

# TOWN OF DUCK LAKE

## 2022 ANNUAL WATERWORKS INFORMATION POLICY

Resolution # 77/2023

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**DATE:** March 6th, 2023.

### WATERWORKS RATE POLICY

Bylaw #2019-09 was passed January 8<sup>th</sup>, 2020.

The current waterworks rate policy for 2023 is:

- the minimum rate charge of \$20.00 per month for a maximum of 1,000 gallons of water
- the per 1000-gallon water rate of \$5.00 for usage from 1001 to 2000 gallons of water.
- the per 1000-gallon water rate of \$15.00 for usage from 2001 gallons upwards.
- the flat sewer fee of \$20.00 for residential and multi-residential, \$25.00 for commercial low, \$50.00 for commercial high and \$115.00 for commercial/industrial and institutions plus 20% of water usage for all classes.
- a \$45.00 water infrastructure fee and a \$15.00 sewer infrastructure fee.
- These rates are to ensure that water & sewer works revenues cover water and sewer works operating costs.
- These rates will be reviewed annually.

**\*\*\* The Town is submitting a new 3 year water rate bylaw for approval, raising the water infrastructure fee \$3.00/annum for 2023, 2024 and 2025.\*\*\***

For waterworks, operating costs and expenditures include staff salaries, benefits, training, and the water well debenture, utilities, insurance, chemicals, equipment, and building maintenance. The major cost is the annual debenture payment.

In 2020, the Town, with the help of the Clean Water and Wastewater Fund, completed a capital project begun in 2019 which included a new sewer lift, generator, auto dialer and a new sewer pump. There have been no large capital projects since then. In 2023, the Town is spending over \$100,000.00 on well rehabilitation, which is a maintenance cost. There will also be well and water plant pumps and water meter heads that need to be purchased- these pumps and meter heads, although costly, do not meet the threshold for capital purchases and will be expensed as maintenance.

This waterworks rate policy should allow the Town to reserve some funding annually to help offset future waterworks infrastructure needs.

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time in relation to expenses, so that the revenues cover operating costs. Council will review its waterworks policy annually to determine if revenues are covering costs.

### WATERWORKS CAPITAL INVESTMENT STRATEGY

i) The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water collection for residents and businesses. The strategy uses the 2011 and 2015 Waterworks System Assessment as required by Saskatchewan Environment for infrastructure planning, which are used to plan future capital expenditures and to help the Town understand and plan for required funding sources. The 2020 Waterworks System Assessment was not required by the Water Security Agency and another is not required unless advised by water security. In 2015 The Town of Duck Lake completed a Water & Sewer Asset Management Plan. This Asset Management plan will be utilized by the Town of Duck Lake in future Capital Asset planning and Acquisitions. This plan is also being updated and, along with the 2015 WSA and the 2019 asset condition assessment and other Tangible Capital Asset information collected in the last few years, a comprehensive capital policy will be worked towards. The Town of Duck Lake intends to continue building reserve funds through budgeted revenue surpluses annually.

ii) The current waterworks capital plans and planned sources of funding are as follows.

Project	Year of completion	2022 cost	Future Cost	Sources of Funding
Sewer and water line replacement/repair.	Ongoing	\$67,781.16	Operating costs, Maintenance Costs	Budgeted Utility Annual Funding

**ANNUAL FINANCIAL OVERVIEW**

Total 2022 waterworks revenues (as reported in the Financial Statements and including sewer and grants)	\$372,506.15
Total 2022 waterworks expenditures (as reported in the Financial Statements and including sewer)	\$414,340.53
Total 2022 TCA additions costs	\$0
Total debt payments on waterworks infrastructure loans	\$62,126.20
Comparison of waterworks and sewer revenues to expenditures plus debt payments, expressed as a ratio	
	$\frac{\$372,696.15}{\$476,466.73} = .78 \text{ times}$

For 2022, waterworks and sewer revenues covered .78% percent of the waterworks and sewer expenditures. Many water meter heads reached end of useful life in 2022, which resulted in a decrease of water revenue, and there were a number of large water and sewer breaks in 2022.

**RESERVES**

Reserves available for waterworks capital infrastructure at December 31, 2022 \$284,190.96.

\*\*Note: in 2022, \$110,000.00 was borrowed from reserves for well rehabilitation. This reserve will be repaid with annual payments over the next 5 years\*\*

**OTHER AVAILABLE WATERWORKS INFORMATION**

- Engineering Assessments
- Drinking Water Quality and Compliance Report (Annual Notice to Consumers)
- Water Network Asset Management Plan
- Waterworks Quality Assurance Quality Control Policy
- Waterworks Emergency Plan
- Asset Condition Assessment