



**TOWN OF BALGONIE**

**WATERWORKS POLICY**

# Waterworks Rate Policy

*On November 10, 2014, Council passed a resolution on a waterworks rate policy to come into effect on January 1, 2015*

## Rates and Fees

### Bylaw No. 376/2014

- Adopted by resolution of Council of the Town of Balgonie on November 10, 2014.
- Bylaw 376/2014 is effective January 1, 2015 and upon receipt of the approval issued by the Saskatchewan Municipal Board, Local Government Committee.
- Under the waterworks rate policy resolution, the following schedule from the water and sewer bylaw set the water rates as follows:

#### 1. MONTHLY WATER RATES:

### TOWN OF BALGONIE SCHEDULE "A" TO BYLAW NO. 376/2014

#### **METERED PREMISES**

	<u>January 1, 2015</u>	<u>January 1, 2016</u>	<u>January 1, 2017</u>
3,330 Gallons Or Less	Minimum - \$57.15	Minimum - \$63.15	Minimum – 69.15
3,331 To 6,660 Gallons Both Inclusive	\$3.20 Per 1,000 Gallons Or Part Thereof	\$3.30 Per 1,000 Gallons Or Part Thereof	\$3.40 Per 1,000 Gallons Or Part Thereof
6,661 Gallons Or More	\$3.75 Per 1,000 Gallons Or Part Thereof	\$3.85 Per 1,000 Gallons Or Part Thereof	\$3.95 Per 1,000 Gallons Or Part Thereof

#### **UNMETERED PREMISES-RESIDENTIAL**

	<u>January 1, 2015</u>	<u>January 1, 2016</u>	<u>January 1, 2017</u>
Flat Rate	\$ 62.87	\$ 69.47	\$76.07

#### **UNMETERED PREMISES-NON RESIDENTIAL**

	<u>January 1, 2015</u>	<u>January 1, 2016</u>	<u>January 1, 2017</u>
Flat Rate 25% of unmetered premises - residential	\$ 15.72	\$17.37	\$19.02

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- No current capital water projects are planned for the Town of Balgonie. The Town completed a capital water infrastructure project in 2015. A transmission line from Pilot Butte, a new water reservoir and reverse osmosis infrastructure were completed as part of the Building Canada Fund.
- The Town of Balgonie purchases water from the Town of Pilot Butte Water Treatment Plant. The initial 2013 agreement was renegotiated in 2016.
  - The calculation for the purchase price of water from Pilot Butte is based on 2 components:
    - A constant capital cost of 202,881 per year for 30 years based on the capital cost to provide water to Balgonie within the water treatment plant.
    - An operational consumption rate which is based on the yearly operational costs which are attributable to treated water provide for Balgonie. This fee is determined on an annual basis and calculated as a percentage of the total operational costs of the Pilot Butte water treatment plant. These costs include wages, utilities, maintenance and direct costs for water and waste water treatment for the Pilot Butte water treatment plant.
  - The Town of Balgonie enhanced the Pilot Butte Water Treatment Plant with the installation of 2 reverse osmosis units, membranes and pumps for a total cost of \$2,270,780. The agreement recognizes that the Town of Balgonie will be credited 2/3 of this capital cost contribution when the need arises for further capital upgrades directly related to the production of water for the Town of Balgonie.
- The current utility rates are not maintaining the costs for providing water service.
- The deficit has been paid through the mill rate and reserve withdrawals.
- Waterworks operating costs include staff salaries, benefits and training; power, gas and telephone; water purchase; insurance; chemicals; repairs; maintenance; supplies; etc.

## **Objectives**

- The Town of Balgonie will evaluate the water and sewer costs annually. Currently, the costs to provide this service will be higher than the revenues due to the debts incurred for the recent water project. The mill rate will be used to subsidize the water works until the planned increases to the utility bills can match the expenses

## **Waterworks Capital Investment Strategy**

- No capital projects are planned at this time.



**2019 Financial Overview for Waterworks and Sewer**

The following is information for the Town of Balgonie waterworks as required under *The Municipalities Regulations*.

- Total water and sewer **revenues** – \$ **1,186,717**
- Total waterworks and sewer **expenditures**—\$ **1,725,660**
- Total debt repayment on waterworks and sewer infrastructure – \$ **272,291**
- Comparison of waterworks and sewer revenues to expenditures plus debt payments (expressed as a ratio)

$$\frac{1,186,717}{1,725,660 + 272,291 = 1,997,951} = .60$$

For 2019 waterworks and sewer revenues covered 60 % percent of the waterworks and sewer expenditures.

- Amount transferred out of the utility reserve to cover the deficit – \$ **280,000**
- Amount received in grants for capital wastewater project- \$516,000
- Amount of 2019 supplementary funding from general revenue required to cover expenditures \$ **15,200**
- Reserves available for waterworks capital infrastructure - \$ **345,700**
- The following additional information is available at the municipal office on the waterworks:
  - the Waterworks Rate Policy and capital investment strategy
  - 2018 financial overview of the waterworks
  - waterworks reserves
  - a copy of the 2004, 2011 and 2015 waterworks assessment reports

A copy of this information has been sent to the Ministry of Government Relations  
Municipal Infrastructure and Finance Financial Management Unit [waterworks@gov.sk.ca](mailto:waterworks@gov.sk.ca)

August 28, 2019

## Town of Balgonie

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### 2018 Waterworks Financial Overview

The following is information for the Town of Balgonie waterworks as required under *The Municipalities Regulations*.

- Total water and sewer **revenues** – \$ **1,082,508**
- Total waterworks and sewer **expenditures**—\$**1,624,766**
- Total debt on waterworks and sewer infrastructure – \$**4,169,709**
- Comparison of waterworks and sewer revenues to expenditures plus debt repayments (expressed as a ratio)
 
$$\frac{1,082,508}{1,624,766 + 263,091} = .57$$

For 2018, waterworks revenues covered 57% percent of the waterworks expenditures.

- Amount transferred out of the utility reserve to cover some of the capital construction cost and deficit – \$**376,500**
- Amount received in grants for capital wastewater project – \$**455,808**
- Amount of 2018 supplementary funding from general revenue required to cover expenditures —\$ **0**
- Reserves available for waterworks capital infrastructure - \$ **0** (includes water and sewer)
- The following additional information is available at the municipal office on the waterworks:
  - the Waterworks Rate Policy and capital investment strategy
  - 2017 financial overview of the waterworks
  - a copy of the 2004, 2011 and 2015 waterworks assessment reports