

WATERWORKS POLICY

Number: WW-001



Waterworks Rate Policy

On July 24, 2023 Council motion required to adopt the current Waterworks Rate Policy.

Rates and Fees

Bylaw No. 428/2021

- Adopted by resolution of Council of the Town of Balgonie on November 22, 2021.
- Bylaw 428/2021 was in effect January 1, 2022 and approval was received on December 2, 2021 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. WATER AND INFRASTRUCTURE RATES:

SCHEDULE A MONTHLY WATER RATES							
	BALGONIE				OUTSIDE BALGONIE		
Metered Premises -Residential, Community Service, Commercial	January 1, 2022	January 1, 2023	January 1, 2024		January 1, 2022	January 1, 2023	January 1, 2024
3,330 Gallons or less Minimum charge in Town	\$64.84	\$64.84	\$64.84		\$71.32	\$71.32	\$71.32
3,331 to 6,660 Gallons (inclusive)	\$4.50 per 1,000 Gallons or Part Thereof	\$4.75 per 1,000 Gallons or Part Thereof	\$5.00 per 1,000 Gallons or Part Thereof		\$4.50 per 1,000 Gallons or Part Thereof	\$4.75 per 1,000 Gallons or Part Thereof	\$5.00 per 1,000 Gallons or Part Thereof
6,661 to 16,650 Gallons (inclusive)	\$5.50 per 1,000 Gallons or Part Thereof	\$6.50 per 1,000 Gallons or Part Thereof	\$7.50 per 1,000 Gallons or Part Thereof		\$5.50 per 1,000 Gallons or Part Thereof	\$6.50 per 1,000 Gallons or Part Thereof	\$7.50 per 1,000 Gallons or Part Thereof
16,651 Gallons or More	\$8.00 per 1,000 Gallons or Part Thereof	\$9.00 per 1,000 Gallons or Part Thereof	\$10.00 per 1,000 Gallons or Part Thereof		\$8.00 per 1,000 Gallons or Part Thereof	\$9.00 per 1,000 Gallons or Part Thereof	\$10.00 per 1,000 Gallons or Part Thereof
Unmetered Premises	January 1, 2022	January 1, 2023	January 1, 2024		January 1, 2022	January 1, 2023	January 1, 2024
Flat Rate -Residential Mobile Homes	\$71.32	\$71.32	\$71.32		\$78.44	\$78.44	\$78.44
Flat Rate per apartment	\$45.39	\$45.39	\$45.39		\$49.93	\$49.93	\$49.93

SCHEDULE C QUARTERLY UTILITY INFRASTRUCTURE FEES				
	<i>Consumers with both water and sewer connection</i>		<i>Consumers with water only or sewer only connection</i>	
	January 1, 2022		January 1, 2022	
	Balgonie	Outside Balgonie	Balgonie	Outside Balgonie
Residence	\$45.00	\$50.00	\$25.00	\$25.00
Unit/Suite/Apartment-rate per unit	\$45.00	\$50.00	\$25.00	\$25.00
Community Service: School, Church, Non-Profit Organizations	\$45.00	\$50.00	\$25.00	\$25.00
Commercial	\$45.00	\$50.00	\$25.00	\$25.00
Additional Utility Infrastructure Fees:				
Hotel/Motel -per room	\$11.25	\$15.00	\$8.00	\$8.00
Commercial Showers -rate per shower stall	\$45.00	\$50.00	\$25.00	\$25.00
Commercial Laundry -rate per washing machine	\$45.00	\$50.00	\$25.00	\$25.00
Carwash	\$90.00	\$100.00	\$50.00	\$50.00
Restaurant/Beverage Room with seating capacity over 20 persons	\$45.00	\$50.00	\$25.00	\$25.00
School -rate per classroom	\$45.00	\$50.00	\$25.00	\$25.00

SCHEDULE D BULK WATER SUPPLY RATES	
WATER FILL STATION	\$3.75 PER 1.00 m3
VILLAGE OF EDENWOLD:	\$2.5657 PER 1.00 m3

- 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.
- In December 2020, the Town of Balgonie installed a bulk water supply fill station at the Water Treatment Plant located at 205 Railway Street West. The consumers obtain a Key Fob and account in order to access the water provided in the station. The water is prepaid by the consumer at the rate listed in Schedule D of Bylaw 428/2021.
- The Town of Balgonie completed a water supply connection and agreement to sell water to the Village of Edenwold in November 2021. The Village is billed monthly for the water provided the month prior at the rate included in Schedule D of Bylaw 428/2021. As part of the Agreement, the Town and the Village have reviewed the utility consumption and changed the rates as per the calculation terms of the Agreement. As of July 1, 2023, the rate increased from 2.5657/m3 to 2.8764/m3.
- 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.
- An extensive review of the water and sewer rates in 2021 resulted in changes to the rate structures.
 - The base water and sewer rates were reduced.
 - The overage rates are scheduled to be increase over 3 years. The increases will eventually recoup the expenses for provision of the excess water.

