

**TOWN OF CANORA
2018 WATERWORKS RATE POLICY**

Rates and fees

According to the policy, the following monthly rates shall apply, as adopted under the bylaw dated December 5, 2017, to ensure that revenues cover operating, capital and debt repayment costs.

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

0 to 2,000 gallons	minimum charge of \$39.00 for a one-month period
2,001 to 6,000 gallons	\$9.69 per 1,000 gallons
6,001 to 10,000 gallons	\$9.82 per 1,000 gallons
Over 10,000 gallons	\$9.99 per 1,000 gallons

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

0 to 2,000 gallons	minimum charge of \$36.00 for a one-month period
2,001 to 6,000 gallons	\$7.26 per 1,000 gallons
6,001 to 10,000 gallons	\$7.37 per 1,000 gallons
Over 10,000 gallons	\$7.48 per 1,000 gallons

The charge for water drawn from a hydrant or bulk dispenser is \$22.19 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 December 5, 2017 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 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 upgrades to water mains and the backwash effluent system at the Water Treatment Plant 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
2018 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
Chlorine system upgrades	2018	123,000	Reserves, CWWF grant
Well rehabilitations	2018	100,000	Operating, New Deal fund
WTP effluent upgrades	2019	100,000	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
Water main replacements	2020	360,000	Operating, LIP
Well rehabilitation	2020	80,000	Operating revenues
Lagoon dredging	2020	50,000	Operating revenues
Install new well	2020	50,000	Reserves
Well rehabilitation	2020	80,000	Operating revenues
Install new well	2020	50,000	Reserves
Well rehabilitations	2021	80,000	Operating revenues
Reservoir cleaning	2021	20,000	Operating revenues
SCADA and PLC	2022	88,000	Operating and reserves
Replace WTP pump	2022	28,400	Operating revenues
Golf course pumps	2022	10,000	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 2017 waterworks revenues (R): \$715,044

Total 2017 waterworks expenditures (E): \$467,253

Total 2017 debt payments on waterworks infrastructure loans (D): \$ 23,005

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

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

$$715,044 / (467,253 + 23,005) = 1.46$$

For 2017, waterworks revenues covered 100 per cent of waterworks expenditures.

Amount of 2017 revenues transferred out of the utility to general revenue: \$224,786

RESERVES

Reserves available for waterworks capital infrastructure: \$86,375

ATTACHMENTS

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

Canora Rural Public Utility Board agreement.