

TOWN OF DUNDURN ANNUAL WATERWORKS INFORMATION

Year: 2015

Date: August 16, 2016

WATERWORKS RATE POLICY

The town purchases potable water from the Dundurn Rural Water Utility (DRWU) at a rate of \$3.61 per cubic meter plus a monthly administration fee of \$970.04 per month. The DRWU purchases the water in bulk from Sask Water.

The town then resells the potable water to residences at the same rate as purchased with the administration fee added in. The rate is \$3.87 per cubic metre. We also charge a 'delivery fee' of \$35.25. This delivery fee is calculated through the budgeting process and is used to cover all other operating expenses including a budgeted utility reserve fund.

The objective of the waterworks policy is to work towards self-financing, where the users pay for the cost of the service.

For transparency, we will continue to resell the water based on the same cost as the town purchases the water from the DRWU. The delivery fee is used to cover all other waterworks expenses including a utility reserve fund.

WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and the replacement of an aging distribution system. It is the goal of Council to set aside a minimum \$15,000 per year to a utility reserve. In 2012 the town invested \$700,000 to upgrade the water treatment plant to plan for growth and to prepare for the DRWU water pipeline in order to discontinue using well water. Another investment of \$990,000 was made to the DRWU for phase 3 of the pipeline to the town water plant. A portion of the investment was recovered by a levy of \$6,170.00 (principle only) per connection, payable over 15 years. The Building Canada Fund grant paid for the balance of the investment through the DRWU. During 2015, water loss in the distribution system was not as severe as in 2014 which resulted in the ability to transfer \$18,000 to our utility reserve. Water loss in the distribution system is still a great concern and the town is continuing to research several different technologies to find a solution.

ANNUAL WATERWORKS FINANCIAL OVERVIEW

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

2015 Waterworks Overview:

Total waterworks revenues: \$421,580

Total waterworks expenditures: \$217,910
(does not include amortization)

Total debt payments on waterworks infrastructure loans - w/s (p & i): \$185,872

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

$$\frac{\$421,580}{\$217,910 + \$185,872} = 1.04$$

2015 Waterworks revenues covered 1.04% of the waterworks expenditures.

RESERVES

Reserves available for waterworks capital infrastructure - \$32,100