

## 2011 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 20, 2012

### ANNUAL FINANCIAL OVERVIEW – For the 2011 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 2011	Waterworks	Wastewater	Total
Revenues	\$ 436,177	\$ 438,083	\$ 874,259
Expenditures (incl. amortization)	453,192	159,893	613,085
<b>Surplus / (Deficit)</b>	<b>(17,015)</b>	<b>278,190</b>	261,175
Tangible Capital Asset costs	(21,173)	(265,589)	(286,763)
Less: Amortization costs	136,414	36,757	173,172
Debt costs ( <i>principal</i> )	(130,752)	-	(130,752)
<b>Net Profit / (Loss)</b>	<b>\$ (32,526)</b>	<b>\$ 49,358</b>	<b>\$ 16,832</b>

Comparison of waterworks revenues to expenditures (excluding amortization) plus debt costs, expressed as a ratio is 0.97

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

- Five year capital plan adopted by council and related project funding sources,
- 2011 Waterworks System Assessment Final Report. The next report will be completed in 2016

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

For 2011 there were no transfers to or from the Water and Sewer Utility, only transfers within the utility and its reserve.

#### RESERVES – DECEMBER 31, 2011

The Water and Sewer utility has reserves available for future capital infrastructure of **\$113,424**

#### 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%, 12% for 2013 and 12% for 2014)

The following per gallon water rates were adopted for 2012 to 2014: (based on 6,670 gallons per month

Effective Date	Per Gallon Rate	Estimated Monthly Charge
January 1, 2010	\$8.98 per 1,000 gallons	\$59.83
January 1, 2011	\$9.21 per 1,000 gallons	\$61.36
January 24, 2012 *	\$10.32 per 1,000 gallons	\$68.84
January 1, 2013	\$11.56 per 1,000 gallons	\$77.11
January 1, 2014	\$12.95 per 1,000 gallons	\$86.38

**\*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.

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. One potential regional project is to pipe sewage to Regina for treatment. The Town will be doing a comparative review of this option with the Wastewater Treatment Facility. The goal is to decide on the best option in the first part of 2013 and commence construction in 2014.

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
Portable generator	2012	\$ 40,000		Equipment Reserve
Laptop for plants	2012	1,500		Utility Reserve
Venting Generator	2012	8,000		Utility Reserve
Fire Hydrant Replacement	2012	25,000	\$ 127,628	Utility Reserve
Mainline looping	2012	20,000	116,025	Utility Reserve
Sewage treatment plant	2014		13,000,000	Debt 2/3 Grant 1/3
Completion of Lift Sewage	2012	25,000		Utility Reserve
Aerator at the Lagoon	2012	19,000		Utility Reserve
Sewer Mainline	2012	25,000	127,628	Utility Reserve

\* Over the next four years after 2012. Future projects in the capital works plan, will be prioritized based on what is needed to ensure safe drinking water.