

## 2017 ANNUAL WATERWORKS 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>	November 3, 2018

### ANNUAL FINANCIAL OVERVIEW – For the 2017 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 2017	Waterworks	Wastewater	Total
Revenues	\$ 649,600	\$ 950,666	\$ 1,600,266
Expenditures (incl. amortization)	(601,088)	(82,947)	(684,035)
<b>Surplus / (Deficit)</b>	<b>48,512</b>	<b>867,719</b>	<b>916,231</b>
Tangible Capital Asset Costs	(70,007)	(874,834)	(944,841)
Debt Repayment (principal only)	(25,571)		(25,571)
Less Amortization	147,646	41,644	189,290
<b>Net Profit / (Loss)</b>	<b>\$ 100,580</b>	<b>\$ 34,529</b>	<b>\$ 135,109</b>

Comparison of waterworks revenues to expenditures (excluding amortization) plus debt costs, expressed as a ratio is 1.36

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 2017 there were no transfers to or from the Water and Sewer Utility, only transfers within the utility and its reserve.

#### RESERVES – DECEMBER 31, 2017

The Water and Sewer utility has reserves available for future capital infrastructure of **\$2,006,170.65**

#### 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 - 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 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 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 to a maximum of \$6,766,000 from each government partner. The detailed design for the plant got underway in late 2016. Construction will begin in 2018.

The goal of the capital works plan is to address recognized utility infrastructure deficiencies. Projects are identified and prioritized to ensure safe drinking water. 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
Water Meters	2017	5,000	20,000	Current Operations
Wastewater Treatment Plant Engineering	2017	875,000	713,738	Utility Reserve, Debt and 2/3 Grant
Water Treatment Plant Pumps	2018	180,000		Utility Reserve
Wastewater Treatment Plant Construction	2018-2020		18,709,262	Utility Reserve & debt and 2/3 Grant
Watermain Looping	2019	357,500		Utility Reserve 1/3, Grant 2/3

**Future capital projects will be prioritized based on what is needed to ensure safe drinking water.**