

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR

(As required under *The Municipalities Regulations*)

Name of Municipality: Town of Asquith		Date: June 10, 2024
WATERWORKS RATE POLICY		
On October 10, 2023, Council passed a bylaw for waterworks rates.		
Under the waterworks rate bylaw, the rate of \$10.50 per 1000 gallons of water usage was instituted for the first three thousand gallons (minimum), as adopted under the water bylaw dated October 10, 2023. The rate of \$10.50 per 1000 gallons of water usage over and above the minimum 3000 gallons was also instituted. Council will continue to work towards water works revenues that cover waterworks operating costs. Council will closely monitor waterworks expenditures. At the end of 2024, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs. By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases. Bylaws will be passed each year for the water rate changes.		
The rate of \$10.50 per 1000 gallons of water usage up to 3,000 gallons and \$11.00 per 1000 gallons used thereafter was established on October 10, 2023, and was chosen to be an acceptable rate for residents and businesses at that time. The per gallons of water usage water rate does not generate enough waterworks revenues to cover the waterworks operating costs. The rate does not cover 100% of the waterworks operating costs such as waterworks operating costs, or expenditures, including waterworks' staff salaries, benefits, and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. The \$10.50 per thousand gallons used remains the same as the previous year, however any ratepayer using over the minimum 3000 gallons will be paying approximately 10% extra. To demonstrate the impact on residents and businesses, below are estimated monthly charges that reflect the rate increases, which are based on average household consuming 3000 gallons of water each month. This can not demonstrate the impact on those who use over the minimum amount of water.		
Date	Rate Per 1000 Gallons	Estimated Monthly Charge (based on 3000 gallons)
January 1, 2020	\$9.75	\$29.25
January 1, 2021	\$9.75	\$29.25
January 1, 2022	\$10.08	\$30.25
January 1, 2022	\$10.33	\$31.00
January 1, 2024	\$10.50	\$31.75
(Describe the objectives of the waterworks rate policy) The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of 2024, Council will review its waterworks policy to determine if revenues are covering costs. This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal financial demands under the municipal general fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks from the general revenue fund will be reflected in the future mill rates.		

WATERWORKS CAPITAL INVESTMENT STRATEGY

On July 9, 2007, Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy was to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems, and future infrastructure replacements in a timely fashion to ensure the municipal waterworks provides safe drinking water to residents and businesses. The strategy used the 2004 waterworks system assessment that was required by Saskatchewan Environment for infrastructure planning.

To cover the costs of a new water plant and distribution well, Council undertook a combination of increasing water rates and an infrastructure charge to cover the costs of waterworks operating costs and the long-term borrowing that was necessary for the construction of the water plant.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital plans have been established to address the water works infrastructure deficiencies and replacements as identified and prioritized in the 2015 waterworks assessment to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project Funding	Planned Year of Completion	2010 Cost	Future Cost*	Source of
WaterMain/Sewer Trunk	2010/11	660,000	719,400	Operating, Grants
Water Plant and New Well	2010-11	1,965,000	2,138,000	Operating, Reserves Borrowing
Lift Station	Unknown	1,500,000	2,273,700	Grants, Borrowing

*Assuming a 3% rate of inflation per year. Future cost of the lift station is based upon actual tender. For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2023 waterworks revenues (as reported in the Financial Statements) (R) - \$141,702.00

Total 2023 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$262,192.55

Total debt payments on waterworks infrastructure loans (D) - \$70,055

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

$$\frac{(141,702.00)}{(262,192.55) + (70,055)} = \frac{.43}{1}$$

For 2023, waterworks revenues covered 66% of the waterworks operating expenditures because of an extraordinary amount of water line breaks over the winter.

Amount of 2023 waterworks revenues transferred out of the utility, specifying where the revenues were transferred - \$0.

Amount of 2023 supplementary funding required to cover expenditures, specifying the source of the supplementary funding - \$121,191.10 – General Revenue

RESERVES

Currently there is a Water Plant Conversion Reserve available for waterworks capital infrastructure - \$117,000.

ATTACHMENTS

- Available for a cost of \$50.00 is the 2015 waterworks system assessment, as required under section 35 of *The Water Regulations, 2002*.
There are no agreements for waterworks services.