

The background image shows a large industrial water treatment facility. It features a long, perspective view of a row of large, blue industrial pumps or motors. Each pump is mounted on a concrete base and connected to a network of large pipes and valves. The facility has a high ceiling with industrial lighting and structural beams. The overall scene is brightly lit, suggesting an indoor or well-lit outdoor environment.

Securing the Future of the Elizabethtown-Kitley Water System

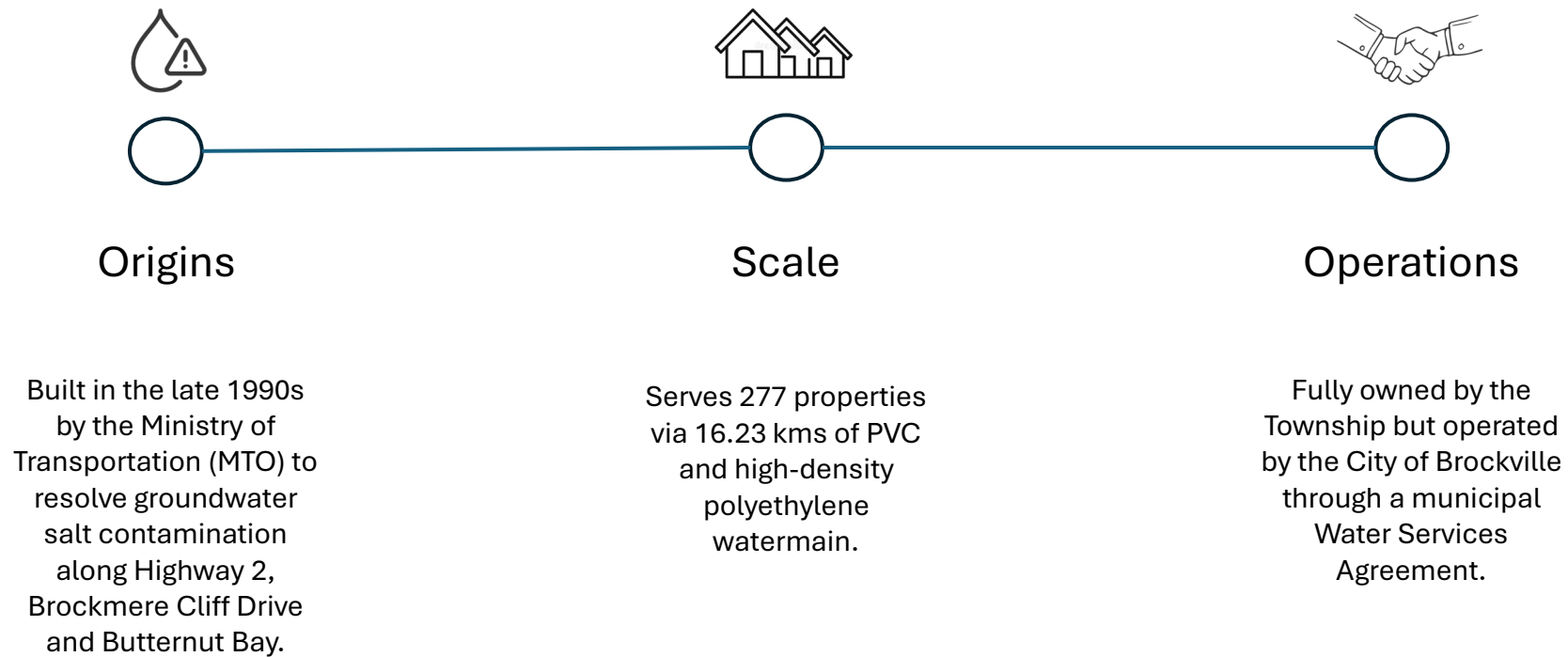
Capital Replacement Funding Strategy

Rob Nolan

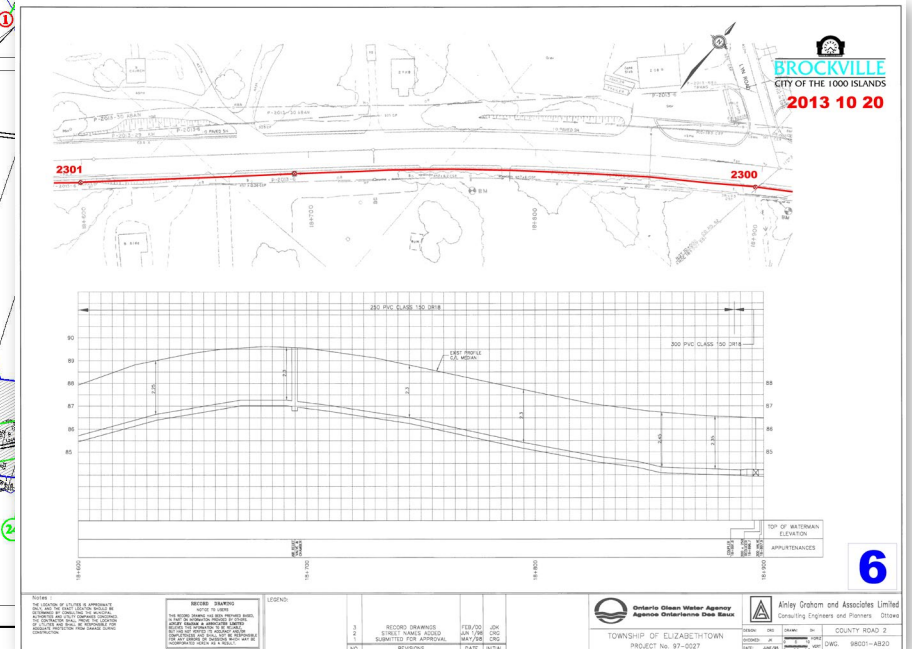
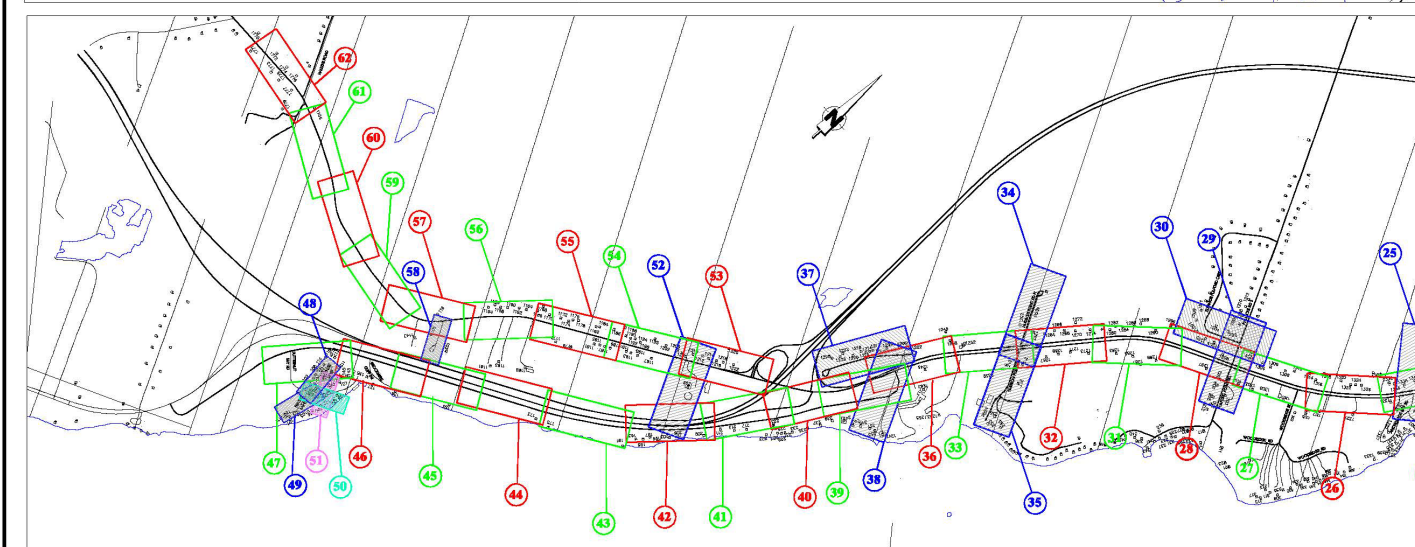
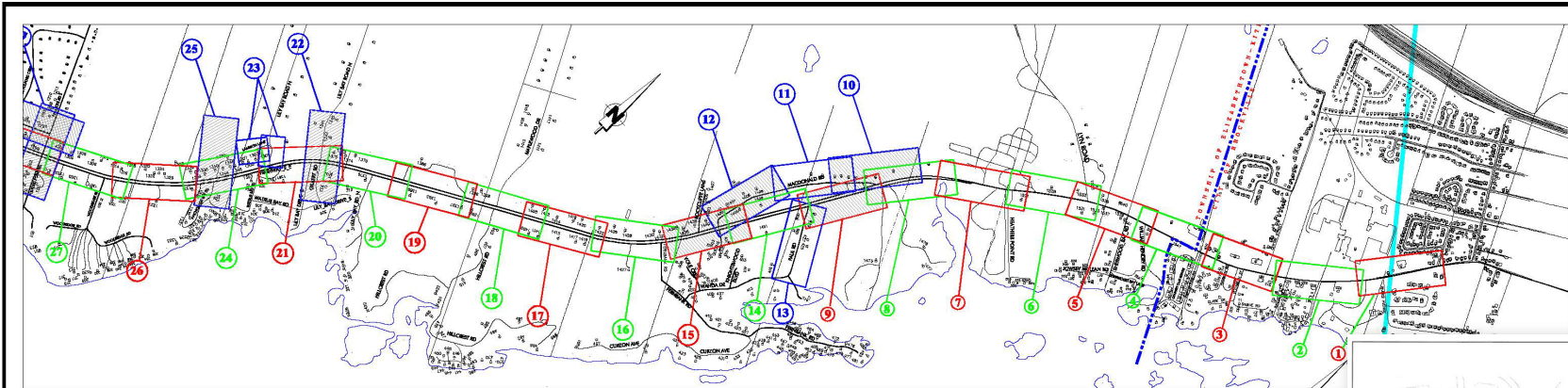
Chief Administrative Officer / Clerk

