



## 2016 Town of Outlook Waterworks Rate Policy

Date: August 18, 2017

### **WATERWORKS RATE POLICY**

On July 13, 2016, municipal Council passed Bylaw No. 02(2016) to fix the rates to be charged for the use and consumption of water from the municipality's waterworks system and to fix the rates for the use of the sewer and control and regulate the discharge of sewage into the municipality's sewage system.

Pursuant to Bylaw No. 02(2016) Town of Outlook Residential, Industrial, Commercial and Institutional quarterly water rates are established as follows:

#### **Quarterly Rates Effective September 30, 2016**

1. **QUARTERLY WATER RATES:**

28.0 Cubic Meters or less	Minimum \$ 60.00
Over 28.0 Cubic Meters	\$ 1.15 per cubic meter

2. **COIN OPERATED PIPE STAND:**

The following rate shall be charged to persons obtaining water from the coin operated water reservoir: .25 cents per 0.2500 cubic meter

3. **QUARTERLY WATER RATES FOR EASTSIDE WATER PIPELINE UTILITY:**

28.0 Cubic Meter or less	Minimum \$ 80.00
Over 28.0 Cubic Meter	\$ 1.49 per cubic meter

4. **QUARTERLY RESIDENTIAL, INDUSTRIAL AND INSTITUTIONAL WATER RATES SUPPLIED OUTSIDE THE CORPORATIONS BOUNDARY:**

Where water is supplied outside the Corporation's boundary, a 25% Surcharge shall be added in each instance to the quarterly billings to assist the Corporation in the maintenance and operation of the water facilities.

**Quarterly Rates Effective September 30, 2017**

**1. QUARTERLY WATER RATES:**

28.0 Cubic Meters or less	Minimum \$ 75.00
Over 28.0 Cubic Meters	\$ 1.25 per cubic meter

**2. COIN OPERATED PIPE STAND:**

The following rate shall be charged to persons obtaining water from the coin operated water reservoir: .25 cents per 0.2000 cubic meter

**3. QUARTERLY WATER RATES FOR EASTSIDE WATER PIPELINE UTILITY:**

28.0 Cubic Meter or less	Minimum \$ 95.00
Over 28.0 Cubic Meter	\$ 1.61 per cubic meter

**4. QUARTERLY RESIDENTIAL, INDUSTRIAL AND INSTITUTIONAL WATER RATES SUPPLIED OUTSIDE THE CORPORATIONS BOUNDARY:**

Where water is supplied outside the Corporation's boundary, a 25% Surcharge shall be added in each instance to the quarterly billings to assist the Corporation in the maintenance and operation of the water facilities.

**Quarterly Rates Effective September 30, 2018**

**1. QUARTERLY WATER RATES:**

28.0 Cubic Meters or less	Minimum \$ 90.00
Over 28.0 Cubic Meters	\$ 1.35 per cubic meter

**2. COIN OPERATED PIPE STAND:**

The following rate shall be charged to persons obtaining water from the coin operated water reservoir: .25 cents per 0.1700 cubic meter

**3. QUARTERLY WATER RATES FOR EASTSIDE WATER PIPELINE UTILITY:**

28.0 Cubic Meter or less	Minimum \$ 110.00
Over 28.0 Cubic Meter	\$ 1.74 per cubic meter

**4. QUARTERLY RESIDENTIAL, INDUSTRIAL AND INSTITUTIONAL WATER RATES SUPPLIED OUTSIDE THE CORPORATIONS BOUNDARY:**

Where water is supplied outside the Corporation's boundary, a 25% Surcharge shall be added in each instance to the quarterly billings to assist the Corporation in the maintenance and operation of the water facilities.

## **WATERWORKS CAPITAL INVESTMENT STRATEGY**

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and future infrastructure replacements in a timely fashion as to ensure the municipal waterworks provides safe drinking water to residents and businesses. The strategy uses the 2015 waterworks system assessment that was required by Saskatchewan Environment for infrastructure planning.

In order to facilitate this strategy, Bylaw No. 02(2009) a bylaw to amend Bylaw No. 5(97) being a bylaw to establish a Reserve Fund. The reserve fund was created for capital replacement of Utilities, Waterworks and Sanitary Sewer.

Pursuant to Bylaw No. 02(2009) the water and sewer billings shall be the vehicle to assess and collect the following amount of \$5.00 per month from every Town assessed water and sewer account originating quarterly during the year.

Capital plans are being worked on for expansion of the 500,000 Imperial Gallon in ground Treated Water Reservoir with the addition of a 250,000 Imperial Gallon in ground Treated Water Reservoir. Planned Capital work for 2017 includes installation of a security fence around the water reservoir hatch and to replace 7 Fire Hydrants.

Associated Engineering was contracted May, 2013 to prepare a Water Treatment Plant upgrade services study in order to identify and coordinate future upgrades and changes at the Water Treatment Plant.

The November 2015 Waterworks System Assessment, Round 3, Prepared by ECO Engineering Ltd. recommends the installation of UV lights as the primary source of disinfection. The installation of UV lights is being planned for as a result of the recommendation.

## **ANNUAL UTILITY SERVICES OVERVIEW**

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

2016 Utility Services Overview:

Total utility services revenues: \$ 646,597

Total utility services expenditures: \$ 471,919

Total debt payments on waterworks infrastructure loans: Nil

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

$$\frac{\$646,597}{\$471,919} = 1.37$$

Note: The above annual Utility Services Overview includes all water, sewer and storm sewer revenues and expenditures.

## **RESERVES**

Reserves available for utility services capital infrastructure as at December 31, 2016 - \$862,700

The above mentioned rates were established on July 13, 2016 and were chosen to be an acceptable rate for residents and businesses at that time. The rates, which have not changed since 2012, do not include an infrastructure charge. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required. To date waterworks infrastructure requirements have been funded by the Utility Reserve or general revenue funds and by accessing available grants.

The objective of the waterworks rate policy is to work towards waterworks that are self-financing and sustainable, where the users pay for the cost of the service. To accomplish this, waterworks rates revenues cover operating costs and provide sustainable infrastructure needs. Council will annually review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the utility services reserves in order to cover future infrastructure maintenance and replacement 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 revenue fund. This will ensure our waterworks can provide safe drinking water. In addition, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes.

### **The following additional information is available at the Municipal Office on the waterworks:**

- A copy of the 2015 engineering waterworks assessment pursuant to Section 35 of The Water Regulations, 2002, as required by Saskatchewan Environment.
- Capital infrastructure plans in place and related sources of funding for the projects.
- Current agreements respecting waterworks services.