

## TOWN OF HAFFORD

### ANNUAL WATERWORKS INFORMATION

ANNUAL INFORMATION TO BE MADE AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

Year: 2023

Name of Municipality: TOWN OF HAFFORD

Date: August 19, 2024

### WATERWORKS RATE POLICY

On March 9, 2021 Council passed Bylaw No. 2021-04 to set rates to be charged for Water and Sewer. This bylaw came into effect with Saskatchewan Municipal Board approval on April 08, 2021. Under this bylaw, the current Water & Sewer Rates are as follows:

Water Rate (Monthly rate, billed every 2 months)

First 2,500 gallons ..... \$35.00 minimum

2,500 gallons and over .....\$14.00 per 1,000 gallons

The rate established on March 9th, 2021 currently generates sufficient revenues to cover operating, capital and debt replacement costs, and to potentially provide for future reserve building. Operating costs include staff wages and benefits, contracted services, heat, power, insurance, repairs, maintenance, materials and supplies. Capital costs include both infrastructure maintenance and replacement projects. Debt repayment costs would include annual debenture and long-term loan payments. The Town currently has no debt repayment costs. When practical, any excess of revenues over expenses may be designated for a water and sewer reserve fund.

The objective of the Water & Sewer Rate Policy is to ensure waterworks are self-sustaining and that users bear the costs of the service. To facilitate this, rates need to generate revenues that cover operating, capital and debt repayment costs. Council will conduct an annual review of the waterworks policy to ensure revenues continue to cover operating, capital and debt repayment costs.

### WATERWORKS CAPITAL INVESTMENT STRATEGY

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 to residence and businesses. For the purpose of infrastructure planning, the strategy uses the following: (a) 2006 Waterworks

System Assessment prepared by PINTER & Associates; (b) 2007 Water Treatment Plant Evaluation prepared by Dave Clark Water Treatment Consulting; (c) the Town of Hafford Five-year Capital Works Plan.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to in the future increase water and sewer rates to build the utility reserves, and to continue to cover waterworks operating costs and long term borrowing.

This Capital Investment Strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and in the future.

Capital plans are being formulated to address the waterworks infrastructure deficiencies.

## **ANNUAL WATERWORKS FINANCIAL OVERVIEW**

The following is information on the waterworks, as required under The Municipalities Regulations:

### **2023 Waterworks Overview:**

Total waterworks revenues: \$134,270

Total waterworks expenses: \$74,869

Comparison of waterworks revenues to expenses, expressed as a ratio:

$$\frac{134,270}{74,869} = 1.79$$

**For 2023, waterworks revenues covered 179% of the waterworks expenses.**

Ratio explanation:

- Audited statements are complete, realize wage split was not included in water.
- TS wages 100%; split 82.5% TS & 17.5% UT = \$19,384  
GG wages 100%; split 62.5% GG & 37.5% UT = \$22,428
- Wage splits would give UT an additional \$41,812 for total expenses of \$116,681
- The ratio should be 1.15 and the waterworks revenues covered 115% of the waterworks expenses.

## **RESERVES**

Reserves available for waterworks capital infrastructure - \$150,081

**Note that the following information required pursuant to section 54 of the *Municipalities Regulations* is available for inspection at the municipal office during regular office hours:**

- Current waterworks rate policy and capital investment strategy.
- 2023 waterworks revenues, expenses, revenues to expenses (expressed as a ratio), and any explanation of the ratio that the municipality considers necessary.
- Current waterworks reserves.
- A copy of the most recent waterworks independent engineering assessment (or a statement providing a reason why this item is not applicable).
- Capital plans for infrastructure projects (or a statement providing a reason why this item is not applicable).
- Sources of funding for the infrastructure projects (or a statement providing a reason why this item is not applicable).
- All current agreements entered into by the municipality respecting the provision of municipal waterworks services (or a statement providing a reason why this item is not applicable).