

**2018 ANNUAL UTILITY INFORMATION**  
AVAILABLE TO THE PUBLIC ON TOWN WEBSITE ([www.lumsden.ca](http://www.lumsden.ca))

<b>Name of Municipality:</b>	<b>Town of Lumsden</b>
<b>Date:</b>	September 23, 2019

**ANNUAL FINANCIAL OVERVIEW – For the 2018 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 2018	Waterworks	Wastewater	Total
Revenues (operating and capital)	\$ 563,135	\$ 837,834	\$ 1,400,969
Transfer from Utility Reserve	149,834	0	149,834
<b>Total Revenue From All Sources</b>	<b>712,969</b>	<b>837,834</b>	<b>1,550,803</b>
Operating Expenses (including amortization)	590,438	121,750	712,188
Capital Expenses (from TCA schedule)	230,910	168,300	399,210
Debt Repayment (principal only)	0	0	0
Transfer to Utility Reserve	0	375,654	375,654
Back Out Amortization	(160,368)	(45,232)	(205,600)
<b>Total Expenses</b>	<b>660,980</b>	<b>620,472</b>	<b>1,281,452</b>
<b>2018 Net Profit / (Loss)</b>	<b>51,989</b>	<b>217,362</b>	<b>269,351</b>

Comparison of utility revenues to expenditures (excluding amortization), expressed as a ratio is 1.21

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

- Engineered Drawings – Wastewater Treatment Plant
- 2016 Waterworks System Assessment Final Report
- Water supply agreements

**WATER AND SEWER UTILITY – Transfers To or From**

For 2018 there were no transfers of utility revenue out of the utility department, only transfers within the utility and its reserve.

**RESERVES – DECEMBER 31, 2018**

The Water and Sewer Utility has reserves available for future capital infrastructure of **\$2,231,990.68**

**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 - 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 anticipated waterworks infrastructure maintenance and future infrastructure replacements and additions; in a timely fashion so as to ensure the municipal waterworks system provides safe and adequate drinking water to residents and businesses to enable continued sustainable growth for the municipality.

The strategy uses the waterworks system assessment report required by Saskatchewan Ministry of 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 meet or exceed the effluent limits set by Water Security Agency (WSA). The cost of the project is expected to be \$20,603,139 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 to a maximum of \$6,766,000 from each government partner. Construction began in 2018.

The goal of the capital works plan is to address recognized utility infrastructure deficiencies. The current utility capital works plan and planned sources of funding are as follows:

<b>Project / Year</b>	<b>Planned Year of Completion</b>	<b>Estimated Cost</b>	<b>Future Cost</b>	<b>Source of Funding</b>
Fire Hydrant & Main Valve Replacement	2019	60,000	290,000	Current Operations
Water Meters	2019	75,000	225,000	Utility Reserve
Replace Truck #14	2019	40,000		Utility Reserve
Watermain Looping	2020	357,500		Utility Reserve 1/3, Grant 2/3
Sewage Lift Station	2021	825,000		Utility Reserve
Wastewater Treatment Plant	2021	20,603,139		Utility Reserve, Debt and 2/3 Grant