

Town of Canora	Waterworks Rate Policy		
Date	Revision details	Department	Resolution
August 1, 2023	Original document	Utilities	23-183

### Rates and fees

According to the policy, the following monthly rates shall apply, as adopted under the bylaw dated December 21, 2021, 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 \$41.00 for a one-month period
2,001 to 6,000 gallons	\$11.14 per 1,000 gallons
6,001 to 10,000 gallons	\$11.29 per 1,000 gallons
Over 10,000 gallons	\$11.49 per 1,000 gallons

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

0 to 2,000 gallons	minimum charge of \$38.00 for a one-month period
2,001 to 6,000 gallons	\$8.35 per 1,000 gallons
6,001 to 10,000 gallons	\$8.48 per 1,000 gallons
Over 10,000 gallons	\$8.60 per 1,000 gallons

The charge for water drawn from a hydrant or bulk dispenser is \$25.52 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 21, 2021 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 2023 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>
Lift station rebuild	2023	200,000	Operating revenues
Communication upgrades	2023	20,000	Operating revenues
Well rehabilitations	2023	85,000	Operating revenues
Sewer lift cleaning	2023	24,000	Operating revenues
WTP intake header	2023	30,000	Operating revenues
Reservoir enclosure	2023	25,000	Operating revenues
Water main replacements	2024	300,000	Operating and LIP
Rebuild main lift station	2024	200,000	Operating revenues
Install new water wells	2024		Operating revenues
Lagoon dredging	2024	50,000	Operating revenues
Well rehabilitations	2024	80,000	Operating revenues
Sewer lift cleaning	2024	24,000	Operating revenues
Epoxy WTP filters	2024	15,000	Operating revenues
Replace WTP media	2025	72,000	Operating revenues
Lagoon dredging	2025	30,000	Operating revenues
Reservoir Pump 3	2025	25,000	Operating revenues
Main sewer lift backup	2025	60,000	Operating revenues
Sewer lift cleaning	2025	24,000	Operating revenues
Water main replacements	2026	400,000	Operating and LIP
Well rehabilitations	2026	85,000	Operating revenues
Reservoir cleaning	2026	20,000	Operating revenues
Sewer lift cleaning	2026	24,000	Operating revenues
Third Street lift generator	2026	30,000	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 2022 waterworks revenues (R): \$857,259

Total 2022 waterworks expenditures (E): \$668,606

Total 2022 debt payments on waterworks infrastructure loans (D): \$ 40,992

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

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

$$857,259 / (668,606 + 40,992) = 1.21$$

For 2022, waterworks revenues covered 100 per cent of waterworks expenditures.

Amount of 2022 revenues transferred out of the utility to general revenue: \$147,661

## **RESERVES**

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

## **ATTACHMENTS**

Canora Rural Public Utility Board agreement.