



Council Presentation Item

August 17th, 2015

Reeve and Councillors

Re: 2014 Waterworks Financial Overview

Sections 55(3) & 54 of *The Municipalities Regulations* require that each municipality make the following information available to the public through its municipal office:

- 1) Waterworks 2014 total revenues, expenditures and debt payments
- 2) Waterworks ratio of revenues to expenditures plus debt payments
- 3) Waterworks rate policy and capital investment strategy
- 4) Waterworks Current Reserves
- 5) Most recent waterworks assessment as required by Saskatchewan Environment
- 6) Waterworks Capital Plans for infrastructure and sources of funding
- 7) Any agreements respecting the provision of waterworks services

Recommendation:

Administration recommends that Council approve the attached waterworks information package as presented and allow the waterworks information package to be made available to the public via the RM of Corman Park's Website.

2014 Waterworks Financial Overview:

- Total waterworks revenue (R) - \$416,952
- Total waterworks expenditures (E) - \$391,655
- Total debt payments on waterworks infrastructure loans (D) – 0
- Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio –

$$\frac{(\$416,952)}{(\$391,655)} = 1.06$$

(Calculation excludes capital investment for new infrastructure)

For 2014, waterworks revenues covered 106% of the waterworks operational expenditures.

Waterworks Reserves for Period Ending December 31st, 2014

Battleford Trail Water System	(\$49,589.90)
Grasswood Water System	\$107,618.38
Casa Rio Water System	(\$320.60)
Riverside Water System	\$39,083.15
Industrial Park Water System	\$8,415.02
West Well System	\$385.06
North Well System	\$3,084.53
Clarence Well System	(\$3,377.80)
33 rd St Well System	<u>\$7,801.51</u>
Total Waterworks Reserve	\$113,099.35

Capital Investment Strategy

Currently, 5% of water billings from operations are being allocated to fund our long-term capital projects. Also, funds are available from the hamlet reserve (\$793,038.56) to use for various water system upgrades. If organized hamlets do not have the available reserves to cover expenses, any shortfalls will be covered by the RM of Corman Park and the organized hamlets are expected to reimburse the RM over a 5 year period through future reserve drawings or a special levy to water systems users. Additional funds required will be taken from the RM's yearly operational surplus or reserves.

Capital Plan for Waterworks Infrastructure Projects and Sources of Funding

Public Works recommends the following waterworks capital projects to be completed:

Forecasted Waterworks Project Costs:	<u>Timeframe</u>	<u>Amount</u>
Grasswood/Casa Rio Meter Installation	15 Years	\$300,000
Casa Rio Flush Out System	12 Years	\$175,000
Grasswood Generator	2016	\$110,000
Grasswood Variable Frequency Device (VFD)	2016	<u>\$50,000</u>
Total Capital Project Expenditures		\$635,000

Forecasted Sources of Funding:	<u>Amount</u>
NPV of \$25,000 Annual Reserve Allocation over 15 Years at 3% Rate of Return	\$273,448
Casa Rio Hamlet Reserve as of December 31 st , 2014	\$163,133
Grasswood Water System Reserve as of December 31 st , 2014	\$107,618
Grasswood Generator (Frontage Levy or Reserve Transfer)	<u>\$110,000</u>
Total Sources of Funding	\$654,199