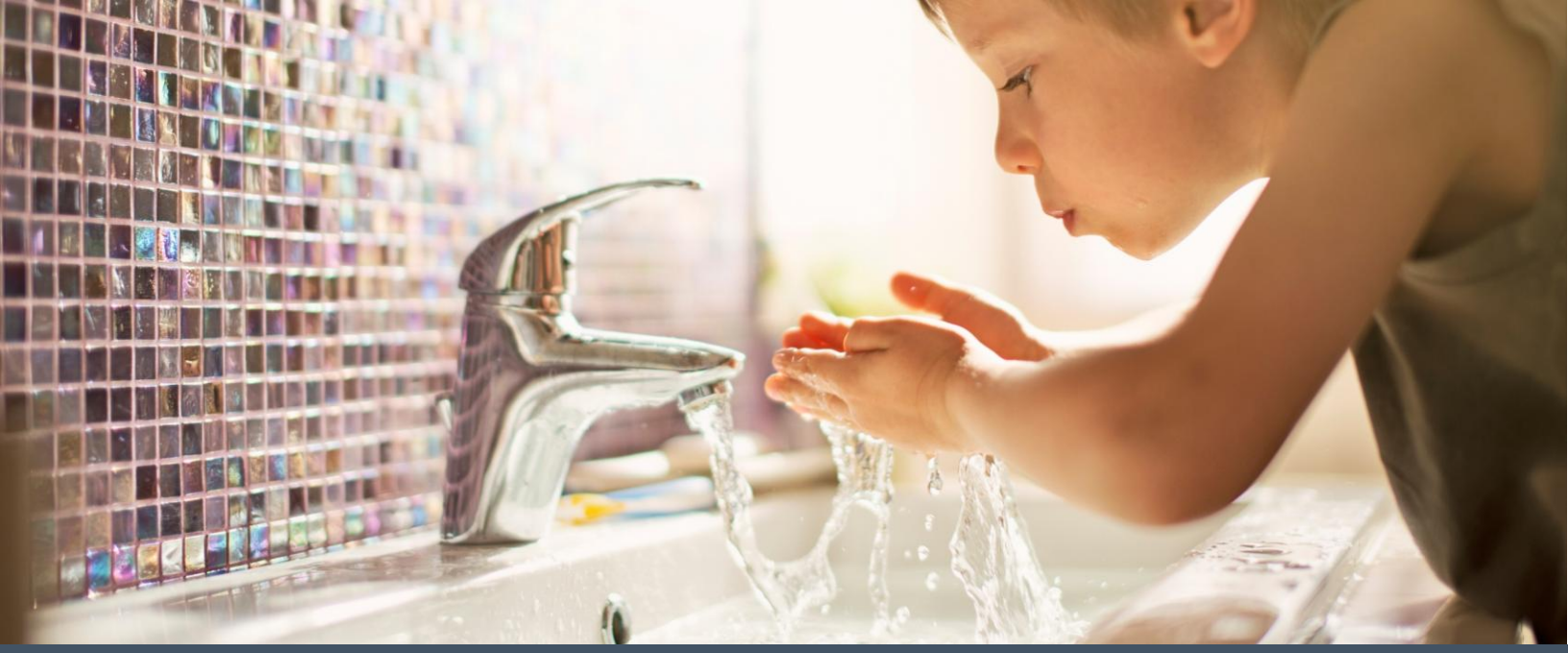

2025 Water and Wastewater Rate Study

Town of Carleton Place

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August 19, 2025

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.A.	*Development Charges Act, 1997*, as amended
D.C.	Development Charges
G.F.A.	Gross Floor Area
H.E.W.S.F.	Housing-Enabling Water Systems Fund
I.J.P.A.	*Infrastructure for Jobs and Prosperity Act*, 2015
I.O.	Infrastructure Ontario
O.C.I.F.	Ontario Community Infrastructure Fund
OLT	Ontario Land Tribunal
O. Reg.	Ontario Regulation
O.S.I.F.A.	Ontario Strategic Infrastructure Financing Authority
S.W.S.S.A.	*Sustainable Water and Sewage Systems Act, 2002*

Executive Summary

Executive Summary

The Town of Carleton Place (Town) retained Watson & Associates Economists Ltd. (Watson) to undertake a water and wastewater rate study. This study provides an analysis of the Town's water and wastewater rates based on forecast demands and costs of the services. This includes an assessment of capital and operating expenditure forecasts, costing for lifecycle replacement requirements, current and projected water volumes, and customer demands. The results of this analysis provide updated water and wastewater rates for the Town, comprising of rates for metered customers and non-metered customers, based on the current rate structure in place for the Town. The rate analysis contained herein continues to provide fiscally responsible practices that are in line with current provincial legislation.

The Town provides water and wastewater services to 220 metered customers. It also provides 5,260 non-metered residential customers with water services, and 5,253 non-metered residential customers for wastewater services. Further, 191 non-metered non-residential customers are also serviced for water and wastewater, along with non-metered non-residential summer services water customers, based on those with water only services and those with a private swimming pool. The number of residential customers within the Town is expected to increase by 1,247 by 2035, of which 9 are anticipated to be metered and the balance will be non-metered.

The analysis presented herein provides the following:

- The capital spending programs were developed based on the Town's 2025 10-Year Water and Wastewater Capital Budget, 2024 Development Charges (D.C.) Background Study, and a review of the capital asset lifecycle needs.
- The 2026 to 2035 capital spending program for water totals $23.05 million (inflated$). This includes capital expenditures for infrastructure replacement/lifecycle requirements, and future development within the Town.
- The 2026 to 2035 capital spending program for wastewater totals $33.11 million (inflated$) and includes similar infrastructure needs as for Town water services.
- The net operating expenditure forecast for 2026 to 2035 is based on the Town's 2025 10-Year Water and Wastewater Operating Plan. Building on the Town's forecast, projections for 2030 to 2035 are assumed to increase by:
    - 6% annually from 2026 to 2029 and 2.5% annually for the remaining years for staff salaries/wages;

- 2% annually for employee benefits, materials, and rents & financial expenses;
- 3% annually for contracted services;
- 5.5% annually for inter-functional adjustments;
- Operating expenditures, excluding capital-related expenditures, are projected to increase from approximately $1.63 million in 2025 to approximately $2.25 million in 2035 for water services and approximately $2.30 million in 2025 to approximately $3.18 million in in 2035 for wastewater services; and
- Capital-related operating expenditures which consist of transfers to reserves/reserve funds and non-growth-related debt repayments are projects to from approximately $1.84 million in 2025 to approximately $6.14 million in 2035 for water services and from approximately $1 million in 2025 to approximately $5.14 million in 2035 for wastewater services.

The Town imposes fees to recover the costs of water and wastewater services, for metered and non-metered customers.

The non-metered flat rate structure is applied to residential and non-residential customers. For residential customers, the flat rates are based on the type of servicing (i.e. full service, full service less outside tap, or with a private swimming pool). The rates are also differentiated based on the number of people in each dwelling unit. The majority of non-metered residential customers consist of those that reside in single detached, semi-detached, and rowhouse units. The non-residential flat rates consist of a base charge which includes five employees working no more than 60 hours per week. For business with additional employees and/or additional hours of operation, addition flat rates apply. Additionally, there is one school with a swimming pool that is charge a summer water only flat rate.

The structure of the metered rates includes a fixed quarterly meter rental base charge that varies by meter size, a declining base charge rate for metered customers with additional units, and a volumetric charge for the amount of water consumed by the customer. The volumetric charge is referred to as a declining block rate structure whereby the rate decreases with the amount of water consumed at defined limits. This rate structure does not incentivise water conservation, however, provides an incentive for non-residential businesses that are high water users which provide employment within the Town. For commercial, industrial, and multi-residential customers that

include more than one unit, the additional units (i.e., a second unit, third unit, units with a fourth or more units) are charged a rate for each added unit. The existing rate structure continues to be utilized in this Study.

Table ES-1 provides the 2026-2035 forecasted flat water rates for non-metered water customers for those with full services, those without an outside tap, and those with a private swimming pool. These rates are differentiated by the number of people in the dwellings. Wastewater services are charged at 100% of the water rates. Table ES-2 provides the combine water and wastewater annual bill for non-metered customers.

Table ES-1.
Town of Carleton Place
Flat Water Rate Forecast for Non-Metered Customers

Residential	Full services										
Non-Metered Quarterly Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	128.75	131.26	133.82	136.43	139.09	141.80	144.57	147.39	150.26	153.19	156.18
3 to 5 persons*	135.24	137.88	140.57	143.31	146.10	148.95	151.85	154.82	157.83	160.91	164.05
6 to 8 persons*	141.80	144.57	147.38	150.26	153.19	156.18	159.22	162.33	165.49	168.72	172.01
9 to 10 persons*	146.09	148.94	151.84	154.80	157.82	160.90	164.04	167.24	170.50	173.82	177.21
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
*Annual Increase (%)**		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Service less Outside Tap**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	115.33	117.58	119.87	122.21	124.59	127.02	129.50	132.02	134.60	137.22	139.90
3 to 5 persons*	121.85	124.23	126.65	129.12	131.64	134.20	136.82	139.49	142.21	144.98	147.81
6 to 8 persons*	128.45	130.95	133.51	136.11	138.77	141.47	144.23	147.04	149.91	152.83	155.81
9 to 10 persons*	132.60	135.19	137.82	140.51	143.25	146.04	148.89	151.79	154.75	157.77	160.85
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Private Swimming Pool**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	146.79	149.65	152.57	155.55	158.58	161.67	164.82	168.04	171.31	174.66	178.06
3 to 5 persons*	153.29	156.28	159.33	162.43	165.60	168.83	172.12	175.48	178.90	182.39	185.95
6 to 8 persons*	159.85	162.97	166.14	169.38	172.69	176.06	179.49	182.99	186.56	190.19	193.90
9 to 10 persons*	164.13	167.33	170.59	173.92	177.31	180.77	184.29	187.89	191.55	195.29	199.09
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Non-Residential	**Full services**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Including 5 Employees working 60 hours/week*	104.90	106.95	109.03	111.16	113.32	115.53	117.79	120.08	122.43	124.81	127.25
Additional Employees (over 5)*	7.39	7.53	7.68	7.83	7.98	8.14	8.30	8.46	8.62	8.79	8.96
Additional Hours of Operation*	0.15	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18	0.18	0.18
Summer Service**	482.91	492.33	501.93	511.71	521.69	531.87	542.24	552.81	563.59	574.58	585.79

* Wastewater Services are charged at 100% of water charges
** Water Only Charge

Table ES-2
Town of Carleton Place
Non-Metered Water and Wastewater Customer Combined Annual Bill

Residential	Full services										
Non-Metered Quarterly Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	1,030.00	1,050.09	1,070.56	1,091.44	1,112.72	1,134.42	1,156.54	1,179.09	1,202.08	1,225.53	1,249.42
3 to 5 persons*	1,081.92	1,103.02	1,124.53	1,146.45	1,168.81	1,191.60	1,214.84	1,238.53	1,262.68	1,287.30	1,312.40
6 to 8 persons*	1,134.40	1,156.52	1,179.07	1,202.06	1,225.51	1,249.40	1,273.77	1,298.60	1,323.93	1,349.74	1,376.06
9 to 10 persons*	1,168.72	1,191.51	1,214.74	1,238.43	1,262.58	1,287.20	1,312.30	1,337.89	1,363.98	1,390.58	1,417.69
Additional Persons > 10*	24.48	24.96	25.44	25.94	26.45	26.96	27.49	28.02	28.57	29.13	29.70
Residential	Service less Outside Tap										
Non-Metered Quarterly Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	922.64	940.63	958.97	977.67	996.74	1,016.17	1,035.99	1,056.19	1,076.79	1,097.79	1,119.19
3 to 5 persons*	974.80	993.81	1,013.19	1,032.95	1,053.09	1,073.62	1,094.56	1,115.90	1,137.66	1,159.85	1,182.46
6 to 8 persons*	1,027.60	1,047.64	1,068.07	1,088.89	1,110.13	1,131.78	1,153.85	1,176.34	1,199.28	1,222.67	1,246.51
9 to 10 persons*	1,060.80	1,081.49	1,102.57	1,124.07	1,145.99	1,168.34	1,191.12	1,214.35	1,238.03	1,262.17	1,286.78
Additional Persons > 10*	24.48	24.96	25.44	25.94	26.45	26.96	27.49	28.02	28.57	29.13	29.70
Residential	Private Swimming Pool										
Non-Metered Quarterly Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	1,174.32	299.30	305.14	311.09	317.16	323.34	329.65	336.08	342.63	349.31	356.12
3 to 5 persons*	306.58	312.56	318.65	324.87	331.20	337.66	344.24	350.96	357.80	364.78	371.89
6 to 8 persons*	319.70	325.93	332.29	338.77	345.38	352.11	358.98	365.98	373.11	380.39	387.81
9 to 10 persons*	328.26	334.66	341.19	347.84	354.62	361.54	368.59	375.78	383.10	390.57	398.19
Additional Persons > 10*	6.12	6.24	6.36	6.49	6.61	6.74	6.87	7.01	7.14	7.28	7.42
Non-Residential	Full services										
Non-Metered Quarterly Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Including 5 Employees working 60 hours/week*	839.20	855.56	872.25	889.26	906.60	924.28	942.30	960.67	979.41	998.51	1,017.98
Additional Employees (over 5)*	59.12	60.27	61.45	62.65	63.87	65.11	66.38	67.68	69.00	70.34	71.71
Additional Hours of Operation*	1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.37	1.40	1.43	1.46
Summer Service**	1,931.64	1,969.31	2,007.71	2,046.86	2,086.77	2,127.46	2,168.95	2,211.24	2,254.36	2,298.32	2,343.14

*Wastewater Services are charged at 100% of water charges
** Water Only Charge

Table ES-3 provides the 2026-2035 forecasted water rates for metered customers. These rates include:

- a quarterly meter rental charge that varies based on meter size;
- quarterly rates for additional units applicable to residential, commercial, and industrial properties that have more than one unit; and
- volume charges per 1,000 imperial gallons, for water consumption that vary based on a declining rate structure for the amount of water utilized, as follows:
    - Block 1 Volume = up to 45,000 imperial gallons per quarter;
    - Block 2 Volume = volume between 45,001 and 90,000 imperial gallons per quarter;
    - Block 3 Volume = volume between 90,001 and 855,000 imperial gallons per quarter; and
    - Block 4 Volume = volume over 855,--- imperial gallons per quarter.

Note that wastewater is charged at 100% of the water bill, including the meter rental charge, additional units charge (where applicable), and the volume rates per 1,000 imperial gallons. All water and wastewater charges are proposed to increase 1.95% each year during the forecast period, which is consistent with the Town's current forecasted annual rate increases.

Table ES-3
Town of Carleton Place
Metered Water Rate Forecast

Quarterly Meter Rental Base Charge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
5/8"	17.79	18.14	18.49	18.85	19.22	19.59	19.98	20.37	20.76	21.17	21.58
3/4"	22.18	22.61	23.05	23.50	23.96	24.43	24.90	25.39	25.89	26.39	26.91
1"	27.53	28.07	28.61	29.17	29.74	30.32	30.91	31.51	32.13	32.76	33.39
1 1/2"	57.14	58.25	59.39	60.55	61.73	62.93	64.16	65.41	66.69	67.99	69.31
2"	74.33	75.78	77.26	78.76	80.30	81.87	83.46	85.09	86.75	88.44	90.16
3"	120.56	122.91	125.31	127.75	130.24	132.78	135.37	138.01	140.70	143.45	146.24
4"	206.08	210.10	214.20	218.37	222.63	226.97	231.40	235.91	240.51	245.20	249.98
Over 4"	420.15	428.34	436.70	445.21	453.89	462.74	471.77	480.97	490.35	499.91	509.66
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Quarterly Fees for Additional Units	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
2nd Unit	68.04	69.37	70.72	72.10	73.50	74.94	76.40	77.89	79.41	80.96	82.53
3rd Unit	45.00	45.88	46.77	47.68	48.61	49.56	50.53	51.51	52.52	53.54	54.59
4th Unit and any further additional	34.04	34.70	35.38	36.07	36.77	37.49	38.22	38.97	39.73	40.50	41.29
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Declining Volume Block Rates per 1,000 Imperial Gallons	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Block 1 (first 45,000 gallons)	6.299	6.422	6.547	6.675	6.805	6.938	7.073	7.211	7.351	7.495	7.641
Block 2 (45,001 to 90,000)	5.684	5.795	5.908	6.023	6.140	6.260	6.382	6.507	6.634	6.763	6.895
Block 3 (90,001 to 855,000)	5.022	5.120	5.220	5.322	5.425	5.531	5.639	5.749	5.861	5.975	6.092
Block 4 (855,000+)	3.793	3.867	3.942	4.019	4.098	4.178	4.259	4.342	4.427	4.513	4.601
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges

Tables ES-7 and ES-8 summarize the forecast annual water and wastewater bill, respectively, for an average multi-residential customer consuming 200,000 imperial gallons (gallons) of water per year using a 1 inch meter. Based on actual water consumption data provided by the Town, the 3-year average water consumption was 200,000 imperial gallons and the customer connected to a 1 inch meter. As noted, with an annual increase of 1.95% to the water charges, the total annual bill for each service is projected to increase from approximately $1,360 in 2025 to $1,647 in 2035. The daily cost for water and wastewater services equates to approximately $7.44 in 2025 increasing to $9.02 in 2035.

Tables ES-9 and ES-10 summarize the forecasted annual bill for an average large water and wastewater customer consuming approximately 1.64 million gallons of water annually, with a 2 inch meter. Similar to the assumptions used for the average residential consumption and meter size, 1.64 million gallons was derived using the Town's historical consumption data for large water customers on a 2 inch meter. The total annual bill for each service is projected to increase from approximately $7,690 in 2025 to $9,327 in 2035. The daily cost for water and wastewater services would increase from a total of $42.13 in 2025 to $51.11 in 2035.

Tables ES-11 and ES-12 summarize the annual bill for water and wastewater customers that are charged a flat rate and based on a 1-to-2-person household.

Table ES-7
Town of Carleton Place
Annual Combined Water and Wastewater Bill
Based on a Customer with a 1" Water Meter and Utilizing 200,000 Imperial Gallons of Volume

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Meter Rental Base Charge	$220.24	$224.53	$228.91	$233.38	$237.93	$242.57	$247.30	$252.12	$257.04	$262.05	$267.16
Additional Units Rate (based on 48 units in the building)	$6,715.52	$6,846.47	$6,979.98	$7,116.09	$7,254.85	$7,396.32	$7,540.55	$7,687.59	$7,837.50	$7,990.33	$8,146.14
Volume Charges:											
Block 1 Volume	$2,267.64	$2,311.9	$2,356.9	$2,402.9	$2,449.8	$2,497.5	$2,546.2	$2,595.9	$2,646.5	$2,698.1	$2,750.7
Block 2 Volume	$227.36	$231.8	$236.3	$240.9	$245.6	$250.4	$255.3	$260.3	$265.3	$270.5	$275.8
Total Volume Charges	$2,495.00	$2,543.7	$2,593.3	$2,643.8	$2,695.4	$2,747.9	$2,801.5	$2,856.2	$2,911.8	$2,968.6	$3,026.5
Total Annual Bill	**$9,430.76**	**$9,614.66**	**$9,802.15**	**$9,993.29**	**$10,188.16**	**$10,386.83**	**$10,589.37**	**$10,795.86**	**$11,006.38**	**$11,221.01**	**$11,439.81**

Table ES-9
Town of Carleton Place
Annual Combined Water and Wastewater Bill
Based on a Customer with a 2" Water Meter and Utilizing 1.64 Million Imperial Gallons of Volume

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Meter Rental Base Charge	$594.64	$606.24	$618.06	$630.11	$642.40	$654.92	$667.69	$680.71	$693.99	$707.52	$721.32
Additional Units Rate (based on 48 units in the building)	$6,715.52	$6,846.47	$6,979.98	$7,116.09	$7,254.85	$7,396.32	$7,540.55	$7,687.59	$7,837.50	$7,990.33	$8,146.14
Volume Charges:											
Block 1 Volume	$1,763.72	$1,798.11	$1,833.18	$1,868.92	$1,905.37	$1,942.52	$1,980.40	$2,019.02	$2,058.39	$2,098.53	$2,139.45
Block 2 Volume	$1,250.48	$1,274.86	$1,299.72	$1,325.07	$1,350.91	$1,377.25	$1,404.11	$1,431.49	$1,459.40	$1,487.86	$1,516.87
Block 3 Volume	$5,022.00	$5,119.93	$5,219.77	$5,321.55	$5,425.32	$5,531.12	$5,638.97	$5,748.93	$5,861.04	$5,975.33	$6,091.85
Block 4 Volume	$6,751.54	$6,883.20	$7,017.42	$7,154.26	$7,293.76	$7,435.99	$7,581.00	$7,728.82	$7,879.54	$8,033.19	$8,189.83
Total Volume Charges	$14,787.74	$15,076.10	$15,370.08	$15,669.80	$15,975.36	$16,286.88	$16,604.48	$16,928.26	$17,258.36	$17,594.90	$17,938.00
Total Annual Bill	**$22,097.90**	**$22,528.81**	**$22,968.12**	**$23,416.00**	**$23,872.61**	**$24,338.13**	**$24,812.72**	**$25,296.57**	**$25,789.85**	**$26,292.75**	**$26,805.46**

The proposed rate increases will allow the existing water and wastewater systems to operate and be maintained over the forecast period. As the growth that will benefit from the water and wastewater treatment plant expansion are anticipated over more than 20 years, the water and wastewater rates will need to assist in cash flowing the growth-related long-term debt until such time that D.C. revenues are collected. In future years, once D.C. funding is received, the water and wastewater reserve funds will be replenished for the funds cash flowed.

Report

Chapter 1
Introduction

1. Introduction

1.1 Background

The Town of Carleton Place (Town) has a current population of approximately 12,500 people and approximately 4,700 jobs. There are 5,672 water customers and 5,664 wastewater customers using the Town's systems. The Town is responsible for the supply, treatment, storage, and distribution, of water. For wastewater, the Town is responsible for collection, and treatment.

Metered Customers

Metered customers are currently charged a quarterly meter rental base charge for water based on the water meter size. The Town also imposes a declining block rate structure for water consumption for all residential, commercial, and industrial customers. Furthermore, for commercial, industrial, and residential customers that have more than one unit, an additional meter charge is imposed based on the number of units in the existing development. This fee structure varies, based on a declining rate for the second unit, third unit, and for the fourth or greater units.

The volume rates are based on a declining block rate structure, which varies based on the quarterly water volume consumed. Table 1-1 provides the rates currently in effect for 2025.

The Town's metered rate structure also includes a minimum bill amount of $87.17 per quarter, plus the meter rental base charge. The minimum bill assumes that customers would be charged for a minimum of approximately 13,800 imperial gallons per quarter.

As wastewater service is charged based on 100% of water service, the wastewater rates are equal to the existing water rates.

Table 1-1
Town of Carleton Place
2025 Water and Wastewater Rates for Metered Customers

Water and Wastewater Metered Rate Structure And Declining Block Rate Structure		
Quarterly Meter Rental Charge		
Meter Size & Volumes	***2025 - Water Billing Rates***	***2025 - Wastewater Billing Rates***
5/8"	$17.79	$17.79
3/4"	$22.18	$22.18
1"	$27.53	$27.53
1 1/2"	$57.14	$57.14
2"	$74.33	$74.33
3"	$120.56	$120.56
4"	$206.08	$206.08
Over 4"	$420.15	$420.15
Quarterly Fees For Additional Water Meters		
Units		***Rate***
2nd Unit		$38.04
3rd Unit		$45.00
4th Unit and any Further Additional Units		$34.04
Volume Charges (per 1,000 Imperial Gallons)		
Minimum Quarterly Bill (Plus Meter Rate)	**$87.17**	**$87.17**
Declining Block Rate Structure	***per 1,000 Imperial Gallons***	***per 1,000 Imperial Gallons***
Block 1 (first 45,000 gallons)	$6.299	$6.299
Block 2 (45,001 to 90,000)	$5.684	$5.684
Block 3 (90,001 to 855,000)	$5.022	$5.022
Block 4 (855,000+)	$3.793	$3.793

Non-Metered Customers

Non-metered customers are charged based on a flat rate basis for residential and non-residential developments. Residential flat fees vary based on the number of people per household (i.e., 1 to 2 persons, 3 to 5 persons, 6 to 8 persons, 9 to 10 persons, and greater than 10 persons) and is further differentiated based on whether the household is fully serviced, serviced without an outside tap, or if there is a private swimming pool. For non-residential customers, water flat fees are assessed based an amount that includes five employees working no more than 60 hours per week. For business that have additional employees (i.e., over 5), and/or have additional hours of operation, additional fees apply. Finally, there are flat rates for customers that are only open during the summer. These summer service flat rates differ for those that are on full water service versus those that have a private swimming pool.

