



## STAFF REPORT ACTION REQUIRED

### Financial Plan for the City of Toronto's Municipal Drinking Water License Renewal

<b>Date:</b>	May 28, 2014
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	General Manager, Toronto Water Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	P:\2014\Cluster B\TW\pw14010

#### SUMMARY

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The purpose of this report is to obtain City Council approval of a Financial Plan prepared as a condition of the Municipal Drinking Water Licence renewal process under the Safe Drinking Water Act, 2002. A Municipal Drinking Water Licence is an approval issued by the Ontario Ministry of the Environment for the operation of a municipal drinking water system. The City of Toronto's current Drinking Water Licence expires on February 16, 2015.

The Financial Plan for the City of Toronto's drinking water system has been prepared in accordance with Ontario Regulation 453/07 and must be approved by a resolution of Council for submission to the Ontario Ministry of Municipal Affairs and Housing by August 17, 2014.

#### RECOMMENDATIONS

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**The General Manager, Toronto Water and the Deputy City Manager and Chief Financial Officer recommend that:**

1. City Council approve the Financial Plan (Attachment 1) prepared for the City of Toronto's Municipal Drinking Water System, in accordance with Ontario Regulation 453/07, for submission to the Ontario Ministry of Municipal Affairs and Housing, in compliance with the requirements of the Municipal Drinking Water License renewal process; and,
2. A copy of this report be forwarded to the Budget Committee.

## **Financial Impact**

There are no direct financial impacts as a result of the preparation of the Financial Plan. The Plan has been developed based on Toronto Water's 2014 Operating Budget, 2014 Capital Budget and 2015-2023 Capital Plan and 2014 Water and Wastewater Service Rate Report, approved by Council on December 16-18, 2013.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The Financial Plan represents a summary of financial information extracted from the 2014 Capital Budget and 2015-2023 Capital Plan and 2014 Water and Wastewater Service Rate Report approved by Council at its meeting of December 16 to 18, 2013. The Council decision can be viewed at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX36.17>

The Financial Plan approved by Council for submission to the Ontario Ministry of Municipal Affairs and Housing by August 17, 2010 as a condition of the Municipal Drinking Water Licence issued to the City of Toronto on February 17, 2010 can be viewed at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.PW34.5>

In accordance with the requirements of the Safe Drinking Water Act, and fulfilling the requirements of the City of Toronto's Drinking Water License, Council has previously provided authorizations, through reports submitted to the Public Works and Infrastructure Committee, summarized in the following.

The report entitled "Authority to Enter into Agreement for Municipal Drinking Water System Operating Authority Accreditation" was approved by Council at its meeting of February 22 to 23, 2010. A copy of the Council Decision Document can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.PW30.6>

The report entitled "Signing Authority for Municipal Drinking Water Licensing Program" was approved by Council at its meeting of November 30 to December 7, 2009. A copy of the Council Decision Document can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.PW28.11>

The report entitled "Designating the General Manager of Toronto Water as the Owner Representative for Implementation of the Drinking Water Quality Management Standard" was approved by Council at its meeting of July 16 to 17, 2007. A copy of the Council Decision Document can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2007.PW7.9>

## **ISSUE BACKGROUND**

The proclamation of Section 33 of Ontario's *Safe Drinking Water Act* in May 2007 began the transition from the Ministry of the Environment's Certificate of Approval Program to the new

Municipal Drinking Water Licensing Program (the “Licensing Program”). The changes to the approvals process addressed recommendations from Justice O’Connor’s *Report of the Walkerton Inquiry*.

Under the Licensing Program, the Ontario Ministry of the Environment grants authority to use or operate a drinking water system through a Municipal Drinking Water Licence, subject to the owner meeting the following four prerequisites: receiving a Drinking Water Works Permit; submitting an acceptable Operational Plan; having an Accredited Operating Authority and obtaining a Permit to Take Water. The Ontario Ministry of the Environment issued the City of Toronto a Municipal Drinking Water Licence for its Drinking Water System on February 17, 2010.

