**TOWN OF BRUNO**

**ANNUAL WATERWORKS INFORMATION POLICY**

**POLICY 02/2019 Resolution: 281/2019**

**DATE:** August 20, 2019

**WATERWORKS RATE POLICY**

Bylaw #07/2018 was passed August 21st, 2018 for the 2019 year.

The waterworks rate policy for 2019 is:

* the minimum rate charge of $137.31 per quarter for a maximum of 5,000 gallons of water
* the per 1000-gallon water rate of $23.81 for usage above the 5,000-gallon minimum are rates for 2019;
* A flat rate fee for sewer service at $137.31 per quarter,
* a total minimum of $274.62 per quarter.
* These rates were to ensure that water & sewer works revenues cover water and sewer works operating costs.

**THE WATERWORKS RATE POLICY FOR 2020**

The Town of Bruno at its August 2019 meeting will pass a Bylaw to update the rates to be charged for the use and consumption of water and sewer for 2020.

The waterworks rate policy for 2020 will be:

* the minimum rate charge of $151.04 per quarter for a maximum of 5,000 gallons of water
* the per 1000-gallon water rate of $26.19 for usage above the 5,000-gallon minimum are rates for 2020;
* A flat rate fee for sewer service at $151.04 per quarter,
* a total minimum of $302.08 per quarter.
* These rates will to ensure that water & sewer works revenues cover water and sewer works operating costs.

For waterworks, operating costs and expenditures include staff salaries, benefits, training, and water from SaskWater, utilities, insurance, chemicals, equipment, and building maintenance. The major cost is of purchasing treated river water from SaskWater.

This waterworks rate policy should allow the Town to reserve some funding annually to help offset future waterworks infrastructure needs.

Below provides the planned flat rate for 5,000 gallon rate and the per 1000 gallon water rate projected increases over five years from 2018.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Estimated** | **Estimated** | **Estimated** |
|  | Per 1000 gallon rate | Per 1000 gallon rate | **Quarterly Water** | **Quarterly Sewer** | Total |
| **Date** | Minimum  5,000 | Above 5,000 minimum | **Charge (minimum)** | **Charge**  **(minimum)** | Charge  (minimum) |
| January 1. 2018 10% | $16.64/1000 | $21.65/1000 | **$124.82** | **$124.82** | $249.64 |
| January 1,2019 10% | $18.30/1000 | $23.81/1000 | **$137.31** | **$137.31** | $274.62 |
| January 1, 2020 10% | $20.13/1000 | $26.19/1000 | **$151.04** | **$151.04** | $302.08 |
| January 1, 2021 10% | $22.14/1000 | $28.81/1000 | $166.14 | $166.14 | $332.28 |
| January 1 2022 10% | $24.35/1000 | $31.68/1000 | $182.75 | $182.75 | $365.50 |

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time in relation to expenses, so that the revenues cover operating costs. Council will review its waterworks policy annually to determine if revenues are covering costs.

**WATERWORKS CAPITAL INVESTMENT STRATEGY**

i) The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water collection for residents and businesses. The strategy uses the 2011 and 2015 Waterworks System Assessment as required by Saskatchewan Environment for infrastructure planning. In 2018 The Town of Bruno completed a Sanitary & Storm Network Asset Management Plan as well as a Water Network Management Plan. These Asset Management plans will be utilized by the Town of Bruno in future Capital Asset planning and Acquisitions. The Town of Bruno intends to continue building our reserve fund through budgeted revenue surpluses annually.

ii) The current waterworks capital plans and planned sources of funding are as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Project | Planned year of completion | 2019 cost | Future Cost\* | Sources of Funding |
| Hydrant replacements | 2018 - 2027 | $18,000 | $180,000 | Budgeted Utility Annual Funding |
| Variable Frequency Device | 2018 | $25,000 | Running cost, Maintenance costs | Budgeted Utility Annual Funding |
| 10 HP Pump | 2018 | $25,000 | Running costs,  Maintenance Costs | Budgeted Utility Annual Funding |
| 10 HP Pump | 2019 | $25,000 | Running costs,  Maintenance Costs | Budgeted Utility Annual Funding |
| 100m Sewer Extension | 2019 | $30,000 | Maintenance costs | Gas Tax Fund  Budgeted Utility Annual Funding |
| Header | 2022 | $25,000 | Maintenance costs | Gas Tax Fund  Budgeted Utility Annual Funding |
| Lift Station Upgrade | 2023 | $85,000 | Running costs,  Maintenance costs | Gas Tax Fund  Budgeted Utility Annual Funding |
| South Water Loop | 2023 | $150,000 | Maintenance costs | Gas Tax Fund  Budgeted Utility Annual Funding |

**ANNUAL FINANCIAL OVERVIEW**

Total 2018 waterworks revenues (as reported in the Financial Statements and including sewer) $393,086.00

Total 2018 waterworks expenditures (as reported in the Financial Statements and including sewer) $262,209.00

Total debt payments on waterworks infrastructure loans $0

Comparison of waterworks and sewer revenues to expenditures plus debt payments, expressed as a ratio

$393,086.00 = 1.49 times

$262,209.00

For 2018, waterworks and sewer revenues covered 149% percent of the waterworks and sewer expenditures.

**RESERVES**

Reserves available for waterworks capital infrastructure at December 31, 2018 $108,273.29

**OTHER AVAILABLE WATERWORKS INFORMATION**

Engineering Assessments

Drinking Water Quality and Compliance Report

Water Network Asset Management Plan

Waterworks Quality Assurance Quality Control Policy