Wastewater fees are equal to 100% of water fees, except for the summer only water services, as wastewater services are not provided to these customers.

Tables 1-2 and 1-3 provide the non-metered flat rates for water and wastewater customers, respectively.

Table 1-2
Town of Carleton Place
2025 Water Rates for Non-Metered Customers

Non-Metered (Quarterly Rates)	Water		
	Full Service	Service less outside tap	Private swimming pool
Residential			
1 to 2 persons	$128.75	$115.33	$146.79
3 to 5 persons	$135.24	$121.85	$153.29
6 to 8 persons	$141.80	$128.45	$159.85
9 to 10 persons	$146.09	$132.60	$164.13
Additional Persons > 10	$3.06	$3.06	$3.06
Non-Metered (Quarterly Rates)	**Full Service**	**Service less outside tap**	**Private swimming pool**
Non-residential			
Base Billing (incl. 5 Employees working 60 hours/week)	$104.90		
Additional Employees	$7.39		
Additional Hours of Operation (rate x number of employees)	$0.15		
2024 Summer Service Flat Rate	$482.91		$605.47

Table 1-3
Town of Carleton Place
2025 Wastewater Rates for Non-Metered Customers

Non-Metered (Quarterly Rates)	Wastewater		
	Full Service	Service less outside tap	Private swimming pool
Residential			
1 to 2 persons	$128.75	$115.33	$146.79
3 to 5 persons	$135.24	$121.85	$153.29
6 to 8 persons	$141.80	$128.45	$159.85
9 to 10 persons	$146.09	$132.60	$164.13
Additional Persons > 10	$3.06	$3.06	$3.06
Non-Metered (Quarterly Rates)	**Full Service**	**Service less outside tap**	**Private swimming pool**
Non-residential			
Base Billing (incl. 5 Employees working 60 hours/week)	$104.90		
Additional Employees	$7.39		
Additional Hours of Operation (rate x number of employees)	$0.15		
2024 Summer Service Flat Rate			

1.2 Study Process

The Town retained Watson to undertake the Town's 2025 water and wastewater rate study and water financial plan (completed June 18, 2025). Municipalities periodically undertake water and wastewater studies to ensure rates are reflective of the costs being incurred.

The objectives of the study and the steps involved in carrying out the assignment are summarized below:

- Update water and wastewater service demand assumptions based on analysis of historical water consumption and recent trends;
- Estimate future water consumption levels by applying demand assumptions to forecast growth identified in the Town's 2024 Development Charges (D.C.) Background Study , adjusted to reflect the actual historical growth experienced in recent years;
- 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 and specific needs identified by staff;
- Identify potential methods of cost recovery from the capital needs listing. These recovery methods may include other statutory authorities (e.g., *Development Charges Act, 1997* (D.C.A.), *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 rate payers; and
- Present findings to staff and Council for their consideration.

The following analysis is provided in this report:

- Chapter 2 – Forecast Growth and Service Demands
- Chapter 3 – Capital Infrastructure Needs
- Chapter 4 – Lifecycle Costing
- Chapter 5 – Capital Cost Financing Options
- Chapter 6 – Operating Expenditure and Revenue Forecast

- Chapter 7 – Forecast Water and Wastewater Rates
- Chapter 8 – Pricing Structures
- Chapter 9 – Recommendations

1.3 Legislative Context

Significant regulatory changes have taken place in Ontario since the water crisis in Walkerton. These changes result from the Walkerton Commission and the 93 recommendations made in the Walkerton Inquiry Part II report. Areas of recommendation include:

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

The legislation which would have most impacted municipal water and wastewater rates was the *Sustainable Water and Sewage Systems Act, 2002* (S.W.S.S.A.), as it required municipalities to implement full-cost pricing. The legislation was enacted in 2002; however, it had not been implemented pending the approval of its regulations. The Act was repealed as of January 1, 2013. It is expected that the provisions of the *Water Opportunities Act* will implement the requirements of S.W.S.S.A. Furthermore, on December 27, 2017, O. Reg. 588/17 was released under the *Infrastructure for Jobs and Prosperity Act, 2015* (I.J.P.A.), which outlines the requirements for asset management for municipalities. The results of the asset management review under this Act will need to be considered in light of the recent investments undertaken by the Town and the capital spending plan provided herein.

The following sections describe these various resulting changes.

1.3.1 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.

1.3.2 Financial Plans Regulation

On August 16, 2007, the Ministry of Environment, Conservation, and Parks (M.O.E.C.P.) issued O. Reg 453/07, which requires the preparation of financial plans for water (and wastewater) systems. The M.O.E.C.P. has also provided a Financial Plan Guidance Document to assist in preparing the plans. A summary of the key elements of the regulation is provided below:

- The financial plan will represent one of the key elements for the municipality to obtain its Drinking Water Licence;

- The financial plan 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, 2002*, the preparation of the plan is mandatory for water and encouraged for wastewater;
- The plan is considered a living document (i.e., will be updated as annual budgets are prepared) but will need to be undertaken, at a minimum, every five years;
- The plans generally require the forecasting of capital, operating and reserve fund positions, providing detailed inventories, forecasting future users and volume usage, and corresponding calculation of rates. In addition, Public Sector Accounting Board (P.S.A.B.) 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, and net debt);
- The financial plans must be made available to the public (at no charge) upon request and be available on the municipality's website. The availability of this information must also be advertised; and
- The financial plans are to be approved by Resolution of the Council or governing body indicating that the drinking water system is financially viable.

In general, the financial principles of the draft regulations follow the intent of S.W.S.S.A. to move municipalities towards financial sustainability. 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 Shores – Water and Wastewater Systems") had been developed to assist municipalities in understanding the Province's direction and provided 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 for water, wastewater, and stormwater systems is desirable given the inherent relationship of 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.

It is noted that the water financial plan was completed for the Town on June 18, 2025.

1.3.3 Water Opportunities Act, 2010

Since the passage of the *Safe Drinking Water Act, 2002*, further changes and refinements to the legislation have been introduced. Some of these Bills have found their way into law, while others have not been approved. Bill 72, the *Water Opportunities Act, 2010*, was introduced into legislation on May 18, 2010, and received Royal Assent on November 29, 2010.

The Act provides for the following elements:

- The fostering of innovative water, wastewater and stormwater technologies, services, and practices in the private and public sectors;

- Preparation of water conservation plans to achieve water conservation targets established by the regulations; and
- Preparation of sustainability plans for municipal water services, municipal wastewater services, and municipal stormwater services.

Regarding the sustainability plans:

- The Act extends from the water financial plans and requires a more detailed review of the water financial plan and requires a full plan for wastewater and stormwater services; and
- Regulations 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;
- A financial plan;
- For water, a water conservation plan;
- An 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, with the following considerations:

- Financing, operation, or maintenance of a municipal service, or to any other matter in respect of what information may be required to be included in a plan;
- Different municipal service providers or for municipal services in different areas of the Province.

Regulations will prescribe:

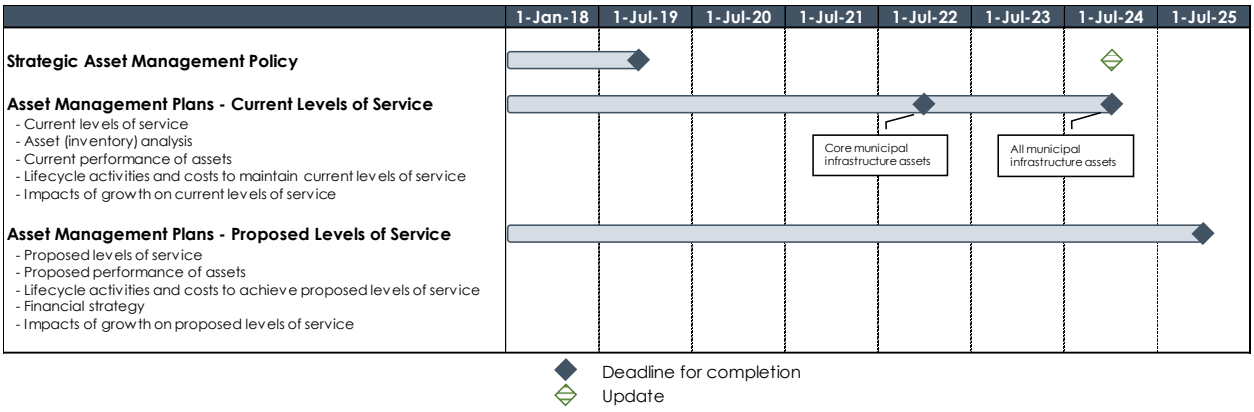
- Timing;
- Contents of the plans;
- Which identified portions of the plan will require certification;
- Public consultation process; and
- Limitations, updates, refinements, etc.

As noted earlier, it is expected that this Act will implement the principles of the S.W.S.S.A. once all regulations are put in place.

1.3.4 Infrastructure for Jobs and Prosperity Act, 2015

On June 4, 2015, the Province passed the *Infrastructure for Jobs and Prosperity Act, 2015* (I.J.P.A.) which, over time, will require municipalities to undertake and implement asset management plans for all infrastructure they own. On December 27, 2017, the Province of Ontario released Ontario Regulation (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. The timelines are presented in Figure 1-1 below.

Figure 1-1
Legislative Timelines set out by the Jobs and Prosperity Act
Legislation related to Asset Management Plans



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, including some prescribed measures; and
    - Lifecycle management strategies and associated costs to maintain current levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
    - Same steps as Phase 1, but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025) builds on Phases 1 and 2, adding:
    - Proposed levels of service; and
    - Financial strategy that supports achieving proposed levels of service.

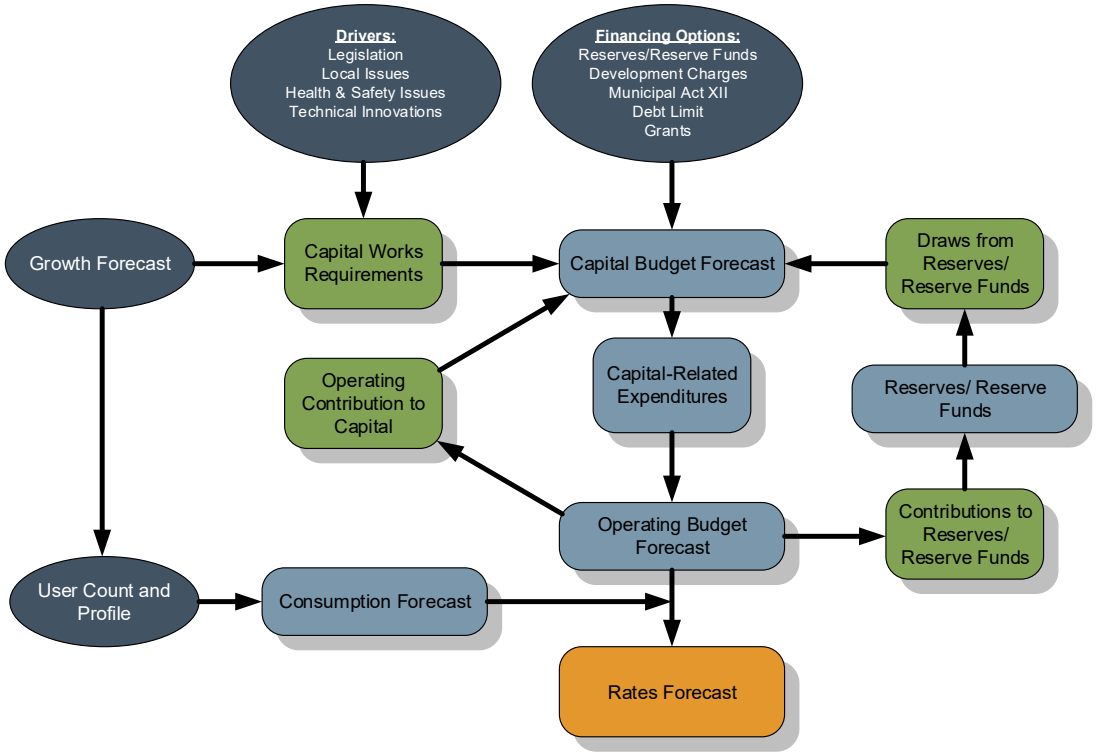
In relation to water and wastewater services (which are considered core assets), municipalities were required to have an asset management plan that addressed the related infrastructure by July 1, 2022 (Phase 1). O. Reg. 588/17 specifies that the Town's asset management plan must include the following 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 asset management plan;
- The current performance of each asset category, including:
    - 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 municipality'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.

1.3.5 Water and Wastewater Rate Calculation Methodology

Figure 1-2 illustrates the general methodology used in determining the full cost recovery of water and wastewater services.

Figure 1-2
Water and Wastewater Rate Calculation Methodology



The methodology employed generally consists of 5 major elements:

1. Customer Demands and Consumption Forecast

As noted in Section 1.1, the Town employs a rate structure consisting of a quarterly meter rental base charge, charges for additional units, and a consumptive rate based on water volume consumed, for metered customers. For non-metered customers, the Town employs a flat rate structure that varies by type of service and number of people in residential dwellings. For non-residential customers that are non-metered, the Town's flat rate structure includes a base amount which includes five employees working up to 60 hours per week. There are also additional charges for each additional employee over five, and additional hours of operation. For metered customers, there is

also a minimum bill, which is imposed on customers whose water volumes are less than approximately 13,800 imperial gallons per quarter.

This first step in the analysis is important as it produces the current flat rate and base charge revenues by source and assumptions for forecasting purposes. The customer forecast is modelled for the water and wastewater systems independently to identify differences in service demands. The water and wastewater volume forecasts are prepared by applying average annual water consumption(volume)/wastewater flow estimates to future development. Volume estimates were determined based on a review of historical average levels across the Town's water system. It is noted that wastewater is imposed at 100% of the cost of water.

2. Capital Needs Forecast

The capital needs forecasts are developed to measure program/service level adjustments, lifecycle requirements, and growth-related needs. The Town's 10-year water and wastewater capital budget, lifecycle analysis of tangible capital assets, and specific needs identified by Town staff provided the base capital forecast. The capital forecast includes the growth-related needs based on the Town's 2024 D.C. Background Study. This is in line with the water and wastewater customer growth forecast assumptions. Capital expenditures are forecast with inflationary adjustments based on capital cost indices and based on discussion with Town staff.

3. Capital Funding Plan

The capital funding plans consider the potential funding sources available to address the capital needs forecast. The sources of capital funding include rate-based support, reserves/reserve funds, grants, and debt for program/service level improvements. Growth-related sources of funding include D.C.s, if imposed by a municipality, and debt. 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 the municipality's debt policies and annual repayment limits to ensure a practical and sustainable funding mix. The Town finances water and wastewater capital costs through grants, the D.C. reserve fund, growth-related debt, along with water and wastewater reserves.

4. Operating Budget Forecast

The operating budget forecast considers adjustments to the municipality's base budget reflecting program/service level changes, operating fund impacts associated with infrastructure, and financing for capital projects. The operating expenditures are forecasted 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 water and wastewater services, as well as the capital cost requirements to ensure service sustainability. Operating revenues are projected to identify the flat rates, base charges and volume rate parts, net of other operating revenues. Other operating revenues include water meter fees, rental fees, revenue expected from other municipalities that buy services from the municipality (where applicable), and other miscellaneous revenues. Specific to the Town, the operating revenues include base charge, flat rate, and additional unit revenues along with penalties for both water and wastewater services, and summer service revenues for water only.

5. Rate Forecast and Structure

The rate forecast and rate structure components 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 volume demands to determine full cost recovery rates. The analysis may consider alternative structures, including amalgamating individual systems within a municipality, consistent with municipal policies/strategies, industry practice, and customer affordability. The rate forecasts are applied against a range of customer types, and in relation to other municipalities, to measure the annual water and wastewater bill impacts.

Chapter 2
Forecast Growth and Servicing Requirements

2. Forecast Growth and Servicing Requirements

The Town provides water and wastewater services to both metered and non-metered customers. Specifically, the Town has 220 metered water and wastewater customers, for meters ranging from 5/8" to greater than 4". The metered customers consist of multi-residential and non-residential users. Table 2-1 provides the breakdown of metered customers by service and meter size.

Table 2-2 provides an overview of the Town's existing metered customers and number of meters that have additional units. These customers include residential and non-residential (industrial and commercial) customers that have additional units, where one meter is used to service all units.

Table 2-1
Town of Carleton Place
Existing Metered Residential Customer Profile

Metered	Water	Wastewater
5/8"	25	25
3/4"	43	43
1"	41	41
1 1/2"	24	24
2"	69	69
3"	13	13
4"	4	4
Over 4"	1	1
Total	**220**	**220**

Table 2-2
Town of Carleton Place
Existing Metered Customers with Additional Units

Customers that have 2nd units, 3rd units, and 4th (or more) units,	Number of Customers	Number of Meters
Non-residential:		
1 unit	13	13
2nd units	3	3
3rd units	7	7
4th (or more) units	31	31
Total Non-residential Customers	54	54
Residential:		
Residential Metered Customers	30	30

There are also 4,320 non-metered residential water customers and 4,313 non-metered residential wastewater customers that are fully serviced. The water and wastewater non-metered residential customers for full servicing without an outside tap and private swimming pool are identical, with 660 and 280 customers, respectively. The Town also has 191 fully serviced non-metered non-residential water and wastewater customers, and 1 non-metered non-residential summer services water customer. Further, there is one water-only customer that receives summer services. Table 2-3 provides the non-metered customers by service, based on information provided by Town staff. The forecast assumes that the existing customers will continue in the same categories they are currently in, however, Town staff will need to monitor how many customers change categories to ensure the correct rates are being applied each quarter.

Table 2-3
Town of Carleton Place
Existing Non-Metered Residential and Non-Residential Customer Profile

Non-Metered	Water				Wastewater			
	Full Service	Service less outside tap	Private swimming pool	Total	Full Service	Service less outside tap	Private swimming pool	Total
Residential								
1 to 2 persons	2,874	546	168	3,588	2,867	546	168	3,581
3 to 5 persons	1,433	113	111	1,657	1,433	113	111	1,657
6 to 8 persons	13	1	1	15	13	1	1	15
9 to 10 persons	-	-	-	-	-	-	-	-
Additional Persons > 10	-	-	-	-	-	-	-	-
Total Residential	**4,320**	**660**	**280**	**5,260**	**4,313**	**660**	**280**	**5,253**
Non-Residential								
Base Billing (incl. 5 Employees working 60 hoours/week)	191			191	191			191
Additional Employees	-			-	-			-
Additional Hours of Operation	-			-	-			-
Total Non-Residential	**191**	**-**	**-**	**191**	**191**	**-**	**-**	**191**
Summer Services customer	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,512**	**660**	**280**	**5,451**	**4,504**	**660**	**280**	**5,444**

The water and wastewater customer growth for 2026-2035 period is based on the Town's 2024 D.C. Background Study. There is anticipated growth in both metered and non-metered customers over the forecast period.

The number of new residential customers is expected to increase by 1,247 over the forecast. Of these new residential customers, 1,238 are related to low (i.e., single and semi-detached units) and medium density (i.e., rowhouses) developments, which are expected to be charged on the flat rate basis, and 9 are for high-density multi-residential developments, anticipated to be metered customers. The new metered customers have been forecasted for additional high-density customers based on an average of 48 units

per apartment building, and it is assumed that 2" meters will be utilized for each new building. These assumptions are based on the existing customer profile for similar high-density buildings. It is noted, that the Town should monitor the actual number of buildings, the number of units in each and the size of meters being installed for these new developments to ensure that the forecasted rates are appropriate, as future developments may differ from past developments over time.

The additional non-metered customers include low and medium-density residential customers. Of the non-metered customer growth by 2035 that is forecasted to include 1,238 new fully serviced customers. Of these new customers, 25% are assumed to be residential dwelling units with 1-to-2 persons and 75% are assumed to be residential dwelling units with 3 to 5 persons.

With respect to wastewater service, it is assumed that the number of metered residential wastewater customers will also increase by 1,247 over the 10-year forecast period as, similar to water services, it is expected that all new growth will be fully serviced.

To be conservative, no growth in summer service water-only customers have been assumed over the forecast period. If there are new customer in this category, the revenue generated would provide a minor surplus each year of the forecast that they receive the service.

The Town's 2024 D.C. Background Study also provides a forecast for non-residential gross floor area (G.F.A.). It is difficult to accurately determine the amount of water and wastewater new non-residential buildings may use each year based on the amount of building space they occupy. This is because, two different users with the same amount of building space can use different amounts of water and wastewater based on the type of business they operate. Therefore, to be conservative, the growth in the non-residential sector has not been included in the forecast of new customers or additional anticipated volumes. Where non-residential customers are added to the system, a surplus would be generated from the rates. This surplus would be used to mitigate other fluctuations in costs and/or to assist in building reserves for future asset management needs.

The Town provided Watson with full-year water consumption records for 2018 to 2024 and the first quarter of 2025. The data was provided on a quarterly basis and aggregated to understand the yearly water consumption. This data was analyzed to

develop a forecast of water demand for the period 2026-2035. Total water consumption for the first quarter of 2025 was estimated to be 22.31 million imperial gallons. The 3 - year average water consumption for years 2022 to 2024 for those charged the minimum bill and block 1 volume rates was 6.17 million and 13.47 million imperial gallons, respectively. For volume blocks 2, 3, and 4, the 3-year average consumption was 7.92 million, 23.69 million, and 7.55 million imperial gallons, respectively. Based on the data and the growth forecast for all new customers to be residential customers, all new consumption is anticipated to fall to the minimum bill and first block volume rate.

Overall, billable water consumption is expected to increase by approximately 7.97 million imperial gallons by 2035 from 6.17 million imperial gallons in 2025. Similarly, billable wastewater flows, which are based on water consumption by customers with wastewater servicing, are also forecasted to increase to 7.97 million gallons by 2035, from 6.17 gallons in 2025.

Tables 2-1 and 2-2 provide the customer forecasts along with the detailed water consumption and wastewater flows forecasts, by volume block, for the 10-year period to 2035.

Table 2-1
Town of Carleton Place
Water System Forecast

Water Customer Forecast	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing - Metered Customers	220	220	220	220	220	220	220	220	220	220	220
Exisitng - Non-Metered Customers	5,452	5,452	5,452	5,452	5,452	5,452	5,452	5,452	5,452	5,452	5,452
New - Growth - Low/Medium Density - Non-Metered	48	144	255	380	505	630	755	880	1,006	1,132	1,238
New - Growth - High Density - Metered	-	-	-	2	3	4	5	6	7	8	9
Total	**5,720**	**5,816**	**5,927**	**6,054**	**6,180**	**6,306**	**6,432**	**6,558**	**6,685**	**6,812**	**6,919**
Units Associated with New High Density Customers	-	-	-	90	138	186	234	282	330	378	438

Water Volume Forecast (imperial gallons)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Block 1											
Existing (3-year average)	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447
Existing (3-year average) - Based on Minimum Bill	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200
New	-	-	-	400,000	600,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000
Subtotal Block 1	**19,646,647**	**19,646,647**	**19,646,647**	**20,046,647**	**20,246,647**	**20,446,647**	**20,646,647**	**20,846,647**	**21,046,647**	**21,246,647**	**21,446,647**
Block 2											
Existing (3-year average)	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 2	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**
Block 3											
Existing (3-year average)	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 3	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**
Block 4											
Existing (3-year average)	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 4	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**
Total	**58,818,970**	**58,818,970**	**58,818,970**	**59,218,970**	**59,418,970**	**59,618,970**	**59,818,970**	**60,018,970**	**60,218,970**	**60,418,970**	**60,618,970**

Table 2-2
Town of Carleton Place
Wastewater Customer Forecast

Wastewater Customer Forecast	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing - Metered Customers	220	220	220	220	220	220	220	220	220	220	220
Exisitng - Non-Metered Customers	5,444	5,444	5,444	5,444	5,444	5,444	5,444	5,444	5,444	5,444	5,444
New - Growth - Low/Medium Density - Non-Metered	48	144	255	380	505	630	755	880	1,006	1,132	1,238
New - Growth - High Density - Metered	-	-	-	2	3	4	5	6	7	8	9
Total	**5,712**	**5,808**	**5,919**	**6,046**	**6,172**	**6,298**	**6,424**	**6,550**	**6,677**	**6,804**	**6,911**
Units Associated with New High Density Customers	-	-	-	90	138	186	234	282	330	378	438

Wastewater Flows Forecast (imperial gallons)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Block 1											
Existing (3-year average)	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447	13,473,447
Existing (3-year average) - Based on Minimum Bill	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200	6,173,200
New	-	-	-	400,000	600,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000
Subtotal Block 1	**6,173,200**	**6,173,200**	**6,173,200**	**6,573,200**	**6,773,200**	**6,973,200**	**7,173,200**	**7,373,200**	**7,573,200**	**7,773,200**	**7,973,200**
Block 2											
Existing (3-year average)	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273	7,928,273
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 2	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**	**7,928,273**
Block 3											
Existing (3-year average)	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110	23,690,110
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 3	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**	**23,690,110**
Block 4											
Existing (3-year average)	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940	7,553,940
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Block 4	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**	**7,553,940**
Total	**45,345,523**	**45,345,523**	**45,345,523**	**45,745,523**	**45,945,523**	**46,145,523**	**46,345,523**	**46,545,523**	**46,745,523**	**46,945,523**	**47,145,523**

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 Capital Forecast

Capital forecasts have been provided for the water and wastewater systems. These forecasts are presented in Table 3-1 and Table 3-2, respectively. The capital forecasts are based on the Town's 10-year water and wastewater capital budget, lifecycle analysis of tangible capital assets, and the 2024 D.C. Background Study. These forecasts include lifecycle capital needs, major maintenance, growth-related projects, and servicing studies. The timing for capital expenditures was adjusted to reflect the anticipated cash out flows based on discussions with Town staff. A summary of the capital works related to the water and wastewater services is provided in Tables 3-1 and 3-2. For annualized capital forecast details, see Appendix A for water services and Appendix B for wastewater services.