In Part Two of Justice Dennis O’Connor’s Report of the Walkerton Inquiry, Justice O’Connor stressed the importance of ensuring that municipalities plan for the long-term financial sustainability of their drinking water systems to ensure that adequate finances are available to cover both day-to-day operational costs as well as the costs of maintaining and upgrading municipal water systems in order to ensure the safety of drinking water supplies now and into the future.

As part of the Province’s commitment to implement all of the Walkerton Inquiry recommendations, the Provincial Minister of the Environment issued O.Reg.453/07 under the Safe Drinking Water Act, 2002 (SDWA), in the summer of 2007, to require Municipal Drinking Water System owners to prepare and submit Council-approved Financial Plans as a condition of the new Municipal Drinking Water Licence set out in Part V of the SDWA.

- i) The Financial Plan is to cover a period of 6 years and include the following details:
- ii) The proposed or projected financial position of the drinking water system;
- iii) The proposed or projected financial operations of the drinking water system;
- iv) The drinking water system’s proposed or projected gross cash receipts and gross cash payments; and
- v) The extent to which the financial information relates directly to the replacement of lead water service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.

A Financial Plan for the period covering 2010-2015 was approved by Council at its meeting on July 6, 2010 and submitted to the Ontario Ministry of Municipal Affairs and Housing by August 17, 2010 in compliance with the requirements of the Municipal Drinking Water Licence issued to the City of Toronto on February 17, 2010.

The City of Toronto's Municipal Drinking Water Licence expires on February 16, 2015. In order to seek a license renewal, a new Council approved Financial Plan, for the period covering 2015-2020, needs to be submitted to the Ontario Ministry of Municipal Affairs and Housing by August 17, 2014.

## **COMMENTS**

The City of Toronto’s Drinking Water System Financial Plan (2015-2020), presented in Attachment 1, has been prepared drawing on financial information and details contained within the approved

Toronto Water 2014 Operating Budget, 2014 Capital Budget and 2015-2023 Capital Plan; and 2014 Water and Wastewater Service Rate Report. These documents and previous staff reports from the General Manager, Toronto Water, to the Public Works Committee consisting of “Toronto Water’s Infrastructure Renewal Backlog” (October 8, 2008) and “Lead Water Services Connection Replacement Program” (June 13, 2007) have been compiled into the “City of Toronto’s Drinking Water System Financial Plan (2015 - 2020), Support Document (June 2014)”, prepared under separate cover and provided separately to Committee members and the Clerk’s Office. This Report and the Support Document will be submitted to the Ontario Ministry of Municipal Affairs and Housing, forming the City of Toronto’s formal submission in fulfillment of the Financial Plan requirements of Ontario Regulation 453/07.

The approved budgets ensure that sufficient funding is available to meet the quality standards necessary for treating water and that the required infrastructure is being well maintained, renewed and expanded on a timely basis. This funding is provided through the approved 2015 and future planned residential water rate increases of 3% annually through to 2020, which is also reflected in this Financial Plan. Furthermore, it should be noted that City Council requested, for planning purposes, that the draft Capital Plan for 2015-2024 reflects further water rate increases of 8% in each of the years 2015, 2016 and 2017 to address unfunded budget pressures including the implementation of standby power through the water supply system. These unfunded pressures (and further rate increases of 8%) are not included in the Financial Plan.

In the opinion of City staff, 3% increases in water rates are reasonable and necessary for the continued safe and reliable operation of the water treatment and supply system. The proposed 8% water rate increases will allow Toronto Water to proceed with implementation and acceleration of currently unfunded service improvement projects. City Council has approved a plan that will allow Toronto Water to ‘pay as it goes’ for the net operating and capital expenditures during the next six years and no debt exists as of December 31, 2013 or is expected to be issued in accordance with the Financial Plan.

