



## Council Presentation Item

August 15th, 2016

Reeve and Councillors

Re: **2015 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 2015 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.

**2015 Waterworks Financial Overview:**

- Total waterworks revenue (R) - \$514,571
- Total waterworks expenditures (E) - \$546,420
- Total debt payments on waterworks infrastructure loans (D) – 0
- Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio –

$$\frac{(\$514,571)}{(\$546,420)} = 0.94$$

(Calculation excludes capital investment for new infrastructure)

For 2015, waterworks operational revenues were unable to meet our 1.05 benchmark of the waterworks operational expenditures due to the following expense items:

- 1) Industrial Park Water System had a water line break at a cost of \$5,409.04
- 2) Battleford Trail Water System had a water line break at a cost of \$3,111.52
- 3) Grasswood Water System had a water line break at a cost of \$8,098.00
- 4) Riverside Water System had a pressure leak and excavation repair at a cost of \$34,517.26

**Waterworks Reserves for Period Ending December 31<sup>st</sup>, 2015**

Battleford Trail Water System	\$1,736.61
Grasswood Water System	\$149,242.41
Casa Rio Water System	\$36,376.87
Riverside Water System	(\$59,341.05)
Industrial Park Water System	\$5,680.67
West Well System	\$1,004.33
North Well System	\$4,434.14
Clarence Well System	(\$6,191.63)
33 <sup>rd</sup> St Well System	<u>(\$1,186.82)</u>
Total Waterworks Reserve	\$131,755.53

**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 (\$428,690.41) 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	\$155,000
Grasswood Generator	2016	<u>\$110,000</u>
Total Capital Project Expenditures		<b>\$565,000</b>

<b>Forecasted Sources of Funding:</b>	<b><u>Amount</u></b>
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 <sup>st</sup> , 2015	\$36,377
Grasswood Water System Reserve as of December 31 <sup>st</sup> , 2015	\$149,242
Grasswood Generator (Frontage Levy or Reserve Transfer)	<u>\$110,000</u>
Total Sources of Funding	<b>\$569,067</b>