Table 3-1
Town of Carleton Place
Water Services - 2025 Capital Budget and 2026 to 2035 Capital Forecast Summary
(Uninflated $)

Description	Budget 2025	Total 2026-2035	Timing 2026-2035
Capital Expenditures			
Lifecycle:			
Judson Lane 50 mm Watermain	15,000	-	
Water Leak Listening Device (three units)	8,000	-	
Blair Easement Watermain relining	-	100,000	2028
Plant Major Maintenance	195,000	2,000,000	2026-2034
Napoleon St	-	260,000	2026
Allan St	-	227,500	2027
Watermain Replacements	-	3,029,030	2033-2035
Studies:			
Water & Sewer Servicing Study	-	50,000	
Lake Ave Monitoring	60,000	600,000	2026-2034
Growth Related:			
Water Treatment Plant Expansion Design	1,350,000	-	
Water Treatment Plant Expansion	15,000,000	44,000,000	2026-2027
Watermain Extension South of Hwy #7	653,000	-	
B-1a: Upgrade to Existing Distribution System (Bates Dr)	238,615	-	
B-1b: New to Distribution System (Bates Dr)	223,385	-	
B-4: New Distribution System (Bridge St)	-	90,800	2026
B-5: Upgrade to Existing Distribution System (Mullett St)	-	209,000	2026
B-9: Upgrade to Existing Distribution System (Nelson St & Findlay)	202,750	405,500	2026-2027
B-10: New to Distribution System (Cavanagh Rd)	-	574,000	2027
B-11: Upgrade to Existing Distribution System (Lake Ave E)	-	758,000	2030
New Bulk Water Station	-	-	
Additional Pick-up Truck	-	53,000	2030
Total Capital Expenditures	**$17,945,750**	**$52,356,830**	

Table 3-2
Town of Carleton Place
Wastewater Services - 2025 Capital Budget and 2026 to 2035 Capital Forecast
Summary (Uninflated $)

Description	Budget 2025	Total 2026-2035	Timing 2026-2035
Capital Expenditures			
Lifecycle:		-	
Pumping Station Findlay St	1,500,000	-	
Pumping Station Princess St	1,700,000	-	
Pumping Station Hwy 7	-	531,300	2027
Pumping Station Mississippi Quays	-	371,910	2028
Plant Major Maintenance	195,000	2,000,000	2026-2034
Allan St	-	227,500	2027
Sanitary Sewer Replacements	-	3,029,030	2033-2035
Studies:			
Water & Sewer Servicing Study	-	50,000	2031
Growth Related:			
Bates Dr Sanitary Sewer	283,000	-	
Trunk Sewer Industrial Drive	200,000	-	
Sanitary Sewer Upgrade North of Hwy #7	1,100,000	-	
Forcemain - Patterson to Wastewater Plant	-	1,600,000	2027
Wastewater Treatment Plant Expansion	30,000,000	57,000,000	2026-2027
Industrial Ave Pumping Station	3,900,000	-	
SEW-GRW4: New Pump Station & Forcemain to service development areas	-	4,102,000	2026
New Bates Sanitary Extension	175,000	175,000	2026
New Barrel for Siphon	-	600,000	2030
Trunk Sewer upsizing (Industrial and Mullett)	-	1,000,000	2035
Total Capital Expenditures	**$39,053,000**	**$70,686,740**	

Chapter 4
Lifecycle Costing

4. Lifecycle Costing

4.1 Overview of Lifecycle Costing

4.1.1 Definition

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 include all of the costs which are incurred during the service life of a physical asset. This service life spans the period; from the time its acquisition is first considered to the time it is taken out of service for disposal or redeployment. The asset goes through several stages in its lifecycle. These include specification, design, manufacture (or build), install, commission, operate, maintain, and disposal. Figure 4-1 depicts these stages in schematic form.

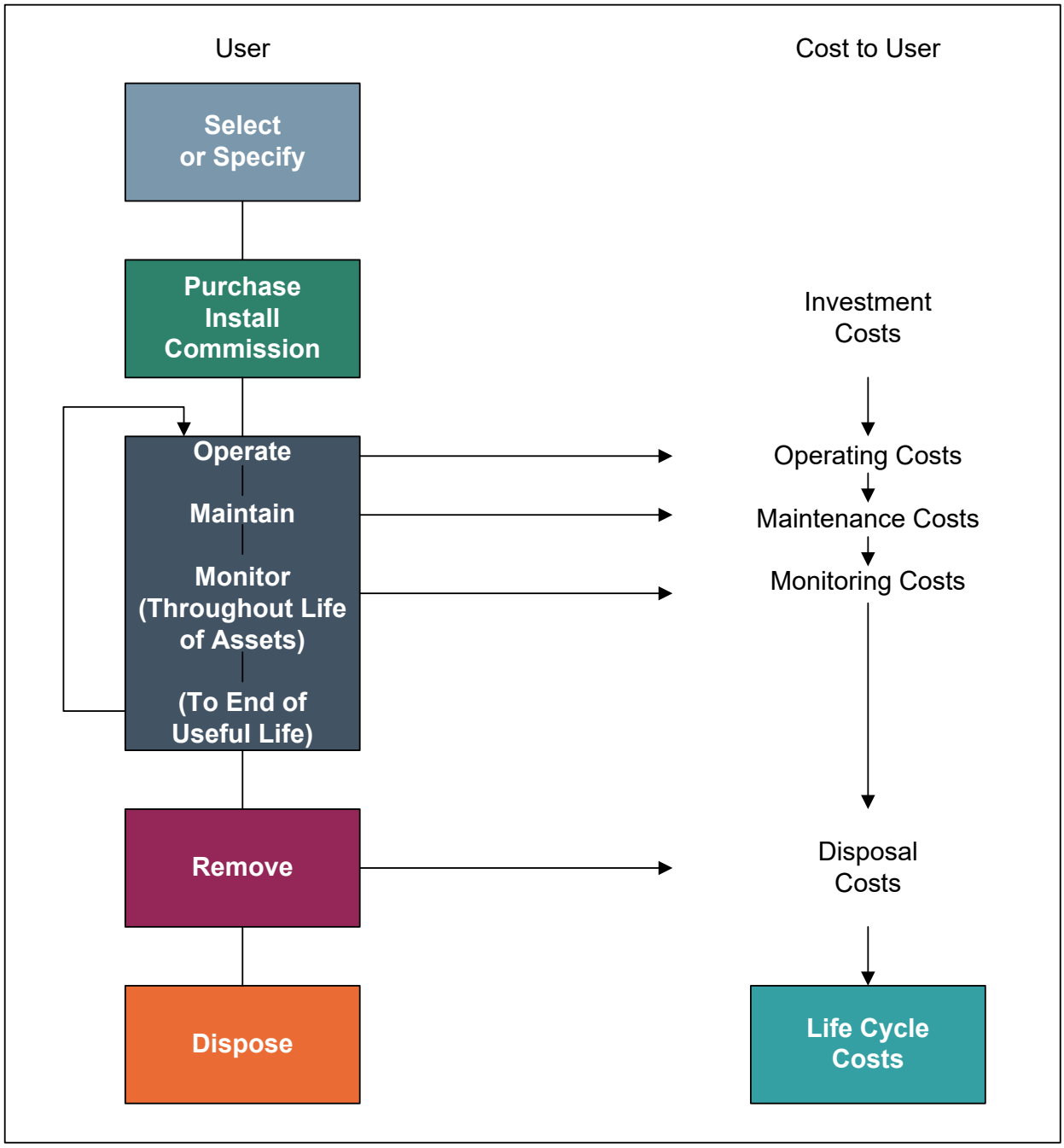
4.1.2 Financing Costs

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 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 Town. Over the past few decades, new financing techniques such as D.C.s have been employed based on the underlying principle of having those that require and directly benefit from expansionary needs, to pay for those needs, vs. having the costs spread amongst existing rate payers (i.e., growth paying for growth needs). Operating costs, which reflect the cost of the service for that year, are charged directly to all existing 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, with operating budget contributions, D.C.s, connection charges, reserves, developer contributions, grants, and debentures being the most common.

Figure 4-1
Lifecycle Costing



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 municipality to continue. As well, debentures could be used to fund

such works, with the debt charge carrying costs recouped from growth and/or rate payers 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 municipality is typically dependent upon debentures, reserves, and contributions from the operating budget to fund these works.

Figure 4-2 depicts the costs of an asset from its initial conception through to replacement. It then follows the costs through to the next replacement.

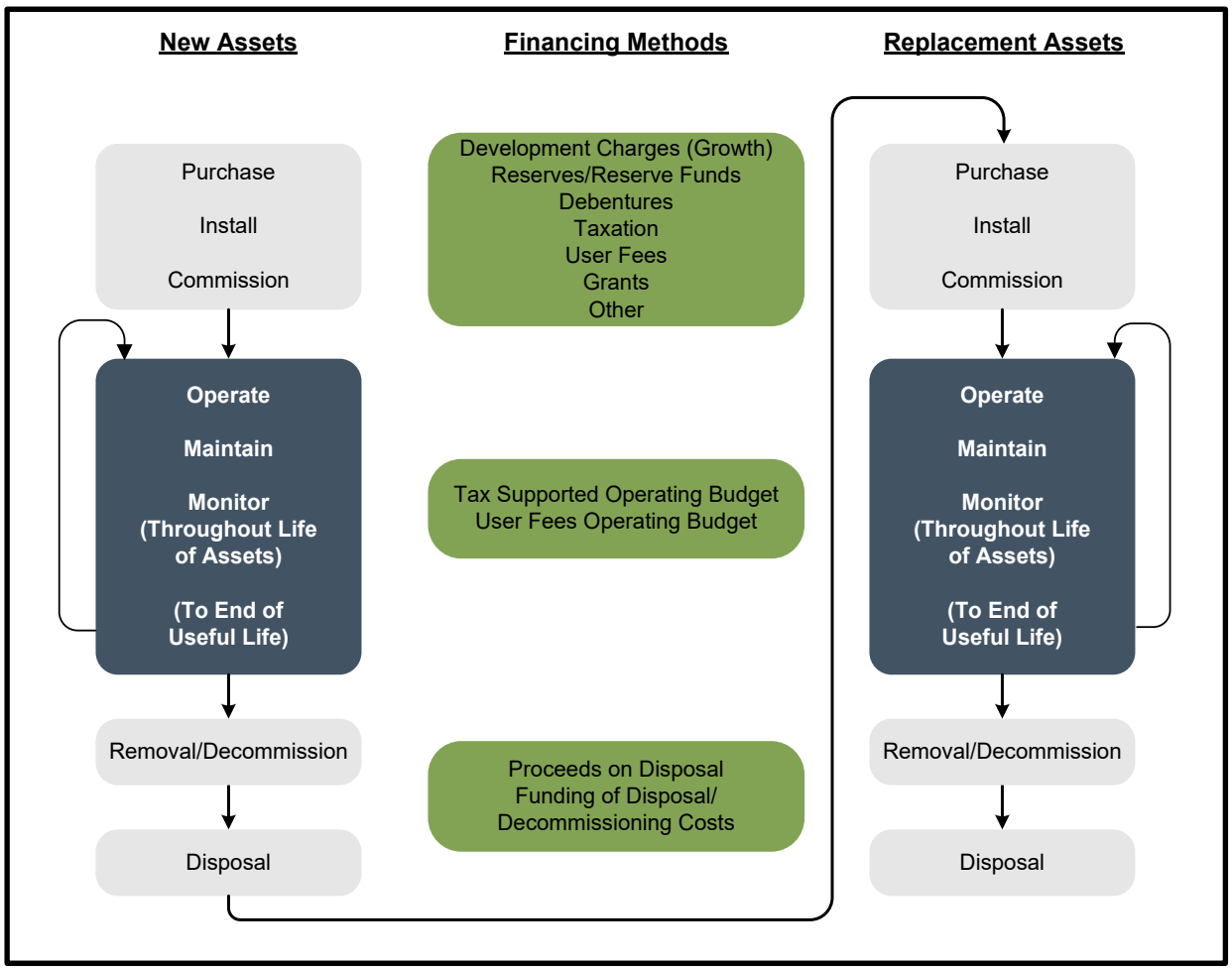
As referred to earlier, growth-related financing methods such as D.C.s and developer contributions could be used to finance the growth-related component of the new asset. These revenues are collected (indirectly) from the new homeowner who benefits directly from the installation of this asset. Other financing methods may be used to address the non-growth-related component of this project. These methods include reserves which have been collected from past rate payers, operating budget contributions collected from existing rate payers, and debentures which future rate payers will carry. Ongoing costs for monitoring, operating, and maintaining the asset will be charged annually to the existing 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 rate payer who benefits from the replacement of the asset, should the past 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 they 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 rate payer should assume this cost, then debentures and a contribution from the operating budget should be used to fund this work.

Charging for the cost of using up an asset is the basic concept behind depreciation 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 depreciation. 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 4-2
Financing Lifecycle Costs



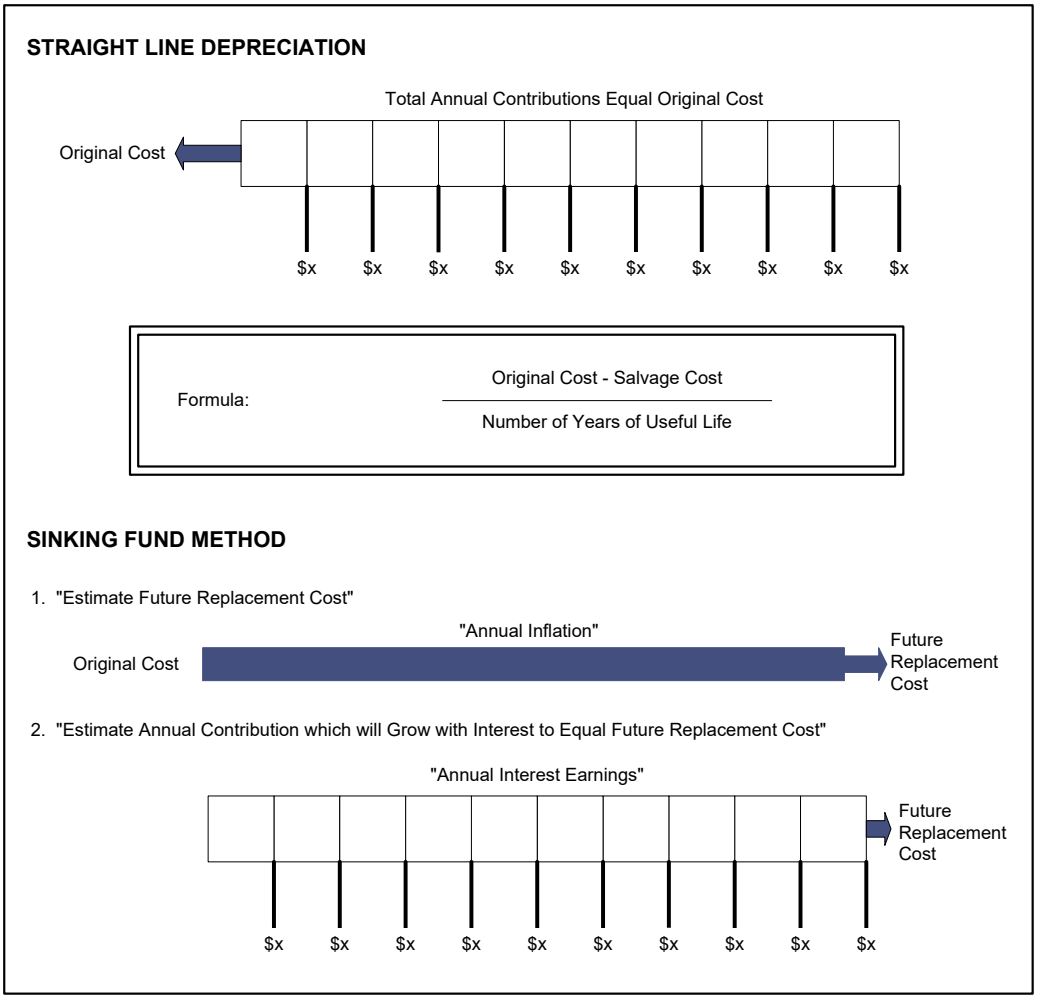
4.1.3 Costing Methods

There are two basic methods 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. The first method is the Depreciation Method. This method recognizes the reduction in the value of the asset through wear and tear and aging. There are two commonly used forms of depreciation: the straight-line method and the reducing balance method (shown graphically in Figure 4-3).

The straight-line method is calculated by taking the original cost of the asset, subtracting its estimated salvage value (estimated value of the asset at the time it is disposed of) and dividing this by the estimated number of years of useful life. The reducing balance method is calculated by utilizing a fixed percentage rate, and this rate is applied annually to the undepreciated balance of the asset value.

The second method of lifecycle costing is the sinking fund method. This method first estimates the future value of the asset at the time of replacement. This is done by inflating the original cost of the asset at an assumed annual inflation rate. A calculation is then performed to determine annual contributions (equal or otherwise) which, when invested, will grow with interest to equal the future replacement cost. The preferred method used herein for forecasting purposes is the sinking fund method of lifecycle costing.

Figure 4-3



4.2 Impacts on Budgets

Detailed water and wastewater system inventory information was obtained from the Town. The total replacement value of existing water infrastructure across the Town is approximately $160.13 million, which translates to an investment of $28,232 per customer based the existing number of customers. For wastewater, the total replacement value of existing infrastructure is approximately $245.69 million, equating to an investment of approximately $43,377 per customer.

The lifecycle “sinking fund” contribution amounts for each piece of infrastructure have also been calculated. These calculations determine the level of investment the Town

may wish to consider as part of its budgeting practices and are summarized in Table 4-1 below.

Of the $160.13 million in current water assets, based on the average useful life of the various assets, there is a potential need to undertake an estimated $46.65 million of capital asset replacement over the 2025 budget and 2026 to 2035 forecast period. The breakdown of this amount by asset category and year is provided in Table 4-2. The amount actually included in the budget and forecast is approximately $11.06 million (2025$). The significant difference in this amount relates to the facilities, which do not require the amount of replacement identified due to the current treatment plant expansion project that is ongoing. For assets requiring capital replacement or major maintenance beyond the 10-year forecast period, the annual lifecycle replacement need is approximately $6.67 million. In theory, if the Town were to transfer this amount of funding to reserves annually and invest the funds, the funds would be available to finance the capital expenditures when the infrastructure needs as they come due.

With respect to wastewater assets, of the approximate $245.69 million in current assets, there is a need to undertake a minimum of approximately $10.24 million of capital asset replacement over the 10-year forecast based on asset age and average useful life assumptions. However, with the work being undertaken for growth, specifically for the treatment plant expansion, there is approximately $16.55 million (2025$) of work anticipated to be undertaken over the forecast period to 2035. The breakdown of this amount by asset category and year is provided in Table 4-2. For assets requiring capital replacement or major maintenance beyond the 10-year forecast period, the annual lifecycle replacement need is approximately $12.08 million. If the Town were to transfer this amount of funding to reserves annually and invest the funds, the funds would be available to finance the capital expenditures when the infrastructure needs as they come due.

Table 4-1
Town of Carleton Place
Summary of Water and Wastewater Infrastructure

Area	Total Replacement Value	Suggested amount to be included in 10-year forecast based on estimated life	Amount included in the 2025 budget and 10-year forecast	Net Replacement for Future Lifecycle	Annual Lifecycle Replacement
Water					
Water Facilities	90,231,243	41,612,123	6,721,250	41,897,870	2,898,072
Machinery & Equipment	794,720	256,260	8,000	530,460	36,193
Watermains	69,105,320	4,783,710	4,331,243	59,990,367	3,740,686
Total Water	**160,131,283**	**46,652,093**	**11,060,493**	**102,418,697**	**6,674,951**
Wastewater					
Wastewater Facilities	168,146,850	5,463,750	12,950,610	162,683,100	7,949,943
Machinery & Equipment	131,760	131,760	-	-	-
Sanitary Sewers	77,409,710	4,642,170	3,603,530	72,767,540	4,129,912
Total Wastewater	**245,688,320**	**10,237,680**	**16,554,140**	**235,450,640**	**12,079,854**
Total	**405,819,603**	**56,889,773**	**27,614,632**	**337,869,337**	**18,754,806**

Investment per customer is $28,232 for water and $43,377 for wastewater

A capital replacement forecast for water and wastewater has been developed based on the estimated useful lives of the assets. Table 4-2 provides the 2025 to 2035 capital replacement forecast for water and wastewater services, by asset type, based on age and average useful life.

Table 4-1
Town of Carleton Place
Capital Replacement Forecast Based on Asset Age and Average Useful Life
(Uninflated 2025$)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water											
Water Facilities	41,612,123	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment	25,850	-	-	-	-	-	-	-	108,590	121,820	-
Watermains	1,754,680	-	-	-	-	-	-	-	1,371,700	-	1,657,330
Total Water	**43,392,653**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,480,290**	**121,820**	**1,657,330**
Wastewater											
Wastewater Facilities	1,205,200	-	-	-	-	-	-	-	-	1,254,880	3,003,670
Machinery & Equipment	25,840	-	-	-	-	-	31,060	-	74,860	-	-
Sanitary Sewers	791,320	-	-	122,500	169,530	-	-	-	1,529,470	-	2,029,350
Total Wastewater	**2,022,360**	**-**	**-**	**122,500**	**169,530**	**-**	**31,060**	**-**	**1,604,330**	**1,254,880**	**5,033,020**
Total Water and Wastewater	**45,415,013**	**-**	**-**	**122,500**	**169,530**	**-**	**31,060**	**-**	**3,084,620**	**1,376,700**	**6,690,350**

For this rate study analysis, the capital forecasts provided above were reviewed and compared to the Town's draft capital budget and 10-year forecast. A provision to replace aging watermains was added to the water capital plan following a detailed review and discussions with Town staff. Additionally, through discussions with Town staff, the annual costs related to Major Plant Maintenance and the Lake Ave. Monitoring study were carried into 2035. For wastewater, the annual cost for the sanitary sewer replacement provision was included in the capital program to replace aging sewers in

the Town. Similar to water services, through discussions with Town staff, the annual capital cost related to Major Plant Maintenance was included in 2035. Costs added to the forecast based on the replacement needs analysis are listed under the lifecycle heading in the 10-year capital forecast presented and discussed in Chapter 5. The actual projects to be undertaken will be determined through the Town's future annual capital budget process.

Chapter 5
Capital Costs Financing

5. Capital Cost Financing Options

5.1 Summary of Capital Cost Financing Alternatives

Historically, the powers that municipalities had to raise alternative revenues to taxation to fund capital costs have been restrictive. Over the past number of years, several legislative reforms have been introduced. Some of these have expanded municipal powers (e.g., Bill 26, introduced in 1996 to provide for expanded powers for imposing fees and charges), while others appear to limit them (e.g., Bill 98 in 1997, Bill 23 in 2022, and Bill 17 in 2025, providing amendments to the D.C.A.).

