



The South Georgian Bay Municipal Services Corporation

*A Template for the Management of Regional Water and Wastewater in
Ontario*

PART ONE — THE WATER SYSTEM • CHAPTERS 1–3

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Think Regionally. Manage Locally. Govern Professionally.



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Preface

I did not set out to write a book about water.

I am a retired business professor and strategy consultant. For more than thirty years I worked alongside some of the largest companies in the world on process improvement — the unglamorous, essential work of understanding how big organizations actually make decisions, spend money, and get things done. It taught me to read past what an organization says about itself and look instead at how the money moves and where the process breaks. That is the same lens I have turned on the place I live.

I got involved because of what I was seeing, and being told, as someone who pays taxes here. A water plant first floated at about \$60 million, now \$270 million. A wastewater project approved at \$35 million, now past \$50 million. A village sitting beside a regional water system it cannot connect to, its residents quoted \$159,000 a house — more than ten times what that hookup costs almost anywhere else. A treatment plant already running at capacity that, when the rains came, sent nearly three Olympic swimming pools of raw sewage straight into our harbour. And through all of it, the same reassurance: it's not a problem, we have it managed. They do not. That is why I started.

But the specific reason this paper exists is narrower, and it is worth stating plainly.

In November 2025 the Province handed this region a genuinely good idea. Tucked inside a larger bill was the *Water and Wastewater Public Corporations Act* — the legal power to lift water and wastewater out of the town hall and run it, at last, as a regional public utility. It was our own MPP who drove it. And then it simply sat there. Because what the Province handed us was a *concept*, not a plan. The Act names no boundary, fixes no governance, models no money. A council cannot vote on a concept, and a lender cannot finance one. Someone had to give the idea bones — draw the service area, fix the accountabilities, build the tariff, and lay out, step by step, how such a corporation would actually be built. That is what a small group of us set out to do, and what this paper is.

The second half of the reason arrived when we looked at Peel. Peel is the one place in Ontario already doing this for real, so we studied it — and we came away certain of two things. The first is that Peel is doing the *opposite* of what we are proposing: a top-down transfer that pries a working utility out of a regional government from above. The second is that it is going badly — a governance fight dragged out for years, hundreds of experienced staff already gone, “disaster” the workers’ own word for it. Peel is regionalization done *to* a community. What follows here is the mirror image: regionalization a community chooses and builds *for itself*, adding only what the region lacks and touching nothing that already works.

So that is what this project is about. The Province wrote the tool. Peel showed the wrong way to hold it. This paper is the right way — a worked, adoptable template, one a council could actually vote on and a lender could actually finance.

A note on how it came together. What began as an attempt to teach has taught me at least as much. Along the way I fell in with a handful of people — sharp, deeply experienced, and every bit as committed to this community as I am — who pushed, corrected, and sharpened my thinking at every turn. They would be mortified to be named, so I won't. But a great deal of what appears here has been shaped by them, and it is far better for it.

Everything that follows is arithmetic, laid out so you can check it. Read it, hold us to it, and — this is the whole point — decide for yourselves.



Introduction

On November 24, 2025, Queen’s Park passed a law that will change how every community in Ontario manages water and wastewater — and almost no one here noticed. Tucked inside the Fighting Delays, Building Faster Act, as Schedule 16, was the Water and Wastewater Public Corporations Act. Its spearhead was our own MPP, Brian Saunderson, who oversaw its creation. In plain language, the Act hands municipalities across the province a tool they have never had before: the power to lift water and wastewater out of the town hall and run it the way the rest of the developed world does — as a regional public utility. The concept has a name — a Municipal Services Corporation, an MSC.

What is an MSC?

- It is a public utility, regionally structured within a natural geographic area — for us, South Georgian Bay — and owned directly by the taxpayers who live within it.
- It develops a single regional plan: mapping every asset, assessing every failure point, and sequencing the investment needed to fix what is broken and build what the region needs.
- It is run by experienced professionals — people who manage contractors and deliver complex infrastructure on time and on budget.
- As a public utility, it can finance capital projects at lower interest, and over longer terms, than any single small municipality.

For you, the taxpayer, the result is one regional structure delivering higher quality, better management, and lower cost.

It is a brilliant idea. But a statute is a permission, not a plan — and for this region the idea arrived without bones, without structure, without direction. As a result, a group of us went to work. We set out to turn it into something a council could vote on and a lender could finance: to draw the boundaries, fix the accountabilities, model the money, and lay out, step by step, how a Municipal Services Corporation for South Georgian Bay would actually be built. What follows is that plan, in six chapters.

- The Vision — why this region, and why now.
- Water: A Case of Mismanagement — the system we already own, and how four town halls have run it into the ground.

- The End of Rescue Money — what the water really costs, and how one regional utility pays for it, without a provincial cheque and without raising your bill.
- Wastewater: A Case of Municipal Myopia — the duplication and pollution that follow when no town can see past its own line.
- Wastewater: One Plant, One Plan — the integrated regional plant that fixes what no single town can.
- One Region, One System — how the two halves come together: owned, priced, and governed as one.

One system at a time.

A word before we begin. What you are reading is the first of the six chapters above, and it is more than a series of essays. Together they are a single report, written to do two things at once. For this community, it is the plan that shows a region can take the Province's new tool and actually use it. For the Province, it is proposed as an implementation playbook — a worked, adoptable template the Minister can put in front of any region facing the same water and wastewater crisis. We intend to place it directly in the hands of the MPP who made that tool possible, Brian Saunderson, in mid-September. Read it, check our arithmetic, and hold us to it.



Chapter 1 — The Vision

For twenty years, when the need to fix, update, or even manage water and wastewater infrastructure came due, communities in Ontario sent it to Queen's Park — and Queen's Park paid. That era is ending.

Consider the Province's own books, because that is where the era ends. Ontario is running a deficit of \$13.8 billion this year. Its debt has climbed to roughly \$485 billion — up from about \$314 billion a decade ago — and is forecast to reach \$529 billion by 2028–29. The interest alone, the cost of simply carrying that debt, now runs about \$17.2 billion a year: the Province's fourth-largest expense, after only health, education, and social services.

The budget pencils in a small surplus by 2028–29, but the Financial Accountability Office doubts it will land without deeper cuts, and projects a \$6.6-billion deficit that year instead.

Let me be clear: this region — and every other region in Ontario — cannot stake nine-figure infrastructure decisions on the most optimistic line in somebody else's budget. Betting the next plant on the next rescue is not planning. It is gambling — and the house is closing the table.

There is a name for this process: collective delusion. The towns pretend they can build alone, because the Province will pay. The Province pretends each rescue is the last, even as it signs the next cheque. Both sides know better; both keep playing their parts — \$70 million delivered at a podium here, a quiet \$80 million in a staff report there — because the pretence is easier than the reform. Nobody is lying, exactly. Everyone has simply agreed not to look.

But here is the problem...

Across this region, every council that 'owns its own water and wastewater' is preparing a fight.

Not because these councils built their infrastructure — they didn't. Not because they run it well — they don't. They will fight because control is the one thing they are not prepared to surrender, and no argument, however sound, will change that on its own. The resistance is sharpest in Collingwood, but it is not Collingwood's alone — and even where a council has agreed to explore the idea, agreeing to look is a long way from agreeing to let go.

Watch how the fight actually unfolds.

On June 15, 2026, less than a week after MPP Brian Saunderson formally proposed the concept of a Municipal Services Corporation in Collingwood Today, Collingwood council voted — unanimously — to stay the course.

Within a day the message was set to music: a polished video, drone footage of the town on a flawless summer day, a banner reading “Robust Water and Wastewater Infrastructure Ready for Growth,” a council “entering this discussion from a position of strength.”

The town went to war — and it believes the enemy is the MPP who raised the idea.

It is not. Its war is with its own residents.

Now weigh that “position of strength” against the record — and watch how little the record matters to the people defending it.

It doesn’t matter that Collingwood calls the new \$270-million plant its own when it had to run to the Province for support and ended up paying less than a fifth of the cost — the Province and New Tecumseth paid the rest.