The information presented in the Financial Plan is prescribed by O. Reg. 453/07, Section 3(1), and the following summarizes the key assumptions made in extracting data and information from existing financial systems and documents:

- Toronto Water’s Water and Wastewater Programs are integrated both with each other and with the other Programs in the City’s Financial Information System (FIS) and as a result separate specific financial statements relating specifically to the Water Program’s Financial Assets and Liabilities are not available directly from the FIS.
- Staff have, therefore, provided reasonable estimates based on realistic assumptions in the Financial Plan. For these purposes, 43% and 57% of such non-specific revenues and expenses have been allocated to Water and Wastewater program areas, respectively, in accordance with Section 849-23 of the Water and Sewage Services and Utility By-Law.
- Capital expenditures included in the Financial Plan are based on the approved 2014-2023 Capital Plan for Water Program since Council approves capital plans based on individual capital projects for each of Toronto Water programs.

- Since the aggregate operating expenditures are not exactly in 43% :57% ratio, the residual surpluses after providing funding for the Water Capital Program are to be used to fund the Wastewater Program residual operating and capital requirements.
- The Non-Financial Assets in the Financial Plan represent the historical amortized value of the Tangible Capital Assets, namely the assets required to treat and deliver water supply to the consumers. As part of the Public Sector Accounting Board Regulation 3150, staff from the Accounting Services Division have been working with staff in Toronto Water to determine the opening inventory of capital assets as of January 1, 2014, based on the historical amortized value of the entire drinking water system asset base. As has been reported previously to Council, much of Toronto Water’s asset base is operating at or beyond its useful life and, as a result, the historical amortized value is quite low compared to the cost to completely replace the infrastructure (i.e. the replacement value for the drinking water system alone is an estimated \$9 billion). The need to accelerate the replacement of aged infrastructure has resulted in a Capital Plan that invests an estimated \$ 1.265 billion in water infrastructure renewal over the next 6 years.

A more detailed description of the derivation of information contained within the Plan is provided in Attachment 2.

## CONTACTS

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## SIGNATURE

Lou Di Gironimo  
General Manager  
Toronto Water

Roberto Rossini  
Deputy City Manager and  
Chief Financial Officer

## ATTACHMENTS

- Attachment 1 - City of Toronto’s Drinking Water System Financial Plan (2015-2020)
- Attachment 2 - Notes Regarding Financial Plan (2015-2020)
- Attachment 3 - Safe Drinking Water Act 2002-Ontario Regulation 453/07 Financial Plans

**CITY OF TORONTO'S DRINKING WATER SYSTEM  
FINANCIAL PLAN (2015 – 2020)**  
[In Accordance with Safe Drinking Water, 2002 – O.Reg. 453/07]

**Table 1: Details of Financial Position**

Sub	Description (\$000)	2015	2016	2017	2018	2019	2020
A	Total Financial Assets (Current Assets)	226,813	204,912	234,926	303,955	350,077	436,893
B	Total Liabilities	93,510	71,731	62,996	75,593	75,148	93,233
C	Net Financial Assets/(Debt)	133,303	133,182	171,930	228,362	274,929	343,660
D	Non Financial Assets (Tangible Capital Assets)	2,398,184	2,626,077	2,869,937	3,078,966	3,276,550	3,501,071
E	Tangible Capital Assets Changes	227,690	243,652	208,817	197,366	224,297	385,074

**Table 2: Details of Proposed or Projected Financial Operations**

Sub	Description (\$000)	2015	2016	2017	2018	2019	2020
A	Total Revenues	456,476	472,639	486,695	500,754	515,188	532,994
	Water Rates	419,654	434,613	447,482	460,733	474,358	491,275
	User Charges	22,421	23,326	24,268	24,875	25,496	26,134
	Other Revenues	13,619	13,960	14,309	14,667	15,033	15,409
	Interest Earnings on Reserve Funds	782	740	637	480	300	176
B	Total Expenses	225,875	226,007	224,568	224,000	224,549	227,931
	Amortization Expenses	47,315	47,446	46,007	45,439	45,988	49,370
	Interest Expenses						
	Other Expenses	178,561	178,561	178,561	178,561	178,561	178,561
C	Annual Surplus or (Deficit)	230,601	246,633	262,127	276,754	290,639	305,063
D	Accumulated Surplus (or Deficit)	496,651	743,284	1,005,411	1,282,165	1,572,804	1,877,866