The current *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 municipality's ability to impose fees and charges. This legislation provides municipalities with broadly defined powers and the ability to impose fees for both operating and capital purposes. Under s.484 of *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
• *Development Charges Act, 1997*, as amended	5.2
• *Municipal Act*	5.3
○ Fees and Charges	
○ Stormwater Area Charges	
○ Connection Fees	
○ Local Improvements	
• Grant Funding Availability	5.4
• Existing Reserves/Reserve Funds	5.5
• Debenture Financing	5.6
• Recommended Capital Financing Approach	5.7

5.2 Development Charges Act, 1997

D.C.s are a revenue tool used by municipalities to recover the capital costs associated with new development and redevelopment. These costs are in addition to what a developer/builder normally constructs as part of their subdivision (i.e., Local Services). Empowered by the D.C.A., municipalities may pass by-laws to impose charges to recover the capital costs associated with development and redevelopment. The Town imposes D.C.s on new development, and the capital funding plan incorporates D.C.s as a funding source for anticipated capital needs. The forecast in this study includes approximately $1.37 million for water services and approximately $1.12 million for wastewater services in D.C. funded capital. Further, growth-related debt financing is anticipated over the forecast period. The financing costs will also be funded through D.C. revenues over the 10-year forecast and beyond (see Section 5.6 herein for further information).

5.3 Municipal Act

Part XII of the *Municipal Act* provides municipalities with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391(1), include imposing fees or charges:

> "for services or activities provided or done by or on behalf of it;
>
> for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and
>
> for the use of its property including property under its control."

Restrictions are provided to ensure that the form of the charge is not akin to a poll tax. Any charges not paid under this authority may be added to the tax roll and collected in a like manner. The fees and charges imposed under this part are not appealable to the Ontario Land Tribunal (OLT).

Section 221 of the previous *Municipal Act* permitted municipalities to impose charges, by by-law, on owners or occupants of land who would or might derive benefit from the construction of sewage (storm and sanitary) or water works being authorized (in a specific benefit area). For a by-law imposed under this section of the previous Act:

- A variety of different means could be used to establish the rate and recovery of the costs;
- The charges could be imposed by a number of methods at the discretion of Council (i.e., lot size, frontage, number of benefiting properties, etc.);
- Rates could be imposed with respect to the costs of major capital works, even though an immediate benefit is not received;
- Non-abutting owners could be charged;
- Recovery was authorized against existing works, where a new water or sewer main was added to such works, "notwithstanding that the capital costs of existing works have in whole or in part been paid;"
- Charges on individual parcels could be deferred;
- Exemptions could be established;
- Repayment was secured; and
- OLT approval was not required.

While under the new *Municipal Act* no provisions are provided specific to the previous s.221, the intent to allow capital cost recovery through fees and charges is embraced within s.391. The new *Municipal Act* also maintains the ability of municipalities to impose capital charges for water and sewer (i.e., wastewater) services on landowners not receiving an immediate benefit from the works. Under s.391(2) of the Act, "a fee or charge imposed under subsection (1) for capital costs related to sewage or water services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time." Also, capital charges imposed under s.391 are not appealable to the OLT because the charges are "unfair or unjust."

Section 222 of the previous *Municipal Act* permitted municipalities to pass a by-law requiring buildings to connect to the municipality's sewer and water systems, charging the owner for the cost of constructing services from the mains to the property line. Under the new *Municipal Act*, this power still exists under Part II, General Municipal Powers (s.9 (3) b of the *Municipal Act*). Enforcement and penalties for this use of power are contained in s.427 (1) of the *Municipal Act*.

Under the previous *Local Improvement Act*:

- A variety of different types of works could be undertaken, such as watermain, storm and sanitary sewer projects, supply of electrical light or power, bridge construction, sidewalks, road widening, and paving;
- Council could pass a by-law for undertaking such work on petition of a majority of benefiting taxpayers, on a 2/3 vote of Council, and on sanitary grounds, based on the recommendation of the Minister of Health. The by-law was required to go to the OLT, which might hold hearings and alter the by-law, particularly if there were objections;
- The entire cost of a work was assessed only upon the lots abutting directly on the work, according to the extent of their respective frontages, using an equal special rate per metre of frontage; and
- As noted, this Act was repealed as of April 1, 2003; however, O. Reg. 119/03 was enacted on April 19, 2003, which restores many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

5.4 Grant Funding Availability

Federal Infrastructure Funding

The Government of Canada has provided funding to assist municipalities with their water and wastewater systems, including repair and rehabilitation projects. Some funding programs are time-limited, for example the Clean Water and Wastewater Fund and the Investing in Canada Infrastructure Program.

Other programs are ongoing and provide a permanent source of funding. For example, the Canada Community-Building Fund (formerly know as the Federal Gas Tax Fund). The Canada Community-Building Fund provides over $2 billion each year to communities across Canada. Each municipality then chooses how to use the money. They can make strategic investments in 18 different projects, including water and wastewater services.

Ontario Government

The Province has taken steps to increase municipal infrastructure funding. The Ontario Community Infrastructure Fund (O.C.I.F.) was launched in 2014 and currently provides $400 million in formula-based funding to help eligible communities renew and

rehabilitate their infrastructure. The Ontario government also provided funding through the Connecting Links program ($30 million in 2023-2024) to help pay for the construction and repair costs of municipal roads that connect communities to provincial highways. This was on top of the Building Ontario Up investment of $130 billion in public infrastructure over 10 years starting in 2015.

Additionally, in the 2023 budget, the Province announced it was providing $825 million over three years through the Housing-Enabling Water Systems Fund (H.E.W.S.F.). Funding through the H.E.W.S.F. would help municipalities repair, rehabilitate, and expand drinking water, wastewater, and stormwater infrastructure needed to build more homes. Since the original announcement, the Province has increased the total available funding through the H.E.W.S.F. to over $1.0 billion. The Town is actively seeking grant funding opportunities. Specifically, it is preparing to submit an application for the next intake of the H.E.W.S.F. grant.

The rate calculations provided in subsequent chapters assume $35 million in grant funding, will be allocated to wastewater projects as outlined in the Town's 10-year water and wastewater capital budget.

The Town is encouraged to continue to pursue funding opportunities as they are announced or made available to assist with funding its water and wastewater infrastructure.

5.5 Existing Reserves/Reserve Funds

The Town 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. D.C. reserve funds for water and wastewater have been used for growth-related capital purposes. The following table shows the water and wastewater reserves used in this analysis and their balances as of December 31, 2024. It is noted that D.C. reserve funds will not provide sufficient funding to pay the growth-related debt needs over the 10-year forecast. This is due to the need to construct the capital infrastructure early (i.e., over the 2025 to 2027 period), that will benefit growth for more than 20 years. Therefore, the water and wastewater reserves will provide cash flow assistance within the 10-year forecast period.

Table 5-1
Town of Carleton Place
Uncommitted Reserve/Reserve Fund Balances as of December 31, 2024

Reserve	Dec. 31 2024
Water	
Capital Reserve	7,131,229
Treatment Plant Expansion Reserve	3,774,205
Development Charges Reserve Fund	2,939,860
Wastewater	
Capital Reserve	7,131,229
Treatment Plant Expansion Reserve	3,774,205
Development Charges Reserve Fund	2,066,750

5.6 Debenture Financing

Although it is not a direct way to reduce the overall cost to ratepayers, municipalities use debentures to help them pay for large capital expenditures. In addition, debenture financing can promote inter-generational equity whereby future tax and rate payers who will benefit from the infrastructure pay for the cost of the infrastructure.

The Ministry of Municipal Affairs and Housing controls the amount of debt Ontario municipalities can incur. This is done through its powers under the *Municipal Act*. O. Reg. 403/02 provides the current rules respecting municipal debt and financial obligations. Under these rules, a municipality's debt capacity is capped at 25% of the municipality's own purpose revenue. That is, only 25% of these revenues may be allotted for servicing debt (i.e., debt charges). The Town's 2024 Annual Repayment Limit is approximately $6.52 million based on calculations by the Ministry of Municipal Affairs and Housing, as provided in Schedule 81 of the Town's 2024 Financial Information Return.

It should be noted, however, that the issuance of debt should be managed at levels sustainable by the municipality. Issuance of large amounts of debt in any one year can have dramatic impacts on taxes and rates. Hence, proper management of capital spending and the level of debt issued annually must be monitored and evaluated over the longer-term period.

Within the context of the Town's 10-year water and wastewater capital program, projections show that additional debt financing totaling approximately $115.14 million would be required over the forecast period. The total projected debt is for growth-related capital works and would be funded by D.C.s. over time. As noted previously, the D.C. revenues are not anticipated to be sufficient over the 10-year forecast period to fund the annual growth-related debt obligations, therefore, the water and wastewater rates would need to assist in cash flowing the debt payments until such time as D.C. revenues are recovered from future growth. For purposes of the rate calculations, debt related to the water and wastewater treatment plant expansion projects are assumed at a financing rate of 3.25% over a 30-year term. All other debt is assumed at a financing rate of 4.48% over a 20-year term.

5.6.1 Infrastructure Ontario

Infrastructure Ontario (I.O.) is an arms-length crown corporation, which has been set up as a tool to offer low-cost and longer-term financing to assist municipalities in renewing their infrastructure (this corporation merged the former Ontario Strategic Infrastructure Financing Authority (O.S.I.F.A.) into its operations). I.O. combines the infrastructure renewal needs of municipalities into an infrastructure investment "pool." I.O. will raise investment capital to finance loans to the public sector by selling Infrastructure Renewal Bonds to individual and institutional investors.

I.O. provides access to infrastructure capital that would not otherwise be available to smaller borrowers. Larger borrowers receive longer loan terms than they could get in the financial markets. They can also save on costs such as legal fees and underwriting commissions. Under the I.O. approach, all borrowers receive the same low interest rate. I.O. will enter into a financial agreement with each municipality, subject to technical and credit reviews, for a loan up to the maximum amount of the loan request.

To be eligible to receive these loans, municipalities must submit a formal application along with pertinent financial information. Allotments are prioritized and distributed based upon the Province's assessment of need. The analysis provided herein assumes that the Town will not provide debt financing for the capital projects identified.

5.6.2 Ontario Investment Bank

The Province, through the *Building Ontario Fund Act, 2024* established funding through a new Ontario Infrastructure Bank. This arms-length, board-governed agency will assist

investors and institutions in participating in large-scale infrastructure projects. The bank is newly established and currently in the process of being operationalized.

5.7 Recommended Capital Financing Approach

Tables 5-2 and 5-3 provide for the full capital expenditure programs (inflated $) for water and wastewater services as discussed in Chapter 2. These tables also include various funding alternatives recommended for further consideration by the Town. It is noted that the 2026 and 2027 capital costs associate with the water and wastewater treatment facilities have not been inflated as these costs are fixed based on the approved tender costs. Similarly, the grant funding for the wastewater treatment plant has not assumed inflation for 2026 or 2027. For all other capital projects, an annual inflation of 3% has been assumed over the forecast period to 2035.

Table 5-2
Town of Carleton Place
Capital Budget Forecast and Recommended Capital Financing (inflated $) – Water

Description	Budget	Total	Forecast									
	2025		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:												
Judson Lane 50 mm Watermain	15,000	-	-	-	-	-	-	-	-	-	-	-
Water Leak Listening Device (three units)	8,000	-	-	-	-	-	-	-	-	-	-	-
Blair Easement Watermain relining	-	109,000	-	-	109,000	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,362,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000	269,000
Napoleon St	-	268,000	268,000	-	-	-	-	-	-	-	-	-
Allan St	-	241,000	-	241,000	-	-	-	-	-	-	-	-
Watermain Replacements	-	3,965,000	-	-	-	-	-	-	-	1,738,000	-	2,227,000
Studies:												
Water & Sewer Servicing Study	-	60,000	-	-	-	-	-	60,000	-	-	-	-
Lake Ave Monitoring	60,000	711,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000	81,000
Growth Related:												
Water Treatment Plant Expansion Design	1,350,000	-	-	-	-	-	-	-	-	-	-	-
Water Treatment Plant Expansion	15,000,000	44,000,000	22,000,000	22,000,000	-	-	-	-	-	-	-	-
Watermain Extension South of Hwy #7	653,000	-	-	-	-	-	-	-	-	-	-	-
B-1a: Upgrade to Existing Distribution System (Bates Dr)	238,615	-	-	-	-	-	-	-	-	-	-	-
B-1b: New to Distribution System (Bates Dr)	223,385	-	-	-	-	-	-	-	-	-	-	-
B-4: New Distribution System (Bridge St)	-	94,000	94,000	-	-	-	-	-	-	-	-	-
B-5: Upgrade to Existing Distribution System (Mullett St)	-	215,000	215,000	-	-	-	-	-	-	-	-	-
B-9: Upgrade to Existing Distribution System (Nelson St & Findlay)	202,750	424,000	209,000	215,000	-	-	-	-	-	-	-	-
B-10: New to Distribution System (Cavanagh Rd)	-	609,000	-	609,000	-	-	-	-	-	-	-	-
B-11: Upgrade to Existing Distribution System (Lake Ave E)	-	879,000	-	-	-	-	879,000	-	-	-	-	-
New Bulk Water Station	-	-	-	-	-	-	-	-	-	-	-	-
Additional Pick-up Truck	-	61,000	-	-	-	-	61,000	-	-	-	-	-
Total Capital Expenditures	**$17,945,750**	**$53,998,000**	**$23,054,000**	**$23,341,000**	**$394,000**	**$293,000**	**$1,242,000**	**$371,000**	**$320,000**	**$2,067,000**	**$339,000**	**$2,577,000**
Capital Financing												
Development Charges Reserve Fund	1,260,969	109,486	59,675	21,123	-	-	28,688	-	-	-	-	-
Growth Related Debenture Requirements - Treatment Plant Expansion	15,000,000	42,299,999	20,650,000	21,050,000	-	-	600,000	-	-	-	-	-
Water Treatment Expansion Reserve	1,226,250	3,344,175	1,647,375	1,696,800	-	-	-	-	-	-	-	-
Water Reserve	458,531	8,244,340	696,950	573,078	394,000	293,000	613,313	371,000	320,000	2,067,000	339,000	2,577,000
Total Capital Financing	**$17,945,750**	**$53,998,000**	**$23,054,000**	**$23,341,000**	**$394,000**	**$293,000**	**$1,242,000**	**$371,000**	**$320,000**	**$2,067,000**	**$339,000**	**$2,577,000**

Table 5-3
Town of Carleton Place
Capital Budget Forecast and Recommended Capital Financing (inflated $) – Wastewater

Description	Budget 2025	Total	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:												
Pumping Station Findlay St	1,500,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Princess St	1,700,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Hwy 7	-	564,000	-	564,000	-	-	-	-	-	-	-	-
Pumping Station Mississippi Quays	-	406,000	-	-	406,000	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,362,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000	269,000
Allan St	-	241,000	-	241,000	-	-	-	-	-	-	-	-
Sanitary Sewer Replacements	-	4,664,000	-	-	-	-	-	-	-	1,937,000	-	2,727,000
Studies:												
Water & Sewer Servicing Study	-	60,000	-	-	-	-	-	60,000	-	-	-	-
Growth Related:												
Bates Dr Sanitary Sewer	283,000	-	-	-	-	-	-	-	-	-	-	-
Trunk Sewer Industrial Drive	200,000	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer Upgrade North of Hwy #7	1,100,000	-	-	-	-	-	-	-	-	-	-	-
Forcemain - Patterson to Wastewater Plant	-	1,697,000	-	1,697,000	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Expansion	30,000,000	57,000,000	28,500,000	28,500,000	-	-	-	-	-	-	-	-
Industrial Ave Pumping Station	3,900,000	-	-	-	-	-	-	-	-	-	-	-
SEW-GRW4: New Pump Station & Forcemain to service development areas	-	4,225,000	4,225,000	-	-	-	-	-	-	-	-	-
New Bates Sanitary Extension	175,000	180,000	180,000	-	-	-	-	-	-	-	-	-
New Barrel for Siphon	-	696,000	-	-	-	-	696,000	-	-	-	-	-
Trunk Sewer upsizing (Industrial and Mullett)	-	1,344,000	-	-	-	-	-	-	-	-	-	1,344,000
Total Capital Expenditures	**$39,053,000**	**$73,439,000**	**$33,111,000**	**$31,214,000**	**$625,000**	**$225,000**	**$928,000**	**$299,000**	**$246,000**	**$2,190,000**	**$261,000**	**$4,340,000**
Capital Financing												
Provincial/Federal Grants	15,000,000	20,000,000	15,000,000	5,000,000								
Development Charges Reserve Fund	944,000	178,633	5,000	-	-	-	96,000	-	-	-	-	77,633
Growth Related Debenture Requirements - Treatment Plant Expansion	13,275,862	33,724,138	11,862,069	21,862,069	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements - Other	3,061,600	7,497,000	4,400,000	1,697,000	-	-	600,000	-	-	-	-	800,000
Wastewater Treatment Expansion Reserve	1,724,138	3,275,862	1,637,931	1,637,931	-	-	-	-	-	-	-	-
Wastewater Reserve	5,047,400	8,763,367	206,000	1,017,000	625,000	225,000	232,000	299,000	246,000	2,190,000	261,000	3,462,367
Total Capital Financing	**$39,053,000**	**$73,439,000**	**$33,111,000**	**$31,214,000**	**$625,000**	**$225,000**	**$928,000**	**$299,000**	**$246,000**	**$2,190,000**	**$261,000**	**$4,340,000**

Chapter 6
Operating Expenditures and Revenues

6. Operating Expenditures and Revenues

6.1 Operating Expenditures

The 2025 10-year water and wastewater operating plan was provided by Town staff for use in this report. The operating budget forecast generally includes two components: the operating expenditures and capital-related expenditures. The former is based on the Town's projected annual spending for ongoing operations and maintenance. The latter is based on the capital funding plan decisions (i.e., transfers to reserve funds, debt repayment, and capital fund transfers) presented earlier.

Operating expenditures for 2026 to 2035 reflect the Town's draft forecast. The 2025 to 2034 water and wastewater operating plan provided the forecasted operating expenses to 2034. For 2035, the same costs identified in 2034 have been assumed, with adjustments for inflation. The costs for each component of the operating budget have been reviewed with Town staff to establish forecast inflationary adjustments, similar to those identified in the 2025 to 2034 water and wastewater operating plan. The cost adjustments are summarized below.

- Expenditures related to salaries & wages have been adjusted to increase by 6% annually from 2026 to 2029, and for the remaining years, they have been adjusted by 2.5%;
- Expenditures related to employee benefits, materials, rents & financial expenses have increased by 2% over the forecast period;
- Expenditures related to contracted services have increased by 3% annually over the forecast period; and
- Expenditures related to inter-functional adjustments have been adjusted by 5.5% annually.

Capital-related annual expenditures in the forecast include annual debt repayments and contributions to reserves/reserve funds to support the forecast and future needs. Annual transfers to the capital reserve fund have been built into the operating expenditure forecasts to minimize the need for debt to finance the capital program. Compared to the annual lifecycle contribution discussed in Section 4-2 of this report, the annual capital-related expenditures (non-growth capital only) for water services will total approximately $3.12 million in 2035, which is approximately $3.55 million lower than the calculated annual lifecycle contribution of $6.67 million identified in Table 4-1. Similarly,

for wastewater services, capital-related expenditures (non-growth only) are projected to be approximately $1.92 million in 2035, which is approximately $10.16 million lower than the calculated annual lifecycle contribution of approximately $12.08 million identified in Table 4-1. However, with the expansion of the water and wastewater treatment facilities underway, it is assumed that the lifecycle needs in future years will be reduced once these facilities are complete and have been fully embraced in the asset management plan, which would reduce the annual contribution needs over the 10-year forecast period.

Gross operating expenditures for water services are expected to increase from approximately $3.48 million in 2025 to approximately $8.4 million in 2035. Similarly, for wastewater services, annual gross expenditures are forecast to increase from approximately $3.31 million to approximately $8.35 million in 2035. Tables 6-1 and 6-2 provide operating expenditure forecasts for water and wastewater services.

6.2 Operating Revenues

The Town has revenue from meter rental base charges and additional units revenue charges from metered customers, flat rate revenue from non-metered customers, , and miscellaneous revenue sources (i.e., penalties on late accounts),, along with recoveries from D.C. revenues related to growth-related debt payments, are assumed over the forecast period to help finance the operating expenditures.

Annual increases in the amount of 1.95% are anticipated to the water and wastewater flat charges for non-metered customers and meter rental base charges and additional unit charges for metered customers. Additionally for water services, the summer service fees are anticipated to increase annually at 1.95%, to further assist in funding water expenditures. The increases will provide funding for the projected capital and operating expenditures. The miscellaneous revenues related to penalties are anticipated to increase by 2% annually.

Tables 6-1 and 6-2 provide for the operating revenues for water and wastewater services. The tables also provide the net operating expenditures to be recovered from the volumetric rates.

Table 6-1
Town of Carleton Place
Operating Budget Forecast – Water (inflated $)

Description	Budget 2025	Forecast 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures											
Operating Costs											
Salaries & Wages	165,080	174,985	185,484	196,613	208,410	213,620	218,960	224,434	230,045	235,796	241,691
Employee Benefits	41,100	41,922	42,760	43,616	44,488	45,378	46,285	47,211	48,155	49,118	50,101
Materials	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337
Contracted Services	1,112,387	1,145,759	1,180,131	1,215,535	1,252,001	1,289,561	1,328,248	1,368,096	1,409,139	1,451,413	1,494,955
Rents & Financial Expenses	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350
Inter-Functional Adjustments	183,300	193,382	204,017	215,238	227,077	239,566	252,742	266,643	281,308	296,780	313,103
Sub Total Operating	**1,634,217**	**1,690,437**	**1,748,864**	**1,809,596**	**1,872,734**	**1,931,091**	**1,991,454**	**2,053,900**	**2,118,506**	**2,185,357**	**2,254,537**
Capital-Related											
New Growth Related Debt (Principal)	-	302,726	729,317	1,177,845	1,216,125	1,255,649	1,308,566	1,351,095	1,395,005	1,440,343	1,487,154
New Growth Related Debt (Interest)	-	487,500	1,148,786	1,809,209	1,770,929	1,731,405	1,710,096	1,667,568	1,623,657	1,578,319	1,531,508
Transfer to Treatment Plant Expansion Reserve	-	-	796,220	-	-	-	-	-	-	-	-
Transfer to Water Reserve	1,845,183	2,163,153	1,444,429	2,344,302	2,442,406	2,549,988	2,660,441	2,773,787	2,890,677	3,010,613	3,122,601
Sub Total Capital Related	**1,845,183**	**2,953,378**	**4,118,752**	**5,331,356**	**5,429,459**	**5,537,041**	**5,679,103**	**5,792,449**	**5,909,339**	**6,029,276**	**6,141,263**
Total Expenditures	**3,479,400**	**4,643,815**	**5,867,616**	**7,140,951**	**7,302,193**	**7,468,132**	**7,670,558**	**7,846,349**	**8,027,845**	**8,214,632**	**8,395,801**
Revenues											
Base Meter Rental Charge Revenue	47,356	48,280	49,221	50,811	52,123	53,467	54,844	56,253	57,697	59,176	60,691
Flat Rate Revenue	3,066,494	3,178,600	3,302,239	3,437,433	3,576,644	3,719,949	3,867,512	4,019,415	4,176,373	4,337,955	4,491,252
Additional Units Revenue	253,651	258,597	263,640	282,147	294,904	308,051	321,599	335,557	349,938	364,752	381,993
Summer Service Revenue	483	492	502	512	522	532	542	553	564	575	586
Penalties	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Contributions from Development Charges Reserve Fund	-	790,226	1,878,103	2,987,053	2,987,053	2,987,053	3,018,662	3,018,662	3,018,662	3,018,662	3,018,662
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**3,412,985**	**4,321,196**	**5,538,705**	**6,802,957**	**6,956,247**	**7,114,052**	**7,308,159**	**7,475,441**	**7,648,234**	**7,826,120**	**7,998,184**
Water Billing Recovery - Operating	**66,415**	**322,620**	**328,911**	**337,994**	**345,946**	**354,080**	**362,399**	**370,908**	**379,611**	**388,512**	**397,617**

Table 6-2
Town of Carleton Place
Operating Budget Forecast – Wastewater (inflated $)

