

Town of Pilot Butte WaterWorks Rate Policy

On August 10, 2015, Council passed a resolution for the initial Waterworks Rate Policy.

Rates and Fees as per Bylaw 13-2021

- Adopted by resolution of Council of the Town of Pilot Butte on December 13, 2021.
- Approved by the Saskatchewan Municipal Board, Local Government Committee on February 3, 2022.
- Under the waterworks rate policy resolution, the following schedule from the Water Bylaw set the water rates as follows:

**Town of Pilot Butte
Bylaw No.13-2021
Schedule "A" Monthly Water Rates**

MONTHLY WATER UTILITY RATES – IN TOWN

WATER CONSUMPTION METERED RATE

Base Rate:

Up to 14.00 cubic meters	\$	47.05
Mobile Home Land Owner Base Rate		
Up to 1022.00 cubic meters	\$	3,434.65

Overage Rate:

14.00 to 27.00 cubic meters	\$	0.50	per cubic meter or part thereof
Over 27.00 cubic meters	\$	0.65	per cubic meter or part thereof
Mobile Home Land Owner Overage Rate:			
1095.00 to 1971.00 cubic meters	\$	0.50	per cubic meter or part thereof
Over 1971.00 cubic meters	\$	0.65	per cubic meter or part thereof

For Dwellings, Mobile Home, the water rates will be charged to the Mobile Home Land Owner. The base rate of \$47.05 is charged per mobile home dwelling and multiplied by the number of mobile home dwellings plus the water meter service rate for the water meter installed at the entrance of the parcel of land, plus additional monthly overage rates.

WATER CONSUMPTION NON-METERED RATE

Flat Rate: \$ 104.25 per unmetered property

The monthly water utility rates for Dwelling, Duplex, Dwelling, Multiple Unit, Dwelling and Dwelling, Townhouse and Commercial Business Premise, if more than one unit shall be charged:

- i. If individual water meters are installed for each unit - on an individual basis
- ii. If one entrance water meter is installed - as one billing for the multiple number of single units within the dwelling or premise.

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OUT OF TOWN MONTHLY WATER RATES

Base rate plus consumption per cubic metre

Base Rate per month	\$16,906.75
Plus consumption rate per cubic metre or part thereof	\$ 1.2767
For a combined monthly charge	

METER RATE

New Construction – Flat Rate: (based on size of meter installed)

5/8 inch meter	\$ 450.00 Maximum
1 inch meter	\$ 600.00 Maximum
2 inch meter	\$ 1,700.00 Maximum
3 inch meter	\$ 1,800.00 Maximum
4 inch meter	\$ 2,000.00 Maximum

New construction invoiced actual cost but not to exceed Bylaw Maximum

Waterworks rates were established based on the estimated operating costs, loan repayments and operating revenues to cover the annual costs. Developer fees are also used as a source of revenue, as well as the SIGI interest subsidy for the years 2011 to 2016. Reserves have been established to be used for the payment of future debt repayments from surplus from the utility and the receipt of developer fees.

The water rates were established by using a base rate which includes a minimum amount of water and pays for the fixed costs for the water utility. The rate over the minimum is at a rate to encourage conservation and generate more revenue.

Council will continue to review the rates and consider a greater increase as investment in the utility reserve account for capital projects and replacement.

The water rate established was chosen to be an acceptable rate for residents and businesses.

- The rate covers the waterworks operating costs for plant operator salaries, maintenance, energy, chemicals, power, as well as setting aside funds membrane replacement fund, capital replacement fund and the annual loan debt repayments for water meters.
- The table below shows the estimated monthly minimum charges that reflect the rate to demonstrate the impact on residents and businesses with metered premises:

Using the average consumption of 95 gallons per person per day (as per Bullee Consulting Survey of 114 Saskatchewan communities) the average household of 3 persons would use 285 gallons per day (8550 gallons per month) (38.86 c. meters), the waters meters will read in cubic meters, with the typical billing shown as follows:

