

TOWN OF DUNDURN ANNUAL WATERWORKS INFORMATION

Year: 2017 Date: September 30, 2018

WATERWORKS RATE POLICY

The town purchases potable water from the Dundurn Rural Water Utility (DRWU) at a current rate of \$4.00 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 resells the potable water to residents at the same rate as purchased with the administration fee added in. In 2017 the rate charged to residents was \$4.07/cu with \$37.25 for delivery. Due to further increases from the bulk provider and other operating increases the rate increased again in 2018 to \$4.28 /cu with a delivery fee of \$37.75. The 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 of \$2.00 in 2017 to compensate for water loss and line breaks experienced in the distribution system.

The town is a corporate partner in the Dundurn and Area Wastewater Utility (DAWWU). The DAWWU currently sets a flat sewer rate of \$16.00 per connection and the town charges \$12.78 to cover other sewer operating expenses for a total flat fee charge of \$28.78 per residential property. Commercial sewer charges are based on how many cubic metres of water is used multiplied by a rate of \$3.87.

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. Yearly water loss and line breaks costs determine how much funds will be available to set aside for reserves although \$15,000 is the goal. A reserve is paid to the DAWWU for the towns portion of the lagoon and lift station.

ANNUAL WATERWORKS FINANCIAL OVERVIEW

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

2017 Waterworks Overview:

Total waterworks revenues: \$456,028 (*includes sewer*)

Total waterworks expenditures: \$343,242 (*includes sewer, does not include amortization*)
 \$500,744 (*with amortization*)

Total debt payments on waterworks infrastructure loans - w/s (p & i): \$168,364

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

$\frac{\$456,028}{\$343,242 + \$168,364} = 89\%$ (*not including amortization*) $\frac{\$456,028}{\$500,744 + \$168,364} = 68\%$ (*with amortization*)

2017 Waterworks revenues covered 89% of the expenditures and with amortization factoring in 68% of the expenditures.

RESERVES

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