It doesn’t matter that the wastewater plant sent close to ten thousand cubic metres of sewage into Georgian Bay in April 2026 — roughly 6,700 of it raw — human waste carrying pharmaceuticals, heavy metals, microplastics and PFAS, a kilometre from the town’s own drinking-water intake. It doesn’t matter that there is no real plan behind any of it — that a 2019 engineering report warned the plant was out of margin, and council after council chose to “monitor the situation” instead of fixing it.

It doesn’t matter that joining the corporation would lower taxes and retire debt these towns cannot pay down alone.

And it doesn’t matter — this is the part that should stop you cold — that joining would hand these same councillors something they do not have today: a real, direct say in how this entire region is shaped, environmentally and otherwise, from a seat at a regional board.

None of it matters — because this was never a fight about water. It is a fight about control.

That is the fight this paper is written to win: not with slogans, but with the facts on every page that follows.

Sometimes people who run organizations believe they can make whatever choices they deem fit.

Sometimes they cannot.

This is one of those times: the Province can no longer afford to rescue, and the Towns can no longer afford to go it alone — which means the only choice left to either is the same one. To make this process work.

We need to think differently — and to start where change is actually within reach.

Of all the pressures a municipality cannot control — the highways, the hospitals, the costs handed down from above — water and wastewater is the exception. It is the one major system a community already owns, already operates, and under the proper circumstances can finance itself. This paper presents MPP Saunderson’s model in detail: a plan for the self-management of regional water and wastewater, through a vehicle now written into Ontario law and, since 2026, opened to municipalities like ours — a publicly owned water and wastewater corporation, called the Municipal Services Corporation.

Let’s start with what a Municipal Services Corporation is not.

Ontario is drawn in counties — lines a surveyor could walk, laid down for a century of warden’s councils and registry offices. They are real, and they are old, and they have almost nothing to do with where the water goes. In the legislation built for it — Ontario’s Water and Wastewater Public Corporations Act, 2025 — there is not one county named, not one boundary fixed, not one line on a map. The statute does not care about counties. It cares about systems and the service areas they define.

What Is a Municipal Services Corporation?

A Municipal Services Corporation (MSC) is the regional integration of water and wastewater systems into a single, publicly owned operating unit — ideally one plant, one network, one balance sheet — built to deliver a service the way a utility delivers it, not the way four town halls take turns delivering it.

It is not a merger of towns. The towns keep their councils, their names, their main streets; nobody is coming for any of that. It is a merger of plant and pipes — of the professional capability to run them that no single small town can afford: the licensed engineers, the project managers who hold a contractor to budget, the financial officers who can model debt across a hundred-million-dollar program, the regulatory staff who understand an Environmental Compliance Approval.

The legal machinery already exists. Ontario’s Water and Wastewater Public Corporations Act, 2025 — the framework now being piloted in Peel and, since April 2026, opened by the Province to any municipality ready to adopt it — was built for exactly this: to lift water and wastewater out of town halls and into an arm’s-length, publicly owned utility with two powers no municipal department has.

- First, exclusivity — within its service area the region’s water and wastewater run through the corporation alone, which is what lets it borrow against a whole region’s revenue. • Second, its own balance sheet — the corporation finances the infrastructure over the life of the assets, on its own account, instead of on any one town’s books.

The result is a jointly owned corporation: its shares held by the member municipalities; its board built on professional expertise, perhaps ten around the table (engineering, finance, environmental, investment), with a seat for a representative of each owner town; its operations run by career utility staff; the whole disciplined by a published tariff and full- cost recovery.

This is not an experiment. It is how Ontario already runs its electricity and its gas, and how Union Water, the Frontenac Municipal Services Corporation, Edmonton's EPCOR, and now Peel already run their water.

A boundary drawn by water

The Players. Five communities run through this story. Four are partners in the Municipal Services Corporation, its owners: Collingwood, The Blue Mountains, Wasaga Beach, and Clearview. The fifth, New Tecumseth, is not an owner — it is the region's water customer, buying by the cubic metre at the far end of the pipeline since 2000, and it stays that way under the MSC, on better terms, as a preferred customer.

The system this paper describes — the South Georgian Bay Municipal Services Corporation — proves the point on its own map.

Three of them already share one water system. Collingwood, The Blue Mountains, and Clearview draw from one plant and one trunk main, with New Tecumseth a customer for water at the far end of a 57-kilometre pipeline.

New Tecumseth is not an owner and does not need to be: it has bought this region's water by the cubic metre since 2000, and under the corporation it keeps doing so — on better terms, and with the standing of a preferred customer, as Chapter 4 sets out. Wasaga Beach belongs for the opposite reason — not water but wastewater. Its plant, discharging onto the longest freshwater beach in the world, will reach capacity in the early 2030s, and the opportunity the MSC offers is to connect to a modern regional plant rather than spend a hundred million dollars that its own taxpayers will have to fund. For Wasaga, it will be a cleaner solution at lower cost.

What binds the four is not a county — Collingwood, Wasaga Beach, and Clearview sit in Simcoe, The Blue Mountains in Grey — but the systems themselves. The unit is drawn by the water, not by the warden.

The Price to Pay for Individualism

In just the last three years the Province has committed roughly \$260 million in water and wastewater grants across the County of Simcoe — grant by grant, emergency by emergency, with no plan behind any of it.

Narrow the lens to these four communities and their immediate neighbours, and about \$210 million of that lands on their files alone: \$150 million toward the Collingwood plant expansion, \$35 million for a well field in Stayner, and \$25.4 million for wastewater in The Blue Mountains.

And the asks are still out there. The Blue Mountains has carried a \$66-million water- treatment program to Queen's Park; Collingwood's wastewater plant has been discussed as a \$300-million rebuild; Stayner still needs money for the aging pipes its new well never touched.

Every one of those files assumes the same thing — that the cheque will come. It will not. And the honest response is not to keep asking. It is to stop needing to ask.

A template, not a one-off

What follows in this paper is a worked example, but it is meant as a template. The arithmetic that makes one corporation cheaper, safer, and better governed than four fragments does not belong to South Georgian Bay; it belongs to every region in Ontario where a few small municipalities pay several times over to run one connected system badly. Change the names and the map, and the same structure builds the same corporation anywhere.

What follows builds it — beginning with the water this region already owns.



Chapter 2 — Water: A Case of Mismanagement

The region already has one water system. Nobody governs it.

A word before we begin.

This is the second of six chapters in a single report. Chapter One made the case for the vision — one regional utility, the South Georgian Bay Municipal Services Corporation, to run the water and wastewater that four communities already share. This chapter is about the water: the system we already own, and how four town halls have run it into the ground.

This chapter is about the water — the system we already own, and how four town halls have run it into the ground.

Chapter Three puts the price on it — what the water really costs, and how one utility lowers your bill.

From there the report turns to the wastewater — the harder, more expensive half — and finally to the money: how all of it is owned, priced, and paid for, without a cheque from Queen's Park and without raising your bill.

So why begin with the pipes?

Because water is not like the other things a town does. A municipality can run its own arena, its own library, its own main street, and scale barely matters. A water system is a different animal — the most expensive, most technically demanding, most heavily regulated thing a small town will ever own, and its costs are almost entirely fixed.

A treatment plant costs almost the same to run whether it's half full or nearly full; the cost is in the capacity, not the water flowing through it. A trunk main costs what it costs whether one town pays for it or four.

That single fact is the whole argument. Fixed costs divided among more customers get cheaper per household. Fixed costs carried by one small town alone stay expensive — and, as the pages ahead will show, get more expensive every year the town insists on going it alone.

And here is the part that surprises people: this region already has one water system. A plant on Collingwood's shore, now undergoing a major upgrade, feeds two trunk mains — one running south through Stayner, the other running west — that already deliver treated water to New Tecumseth, The Blue Mountains, and Clearview. The pipes already cross every municipal boundary that supposedly divides us. The system is regional in every respect but one — nobody governs it as a region. Four

councils, four rate bases, four sets of managers, and a price for the same water from the same plant set not by any published rate, but by whoever negotiates hardest.

Regional management of the pipes changes only that. It does not touch your parks, your council, your identity, or your main street. It puts the plant and the trunk — the expensive, invisible spine of the whole thing — under one professional operator, at one open price. Everything that makes your town yours stays exactly where it is.