# CITY OF TORONTO'S DRINKING WATER SYSTEM FINANCIAL PLAN (2015 – 2020)

[In Accordance with Safe Drinking Water, 2002 – O.Reg. 453/07]

**Table 3: Details of Proposed or Projected Gross Cash Receipts / (Gross Cash Payments)**

Sub	Description (\$000)	2015	2016	2017	2018	2019	2020
A	Operating Transactions	318,073	271,672	298,268	333,449	334,754	372,161
B	Capital Transactions	333,103	319,966	302,375	295,523	321,340	305,560
C	Investing Transactions	32,030	25,766	32,989	29,762	31,280	19,858
D	Financing Transactions						
E	Changes in Cash and Cash Equivalents	17,000	(22,528)	28,882	67,688	44,694	86,459
F	Cash and Cash Equivalents: beginning of the year	162,161	179,161	156,633	185,515	253,203	297,897
	Cash and Cash Equivalents: end of the year	179,161	156,633	185,515	253,203	297,897	384,356

**Table 4: Lead Water Service Replacement**

Sub	Description (\$000)	2015	2016	2017	2018	2019	2020
A	Water Service Replacement	19,625	17,166	17,404	18,233	18,780	19,343

**Notes:**

- 1) Joint Revenues and Expenses and Financial Assets and Liabilities have been allocated 43% to the Water Program where specific amounts are not available for the Water Program in accordance with Section 1184 of the Municipal Code – Water and Sewage Services and Utility Bill 849-13. 57% of these Joint Revenues and Expenses and Assets and Liabilities, are, therefore, deemed to be for the Wastewater Program.
- 2) Capital Transactions include planned capital asset acquisitions as per the 2014-2023 Approved Capital Plan for the Water Program
- 3) Operating Transactions under Table 3 above include changes in Working Capital.

## Notes Regarding Financial Plan (2015 – 2020)

**Table 1: Details of Financial Position**

Item	Description	Comment/Assumption
A	Financial Assets	<p><b>Cash:</b> Year-end balance from Table 3 (Line F)</p> <p><b>Accounts Receivable:</b></p> <p><i>Operating:</i> estimated at December 31, 2013 and balances adjusted for inflation in the years following</p> <p><i>Capital:</i> estimated at 20% of Tangible Capital Recoveries</p>
B	Liabilities	<p><b>Accounts Payable:</b></p> <p><i>Operating:</i> estimated at December 31, 2013 and balances adjusted for inflation in the years following</p> <p><i>Capital:</i> estimated at 20% of Tangible Capital Additions</p>
C	Net Financial Assets /(Debt)	The difference between financial assets (A) and the liabilities (B).
D	Non Financial Assets	The estimated amortized value of assets at at the begining of each year based on the 2014-2023 Approved Capital Plan for Water Services. Includes inventories assumed to provide for 60 days of materials and supplies and 1 year of equipment for water services.
E	Tangible Assets Changes	Net Additions to Tangible Assets based on the Approved 2014-2023 Capital Plan for Water Services.



