

WATERWORKS RATE POLICY

Name of Municipality

Town of Norquay

Date

August 14, 2012

WATERWORKS RATE POLICY (to be established by bylaw or resolution by July 1, 2006)

On August 14, 2012, Council passed a resolution on a waterworks rate policy.

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

In November of 2010 Council conducted a review of the water & sewer rates and Bylaw No. 6/2010 was adopted and approved by the Municipal Board for the following rates to be effective January 1, 2011:

	Water	Sewer
Residential	\$77.40	\$45.54
Business	\$86.52	\$54.65
Beauticians/Barbers	\$104.74	\$55.97
School(per student qtr)	\$1.83	\$1.87
Business & Residential	\$104.74	\$74.68
Health Centre	\$999.52	\$591.92
Car Wash/Beautician	\$163.93	\$146.38
Housing Authority	\$943.98	\$455.33
Out of Town-Raw Water	\$38.70	n/a
Out of Town-Treated	\$77.40	n/a

The review of the utility revenues versus expenditures over a period of time indicated that from 2008 to 2010 the utility revenues did not cover the utility expenditures and no amounts were put into reserves to cover future capital costs.

During 2011 budget deliberations a review was conducted to ascertain what rates would be required to cover the operation and maintenance costs, loan costs for the capital water project and allowance for some funds to be allocated to reserves. The following factors were also taken into account:

- The September 22, 2010 Council resolution making a commitment to the Ministry of Environment to complete upgrades to the current lagoon by the summer of 2013.
- In their approval of Bylaw No. 6/2010 the Saskatchewan Municipal Board indicated that Council's resolution to allocated \$100 per property of tax revenue to the utility budget was not advisable as some water and sewer users did not pay taxes (ie churches, health facilities and schools) and therefore were not contributing. This amount must be made up by utility user fees.

At the May 17, 2011 Special Meeting of Council a bylaw was passed indicating the following quarterly water & sewer fees as well as the implementation of a Water Infrastructure Fee:

2011

Water & Sewer Fees will remain as per Bylaw #6/2010, but an Water Infrastructure Fee of \$50.00 per quarter will be implemented effective on the October, 2011 billing.

2012-2014- Water	2012(10% increase)	2013(5% increase)	2014(5% increase)
Residential	\$85.15	\$89.41	\$93.88
Business	\$95.17	\$99.93	\$104.93
Beauticians/Barbers	\$115.21	\$120.97	\$127.02
School	\$2.01/student/quarter	\$2.11/student/quarter	\$2.22/student/qtr
Business & Residential	\$115.21	\$120.97	\$127.02
Health Centre	\$2,554.50	\$2,682.30	\$2,816.40
Carwash & Beautician	\$180.32	\$189.34	\$198.81
Housing Authority	\$851.50	\$894.10	\$938.80
Out-of-Town-Raw	\$42.57	\$44.70	\$46.94
Out-of Town-Treated	\$85.15	\$89.41	\$93.88

2012-2014 – Sewer	2012(10% increase)	2013(5% increase)	2014(5% increase)
Residential	\$50.09	\$52.59	\$55.22
Business	\$60.12	\$63.13	\$66.29
Beauticians/Barbers	\$61.57	\$64.65	\$67.88
School	\$2.06/student/qtr	\$2.16/student/qtr	\$2.27/student/qtr
Business & Residential	\$82.15	\$86.26	\$90.57
Health Centre	\$1,502.70	\$1,577.70	\$1,656.60
Carwash & Beautician	\$161.02	\$169.07	\$177.52
Housing Authority	\$500.90	\$525.90	\$552.20

2012-2014 – Water Infrastructure Fee

A fee of \$50.00 per quarter on each utility bill.

In 2012 the Government of Canada announced the elimination of the penny. Bylaw No. 2/2012 to amend Bylaw 5/2011 was passed to round the rates to the nearest \$.05 in order to facilitate the elimination of the penny. This amended the 2013 and 2014 rates to be as follows:

Water	2013	2014
Residential	\$89.40	\$93.90
Business	\$99.95	\$104.95
Beauticians/Barbers	\$121.00	\$127.00
School	\$2.15/student/quarter	\$2.20/student/qtr
Business & Residential	\$121.00	\$127.00
Health Centre	\$2,682.30	\$2,816.40
Carwash & Beautician	\$189.35	\$198.80
Housing Authority	\$894.10	\$938.80
Out-of-Town-Raw	\$44.70	\$46.95
Out-of Town-Treated	\$89.40	\$93.90
Sewer	2013	2014
Residential	\$52.60	\$55.20
Business	\$63.15	\$66.30
Beauticians/Barbers	\$64.65	\$67.90
School	\$2.15/student/qtr	\$2.30/student/qtr
Business & Residential	\$86.25	\$90.60
Health Centre	\$1,577.70	\$1,656.60
Carwash & Beautician	\$169.10	\$177.55
Housing Authority	\$525.90	\$552.20

(Describe the objectives of the waterworks rate policy)

The objective of the waterworks rate policy is to establish waterworks that are self-financing, where the users pay for the cost of the service. These rates should realize this objective as well as covering the financing costs required for the new Reverse Osmosis capital project. As well, some funds can be allocated to reserves/utility surplus to assist with the upcoming sewage lagoon project.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal financial demands under the municipal general revenue fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes.