

2015 ANNUAL WATERWORKS INFORMATION

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

Name of Municipality:	Town of Lumsden
Date:	August 31, 2016

ANNUAL FINANCIAL OVERVIEW – For the 2015 Year

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

Water and Sewer Utility Financial Overview:

For the Year 2015	Waterworks	Wastewater	Total
Revenues	\$ 531,238	\$ 695,331	\$ 1,226,570
Expenditures (incl. amortization)	567,920	165,546	733,466
Surplus / (Deficit)	(36,682)	529,785	493,104
Tangible Capital Asset costs	(51,119)	(69,986)	(121,105)
Less: Amortization costs	146,538	41,165	187,704
Debt costs (<i>principal</i>)	(52,735)	-	(52,735)
Net Profit / (Loss)	\$ 6,003	\$ 500,968	\$ 506,967

Comparison of waterworks revenues to expenditures (excluding amortization) plus debt costs, expressed as a ratio is 1.12

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

- Conceptual Study and Preliminary Design for the Wastewater Treatment Facility
- 2011 Waterworks System Assessment Final Report. The next report will be completed in 2016
- Water supply agreements

WATER AND SEWER UTILITY – Transfers To or From

For 2015 there were no transfers to or from the Water and Sewer Utility, only transfers within the utility and its reserve.

RESERVES – DECEMBER 31, 2015

The Water and Sewer utility has reserves available for future capital infrastructure of **\$976,343.64**

WATERWORKS RATE POLICY

On August 11, 2008, Council passed a bylaw setting a waterworks rate policy.

In 2011 Council passed a bylaw setting the Water and Sewer rates for the years 2012-2014, based on increases presented in the Administrator's report (Water rate 12% per year, Sewer rate 20%, for 2012 12% for 2013 and 12% for 2014)

The following per gallon water rates were adopted for 2012 to 2014: (based on 3,673 gallons per month

Effective Date	Per Gallon Rate	Estimated Monthly Charge
January 24, 2012 *	\$10.32 per 1,000 gallons	\$37.98
January 1, 2013	\$11.56 per 1,000 gallons	\$42.54
January 1, 2014	\$12.95 per 1,000 gallons	\$47.66

***Saskatchewan Municipal Board approval received on January 24, 2012**

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; including a new wastewater treatment facility, in a timely fashion so as to ensure the municipal waterworks system provides safe drinking water to residents and businesses and continued sustainable growth for the municipality.

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.

In 2011 the municipality engaged Associated Engineering to do a conceptual study and a preliminary design for a Wastewater Treatment Facility for the municipality. Due to the magnitude of the project and future infrastructure grant funding preferences for regional projects, other options are still being explored. The municipality has explored a regional project with the City of Regina to pipe sewage to Regina for treatment. Preliminary estimates show the capital cost for the pipeline project exceed the capital costs for the Wastewater Treatment Facility and the operational costs are relatively similar between both options at this point. The Town retained Stantec Consulting at the end of 2013 to select a treatment process and complete a preliminary design. The proposed new plant would replace the existing aerated lagoons and would be able to meet more stringent effluent discharge criteria set by the Water Security Agency (WSA). The municipality continues to pursue the Wastewater Treatment Facility, while keeping their options open.

In addition to completing a preliminary design on a wastewater treatment plant in 2014, the Town submitted a grant application to the New Building Canada Fund in December, 2014. The outcome of this grant application is expected to be announced in 2015, this funding is critical to the municipality being able to move forward with this project.

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
Fire Hydrant Replacement	2016	40,000	160,000	Current Operations
Mainline looping	2017		325,000	Utility Reserve
Sewage treatment plant – Detailed Design	2016	500,000		Debt 1/3 Grant 2/3
Water Meters	2016	5,000	20,000	Current Operations
Wastewater Treatment Plant Construction	2016-2017	22,000,000		Utility Reserve & Debt/ 2/3 Grant
Well #5 – GUDI Study	2016	15,000		Current Operations
River Park – Construction of Service Line	2017		150,000	
WTP Pumps	2018		50,000	Utility Reserve
Well #4 – Replacement	2018		250,000	Utility Reserve
Well #4 – Refurbishment	2017		25,000	

* Over the next four years after 2015. Future projects in the capital works plan, will be prioritized based on what is needed to ensure safe drinking water.