



2019 WATERWORKS FINANCIAL OVERVIEW

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

Waterworks revenues:	\$487,873
Waterworks Infrastructure Levy P&I revenues:	<u>\$152,310</u>
Total	<u>\$640,183</u>

Waterworks expenditures:	\$364,069
<i>(does not include amortization)</i>	
Waterworks Infrastructure Levy Interest on loan expense:	\$ 40,699
Waterworks Infrastructure Levy Principle on loan expense:	<u>\$114,197</u>
Total	<u>\$518,965</u>
With amortization	\$360,199
Total with amortization	<u>\$879,164</u>



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

$$\frac{\$640,183}{\$518,965} = 1.23\% \qquad \frac{\$640,183}{\$879,164} = 0.73\% \text{ (with amortization)}$$

2019 Waterworks revenues covered 123% of the waterworks expenditures.

2019 Waterworks revenues covered 73% of the waterworks expenditures with amortization added.

NOTES

- Revenues & Expenses from 2019 Audited financials.
- Revenue Infra levy P & I from debenture loan payment schedule.
- Expense Infra levy I from 2019 Audit financials and P from debenture loan payment schedule.
- Amortization from 2019 Audited financials.

RESERVES

Reserves available for waterworks capital infrastructure - \$107,180

WATERWORKS RATE POLICY

The town purchases potable water from the Dundurn Rural Water Utility (DRWU) at a current rate of \$4.142 per cubic meter plus a monthly administration fee of \$970.04 per month and an extra charge of 0.05 cents per cubic meter for their capital fund. The DRWU purchases the water in bulk from Sask Water, who in turn purchases the water from the City of Saskatoon. Each year the City of Saskatoon has increased their water rates to Sask Water, who in turn passes those costs onto the DRWU which then is passed onto their subscribers such as the town.

WATERWORKS POLICY CON'T

Water

The town resells the potable water to residents at the same rate as purchased with the administration and capital fund fee added in. In 2019 the town rate charged to residents was \$4.48/cu with \$37.75 for Utility Delivery Fee.

The Utility Delivery fee includes all costs except the direct water costs to bring the water to the curbside. These expenses include water break repairs, Public Works salaries, water testing, chemical, water treatment plant repairs, power and heating cost for plant and pumps, water loss expenses and meter purchases etc.

Sewer

The town is a corporate partner in the Dundurn and Area Wastewater Utility (DAWWU). After years of negotiation, in 2019 the corporate partners agreed to restructuring the assets retroactive to January 1, 2019. This restructuring agreement now only includes the lagoon, aeration building and pumps as joint ownership under the DAWWU and the town took sole ownership of the lift station and force main that is used by the town. This restructuring created the ability for town residents to pay only for maintenance on the assets that the town used and owned.

The town now only pays maintenance expenses for its share of lagoon capacity which is 600 units as opposed to expenses for wastewater infrastructure that serviced other municipalities. 600 units represents capacity for approximately 600 more homes to be added to the lagoon infrastructure or 34.36% of the total capacity of 1746 units.

In 2019 the town charged a flat rate of \$30.00 per residential connection and the commercial sewer charges are based on how many cubic metres of water is used multiplied by a rate of \$3.87 with equals 86% of water used. The rates include the town's portion of the lagoon expenses from the DAWWU which totalled \$46,391.75 for the year plus the town maintenance expenses for line cleaning, lift station maintenance, sewer line/manhole repairs, Public Works salaries, testing, power and heating costs etc. Capital fund charges from the DAWWU to the town for the lagoon infrastructure have not been determined by the DAWWU board for 2019.

The objective of the waterworks policy is to work towards self-financing/user pay service that includes covering amortization costs.

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 for both water and sewer.

To position itself for growth and development, in 2012 the town invested \$1,690,000 to upgrade the water treatment plant, phase 3 of the DRWU city water pipeline in order to discontinue using well water and for a new lagoon and lift station.

The Building Canada Fund grant paid 2/3 of the actual cost of the new water and wastewater infrastructure and the town's 1/3 portion cost was borrowed over 15 years with the principle and interest recovered by charging a utility infrastructure levy of \$66.14/month over 15 years.