One system at a time. This one is the water.

Your Water, One System, Four Owners

Four municipalities draw from one system. Each pretends it runs its own.

The drinking-water story in this region runs from Collingwood council's fantasy that it owns the new \$270-million treatment plant — when it paid less than 20 per cent of it — to outright mismanagement of your money elsewhere in the region.

Across all of it, four municipalities draw from one connected system while each pretends it runs its own.

- One town froze all building for lack of water while a full pipe ran through its main street.
- Another is fighting its own residents over a well nobody should have to drill.
- A third is a customer of a neighbour's plant with a fifty-year-old facility of its own quietly aging toward a rebuild it cannot afford.

Every one of these towns pretends to be making 'rational' decisions inside its own borders — and together they are producing tripled projects, frozen permits, provincial rescues, and a bay that gets the consequences.

The problem is that nobody planned this, which is precisely the cause of this mess: nobody plans any of it.

You cannot fix what you refuse to look at, and this region has spent twenty years refusing to look.

But here is where it turns.

There is a solution.

Today we talk about the solution to the water mess.

The wastewater mess — Collingwood's plant with nowhere to go alongside the region's other aging treatment plant — gets its own solution, in Chapter 3. One system at a time.

The solution to our water management is not radical and it is not new. It brings a rational, thoughtful, planned approach to a region that has never had one.

And here is the part nobody expects: it will save you money — not vaguely, and not someday. Done properly, a regional utility lowers the unit cost of your water, holds your bill steady instead of letting it compound, and throws off a surplus that flows back into the region's own pipes — all without a provincial cheque and without a rate hike.

We will put the arithmetic to you in the next chapter, in a clear and discernible way — no games. You get to check our math.

The South Georgian Bay Municipal Services Corporation, the MSC.

There is nothing new in this.

You already live with utilities. Nobody expects their town to own a power plant. You buy electricity from a utility that owns the generation and the wires, and you pay by the kilowatt-hour. Gas works the same way. So does water.

Ontario already has them.

- Union Water Supply System Inc., owned by Leamington, Kingsville, Essex, and Lakeshore — runs one treatment plant and one trunk system and sells bulk water by volume to its four member municipalities.
- The Frontenac Municipal Services Corporation builds and operates communal water and wastewater across four rural townships on a full-cost- recovery model.
- Edmonton has delivered its own municipal water for over a century — today through EPCOR, a city-owned utility.
- And right now, Peel — Mississauga, Brampton, and Caledon — is moving its water and wastewater into a single publicly owned corporation.

This is not an experiment. It is how the rest of the world handles exactly the problem this region has, and I intend to show you how this solution works, providing higher quality and more environmentally friendly decisions while steadily lowering what the whole region pays to run it. The place to start is with two pipes most people have never heard of.

The Pipes that Bind

Look at the map below. We already have the infrastructure that carries treated water from the Raymond A. Barker plant connecting this region's water. This is half the system, the Collingwood–Alliston trunk main (route approximate)

- A 600-millimetre trunk built in 2000,
- Laid in the former rail corridor
- Approximate length... 57 kilometres
- Passes through Batteaux, the middle of Stayner, past New Lowell
- Connection tees installed for each community's future needs.

o New Lowell's is the only one ever opened.

o Stayner's and Batteaux's never opened

- Built to carry 13,440 cubic metres a day and designed to expand to 60,000 with added pumping.
What the region has never had is the governance to use them.

New Tecumseth: The Town That Owns the Pipe

New Tecumseth is usually described as the region's water customer — the town at the far end of the line, buying Collingwood's water by the cubic metre. That description hides the single most important fact about how water moves through this region.

New Tecumseth doesn't merely buy from the pipeline. It owns it.

In the 2008 Environmental Assessment's own words: "The pipeline is owned and operated by the Town of New Tecumseth though the water is supplied from Collingwood Utility Services."

Collingwood makes the water; New Tecumseth owns and runs the 57-kilometre pipe that carries it — and the town that owns the artery sits at the very end of it, in Alliston, an hour from the plant that fills it.

That one fact explains everything that follows. Because the pipe belongs to New Tecumseth, no other community can touch it without New Tecumseth's consent.

And it prices the gate accordingly. The EA notes that "all facets of the NT agreement are based on total allocated capacity, even the consumption rate."

Where the Water Doesn't Run

A LOOK AT the STATUS QUO

Clearview Township

Clearview Township is the poster child for why water and wastewater cannot be run town by town.

Clearview is in a state of suboptimization: every component, every town or community is driving to optimize its needs at the expense of the total community. Sum the parts and it is easy to see the whole township is disturbingly dysfunctional.

Stayner

Stayner is Clearview's largest community. Since inception it drew its water from its own municipal wells. For years, the known local groundwater was considered insufficient.

The following describes a situation that is almost impossible to believe.

As you can see from the map the pipeline — New Tecumseth's pipe, carrying Collingwood's water — runs straight through the centre of Stayner.

When it was built in 2000, connection tees were set into it at Batteaux, Stayner, and New Lowell, ready for exactly the day the Township would need them.

In 2008 the town commissioned a long-term water supply study. It found no viable new groundwater source, and priced the cost of connecting to the Collingwood—New Tecumseth pipeline. The terms that came back were extraordinary — and they had almost nothing to do with what it would actually cost to serve Stayner.

Just so you don't miss the point: the line runs straight through Stayner. There is a tee, already built, sitting in the ground. All that was ever required was a pipe to reach it.

And here is the context that makes it worse: the entire 57-kilometre trunk main, Collingwood to Alliston, was built in 1999–2000 for \$28.3 million — the whole line. The charge came in layers — and not one of them was priced on the water Stayner would actually use.

1. \$29.33 million — a capacity buy-in, paid up front to New Tecumseth, for a share of the pipeline's ultimate allocation. That alone is more than the entire 57-kilometre line had cost to build.
 - It bought the full ultimate allocation for a town of 28,000 — in full, on day one — not the water a town of 5,000 actually uses: roughly five times the capacity Stayner would ever draw.

■ New Tecumseth's share to build the line was roughly only \$7 million

1. \$5 million was earmarked for an emergency reservoir about two and a half times the storage the town would need.
2. And then, entirely separately, a take-or-pay charge — \$2.35 million a year for twenty years, about \$29.7 million in all — payable whether the town ever drew the water or not.

○ Like the buy-in, it was computed on the full ultimate allocation for a town of 28,000, not on real demand — and it was paid mostly to Collingwood.

Before we go on, this needs an editorial note. This was not an amateurish proposal, this was something much more insidious, a capricious money grab. And no one was there to protect, to oversee, to ensure that your money and mine didn't get pushed down a pipe like sewage.

So what was the decision? Stayner chose to build a well.

In 2021, the Township committed to building its own supply — and to everything that came with it:

- four new municipal wells at Klondike Park Road, northeast of town, drawing on a deep aquifer discovered during a provincial seismic survey;
- a treatment, storage and pumping facility to serve them; • roughly eight kilometres of watermain to carry the water into Stayner's system —
- the whole of it sized for a town projected to grow from 5,000 people to 28,000 by 2034.

On March 10, 2023, the current wells reached their capacity and the Township froze building permits. Approximately 3,150 approved housing units could not proceed.

The well digging proceeded.

How was it paid for?

- Half by the Province — a \$35-million grant from the Housing-Enabling Water Systems Fund.
- half by three developers, roughly \$10 million each in prepaid development charges,
- the Township chipped in approximately \$5 million
- a \$30-million County contingency credit line standing by to bridge any cash- flow gaps.

Not to be excessively redundant, but \$70 million spent, when there was a pipe and a spigot right there.

All that has to be said here is that in a professionally run organization, with a Board responsible to the taxpayer for fiduciary oversight, it would never occur.

Nottawa

Nottawa is one of the loveliest corners of this region.

A quaint crossroads village on County Road 124, minutes south of Collingwood, with the Pretty River valley at its back and the escarpment on the horizon.

A general store, a school, a few hundred homes under mature trees. It is the kind of place people move to precisely because it isn't anywhere else — and the kind of place growth was always going to find.

