

ANNUAL WATERWORKS INFORMATION 2015

Available at the Village Office by September 1 of each year
(as required under *The Municipalities Regulations*)

Village of Elbow August 15, 2016

Waterworks Rate Policy

Describe the waterworks rates and fees charged by the municipality, including the price per unit.

On February 9, 2015, Council passed a bylaw to fix the rates to be charged for the use and consumption of water and to fix the rates to be charged by way of rent and service charge for the use of the sewer.

Under the Water & Sewer Rate Bylaw No. 15-03, passed on February 9, 2015 and approved by the Local Government Committee on March 19, 2015, the water rate was set at \$12.70/1,000 gallons effective April 1, 2015, and \$13.84/1,000 gallons effective April 1, 2016. The water infrastructure maintenance charge was set at \$7.50/month.

Based on the Potable Water Supply Agreement with SaskWater, the Village purchased potable water at a rate of \$9.27/1,000 gallons up until March 31, 2015. SaskWater increased the water rate to \$10.11/1,000 gallons effective April 1, 2015.

SaskWater also increased our Certified Operation & Maintenance Agreement fees in 2015.

As potable water and certified operation rates change, Council will closely monitor waterworks revenues and expenditures, and may adjust from time to time by Bylaw as need arises.

Describe how the waterworks rates and fees are determined, including the types of costs used for determining the rates and fees.

The \$12.70/1,000 gallons water rate that came into effect April 1, 2015 was chosen to be an acceptable rate at that time by estimating the impact of increased costs due to the SaskWater Potable Water Supply and Operation & Maintenance Agreements.

Council will continually review the total waterworks operation and will adjust water rates to ensure that waterworks revenues cover waterworks operating costs.

Waterworks operating costs, or expenditures include: purchase of potable water, cost of certified operation and maintenance service, lab testing, water line repairs, materials and supplies, postage, and amortization expense.

Describe the objectives of the waterworks rate policy.

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time as costs increase. Council plans to review rates on an annual basis. Council may also consider increasing rates to build a waterworks reserve in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal financial demands under the municipal general revenue fund. Rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes.

Waterworks Capital Investment Strategy

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water. The strategy uses the 2010 Waterworks System Assessment that was required by Saskatchewan Environment for infrastructure planning.

The raw water supply, water treatment plant and reservoirs are now all owned by SaskWater.

The 2010 Waterworks System Assessment also addresses the waterworks distribution system which continues to be owned by the Village. In order to cover the costs of future waterworks distribution infrastructure maintenance and replacements, Council may need to undertake in the future a combination of increasing water rates to build a waterworks reserve and long term borrowing.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Describe how capital plans are determined, including how they are identified and prioritized. Indicate the sources of funding for waterworks infrastructure projects.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements as identified and prioritized in the 2010 Waterworks System Assessment to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2010 Estimated Replacement Cost	Source of Funding
Replacement of aged fire pump	?	10,000	reserves

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

Annual Waterworks Financial Overview (of the previous calendar year)

Total 2015 waterworks revenues	\$128,811.98	
Total 2015 waterworks expenditures (including \$35,566.00 amortization expense)	\$153,855.98	
Total dept payments on waterworks infrastructure loans	\$0.00	
Comparison of waterworks revenues to expenditures plus dept payments, expressed as a ratio	<u>\$128,811.98</u> \$153,855.98	= .83

For 2015, waterworks revenues covered 83% of the waterworks expenditures
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Reserves

As of December 31, 2015 there are the following reserves in place for capital infrastructure:

Utility Reserve (water/sewer)	\$81,003.19
Lagoon Reserve (sewer)	\$398,191.49

Additional Information Available

The following additional information is available at the Municipal Office on the waterworks:

- Certified Operation & Maintenance Agreement with SaskWater
- Potable Water Supply Agreement with SaskWater
- 2010 Waterworks System Assessment
- 2015 financial overview of the waterworks