

## WATERWORKS RATE POLICY

The objective of the Waterworks Rate Policy is to maintain waterworks that are self-financing and to set aside funds for future capital expenditures.

Council has set water and sewer rates for a four-year period from 2019 to 2022 in order to provide sufficient revenue for the Town's water utility to be self sustaining, and to provide users with advanced notice of increases. The rates include an infrastructure levy which is to be set aside and used for capital infrastructure upgrades and replacement.

The Town's original infrastructure is from the late 1950's and early 1960's. In the last 20 years, upgrades have been done to two of the three sanitary sewage lift stations and the forcemain, the lagoon holding cells, and approximately 50 percent of the water distribution system. Prioritizing future projects is based mostly on risk, taking into consideration the remaining useful life of the infrastructure, and the service it provides now and into the future.

## WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the Waterworks Capital Investment Strategy is to eliminate risks by addressing anticipated infrastructure maintenance, immediate infrastructure problems, and future infrastructure replacements in a timely fashion so as to ensure safe drinking water and reliable services to the community. The strategy uses the 2015 Waterworks System Assessment that was required by Saskatchewan Environment for infrastructure planning as well as data from current condition assessments which have been done on the infrastructure.

Recommendations in the 2015 Waterworks System Assessment indicate some major infrastructure upgrades which will require a new water treatment plant, reservoir storage and additional supply wells.

To date, the following work has been done on the WTP project:

- purchased the adjoining property to the existing Water Treatment Plant to allow for expansion.
- commissioned a hydrogeology study on the aquifer system.
- commissioned our consultant engineers with preparing the plans for the project.
- applied for Federal and Provincial funding to assist with the cost of the project.
- researched and considered other water supply options.

## 2019 ANNUAL FINANCIAL OVERVIEW

Water & Sewer revenues and expenditures as reported in the 2019 Audited Financial Statements:

Revenues<sup>(1)</sup> - \$1,026,663  
Expenditures<sup>(2)</sup> - \$1,044,071  
Debt payments on utility infrastructure - \$0  
Surplus/(Deficit) - \$17,408

Comparison of the utility revenues to expenditures plus debt payments expressed as a ratio – 99%

The amount of utility revenues transferred into the utility reserves was \$177,221.

The amount of supplementary revenue needed to cover expenditures was \$159,813.

<sup>(1)</sup> Includes infrastructure levy of \$173,826.

<sup>(2)</sup> Includes amortization expense of \$166,915

## UTILITY RESERVES

Amount added to the reserve account during the year: \$177,221

End of year balance in reserve account for future waterworks capital infrastructure: \$335,130

## ATTACHMENTS

1. 2015 Waterworks System Assessment, as required under Section 35 of *The Water Regulations, 2002*, is available on request.
2. Agreements for Water Services:
  - Mennonite Nursing Home