And now growth has found it. Georgian Communities has proposed a subdivision of roughly five hundred homes on the village's edge — a project nearly the size of Nottawa itself, arriving all at once at a crossroads that has never had a municipal water main.

A development that size cannot run on private wells and septic beds the way the village always has. It forces the question Nottawa had managed to avoid for two centuries: where will the water come from, and who pays to bring it?

Nottawa is a community that has happily lived off well water and septic systems since it was settled. Every home in the village gets its water from a well — the private wells of the older properties, and the small municipal well system, the McKean, that serves the newer subdivision. For generations, that was enough. The last few years have proved a problem. Residents report that water levels have been declining — not because of any single event, but under the steady pressure of development on the aquifer everyone draws from.

A village that never had to think about its water started to.

There was supposed to be an answer. The plan of record — the servicing framework the township had carried for roughly fifteen years — was to connect Nottawa to municipal water via the pipeline. That was the promise local developers and landowners planned against, and the security residents assumed was coming.

Then, in April 2024, council reversed it.

And understand what that reversal did to the price of a connection. Everywhere municipal water is introduced, the municipality builds the trunk — the main that brings water reasonably close to a community — and recovers that cost across the whole system over time.

The homeowner pays for the last leg, from the main to the house: typically twelve to fifteen thousand dollars. That is the norm.

When Clearview walked away from the trunk, they told the homeowners that the entire cost of reaching Nottawa fell onto their individual homes — and the price of connecting jumped up to \$159,000 a house.

Now I am going to editorialize for a moment, if you will bear with me.

These are people who have paid their taxes all their lives. Some have lived in this community for generations. Clean water in this country is not a privilege — it is the first obligation a government owes the people it serves. This is not a third world country.

And yet a village of taxpaying families was told, after fifteen years of promises, that the water main would not come. Figure it out yourselves. Good luck.

A council that treats its own residents this way has failed the most basic test of the job — and the remedy for that arrives every four years, in October.

So why would a council walk away from a fifteen-year promise to its own people? I won't pretend to know what was in anyone's mind. I'll show you what was on the township's balance sheet, and let you draw your own conclusion.

Five hundred homes is serious money for the township. Nottawa sits outside the three urban service areas, so each home pays the township-wide development charge — currently \$12,724 for a single detached house, rising to \$17,138 under the Township's new 2024 DC study — before the County and the school boards take their own charges on top.

Across 500 units, that is somewhere between \$6 and \$9 million in township development charges alone, plus permit fees, plus a permanent addition to the property tax base.

The Township's own DC study counts on it: its growth forecast books 500 units for Nottawa, six per cent of all the housing growth in Clearview to buildout. This development is not an application sitting on a counter. It is a line item in the township's financial future.

A township standing to book millions from this development chose the one servicing path that kept the developer building — and set the cost down on the village's own aquifer. Make of that what you will. So when the water connection died, nobody blinked. No water? No problem. We'll just drill our own well. The developer proposed expanding the McKean system — two new municipal wells, a new treatment plant, a new reservoir, built into the development itself. The township's engineers tested it and called it feasible. Staff recommended it. The revenue stayed on the rails — with the village's aquifer as the collateral.

And let me be clear about something before going further: this is not NIMBY, none of this is a criticism of the developer. I live in a Georgian Communities development myself, in Windfall. It is

beautiful. The homes are well designed and well built. The developer in Nottawa is doing exactly what the process demands of it — solving, at its own cost, a servicing problem the municipality created.

No, this is about two things. First, a process run by small-town, short-sighted politicians and their henchmen in the bureaucracy “...greedily clasping their hands like Oliver at the table — please, sir, one more cup — except Oliver was starving, and these people are simply hungry for the fees.”

There is a better way to bring Nottawa its water — one that leaves the aquifer where it is, serves the village and the five hundred new homes together, and costs a fraction of the price the township settled for. The connection it needs is already in the ground. We put a number on it in the next chapter.

A System That Cannot Sell Its Own Water

Step back from the individual stories — Stayner’s well, Nottawa’s abandoned connection — and look at what Line 1 has actually become: not infrastructure so much as a broken market wearing infrastructure’s clothes. New Tecumseth owns the pipeline. Betting on the water demand of a massive Honda electric-vehicle plant in Alliston, it committed heavily to a share of new, expanded treatment capacity. Then the plant evaporated: after being announced as one of the largest auto investments in Canadian history, the Honda EV project was suspended indefinitely in 2026. New Tecumseth is left holding a share of an abundance of treated water — capacity built for a future that is not coming.

And it cannot sell it. Not for lack of trying. New Tecumseth has been to the table three times — with Stayner, with Nottawa, and, more briefly, with the Airport lands — and walked away from all three without a deal. Each time the outcome was identical: the price of joining the line, built on take-or-pay and full-allocation capital tolls, sat so far above what the water was worth to a small buyer that the buyer walked.

Stayner drilled its own \$70-million well. Nottawa was pushed onto its aquifer. The Airport connection was priced at \$109 million and dismissed as “cost prohibitive.”

Sit with the absurdity. One town owns the region’s water main, holds more water than it can possibly use, and wants to sell it — and it cannot close a single sale, because the only terms it can offer would ruin the buyer. Meanwhile the very neighbours it is trying to sell to spend tens of millions building duplicate supply a few kilometres from a pipe running half empty. Water going begging on one side of the meter; towns going without on the other.

Leg 2 of the Pipeline System — The Blue Mountains

Currently, the town draws its water from two sources. The Thornbury Water Treatment Plant, built in 1977, takes water from an intake half a kilometre out in Georgian Bay. The town is running out of water.

In March 2024, the town’s East Side Water Storage and Supply study came before the public. Its job was to solve the water supply deficiencies in the town’s eastern pressure zones — Craigleith, the mountain, where the growth is — and it evaluated several alternatives. This is the council endorsement...

‘to build a new water treatment plant in Craigleith (7,133 m³/day) with a new intake near Northwinds Beach; upgrade the Thornbury plant to 18,165 m³/day; new 5,000 m³ at-grade reservoir in Craigleith; new 285 L/s booster pumping station (decommissioning Arrowhead Road); twinned watermains from the new plant to Happy Valley Reservoir and on to pressure zone 4.’

The estimate for this plan was \$66 million. This is an interesting number. When Collingwood started its plan for a new treatment plant it also started at about \$60 million and you know where that went. Without question this would cost the town more than \$100 million.

It is worth noting that in A Fiscal Autopsy, I documented the town’s projected water and wastewater debt to 2028 at \$57.31 million — with no legitimate way to pay it down.

So what’s another \$100 million?

No problem — the Province will give us the money.

“Hello Brian, are you there?”

That would be Brian Saunderson: our MPP, former Collingwood mayor, and now Parliamentary Assistant to the Minister of Municipal Affairs and Housing — the man sitting inside the very ministry every one of these funding requests lands on. ● The route is approximate

- Runs west along the Highway 26 corridor,
- Boosted en route,
- Interconnected at Grand Cypress on Highway 26.
- Runs up Grey Road 21 to the Mountain Road Booster Station at the municipal boundary.
- Current capacity 4,000 cubic metres a day

So here we are. The Blue Mountains — a town already carrying \$57 million in water and wastewater debt it cannot pay down — is about to commit to a two-plant program that starts at \$66 million and, on this region’s record, will land well past \$100 million, to build from scratch the capacity that already exists a few kilometres away, at the end of a pipe running to its own boundary. And the plan to pay for it is the one every town in this chapter has leaned on: send the bill to Queen’s Park.

It is the same blindness, one more time. Stayner, Nottawa, New Tecumseth, now The Blue Mountains — four towns, four boundaries, four sets of blinders, not one of them able to act on the single system they are all standing inside.

And here is the part that matters most: none of it is a story about foolish people. Every council believed it was making the responsible local choice. That is precisely the trap. In a region with one water system and no one to govern it, the responsible local choice and the sensible regional one are almost never the same — and there is no structure in which anyone is even asked to make the second. This chapter set out to show that the current system does not work — that the mismanagement is built into the very shape of things, not the failing of any one council. It is.

