

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR *(As required under The Municipalities Regulations)*

Name of Municipality	CITY OF MARTENSVILLE
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Date	August 25, 2017
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WATERWORKS RATE POLICY

On May 2, 2017 Council passed a resolution on a waterworks rate policy.

(Describe the waterworks rates and fees charged by the municipality, including the price per unit.)

Under the waterworks rate policy resolution (Consumer Utility Rates Amendment Bylaw 5-2017), there is a monthly flat rate of \$12.00 plus an additional \$17.57 for every 1,000 gallons consumed and will continue as established under the Consumer Utility Rates Bylaw No. 21-2004 dated August 17, 2004. Council annually reviews these rates and will, at the very least, take inflationary factors into account to ensure water and sewer revenues cover water and sewer expenses. Other than years where extraordinary capital expenditures have taken place, operating revenues have by and large covered operating expenses. Council will continue to monitor rates to ensure this practise continues to the extent possible.

(Describe how the waterworks rates and fees are determined, including the types of costs used for determining the rates and fees.)

The current water rate structure was established in August 2004. The current water and sewer rates generate enough revenue to cover water and sewer operating expenses as well some capital expenditures. Operating costs include staff salaries, benefits and training; electricity; natural gas; insurance; chemicals; repairs; maintenance; supplies; etc. No major infrastructure projects are scheduled for 2017. The City of Martensville purchases its water supply from SaskWater as per agreement. After the determination of expenditures and any price increase from SaskWater, the City applies the rate increase.

(Describe the objectives of the waterworks rate policy)

The objective of the waterworks rate policy is to ensure that the water and sewer utility continues to pay for the cost of service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. The proposed rate increases will cover Sask Water rate increases, inflationary increases and build the Utility Reserve Fund account to help address future infrastructure maintenance and replacement costs.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On an annual basis, Council reviews and approves a five year capital plan for waterworks infrastructure.

(Describe the objectives of the waterworks capital investment strategy.)

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and the timely replacement of that infrastructure to ensure a continued abundant, safe drinking water to all residents and businesses. Over the past several years, whenever there is a large surplus, the City of Martensville has set aside reserves for future capital expenditures. The cost of future waterworks infrastructure replacement will likely need a combination of increasing water rates to further build reserves, funding from senior governments, long term borrowing and, in extreme situations, local improvement levies.

(Describe how capital plans are determined, including how they are identified and prioritized. Indicate the sources of funding for waterworks infrastructure projects.)

Capital plans have been established to address potential waterworks infrastructure deficiencies and replacements. In August 2016, Catterall & Wright Consulting Engineers prepared a Waterworks System Assessment Report which indicated that the general condition of the Martensville water facilities is good. No immediate risks or issues were identified.

The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2017 Cost	Future Cost*	Source of Funding
Lagoon Upgrades	2019 ('17 start)	N/A	\$3,002,000	General Revenue, New Build Canada Program
Lagoon Control Facility	2019 ('17 start)	N/A	\$3,375,000	General Revenue, New Build Canada Program
Waste Water to Saskatoon Discharge & Treatment	2019 ('17 start)	N/A	\$6,305,125	General Revenue, New Build Canada Program
Water Supply Main from Saskatoon	2019 ('17 start)	N/A	\$7,481,756	General Revenue, New Build Canada Program
Sewage Lift Station 1 (Impeller Pump 1)	2017	\$20,000	\$20,000	General Operating Revenue
Sewage Lift Station 2 (Impeller Pump 1)	2018	N/A	\$30,000	General Operating Revenue
Sewage Lift Station 1 (Impeller Pump 2)	2019	N/A	\$20,000	General Operating Revenue
Sewage Lift Station 2 (Impeller Pump 2)	2020	N/A	\$30,000	General Operating Revenue

*For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe, abundant drinking water and funding available to undertake such projects.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2016 water and sewer revenues (as reported in the Financial Statements) (R) - \$4,837,493
Total 2016 water and sewer expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$4,090,755
Total principal debt payments on waterworks infrastructure loans (D) - \$507,217
Comparison of water & sewer revenues to expenditures plus debt payments expressed as a ratio - $\frac{(\$4,837,493)}{(\$4,090,755)+(\$507,217)} = 1.05$
If needed, an explanation of the ratio. (Examples could include reasons for variation from other years; unusual expenditures, revenues or volume; new infrastructure debt, etc.) For 2016, water and sewer revenues covered 105 percent of the water and sewer expenditures.
Amount of 2016 water & sewer revenues transferred out of the utility, specifying where the revenues were transferred – \$400,000 was transferred to the Utility Reserve Fund.
Amount of 2016 supplementary funding required to cover expenditures, specifying the source of the supplementary funding – \$0.

RESERVES

There is presently \$1,076,000 in reserves available for waterworks (water and sewer) capital infrastructure.

ATTACHMENTS

- Available at City Hall, at cost, is the 2016 Waterworks System Assessment, as required under section 35 of *The Water Regulations, 2002*.
- The City of Martensville has an agreement with SaskWater to provide treated water service.

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC VIA WWW.MARTENSVILLE.CA BY SEPTEMBER 1 OF EACH YEAR

The following is information on the City of Martensville's website, as required under *The Cities Regulations*.

2016 Waterworks Financial Overview:

- Total water and sewer revenues (R) – \$4,837,493
- Total water and sewer expenditures (E) - \$4,090,755
- Total debt payments on waterworks infrastructure loans (D) – \$507,217
- Comparison of water & sewer revenues to expenses plus debt payments expressed as a ratio - $\frac{(\$4,837,493)}{(\$4,090,755)+(\$507,217)} = 1.05$
- For 2016, water & sewer revenues covered 105 percent of the water & sewer expenditures.

The following additional information is available at the municipal office on the waterworks:

- The May 2nd, 2017 waterworks rate policy and capital investment strategy
- Capital plans in place and related sources of funding for the projects
- 2016 financial overview of the waterworks
- Waterworks reserves
- At cost, a copy of the 2016 Waterworks Systems Assessment

(A copy of the information is to be sent to Saskatchewan Government Relations, Policy Development Branch, 1855 Victoria Avenue, Room 1540, Regina, Saskatchewan, S4P 3T2.)