



City of Moose Jaw

LETTER OF COMMUNICATION

TITLE: Utility Rate Review
TO: Budget Committee
FROM: Department of Financial Services
DATE: December 4, 2018
PUBLIC: This is a public document
IN-CAMERA:

RECOMMENDATION

THAT the Waterworks and Sanitary Sewer Utility Rate Schedule be amended to reflect a 6% rate increase effective April 1, 2019; and

THAT effective April 1, 2019, a Waterworks Infrastructure Levy be established based upon a variable monthly levy based upon meter size. That infrastructure Levy will be:

Meter Size	Monthly Levy
15 - 20 mm	\$8.33
21 - 30 mm	\$16.67
31 - 40 mm	\$33.33
41 - 50 mm	\$66.67
51 - 75 mm	\$133.00
76 - 100 mm	\$267.00
101 - 150 mm	\$533.00
151 - 200 mm	\$1,067.00
greater than 200mm	\$2,133.00

and further;

THAT City Administration be directed to amend Bylaw No. 5152 The Sewer and Water Utility Bylaw.

TOPIC AND PURPOSE

The purpose of this report is to provide Budget Committee with the results of an analysis of Water and Sewer Utility rates.

BACKGROUND

The City of Moose Jaw provides water and sanitary sewer services to the citizens and businesses of the community via two separate utilities. The Waterworks Utility is set up to be a self-funded utility that provides potable water to the citizens and businesses of the City of Moose Jaw. Likewise, the Sanitary Sewer Utility is also self-funded and provides sanitary sewer disposal services to the citizens and businesses of Moose Jaw.

On April 24, 2017, City Council passed the following motion in respect to Watermain Funding and more specifically transitioning the Hospital Levy into an Infrastructure Levy.

“THAT the 2016 Cast Iron Watermain Budget not be carried over to 2017; and

THAT the 2.25% allocation of Municipal Taxation in 2017 be reduced to 1.65% and be directed on an ongoing basis to the Cast Iron Watermain Replacement Program; and further

THAT the source of funding for the remainder of the annual \$5,850,000 (to be inflation adjusted annually) come from the transition of the Hospital Levy into an Infrastructure Levy to be levied on water utility customers based upon meter size starting in 2019.”

Waterworks Utility

The Waterworks Utility's Operating Expenditures are funded from the revenue generated from utility rate charges to its customers. The excess of utility rate revenues, once operating expenditures have been satisfied, is contributed as a reserve charge to be utilized to fund its capital needs. It is estimated that the Waterworks Utility will generate approximately \$2,492,475 in 2019 towards these capital needs.

**City of Moose Jaw
Budget Summary of Revenues & Expenditures
For Waterworks**

Description	2018 Projection	2018 Budget	2019 Budget	2019 - 2018 INC (DCR)	% Change
GENERAL SERVICE	10,600,000	10,015,565	10,600,000	584,435	5.8%
UTILITY BILLING PENALTIES	58,277	42,438	60,387	17,949	42.3%
CONNECTION FEES	62,235	65,025	62,940	(2,085)	(3.2)%
WATER DEPOTS	35,075	27,361	28,390	1,029	3.8%
HOUSE CONNECTIONS	300,000	250,000	300,000	50,000	20.0%
MISCELLANEOUS REVENUE	1,092	5,700	1,000	(4,700)	(82.5)%
WATER METER REVENUE	17,000	29,000	20,000	(9,000)	(31.0)%
REVENUES	11,073,679	10,435,089	11,072,717	637,628	6.1%
PRODUCTION	2,971,446	3,118,271	3,047,945	(70,326)	(2.3)%
DISTRIBUTION	4,018,372	3,933,184	4,032,213	99,029	2.5%
ADMINISTRATION	1,361,636	1,337,706	1,500,084	162,378	12.1%
RESERVE CHARGE	2,722,225	2,045,928	2,492,475	446,547	21.8%
EXPENDITURES	11,073,679	10,435,089	11,072,717	637,628	6.1%