But mismanagement is only half the story, and the less important half. The question that actually decides this — the one every ratepayer should be asking — is what it costs: what you pay now, buried and unlabelled, for four towns doing everything four times over, and what you would pay instead under one utility that owns the plant and the pipe. That is the arithmetic. It is where we go next.



Chapter 3 — The End of Rescue Money

The Province is out of room, the region is out of excuses — and the plan starts with water.

You pay for water twice. Once on the utility bill, by the cubic metre, for what comes out of the tap. And once on your property-tax bill — buried and unlabelled — for the plants, the pipes, and the debt behind them. The first price you can see. The second is hidden, it is far larger, and it is the one this region has spent twenty years quietly inflating.

For those twenty years the hidden bill never fully landed on you, because someone else kept paying it. Every conversation about water infrastructure in this region has ended the same way: not to worry — we can ask the Province. And the Province kept writing the cheque.

What the rescues have already cost

Now look at what this region has drawn from that shrinking well in just the last three years.

- The Raymond A. Barker water treatment plant expansion: \$150 million from the Province — the \$70 million announced with a podium and a press release in September 2024, and another \$80 million delivered quietly in the spring of 2026, disclosed in a staff report on development charges.
- Stayner's well field: \$35 million from the Housing-Enabling Water Systems Fund.
- The Blue Mountains' wastewater upgrades: \$25.4 million from the same fund.

That is \$210 million delivered across three files — and the next ask is already on the table:

- The Blue Mountains has taken its proposed new water treatment program — a \$66- million plan — to the Ministry of Infrastructure, pitched at the 2025 AMO conference. (More on this later).

Grant by grant, emergency by emergency, that \$210 million has been drawn down with no mechanism of control and no plan behind it.

And the asks have not stopped.

- Collingwood's wastewater plant has been openly discussed as a \$300 million project.
- Stayner will need what its \$70-million well project — \$35 million of it the provincial grant above — did not buy: money for the aging pipes it still has to replace.

So can the Province keep paying? Chapter 1 laid out its books in full; the short version is enough here. Ontario is running a \$13.8-billion deficit, carrying debt near half a trillion dollars, and spending \$17.2 billion a year just to service it — its fourth-largest expense, and growing. That is a government with less room every year, not more. Betting the next plant on the next rescue is not planning. It is gambling — and the house is closing the table. Every one of those files assumes the same thing — that the cheque will come.

It will not. And the honest response is not to complain about it. It is to stop needing it. This region must learn to stand on its own.

This chapter proposes a mechanism to address half of that need — the water-treatment side — effectively, without going to the Province and without raising your water bill. Wastewater — the harder, more expensive half — gets its own paper.

The plan: the South Georgian Bay Municipal Services Corporation

The plan is a regional water utility — the South Georgian Bay Municipal Services Corporation, a public corporation. The Water and Wastewater Public Corporations Act, passed in November 2025 and being refined at Queen’s Park right now through Bill 98, is built to move water out of town halls and into arm’s-length public utilities — with the power to make a regional system exclusive, borrowing that lives off the towns’ balance sheets, and a first pilot underway in Peel.

One entity that owns the regional treatment and trunk system, sells water at a wholesale rate to every member municipality, and finances the region’s water infrastructure on its own balance sheet, over the life of the assets, done without a provincial cheque.

I know your first response, because I have heard it at every coffee shop in three towns: this will cost me more money. Hold that thought. We are going to answer it with arithmetic, not assurances — and the short answer is no. In fact, you may be surprised: done properly, your costs stabilize instead of compounding, which is not what is on the books for Collingwood or The Blue Mountains.

Let’s first look at what exists today.

How the money works: wholesale in, retail stays home

The division of labour is simple, and it is the answer to everyone who fears a takeover.

By statute, the utility will take over the ownership and management of the plant, the trunk mains, the booster stations — everything from the intake to each town’s gate.

It will sell treated water to every member municipality at one published wholesale tariff, the same terms for everyone, set by a cost-of-service study and published for all to see. We will show that this

rate is lower than what individual municipalities could charge on their own, and that is vital to this argument.

Your town keeps everything from the gate to your tap: the local distribution pipes, the meters, the billing, the customer service. Your bill still comes from your town. Your council still sets your retail rate. The margin between the wholesale price and your retail rate stays in your community for billing, customer service, and day-to-day local operations — and the money for your local pipes comes back every year, through the Infrastructure Development Fund described below.

The people come with the plant — the operating people. The legislation settles the staffing question before anyone can turn it into a fight. Under the Act, employees move to the corporation by transfer by-law, with continuity of employment, seniority, and full successor-employer protections preserved. The certified operators, the maintenance crews, the SCADA and compliance staff — the people who actually run the plant and the trunk mains today — transfer with the asset, uninterrupted, on day one. Nobody who operates the system loses a day of service or a dollar of protection.

And the boundary is just as important as the guarantee. The transfer by-law defines what moves: the operating undertaking — the plant, the pipes, and the people who run them. The corporation builds its own head office lean and new, hired for the utility it is, not inherited from the departments it isn't. The region gets the operators it already trusts and a professional management layer built for purpose.

Put illustrative numbers on it. A typical Collingwood household using 200 cubic metres a year pays about \$490 — an all-in water rate of roughly \$2.45 per cubic metre. Set the wholesale tariff at about 80 per cent of that — call it \$1.95 per cubic metre — and the utility's revenue carries treatment, the trunk system, debt service, the capital renewal reserve, and something new, set out below: an annual Infrastructure Development Fund to every member town. The remaining 20 per cent — roughly \$100 a year from a typical household — stays with the town for billing, customer service, and routine local operations. Local capital renewal — the watermain under your streets — no longer depends on a margin a council can quietly spend elsewhere: it is funded by the Fund.

The precise split is set by the cost-of-service study, not by this article; the principle is what matters: one wholesale price for every town, and the money for local pipes comes back every year, with a purpose attached.

The new utility will be staffed by the professional management this infrastructure requires and today buys four times over, scattered across four town payrolls, none of them staffed to run a utility. Budget it honestly: a board, a CEO, chief operating, financial, infrastructure, and technology officers and their teams projected to cost on the order of \$8 to \$10 million a year, sized deliberately for the corporation's full mandate, because this water system is only half of it; the wastewater system to come is the other half, and the harder half.

These costs are recovered within the tariff across the whole regional base. It is the difference between infrastructure run by whoever a small town could hire, and infrastructure run by people whose only job is the system.

Priced on today's water — and today is the low-water mark

Notice what that tariff is priced on: the water the system sells today. That is deliberate. A plan should stand on the demand that exists, not the demand it hopes for. But be clear about which direction the surprises run — because on this system, they all run one way.

The economics of a water utility are simple: almost all of the cost is fixed, and almost none of it varies with volume. The debt service on the plant costs the same whether it treats 7 million cubic metres a year or 12.

The operators, the lab, the maintenance, the head office — the same. The only cost that rises with volume is the marginal cost of treatment itself — electricity and chemicals — pennies per cubic metre. When a new customer connects, nearly every dollar they pay lands on top of costs that were already being paid. Run the arithmetic: a system carrying, say, \$15 million a year in fixed costs across 7.2 million cubic metres carries about \$2.08 of fixed cost per cubic metre.

Grow the volume to 10 million — Nottawa, Stayner, the frozen growth — and the same \$15 million spreads to \$1.50. The cost of the system barely moved; the cost per cubic metre fell by more than a quarter. Every new customer doesn't strain the system. Every new customer makes the water cheaper for everyone already on it. That is the exact opposite of the town- by-town model, where every new development triggers the next \$60-million plant — and it is why growth, under a regional utility, pushes rates down instead of up.

And the 'profit'?

There isn't one — by design, and by charter. The MSC is a full-cost-recovery public corporation: the tariff collects operations, maintenance, debt service, and a capital renewal reserve — and nothing leaves the system. It pays no dividend to anyone. Every dollar above cost is locked, by charter, to one purpose: the region's water infrastructure.

Under this plan that purpose has two halves — the regional system the utility owns, and the local systems the towns keep. The second half is new, and it changes how local pipes get fixed in this region.

