

ANNUAL WATERWORKS INFORMATION

Year: 2015

Name of Municipality: Town of Watrous

Date: July 7, 2016

WATERWORKS RATE POLICY

On September 28th, 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 waterworks rate policy bylaw, beginning January 1/16, the water rates are \$20.00 per month for the first 159 cubic feet (ft³) of water and \$0.045 per ft³ in excess of 159 ft³. On January 1/17 the consumption charge for monthly usage exceeding 159 ft³ increases to \$0.049 per ft³ and on January 1/18 to \$0.053 per ft³.

The Town of Watrous also levies a monthly Capital Infrastructure Levy on each water service. The Capital Levy fee is \$12.50 per month and generates approximately \$125,000.00 per annum. This levy is restricted to being used for capital expenditures, either in the current fiscal period or reserved for future capital projects.

WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion ensuring the municipal waterworks provides safe drinking water to residents and businesses. The strategy uses the 2011 waterworks system assessment required by Saskatchewan Environment for infrastructure planning.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council has adopted increased rates beginning January 2016 with further scheduled increases on January 1 2017 and January 1 2018. The capital investment strategy will ensure that safe drinking water can be provided to the residents, businesses, and surrounding rural community in the present and future.

ANNUAL WATERWORKS FINANCIAL OVERVIEW

The following is information on the waterworks, as required under The Municipalities Regulations:

2015 Waterworks Overview:

Total waterworks revenues: \$ 753,725.32

Total waterworks expenditures: \$ 579,523.52 (including amortization expense)

(excludes principal portion of debt servicing, transfers to/from reserves, capital grants and long term debt incurred, as well as capital expenditures)

Total debt repayment (principal portion) in 2015: \$0.00

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio:

$$\frac{\$753,725.32}{\$579,523.52} = 1.30$$

NOTE: The Town began extensive infrastructure improvements in 2014 including developing a new supply well, supply line from new well, as well an expansion to the water treatment plant and the installation of a reverse osmosis system along other ancillary improvements. This project will be completed in 2016 and reported with the 2016 Annual Waterworks Information.

RESERVES

Reserves available for waterworks capital infrastructure @ December 31/15 \$ 240,000.00

THE FOLLOWING ADDITIONAL INFORMATION IS AVAILABLE ON REQUEST:

1. Current waterworks rate policy and capital investment strategy.
2. 2015 financial overview of the water/sewer utility.
3. The 2011 Water System Assessment (WSA). Note, the Town's consulting engineers are completing a WSA during the 2016 fiscal period.