Background

A system built for safety, managed through partnership



Watermain System



COUNTY ROAD No.2 WATERMAIN EXTENSION



KEY PLAN

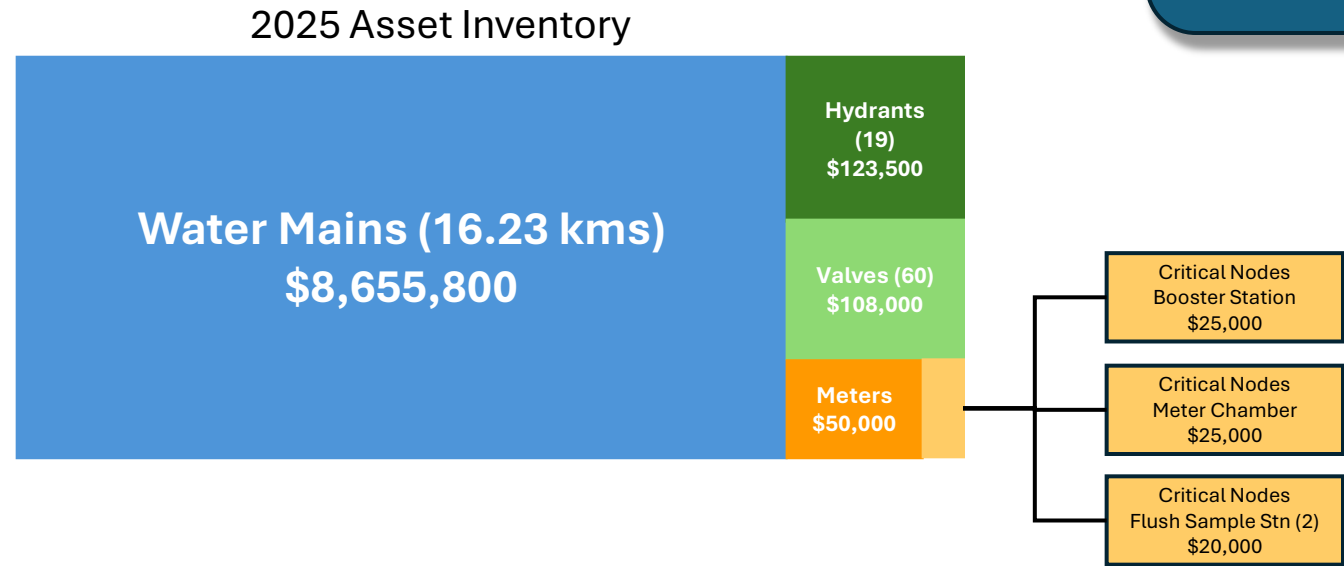


DATE 2006 11 10
PLAN PREPARED BY: D. G. D.
CITY OF BROCKVILLE, OPERATIONS DEPARTMENT

Township Asset Management Plan

The Township owns just under \$9 million in active water infrastructure

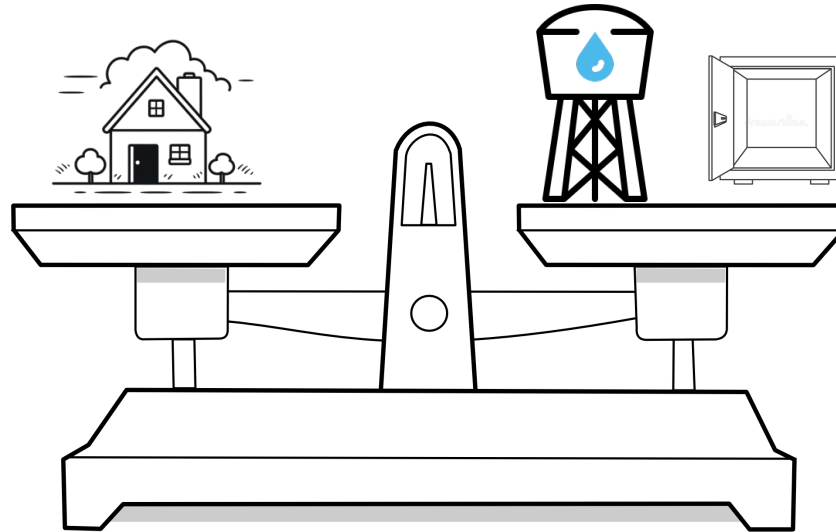
Total 2025 Replacement Cost:
\$8,997,300



User Responsibility

Infrastructure costs must be borne by system users

277 Connected
Homes



Operating Costs

Capital Replacement

Provincial Legislation

The Municipal Act and O.Reg. 453/07 require full cost recovery for water systems, including capital costs and prohibits subsidization by general taxation.

