



## Council Presentation Item

August 21, 2017

Reeve and Councillors

**Re: 2016 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 2016 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.

### **2016 Waterworks Financial Overview:**

- Total waterworks revenue (R) \$563,752
- Total waterworks expenditures (E) \$664,150
- Total debt payments on waterworks infrastructure loans (D) – 0
- Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio –

$$\frac{(\$563,752)}{(\$664,150)} = 0.85$$

For 2016, waterworks operational revenues were unable to meet our 1.10 benchmark of the waterworks operational expenditures due to the following expense items:

- 1) Grasswood Water System water line break at a cost of \$76,510
- 2) Grasswood Water System curbstop repairs of \$19,658
- 3) Riverside Water System curbstop repairs of \$9,001

### **Waterworks Reserves for Period Ending December 31<sup>st</sup>, 2016**

Battleford Trail Water System	\$2,136.01
Grasswood Water System	\$60,811.34
Casa Rio Water System	\$86,468.08
Riverside Water System	(\$124,532.16)
• (2014) Curbstop Upgrade	\$9,159.45
• (2015) Excavation Repair	\$34,517.26
• (2015) UPS Instrumentation Equipment	\$2,622.38
• (2015) Pump-out Surcharge	\$9,072.00
• (2015) Electrical Repair on Pumphouse	\$2,816.93
• (2015) Curbstop Upgrade	\$5,638.56
• (2016) Sampling Equipment	\$26,736.40
Industrial Park Water System	\$7,388.43
West Well System	\$1,855.85
North Well System	\$4,777.21
Clarence Well System	(\$8,007.28)
33 <sup>rd</sup> St Well System	<u>\$11,160.08</u>
Total Waterworks Reserve	\$42,057.56

**Capital Investment Strategy**

Our current investment strategy is to allocate 10% of water billings to long-term capital projects. Also, funds are available from the hamlet reserve (\$1,298,616) 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:

<b>Forecasted Waterworks Project Costs:</b>	<b><u>Timeframe</u></b>	<b><u>Amount</u></b>
Grasswood/Casa Rio Meter Installation	15 Years	\$300,000
Casa Rio Flush Out System	12 Years	<u>\$155,000</u>
Total Capital Project Expenditures		<b>\$455,000</b>

<b>Forecasted Sources of Funding:</b>	<b><u>Amount</u></b>
Future NPV of \$20,000 Annual Reserve Allocation over 15 Years at 3% Return	\$371,978
Casa Rio Hamlet Reserve as of December 31 <sup>st</sup> , 2016	\$86,468
Grasswood Water System Reserve as of December 31 <sup>st</sup> , 2016	<u>\$60,811</u>
Total Sources of Funding	<b>\$519,257</b>