Description	Budget 2025	Forecast 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures											
Operating Costs											
Salaries & Wages	184,240	195,294	207,012	219,433	232,599	238,414	244,374	250,483	256,746	263,164	269,743
Employee Benefits	45,750	46,665	47,598	48,550	49,521	50,512	51,522	52,552	53,603	54,675	55,769
Materials	48,864	49,841	50,838	51,855	52,892	53,950	55,029	56,129	57,252	58,397	59,565
Contracted Services	1,781,115	1,834,548	1,889,585	1,946,272	2,004,661	2,064,800	2,126,744	2,190,547	2,256,263	2,323,951	2,393,670
Rents & Financial Expenses	40,075	40,877	41,694	42,528	43,379	44,246	45,131	46,034	46,955	47,894	48,851
Inter-Functional Adjustments	209,300	220,812	232,956	245,769	259,286	273,547	288,592	304,464	321,210	338,876	357,515
Sub Total Operating	**2,309,344**	**2,388,037**	**2,469,684**	**2,554,407**	**2,642,337**	**2,725,469**	**2,811,392**	**2,900,210**	**2,992,028**	**3,086,958**	**3,185,113**
Capital-Related											
New Growth Related Debt (Principal)	-	365,726	766,542	1,319,006	1,365,660	1,413,999	1,483,253	1,536,013	1,590,691	1,647,359	1,706,092
New Growth Related Debt (Interest)	-	568,625	1,130,393	1,859,893	1,813,239	1,764,899	1,741,692	1,688,932	1,634,254	1,577,586	1,518,853
Existing Debt (Principal) - Non-Growth Related	307,538	-	-	-	-	-	-	-	-	-	-
Existing Debt (Interest) - Non-Growth Related	22,328	-	-	-	-	-	-	-	-	-	-
Transfer to Treatment Plant Expansion Reserve	-	680,000	545,795								
Transfer to Wastewater Reserve	671,790	558,392	742,444	1,362,754	1,431,128	1,508,895	1,588,642	1,670,364	1,754,681	1,841,066	1,918,493
Sub Total Capital Related	**1,001,656**	**2,172,743**	**3,185,174**	**4,541,653**	**4,610,026**	**4,687,794**	**4,813,587**	**4,895,308**	**4,979,625**	**5,066,011**	**5,143,438**
Total Expenditures	**3,311,000**	**4,560,781**	**5,654,858**	**7,096,060**	**7,252,364**	**7,413,262**	**7,624,979**	**7,795,519**	**7,971,654**	**8,152,969**	**8,328,551**
Revenues											
Base Meter Rental Charge Revenue	136,732	139,398	142,117	144,888	147,713	150,594	153,530	156,524	159,576	162,688	165,861
Flat Rate Revenue	2,839,686	2,947,370	3,066,499	3,197,097	3,331,621	3,470,148	3,612,840	3,759,777	3,911,672	4,068,092	4,216,127
Additional Units Revenue	253,651	258,597	263,640	282,147	294,904	308,051	321,599	335,557	349,938	364,752	381,993
Penalties	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Contributions from Development Charges Reserve Fund	-	934,352	1,896,935	3,178,899	3,178,899	3,178,899	3,224,945	3,224,945	3,224,945	3,224,945	3,224,945
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**3,275,069**	**4,324,717**	**5,414,191**	**6,848,031**	**6,998,137**	**7,152,692**	**7,357,913**	**7,521,803**	**7,691,131**	**7,865,477**	**8,033,925**
Wastewater Billing Recovery - Operating	**35,931**	**236,064**	**240,667**	**248,029**	**254,226**	**260,571**	**267,066**	**273,716**	**280,523**	**287,492**	**294,626**

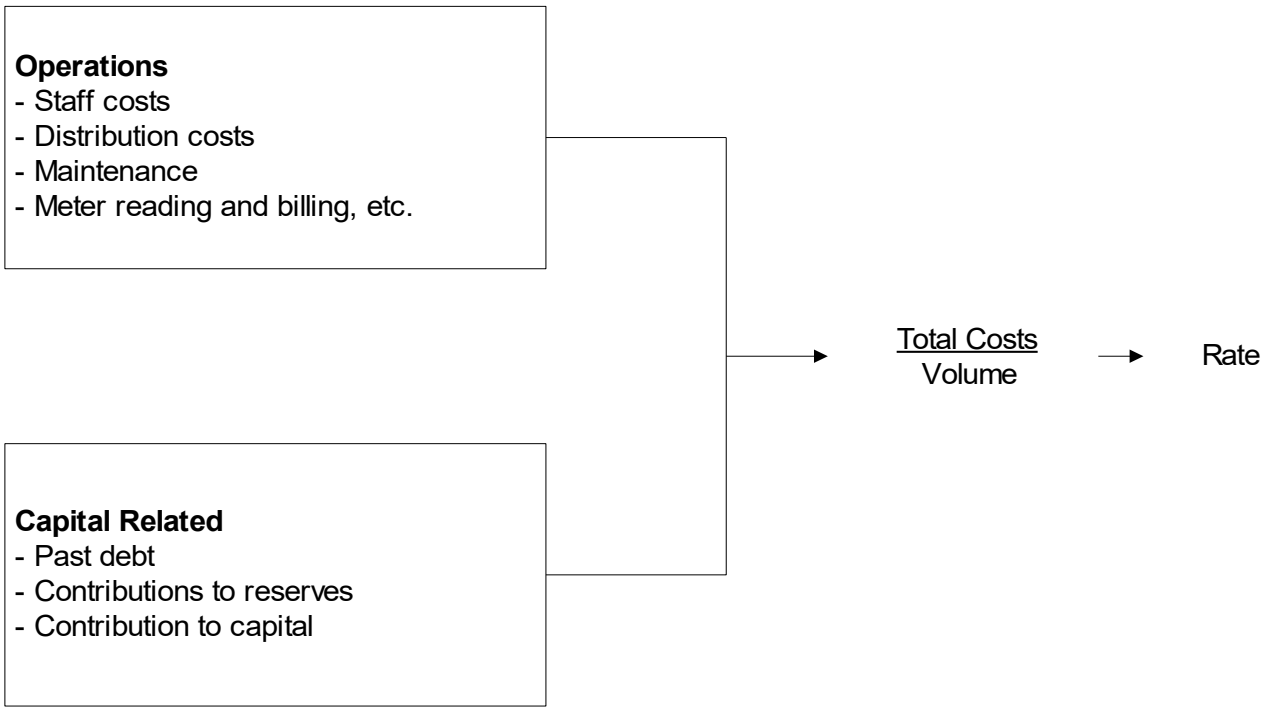
Chapter 7
Pricing Structures

7. Pricing Structures

7.1 Introduction

Rates, in their simplest form, can be defined as total costs to maintain the utility function divided by the total expected volume to be generated for the period. Total costs are usually a combination of operating costs (e.g., staff costs, distribution costs, maintenance, administration, etc.) and capital-related costs (e.g., past debt to finance capital projects, transfers to reserves to finance future expenditures, etc.). The schematic below provides a simplified illustration of the rate calculation for water.

"Annual Costs"



These operating and capital expenditures will vary over time. Examples of factors affecting expenditures over time are provided below.

Operations

- Inflation;
- Increased maintenance as the system ages; and

- Changes to provincial legislation.

Capital Related

- New capital will be built as areas expand;
- Replacement capital needed as system ages; and
- Financing capital costs are a function of policy regarding reserves and direct financing from rates (pay as you go), debt, and user pay methods (development charges, *Municipal Act*).

7.2 Alternative Pricing Structures

Throughout Ontario, and as well, Canada, the use of pricing mechanisms varies between municipalities. The use of a particular form of pricing depends upon numerous factors, including Council preference, administrative structure, surplus/deficit system capacities, economic/demographic conditions, to name a few.

Municipalities within Ontario have two basic forms of collecting revenues for water purposes, those being through incorporation of the costs within the tax rate charged on property assessment and/or through the establishment of a specific water rate billed to the customer. Within the rate methods, there are five basic rate structures employed along with other variations:

- Flat Rate (non-metered customers);
- Constant Rate;
- Declining Block Rate;
- Increasing (or Inverted) Block Rate;
- Hump Back Block Rate; and
- Base Charges.

The definitions and general application of the various methods are as follows:

Property Assessment: This method incorporates the total costs of providing water into the general requisition or the assessment base of the municipality. This form of collection is a "wealth tax," as payment increases directly with the value of property owned and bears no necessary relationship to actual consumption. This form is easy to administer as the costs to be recovered are incorporated into the calculation for all general services, normally collected through property taxes.

Flat Rate: This rate is a constant charge applicable to all customers served. The charge is calculated by dividing the total number of user households and other entities (e.g., businesses) into the costs to be recovered. This method does not recognize differences in actual consumption but provides for a uniform spreading of costs across all users. Some municipalities define users into different classes of similar consumption patterns, that is, a commercial user, residential user, and industrial user, and charge a flat rate by class. Each user is then billed on a periodic basis. No water meters are required to facilitate this method, but an accurate estimate of the number of users is required. This method ensures set revenue for the collection period but is not sensitive to consumption, hence may cause a shortfall or surplus of revenues collected.

Constant Rate: This rate is a volume-based rate, in which the consumer pays the same price per unit consumed, regardless of the volume. The price per unit is calculated by dividing the total cost of the service by the total volume used by total consumers. The bill to the consumer climbs uniformly as consumption increases. This form of rate requires water meters to record the volume consumed by each user. This method closely aligns the revenue recovery with consumption. Revenue collected varies directly with consumption volume.

Declining Block Rates: This rate structure charges a successively lower price for set volumes, as consumption increases through a series of "blocks." That is to say that within set volume ranges, or blocks, the charge per unit is set at one rate. Within the next volume range, the charge per unit decreases to a lower rate, and so on. Typically, the first, or first and second blocks cover residential and light commercial uses. Subsequent blocks normally are used for heavier commercial and industrial uses. This rate structure requires water meters to record the volume consumed by each type of user. This method requires the collection and analysis of consumption patterns by user classification to establish rates at a level which does not over or under-collect revenue from rate payers.

Increasing or Inverted Block Rates: The increasing block rate works essentially the same way as the declining block rate, except that the price of water in successive blocks increases rather than declines. Under this method, the consumer's bill rises faster with higher volumes used. This rate structure also requires water meters to record the volume consumed by each user. This method requires, as with the declining block structure, the collection and analysis of consumption patterns by user

classification to establish rates at a level which does not over or under-collect from rate payers.

The Hump Back Rate: The hump back rate is a combination of an increasing block rate and the declining block rate. Under this method, the consumer's bill rises with higher volumes used up to a certain level and then begins to fall for volumes exceeding levels set for the increasing block rate.

7.3 Assessment of Alternative Pricing Structures

The adoption by a municipality or utility of any one particular pricing structure is normally a function of a variety of administrative, social, demographic, and financial factors. The number of factors, and the weighting each particular factor receives, can vary between municipalities. The following is a review of some of the more prevalent factors.

Cost Recovery

Cost recovery is a prime factor in establishing a particular pricing structure. Costs can be divided into different categories: operations, maintenance, capital, financing, and administration. These costs often vary between municipalities and even within a municipality, based on consumption patterns, infrastructure age, economic growth, etc.

The pricing alternatives defined earlier can all achieve the cost recovery goal, but some do so more precisely than others. Fixed pricing structures, such as Property Assessment and Flat Rate, are established on the value of property or on the number of units present in the municipality, but do not reflect consumption of the service. Thus, if actual consumption for the year is greater than projected, the municipality incurs a higher cost of production, but the revenue base remains static (since it was determined at the beginning of the year), thus potentially providing a funding shortfall. Conversely, if consumption declines below projections, fixed pricing structures will produce more revenue than actual costs incurred.

The other pricing methods (declining block, constant rate, increasing block) are consumption-based and generally generate revenues in proportion to actual consumption.

Administration

Administration is defined herein as the staffing, equipment, and supplies required to support the undertaking of a particular pricing strategy. This factor not only addresses the tangible requirements to support the collection of revenues, but also the intangible requirements, such as policy development.

The easiest pricing structure to support is the Property Assessment structure. As municipalities undertake the process of calculating property tax bills and the collection process for their general services, the incorporation of the water costs into this calculation would have virtually no impact on the administrative process and structure.

The Flat Rate pricing structure is relatively easy to administer as well. It is usually calculated to collect a certain amount, either monthly, quarterly, semi-annually, or annually. It is billed directly to the customer. The impact on administration centres is mostly on the accounts receivable or billing area of the municipality but normally require minor additional staff or operating costs to undertake.

The three remaining methods, Increasing Block Rate, Constant Rate, and Declining Block Rate, have a bigger impact on administration. These methods are dependent upon actual consumption and hence involve a major structure in place to administer. First, meters must be installed in all existing buildings in the municipality. New buildings that are built after this must include water meters. Second, meter readings must be undertaken periodically. Hence, staff must be available for this purpose, or a service contract must be negotiated. Third, the billings process must be expanded to accommodate this process. Billing must be done over a defined period, requiring staff to produce the bills. Lastly, either through increased staffing or by service contract, an annual maintenance program must be set up to ensure meters are working effectively in recording consumed volumes.

The benefit derived from the installation of meters is that information on consumption patterns becomes available. This information provides benefit to administration in calculating rates, which will ensure revenue recovery. When planning what services are to be constructed in future years, the municipality or utility has documented consumption patterns distinctive to its own situation, which can be used to project sizing of growth-related works.

Equity

Equity is always a consideration in the establishment of pricing structures, but its definition can vary depending on a municipality's circumstances and based on the subjective interpretation of those involved. For example: is: is the price charged to a particular class of rate payer consistent with those of a similar class in surrounding municipalities; through the pricing structure, does one class of rate payer pay more than another class; should one pay based on ability to pay, or on the basis that a unit of water costs the same to supply no matter who consumes it; etc.? There are many interpretations. Equity therefore must be viewed broadly in light of many factors as part of achieving what is best for the municipality.

Revenue Stability

The objective of revenue stability is to limit the variability of annual variation in revenues due to fluctuation in consumption patterns. Variability is most often caused by weather conditions where in "wet" years, water usage is low and in "dry" years, water usage is high. To remove this variability entirely, a municipality would need to recover costs by either property taxes or by using the flat rates. Alternatively, a base charge provides for a fixed amount to be collected per period, which would at least guarantee a portion of the revenue stream.

Fixed vs. Variable Rates/Revenue

Often it is suggested that the rate structure be developed to reflect the fixed vs. variable expenditures so that revenues more closely match the expenditures being made. While this is a positive objective to advance, the reality is that most annual expenditures are generally fixed over periods of time and do not vary with consumption. The most variable costs would include hydro and chemicals, which generally increase or decrease with water production. Other costs, such as wages, benefits, insurance, vehicles/equipment, telecommunications, contracts, capital-related (i.e., debt, reserve transfers, current to capital transfers) are generally fixed. Variable costs for chemicals and hydro generally represent about 10% of the total water budget.

Conservation

Conservation of natural resources is increasingly being more highly valued. Conservation is also a concept which applies to a municipality facing physical limitations in the amount of water which can be supplied to an area. Also, financial constraints can

encourage conservation in a municipality where the cost of providing each additional unit is increasing.

Pricing structures such as property assessment and flat rate do not, in themselves, encourage conservation. In fact, depending on the price, which is charged, they may even encourage resource "squandering," either because consumers, without the price discipline, consume water at will, or the customer wants to get their money's worth and hence adopts more liberal consumption patterns. The reason for this is that the price paid for the service bears no direct relationship to the volume consumed and hence is viewed as a "tax," instead of being viewed as the price of a purchased commodity.

The Declining Block Rate provides a decreasing incentive towards conservation. By creating awareness of volumes consumed, the consumer can reduce their total costs by restricting consumption; however, the incentive lessens as more water is consumed, because the marginal cost per unit declines as the consumer enters the next block pricing range. Similarly, those whose consumption level is at the top end of a block have less incentive to reduce consumption.

The Constant Rate structure presents the customer with a linear relationship between consumption and the cost thereof. As the consumer pays a fixed cost per unit, their bill will vary directly with the amount consumed. This method presents a tangible incentive for consumers to conserve water. As metering provides direct feedback as to usage patterns and the consumer has direct control over the total amount paid for the commodity, the consumer is encouraged to use only those volumes that are reasonably required.

The Inverted Block method (i.e., the Increasing Block Rate) presents the most effective pricing method for encouraging conservation. Through this method, the price per unit consumed increases as total volumes consumed grow. The consumer becomes aware of consumption through metering with the charges increasing dramatically with usage. Hence, there normally is awareness that exercising control over usage can produce significant savings. This method not only encourages conservation but may also penalize legitimate high-volume users if not properly structured.

Figure 7-1 shows the different rate structures. Property tax is not shown for comparison because the proportion of taxes paid for the service varies directly with the property's value. The graphs on the left-hand side of the figure present the cost per unit for each additional amount of water consumed. The right-hand side of the figure presents the

impact on the customers' bill as the volume of water increases. Following the schematic is Figure 7-2, which summarizes each rate structure and the impacts on a customer's bill as volumes increase.

Figure 7-1
Water Rate Pricing Concepts

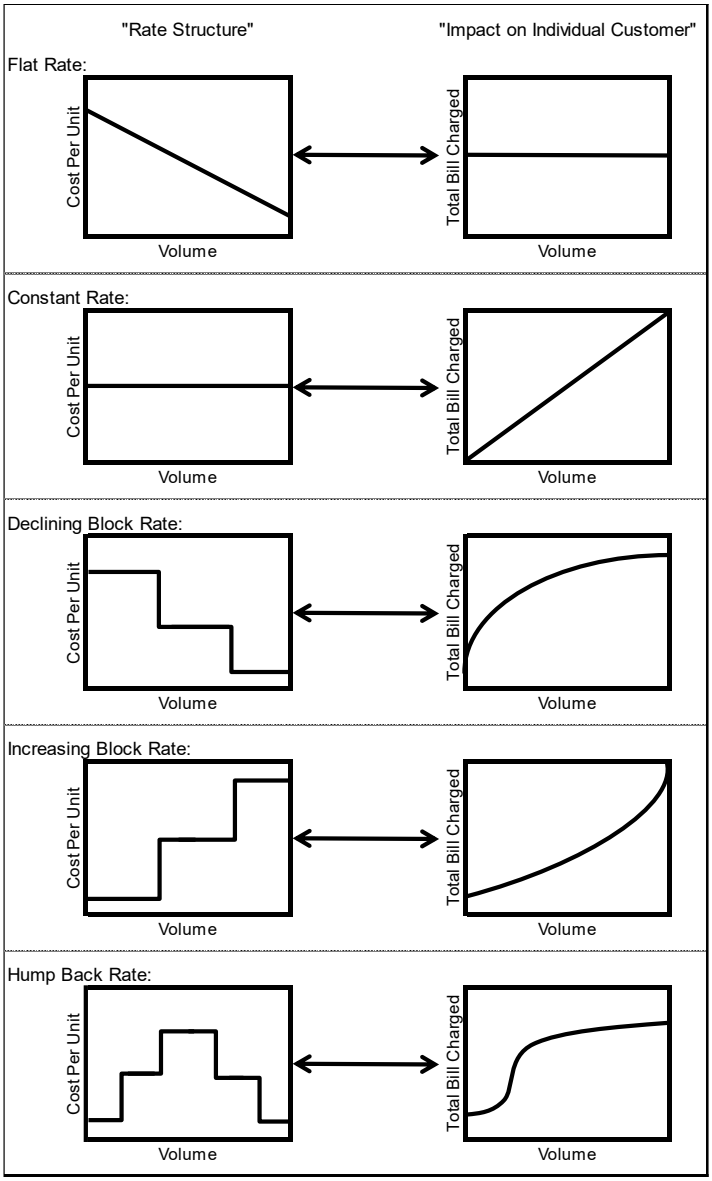


Figure 7-2
Summary of Various Rate Structures and their Impact on Customer Bills as Volume Usage Increases

Rate Structure	Cost Per Unit as Volume Increases	Impact On Customer Bill as Volume Increases
Flat Rate	Cost per unit decreases as more volume consumed	Bill remains the same no matter how much volume is consumed
Constant Rate	Cost per unit remains the same	Bill increases in direct proportion to consumption
Declining Block	Cost per unit decreases as threshold targets are achieved	Bill increases at a slower rate as volumes increase
Increasing Block	Cost per unit increases as threshold targets are achieved	Bill increases at a faster rate as volumes increase
Hump Back Rate	Combination of an increasing block at the lower consumption volumes and then converts to a declining block for the high consumption	Bill increases at a faster rate at the lower consumption amounts and then slows as volumes increase

7.4 Rate Structures in Ontario

In a past survey of over 170 municipalities (approximately half of the municipalities who provide water and/or wastewater), all forms of rate structures are in use by Ontario municipalities. The most common rate structure is the constant rate (for metered municipalities). Most municipalities (approximately 92%) who have volume rate structures also impose a base charge.

Historically, the development of a base charge often reflected either the recovery of meter reading/billing/collection costs, plus administration or those costs plus certain fixed costs (such as capital contributions or reserve contributions). More recently, many municipalities have started to establish base charges based on ensuring a secure

portion of the revenue stream which does not vary with volumes/flows. Selection of the quantum of the base charge is a matter of policy selected by individual municipalities.

7.5 Recommended Rate Structures

Based on the analysis presented in this report, the water and wastewater systems require increased investment over the forecast period. Additional operating expenditures and the requirement for lifecycle capital expenditure will put pressure on the financial sustainability of these systems. Therefore, a 10-year annual average increases of 1.95% per year for water and wastewater services is proposed for all metered and non-metered rate based charges, which aligns with the Town's current forecast.

Existing reserve/reserve fund balances can help fund capital works over the forecast period. For both water and wastewater services due to the size of the planned capital programs related to growth, the Town's water and wastewater reserve funds will need to assist in funding the growth-related debt financing costs over the 10-year forecast. Further the wastewater reserves will not be sufficient to fully assist in with cash flowing the growth-related debt requirements, therefore, the water reserves will need to provide cash flow assistance in 2035. To avoid additional debt funding requirements, it is recommended that all non-growth-related capital costs be funded through the water and wastewater reserves, respectfully.

The rate increases that are currently in effect are recommended to be continued to ensure that the Town can fund the capital and operating costs of the services while keeping the overall reserve fund balance in a positive position.

With regards to the water and wastewater revenues, the following tables provide the revenue anticipated over the forecast period, as follows:

- Table 7-1, Water Flat Rate Revenue for Non-Metered Customers
- Table 7-2, Water Meter Rental Base Charge Revenue for Metered Customers
- Table 7-3, Water Revenue from Metered Customers with Additional Units. additional units.

Wastewater rates and revenues are based on 100% of the water rates and associated revenue for all rates in Table 7-1 (except for summer services), Table 7-2 and Table 7-3.

