

**TOWN OF CANORA
2016 WATERWORKS RATE POLICY**

Rates and fees

According to the policy, the following monthly rates shall apply, as adopted under the bylaw dated November 2, 2010, to ensure that revenues cover operating, capital and debt repayment costs. No subsequent rate increases are planned at this time.

Where a water and sewer service connection is supplied by the Town:

0 to 2,000 gallons	minimum charge of \$35.00 for a one-month period
2,001 to 6,000 gallons	\$8.81 per 1,000 gallons
6,001 to 10,000 gallons	\$8.93 per 1,000 gallons
Over 10,000 gallons	\$9.08 per 1,000 gallons

Where a water service connection only is supplied by the Town:

0 to 2,000 gallons	minimum charge of \$32.00 for a one-month period
2,001 to 6,000 gallons	\$6.60 per 1,000 gallons
6,001 to 10,000 gallons	\$6.70 per 1,000 gallons
Over 10,000 gallons	\$6.80 per 1,000 gallons

Council will conduct an annual review of the waterworks policy to ensure revenues continue to cover operating, capital and debt repayment costs. By planning waterworks rates ahead of time, users will be able to prepare for and adjust to fluctuations. Bylaws will be passed when it is necessary to change the water rates.

How rates are determined

The rate established on November 2, 2010 currently generates sufficient revenues to cover operating, capital and debt repayment costs and provide for reserve building. Operating costs include staff wages and benefits, contracted services, heat, power, phone, insurance, repairs, maintenance, materials and supplies. Capital costs include both infrastructure maintenance and replacement projects. Debt repayment costs include annual debenture and long-term loan payments. When practical, any excess of revenues over expenses is designated for a water and sewer reserve fund.

Policy objective

The objective of the rate policy is to ensure waterworks are self-sustaining and that users bear the costs of the service. To facilitate this, rates need to generate revenues that cover operating, capital and debt repayment costs. Council will review its waterworks policy annually to determine whether or not revenues are covering costs. Council may consider increasing rates to fund reserves for future infrastructure costs, including water main replacements in 2016 and water well rehabilitation in 2017, as identified in the Town of Canora's five-year capital plan. This policy will maintain a financially independent waterworks that provides safe, quality drinking water.

**TOWN OF CANORA
2016 WATERWORKS CAPITAL INVESTMENT STRATEGY**

Objective

The objective of the capital investment strategy is to address anticipated infrastructure maintenance and replacement projects and ensure Canora's waterworks continues to provide safe, quality drinking water to all users, including the Canora Rural Public Utility Board. The strategy uses the 2015 waterworks assessment conducted by MPE Engineering, as required by Saskatchewan Environment, and the Town of Canora's five-year capital plan for infrastructure planning.

To meet the costs of future infrastructure maintenance and replacements, council will ensure water rates cover operating, capital and debt repayment costs and will endeavour to build water and sewer reserves.

Capital plan

A waterworks capital plan has been established to address infrastructure maintenance and

replacement projects as identified in the Town of Canora’s overall five-year capital plan. The current waterworks capital plan and planned sources of funding are as follows:

Project	Year	Estimated cost	Source of funding
Water main replacements	2016	525,000	Operating, LIP
SCADA and PLC replace	2016	88,000	Operating and reserves
Lagoon dredging	2016	50,000	Operating revenues
Replace WTP lift pump	2016	28,400	Operating revenues
Reservoir cleaning	2016	20,000	Operating revenues
VFD for golf course pump	2016	10,000	Operating revenues
Well rehabilitation	2017	80,000	Operating revenues
Install new well	2017	50,000	Operating revenues
Rebuild reservoir pump	2017	20,000	Operating revenues
Hydrovac curb stops	2017	6,000	Operating revenues
Water testing equipment	2017	5,000	Operating revenues
Water main replacements	2018	300,000	Operating, LIP
Well rehabilitation	2018	80,000	Operating revenues
Sewer lift upgrades	2018	40,000	Operating revenues
Rebuild reservoir pump	2018	20,000	Operating revenues
Manhole restoration	2018	18,000	Operating revenues
Hydrovac curb stops	2018	6,000	Operating revenues
PLC at WTP reservoir	2019	80,000	Operating revenues
Upgrade water filters	2019	80,000	Operating revenues
Water liner	2019	20,000	Operating revenues
Hydrovac curb stops	2019	6,000	Operating revenues

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe, quality drinking water.

ANNUAL FINANCIAL REVIEW

Total 2015 waterworks revenues (R): \$694,650
 Total 2015 waterworks expenditures (E): \$510,828
 Total 2015 debt payments on waterworks infrastructure loans (D): \$ 23,433

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

$$R / (E + D) = \text{ratio}$$

$$694,650 / (510,828 + 23,433) = 1.30$$

For 2015, waterworks revenues covered 100 per cent of waterworks expenditures.

Amount of 2015 revenues transferred out of the utility to general revenue: \$160,389

RESERVES

Reserves available for waterworks capital infrastructure: \$66,375

ATTACHMENTS

2015 Waterworks assessment, conducted by MPE Engineering, as required under Section 35 of *The Water Regulations, 2002*.

Canora Rural Public Utility Board agreement.