The Waterworks Utility is also the recipient of the City's Gas Tax funding which will total an estimated \$2,082,952 in 2019. In addition to this funding, the City currently redirects municipal taxation to the utility to partially fund the cast iron watermain replacement program. This appropriation of tax revenues totals \$2,836,492. In summary, for 2019 the following are the anticipated funding sources for the utilities capital needs:

Utility Rate Charges	\$2,492,475
Gas Tax Funding	\$2,082,952
Municipal Taxation	<u>\$2,836,492</u>
Total Funds for Capital Needs	<u>\$7,411,919</u>

The capital needs of the Waterworks Utility are estimated to be \$119,654,432 over the next five years.

Sanitary Sewer Utility

The Sanitary Sewer Utility is estimated to generate \$3,833,354 in 2019 as a reserve charge which will be utilized to fund current borrowings and future capital needs. The Sanitary Sewer Utility is a self-funded utility which means it relies on the revenue generated from utility rate charges and grant funding to fully fund its operations and capital needs.

City of Moose Jaw Budget Summary of Revenues & Expenditures For Sanitary Sewer

Description	2018 Projection	2018 Budget	2019 Budget	2019 - 2018 INC (DCR)	% Change
GENERAL SERVICE	7,670,000	7,636,647	7,670,000	33,353	0.4%
SEWER BLOCKS	450	4,663	806	(3,857)	(82.7)%
UTILITY BILLING PENALTIES	44,998	40,127	46,217	6,090	15.2%
SEPTAGE FEES	34,793	21,171	26,811	5,640	26.6%
HOUSE CONNECTIONS	400,000	275,000	400,000	125,000	45.5%
REVENUES	8,150,241	7,977,608	8,143,834	166,226	2.1%
ADMINISTRATION	1,000,542	994,790	1,038,449	43,659	4.4%
RESERVE CHARGE	3,876,344	3,694,414	3,833,354	138,940	3.8%
SEWAGE TREATMENT	2,043,742	2,119,753	2,083,785	(35,968)	(1.7)%
SANITARY SEWERS	1,229,613	1,168,651	1,188,246	19,595	1.7%
EXPENDITURES	8,150,241	7,977,608	8,143,834	166,226	2.1%

The Sanitary Sewer Utility has planned capital expenditures over the next five years of \$32,314,133.

The table below shows the City of Moose Jaw's Water and Sewer rate increases since 2005:

Historical Review of Utility Rate Increases

<u>Water</u>	<u>Sewer</u>	
2005	2.00%	2.00% *
2006	2.00%	2.00% *
2007	5.00%	10.00%
2008	10.00%	15.00%
2009	10.00%	15.00%
2010	5.00%	13.00%
2011	15.00%	15.00%
2012	9.00%	9.00%
2013	9.00%	9.00%
2014	9.00%	9.00%
2015	9.00%	9.00%
2016	9.00%	9.00%
2017	15.00%	6.00%
2018	9.00%	6.00%

* Note: Rate increases during the 2002 to 2006 period were not a flat across-the-board increase, but rather were made up of varying rate increases per type of meter and level of consumption. The increase shown is the average projected increase per Communication #178 dated July 11, 2001.

DISCUSSION

The Water and Sewer Utilities are both facing expenditure pressures on the operating and capital areas. The discussion below attempts to address the challenges and potential ways to deal with those challenges for each utility.

Waterworks Utility

The Water Utility operational costs appear to be stabilizing with distribution costs more within a normal inflationary increase. In terms of production costs, there is a small decrease for 2019, but significant increases in water rates charged by the Buffalo Pound Water Treatment Corporation (BPWTC) for capital improvements will impact production costs going forward.