- Infrastructure fees were increased to designate specific funds to be placed into reserves for the water and sewer capital infrastructure replacement and repairs.
 - The changes to the rate structure over three years will move the utility from being subsidized by the General Levy to a fully funded model.
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- Waterworks operating costs include staff salaries, benefits and training; power, gas and telephone; water purchase; insurance; chemicals; repairs; maintenance; supplies; etc.
 - The rates for the Town of Balgonie from the Town of Pilot Butte have continued to rise to match inflationary operating costs. The Town of Balgonie will review the water rates and in 2023 to determine how to best adjust to the increased costs.

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.
- The infrastructure fees obtained from Schedule C of Bylaw 428/2021 will be placed into a utility reserve and used for future water and sewer capital infrastructure projects.
- The Town of Balgonie will contribute additional funds towards future capital infrastructure.

Waterworks Capital Investment Strategy

- An extension of the waterline from the west of Highway 46 to Highway 364 was completed in 2022 to service new development. Future developers will pay additional fees to the Town of Balgonie for connecting to this service. The connection rates will be calculated by an engineer following the completion of the project.
- In 2024, the water pumps are due to be replaced in the Water Treatment Plant at a projected cost of \$40,000.



2022 Financial Overview for Waterworks and Wastewater

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

- Total water and sewer **revenues – \$ 1,403,549**
- Total waterworks and sewer **expenditures—\$1,471,485**
- Total debt repayment on waterworks and sewer infrastructure – **\$301,879**
- Comparison of waterworks and sewer revenues to expenditures plus debt payments (expressed as a ratio)
- $$\frac{\$1,403,549}{\$1,471,485 + \$301,879} = \frac{\$1,403,549}{\$1,773,364} = .79$$

For 2022 waterworks and sewer revenues covered **79%** percent of the waterworks and sewer expenditures.

- Amount transferred out of the utility reserve to cover the deficit – **\$288,750**
- Amount of 2022 supplementary funding from general revenue required to cover expenditures **\$81,065**
- Reserves available for waterworks and wastewater capital infrastructure - **\$159,189**
- The following additional information is available, during regular office hours, at the municipal office on the waterworks:
 - The Waterworks and Wastewater Rate Policy and capital investment strategy
 - 2021 Financial Overview of the Waterworks and Wastewater
 - Waterworks and Wastewater reserves
 - A copy of the 2015 and 2020 Waterworks Assessment Reports



2021 Financial Overview for Waterworks and Wastewater

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

- Total water and sewer **revenues – \$1,324,894**
- Total waterworks and sewer **expenditures—\$1,208,303**
- Total debt repayment on waterworks and sewer infrastructure – **\$291,670**
- Comparison of waterworks and sewer revenues to expenditures plus debt payments (expressed as a ratio)
- $$\frac{1,324,894}{1,499,973} = .88$$

For 2021 waterworks and sewer revenues covered 88 % percent of the waterworks and sewer expenditures.

- Amount transferred out of the utility reserve to cover the deficit – **\$0**
- Amount of 2021 supplementary funding from general revenue required to cover expenditures **\$175,079**
- Reserves available for waterworks and wastewater capital infrastructure - **\$265,571**
- The following additional information is available, during regular office hours, at the municipal office on the waterworks:
 - The Waterworks and Wastewater Rate Policy and capital investment strategy
 - 2020 Financial Overview of the Waterworks and Wastewater
 - Waterworks and Wastewater reserves
 - A copy of the 2015 and 2020 Waterworks Assessment Reports



2020 Financial Overview for Waterworks and Wastewater

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

- Total water and sewer **revenues – \$ 1,263,385**
- Total waterworks and sewer **expenditures—\$ 1,302,317**
- Total debt repayment on waterworks and sewer infrastructure – **\$ 281,642**
- Comparison of waterworks and sewer revenues to expenditures plus debt payments (expressed as a ratio)

$$\frac{1,263,385}{1,583,959} = .80$$

For 2020 waterworks and sewer revenues covered 80 % percent of the waterworks and sewer expenditures.

- Amount transferred out of the utility reserve to cover the deficit – **\$ 306,741**
- Amount of 2020 supplementary funding from general revenue required to cover expenditures **\$ 13,833**
- Reserves available for waterworks and wastewater capital infrastructure - **\$54,546**
- The following additional information is available at the municipal office on the waterworks:
 - The Waterworks and Wastewater Rate Policy and capital investment strategy
 - 2019 financial overview of the waterworks
 - waterworks and wastewater reserves
 - a copy of the 2015 and 2020 waterworks assessment reports



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

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