

## ANNUAL WATERWORKS INFORMATION

Year: 2016

Name of Municipality: Town of Eatonia

Date: May 9, 2017

### WATERWORKS RATE POLICY:

The water and sewer rates that are established for the next five (5) years were chosen to be an acceptable rate for residents and businesses. Water and sewer operating expenditures include waterworks' staff salaries, benefits and training; power, heat; insurance; chemicals; repairs; maintenance; supplies; etc.

Below provides the planned water and sewer rate increases of 10 percent every second year over the next five years. To demonstrate the impact, below are estimated monthly charges that reflect the rate increases on the base residential and business rates:

### MONTHLY MINIMUM WATER CHARGE:

DATE	PER GALLONS RATE	MINIMUM MONTHLY CHARGE (4000 GALLONS)
January 1, 2016	\$0.0099	\$39.60
January 1, 2018	\$0.0109	\$43.60
January 1, 2020	\$0.0120	\$48.00
January 1, 2022	\$0.0132	\$52.80

### WATER OVERAGE CHARGE (BILLED QUARTERLY):

DATE	PER GALLONS RATE
January 1, 2016	\$0.0074
January 1, 2018	\$0.0081
January 1, 2020	\$0.0089
January 1, 2022	\$0.0098

### MONTHLY MINIMUM SEWER SERVICE CHARGES:

TYPE	JAN. 1, 2016	JAN. 1, 2018	JAN. 1, 2020	JAN. 1, 2022
Café/Restaurants	\$14.63	\$16.09	\$17.70	\$19.47
Car Wash	\$8.80 & \$3.30 for each stall over 1	\$9.68 & \$3.63 for each stall over 1	\$10.65 & \$3.99 for stalls over 1	\$11.72 & \$4.39 for stalls over 1
Churches	\$8.80	\$9.68	\$10.65	\$11.72
Garages	\$8.80	\$9.68	\$10.65	\$11.72
Personal Care Home	\$73.21	\$80.53	\$88.58	\$97.44
Suites	\$8.80 each suite	\$9.68 each suite	\$10.65 each suite	\$11.72 each suite
School	\$73.21	\$80.53	\$88.58	\$88.58
Residences	\$8.80	\$9.68	\$10.65	\$97.44
Business/Residence Attached	\$8.80 min & \$8.80 min each residence	\$9.68 min & \$9.68 min for each residence	\$10.65 min & \$10.65 min for each residence	\$11.72 min & \$11.72 min for each residence
All Others	\$8.80	\$9.68	\$10.65	\$11.72

Council will work towards water and sewer work revenues that cover water and sewer works expenditures. Council will closely monitor expenditures and review the rates on an annual basis.

By planning the water and sewer rate increases ahead of time, residents and businesses will be able to prepare for and adjust to increases. Bylaws will be passed every second year to increase water and sewer rates or sooner if needed.

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The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the costs of the service. To accomplish this, the rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of every year of the planned rate increases, Council will review its policy to determine if revenues are covering costs. At that time, Council will also need to consider increases rates to build the reserves in order to cover future infrastructure maintenance and replacement costs.

This water and sewer works rate policy will works towards financially independent water and sewer works 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 utility works will reduce pressures on property taxes.

**CURRENT WATER AND SEWER RATES:**

On December 8, 2015, Council passed Bylaw No. 8/15 to fix the rates to be charged for the provision of water and sewer services:

**Monthly Water Rates:**

4,000 gallons or less	Minimum - \$39.60
Over 4,001 gallons	\$7.40 per 1,000 gallons or part thereof

**Monthly Sewer Service Charges:**

Cafes/Restaurants	\$14.63 minimum
Car Wash	\$8.80 minimum and \$3.30 for each stall over 1
Churches	\$8.80 minimum
Garages	\$8.80 minimum
Person Care Home/ Health Care Centre	\$73.21 minimum
Suites	\$8.80 minimum each
School	\$73.21 minimum
Residences	\$8.80 minimum
Business with Residences Attached	\$8.80 minimum and \$8.80 minimum for each residence
All Others	\$8.80 minimum

**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 so as to ensure the municipal waterworks provides safe drinking water and that wastewater is managed responsibly for residents and businesses. The strategy uses the 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 need to undertake, in the future, a combination of increasing water and sewer rates to build the utility reserves and if needed long term borrowing.

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.

The Council plans to replace the main water supply line that goes from the wells to the water treatment plant. The town's engineer, Pinter and Associates, has prepared the pre-design and detailed design for replacement of the raw water line. The engineer has estimated the cost for the replacement of this line to be approximately \$569,000. The project was approved for funding under the Clean Water and Wastewater Fund (CWWF). The federal government is funding 50% of the project, the province is funding 25% and the town is funding 25%. The town will fund their portion with a combination of the utility reserve and the capital trust fund which are that invested in a savings account and from the operating fund. The tentative date to start the project is the first part of June, 2017.

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**ANNUAL WATERWORKS FINANCIAL OVERVIEW:**

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

2016 Waterworks Overview:

**Does not include amortization:**

Total water and sewer revenues:	\$175,621
Operating expenditures:	\$123,772
Total debt payments on waterworks infrastructure loans:	nil

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

$$\frac{\$175,621}{\$123,772} = 1.42$$

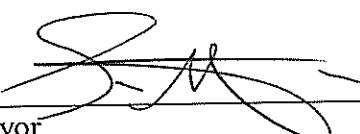
**RESERVES:**

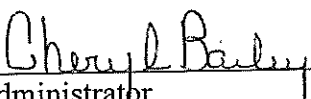
Reserves available for waterworks capital infrastructure are:  
Utility Reserve - \$99,131.43  
Capital Trust Fund - \$167,108.63

**WATERWORKS ASSESSMENT:**

The Round 3 Waterworks System Assessment required by the Saskatchewan Water Security Agency was completed on December 22, 2015 by Pinter & Associates Ltd. On January 5, 2016, Rodney Lemon, Environmental Project Officer deemed the assessment for the town complete and met the requirements of the Saskatchewan Water Security Agency Standard.

Council passed a resolution to accept this annual waterworks information on May 9, 2017.

  
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Mayor

  
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Administrator