And the Fund is not a hope — it is arithmetic, in two stages, and the first stage starts earlier than you would think.

In the build years the utility's margins are at their widest: construction interest is capitalized, so the expansion costs the operating statement nothing while the full tariff flows against debt-free legacy assets. The first Fund cheques can flow while the new plant is still being built. Then the volumes land. The Blue Mountains at 10,000 cubic metres a day of reserved capacity is roughly \$7 million a year at the tariff — arriving the same year its pipe's debt service begins.

Nottawa's homes, New Tecumseth's growth ramping toward the 23,500 cubic metres a day it has reserved, the frozen developments coming off hold — each lands on costs that are already paid. And when the wastewater mandate arrives, the head office that water has been carrying alone is shared across both systems.

By the mid-2030s the surplus available for the Fund runs on the order of \$5 to \$7 million a year — real renewal money, in every town, every year.

That is the quiet revolution in this. It is the difference between a region that begs for its infrastructure and a region that funds it — regionally through its own capital reserve, locally through the Fund. The next main gets built out of the water bill you already pay — planned by professionals, financed over the life of the asset, approved by a board whose only job is the system — and no one drives to Queen's Park to ask for a cheque that is no longer in the mail.

The Infrastructure Development Fund

Here is how the Fund works. Each year, once debt service and reserves are fully funded, the utility distributes its surplus to the member towns — divided in proportion to each town's water purchases, ring-fenced to water infrastructure, and conditional on one thing: a current, honest asset management plan. No plan, no cheque.

The Fund is paid from surplus, never promised as an entitlement — the lenders stand ahead of it, always — and that is precisely what makes it durable. And understand what it replaces: under the old arrangement, every town kept a wide retail margin and was trusted to spend it on renewal.

This region's record shows exactly what happens to that margin. Under the Fund, the money comes back every year with a purpose attached — watermain, not wishes.

But not every surplus dollar goes out the door. A fixed share — say 20 per cent, set by the board and confirmed by the auditor — is set aside first, into a Reserve Fund built for the day something breaks. Not maintenance — catastrophe. A trunk main letting go. A treatment failure. The kind of day Collingwood lived this past December, when a two-foot section of cast-iron transmission main laid in 1968 blew out at Hume Street and Pretty River Parkway — the water tower drained, the Health Unit put the whole town under a boil- water advisory, restaurants closed, and crews worked through the night to finish the repair by 2:45 in the morning. Today, when that day comes, a town has three

options: drain its reserves, issue an emergency debenture, or phone the Province. The Reserve Fund replaces all three. The reserve fills first and caps at a target set in the corporation's charter — a fixed percentage of the replacement value of the system. Once it is full, every surplus dollar above it flows to the Fund. And when the emergency comes, the money is already there: the utility mobilizes the repair in hours, on its own account, and no council meets in emergency session to decide which service to cut to pay for it. That is the last piece of the title of this paper. Rescue money ends — because the region finally carries its own rescue fund.

What about the money Collingwood and New Tecumseth already paid?

The plan has the MSC acquiring the plant and the trunk system, and the question gets asked. Here is the answer. The expansion costs \$270 million. The Province covered \$150 million — more than half. The remaining \$120 million belongs to the two towns that signed for it: New Tecumseth carries \$75.6 million, Collingwood \$44.4 million. At closing, the MSC pays out each town at its outstanding project debt and finances the acquisition over the 40-year life of the asset.

For Collingwood, understand what that payout removes. Residents were told the \$44 million would cost them nothing — paid entirely by development charges. But the growth never showed up: DC collections collapsed from \$12.85 million in 2021 to barely \$2 million of organic revenue by 2024 — an 84-per-cent fall in three years — and on that trajectory the reserve is dry around 2028, the year before the plant opens.

When the charges fail, the \$44 million lands on the rate base as a debenture, and the typical household's combined water-and-wastewater bill — promised to rise from \$1,182 to \$1,400 by 2030 — reaches \$1,685 instead: a 43-per-cent increase, arriving in 2029. Under the MSC, that scenario is cancelled. This cost disappears — into the tariff, across the whole regional base.

And the instrument retires with it. Under the MSC, no town ever again levies development charges to build water treatment; growth pays through the capacity charge, as capacity is drawn, by the customers growth creates — not through a lump sum on the price of a house. Follow the arc of Collingwood's water-treatment-plant charge: it began at \$14,846 per home — the very number Clearview's toll on Nottawa was benchmarked against. The Province's \$150 million cut it to \$4,641.

That hands Collingwood a decision no council in this region has ever been in a position to make: pass the saving through and make every new house \$4,641 cheaper to build, or rebuild that room, through its next development-charge study, into the growth infrastructure the community actually wants — the recreation centre, the library, the roads. Cheaper homes or better amenities. For once, the argument at the council table is about which good thing to choose. That is what governance looks like when the rescue money ends.

The Province's \$150 million stays where it is — invested, for once, in an asset with a regional owner, in recognition that it was the taxpayers of the province who paid for the majority of it. The original plant and the pipeline, long since paid down and depreciated, transfer for a nominal dollar — the implementation section below sets out the sequence.

The implementation: two phases

Phase One: 2027–2029

The original Barker plant — debt-free, built in 1998, paid for by the ratepayers— and the regional trunk system transfer to the utility by by-law for a nominal dollar. The operating people come with it — by transfer by-law, uninterrupted, with the protections described above. From that day the utility runs the system and sells treated water to every member at the published tariff. It carries no debt and pays no dividend.

Phase One is where the planning happens: the engineering for the Nottawa connection, and the plan to supply The Blue Mountains.

The Blue Mountains' Thornbury plant is approaching fifty years old. Keeping it going has required consistent maintenance, the latest round a \$4-million package of membrane, pump, and clearwell upgrades presented to the public just last month.

A replacement plant is in the planning phases: the initial engineering work is done and the program carries a \$66-million target, with the environmental study not finishing until the end of 2027.

A town of 12,000 to 15,000 people cannot build this without provincial funding, and once the MSC is up, no provincial funding for separate, town-by-town infrastructure will be forthcoming. A new plan is required.

It will be up to the MSC to provide the plan. The town keeps what it already owns: its distribution network, its local storage, its zone pumping. What it lacks is supply — and the existing west leg cannot carry it. Today's connection rides Collingwood's local distribution network from the plant to the municipal boundary, which is why it is capped at a firm 4,000 cubic metres a day. No amount of pumping fixes that path.

Phase One of the implementation, the MSC's first large-scale build, is to establish the mechanism to serve the whole town. The plan: engineer a dedicated transmission main, roughly eleven kilometres from the Barker plant to the Mountain Road transfer station along the Highway 26 corridor with room for double the requirement, so it is never dug twice; a new transfer pumping station in place of today's modest boosting; terminal storage at the station, so the town never depends on the pipe minute-to-minute — the reliability objection that sank the Stayner connection dies at that reservoir; and a

connection to the town’s existing trunk main from the Thornbury plant, through which the flow simply reverses, west toward Thornbury. The existing west leg stays in service as the backup path. The corridor of the Blue Mountains build (route approximate): from the Barker plant, west along Highway 26, to the Mountain Road transfer station — connecting there to the town’s existing trunk.

Order of magnitude, the whole program — main, pumping, storage, and connection — is estimated at \$50 million. And it is never borrowed as a lump. The draws are spread across roughly three years of construction — about \$15 to \$17 million a year — with construction interest capitalized into the asset, the same discipline as the plant.

Debt service, roughly \$2.7 to \$3 million a year on the utility’s 40-year paper, begins only at commissioning — the same moment the Blue Mountains capacity revenue begins to flow, so the build covers its cost from its first invoice.

What about Nottawa?

Chapter 2 left Nottawa where the current structure put it — a village promised municipal water since 2008, then quoted \$159,000 a house to connect when the township walked away from the trunk main in April 2024. Here is what the same connection costs under the utility — and why the price Nottawa was quoted was never legitimate to begin with.