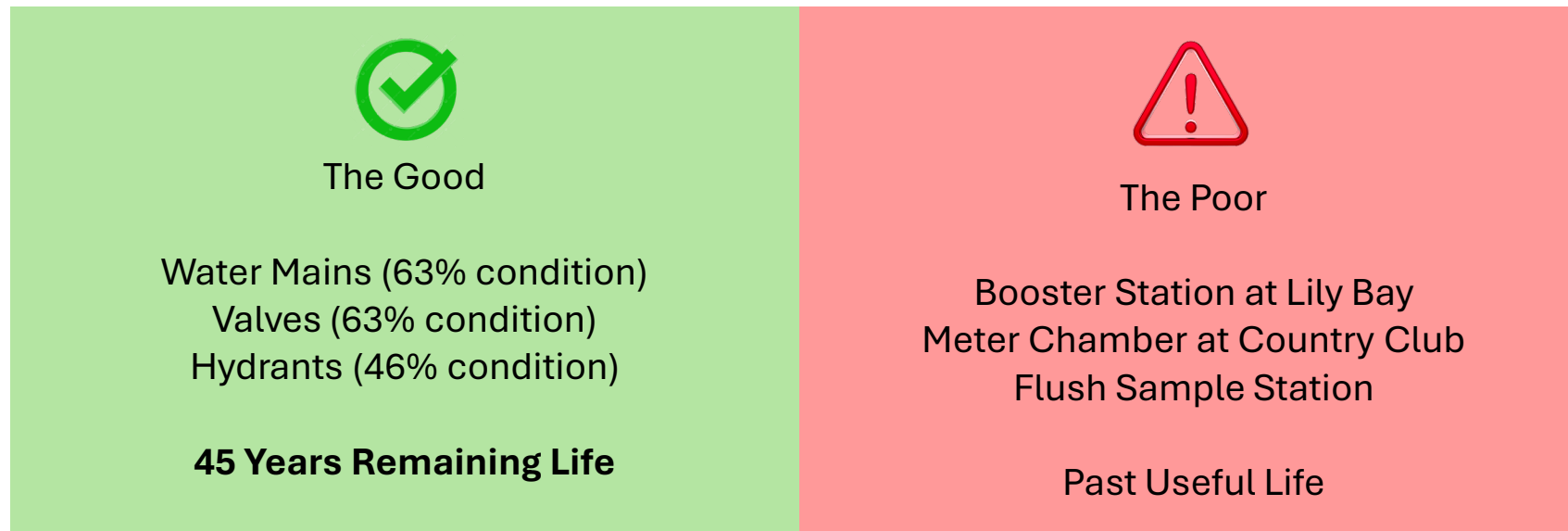
City Agreement

The Service Agreement with Brockville permits the Township to “impose area rating charges to users, in addition to those levied by the City.”

Network Health

While the main network remains healthy, critical nodes require immediate replacement

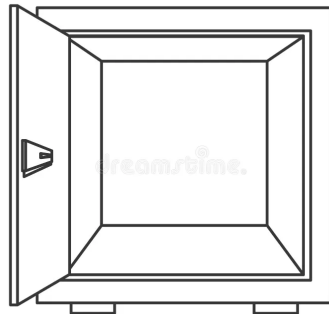
Average System Condition: 57% (Good)



