

ANNUAL WATERWORKS INFORMATION

Year: 2016

Name of Municipality: Town of Watrous

Date: August 17, 2017

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 \$140,000.00 per annum. This levy is restricted to being used for capital expenditures including current fiscal period capital works, debt servicing related to capital works, 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 2016 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:

2016 Waterworks Overview:

Total waterworks revenues: \$ 787,785

Total waterworks expenditures: \$ 721,731 (including amortization expense)

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

Total debt repayment (principal portion) in 2016: \$105,887

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

$$\frac{\$787,785}{\$721,731} = 1.09$$

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. These projects were completed in 2016. In 2017 the Town began a lagoon expansion and aeration project that is expected to be completed by September 2017. The Town received 2/3rd grant funding for the lagoon project under the New Build Canada Fund.

RESERVES

Reserves available for waterworks capital infrastructure @ December 31/16 \$ 0

THE FOLLOWING ADDITIONAL INFORMATION IS AVAILABLE ON REQUEST:

1. 2016 financial overview of the water/sewer utility.
2. The 2016 Water System Assessment (WSA).