Town of Carleton Place
Water Flat Rate Revenues for Non-Metered Customers
Table 7-1

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing - Residential	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640
Existing - Non-Residential	193	193	193	193	193	193	193	193	193	193	193
New - Residential	48	144	255	380	505	630	755	880	1,006	1,132	1,238
Total Customers	**5,881**	**5,977**	**6,088**	**6,213**	**6,338**	**6,463**	**6,588**	**6,713**	**6,839**	**6,965**	**7,071**
Total Annual Revenue	**$3,066,494**	**$3,178,600**	**$3,302,239**	**$3,437,433**	**$3,576,644**	**$3,719,949**	**$3,867,512**	**$4,019,415**	**$4,176,373**	**$4,337,955**	**$4,491,252**

1 to 2 persons - Full Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874
New	12	36	64	95	126	158	189	220	252	283	310
Subtotal Customers	**2,886**	**2,910**	**2,938**	**2,969**	**3,000**	**3,032**	**3,063**	**3,094**	**3,126**	**3,157**	**3,184**
Quarterly Base Charge	$128.75	$131.26	$133.82	$136.43	$139.09	$141.80	$144.57	$147.39	$150.26	$153.19	$156.18
Annual Base Charge	$515.00	$525.04	$535.28	$545.72	$556.36	$567.21	$578.27	$589.55	$601.04	$612.76	$624.71
Total Annual Revenue	**$1,486,290**	**$1,527,874**	**$1,572,655**	**$1,620,239**	**$1,669,081**	**$1,719,779**	**$1,771,241**	**$1,824,056**	**$1,878,858**	**$1,934,492**	**$1,989,082**

3 to 5 persons - Full Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433
New	36	108	191	285	379	472	566	660	754	849	928
Subtotal Customers	**1,469**	**1,541**	**1,624**	**1,718**	**1,812**	**1,905**	**1,999**	**2,093**	**2,187**	**2,282**	**2,361**
Quarterly Base Charge	$135.24	$137.88	$140.57	$143.31	$146.10	$148.95	$151.85	$154.82	$157.83	$160.91	$164.05
Annual Base Charge	$540.96	$551.51	$562.26	$573.23	$584.41	$595.80	$607.42	$619.26	$631.34	$643.65	$656.20
Total Annual Revenue	**$794,670**	**$849,875**	**$913,115**	**$984,804**	**$1,058,942**	**$1,135,001**	**$1,214,231**	**$1,296,119**	**$1,380,740**	**$1,468,811**	**$1,549,293**

6 to 8 persons - Full Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	13	13	13	13	13	13	13	13	13	13	13
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**
Quarterly Base Charge	$141.80	$144.57	$147.38	$150.26	$153.19	$156.18	$159.22	$162.33	$165.49	$168.72	$172.01
Annual Base Charge	$567.20	$578.26	$589.54	$601.03	$612.75	$624.70	$636.88	$649.30	$661.96	$674.87	$688.03
Total Annual Revenue	**$7,374**	**$7,517**	**$7,664**	**$7,813**	**$7,966**	**$8,121**	**$8,279**	**$8,441**	**$8,606**	**$8,773**	**$8,944**

9 to 10 persons - Full Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$146.09	$148.94	$151.84	$154.80	$157.82	$160.90	$164.04	$167.24	$170.50	$173.82	$177.21
Annual Base Charge	$584.36	$595.76	$607.37	$619.22	$631.29	$643.60	$656.15	$668.95	$681.99	$695.29	$708.85
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Town of Carleton Place
Water Flat Rate Revenues for Non-Metered Customers
Table 7-1 (continued)

Additional Persons > 10 - Full Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$3.06	$3.12	$3.18	$3.24	$3.31	$3.37	$3.44	$3.50	$3.57	$3.64	$3.71
Annual Base Charge	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

1 to 2 persons - Full Service Without Outside Tap	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	546	546	546	546	546	546	546	546	546	546	546
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**
Quarterly Base Charge	$115.33	$117.58	$119.87	$122.21	$124.59	$127.02	$129.50	$132.02	$134.60	$137.22	$139.90
Annual Base Charge	$461.32	$470.32	$479.49	$488.84	$498.37	$508.09	$518.00	$528.10	$538.39	$548.89	$559.60
Total Annual Revenue	**$251,881**	**$256,792**	**$261,800**	**$266,905**	**$272,110**	**$277,416**	**$282,825**	**$288,340**	**$293,963**	**$299,695**	**$305,539**

3 to 5 persons - Full Service Without Outside Tap	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	113	113	113	113	113	113	113	113	113	113	113
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**
Quarterly Base Charge	$121.85	$124.23	$126.65	$129.12	$131.64	$134.20	$136.82	$139.49	$142.21	$144.98	$147.81
Annual Base Charge	$487.40	$496.90	$506.59	$516.47	$526.54	$536.81	$547.28	$557.95	$568.83	$579.92	$591.23
Total Annual Revenue	**$55,076**	**$56,150**	**$57,245**	**$58,361**	**$59,499**	**$60,660**	**$61,843**	**$63,048**	**$64,278**	**$65,531**	**$66,809**

6 to 8 persons - Full Service Without Outside Tap	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	1	1	1	1	1	1	1	1	1	1	1
New	0	0	0	0	0	0	0	0	0	0	0
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge	$128.45	$130.95	$133.51	$136.11	$138.77	$141.47	$144.23	$147.04	$149.91	$152.83	$155.81
Annual Base Charge	$513.80	$523.82	$534.03	$544.45	$555.06	$565.89	$576.92	$588.17	$599.64	$611.33	$623.26
Total Annual Revenue	**$514**	**$524**	**$534**	**$544**	**$555**	**$566**	**$577**	**$588**	**$600**	**$611**	**$623**

Town of Carleton Place
Water Flat Rate Revenues for Non-Metered Customers
Table 7-1 (continued)

9 to 10 persons - Full Service Without Outside Tap	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$132.60	$135.19	$137.82	$140.51	$143.25	$146.04	$148.89	$151.79	$154.75	$157.77	$160.85
Annual Base Charge	$530.40	$540.74	$551.29	$562.04	$573.00	$584.17	$595.56	$607.18	$619.02	$631.09	$643.39
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Additional Persons > 10 - Full Service Without Outside Tap	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$3.06	$3.12	$3.18	$3.24	$3.31	$3.37	$3.44	$3.50	$3.57	$3.64	$3.71
Annual Base Charge	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

1 to 2 persons - Full Service With Swimming Pool	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	546	546	546	546	546	546	546	546	546	546	546
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**	**546**
Quarterly Base Charge	$146.79	$149.65	$152.57	$155.55	$158.58	$161.67	$164.82	$168.04	$171.31	$174.66	$178.06
Annual Base Charge	$587.16	$598.61	$610.28	$622.18	$634.32	$646.68	$659.30	$672.15	$685.26	$698.62	$712.24
Total Annual Revenue	**$320,589**	**$326,841**	**$333,214**	**$339,712**	**$346,336**	**$353,090**	**$359,975**	**$366,995**	**$374,151**	**$381,447**	**$388,885**

3 to 5 persons - Full Service With Swimming Pool	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	113	113	113	113	113	113	113	113	113	113	113
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**
Quarterly Base Charge	$153.29	$156.28	$159.33	$162.43	$165.60	$168.83	$172.12	$175.48	$178.90	$182.39	$185.95
Annual Base Charge	$613.16	$625.12	$637.31	$649.73	$662.40	$675.32	$688.49	$701.91	$715.60	$729.56	$743.78
Total Annual Revenue	**$69,287**	**$70,638**	**$72,016**	**$73,420**	**$74,852**	**$76,311**	**$77,799**	**$79,316**	**$80,863**	**$82,440**	**$84,047**

Town of Carleton Place
Water Flat Rate Revenues for Non-Metered Customers
Table 7-1 (continued)

6 to 8 persons - Full Service With Swimming Pool	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	1	1	1	1	1	1	1	1	1	1	1
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge	$159.85	$162.97	$166.14	$169.38	$172.69	$176.06	$179.49	$182.99	$186.56	$190.19	$193.90
Annual Base Charge	$639.40	$651.87	$664.58	$677.54	$690.75	$704.22	$717.95	$731.95	$746.23	$760.78	$775.61
Total Annual Revenue	**$639**	**$652**	**$665**	**$678**	**$691**	**$704**	**$718**	**$732**	**$746**	**$761**	**$776**

9 to 10 persons - Full Service With Swimming Pool	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$164.13	$167.33	$170.59	$173.92	$177.31	$180.77	$184.29	$187.89	$191.55	$195.29	$199.09
Annual Base Charge	$656.52	$669.32	$682.37	$695.68	$709.25	$723.08	$737.18	$751.55	$766.21	$781.15	$796.38
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Additional Persons > 10 - Full Service With Swimming Pool	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge	$3.06	$3.12	$3.18	$3.24	$3.31	$3.37	$3.44	$3.50	$3.57	$3.64	$3.71
Annual Base Charge	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Total Annual Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Non-Residential - (incl. 5 Employees working 60 hoours/week)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	191	191	191	191	191	191	191	191	191	191	191
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**191**	**191**	**191**	**191**	**191**	**191**	**191**	**191**	**191**	**191**	**191**
Quarterly Base Charge	$104.90	$106.95	$109.03	$111.16	$113.32	$115.53	$117.79	$120.08	$122.43	$124.81	$127.25
Annual Base Charge	$419.60	$427.78	$436.12	$444.63	$453.30	$462.14	$471.15	$480.34	$489.70	$499.25	$508.99
Total Annual Revenue	**$80,144**	**$81,706**	**$83,300**	**$84,924**	**$86,580**	**$88,268**	**$89,990**	**$91,744**	**$93,533**	**$95,357**	**$97,217**

Town of Carleton Place
Water Flat Rate Revenues for Non-Metered Customers
Table 7-1 (continued)

Non-Residential - Additional Employees (over 5)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Additional Employees (over 5)	1	1	1	1	1	1	1	1	1	1	1
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge (Rate per Additional Employees)	$7.39	$7.53	$7.68	$7.83	$7.98	$8.14	$8.30	$8.46	$8.62	$8.79	$8.96
Annual Base Charge	$29.56	$30.14	$30.72	$31.32	$31.93	$32.56	$33.19	$33.84	$34.50	$35.17	$35.86
Total Annual Revenue	**$29.56**	**$30.14**	**$30.72**	**$31.32**	**$31.93**	**$32.56**	**$33.19**	**$33.84**	**$34.50**	**$35.17**	**$35.86**

Non-Residential - Additional Hours of Operation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Additional Hours	1	1	1	1	1	1	1	1	1	1	1
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge Rate x Number of Employees	$0.15	$0.15	$0.16	$0.16	$0.16	$0.17	$0.17	$0.17	$0.18	$0.18	$0.18
Annual Base Charge	$0.60	$0.61	$0.62	$0.64	$0.65	$0.66	$0.67	$0.69	$0.70	$0.71	$0.73
Total Annual Revenue	**$0.60**	**$0.61**	**$0.62**	**$0.64**	**$0.65**	**$0.66**	**$0.67**	**$0.69**	**$0.70**	**$0.71**	**$0.73**

Summer Service - Water Only*	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing customer	1	1	1	1	1	1	1	1	1	1	1
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge Rate x Number of Employees	$482.91	$492.33	$501.93	$511.71	$521.69	$531.87	$542.24	$552.81	$563.59	$574.58	$585.79
Annual Base Charge	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Annual Revenue	**$482.91**	**$492.33**	**$501.93**	**$511.71**	**$521.69**	**$531.87**	**$542.24**	**$552.81**	**$563.59**	**$574.58**	**$585.79**

Summer Service - With Private Swimming Pool - Water Only*	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing customer	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Quarterly Base Charge Rate x Number of Employees	$605.47	$617.28	$629.31	$641.59	$654.10	$666.85	$679.85	$693.11	$706.63	$720.41	$734.45
Annual Base Charge	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Annual Revenue	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

***Wastewater Rates are 100% of Water Rates, except for Summer Services which are Water Only**

Town of Carleton Place
Water Meter Rental Base Charge Revenue for Metered Customers
Table 7-2

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	220	220	220	220	220	220	220	220	220	220	220
New	-	-	-	2	3	4	5	6	7	8	9
Total Customers	**220**	**220**	**220**	**222**	**223**	**224**	**225**	**226**	**227**	**228**	**229**
Total Annual Revenue	**$47,356**	**$48,280**	**$49,221**	**$50,811**	**$52,123**	**$53,467**	**$54,844**	**$56,253**	**$57,697**	**$59,176**	**$60,691**

5/8" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	25	25	25	25	25	25	25	25	25	25	25
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**
Quarterly Base Charge	$17.79	$18.14	$18.49	$18.85	$19.22	$19.59	$19.98	$20.37	$20.76	$21.17	$21.58
Annual Base Charge	$71.16	$72.55	$73.96	$75.40	$76.87	$78.37	$79.90	$81.46	$83.05	$84.67	$86.32
Total Annual Revenue	**$1,779**	**$1,814**	**$1,849**	**$1,885**	**$1,922**	**$1,959**	**$1,998**	**$2,037**	**$2,076**	**$2,117**	**$2,158**

3/4" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	43	43	43	43	43	43	43	43	43	43	43
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**43**	**43**	**43**	**43**	**43**	**43**	**43**	**43**	**43**	**43**	**43**
Quarterly Base Charge	$22.18	$22.61	$23.05	$23.50	$23.96	$24.43	$24.90	$25.39	$25.89	$26.39	$26.91
Annual Base Charge	$88.72	$90.45	$92.21	$94.01	$95.85	$97.71	$99.62	$101.56	$103.54	$105.56	$107.62
Total Annual Revenue	**$3,815**	**$3,889**	**$3,965**	**$4,043**	**$4,121**	**$4,202**	**$4,284**	**$4,367**	**$4,452**	**$4,539**	**$4,628**

1" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	41	41	41	41	41	41	41	41	41	41	41
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**41**	**41**	**41**	**41**	**41**	**41**	**41**	**41**	**41**	**41**	**41**
Quarterly Base Charge	$27.53	$28.07	$28.61	$29.17	$29.74	$30.32	$30.91	$31.51	$32.13	$32.76	$33.39
Annual Base Charge	$110.12	$112.27	$114.46	$116.69	$118.96	$121.28	$123.65	$126.06	$128.52	$131.02	$133.58
Total Annual Revenue	**$4,515**	**$4,603**	**$4,693**	**$4,784**	**$4,878**	**$4,973**	**$5,070**	**$5,168**	**$5,269**	**$5,372**	**$5,477**

1 1/2" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	24	24	24	24	24	24	24	24	24	24	24
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**
Quarterly Base Charge	$57.14	$58.25	$59.39	$60.55	$61.73	$62.93	$64.16	$65.41	$66.69	$67.99	$69.31
Annual Base Charge	$228.56	$233.02	$237.56	$242.19	$246.92	$251.73	$256.64	$261.64	$266.75	$271.95	$277.25
Total Annual Revenue	**$5,485**	**$5,592**	**$5,701**	**$5,813**	**$5,926**	**$6,042**	**$6,159**	**$6,279**	**$6,402**	**$6,527**	**$6,654**

Town of Carleton Place
Water Meter Rental Base Charge Revenue for Metered Customers
Table 7-2 (continued)

2" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	69	69	69	69	69	69	69	69	69	69	69
New	-	-	-	2	3	4	5	6	7	8	9
Subtotal Customers	**69**	**69**	**69**	**71**	**72**	**73**	**74**	**75**	**76**	**77**	**78**
Quarterly Base Charge	$74.33	$75.78	$77.26	$78.76	$80.30	$81.87	$83.46	$85.09	$86.75	$88.44	$90.16
Annual Base Charge	$297.32	$303.12	$309.03	$315.05	$321.20	$327.46	$333.85	$340.36	$346.99	$353.76	$360.66
Total Annual Revenue	**$20,515**	**$20,915**	**$21,323**	**$22,369**	**$23,126**	**$23,905**	**$24,705**	**$25,527**	**$26,372**	**$27,240**	**$28,131**

3" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	13	13	13	13	13	13	13	13	13	13	13
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**
Quarterly Base Charge	$120.56	$122.91	$125.31	$127.75	$130.24	$132.78	$135.37	$138.01	$140.70	$143.45	$146.24
Annual Base Charge	$482.24	$491.64	$501.23	$511.00	$520.97	$531.13	$541.49	$552.04	$562.81	$573.78	$584.97
Total Annual Revenue	**$6,269**	**$6,391**	**$6,516**	**$6,643**	**$6,773**	**$6,905**	**$7,039**	**$7,177**	**$7,317**	**$7,459**	**$7,605**

4" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	4	4	4	4	4	4	4	4	4	4	4
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Quarterly Base Charge	$206.08	$210.10	$214.20	$218.37	$222.63	$226.97	$231.40	$235.91	$240.51	$245.20	$249.98
Annual Base Charge	$824.32	$840.39	$856.78	$873.49	$890.52	$907.89	$925.59	$943.64	$962.04	$980.80	$999.93
Total Annual Revenue	**$3,297**	**$3,362**	**$3,427**	**$3,494**	**$3,562**	**$3,632**	**$3,702**	**$3,775**	**$3,848**	**$3,923**	**$4,000**

Over 4" Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	1	1	1	1	1	1	1	1	1	1	1
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Quarterly Base Charge	$420.15	$428.34	$436.70	$445.21	$453.89	$462.74	$471.77	$480.97	$490.35	$499.91	$509.66
Annual Base Charge	$1,680.60	$1,713.37	$1,746.78	$1,780.84	$1,815.57	$1,850.97	$1,887.07	$1,923.87	$1,961.38	$1,999.63	$2,038.62
Total Annual Revenue	**$1,681**	**$1,713**	**$1,747**	**$1,781**	**$1,816**	**$1,851**	**$1,887**	**$1,924**	**$1,961**	**$2,000**	**$2,039**

Minimum Quarterly Bill	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	112	112	112	112	112	112	112	112	112	112	112
New	-	-	-	-	-	-	-	-	-	-	-
Subtotal Customers	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**
Quarterly Base Charge	$87.17	$88.87	$90.60	$92.37	$94.17	$96.01	$97.88	$99.79	$101.73	$103.72	$105.74
Annual Base Charge	$348.68	$355.48	$362.41	$369.48	$376.68	$384.03	$391.52	$399.15	$406.93	$414.87	$422.96
Total Annual Revenue	**$39,052**	**$39,814**	**$40,590**	**$41,382**	**$42,188**	**$43,011**	**$43,850**	**$44,705**	**$45,577**	**$46,465**	**$47,372**

Town of Carleton Place
Water Revenue from Metered Customers with Additional Units
Table 7-3

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	1,781	1,781	1,781	1,781	1,781	1,781	1,781	1,781	1,781	1,781	1,781
New	-	-	-	90	138	186	234	282	330	378	438
Total Customers	**1,781**	**1,781**	**1,781**	**1,871**	**1,919**	**1,967**	**2,015**	**2,063**	**2,111**	**2,159**	**2,219**
Total Annual Revenue	**$253,651**	**$258,597**	**$263,640**	**$282,147**	**$294,904**	**$308,051**	**$321,599**	**$335,557**	**$349,938**	**$364,752**	**$381,993**

Customers with 2nd Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	62	62	62	62	62	62	62	62	62	62	62
New	0	0	0	2	3	4	5	6	7	8	9
Subtotal Customers	**62**	**62**	**62**	**64**	**65**	**66**	**67**	**68**	**69**	**70**	**71**
Quarterly Base Charge	$68.04	$69.37	$70.72	$72.10	$73.50	$74.94	$76.40	$77.89	$79.41	$80.96	$82.53
Annual Base Charge	$272.16	$277.47	$282.88	$288.39	$294.02	$299.75	$305.60	$311.56	$317.63	$323.82	$330.14
Total Annual Revenue	**$16,874**	**$17,203**	**$17,538**	**$18,457**	**$19,111**	**$19,784**	**$20,475**	**$21,186**	**$21,917**	**$22,668**	**$23,440**

Customers with 3rd Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	62	62	62	62	62	62	62	62	62	62	62
New	0	0	0	2	3	4	5	6	7	8	9
Subtotal Customers	**62**	**62**	**62**	**64**	**65**	**66**	**67**	**68**	**69**	**70**	**71**
Quarterly Base Charge	$45.00	$45.88	$46.77	$47.68	$48.61	$49.56	$50.53	$51.51	$52.52	$53.54	$54.59
Annual Base Charge	$180.00	$183.51	$187.09	$190.74	$194.46	$198.25	$202.11	$206.05	$210.07	$214.17	$218.35
Total Annual Revenue	**$11,160**	**$11,378**	**$11,599**	**$12,207**	**$12,640**	**$13,084**	**$13,542**	**$14,012**	**$14,495**	**$14,992**	**$15,503**

Customers with 4 or More Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Number of Units	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657
New	0	0	0	86	132	178	224	270	316	362	420
Subtotal Customers	**1,657**	**1,657**	**1,657**	**1,743**	**1,789**	**1,835**	**1,881**	**1,927**	**1,973**	**2,019**	**2,077**
Quarterly Base Charge	$34.04	$34.70	$35.38	$36.07	$36.77	$37.49	$38.22	$38.97	$39.73	$40.50	$41.29
Annual Base Charge	$136.16	$138.82	$141.52	$144.28	$147.10	$149.96	$152.89	$155.87	$158.91	$162.01	$165.17
Total Annual Revenue	**$225,617**	**$230,017**	**$234,502**	**$251,483**	**$263,153**	**$275,183**	**$287,582**	**$300,360**	**$313,527**	**$327,093**	**$343,051**

Chapter 8
Analysis of Water and Wastewater Rates and Policy Matters

8. Analysis of Water and Wastewater Rates and Policy Matters

8.1 Introduction

To summarize the analysis undertaken thus far, Chapter 2 provided the existing and growth-related service demands for water and wastewater services. Chapters 3 and 4 reviewed capital-related issues and respond to the provincial directives to maintain and upgrade infrastructure to required levels. Chapter 5 provided a review of capital financing options, where debt financing and the water and wastewater reserve contributions will be the predominant basis for financing future capital replacement. Chapter 6 established the 10-year operating forecast of expenditures, including an annual capital reserve contribution. This chapter will provide for the calculation of the metered and non-metered rates over the forecast period.

8.2 Water Rates

The recommended rate forecasts are provided to address full costs of the Towns' systems, including annual operating and capital expenditures from both a lifecycle and growth-related perspective.

To achieve full cost recovery, metered and non-metered water rates would be required to increase by 1.95% annually throughout the forecast period. These increases would allow the Town to continue to sufficiently fund the water and wastewater capital and operating programs. The calculated non-metered flat rates are presented in Table 8-1, which include both residential and non-residential rates. The residential rates are differentiated based on the number of people per dwelling unit, while the non-residential rates are provided based on the number of employees working 60 hours per week, additional employees over the five included in the base charge, and additional hours of operation. Additionally, the rates are categorized by residential customers receiving full services, those receiving services without an outside tap, and those with a private swimming pool. For non-residential customers, the charges are categorized by those receiving full services for water and wastewater, and those customers who receive water only services during the summer with or without a private swimming pool.

Table 8-2 presents the meter rental base rates, additional unit rates, and the volumetric rates over the forecast period for water services. Detailed calculations of the volumetric rates are provided in Appendix A.

Table 8-1
Town of Carleton Place
Non-Metered Flat Water Rate Forecast

Residential Non-Metered Quarterly Rates	Full services										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	128.75	131.26	133.82	136.43	139.09	141.80	144.57	147.39	150.26	153.19	156.18
3 to 5 persons*	135.24	137.88	140.57	143.31	146.10	148.95	151.85	154.82	157.83	160.91	164.05
6 to 8 persons*	141.80	144.57	147.38	150.26	153.19	156.18	159.22	162.33	165.49	168.72	172.01
9 to 10 persons*	146.09	148.94	151.84	154.80	157.82	160.90	164.04	167.24	170.50	173.82	177.21
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential Non-Metered Quarterly Rates	**Service less Outside Tap**										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	115.33	117.58	119.87	122.21	124.59	127.02	129.50	132.02	134.60	137.22	139.90
3 to 5 persons*	121.85	124.23	126.65	129.12	131.64	134.20	136.82	139.49	142.21	144.98	147.81
6 to 8 persons*	128.45	130.95	133.51	136.11	138.77	141.47	144.23	147.04	149.91	152.83	155.81
9 to 10 persons*	132.60	135.19	137.82	140.51	143.25	146.04	148.89	151.79	154.75	157.77	160.85
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential Non-Metered Quarterly Rates	**Private Swimming Pool**										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	146.79	149.65	152.57	155.55	158.58	161.67	164.82	168.04	171.31	174.66	178.06
3 to 5 persons*	153.29	156.28	159.33	162.43	165.60	168.83	172.12	175.48	178.90	182.39	185.95
6 to 8 persons*	159.85	162.97	166.14	169.38	172.69	176.06	179.49	182.99	186.56	190.19	193.90
9 to 10 persons*	164.13	167.33	170.59	173.92	177.31	180.77	184.29	187.89	191.55	195.29	199.09
Additional Persons > 10*	3.06	3.12	3.18	3.24	3.31	3.37	3.44	3.50	3.57	3.64	3.71
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Non-Residential Non-Metered Quarterly Rates	**Full services**										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Including 5 Employees working 60 hours/week*	104.90	106.95	109.03	111.16	113.32	115.53	117.79	120.08	122.43	124.81	127.25
Additional Employees (over 5)*	7.39	7.53	7.68	7.83	7.98	8.14	8.30	8.46	8.62	8.79	8.96
Additional Hours of Operation*	0.15	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18	0.18	0.18
Summer Service - Full Service**	482.91	492.33	501.93	511.71	521.69	531.87	542.24	552.81	563.59	574.58	585.79
Summer Service - With Private Swimming Pool**	605.47	617.28	629.31	641.59	654.10	666.85	679.85	693.11	706.63	720.41	734.45

* Wastewater Services are charged at 100% of water charges
** Water Only Charge

Table 8-2
Town of Carleton Place
Metered Water Rate Forecast

Quarterly Meter Rental Base Charge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
5/8"	17.79	18.14	18.49	18.85	19.22	19.59	19.98	20.37	20.76	21.17	21.58
3/4"	22.18	22.61	23.05	23.50	23.96	24.43	24.90	25.39	25.89	26.39	26.91
1"	27.53	28.07	28.61	29.17	29.74	30.32	30.91	31.51	32.13	32.76	33.39
1 1/2"	57.14	58.25	59.39	60.55	61.73	62.93	64.16	65.41	66.69	67.99	69.31
2"	74.33	75.78	77.26	78.76	80.30	81.87	83.46	85.09	86.75	88.44	90.16
3"	120.56	122.91	125.31	127.75	130.24	132.78	135.37	138.01	140.70	143.45	146.24
4"	206.08	210.10	214.20	218.37	222.63	226.97	231.40	235.91	240.51	245.20	249.98
Over 4"	420.15	428.34	436.70	445.21	453.89	462.74	471.77	480.97	490.35	499.91	509.66
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Quarterly Fees for Additional Units	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
2nd Unit	68.04	69.37	70.72	72.10	73.50	74.94	76.40	77.89	79.41	80.96	82.53
3rd Unit	45.00	45.88	46.77	47.68	48.61	49.56	50.53	51.51	52.52	53.54	54.59
4th Unit and any further additional	34.04	34.70	35.38	36.07	36.77	37.49	38.22	38.97	39.73	40.50	41.29
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Declining Volume Block Rates per 1,000 Imperial Gallons	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Block 1 (first 45,000 gallons)	6.299	6.422	6.547	6.675	6.805	6.938	7.073	7.211	7.351	7.495	7.641
Block 2 (45,001 to 90,000)	5.684	5.795	5.908	6.023	6.140	6.260	6.382	6.507	6.634	6.763	6.895
Block 3 (90,001 to 855,000)	5.022	5.120	5.220	5.322	5.425	5.531	5.639	5.749	5.861	5.975	6.092
Block 4 (855,001+)	3.793	3.867	3.942	4.019	4.098	4.178	4.259	4.342	4.427	4.513	4.601
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges

8.3 Wastewater Rates

The wastewater rate forecasts, like water rates, have been developed to recover the full costs of the Town's system. These costs include annual operating and capital expenditures from both a lifecycle and growth-related perspective.