These increased production costs are the result of the BPWTC now being responsible for all capital costs related to the facility. In order to fund an estimated \$127 million to \$224 million dollar renewal project, the rates charged for water will climb in the future. The table below summarizes those projected increases:

	<u>Rate per megaliter</u>
2018	533.00
2019	543.00
2020	585.00
2021	672.00
2022	725.00
2023	765.00

In terms of the infrastructure needs of the utility, they total \$119,935,619 and are detailed in Attachment #1 - 2019 to 2023 Waterworks Planned Capital Expenditures. This is an extreme amount of capital works for a utility of this size (annual revenue approx. \$11 million).

The Financial Services Department has created a Financial Model for the Waterworks Utility that puts into perspective the extreme financial pressures being faced by the utility. This model can be found in Attachment #2 - 2019 to 2023 Waterworks Financial Model.

As can be seen, the financial model calls for an additional \$45 million in borrowing, which is in addition to the \$30 million borrowed in 2018. As well, the model has been produced with annual 6% rate increases which is the direction of City Council. Lastly, the transition of the Hospital Levy to a Waterworks Levy beginning in 2019 has been accounted for in the model.

The one thing this financial model does not take into account is the potential for any Federal/Provincial Grant funding. If the City were successful in getting Federal/Provincial funding, this would reduce some of the borrowing needs.

The financial model presented will meet the needs of the utility over the next five years, but does not provide long term financial stability for the utility. Going forward into the future, there will be a need for utility rate increases greater than 6% annually and/or significant amounts of Federal and Provincial grant funding.

The current financial model also will not provide much if any room for future debt limit requirements related to the BPWTC renewal. The funding for the renewal project will come from the rates charged for water by BPWTC. However, since the corporation is jointly owned by the City of Regina (74%) and City of Moose Jaw (26%) any borrowing done by the corporation will count against the borrowing limits of the two cities.

In Moose Jaw's case, 26% of any borrowing will need to be absorbed in the City's debt limit. The City's debt limit currently sits at \$95 million dollars and approximately \$64 million dollars of that limit has been used to date. The waterworks financial model anticipates that an additional \$45 million in borrowing for the Waterworks Utility will be required over the next three years. Given that a portion of the debt will be paid off over the next three years, it is estimated that the additional \$45 million in borrowing will put the City at its debt limit of \$95 million dollars.

Where issues may potentially arise is the amount of additional debt limit that will be required for the City of Moose Jaw's 26% share of the BPWTC renewal project. That could range from \$33 million to \$58 million if no grant funding is available. If 50% grant funding were available for the plant renewal, then the City's share of debt would range from \$16.5 to \$29.0 million dollars. The lower range of this debt requirement is likely manageable; however, if significant Federal and Provincial funding is not available, then it may be difficult for the City to get that high a debt level approved by the Saskatchewan Municipal Board given our current planned debt levels.

The financial model presented with 6% annual rate increases, transition of the Hospital Levy to a Waterworks Infrastructure Levy and \$45 million in borrowing is manageable over the five year Capital Plan period. Future periods beyond 2023 being manageable are predicated on a significantly reduced capital need and Federal and Provincial grant funding.

Sanitary Sewer Utility

The Sanitary Sewer Utility is experiencing more moderate cost pressures on its operations and capital needs. The debt that the corporation currently holds will be paid off at the end of 2023 and the financial model appears to be sustainable with moderate rate increases of 6% each year over the five year period.

In the longer term, it may make sense to look at the potential of combining the Waterworks and Sanitary Sewer Utilities into one entity. This would have the benefit of creating a larger utility which could redirect resources from one area such as Sanitary Sewers to areas of financial need such as Waterworks. This type of amalgamation is several years off as the Sanitary Sewer Utility is just now getting on solid financial footings where at a point five or so years down the road, it may be able to contribute to Waterworks capital needs.

In terms of the infrastructure needs of the utility, they total \$32,314,133 and are detailed in Attachment #3 - 2019 to 2023 Sanitary Sewer Planned Capital Expenditures. This is a much more moderate capital request than the Waterworks Utility and in addition, long-term borrowing for the utility will be fully repaid by 2023. Annual contributions from operations to capital are also strong at an estimated \$3,833,354 in 2019 before the proposed 6% rate increase.

