

2020 Waterworks Rate Policy

Date: August 10, 2021

Waterworks Rate Policy

On September 11, 2019, Council of the Town of Outlook passed Bylaw No. 09-19, to fix the rates to be charged for the use and consumption of water from the municipality's waterworks system and to fix the rates for the use of the sewer and to control and regulate the discharge of sewage into the municipality's sewage system.

Pursuant to Bylaw 09-19, Town of Outlook Residential, Industrial, Commercial and Institutional quarterly water rates are established as follows:

Quarterly Rates Effective January 1, 2021 to December 31, 2021

1. **QUARTERLY WATER RATES:**

20.0 Cubic Meters or less	Minimum \$ 110.00
Over 20.0 Cubic Meters	\$ 2.00 per cubic meter

2. **COIN OPERATED PIPE STAND:**

The following rate shall be charged to persons obtaining water from the coin operated water reservoir: \$2.75 per 1.00 cubic meter

3. **QUARTERLY WATER RATES FOR WATER SUPPLIED OUTSIDE THE MUNICIPALITY'S BOUNDARY PER SUBSCRIBER CONNECTION:**

20.0 Cubic Meter or less	Minimum \$110.00
Over 20.0 Cubic Meter	\$2.00 per cubic meter

Where water is supplied outside the Municipality's Boundary, a thirty-five percent (35%) Surcharge shall be added in each instance to the quarterly billings to assist the Municipality in the maintenance and operation of the water facilities.

4. **QUARTERLY INFRASTRUCTURE FEE:**

\$10.00 per connection

Utility Connections outside the Municipal Boundary will be subject to a \$10.00 infrastructure fee, with a thirty-five percent (35%) surcharge added in each instance to the quarterly billings to assist the Municipality in the maintenance and operation of the water facilities.

Quarterly Rates Effective January 1, 2022 to December 31, 2022

1. QUARTERLY WATER RATES:

20.0 Cubic Meters or less	Minimum \$120.00
Over-20.0 Cubic Meters	\$2.25 per cubic meter

2. COIN OPERATED PIPE STAND:

The following rate shall be charged to persons obtaining water from the coin operated water reservoir: \$3.25 per 1.00 cubic meter

3. QUARTERLY WATER RATES FOR WATER SUPPLIED OUTSIDE THE MUNICIPALITY'S BOUNDARY PER SUBSCRIBER CONNECTION:

20.0 Cubic Meter or less	Minimum \$ 120.00
Over 20.0 Cubic Meter	\$ 2.25 per cubic meter

Where water is supplied outside the Municipality's Boundary, a thirty-five percent (35%) Surcharge shall be added in each instance to the quarterly billings to assist the Municipality in the maintenance and operation of the water facilities.

4. QUARTERLY INFRASTRUCTURE FEE:

\$10.00 per connection within the municipal boundary

Utility Connections outside the Municipal Boundary will be subject to a \$10.00 infrastructure fee, with a thirty-five percent (35%) surcharge added in each instance to the quarterly billings to assist the Municipality in the maintenance and operation of the water facilities.

The objective of the waterworks rate policy is to work towards waterworks that are self-financing and sustainable, where the users pay for the cost of the service. To accomplish this, waterworks rates revenues cover operating costs and provide sustainable infrastructure needs. Council will annually review its waterworks policy to determine if revenues are covering costs, and to build utility services reserves in order to cover future infrastructure maintenance and replacement costs. This waterworks rate policy works 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 continue to provide safe drinking water. In addition, 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 and future infrastructure replacements in a timely fashion as 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.

In order to facilitate this strategy, Council passed Bylaw No. 02(2009), a Bylaw to Amend Bylaw No. 5(97), a Bylaw to Establish a Reserve Fund. The reserve fund was created for capital replacement of utilities, waterworks and sanitary sewer. This reserve fund is funded to be a monthly \$5.00 charge on

every Town-assessed water and sewer account, billed on a quarterly basis (\$15 per quarter). In addition, Bylaw 09-19 also provides for a quarterly \$10.00 per connection charge for infrastructure.

A grant application was submitted for an ICIP grant in 2019 for a new raw water intake and upgrades to the water treatment plant. This has been approved in 2020 for a total of \$5.3 million in funding from the two levels of government and expected \$1.9 million from the Town of Outlook for completion by June 30, 2024 with an announcement to come in 2021.

Annual Utility Services Overview

The following is information on the waterworks, as required under The Municipalities Regulations:

2020 Utility Services Overview:

Total Utility Services Revenues:	\$1,035,282
Total Utility Services Expenditures:	\$ 750,559
Total Debt Repayments on Waterworks	
Infrastructure loans	\$ 123,830
Ratio: (Waterworks Revenues/(Waterworks Expenditure + Waterworks Debt Repayment)	1.18

Reserves:

Reserves available for utility services capital infrastructure as at December 31, 2020 are as follows:

Utility Reserve	\$ 462,177
Water Reservoir Reserve	<u>\$ 791,043</u>
Total	\$1,253,220

The following additional information is available at the Municipal Office:

- A copy of the 2020 Waterworks Assessment Report pursuant to Section 35 of The Water Regulations, 2002, as required by Water Security Agency
- Capital infrastructure Report
- Current agreements respecting waterworks services