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Base Rate	0-3080 gal (0-14.00 c. m.)	3300--5940 gal. (15-27 c. m.)	Over 5940 gal. (Over 27 c. m.)		
		\$.50 per c.m	\$.65 per c.m	\$	Billing per Month
\$47.05	\$0.00	\$6.50	\$7.71		\$61.26

Objectives

- The objective of the water works rate policy is to maintain waterworks that are self-financing, where the users pay for the service. To accomplish this, the water works rates need to be reviewed and increased as necessary to cover the annual operating costs in addition to generating a surplus. The newly constructed wells/pipeline, water treatment plant, reservoirs and distribution system have a service life of 10-40 years. Future infrastructure maintenance and replacement costs will be covered in part by the development fees.

- Financially independent waterworks do not have to compete with other municipal demands under the municipal general revenue fund. Achieving and maintaining a self-financing water works system ensures that our waterworks can provide safe drinking water. Rates that cover costs will influence consumer demand and water conservation.

Waterworks Capital Investment Strategy

On June 23, 2014, Council passed a resolution on the Capital Investment Strategy.

Objectives

- The objective of the waterworks capital investment strategy is to address anticipated waterworks maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely manner so as to ensure the municipal waterworks provides safe drinking water to residents and businesses, as we grow.

- To cover the costs of future waterworks infrastructure maintenance, replacements and additions, Council will need to adjust the development fees, increase water rates for water reserves and long term borrowing as required.

- This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital Projects –Identified and Prioritized

- Capital plans have been established to address the waterworks requirements, to ensure safe drinking water, for the future. The current water works capital plans and planned sources of funding is as follows:

Project	<u>Completion Year</u>	<u>2021 Cost</u>	<u>5% rate of inflation annually Future Cost</u>	Source of Funding
WTP Loan	2025	\$379,093		Water Utility Rate



2021 Waterworks Financial Overview

August, 2022

The following is information for the Town of Pilot Butte Waterworks as required under the *The Municipalities Regulations*.

❖	Total Waterworks Revenue:	\$1,102,748
❖	Total Waterworks Expenditures:	\$ 532,432
❖	Total Debt Payments:	\$1,061,077

Comparison of Waterworks revenue to expenditures and debt payments, (expressed as a ratio):

$$\frac{1,102,748}{1,593,509} = .70$$

- ❖ Amount transferred out of Appropriated Reserves to pay out Local Improvement Loan: \$297,251
- ❖ Amount of 2021 funding from water utility rate: \$93,510
- ❖ Amount transferred into Appropriated Reserves for future membranes from general revenue: \$100,00
- ❖ Amounts transferred into Development Fee Reserves for future water capital from current year Development Fees paid: \$116,592
- ❖ Total Reserves available for waterworks capital infrastructure: \$1,778,753

- ❖ The following additional information is available at the Town Office on the waterworks:
 - The Waterworks Rate Policy and Capital Investment Strategy
 - Capital plans in place and related sources of funding for the projects
 - A copy of the 2018 Waterworks System Assessment
 - Waterworks reserves

- ❖ Information as required under Section 54 of The Municipalities Regulations, is provided to the public through the Town of Pilot Butte website.

*A copy of the information has been sent to
Saskatchewan Ministry of Government Relations, Municipal Infrastructure and Finance*

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2020 Waterworks Financial Overview

September 8, 2021

❖	Total Waterworks Revenue:	\$1,031,769
	Total Waterworks Expenditures:	\$325,682
	Total Debt Payments:	\$904,315

Comparison of Waterworks revenue to expenditures and debt payments, (expressed as a ratio):

$$\frac{1,031,769}{1,229,997} = .84$$

- ❖ Reserves available for waterworks capital infrastructure: \$1,562,161

- ❖ The following additional information is available at the Town Office on the waterworks:
 - The Waterworks Rate Policy passed in 2020 and capital investment strategy passed in 2014
 - Capital plans in place and related sources of funding for the projects
 - A copy of the 2018 Waterworks System Assessment
 - Waterworks reserves

- ❖ Information as required under Part VIII, Section 55 of The Municipalities Regulations, is provided to the public through the Town of Pilot Butte website.

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