## Notes Regarding Financial Plan (2015 – 2020)

**Table 2: Details of Proposed or Projected Financial Operations**

Item	Description	Comment/Assumption
A	Total Revenues	<p><b>Water Rate Revenues:</b> estimated at 43% of the total estimated rate revenues as Per Municipal Code - Sections 849-23, based on the 2014-2023 Approved Water and Waste Water Rate Model (Rate Model)</p> <p><b>User Charges:</b> Revenues from water sales to Region of York, as per approved Rate Model</p> <p><b>Other Revenues:</b> estimated at 43% mostly from various user fees including watermain connection fees, as per approved Rate Model.</p> <p><b>Interest Earnings:</b> interest earned on Toronto Water capital financing reserve funds.</p>
B	Total Expenses	<p><b>Amortization expenses:</b> amortization of tangible capital assets as estimated for different types of assets depending on their useful life.</p> <p><b>Other Expenses:</b> salaries, materials and supplies, equipment, services and rents, inter-divisional charges, payment in lieu of taxes, grants, shared expenses of water and wastewater services, estimated at 43% of the total operating expenses included in the approved Rate Model.</p>
C	Annual Surplus/ Deficit	Total Revenues (A) less Total Expenses (B)
D	Accumulated Surplus / (Deficit)	<p>Annual Surplus as added to the accumulated surplus at the beginning of the year. The beginning surplus for 2015 determined as the Rate Model ending 2014 surplus .</p> <p><b>Note:</b> The Water and Wastewater Programs combined are self sustaining. Any annual surpluses after providing funding for the Water Program are used to fund the Wastewater Capital Program.</p>

**Table 3: Details of Proposed or Projected gross cash receipts / (gross cash payments)**

Item	Description	Comment/Assumption
A	Operating Transactions	Includes planned annual surplus, amortization expense and changes in Working Capital.
B	Capital Transactions	Includes planned capital asset acquisitions as per the 2014-2023 Approved Capital Plan.
C	Investing Transactions	Includes planned capital contributions from Region of York and Development Charge Reserve Funding
D	Financial Transactions	Program is self sustaining, with no debt funding, and total net expenditures (operating and capital) are recovered through water rate and wastewater surcharges.
E	Changes in Cash and Cash Equivalents	Calculated based on the planned operating, capital and investing transactions (A+C-B)
F	Cash Equivalents at the beginning of the year Cash Equivalents at the end of the year	Annual Cash and Cash Equivalents Balance as added to the accumulated surplus at the beginning of the year. The beginning cash and cash equivalents balance for 2015 determined as the Rate Model ending net 2014 Capital Financing Reserve Fund balance.

## **Notes Regarding Financial Plan (2015 – 2020)**

### **General Comments:**

Toronto Water is a Division of the City of Toronto and has two Programs: Water and Wastewater, respectively. Separate financial statements as per Generally Accepted Accounting Principles (GAAP) are not prepared for Toronto Water and the assets and liabilities of the Water and Wastewater Programs are consolidated with other City programs in the financial statements prepared per GAAP.

The Water and Wastewater Programs are self sustaining and the total net expenditures for operating and capital expenditures are recovered through the water and sewer service rates.

43% of the Toronto Water rate revenues are allocated to the Water Program as 57% is considered to be the sewer service rate per Section 849-13 of the Municipal Code - Water and Sewage Services and Utility Bill. However, the actual expenses of each Program may vary significantly from this ratio depending on the capital spending for each Program.

An audit of the City of Toronto financial statements has not yet been completed.

**Safe Drinking Water Act, 2002****ONTARIO REGULATION 453/07****FINANCIAL PLANS**

**Consolidation Period:** From April 1, 2008 to the [e-Laws currency date](#).

Last amendment: O. Reg. 69/08.

*This is the English version of a bilingual regulation.*

**Requirement to prepare financial plans**

**1. (1)** A person who makes an application under clause 32 (1) (b) of the Act for a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 2.

O. Reg. 453/07, s. 1 (1).

**(2)** A person who makes an application under subsection 32 (4) of the Act for the renewal of a municipal drinking water licence shall, before making the application, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (2).