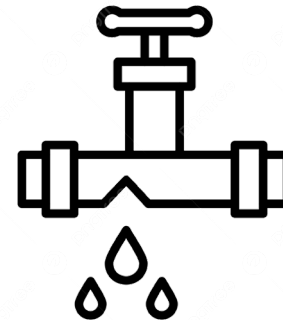
Based on aging of assets not an engineering assessment

Capital Reserves

The Township currently has no capital reserves for major water network replacement



\$0

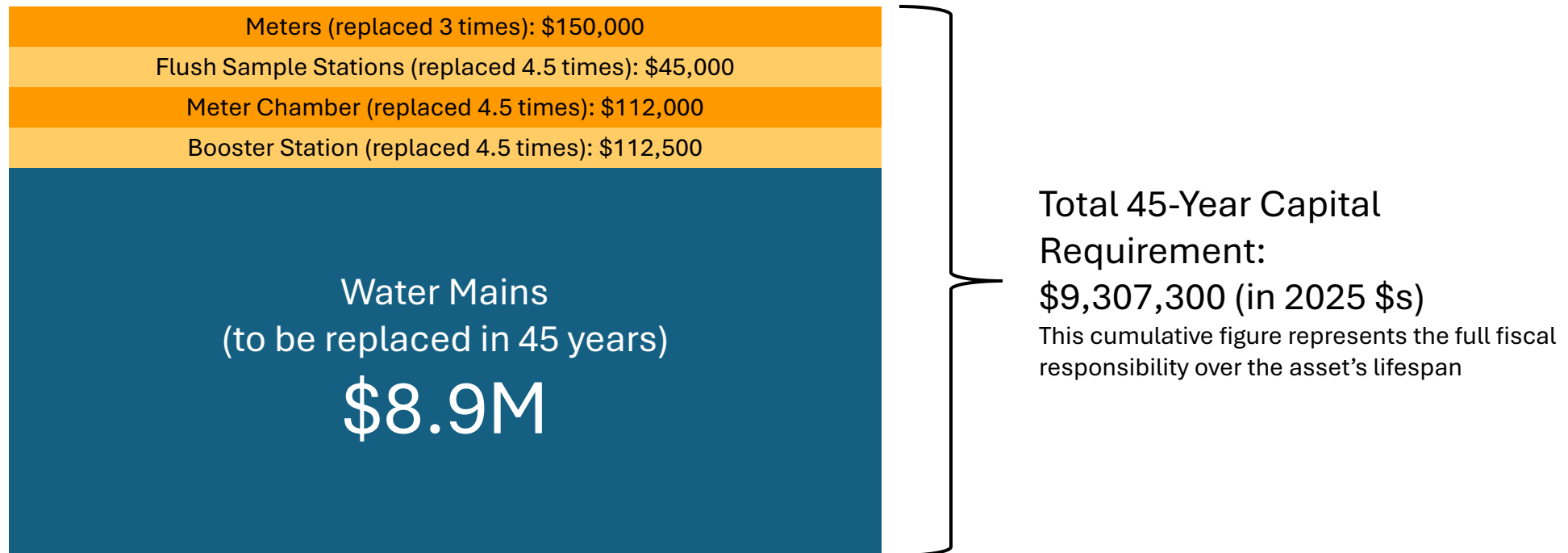


- No existing plan for network replacement
- Small operating surpluses have been used for minor capital replacement
- No reserves for major capital system replacement

