

## 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 had set water and sewer rates for a four-year period from 2019 to 2022, which part is part of a ten-year financial plan, 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. These amounts were continued into 2023. The rates include a separate 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 force main, the lagoon holding cells, and approximately 50 percent of the water distribution system. Additional water and sewer infrastructure has been constructed for current developments. Prioritizing future projects is based on the condition of existing infrastructure and the service it provides, the capacity of the infrastructure, and future development.

## 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 Water Security Agency 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. The Town is working with our consulting engineers on a detailed design plan and anticipates this major infrastructure to be completed within the next five years.

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

- commissioned a hydrogeology study on the aquifer system.
- commissioned our consultant engineers with preparing the plans for the project.
- received Federal and Provincial funding to assist with the cost of the project.
- researched and considered other water supply options.
- contracted hydrogeologists to perform exploration test drilling for future supply.
- construction of replacement supply wells.

- construction of three additional supply wells at the 88 site.

## 2023 ANNUAL FINANCIAL OVERVIEW

Water & Sewer revenues and expenditures as reported in the 2023 Audited Financial Statements:

<b>REVENUE</b>	Fees		
	Water	\$	950,326
	Sewer	\$	353,802
	Infrastructure Levy	\$	281,473
	Interest on Reserves	\$	37,340
	<b>Total Utility Revenue</b>	<b>\$</b>	<b>1,622,941</b>
<b>Less:</b>			
<b>EXPENDITURES</b>	Water	\$	852,507
	Sewer	\$	301,902
	<b>Total Utility Expenditures <sup>(1)</sup></b>	<b>\$</b>	<b>1,154,409</b>
	<b>Debt Payments</b>	<b>\$</b>	<b>148,835</b>
	<b>SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b>468,532</b>
	<b>RATIO</b>		<b>1.41%</b>

Comparison of the utility revenues to expenditures plus debt payments expressed as a ratio – 1.41.

Current Year Capital Grants <sup>(2)</sup> - \$0

Current Year Capital Projects & Equipment Expenditures - \$581,623.

The amount of utility revenues transferred from the utility reserves was \$254,937. 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.

<sup>(1)</sup> Includes amortization expense of \$224,203.

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

## UTILITY RESERVES

Amount taken from the reserve account during the year: \$292,267.

End of year balance in reserve account for future waterworks capital infrastructure: \$1,013,292.

## FUTURE CAPITAL PROJECTS

1. Water Treatment Plant & Reservoir Storage – Estimated at \$20,000,000.00
2. Ongoing replacement of cast iron water main – Estimated \$200,000 per block.

## DOCUMENTS AVAILABLE ON REQUEST

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