The Financial Services Department has created a Financial Model for the Sanitary Sewer Utility that puts into perspective the financial pressures being faced by the utility. This model can be found in Attachment #4 - 2019 to 2023 Wastewater Financial Model. City Administration would recommend funding the Sanitary Sewer Utility with 6% rate increases over the next five years.

Conclusion

As can be seen from the discussion above, both utilities are facing financial pressures. The analysis above has proposed rate increases for each of the next five years for each utility.

The uncertainty surrounding these financial models relates to:

- Scope of work that must be performed over the next five years.
- Federal/Provincial Infrastructure Funding.

Given these uncertainties and the obvious need for a utility increase for 2019, City Administration would recommend to Council to proceed with a 2019 increase only at this point in time.

The rate adjustments recommended in this report are necessary for the utilities to be able to meet their financial obligations and continue to provide water and sanitary sewer services.

A comparison of other cities' 2017 rates for both residential and commercial usage is provided in Attachment #5 - 2017 Utility Rate Comparison (2018 comparison was not available). As can be seen, the City of Moose Jaw has the fifth lowest residential rates and the fourth lowest commercial rates amongst the cities surveyed.

Also of specific interest is the water and sewer rates of Moose Jaw's closest comparator, that being the City of Regina. (See attachment #6.) The City of Regina's 2018 water and sewer rates are compared to the City of Moose Jaw's in the attached table. The table indicates that the City of Regina's residential water and sewer charges are 22% more than Moose Jaw's.

The City of Moose Jaw's water and sewer charge for a residential customer with a 20 mm meter and 25 M3 of usage a month is \$109.69. The proposed rate increases will result in this same residential customer paying \$116.27 for water and sewer services in 2019 plus the water infrastructure levy of \$8.33 bringing the total monthly charge to \$124.60. Although this is a significant increase in cost, it should be noted that the cost of water and sewer services is still reasonable when compared to the monthly charges that one pays for electricity, natural gas, cable and telephone.

City Administration is recommending only a one-year utility rate increase be implemented at this time. The rationale for this recommendation is twofold. First of all the capital plans for both utilities are subject to fluctuation into the future and secondly the City is hopeful it will receive some Federal/Provincial funding over the next five years. For these reasons, a rate increase of 6% for the Waterworks Utility and 6% for the Sanitary Sewer Utility effective April 1, 2019 is being recommended.

OPTIONS TO RECOMMENDATION

- 1) Implement a longer term rate increase such as three years of 6% utility rate increases and implementation of the Infrastructure Levy.

PUBLIC AND/OR STAKEHOLDER INVOLVEMENT

As part of the City's public input process, individuals or groups can present a submission to Budget Committee in respect to proposed utility rate increases. At this point, no groups or individuals have come forward but if any do, they will be allowed to present at this meeting.

COMMUNICATION PLAN

Once a decision on 2019 utility rate increases have been ratified, City Administration will inform the public of the upcoming increases through advertising as well as an insert in utility bills.

In addition, as part of the communications plan for this rate increase, the City will make every effort to inform our customers about the Water Instalment Payment Plan (WIPPS) that the City offers. This plan allows customers to move from the regular three month

billing and payment cycle to a monthly payment cycle but which requires the customer to sign up for direct debit as a method of payment. The move from quarterly to monthly billings under the WIPPS plan allows customers to be charged a more manageable monthly bill rather than facing a larger bill every three months, penalty free due to the direct withdrawal requirement. Currently about 14.3 % of the City's Water & Sewer customers take advantage of the monthly payment plan.

STRATEGIC PLAN

Developing an appropriate utility rate structure forms the basis for the carrying out of the City's strategic and administrative plans as they relate to both the Waterworks and Sanitary Sewer Utilities. This funding mechanism also provides for the funding necessary to move forward with infrastructure renewal and supports the administrative strategic theme of enhancing infrastructure planning and management.