- Brockville manages daily operations and billing
- Capital replacement costs are responsibility of Township
- Service Agreement permits Township to establish Area Rating Charges

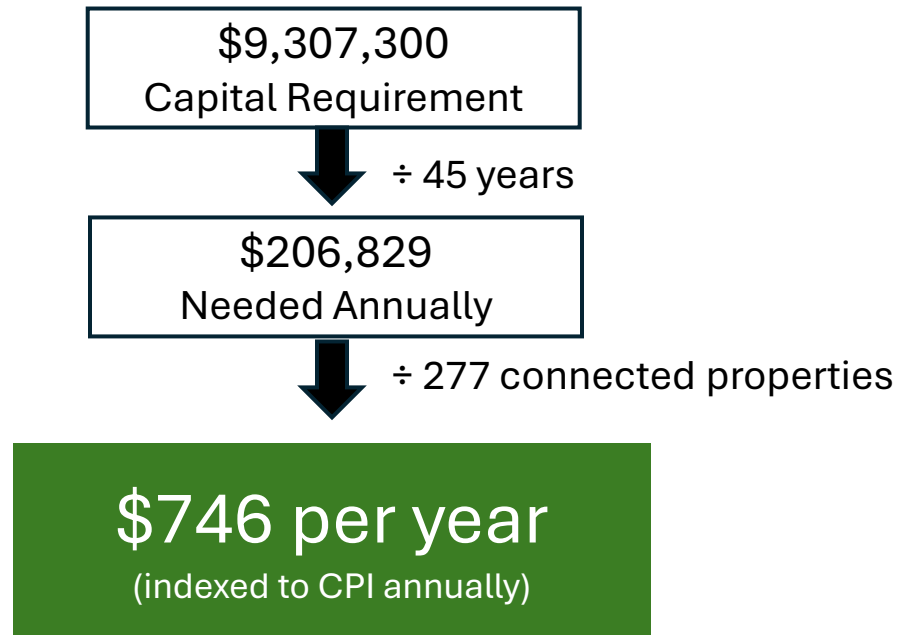
Total Capital Replacement

Projecting the cost of the network over its remaining 45-year lifespan



Area Rating Charge

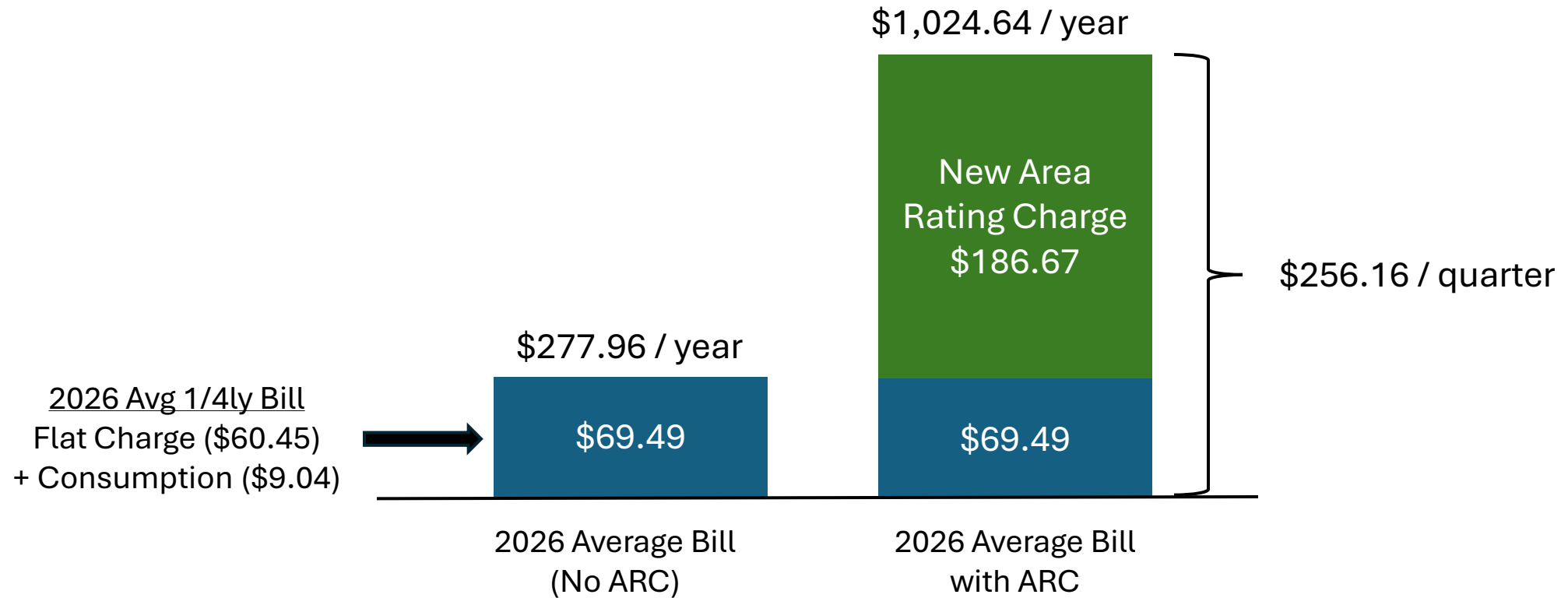
Estimating an Area Rating Charge



The Municipal Act permits municipalities to apply special levies for “additional benefits” to recover the extra costs of providing services from which certain residents and property owners receive benefits above and beyond those received by everyone else.

Impact on Billing

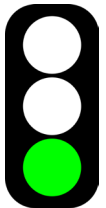
Estimating the impact on the average user's 2026 quarterly bill



Options

Some options for funding future capital replacement costs

Full ARC



Implement fully the annual ARC (indexed to CPI)

Build a complete capital reserve

Avoid future debt

Hybrid



Impose a lower ARC (indexed to CPI)

Build a partial reserve

