

ANNUAL WATERWORKS INFORMATION

AVAILABLE TO THE PUBLIC ON TOWN WEBSITE (www.lumsden.ca)

The Municipalities Regulations (Part VIII, Sections 50 to 55)

Name of Municipality

Town of Lumsden

Date

November 1, 2008

ANNUAL FINANCIAL OVERVIEW – For the 2007 Year

The following is information on the Town of Lumsden Water and Sewer Utility, as required under *The Municipalities Regulations*.

Water and Sewer Utility Financial Overview:

For the Year 2007	Waterworks	Wastewater	Total
Revenues	\$625,747.	\$157,078.	\$782,825.
Expenditures	368,971.	65,430.	434,401.
Debt costs (<i>principal & interest</i>)	148,606.		148,606.
Surplus / (Deficit)	108,170.	91,468.	199,818.

Comparison of waterworks revenues to expenditures plus debt costs, expressed as a ratio is **1.21**

The waterworks revenues represented **121 percent** of the waterworks expenditures.

The following additional information on the utility operation is available at the municipal office for public viewing:

- In 2007 unspent loan proceeds of \$54,539. intended for the Well#5 project, were carried forward.
- Five year capital plan adopted by council and related project funding sources,
- 2005 Waterworks System Assessment Final Report.

WATER AND SEWER UTILITY – Transfers To or From

There were no transfers to or from the Water and Sewer Utility, only transfers within the utility and its reserve.

RESERVES – DECEMBER 31, 2007

The Water and Sewer utility showed reserves available for capital infrastructure of **\$195,732.**

WATERWORKS RATE POLICY

On June 27, 2005, Council passed a bylaw setting a waterworks rate policy.

The following per gallon water rates will be adopted for 2005 to 2011:

Effective Date	Per Gallon Rate	Estimated Monthly Charge
July 1, 2005	\$6.41 per 1,000 gallons	\$42.70
January 1, 2006	\$7.05 per 1,000 gallons	\$47.00
January 1, 2007	\$7.76 per 1,000 gallons	\$51.70
January 1, 2009	\$8.56 per 1,000 gallons	\$57.03
January 1, 2010	\$8.98 per 1,000 gallons	\$59.83
January 1, 2011	\$9.21 per 1,000 gallons	\$61.36

The per gallon water rates established in bylaw No. 5-2005, on July 1, 2005, was at that time deemed by council to be an acceptable rate for residents and businesses. The rate is on par with charges in neighboring municipalities. The rate increases ensure that revenues will cover the projected waterworks operating costs, beginning January 1, 2006. Council has recently passed Bylaw No. 3-2008 which establishes the rates for the next three year period ending 2011. Council will again in 2011 review its waterworks policy to determine if revenues are still covering costs. At that time, Council will also ensure rates are adequate to build utility reserves to cover future infrastructure maintenance and replacement costs. Council will closely monitor waterworks revenue and expenditures each year, as well review the impact of debt costs associated with infrastructure upgrades. By basing planned waterworks rate increases on costs projected for maintenance and infrastructure upgrades, residents and businesses will be able to prepare for and adjust to these increases. Bylaws passed will include the proposed multi year water rate changes.

The objective of the waterworks rate policy is to ensure that waterworks are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues will continue to cover operating costs. Expenditures in recent years have been significantly impacted by federal and provincial regulations intent on providing safe drinking water for consumers.

WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the waterworks capital investment strategy is to address the immediate drinking water infrastructure problems, anticipated waterworks infrastructure maintenance, and future infrastructure replacements, in a timely fashion so as to ensure the municipal waterworks provide safe drinking water to residents and businesses.

The strategy uses the waterworks system assessment report required by Saskatchewan Environment, and capital infrastructure needs identified by the municipality to develop a comprehensive capital works plan. Source funding models are developed to set rates and infrastructure charges at a level adequate to cover all costs associated with the plan.

The municipality has utility reserves that are adequate to cover planned replacement of the aging waterworks infrastructure, as well as, problems which may arise from time to time due to unexpected fatigue or failure.

Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address long term utility infrastructure replacement or upgrade needs called for in their five year capital plan.

In 2005 the municipality completed a waterworks assessment as required by *The Water Regulations*. This final report identified the “Study of groundwater to determine influence by surface water” (GUDI study), and a “Study to research chlorine contact times” (CT study) as future work the Town is recommended to include in their waterworks capital plan. This will help to ensure our waterworks continues to provide safe drinking water.

The goal of the capital works plan is to address recognized utility infrastructure deficiencies. Projects are identified and prioritized to ensure safe drinking water maintenance or upgrades have a higher priority. The current utility capital works plan and planned sources of funding are as follows:

Project / Year	Planned Year of Completion	Estimated Cost	Future Cost*	Source of Funding
GUDI study (groundwater under influence of surface water)	2007	10,000.	10,000.	Operations
Well #5	2007	\$325,000.	\$325,000.	Borrowing
Chlorine contact time (CT) study	2010	15,000.	16,400.	Operations
Lagoon upgrades re: regulations	2010	260,000.	284,100.	Grants/Borrowing

*Assuming a 3% rate of inflation per year.

Future projects in the capital works plan, will be prioritized based on what is needed to ensure safe drinking water.