Connecting Nottawa at the Batteaux tee — less than three kilometres from the village — was priced at roughly \$32 million in Clearview’s servicing analysis. Barely \$9.7 million of that is physical works: watermain, a reservoir, a booster station. The other \$22.3 million is a ‘capacity allocation fee’ — a charge for the water rights, payable to Collingwood, built by taking Collingwood’s \$14,846-per-home development charge and adding 20 per cent. At that price, negotiated on and off from 2008 to 2024, no agreement was ever reached — none could be.

That fee is the whole problem in one line. Development charges exist to build something — a pipe, a plant, a park. Nothing is built here: the pipeline has been in the ground since 2000, the plant running since 1998, both long since paid for. The \$22.3 million buys no new infrastructure. It is simply the largest number one township could extract from its neighbour, because no one sat above them to say no — the full price of new infrastructure charged for the right to use infrastructure that already exists.

Under the utility there is no toll, because there is no gatekeeper. The MSC builds the connection — a trunk main up a road that already exists, to a tee waiting since 2000 — and Nottawa’s homes connect at the normal cost, twelve to fifteen thousand dollars, not \$159,000.

The build, on the order of \$10 million over 40 years, is about \$550,000 a year in debt service; spread across the tens of thousands of connections on the regional system, that is roughly a dollar a month per customer. And it is the corporation’s first shovel in the ground — done by the fall of 2027, flowing in

2028: every other project arrives with its own revenue attached, but Nottawa arrives first, as the proof of concept.

Phase Two: 2029–2050

The utility does not wait until opening day to buy the new plant — it steps into the funding seat during construction. At closing it repays every dollar the towns have already spent on the plant expansion and pays the remaining construction draws directly, on its own 40-year financing, as the certificates come in.

The towns' books are cleared immediately: New Tecumseth stops issuing debentures, Collingwood stops draining its reserves, and construction interest is capitalized into the facility rather than drawn from operations.

Note what that structure does to the early years. Because interest is capitalized during construction, the expansion costs the operating statement nothing until the water flows: the utility collects the full tariff from day one against debt-free legacy assets and runs significant margins. The debt then lands in 2029–2031 in step with the revenue that pays for it.

When the water flows in August 2029, the region's new plant opens with a regional owner, a running organization, and a connection program already engineered — The Blue Mountains and Nottawa first in line.

And Phase Two is where The Blue Mountains comes onto the system in full. Rather than continued costly maintenance, the Thornbury plant is retired, the town's supply — roughly 10,000 cubic metres a day of reserved capacity, about 3.65 million cubic metres a year — moves onto the regional plant.

The Blue Mountains' capacity revenue begins: roughly \$7 million a year at the published tariff. Because that water is drawn from capacity the region already owns, the connection adds only about \$2.7 million a year in new debt service against the \$7 million the town now pays in — it more than pays for itself from the first invoice, and the surplus flows back into the system. And it replaces a \$66-to-\$100-million plant program the town cannot finance.

And measure what disappears on The Blue Mountains' side of the ledger. Take the best case for going it alone: the new plant program comes in at \$70 million — better than this region's record suggests — and the Province, generously, pays half. That still leaves the town with a \$35-million debenture, financed over 25 years at roughly \$2.4 million a year — and that money has only one place to land: the water bill, on the order of \$300 a year from every customer, in a town already carrying water and wastewater debt it cannot pay down.

That projected increase is the price of fragmentation. Under the MSC it is never charged, because the plant is never built: the town buys its water at the published tariff, from capacity the region already owns, and the \$35 million stays in ratepayers' pockets. That cost, too, is gone.

What this means for New Tecumseth

New Tecumseth is the easiest yes in the room. It has bought treated water at wholesale, by the cubic metre, under a minimum-take commitment since 2000 — the MSC simply asks it to keep doing that, on better terms. Someone will try to set the town's \$0.62 commodity rate beside the \$1.95 tariff and claim the MSC triples its water bill.

That compares an operating rate to an all-in cost. Load in the debt service on New Tecumseth's \$75.6-million share of the plant, where it belongs, and the town's true cost of water today is already about \$2.10 a cubic metre — above the tariff, before a single adjustment.

And the adjustments all run one way. At closing the MSC repays that \$75.6 million — off New Tecumseth's books entirely. As the system's largest customer it draws the largest share of the Infrastructure Development Fund, on the order of \$2 million a year. Every future expansion becomes the utility's 40-year paper, not another town debenture. Net it out and the town is roughly \$2.5 million a year better off.

The balance sheet is the real prize. The Province has ordered New Tecumseth to grow past 80,000 people and 31,000 jobs by 2051, with no provincial funding and the servicing left to development charges and municipal borrowing. The town will need every dollar of its borrowing room for the roads, the wastewater, and the growth that mandate demands — and the MSC takes the water capital off its books and hands that room back on day one. The region's largest water customer is also its most natural member.

So — will you pay more?

No. And here is the arithmetic, in three parts.

First, the swap.

Your current bill already contains the cost of treatment and trunk supply — it is simply buried inside your town's rate. When the utility takes over the plant, your town stops carrying those costs and starts paying the wholesale tariff instead. The cost moves; it does not stack. The tariff is designed for year-one neutrality: the day the MSC takes over, the typical bill does not change.

Second, the trajectory.

The question was never really about year one. It is about the next multiple decades — and there the two paths split. Going it alone, Collingwood's own approved rate plan compounds at 5.5 per cent a year through 2034 — a bill more than 50 per cent higher than today's — just to maintain the existing system, before any new capital shock. The Blue Mountains' path runs through a \$66-million new water treatment plan that history says becomes \$100 million, on a balance sheet already carrying debt it cannot pay down.

The regional path finances capital over 40 years instead of 20 — on the acquisition debt alone, that is the difference between roughly \$9 million and \$6.5 million a year — across every customer in the region instead of one town's ratepayers. Same infrastructure. Slower, flatter bill. Every dollar of the difference comes from term and scale, not from cutting anything.

Third, the bullet you never take.

Under fragmentation, some town's ratepayers are always next in line for a nine-figure mistake. Stayner has already taken its bullet — \$70 million for a well field — half of it provincial rescue money — beside a full pipeline. That money is spent, those wells stay Stayner's, and no utility can un-spend it; it stands in this plan as the warning, not the saving.

The point is what has not happened yet. TBM's new-plant program has not been built. Nottawa's \$159,000 connections have not been charged. The next Stayner has not been drilled. Under the utility, those projects either are not built at all — because the capacity already exists — or are built once, at regional scale, and recovered at cents per month across the whole system. The biggest saving is not on your bill. It is the catastrophe that never reaches it.

What must hold

The tariff comes from a study, not a slogan. The 80/20 split above is illustrative. A cost- of-service study sets the real tariff — likely a fixed capacity charge plus a volumetric rate — and it must be published before any town votes. No town signs blind.

Supply commitments make it financeable. The utility borrows over 40 years against the revenue of its member towns. That requires each member to commit to buy its water from the system. That commitment is not the fine print — it is the foundation. It is also nothing new: it is exactly the obligation New Tecumseth has carried, happily, since 2000. Under the tariff that obligation takes the form of a fixed capacity charge: each town pays for the capacity it has reserved whether its growth arrives on schedule or five years late. Timing risk stays with the town that booked the capacity — never with the utility's lenders.

Year-one neutrality is a design requirement, not a hope. The acquisition and the tariff must be structured so that the typical bill on day one is what it was the day before. If the numbers cannot deliver that, the numbers get reworked before anyone votes.

The bottom line

The Province is not coming back with another \$210 million, and this region should stop planning as if it might. The plant is built. The pipes have been in the ground for twenty-five years. The towns that paid get paid back. The towns that lack water get connected for pennies a month. Every town keeps its bill, its rates, and its local pipes — and one professional organization, owned by all of them, finally runs the system the region has always shared.

Your bill does not go up when this happens. Your bill goes up if it doesn't.

That decision belongs to the councils you elect in October.



