

SCHEDULES: By-law Number 2021-046

Schedule Reference:	RR14
Reserve Fund Category:	Rehabilitation & Replacement
Reserve Fund Name:	Water Distribution
Financial Statement Location:	Surplus Allocation

The Water Distribution Rehabilitation and Replacement Reserve Fund (the “Fund”) is hereby established to receive and hold water rate sourced contributions, and special developer contributions to be used for funding major repairs, restorations, upgrades or replacement of the Township’s water distribution system infrastructure, including but not strictly limited to water mains, anti-corrosion systems, valves, pumping stations, and specialized operational testing, monitoring or measuring devices and equipment and other related assets not classed as “minor equipment” or “small tools” by the Township’s financial and budget policies. Routine operational repairs for normal wear and tear items are not to be funded from this reserve fund.

This reserve fund will also serve as the water rate stabilization reserve fund, to receive budget surpluses, fund budget shortfalls, or be used to phase-in significant budget rate pressures over time as may be approved by Council from time to time.

Contributions may be established in annual budgets, mid-year by Council, be allocations of year-end water rate operating or capital surpluses or special direct developer or other contributions. Fund balances will earn and retain annual interest allocations as determined annually by the Treasurer.

The target balance for this account is set at the ten year average spending on rehabilitation and replacement of water distribution assets. Allocations of balances in the Fund will be planned for specific projects and purposes as approved by Council during the annual budget process or other times throughout the year, or made as part of the year-end accounting processes as reported to Council for approval by the Treasurer.

At any time, acting in the best interests of the Township, Council may direct that some or all balances in the Fund be transferred to other reserve funds, or be used for other purposes, provided that the transfer or use of utility sourced funding is appropriate in the circumstances. The Fund is hereby established arising from the consolidation of the following existing reserve and reserve fund accounts and balances:

G/L Account Number	Name of Existing Account
20-03-0400-1306	Lifecycle - Water
30-02-0425-1352	Reserve Fund - Water
20-03-0400-1300	Water Reserve