

Village of Landis Water Policy and Waterworks Capital Investment Strategy

On October 8th, 2008 the Village of Landis council passed the following Waterworks rate policy.

Under the waterworks rate policy resolution, per gallon water rate will be the rate that the Village will use to determine the amount charged to the residents and businesses of the Village. The Village has passed a new Bylaw 08-02 which came into effect October 1st, 2008. This new bylaw has increased the Villages water and sewer rates to generate more funds to help cover water and sewer expenditures.

The residents and businesses were given these new rates one month prior to the bylaw taking effect to give them time to state any concerns that they may have to council.

With the new water and sewer rates the Village hopes to continue to generate enough revenue to cover any expenditure that may occur. The Village in 2007 ran a deficit of water revenue due to the retro-fit of the lift station. The Village did have money set aside in its Capital Trust account which is used for Water and Sewer infrastructure but to replace this money an increase of 30% was necessary. Waterworks operating costs or expenditures include waterworks salaries, power and heat, chemicals, repairs, maintenance and supplies. Also included as water revenue is the sale of R/O water, which is available at the Village Office.

The new rates will generate about \$6000.00 more revenue per year. Under the bylaw 50% of all R/O water sales and 10% of utility bills are to be deposited into the Capital trust fund.

The objective of the waterworks rate policy is to work towards waterworks that are as close to self-financing as possible, where the users are paying for the major part of the service. With waterworks infrastructure being very high and the Village of Landis having a small revenue base being total self reliant may not be possible. Other federal and provincial funding may be needed to fund any major retro-fits or construction to the waterworks. The waterworks rates may need to be increased again over time so that the

revenue can cover operating cost while still putting monies away for the future. Council will need to look at the water and sewer rates on a yearly basis to ensure that enough money is being generated to cover the future infrastructure maintenance and replacement costs which were identified as problems in the 2005 waterworks assessment required by *The Water Regulations, 2002*.

This waterworks rate policy will work towards financially stable waterworks that do not have to compete with other key municipal financial demands under the municipal general revenue fund. This will ensure that the Village of Landis can provide potable water to the residents.

With 50% of all R/O revenue and 10% of all utility billing going into the Capital trust fund the Village is planning for the future. The objective of the waterworks capital investment strategy is to address future waterworks infrastructure maintenance and upgrades. The drinking water within the Village is not an issue but potable water may become an issue with the waterworks infrastructure of the Village being old. The strategy uses the 2005 waterworks system assessment that was required by Saskatchewan Environment for infrastructure planning as a guideline.

To cover the costs of future waterworks infrastructure and maintenance and replacements, council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves.

Capital plans and projects will be determined by council on a year to year basis. Council plans to expand the current waterworks building and upgrade the equipment and electrical in the next 3 to 5 years. The funding will come from the Capital Trust Fund and also if necessary a levy on each of the water connections in the Village. Government funding or loans may be looked into if the Village feels that it cannot pay 100% of the project.