

Village of Viscount

Date: August 16, 2017

WATERWORKS RATE POLICY

On May 10, 2017, Council passed a resolution on a waterworks rate policy.

1. All persons desiring to be supplied with water from the municipalities' water supply system shall make application to the officials of the municipality. Each application shall be accompanied by the payment of a connection fee in the sum of fifty (\$50.00) dollars.
2. All property owners desiring to have water from the municipalities' water supply system disconnected shall make an application to the officials of the municipality. Each application shall be accompanied by the payment of a disconnection fee in the sum of fifty (\$50.00) dollars
2. That the Village of Viscount set a one month minimum charge to each utility service connected or disconnected.
3. If the water supply is shut off from the premises of a user for infringement of the provisions of the Utility Bylaw, the water shall not be turned on until all penalties, fees and arrears, if any have been paid.
4. Water meters shall be billed monthly (per month) and accounts shall be rendered monthly (per month) to users of water from the municipalities water system.
5. The following monthly (per months) rates shall apply for the use of water and persons who own or occupy premises drained or that are by law required to be drained into the sewer shall pay for such services a rent or service charge:
 - (1) All Water Services
 - (a) Minimum charge of first 2000 gallons or portion thereof = \$56.00
 - (b) 4,001 gallons to 16,000 gallons or part thereof. \$5.25/1,000 gal
 - (c) Over 16, 001 gallons or part thereof..... \$5.75/1 000 gal
 - (2) All Sewer Services = \$14.00
 - (3) Infrastructure Fee = \$10.00
 - (4) Hauling direct from distribution plant per 1,000 gallons = \$25.00
6. The penalty on all water and/or sewer unpaid accounts shall be 2% of arrears amount per month and the water may be shut off.

Bylaws will be passed for the monthly water minimum rate charge from \$46.00 to \$56.00 effective July 1, 2017.

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.

Council will 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 waterworks reserves 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. 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 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.

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, once the water rates cover waterworks operating costs, and 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.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements as identified and prioritized in the 2011 waterworks assessment to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project Planned Year of Completion

2017 Cost Future Cost* Source of Funding

Water

Small Tools/Equipment	\$ 500
Clean reservoir	\$ 8,575
Service vertical pumps	\$15,405

The funding for these items will be taken from the 2017 utility revenue.

2017 Capital Works Project

New Water Plant – Complete \$986,073

Building Canada Fund Grant 33/33/33

Cost to Municipality \$328,691

2016 WATERWORKS AUDITED FINANCIAL OVERVIEW

Total 2016 waterworks revenues (as reported in the Financial Statements) (R) \$148,428

Total 2016 waterworks expenditures (as reported in the Financial Statements) (E) \$265,472

Total 2016 waterworks capital expenditures \$47,673

Total debt payments on waterworks infrastructure loans (D)

Debt issued: \$ 415,000

Debt repaid: \$284,560

For 2016, waterworks revenues did not cover 100 percent of the waterworks expenditures with a Net book value of \$912,596

RESERVES

Reserves available for waterworks capital infrastructure - \$50,000

ATTACHMENTS

- Attached is the 2015 waterworks system assessment, as required under section 35 of *The Water Regulations, 2002*.

- There is an agreement with the Village of Viscount and the Regional Operator for the Water Treatment Plant

2017 Waterworks budget

Revenue	\$132,880
Expenses	<u>\$163,919</u>
	(\$31,039)

Cleaning reservoir	\$8,575
Service vertical pumps	\$15,405

Loan Payment	\$53,094 (June 2017)
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FUTURE EXPENSES

Materials and Supplies \$5000