

Town of Canora	Waterworks Rate Policy		
Date	Revision details	Department	Resolution
August 3, 2021	Original document	Utilities	21-207

### 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  
2021 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 Town of Canora’s asset management practices, including a 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:

<b>Project</b>	<b>Year</b>	<b>Estimated cost</b>	<b>Source of funding</b>
Well rehabilitations	2021	108,000	Operating and reserves
WTP effluent	2021	309,000	Operating and New Deal
Rebuild WTP pumps	2021	70,000	Operating and MEEP
WTP filter	2021	48,000	Operating and MEEP
SCADA and PLC	2022	88,000	Operating and reserves
Well rehabilitations	2022	80,000	Operating revenues
Replace WTP pump	2022	28,400	Operating revenues
Epoxy coating filters	2022	10,000	Operating revenues
Reservoir cleaning	2022	20,000	Operating revenues
Lift station rebuild	2023	100,000	Operating revenues
Lift station standby motor	2023	40,000	Operating revenues
Rebuild backwash pump	2023	25,000	Operating revenues
Distribution pump rebuild	2023	25,000	Operating revenues
WTP pipe chase rebuild	2023	15,000	Operating revenues
Well pump replacement	2023	10,000	Operating revenues
Ethernet at well field	2023	5,000	Operating revenues
Water main replacements	2024	300,000	Operating and LIP
Replace filter media	2024	100,000	Operating revenues
Well rehabilitations	2024	80,000	Operating revenues
Backup lift generator	2024	40,000	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 2020 waterworks revenues (R): \$810,707

Total 2020 waterworks expenditures (E): \$612,375

Total 2020 debt payments on waterworks infrastructure loans (D): \$ 35,617

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

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

$$810,707 / (612,375 + 35,617) = 1.25$$

For 2020, waterworks revenues covered 100 per cent of waterworks expenditures.

Amount of 2020 revenues transferred out of the utility to general revenue: \$162,715

### **RESERVES**

Reserves available for waterworks capital infrastructure: \$356,375

### **ATTACHMENTS**

Canora Rural Public Utility Board agreement.