Shortfall will require future debt financing

Phased in Hybrid



Phase in a lower ARC (indexed to CPI)

Build a partial reserve

Shortfall will require future debt financing

No ARC



No ARC

Zero reserves built up

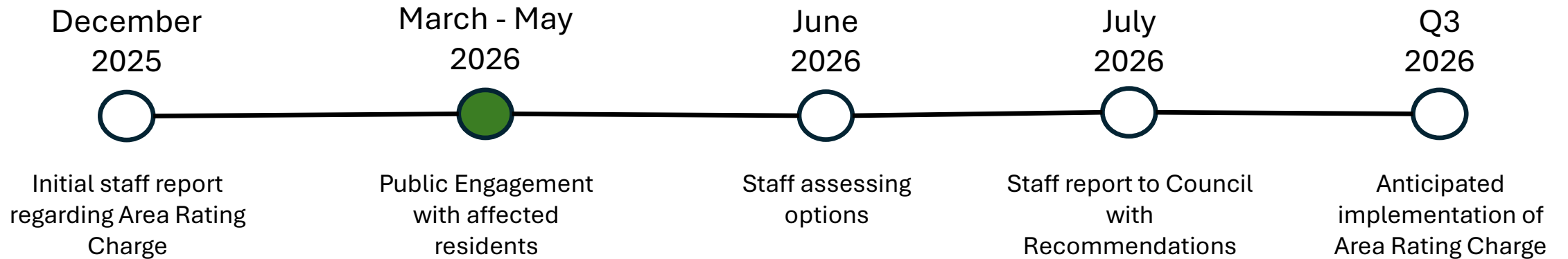
100% of future capital replacement costs financed through debt

Next Steps

- Since first public meeting
 - Review of Township records
 - Outreach to MPP Clarks office and MTO
- Next Steps
 - Public meeting on May 19, 2026 at 6:00 pm (virtual)
 - Continued review of Township records
 - Meeting with MTO staff
 - Potential meeting with residents and MPP/MTO/Township

Timeline

Next steps and implementation timeline



Community Engagement

Township is seeking resident's input to this important decision



**Questions &
Feedback**



Public Meetings

Monday, March 23rd, 2026, at 6:00 PM [In-person]

Monday, April 20th, 2026, at 1:00 PM [In-person]

Tuesday, May 19th, 2026, at 6:00 PM [Virtual]

Register at <https://www.ektwp.ca/town-hall/council/public-consultation-waterline/>

Questions or Feedback tonight

Email: rnolan@ektwp.ca