A note before the numbers

Three things to be clear about before the financial model that follows:

1. This plan is built around **The Blue Mountains joining** the corporation. At the time of writing, that is not a certainty. The model is therefore run conservatively on the **Simcoe County system alone, without The Blue Mountains** — their participation is upside, not a dependency. A parallel model that includes them accompanies this paper.
2. From **Phase One**, a professional operator provides the corporation's **support and administrative functions** — HR, IT, finance, and procurement — **at cost**, and those operator expenses are included in the figures below. (Which firm serves as the operator is settled separately.)
3. The plant acquisition is **\$120 million** (New Tecumseth \$75.6M + Collingwood \$44.4M), financed at 4.5% over 40 years; the original plant and pipeline transfer for a nominal dollar, and construction interest is capitalized so debt begins at commissioning in 2029.



Appendix A — Cost & Revenue Model

A ten-year financial model of the water utility, in nominal dollars. Every figure in Chapter 3 traces to this model. It is the standalone case set out in the note above — the Simcoe County system without The Blue Mountains, with the operator providing support and admin at cost. A parallel with-Blue-Mountains model accompanies this paper.

A.1 Key assumptions

Parameter	Value
Base billed volume, 2027	7,200,000 m ³ /yr
Organic growth rate	1.5%/yr
Wholesale tariff, 2027	\$1.95/m ³ (≈80% of ~\$2.45 all-in)
Tariff escalation	5%/yr for the first 3 years (Collingwood's approved plan), then 2%/yr
Plant O&M (labour + maintenance + other fixed)	\$1.70M
Chemicals & power	\$0.055/m ³
Professional organization (board, executive, engineers, overhead)	~\$8–10M full mandate (50% to water)
Plant acquisition	\$120,000,000
Nottawa pipe	\$10,000,000
Debt	4.5%, 40 years
Regional-capacity development charge (MSC portion)	\$4,600 / connection

A.2 Ten-year cost & revenue model (\$ millions)

Line	2027	2029	2031	2033	2035
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Standalone case — the Simcoe County system without The Blue Mountains.

Line	2027	2029	2031	2033	2035
Total billed volume (M m ³)	7.20	7.52	7.74	8.17	8.41
Wholesale tariff (\$/m ³)	1.95	2.15	2.30	2.40	2.49
Total revenue	14.04	16.16	17.83	19.58	20.96
Total operating cost	6.80	7.09	7.39	7.71	8.04
Total debt service	0.00	7.06	7.06	7.06	7.06
Net surplus after debt	7.24	2.01	3.37	4.80	5.86

*Tariff rises 5%/yr for 2028–2030 (Collingwood’s approved plan), then 2%/yr; 2027 is unchanged, preserving year-one neutrality. Construction interest is capitalized, so debt begins at commissioning in 2029 — the early years run a full margin. Net surplus is positive in every year. **With The Blue Mountains joining**, revenue reaches about \$21.5M by 2029 and the surplus is higher still (see the accompanying with-TBM model and Appendix B).*

A.3 New Tecumseth — net benefit of joining

	Today (alone)	Under the MSC
Water	\$2.31M (commodity)	\$6.83M (tariff)
Debt service on its own \$75.6M	\$5.10M	\$0 (MSC pays it out)
Less: Infrastructure Development Fund	—	–\$2.00M
Total annual cost	\$7.41M	\$4.83M
Per m³, all-in	\$2.12	\$1.38

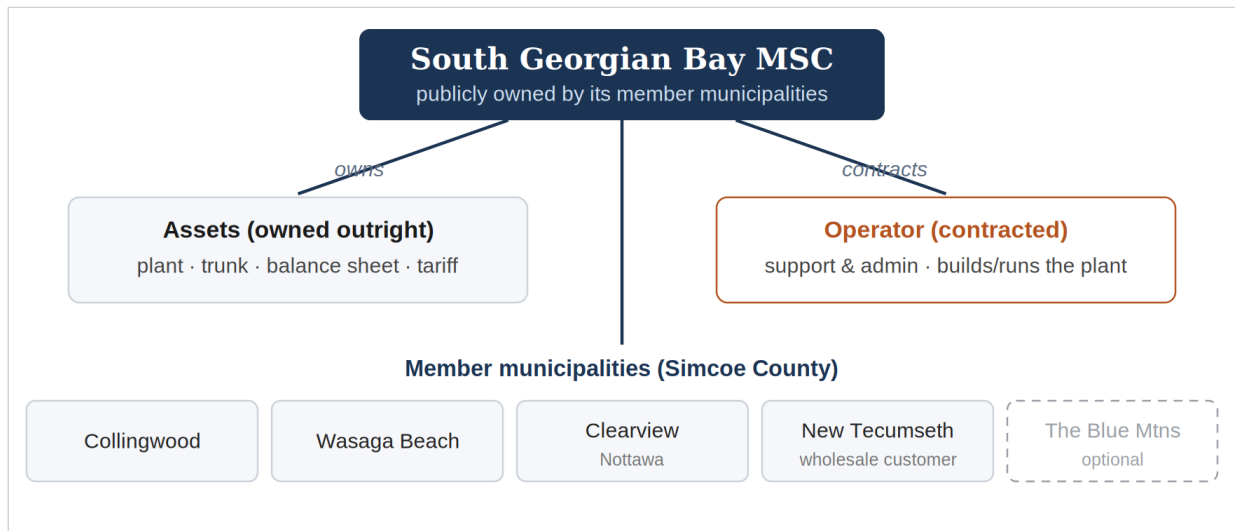
New Tecumseth is roughly **\$2.58M a year better off** (\$0.74/m³) inside the MSC, and its \$75.6M comes off the town’s balance sheet entirely.



Appendix B — Implementation Plan

A factual description of how the corporation is built and structured. Every figure coincides with Appendix A.

The organization structure



The organization structure of the corporation.

The corporation is publicly owned by its member municipalities and owns the plant and trunk outright — holding the balance sheet and setting the tariff — while a contracted operator provides support and administration. Members are the Simcoe County towns (Collingwood, Wasaga Beach, Clearview); New Tecumseth is a wholesale customer; The Blue Mountains may apply to join. Ownership, and the surplus, stays with the members.

The build, step by step

1. **Acquire the Collingwood plant.** The corporation assumes the remaining balance on the \$270M plant expansion and reimburses the two towns that financed it — New Tecumseth (\$75.6M) and Collingwood (\$44.4M) — a \$120M acquisition, financed over 40 years. The Province's \$150M grant stays invested in the asset.
2. **Acquire the regional trunk (the pipeline) for \$1.** The existing trunk system, long since paid down, transfers to the corporation by by-law for a nominal dollar.
3. **Build the trunk to Nottawa — \$10M.** The corporation's first build, from the Batteaux tee to the village (the "Nottawa extension" on the map overleaf), connecting Nottawa at the normal cost rather than the \$159,000-per-home figure it was quoted.

Capital summary and the base network

Item	Capital	Financing
Plant acquisition (NT \$75.6M + Collingwood \$44.4M)	\$120.0M	40 yr @ 4.5%
Regional trunk (pipeline) — nominal transfer	\$1	By-law
Trunk to Nottawa	\$10.0M	40 yr @ 4.5%
Base capital	\$130.0M	≈ \$7.1M/yr (from commissioning)



The base regional network: Line 1 runs from the Collingwood plant southeast to New Tecumseth, with the Nottawa extension the Step-3 trunk. The Blue Mountains, to the west, is not connected — and this is also the case if it does not join.

The Blue Mountains — the west-leg build

Today's connection rides Collingwood's local distribution out to the boundary and is capped at ~4,000 m³/day. If The Blue Mountains joins, the plan builds one dedicated transmission main along the Highway 26 corridor — roughly 11 km, sized with headroom so it is never twinned — with a transfer pump station and terminal storage, raising supply to the town's full reserved ~10,000 m³/day.

Reliability comes from the storage buffer, not a parallel pipe; the existing capped leg is kept, at no cost, as a backup path.

It is built only on a signed take-or-pay commitment, after which the town pays for its reserved capacity from commissioning and avoids its own standalone \$66–100M plant program.

Item	Capital
Dedicated transmission main (~11 km, Hwy 26)	\$21.3M
Transfer pump station	\$10.0M
Terminal storage reservoir	\$9.0M
Engineering + contingency (25%)	\$10.1M
West leg connection (one main)	\$50.4M



The Highway 26 corridor from the Barker plant west to the Mountain Road Booster Station — the route of the single dedicated main.