

TOWN OF DUNDURN ANNUAL WATERWORKS INFORMATION

Year: 2016

Date: August 9, 2017

WATERWORKS RATE POLICY

The town purchases potable water from the Dundurn Rural Water Utility (DRWU) at a rate of \$3.79 per cubic meter plus a monthly administration fee of \$970.04 per month. The DRWU purchases the water in bulk from Sask Water and each year Sask Water has increased their rates which in turn is transferred onto the subscribers to the DRWU.

The town then resells the potable water to residences at the same rate as purchased with the administration fee added in. The rate is \$4.07 per cubic metre. We also charge a 'delivery fee' of \$37.25. 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 delivery fee was increase \$2.00 from the previous year to compensate for water loss experienced in the distribution system.

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

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. 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. There are several sensor monitoring systems on the market however any above ground sensor which are the most cost effective and least invasive will not work in our winter weather conditions.

ANNUAL WATERWORKS FINANCIAL OVERVIEW

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

2016 Waterworks Overview:

Total waterworks revenues: \$446,878

Total waterworks expenditures: \$246,477 (*does not include amortization*)
\$384,104 (*with amortization*)

Total debt payments on waterworks infrastructure loans - w/s (p & i): \$171,107

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

$\frac{\$446,878}{\$246,477 + \$171,107} = 107\% \text{ (not including amortization)}$ $\frac{\$446,878}{\$384,107 + \$171,107} = 80\% \text{ (with amortization)}$

2016 Waterworks revenues covered 107% of the expenditures and with amortization factoring in 80% of the expenditures.

RESERVES

Reserves available for waterworks capital infrastructure - \$39,100