**(3)** As a condition in a municipal drinking water licence that is issued in response to an application made under section 33 of the Act for a municipal drinking water licence, the Director shall include a requirement that the owner of the drinking water system, by the later of July 1, 2010 and the date that is six months after the date the first licence for the system is issued, prepare and approve financial plans for the system that satisfy the requirements prescribed under section 3. O. Reg. 453/07, s. 1 (3).

**(4)** The Director shall include, as a condition in a municipal drinking water licence, the requirement set out in subsection (3) in any amendments to a license made after the application, if the condition is not satisfied at the time when the amendment is made. O. Reg. 453/07, s. 1 (4).

## **Financial plan requirements; new systems**

**2.** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (1) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that indicates that the drinking water system is financially viable and that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
2. The financial plans,
  - i. must include a statement that the financial impacts of the drinking water system have been considered, and
  - ii. must apply for a period of at least six years.
3. The first year to which the financial plan must apply is the year in which the drinking water system is expected to first serve the public.
4. For each year in which the financial plans apply, the financial plans must include details of the proposed or projected financial operations of the drinking water system itemized by,
  - i. total revenues, further itemized by water rates, user charges and other revenues,
  - ii. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
  - iii. annual surplus or deficit, and
  - iv. accumulated surplus or deficit.
5. The owner of the drinking water system must,
  - i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.

6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 2.

### **Financial plan requirements; licence renewal**

**3. (1)** For the purposes of clause (b) of the definition of “financial plans” in subsection 30 (1) of the Act, the following requirements are prescribed for financial plans that are required by subsection 1 (2) or a condition that is included in a municipal drinking water licence under subsection 1 (3) to satisfy the requirements of this section:

1. The financial plans must be approved by a resolution that is passed by,
  - i. the council of the municipality, if the owner of the drinking water system is a municipality, or
  - ii. the governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.
2. The financial plans must apply to a period of at least six years.
3. The first year to which the financial plans must apply must be the year determined in accordance with the following rules:
  - i. If the financial plans are required by subsection 1 (2), the first year to which the financial plans must apply must be the year in which the drinking water system’s existing municipal drinking water licence would otherwise expire.
  - ii. If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.
4. Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:
  - i. Details of the proposed or projected financial position of the drinking water system itemized by,
    - A. total financial assets,
    - B. total liabilities,
    - C. net debt,
    - D. non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses, and
    - E. changes in tangible capital assets that are additions, donations, write downs and disposals.
  - ii. Details of the proposed or projected financial operations of the drinking water system itemized by,

- A. total revenues, further itemized by water rates, user charges and other revenues,
  - B. total expenses, further itemized by amortization expenses, interest expenses and other expenses,
  - C. annual surplus or deficit, and
  - D. accumulated surplus or deficit.
- iii. Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,
- A. operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges,
  - B. capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,
  - C. investing transactions that are acquisitions and disposal of investments,
  - D. financing transactions that are proceeds from the issuance of debt and debt repayment,
  - E. changes in cash and cash equivalents during the year, and
  - F. cash and cash equivalents at the beginning and end of the year.
- iv. Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.
5. The owner of the drinking water system must,
- i. make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,
  - ii. make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet, and
  - iii. provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.
6. The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).

(2) Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared:

1. Sub-subparagraphs 4 i A, B and C of subsection (1).

2. Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).

**Alternative requirements for two or more drinking water systems**

4. If section 3 applies to the financial plans of two or more drinking water systems that are solely owned by the same owner, the requirements prescribed by the section may, as an alternative, be satisfied by financial plans that comply with the section but treat those systems as if they were one drinking water system. O. Reg. 453/07, s. 4.

**Amendment of financial plans**

5. Sections 2 and 3 do not prevent financial plans from being amended. O. Reg. 453/07, s. 5.

**Additional information**

6. The requirements of this Regulation do not prevent a person from providing additional information in financial plans prepared for the purpose of meeting the requirements of the Act. O. Reg. 453/07, s. 6.

7. Omitted (provides for coming into force of provisions of this Regulation). O. Reg. 453/07, s. 7.