

2016 ANNUAL WATERWORKS INFORMATION

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

Name of Municipality:	Town of Lumsden
Date:	August 31, 2017

ANNUAL FINANCIAL OVERVIEW – For the 2016 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 2016	Waterworks	Wastewater	Total
Revenues	\$ 498,326	\$ 775,474	\$ 1,273,800
Expenditures (incl. amortization)	461,246	168,285	629,531
Surplus / (Deficit)	37,081	607,188	644,269
Tangible Capital Asset costs	(63,066)	(59,635)	(122,701)
Less: Amortization costs	147,390	41,044	188,434
Debt costs (<i>principal</i>)	(25,571)	-	(25,571)
Net Profit / (Loss)	\$ 95,834	\$ 588,597	\$ 684,431

Comparison of waterworks revenues to expenditures (excluding amortization) plus debt costs, expressed as a ratio is 1.23

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

- 2014 Preliminary Design Report – Wastewater Treatment Plant
- 2016 Waterworks System Assessment Final Report.
- Water supply agreements

WATER AND SEWER UTILITY – Transfers To or From

For 2016 there were no transfers to or from the Water and Sewer Utility, only transfers within the utility and its reserve.

RESERVES – DECEMBER 31, 2016

The Water and Sewer utility has reserves available for future capital infrastructure of **\$1,515,441.79**

WATERWORKS RATE POLICY

On October 11, 2016, Council passed a bylaw setting a waterworks rate policy.

In 2016 Council passed a bylaw setting the Water and Sewer rates for the years 2017-2019, based on anticipated increases from budgeted capital expenditures and operational increases.

The following per gallon water rates were adopted for 2017 to 2019: (based on 3,673 gallons per month

Effective Date	Per Gallon Rate	Estimated Monthly Charge
January 1, 2017	\$13.87 per 1,000 gallons; 3,000 gallons or less minimum \$41.61 per quarter	\$50.94
January 1, 2018	\$14.15 per 1,000 gallons; 3,000 gallons or less minimum \$42.45 per quarter	\$51.97
January 1, 2019	\$14.43 per 1,000 gallons; 3,000 gallons or less minimum \$43.29 per quarter	\$53.00

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 December 2013, the Town of Lumsden retained Stantec Consulting Ltd to provide conceptual options and preliminary design for a new Wastewater Treatment Plant (WWTP). The new plant, replacing the existing aerated lagoons, will be able to meet or exceed the effluent limits set by Water Security Agency (WSA).

The cost of the project is estimated to be a little more than 20 million dollars and will be cost shared with the Federal and Provincial governments. Each will contribute one third of the money required for completion of the new WWTP for the Town of Lumsden, up to a maximum of \$6,766,000 from each government partner. The detailed design for the plant got underway in late 2016.

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	2017	40,000	210,000	Current Operations
Mainline looping	2018	357,500		Utility Reserve 1/3 Grant 2/3
Wastewater Treatment Plant – Detailed Design	2017	500,000		Debt 1/3 Grant 2/3
Water Meters	2017	5,000	20,000	Current Operations
Wastewater Treatment Plant Construction	2018-2020		19,798,000	Utility Reserve & Debt/ 2/3 Grant
Well #5 – GUDI Study	2016	6,200		Current Operations
River Park – Construction of Service Line	2017		150,000	
WTP Pumps	2017	50,000		Utility Reserve
Laptop Replacement	2017	1,500		Current Operations
Well #4 – Refurbishment	2017	25,000		Utility Reserve

* Over the next four years after 2017. Future projects in the capital works plan, will be prioritized based on what is needed to ensure safe drinking water.