To achieve full cost recovery identified above, all metered and unmetered wastewater rates would also be required to increase by 1.95 % throughout the forecast period. These increases, along with debenture financing, would provide the Town with sufficient funding to fund most of the capital and operating programs, with cash flow assistance needed for growth-related debt payments at the end of the forecast period, as previously noted. As previously discussed, the Town's wastewater charges are set at 100% of the water rates, with the exception of summer services which relate to water only. Therefore, the wastewater rates are calculated based on the same increases as the water rates provided in Tables 8-1 and 8-2. Detailed calculations of the volumetric rates are provided in Appendix B.

8.4 Forecast Water and Wastewater Bill Impacts

As the rate structure varies for both metered and unmetered customers, the average annual bill that any one customer may be subject to depends on a number of factors, including but not limited to:

- The number of people in a unmetered residential dwelling;
- The number of employees and hours of operations for a business in an unmetered business;
- The size of the water meter;
- The number of additional units within a building; and
- The amount of water volume consumed each quarter.

As such, the following tables provide for a sample of the annual bills for various customers, based on differing parameters.

For metered customers, Table 8-3 provides how the recommended rates affect an average customer utilizing water volumes equal to 200,000 imperial gallons per year, on a 1" meter, and with 48 units within the building. The average water consumption of

200,000 imperial gallons was determined using the 3-year (2022 to 2024) average historical water consumption data provided by the Town.

For this customer, based on 2025 rates, the annual water and wastewater combined bill would total approximately $9,430. With the proposed annual rate increases, the 2026 annual bill would increase to approximately $9,615, which translates to roughly $2634 per day (or $0.55 per day, per unit, in a 48 unit building). By the end of the forecast period, the annual combined bill would equate to approximately $11,440 or $31.34 per day (or $0.65 per day, per unit in a 48 unit building).

Table 8-3
Town of Carleton Place
Annual Combined Customer Water and Wastewater Bill
Based on a Customer with a 1" meter, Utilizing 200,000 Imperial Gallons of Volume, with 48 Units in the Building

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Meter Rental Base Charge	$220.24	$224.53	$228.91	$233.38	$237.93	$242.57	$247.30	$252.12	$257.04	$262.05	$267.16
Additional Units Rate (based on 48 units in the building)	$6,715.52	$6,846.47	$6,979.98	$7,116.09	$7,254.85	$7,396.32	$7,540.55	$7,687.59	$7,837.50	$7,990.33	$8,146.14
Volume Charges:											
Block 1 Rate	$12.60	$12.84	$13.09	$13.35	$13.61	$13.88	$14.15	$14.42	$14.70	$14.99	$15.28
Block 2 Rate	$11.37	$11.59	$11.82	$12.05	$12.28	$12.52	$12.76	$13.01	$13.27	$13.53	$13.79
Block 1 Volume	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Block 2 Volume	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Volume Charges	**$2,495.00**	**$2,543.65**	**$2,593.25**	**$2,643.82**	**$2,695.38**	**$2,747.94**	**$2,801.52**	**$2,856.15**	**$2,911.85**	**$2,968.63**	**$3,026.52**
Total Annual Bill	**$9,430.76**	**$9,614.66**	**$9,802.15**	**$9,993.29**	**$10,188.16**	**$10,386.83**	**$10,589.37**	**$10,795.86**	**$11,006.38**	**$11,221.01**	**$11,439.81**

Table 8-4 indicates how the recommended rates affects a large metered water customer. For this example, the annual water consumption is based on a volume of 1.64 million imperial gallons , where the customer has a 2" meter, and where there are 48 units in the building. The average volume of 1.64 million gallons is based on consumption data provided by the Town and includes customers with consumption in all four volumetric rate blocks. The 2" meter size was chosen as it is the most common meter size used among larger water customers.

For this customer, based on the current 2025 rates, the annual combined water and wastewater bill for this customer would total approximately $22,098. With the proposed rate increase of 1.95% annually, the 2026 annual bill would increase to approximately $22,530, which translates to roughly $61.72 per day (or $1.26 per day, per unit, in a 48 unit building). By the end of the forecast period, the annual combined bill would equate to approximately $26,800 or $73.44 per day (or $1.53 per day, per unit in a 48 unit building).

Table 8-4
Town of Carleton Place
Annual Combined Customer Water and Wastewater Bill
Based on a Customer with a 2" meter, Utilizing 1.64 million Imperial Gallons of Volume, with 48 Units in the Building

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Meter Rental Base Charge	$594.64	$606.24	$618.06	$630.11	$642.40	$654.92	$667.69	$680.71	$693.99	$707.52	$721.32
Additional Units Rate (based on 48 units in the building)	$6,715.52	$6,846.47	$6,979.98	$7,116.09	$7,254.85	$7,396.32	$7,540.55	$7,687.59	$7,837.50	$7,990.33	$8,146.14
Volume Charges:											
Block 1 Rate	$12.60	$12.84	$13.09	$13.35	$13.61	$13.88	$14.15	$14.42	$14.70	$14.99	$15.28
Block 2 Rate	$11.37	$11.59	$11.82	$12.05	$12.28	$12.52	$12.76	$13.01	$13.27	$13.53	$13.79
Block 3 Rate	$10.04	$10.24	$10.44	$10.64	$10.85	$11.06	$11.28	$11.50	$11.72	$11.95	$12.18
Block 4 Rate	$7.59	$7.73	$7.88	$8.04	$8.20	$8.36	$8.52	$8.68	$8.85	$9.03	$9.20
Block 1 Volume	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Block 2 Volume	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Block 3 Volume	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Block 4 Volume	890,000	890,000	890,000	890,000	890,000	890,000	890,000	890,000	890,000	890,000	890,000
Total Volume Charges	**$14,787.74**	**$15,076.10**	**$15,370.08**	**$15,669.80**	**$15,975.36**	**$16,286.88**	**$16,604.48**	**$16,928.26**	**$17,258.36**	**$17,594.90**	**$17,938.00**
Total Annual Bill	**$22,097.90**	**$22,528.81**	**$22,968.12**	**$23,416.00**	**$23,872.61**	**$24,338.13**	**$24,812.72**	**$25,296.57**	**$25,789.85**	**$26,292.75**	**$26,805.46**

For non-metered customers, the water and wastewater combined annual bill for an average customer is provided in Table 8-5. This includes the residential bills over the forecast period for full service, service less outside tap, and private swimming pool customers. The non-residential annual bill is provided businesses that have up to 5 employees working 60 hours per week, as this is the rate that the majority of non-residential customers are charged at.

Table 8-5
Town of Carleton Place
Non-Metered Water and Wastewater Customer Combined Annual Bill

Residential	Full services										
Non-Metered Annual Bill	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	$1,030.00	$1,050.09	$1,070.56	$1,091.44	$1,112.72	$1,134.42	$1,156.54	$1,179.09	$1,202.08	$1,225.53	$1,249.42
3 to 5 persons*	$1,081.92	$1,103.02	$1,124.53	$1,146.45	$1,168.81	$1,191.60	$1,214.84	$1,238.53	$1,262.68	$1,287.30	$1,312.40
6 to 8 persons*	$1,134.40	$1,156.52	$1,179.07	$1,202.06	$1,225.51	$1,249.40	$1,273.77	$1,298.60	$1,323.93	$1,349.74	$1,376.06
9 to 10 persons*	$1,168.72	$1,191.51	$1,214.74	$1,238.43	$1,262.58	$1,287.20	$1,312.30	$1,337.89	$1,363.98	$1,390.58	$1,417.69
Additional Persons > 10*	$24.48	$24.96	$25.44	$25.94	$26.45	$26.96	$27.49	$28.02	$28.57	$29.13	$29.70
Residential	**Service less Outside Tap**										
Non-Metered Annual Bill	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$922.64	$940.63	$958.97	$977.67	$996.74	$1,016.17	$1,035.99	$1,056.19	$1,076.79	$1,097.79	$1,119.19
3 to 5 persons*	$974.80	$993.81	$1,013.19	$1,032.95	$1,053.09	$1,073.62	$1,094.56	$1,115.90	$1,137.66	$1,159.85	$1,182.46
6 to 8 persons*	$1,027.60	$1,047.64	$1,068.07	$1,088.89	$1,110.13	$1,131.78	$1,153.85	$1,176.34	$1,199.28	$1,222.67	$1,246.51
9 to 10 persons*	$1,060.80	$1,081.49	$1,102.57	$1,124.07	$1,145.99	$1,168.34	$1,191.12	$1,214.35	$1,238.03	$1,262.17	$1,286.78
Additional Persons > 10*	$24.48	$24.96	$25.44	$25.94	$26.45	$26.96	$27.49	$28.02	$28.57	$29.13	$29.70
Residential	**Private Swimming Pool**										
Non-Metered Annual Bill	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$1,174.32	$299.30	$305.14	$311.09	$317.16	$323.34	$329.65	$336.08	$342.63	$349.31	$356.12
3 to 5 persons*	$306.58	$312.56	$318.65	$324.87	$331.20	$337.66	$344.24	$350.96	$357.80	$364.78	$371.89
6 to 8 persons*	$319.70	$325.93	$332.29	$338.77	$345.38	$352.11	$358.98	$365.98	$373.11	$380.39	$387.81
9 to 10 persons*	$328.26	$334.66	$341.19	$347.84	$354.62	$361.54	$368.59	$375.78	$383.10	$390.57	$398.19
Additional Persons > 10*	$6.12	$6.24	$6.36	$6.49	$6.61	$6.74	$6.87	$7.01	$7.14	$7.28	$7.42
Non-Residential	**Full services**										
Non-Metered Annual Bill	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Including 5 Employees working 60 hours/week*	$839.20	$855.56	$872.25	$889.26	$906.60	$924.28	$942.30	$960.67	$979.41	$998.51	$1,017.98

*Wastewater Services are charged at 100% of water charges

Chapter 9
Recommendations

9. Recommendations

As presented within this report, capital and operating expenditures have been identified and projected over a 10-year forecast period to 2035 for water and wastewater services. Updated rates have been calculated to fund the increased capital and operating expenditures. Based on 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 service costs through full cost recovery rates and maintain reserve funds for water and wastewater services;

2. That Council considers the capital plans for water and wastewater services as provided in Tables 3-1 and 3-2 and the recommended capital financing plan as set out in Tables 5-2 and 5-3.

3. That Council consider the 2026 to 2035 water and wastewater rates as provide in Chapter 8, and direct staff to track actual growth in customers, changes in customer rate categories, and actual water volumes, and where necessary undertake a new rate study at least every five years; and

4. That Council approve the Rate Study.

Appendices

Appendix A
Detailed Water Rate Calculations

Appendix A-1
Town of Carleton Place
Capital Budget Forecast (uninflated $)

Description	Budget 2025	Total 2026-2035	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:												
Judson Lane 50 mm Watermain	15,000	-	-	-	-	-	-	-	-	-	-	-
Water Leak Listening Device (three units)	8,000	-	-	-	-	-	-	-	-	-	-	-
Blair Easement Watermain relining	-	100,000	-	-	100,000	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Napoleon St	-	260,000	260,000	-	-	-	-	-	-	-	-	-
Allan St	-	227,500	-	227,500	-	-	-	-	-	-	-	-
Watermain Replacements	-	3,029,030	-	-	-	-	-	-	-	1,371,700	-	1,657,330
Studies:												
Water & Sewer Servicing Study	-	50,000	-	-	-	-	-	50,000	-	-	-	-
Lake Ave Monitoring	60,000	600,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Growth Related:												
Water Treatment Plant Expansion Design	1,350,000	-	-	-	-	-	-	-	-	-	-	-
Water Treatment Plant Expansion	15,000,000	44,000,000	22,000,000	22,000,000	-	-	-	-	-	-	-	-
Watermain Extension South of Hwy #7	653,000	-	-	-	-	-	-	-	-	-	-	-
B-1a: Upgrade to Existing Distribution System (Bates Dr)	238,615	-	-	-	-	-	-	-	-	-	-	-
B-1b: New to Distribution System (Bates Dr)	223,385	-	-	-	-	-	-	-	-	-	-	-
B-4: New Distribution System (Bridge St)	-	90,800	90,800	-	-	-	-	-	-	-	-	-
B-5: Upgrade to Existing Distribution System (Mullett St)	-	209,000	209,000	-	-	-	-	-	-	-	-	-
B-9: Upgrade to Existing Distribution System (Nelson St & Findlay)	202,750	405,500	202,750	202,750	-	-	-	-	-	-	-	-
B-10: New to Distribution System (Cavanagh Rd)	-	574,000	-	574,000	-	-	-	-	-	-	-	-
B-11: Upgrade to Existing Distribution System (Lake Ave E)	-	758,000	-	-	-	-	758,000	-	-	-	-	-
Additional Pick-up Truck	-	53,000	-	-	-	-	53,000	-	-	-	-	-
Total Capital Expenditures	**$17,945,750**	**$52,356,830**	**$23,022,550**	**$23,264,250**	**$360,000**	**$260,000**	**$1,071,000**	**$310,000**	**$260,000**	**$1,631,700**	**$260,000**	**$1,917,330**

Appendix A-2
Town of Carleton Place
Capital Budget Forecast and Recommended Capital Financing (inflated $) – Water

Description	Budget 2025	Total	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:												
Judson Lane 50 mm Watermain	15,000	-	-	-	-	-	-	-	-	-	-	-
Water Leak Listening Device (three units)	8,000	-	-	-	-	-	-	-	-	-	-	-
Blair Easement Watermain relining	-	109,000	-	-	109,000	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,362,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000	269,000
Napoleon St	-	268,000	268,000	-	-	-	-	-	-	-	-	-
Allan St	-	241,000	-	241,000	-	-	-	-	-	-	-	-
Watermain Replacements	-	3,965,000	-	-	-	-	-	-	-	1,738,000	-	2,227,000
Studies:												
Water & Sewer Servicing Study	-	60,000	-	-	-	-	-	60,000	-	-	-	-
Lake Ave Monitoring	60,000	711,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000	81,000
Growth Related:												
Water Treatment Plant Expansion Design	1,350,000	-	-	-	-	-	-	-	-	-	-	-
Water Treatment Plant Expansion	15,000,000	44,000,000	22,000,000	22,000,000	-	-	-	-	-	-	-	-
Watermain Extension South of Hwy #7	653,000	-	-	-	-	-	-	-	-	-	-	-
B-1a: Upgrade to Existing Distribution System (Bates Dr)	238,615	-	-	-	-	-	-	-	-	-	-	-
B-1b: New to Distribution System (Bates Dr)	223,385	-	-	-	-	-	-	-	-	-	-	-
B-4: New Distribution System (Bridge St)	-	94,000	94,000	-	-	-	-	-	-	-	-	-
B-5: Upgrade to Existing Distribution System (Mullett St)	-	215,000	215,000	-	-	-	-	-	-	-	-	-
B-9: Upgrade to Existing Distribution System (Nelson St & Findlay)	202,750	424,000	209,000	215,000	-	-	-	-	-	-	-	-
B-10: New to Distribution System (Cavanagh Rd)	-	609,000	-	609,000	-	-	-	-	-	-	-	-
B-11: Upgrade to Existing Distribution System (Lake Ave E)	-	879,000	-	-	-	-	879,000	-	-	-	-	-
New Bulk Water Station	-	-	-	-	-	-	-	-	-	-	-	-
Additional Pick-up Truck	-	61,000	-	-	-	-	61,000	-	-	-	-	-
Total Capital Expenditures	**$17,945,750**	**$53,998,000**	**$23,054,000**	**$23,341,000**	**$394,000**	**$293,000**	**$1,242,000**	**$371,000**	**$320,000**	**$2,067,000**	**$339,000**	**$2,577,000**
Capital Financing												
Development Charges Reserve Fund	1,260,969	109,485	59,675	21,123	-	-	28,688	-	-	-	-	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements - Treatment Plant Expansion	15,000,000	42,300,000	20,650,000	21,050,000	-	-	600,000	-	-	-	-	-
Water Treatment Expansion Reserve	1,226,250	3,344,175	1,647,375	1,696,800	-	-	-	-	-	-	-	-
Water Reserve	458,531	8,244,340	696,950	573,078	394,000	293,000	613,313	371,000	320,000	2,067,000	339,000	2,577,000
Total Capital Financing	**$17,945,750**	**$53,998,000**	**$23,054,000**	**$23,341,000**	**$394,000**	**$293,000**	**$1,242,000**	**$371,000**	**$320,000**	**$2,067,000**	**$339,000**	**$2,577,000**

Appendix A-3
Town of Carleton Place
Schedule of Growth-Related Debenture Repayments – Water Treatment Plant Expansion (inflated $)

Debenture Year	2025	Principal (Inflated)	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025		15,000,000	790,226	790,226	790,226	790,226	790,226	790,226	790,226	790,226	790,226	790,226
2026		20,650,000		1,087,877	1,087,877	1,087,877	1,087,877	1,087,877	1,087,877	1,087,877	1,087,877	1,087,877
2027		21,050,000			1,108,950	1,108,950	1,108,950	1,108,950	1,108,950	1,108,950	1,108,950	1,108,950
2028		-				-	-	-	-	-	-	-
2029		-					-	-	-	-	-	-
2030		600,000						31,609	31,609	31,609	31,609	31,609
2031		-							-	-	-	-
2032		-								-	-	-
2033		-									-	-
2034		-										-
2035		-										
Total Annual Debt Charges	**$0**	**$57,300,000**	**$790,226**	**$1,878,103**	**$2,987,053**	**$2,987,053**	**$2,987,053**	**$3,018,662**	**$3,018,662**	**$3,018,662**	**$3,018,662**	**$3,018,662**

Appendix A-4
Town of Carleton Place
Water Reserve Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,131,229	8,517,881	9,984,083	10,855,434	12,805,736	14,955,142	16,891,818	19,181,259	21,635,045	22,458,722	25,130,335
Transfer from Operating	1,845,183	2,163,153	1,444,429	2,344,302	2,442,406	2,549,988	2,660,441	2,773,787	2,890,677	3,010,613	3,122,601
Transfer to Capital	458,531	696,950	573,078	394,000	293,000	613,313	371,000	320,000	2,067,000	339,000	2,577,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**8,517,881**	**9,984,083**	**10,855,434**	**12,805,736**	**14,955,142**	**16,891,818**	**19,181,259**	**21,635,045**	**22,458,722**	**25,130,335**	**25,675,936**
Cash Flow Assistance for Growth Related Debt	**-**	**-**	**-**	**-**	**-**	**241,026**	**1,405,020**	**2,536,530**	**3,633,162**	**4,681,323**	**6,191,586**

Appendix A-5
Town of Carleton Place
Treatment Plant Expansion Reserve Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,774,205	2,547,955	900,580	0	0	0	0	0	0	0	0
Transfer from Operating	-	-	796,220	-	-	-	-	-	-	-	-
Transfer to Capital	1,226,250	1,647,375	1,696,800	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**2,547,955**	**900,580**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Required from Treatment Plant Expansion Reserve	1,226,250	1,650,000	1,650,000	-	-	-	-	-	-	-	-

Appendix A-6
Town of Carleton Place
Water Development Charges Reserve Fund Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	2,939,860	2,822,291	3,639,919	3,452,429	2,201,886	978,206	(245,847)	(1,433,122)	(2,587,262)	(3,705,826)	(4,774,951)
Development Charge Proceeds	1,088,061	1,596,158	1,644,041	1,693,337	1,744,193	1,796,508	1,859,488	1,915,253	1,972,762	2,043,164	1,602,026
Transfer to Capital	1,260,969	59,675	21,123	-	-	28,688	-	-	-	-	-
Transfer to Operating	-	790,226	1,878,103	2,987,053	2,987,053	2,987,053	3,018,662	3,018,662	3,018,662	3,018,662	3,018,662
Closing Balance	**2,766,952**	**3,568,548**	**3,384,734**	**2,158,712**	**959,026**	**(241,027)**	**(1,405,022)**	**(2,536,532)**	**(3,633,163)**	**(4,681,324)**	**(6,191,587)**
Interest	55,339	71,371	67,695	43,174	19,181	(4,821)	(28,100)	(50,731)	(72,663)	(93,626)	(123,832)
Required from Development Charges - Other	1,137,219	359,675	721,123	-	-	628,688	-	-	-	-	-
Required from Development Charges - Treatment Plant Expansion	15,123,750	20,350,000	20,350,000	-	-	-	-	-	-	-	-

Appendix A-7
Town of Carleton Place
Operating Budget Forecast – Water (inflated $)

Description	Budget	Forecast									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures											
Operating Costs											
Salaries & Wages	165,080	174,985	185,484	196,613	208,410	213,620	218,960	224,434	230,045	235,796	241,691
Employee Benefits	41,100	41,922	42,760	43,616	44,488	45,378	46,285	47,211	48,155	49,118	50,101
Materials	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337
Contracted Services	1,112,387	1,145,759	1,180,131	1,215,535	1,252,001	1,289,561	1,328,248	1,368,096	1,409,139	1,451,413	1,494,955
Rents & Financial Expenses	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350	30,350
Inter-Functional Adjustments	183,300	193,382	204,017	215,238	227,077	239,566	252,742	266,643	281,308	296,780	313,103
Sub Total Operating	**1,634,217**	**1,690,437**	**1,748,864**	**1,809,596**	**1,872,734**	**1,931,091**	**1,991,454**	**2,053,900**	**2,118,506**	**2,185,357**	**2,254,537**
Capital-Related											
New Growth Related Debt (Principal)	-	302,726	729,317	1,177,845	1,216,125	1,255,649	1,308,566	1,351,095	1,395,005	1,440,343	1,487,154
New Growth Related Debt (Interest)	-	487,500	1,148,786	1,809,209	1,770,929	1,731,405	1,710,096	1,667,568	1,623,657	1,578,319	1,531,508
Transfer to Treatment Plant Expansion Reserve	-	-	796,220	-	-	-	-	-	-	-	-
Transfer to Water Reserve	1,845,183	2,163,153	1,444,429	2,344,302	2,442,406	2,549,988	2,660,441	2,773,787	2,890,677	3,010,613	3,122,601
Sub Total Capital Related	**1,845,183**	**2,953,378**	**4,118,752**	**5,331,356**	**5,429,459**	**5,537,041**	**5,679,103**	**5,792,449**	**5,909,339**	**6,029,276**	**6,141,263**
Total Expenditures	**3,479,400**	**4,643,815**	**5,867,616**	**7,140,951**	**7,302,193**	**7,468,132**	**7,670,558**	**7,846,349**	**8,027,845**	**8,214,633**	**8,395,801**
Revenues											
Base Meter Rental Charge Revenue	47,356	48,280	49,221	50,811	52,123	53,467	54,844	56,253	57,697	59,176	60,691
Flat Rate Revenue	3,066,494	3,178,600	3,302,239	3,437,433	3,576,644	3,719,949	3,867,512	4,019,415	4,176,373	4,337,955	4,491,252
Additional Units Revenue	253,651	258,597	263,640	282,147	294,904	308,051	321,599	335,557	349,938	364,752	381,993
Summer Service Revenue	483	492	502	512	522	532	542	553	564	575	586
Penalties	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Contributions from Development Charges Reserve Fund	-	790,226	1,878,103	2,987,053	2,987,053	2,987,053	3,018,662	3,018,662	3,018,662	3,018,662	3,018,662
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**3,412,985**	**4,321,196**	**5,538,705**	**6,802,957**	**6,956,247**	**7,114,052**	**7,308,159**	**7,475,441**	**7,648,234**	**7,826,120**	**7,998,184**
Water Billing Recovery - Operating	**66,415**	**322,620**	**328,911**	**337,994**	**345,946**	**354,080**	**362,399**	**370,908**	**379,611**	**388,512**	**397,617**

Appendix A-8
Town of Carleton Place
Non-Metered Water Rate Forecast (inflated $)

