

TOWN OF CARNDUFF

POLICY & PROCEDURES MANUAL

<i>Section</i> General Administration	<i>Classification</i> Policy
<i>Subject</i> Waterworks Rates	<i>Pages</i> 3
<i>Authority</i> Council	<i>Effective Date</i> August 11, 2020
<i>Approved (date)</i> August 11, 2020	<i>Index</i> F/A - 19

This annual waterworks information is available at the municipal office by September 1st of each year. (As required under The Municipal Regulations)

WATERWORKS RATE POLICY
(to be established by bylaw or resolution by July 1, 2006)

On October 10, 2006, Council passed a resolution on a waterworks rate policy. The policy has been updated and passed annually, as required.

(Describe the waterworks rates and fees charged by the municipality, including the price per unit)
Under the waterworks rate policy resolution, the following basic and per gallon metered quarterly water rate will continue, as adopted under the water bylaw 479/16; 1 - 6000 Imp gallon Basic Charge \$155.64; 6,001 - 21,000 Imp gallon \$10.44 per 1,000 Imp gallon; 21,001 - 36,000 Imp gallon \$11.83 per 1,000 Imp gallon; 36,001 - 999,999 Imp gallon \$13.23 per 1,000 Imp gallon.

(Describe the objectives of the waterworks rate policy)
Council incorporated the capital infrastructure fee into the water costs in October, 2013. Upon the annual review of the utilities Council realized the revenues are covering expenses. A sewer infrastructure fee was incorporated in July, 2016 to help offset the cost of a mandatory relocated lagoon. The rates will remain the same unless the annual review shows a deficit. The waterworks expenditures will be closely monitored to ensure the service remains self sufficient. Any rate changes will be made accordingly, with the rates bylaw passed as required.

At the end of the fourth year, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs. This review will ensure the municipality will be making efforts to maintain the utility to become financially self sufficient and at the same time being cost responsible to user demand while promoting water conservation to the ratepayers of the municipality. The municipality feels by planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases.

The waterworks policy will also address the requirement for the municipality to consider additional rates or charges to cover future infrastructure projects. These capital projects are summarized in the Waterworks Capital Investment Strategy, and may take into consideration works identified in the 2016 Waterworks System Assessment.

Quarterly Consumption Rate (Stated in Imp. Gallons)	July 2020 Rate/Imp Gal	July 2021 Rate/Imp Gal	July 2022 Rate/Imp Gal	July 2023 Rate/Imp Gal	July 2024 Rate/Imp Gal
1 - 6,000 (Basic Rate)	\$155.64	\$155.64	\$155.64	\$155.64	\$155.64
6,001 - 21,000	\$10.44 / 1000	\$10.44 / 1000	\$10.44 / 1000	\$10.44 / 1000	\$10.44 / 1000
21,001 - 36,000	\$11.83 / 1000	\$11.83 / 1000	\$11.83 / 1000	\$11.83 / 1000	\$11.83 / 1000
36,001 - 999,999	\$13.23 / 1000	\$13.23 / 1000	\$13.23 / 1000	\$13.23 / 1000	\$13.23 / 1000

WATERWORKS CAPITAL INVESTMENT STRATEGY

(to be established by bylaw or resolution by July 1, 2006, revised September 9, 2008)

On October 10, 2016 and revised September 9, 2008, Council passed a resolution on a capital investment strategy. Each year since council has updated the strategy.

(Describe the objectives of the waterworks capital investment strategy)

Within this scope of the Five Year Plan the municipality must carefully consider the financial capabilities to incorporate major waterworks projects into the current and future years budgets taking into consideration the services provided to the municipality, the growth (or decline) of the municipality, the financial impact of major waterworks projects and the financial assistance provided for projects from senior levels of government. The following chart shows the projects the municipality may consider in the next five years.

(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 contemplated and prioritized to address the waterworks infrastructure maintenance and replacements. These projects may take into consideration those identified and prioritized in the 2016 waterworks assessment to ensure safe drinking water. The current waterworks capital plans and planned sources are as follows:

Project	Planned Year of Completion	2020 Cost	Future Cost *	Source of Funding
Water Distribution - Line Extension/Looping Across Highway 18	2021	\$180,000	\$189,000	Gas Tax Program (pending project approval)/Surplus Reserves
Water Distribution - Line Extension/Looping from 4th St. East to mid Prescott St.	2021	\$130,000	\$136,500	MEEP Program (pending project approval)
Antler Drive Fire Hydrant	2021	\$30,000	\$31,500	MEEP Program (pending project approval)/Surplus Reserves
Water Filtration System	2024	\$3,069,500	\$3,730,996	Fed/Prov Grant/Surplus Reserves/ Borrowing if required

* Assuming a 5% rate of inflation per year.

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

Total debt payments on waterworks infrastructure loans (D) -- \$0

Total 2019 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) -- \$408,798

For 2019, waterworks revenues exceeded the waterworks expenditures by 98.1 percent. This ratio is slightly higher than last year. The municipality will continue to monitor the waterworks rates to ensure the water utility be a cost recovery service. Any excess revenues is currently going toward expenses for a new lagoon and transferred to reserves for future projects.

Amount of 2019 waterworks revenues transferred out of the utility, to general revenue fund, or other operating fund was Zero (\$0.00).

Amount of 2019 supplementary funding required to cover expenditures was zero (\$0.00).

RESERVES

Reserves available for waterworks capital infrastructure -- \$842,502

ATTACHMENTS

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Financial capacity of waterworks for the municipality was consistent with previous years operations. Increases in rates have been instituted in 1998, 2002, 2004, 2007, 2008, 2010-14, 2016.

Total 2019 waterworks revenues (as reported in the Financial Statements) (R) -- \$809,909

- Attached is the 2016 waterworks system assessment, as required under section 35 of The Water Regulations, 2002.
- There are no agreements for waterworks services.

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

The following is information on the Town of Carnduff, as required under *The Municipalities Regulations* .

2019 Waterworks Financial Overview:

- Total waterworks revenues (R) -- \$809,909
- Total waterworks expenditures (E) -- \$408,798
- Total debt payments on waterworks infrastructure loans (D) -- \$0
- Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio --

$$\frac{(\$809,909)}{(\$408,798)} = 1.98 : 1$$

- For 2019, waterworks revenues covered 100% of the waterworks expenditures.

The following additional information is available at the municipal office on the waterworks:

- The August 11, 2020 waterworks rate policy and capital investment strategy
- Capital plans in place and related sources of funding for the projects as set forth in the Five Year Capital Plan.
- 2019 financial overview of the waterworks
- Waterworks reserves
- A copy of the 2016 waterworks assessment

(A copy of the information is to be sent to Saskatchewan Government Relations, Policy Department Branch, 1855 Victoria Avenue, Room 1540, Regina, Saskatchewan, S4P 3T2)

Notes for Public Utility Boards

- ⇒ These regulations also apply to public utility boards established under The Municipalities Act.
- ⇒ The public utility board is responsible for compiling the required information related to the public utility and providing it to the respective municipalities.
- ⇒ The municipalities are to make the public utility information available to the public at their municipal offices.
- ⇒ Also, municipalities are to make available to the public at their municipal offices required waterworks information on the waterworks components that are not part of the public utility.
- ⇒ The municipality must also provide the required information on the public utility and its own waterworks components directly to the public.