

## **ANNUAL WATERWORKS INFORMATION**

ANNUAL INFORMATION TO BE MADE AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

Year: 2018

Name of Municipality: Village of Bulyea

### **WATERWORKS RATE POLICY**

On December 19, 2017, Council passed a bylaw to fix the rates to be charged for the use and consumption of water and to fix the rates to be charged by way of rent and service charge for the use of the sewer.

Under the waterworks rate policy resolution, the water rate of \$50.00 per quarter with a water charge based on usage of \$0.009/gallon began at the time of approval by the Saskatchewan Municipal Board, January 30, 2018 as adopted under the water bylaw dated December 19, 2017. The plan is to work towards waterworks revenues that cover waterworks operating costs and to have a surplus available for investment into a utility capital reserve. Council will closely monitor waterworks expenditures.

This rate was established in 2017 and was chosen to be an acceptable rate for residents and businesses at the time. It is imperative that the water rate generate enough waterworks revenues to cover the waterworks operating costs. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Also the water rate does not include an infrastructure charge of \$30.00 per quarter which will be used to collect revenue that is put into reserves so that we are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the planned water rate over the next five years

DATE	RATE	ESTIMATED MONTHLY CHARGE
JANUARY 1, 2020	\$0.009	\$50.00
JANUARY 1, 2021	\$0.009	\$50.00
JANUARY 1, 2022	\$0.009	\$50.00
JANUARY 1, 2023	\$0.009	\$50.00
JANUARY 1, 2024	\$0.009	\$50.00

The objective of the Waterworks rate policy is to ensure a fair rate structure for all users and to work towards waterworks that are self-financing, where the users pay for the cost of the service. Under the current rate structure, all water users will pay for every gallon consumed with no threshold level; thus, making the rate structure equitable.

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. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes.

## **WATERWORKS CAPITAL INVESTMENT STRATEGY**

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses. The strategy uses the 2006 waterworks system assessment that was required by Saskatchewan Environment for infrastructure planning

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves. The capital investment strategy will ensure that safe drinking water can be provided to the residents, businesses, and surrounding rural community in the present and future.

Capital plans are being worked on for the maintenance of our existing water treatment plant which underwent an expansion in 2015.

## **ANNUAL WATERWORKS FINANCIAL OVERVIEW**

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

2018 Waterworks Overview:

Total waterworks revenues: \$46,257.00

Total waterworks expenditures: \$54,575.00

Total debt payments on waterworks infrastructure loans: \$8,440.00

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

$$\frac{\$46,257.00}{\$54,575.00 + \$8,440.00} = 0.734$$

## **RESERVES**

Reserves available for waterworks capital infrastructure - \$24,682.00