

WATERWORKS RATE POLICY

The purpose of the Waterworks Rate Policy UT- WW004 is to ensure the Town’s water utility remains financially self-sustaining, while also allocating funds for future capital improvements.

To support this goal, Council has approved water and sewer rates for the 2024–2026 period as part of a broader ten-year financial plan. These rates are designed to generate sufficient revenue to maintain the utility’s operations independently and to give users advance notice of any increases. Included in the rates is a dedicated infrastructure levy, which is reserved specifically for capital upgrades and the replacement of aging infrastructure.

Water & Sewer Bylaw No. 2024-03 Effective July 1, 2024

MONTHLY UTILITY BILL RATES		2023	2024	2025	2026
Water Rates	<i>Residential & Commercial</i>				
	Per 1,000 gallons	\$ 28.00	\$ 29.00	\$ 30.00	\$ 31.00
Sewer Rates					
	Single Unit	\$ 33.00	\$ 34.00	\$ 35.00	\$ 36.00
<i>Residential</i>	Multi-unit/per unit	\$ 33.00	\$ 34.00	\$ 35.00	\$ 36.00
	Social/seniors’ complex	\$ 98.00	\$ 104.00	\$ 110.00	\$ 116.00
<i>Commercial</i>	Commercial 1 – low	\$ 33.00	\$ 36.00	\$ 39.00	\$ 42.00
	Commercial 1 – high	\$ 52.00	\$ 58.00	\$ 64.00	\$ 70.00
	Commercial 2 – low	\$ 52.00	\$ 58.00	\$ 64.00	\$ 70.00
	Commercial 2 – high	\$ 76.00	\$ 82.00	\$ 88.00	\$ 94.00
	Institutional	\$ 200.00	\$ 215.00	\$ 230.00	\$ 245.00
	Nonprofit low	\$ 33.00	\$ 36.00	\$ 39.00	\$ 42.00
	Nonprofit high	\$ 52.00	\$ 58.00	\$ 64.00	\$ 70.00
Infrastructure Levy		\$ 28.00	\$ 29.00	\$ 30.00	\$ 31.00

Much of the Town’s original infrastructure dates back to the late 1950s and early 1960s. Over the past two decades, significant upgrades have been completed, including improvements to two of the three sanitary sewage lift stations, the force main, lagoon holding cells with aeration system, and approximately half of the water distribution system. Additional infrastructure has also been developed to support new growth areas. Future infrastructure priorities are determined based on the condition and performance of existing systems, their capacity, and anticipated development needs.

WATERWORKS CAPITAL INVESTMENT STRATEGY

The Waterworks Capital Investment Strategy aims to proactively manage infrastructure risks by addressing routine maintenance, urgent repairs, and long-term replacement needs. This ensures the continued delivery of safe drinking water and reliable services to the community. The strategy is guided by the 2015 Waterworks System Assessment, mandated by the Water Security Agency, and supplemented by recent condition assessments of existing infrastructure.

The 2015 assessment identified the need for significant upgrades to the Town’s water infrastructure, including a new water treatment plant (WTP), expanded reservoir storage, additional supply wells, and

an upgraded supply line to accommodate increased demand and future growth. In response, the Town worked closely with its consulting engineers to develop a comprehensive design and launched this major infrastructure project in 2024. That same year, the Town successfully secured approximately \$20 million in funding through the Investing in Canada Infrastructure Program to support the project. The Town is responsible for 27% of the total project cost, which is being financed through a new debt commitment. Additionally, utility reserves are being maintained to pay new debt amount, address potential project cost overruns and to support future water infrastructure replacement and renewal needs.

The WTP & Well Supply project upgrade consists of:

- **WTP:** Construction of building with mechanical/electrical systems along with 2,100 m³ treated water reservoir storage.
- **Wellfield Expansion:** Construction of five new wells, control building upgrades, supply line, and a communication link to the WTP.
- **Supply Line:** 5.3 km of 200 mm raw water pipe to improve flow from wells to the WTP to expanded capacity.

To the end of December 2025, the following work has been completed on this project:

- Commissioned a hydrogeology study on the aquifer system for consultant engineers to prepare the plans for the project along with researching and considering other water supply options.
- Contracted hydrogeologists to perform exploration test drilling for future supply. Construction of three additional supply wells at one of our current well sites.
- Awarded the contract for the construction of the new WTP building and reservoir.
- Achieved approximately 60% completion of the new WTP building and reservoir construction by the end of December.
- Secured both the contractor and all required permits for the installation of the new large-diameter raw water supply line.
- Working through various government bodies to assist in easement agreement with the neighbouring municipality.

2025 AUDITED FINANCIAL STATEMENT

Water & Sewer revenues and expenditures as reported in the 2025 Audited Financial Statements:

REVENUE		Fees	
		Water	\$ 998,569
		Infrastructure Levy	\$ 304,062
		Interest on Reserves	\$ 44,580
		Total Utility Revenue	\$ 1,347,211
Less:			
EXPENDITURES	Water	\$	795,409
	Total Utility Expenditures ⁽¹⁾	\$	795,409
SURPLUS/(DEFICIT)		\$	551,802
RATIO			1.69%

(1) Amortization \$ 104,953

Comparison of the waterworks revenues covered by expenditures expressed as a ratio is 1.69%.

Current Year Capital Grants ⁽²⁾ - \$4,984,138

Current Year Capital Projects & Equipment Expenditures - \$6,976,836

The amount of utility revenues transferred from the utility reserves was \$472,191. This amount is a total of the current years surplus amount, plus the Infrastructure Levy amount dedicated for capital projects, less Capital costs.

The amount of supplementary revenue needed to cover expenditures was \$0.

⁽²⁾ Does not include CCBF funds which were previously allocated to previous years projects.

UTILITY RESERVES

Amount taken from the reserve account during the year: \$512,676.

End of year balance in reserve account for future waterworks capital infrastructure: ⁽³⁾ \$1,987,275.

⁽³⁾ This reserve amount includes water and sewer transfers.

FUTURE CAPITAL PROJECTS

1. Water Treatment Plant & reservoir storage with additional water wells and supply lines – Ongoing cost estimated of \$19,800,000.00 remaining is approximately \$12,000,000.00. Currently in process, various phases of total project.
2. Ongoing replacement of cast iron water main – Estimated \$350,000 per block.

DOCUMENTS AVAILABLE UPON REQUEST

1. 2015 Waterworks System Assessment, as required under Section 32 of *The Water Regulations, 2020*
2. Current Waterworks Rate Policy
3. 2025 Waterworks revenues and expenses along with reserve amounts
4. Waterworks Capital Investment Strategy
5. Agreements for Water Services:
 - Mennonite Nursing Home
 - Valley Regional Park