Residential Non-Metered Quarterly Rates	Full services										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	$515.00	$525.04	$535.28	$545.72	$556.36	$567.21	$578.27	$589.55	$601.04	$612.76	$624.71
3 to 5 persons*	$540.96	$551.51	$562.26	$573.23	$584.41	$595.80	$607.42	$619.26	$631.34	$643.65	$656.20
6 to 8 persons*	$567.20	$578.26	$589.54	$601.03	$612.75	$624.70	$636.88	$649.30	$661.96	$674.87	$688.03
9 to 10 persons*	$584.36	$595.76	$607.37	$619.22	$631.29	$643.60	$656.15	$668.95	$681.99	$695.29	$708.85
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Service less Outside Tap**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$461.32	$470.32	$479.49	$488.84	$498.37	$508.09	$518.00	$528.10	$538.39	$548.89	$559.60
3 to 5 persons*	$487.40	$496.90	$506.59	$516.47	$526.54	$536.81	$547.28	$557.95	$568.83	$579.92	$591.23
6 to 8 persons*	$513.80	$523.82	$534.03	$544.45	$555.06	$565.89	$576.92	$588.17	$599.64	$611.33	$623.26
9 to 10 persons*	$530.40	$540.74	$551.29	$562.04	$573.00	$584.17	$595.56	$607.18	$619.02	$631.09	$643.39
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Private Swimming Pool**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$587.16	$598.61	$610.28	$622.18	$634.32	$646.68	$659.30	$672.15	$685.26	$698.62	$712.24
3 to 5 persons*	$613.16	$625.12	$637.31	$649.73	$662.40	$675.32	$688.49	$701.91	$715.60	$729.56	$743.78
6 to 8 persons*	$639.40	$651.87	$664.58	$677.54	$690.75	$704.22	$717.95	$731.95	$746.23	$760.78	$775.61
9 to 10 persons*	$656.52	$669.32	$682.37	$695.68	$709.25	$723.08	$737.18	$751.55	$766.21	$781.15	$796.38
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Non-Residential	**Full services**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Including 5 Employees working 60 hours/week*	$419.60	$427.78	$436.12	$444.63	$453.30	$462.14	$471.15	$480.34	$489.70	$499.25	$508.99
Additional Employees (over 5)*	$29.56	$30.14	$30.72	$31.32	$31.93	$32.56	$33.19	$33.84	$34.50	$35.17	$35.86
Additional Hours of Operation*	$0.60	$0.61	$0.62	$0.64	$0.65	$0.66	$0.67	$0.69	$0.70	$0.71	$0.73
Summer Service - Full Service**	$1,931.64	$1,969.31	$2,007.71	$2,046.86	$2,086.77	$2,127.46	$2,168.95	$2,211.24	$2,254.36	$2,298.32	$2,343.14
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges
** Water Only Charge

Appendix A-9
Town of Carleton Place
Metered Water Rate Forecast (inflated $)

Quarterly Meter Rental Base Charge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
5/8"	$17.79	$18.14	$18.49	$18.85	$19.22	$19.59	$19.98	$20.37	$20.76	$21.17	$21.58
3/4"	$22.18	$22.61	$23.05	$23.50	$23.96	$24.43	$24.90	$25.39	$25.89	$26.39	$26.91
1"	$27.53	$28.07	$28.61	$29.17	$29.74	$30.32	$30.91	$31.51	$32.13	$32.76	$33.39
1 1/2"	$57.14	$58.25	$59.39	$60.55	$61.73	$62.93	$64.16	$65.41	$66.69	$67.99	$69.31
2"	$74.33	$75.78	$77.26	$78.76	$80.30	$81.87	$83.46	$85.09	$86.75	$88.44	$90.16
3"	$120.56	$122.91	$125.31	$127.75	$130.24	$132.78	$135.37	$138.01	$140.70	$143.45	$146.24
4"	$206.08	$210.10	$214.20	$218.37	$222.63	$226.97	$231.40	$235.91	$240.51	$245.20	$249.98
Over 4"	$420.15	$428.34	$436.70	$445.21	$453.89	$462.74	$471.77	$480.97	$490.35	$499.91	$509.66
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Quarterly Fees for Additional Units	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
2nd Unit	$68.04	$69.37	$70.72	$72.10	$73.50	$74.94	$76.40	$77.89	$79.41	$80.96	$82.53
3rd Unit	$45.00	$45.88	$46.77	$47.68	$48.61	$49.56	$50.53	$51.51	$52.52	$53.54	$54.59
4th Unit and any further additional	$34.04	$34.70	$35.38	$36.07	$36.77	$37.49	$38.22	$38.97	$39.73	$40.50	$41.29
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Declining Volume Block Rates per 1,000 Imperial Gallons	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Block 1 (first 45,000 gallons)	$6.2990	$6.4218	$6.5471	$6.6747	$6.8049	$6.9376	$7.0729	$7.2108	$7.3514	$7.4947	$7.6409
Block 2 (45,001 to 90,000)	$5.6840	$5.7948	$5.9078	$6.0230	$6.1405	$6.2602	$6.3823	$6.5068	$6.6336	$6.7630	$6.8949
Block 3 (90,001 to 855,000)	$5.0220	$5.1199	$5.2198	$5.3216	$5.4253	$5.5311	$5.6390	$5.7489	$5.8610	$5.9753	$6.0918
Block 4 (855,001+)	$3.7930	$3.8670	$3.9424	$4.0192	$4.0976	$4.1775	$4.2590	$4.3420	$4.4267	$4.5130	$4.6010
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges

Appendix B
Detailed Wastewater Rate Calculations

Appendix B-1
Town of Carleton Place
Capital Budget Forecast (uninflated $) – Wastewater

Description	Budget 2025	Total 2026-2035	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:		-										
Pumping Station Findlay St	1,500,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Princess St	1,700,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Hwy 7	-	531,300	-	531,300	-	-	-	-	-	-	-	-
Pumping Station Mississippi Quays	-	371,910	-	-	371,910	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Allan St	-	227,500	-	227,500	-	-	-	-	-	-	-	-
Sanitary Sewer Replacements	-	3,029,030	-	-	-	-	-	-	-	1,529,470	-	2,029,350
Studies:												
Water & Sewer Servicing Study	-	50,000	-	-	-	-	-	50,000	-	-	-	-
Growth Related:												
Bates Dr Sanitary Sewer	283,000	-	-	-	-	-	-	-	-	-	-	-
Trunk Sewer Industrial Drive	200,000	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer Upgrade North of Hwy #7	1,100,000	-	-	-	-	-	-	-	-	-	-	-
Forcemain - Patterson to Wastewater Plant	-	1,600,000	-	1,600,000	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Expansion	30,000,000	57,000,000	28,500,000	28,500,000	-	-	-	-	-	-	-	-
Industrial Ave Pumping Station	3,900,000	-	-	-	-	-	-	-	-	-	-	-
SEW-GRW4: New Pump Station & Forcemain to service development areas	-	4,102,000	4,102,000	-	-	-	-	-	-	-	-	-
New Bates Sanitary Extension	175,000	175,000	175,000	-	-	-	-	-	-	-	-	-
New Barrel for Siphon	-	600,000	-	-	-	-	600,000	-	-	-	-	-
Trunk Sewer upsizing (Industrial and Mullett)	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
Total Capital Expenditures	**$39,053,000**	**$70,686,740**	**$32,977,000**	**$31,058,800**	**$571,910**	**$200,000**	**$800,000**	**$250,000**	**$200,000**	**$1,729,470**	**$200,000**	**$3,229,350**

Appendix B-2
Town of Carleton Place
Capital Budget Forecast and Recommended Capital Financing (inflated $) – Wastewater

Description	Budget	Total	Forecast									
	2025		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures												
Lifecycle:												
Pumping Station Findlay St	1,500,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Princess St	1,700,000	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Hwy 7	-	564,000	-	564,000	-	-	-	-	-	-	-	-
Pumping Station Mississippi Quays	-	406,000	-	-	406,000	-	-	-	-	-	-	-
Plant Major Maintenance	195,000	2,362,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000	269,000
Allan St	-	241,000	-	241,000	-	-	-	-	-	-	-	-
Sanitary Sewer Replacements	-	4,664,000	-	-	-	-	-	-	-	1,937,000	-	2,727,000
Studies:												
Water & Sewer Servicing Study	-	60,000	-	-	-	-	-	60,000	-	-	-	-
Growth Related:												
Bates Dr Sanitary Sewer	283,000	-	-	-	-	-	-	-	-	-	-	-
Trunk Sewer Industrial Drive	200,000	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer Upgrade North of Hwy #7	1,100,000	-	-	-	-	-	-	-	-	-	-	-
Forcemain - Patterson to Wastewater Plant	-	1,697,000	-	1,697,000	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Expansion	30,000,000	57,000,000	28,500,000	28,500,000	-	-	-	-	-	-	-	-
Industrial Ave Pumping Station	3,900,000	-	-	-	-	-	-	-	-	-	-	-
SEW-GRW4: New Pump Station & Forcemain to service development areas	-	4,225,000	4,225,000	-	-	-	-	-	-	-	-	-
New Bates Sanitary Extension	175,000	180,000	180,000	-	-	-	-	-	-	-	-	-
New Barrel for Siphon	-	696,000	-	-	-	-	696,000	-	-	-	-	-
Trunk Sewer upsizing (Industrial and Mullett)	-	1,344,000	-	-	-	-	-	-	-	-	-	1,344,000
Total Capital Expenditures	**$39,053,000**	**$73,439,000**	**$33,111,000**	**$31,214,000**	**$625,000**	**$225,000**	**$928,000**	**$299,000**	**$246,000**	**$2,190,000**	**$261,000**	**$4,340,000**
Capital Financing												
Provincial/Federal Grants	15,000,000	20,000,000	15,000,000	5,000,000								
Development Charges Reserve Fund	944,000	178,633	5,000	-	-	-	96,000	-	-	-	-	77,633
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements - Treatment Plant Expansion	13,275,862	33,724,138	11,862,069	21,862,069	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements - Other	3,344,600	7,497,000	4,400,000	1,697,000	-	-	600,000	-	-	-	-	800,000
Wastewater Treatment Expansion Reserve	1,724,138	3,275,862	1,637,931	1,637,931	-	-	-	-	-	-	-	-
Wastewater Reserve	4,764,400	8,763,367	206,000	1,017,000	625,000	225,000	232,000	299,000	246,000	2,190,000	261,000	3,462,367
Total Capital Financing	**$39,053,000**	**$73,439,000**	**$33,111,000**	**$31,214,000**	**$625,000**	**$225,000**	**$928,000**	**$299,000**	**$246,000**	**$2,190,000**	**$261,000**	**$4,340,000**

Appendix B-3
Town of Carleton Place
Schedule of Growth-Related Debenture Repayments - Other (inflated $) – Wastewater

Debenture Year	2025	Principal (Inflated)	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025		3,344,600	256,675	256,675	256,675	256,675	256,675	256,675	256,675	256,675	256,675	256,675
2026		4,400,000		337,669	337,669	337,669	337,669	337,669	337,669	337,669	337,669	337,669
2027		1,697,000			130,233	130,233	130,233	130,233	130,233	130,233	130,233	130,233
2028		-				-	-	-	-	-	-	-
2029		-					-	-	-	-	-	-
2030		600,000						46,046	46,046	46,046	46,046	46,046
2031		-							-	-	-	-
2032		-								-	-	-
2033		-									-	-
2034		-										-
2035		800,000										
Total Annual Debt Charges	**$0**	**$10,841,600**	**$256,675**	**$594,344**	**$724,576**	**$724,576**	**$724,576**	**$770,622**	**$770,622**	**$770,622**	**$770,622**	**$770,622**

Appendix B-4
Town of Carleton Place
Schedule of Growth-Related Debenture Repayments - Treatment Plant Expansion (inflated $) – Wastewater

Debenture Year	2025	Principal (Inflated)	Forecast									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025		13,275,862	699,395	699,395	699,395	699,395	699,395	699,395	699,395	699,395	699,395	699,395
2026		11,862,069		624,914	624,914	624,914	624,914	624,914	624,914	624,914	624,914	624,914
2027		21,862,069			1,151,731	1,151,731	1,151,731	1,151,731	1,151,731	1,151,731	1,151,731	1,151,731
2028		-				-	-	-	-	-	-	-
2029		-					-	-	-	-	-	-
2030		-						-	-	-	-	-
2031		-							-	-	-	-
2032		-								-	-	-
2033		-									-	-
2034		-										-
2035		-										
Total Annual Debt Charges	**$0**	**$47,000,000**	**$699,395**	**$1,324,309**	**$2,476,041**	**$2,476,041**	**$2,476,041**	**$2,476,041**	**$2,476,041**	**$2,476,041**	**$2,476,041**	**$2,476,041**

Appendix B-5
Town of Carleton Place
Wastewater Reserve/Reserve Fund Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,131,229	3,038,619	3,391,011	3,116,455	3,854,209	5,060,336	6,337,231	7,626,873	9,051,237	8,615,918	10,195,984
Transfer from Operating	671,790	558,392	742,444	1,362,754	1,431,128	1,508,895	1,588,642	1,670,364	1,754,681	1,841,066	1,918,493
Transfer to Capital	4,764,400	206,000	1,017,000	625,000	225,000	232,000	299,000	246,000	2,190,000	261,000	3,462,367
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**$3,038,619**	**$3,391,011**	**$3,116,455**	**$3,854,209**	**$5,060,336**	**$6,337,231**	**$7,626,873**	**$9,051,237**	**$8,615,918**	**$10,195,984**	**$8,652,109**
Cash Flow Assistance for Growth-Related Debt	**$0**	**$0**	**$0**	**$0**	**$817,118**	**$2,468,445**	**$4,044,590**	**$5,600,626**	**$7,134,650**	**$8,634,196**	**$10,649,316**

Appendix B-6
Town of Carleton Place
Treatment Plant Expansion Reserve Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,774,205	2,050,067	1,092,136	0	0	0	0	0	0	0	0
Transfer from Operating	-	680,000	545,795	-	-	-	-	-	-	-	-
Transfer to Capital	1,724,138	1,637,931	1,637,931	-	-	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	**$2,050,067**	**$1,092,136**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Required from Treatment Plant Expansion Reserve	$1,724,138	$1,637,931	$1,637,931	$0	$0	$0	$0	$0	$0	$0	$0

Appendix B-7
Town of Carleton Place
Wastewater Development Charges Reserve Fund Continuity (inflated $)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	2,066,750	2,171,761	2,740,723	2,389,556	770,266	(833,460)	(2,517,814)	(4,125,482)	(5,712,638)	(7,277,343)	(8,806,880)
Development Charge Proceeds	1,006,427	1,476,292	1,520,632	1,566,225	1,613,233	1,661,633	1,719,887	1,771,519	1,824,651	1,889,809	1,481,860
Transfer to Capital	944,000	5,000	-	-	-	96,000	-	-	-	-	77,633
Transfer to Operating	-	956,070	1,918,653	3,200,617	3,200,617	3,200,617	3,246,663	3,246,663	3,246,663	3,246,663	3,246,663
Closing Balance	**$2,129,177**	**$2,686,983**	**$2,342,702**	**$755,163**	**($817,118)**	**($2,468,445)**	**($4,044,590)**	**($5,600,626)**	**($7,134,650)**	**($8,634,196)**	**($10,649,316)**
Interest	42,584	53,740	46,854	15,103	(16,342)	(49,369)	(80,892)	(112,013)	(142,693)	(172,684)	(212,986)
Required from Development Charges - Other	$4,288,600	$4,405,000	$1,697,000	$0	$0	$696,000	$0	$0	$0	$0	$877,633
Required from Development Charges - Treatment Plant Expansion	$13,275,862	$11,862,069	$21,862,069	$0	$0	$0	$0	$0	$0	$0	$0

Appendix B-8
Town of Carleton Place
Operating Budget Forecast – Wastewater (inflated $)

Description	Budget 2025	Forecast 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures											
Operating Costs											
Salaries & Wages	184,240	195,294	207,012	219,433	232,599	238,414	244,374	250,483	256,746	263,164	269,743
Employee Benefits	45,750	46,665	47,598	48,550	49,521	50,512	51,522	52,552	53,603	54,675	55,769
Materials	48,864	49,841	50,838	51,855	52,892	53,950	55,029	56,129	57,252	58,397	59,565
Contracted Services	1,781,115	1,834,548	1,889,585	1,946,272	2,004,661	2,064,800	2,126,744	2,190,547	2,256,263	2,323,951	2,393,670
Rents & Financial Expenses	40,075	40,877	41,694	42,528	43,379	44,246	45,131	46,034	46,955	47,894	48,851
Inter-Functional Adjustments	209,300	220,812	232,956	245,769	259,286	273,547	288,592	304,464	321,210	338,876	357,515
Sub Total Operating	**2,309,344**	**2,388,037**	**2,469,684**	**2,554,407**	**2,642,337**	**2,725,469**	**2,811,392**	**2,900,210**	**2,992,028**	**3,086,958**	**3,185,113**
Capital-Related											
New Growth Related Debt (Principal)	-	374,766	775,987	1,328,874	1,375,970	1,424,771	1,494,508	1,547,771	1,602,976	1,660,195	1,719,503
New Growth Related Debt (Interest)	-	581,304	1,142,666	1,871,743	1,824,647	1,775,846	1,752,155	1,698,892	1,643,687	1,586,468	1,527,160
Existing Debt (Principal) - Non-Growth Related	307,538	-	-	-	-	-	-	-	-	-	-
Existing Debt (Interest) - Non-Growth Related	22,328	-	-	-	-	-	-	-	-	-	-
Transfer to Treatment Plant Expansion Reserve	-	680,000	545,795								
Transfer to Wastewater Reserve	671,790	558,392	742,444	1,362,754	1,431,128	1,508,895	1,588,642	1,670,364	1,754,681	1,841,066	1,918,493
Sub Total Capital Related	**1,001,656**	**2,194,462**	**3,206,892**	**4,563,371**	**4,631,745**	**4,709,512**	**4,835,305**	**4,917,027**	**5,001,344**	**5,087,729**	**5,165,156**
Total Expenditures	**3,311,000**	**4,582,499**	**5,676,576**	**7,117,778**	**7,274,082**	**7,434,981**	**7,646,698**	**7,817,237**	**7,993,372**	**8,174,687**	**8,350,269**
Revenues											
Base Meter Rental Charge Revenue	136,732	139,398	142,117	144,888	147,713	150,594	153,530	156,524	159,576	162,688	165,861
Flat Rate Revenue	2,839,686	2,947,370	3,066,499	3,197,097	3,331,621	3,470,148	3,612,840	3,759,777	3,911,672	4,068,092	4,216,127
Additional Units Revenue	253,651	258,597	263,640	282,147	294,904	308,051	321,599	335,557	349,938	364,752	381,993
Penalties	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Contributions from Development Charges Reserve Fund	-	956,070	1,918,653	3,200,617	3,200,617	3,200,617	3,246,663	3,246,663	3,246,663	3,246,663	3,246,663
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**3,275,069**	**4,346,435**	**5,435,909**	**6,869,749**	**7,019,856**	**7,174,410**	**7,379,631**	**7,543,521**	**7,712,849**	**7,887,195**	**8,055,643**
Wastewater Billing Recovery - Operating	**35,931**	**236,064**	**240,667**	**248,029**	**254,226**	**260,571**	**267,066**	**273,716**	**280,523**	**287,492**	**294,626**

Appendix B-9
Town of Carleton Place
Non-Metered Wastewater Rate Forecast, inflated
$

Residential Non-Metered Quarterly Rates	Full services										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1 to 2 persons*	$515.00	$525.04	$535.28	$545.72	$556.36	$567.21	$578.27	$589.55	$601.04	$612.76	$624.71
3 to 5 persons*	$540.96	$551.51	$562.26	$573.23	$584.41	$595.80	$607.42	$619.26	$631.34	$643.65	$656.20
6 to 8 persons*	$567.20	$578.26	$589.54	$601.03	$612.75	$624.70	$636.88	$649.30	$661.96	$674.87	$688.03
9 to 10 persons*	$584.36	$595.76	$607.37	$619.22	$631.29	$643.60	$656.15	$668.95	$681.99	$695.29	$708.85
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Service less Outside Tap**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$461.32	$470.32	$479.49	$488.84	$498.37	$508.09	$518.00	$528.10	$538.39	$548.89	$559.60
3 to 5 persons*	$487.40	$496.90	$506.59	$516.47	$526.54	$536.81	$547.28	$557.95	$568.83	$579.92	$591.23
6 to 8 persons*	$513.80	$523.82	$534.03	$544.45	$555.06	$565.89	$576.92	$588.17	$599.64	$611.33	$623.26
9 to 10 persons*	$530.40	$540.74	$551.29	$562.04	$573.00	$584.17	$595.56	$607.18	$619.02	$631.09	$643.39
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Residential	**Private Swimming Pool**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
1 to 2 persons*	$587.16	$598.61	$610.28	$622.18	$634.32	$646.68	$659.30	$672.15	$685.26	$698.62	$712.24
3 to 5 persons*	$613.16	$625.12	$637.31	$649.73	$662.40	$675.32	$688.49	$701.91	$715.60	$729.56	$743.78
6 to 8 persons*	$639.40	$651.87	$664.58	$677.54	$690.75	$704.22	$717.95	$731.95	$746.23	$760.78	$775.61
9 to 10 persons*	$656.52	$669.32	$682.37	$695.68	$709.25	$723.08	$737.18	$751.55	$766.21	$781.15	$796.38
Additional Persons > 10*	$12.24	$12.48	$12.72	$12.97	$13.22	$13.48	$13.74	$14.01	$14.28	$14.56	$14.85
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Non-Residential	**Full services**										
Non-Metered Quarterly Rates	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Including 5 Employees working 60 hours/week*	$419.60	$427.78	$436.12	$444.63	$453.30	$462.14	$471.15	$480.34	$489.70	$499.25	$508.99
Additional Employees (over 5)*	$29.56	$30.14	$30.72	$31.32	$31.93	$32.56	$33.19	$33.84	$34.50	$35.17	$35.86
Additional Hours of Operation*	$0.60	$0.61	$0.62	$0.64	$0.65	$0.66	$0.67	$0.69	$0.70	$0.71	$0.73
Summer Service - Full Service**	$1,931.64	$1,969.31	$2,007.71	$2,046.86	$2,086.77	$2,127.46	$2,168.95	$2,211.24	$2,254.36	$2,298.32	$2,343.14
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges
** Water Only Charge

Appendix B-10
Town of Carleton Place
Metered Wastewater Rate Forecast, inflated $

Quarterly Meter Rental Base Charge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
5/8"	$17.79	$18.14	$18.49	$18.85	$19.22	$19.59	$19.98	$20.37	$20.76	$21.17	$21.58
3/4"	$22.18	$22.61	$23.05	$23.50	$23.96	$24.43	$24.90	$25.39	$25.89	$26.39	$26.91
1"	$27.53	$28.07	$28.61	$29.17	$29.74	$30.32	$30.91	$31.51	$32.13	$32.76	$33.39
1 1/2"	$57.14	$58.25	$59.39	$60.55	$61.73	$62.93	$64.16	$65.41	$66.69	$67.99	$69.31
2"	$74.33	$75.78	$77.26	$78.76	$80.30	$81.87	$83.46	$85.09	$86.75	$88.44	$90.16
3"	$120.56	$122.91	$125.31	$127.75	$130.24	$132.78	$135.37	$138.01	$140.70	$143.45	$146.24
4"	$206.08	$210.10	$214.20	$218.37	$222.63	$226.97	$231.40	$235.91	$240.51	$245.20	$249.98
Over 4"	$420.15	$428.34	$436.70	$445.21	$453.89	$462.74	$471.77	$480.97	$490.35	$499.91	$509.66
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Quarterly Fees for Additional Units	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
2nd Unit	$68.04	$69.37	$70.72	$72.10	$73.50	$74.94	$76.40	$77.89	$79.41	$80.96	$82.53
3rd Unit	$45.00	$45.88	$46.77	$47.68	$48.61	$49.56	$50.53	$51.51	$52.52	$53.54	$54.59
4th Unit and any further additional	$34.04	$34.70	$35.38	$36.07	$36.77	$37.49	$38.22	$38.97	$39.73	$40.50	$41.29
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*
Declining Volume Block Rates per 1,000 Imperial Gallons	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Block 1 (first 45,000 gallons)	$6.2990	$6.4218	$6.5471	$6.6747	$6.8049	$6.9376	$7.0729	$7.2108	$7.3514	$7.4947	$7.6409
Block 2 (45,001 to 90,000)	$5.6840	$5.7948	$5.9078	$6.0230	$6.1405	$6.2602	$6.3823	$6.5068	$6.6336	$6.7630	$6.8949
Block 3 (90,001 to 855,000)	$5.0220	$5.1199	$5.2198	$5.3216	$5.4253	$5.5311	$5.6390	$5.7489	$5.8610	$5.9753	$6.0918
Block 4 (855,001+)	$3.7930	$3.8670	$3.9424	$4.0192	$4.0976	$4.1775	$4.2590	$4.3420	$4.4267	$4.5130	$4.6010
Annual Increase (%)		*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*	*1.95%*

*Wastewater Services are charged at 100% of water charges