

2021 Waterworks Rate Policy

Date: August 31, 2022

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, 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 has been to work towards waterworks that are self-financing and sustainable, where the users pay for the cost of the service, we are pleased to say that this has come to fruition on an operation expenditure basis (including amortization). Unfortunately, much of the waterworks infrastructure is in need of replacement and/or significant maintenance. The Town of Outlook is accessing grants and loans to assist with replacement and maintenance. In addition, Town Council has ensured that there is ample room in the Waterworks operating budget to support loan payments and amortization expenses for infrastructure with higher value.

In order to ensure this, waterworks rates revenues cover operating costs and provide sustainable infrastructure needs through surpluses. Council annually reviews its waterworks policy to determine if revenues are covering costs, and to replace infrastructure annually as well as build utility services reserves in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy is successfully working with a sustainable financially independent waterworks that do not have to compete with other key municipal financial demands under the municipal general revenue fund. This ensures our waterworks continue to provide safe drinking water. In addition, rates that cover costs influence consumer demand and water conservation, and self-financing waterworks 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 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. These bylaws are up for review in the fall of 2022.

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.

Annual Utility Services Overview

The following is information on the waterworks, as required under The Municipalities Regulations: 2021 Utility Services Overview:

Total Utility Services Revenues:	\$1,202,279
Total Utility Services Expenditures:	\$ 686,468
Total Debt Repayments on Waterworks	

Infrastructure loans \$ 123,830

Ratio: (Waterworks Revenues/(Waterworks Expenditure + Waterworks Debt Repayment) 1.48

Reserves:

Reserves available for utility services capital infrastructure as at December 31, 2021 are as follows:

Utility Reserve \$ 534,752

Water Reservoir Reserve \$ 844,010

Total \$1,378,762

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 including Eastside Water Authority and Rudy Landing Water Authority