BYLAW OR POLICY IMPLICATIONS

The approval of the recommendation in this report will result in the need to amend the rate schedule in Bylaw No. 5152 The Sewer and Water Utility Bylaw.

FINANCIAL IMPLICATIONS

The proposed rate increases and levy introduction for the Waterworks Utility and the rate increase for the Sanitary Sewer Utility will generate annually approximately \$2,192,000 and \$414,000 respectively. It is important to note that taxpayers will see a corresponding drop in the monies levied for the hospital of \$1,620,000 annually.

PUBLIC NOTICE

Public Notice pursuant to the Public Notice Policy as incorporated into the City Administration Bylaw No. 5175 of 2016 is not required.

PRESENTATION

VERBAL: X AUDIO/VISUAL: NONE:

ATTACHMENTS

- 1) 2019 to 2023 Waterworks Planned Capital Expenditures.
- 2) 2019 to 2023 Waterworks Financial Model.
- 3) 2019 to 2023 Sanitary Sewer Planned Capital Expenditures.
- 4) 2019 to 2023 Wastewater Financial Model.
- 5) 2017 Utility Rate Comparison.
- 6) Comparison to City of Regina Utility Rates.
- 7) Potential Waterworks Infrastructure Levy examples.

Respectfully Submitted By,

Brian Acker

Brian Acker, B.Comm., CPA, CMA
Director of Financial Services

BA/sp

Attachs.

APPROVAL OF REPORT RECEIVED

COMMENTS RECEIVED

Jim Puffalt

Jim Puffalt, City Manager

Fraser Tolmie

Fraser Tolmie, Mayor

To be completed by the Clerk's Department only.

Presented to Regular Council or Executive Committee on _____.

No. _____ Resolution No. _____

ATTACHMENT #1 – 2019 TO 2023 Waterworks Planned Capital Expenditures

Object Account	Total 2018	Carry Forward 2018	2019	2020	2021	2022	2023	Total
9618 - WW1 WATER DISTRIBUTION	679,000	400,000	310,000	653,000	666,000	675,000	675,000	2,979,000
9604 - WW4 WATER RESERVOIRS	13,358,724	12,500,000	7,100,000	2,000,000	2,300,000	2,300,000	2,200,000	15,900,000
9612 - WW5 BPWTP	5,634,163	5,629,381	-	-	-	-	-	-
9616 - WW16 BPWTP TRANSMISSION LINE	21,103,139	4,110,000	3,500,000	100,000	-	-	-	3,600,000
9625 - WW25 WATERWORKS LOAN REPAYMENT	2,679,000	-	4,423,349	5,857,000	6,751,287	6,751,287	6,751,287	30,534,210
9650 - WS1 RAW WATER ASSETS	200,000	200,000	-	-	-	-	-	-
9609 - WW9 FEEDER MAINS	2,885,000	2,772,494	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	7,000,000
9617 - WW17 CAST IRON WATERMAIN REP	8,267,464	1,810,534	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	32,500,000
Water Utility Reserve Summary	54,806,490	27,422,409	23,833,349	17,110,000	17,217,287	17,226,287	17,126,287	92,513,210



**City of Moose Jaw
Waterworks Utility
2019 to 2023 Financial Model**



Waterworks Utility - Forecast Revised November 22nd, 2018	2018	2019	2020	2021	2022	2023
Operating Budget Model						
Revenues:						
General Service	\$ 10,600,000	\$ 11,029,300	\$ 11,775,710	\$ 12,411,598	\$ 13,081,824	\$ 13,788,243
Utility Billing Penalties	58,277	60,387	63,648	67,085	70,707	74,526
Connection Fees	62,235	62,940	63,000	65,000	67,000	70,000
Water Depots	35,075	28,390	29,923	31,539	33,242	35,037
House Connections	300,000	300,000	315,000	330,750	347,288	364,652
Miscellaneous Revenue	1,092	1,000	1,000	1,000	1,000	1,000
Water Meter Revenue	17,000	20,000	21,000	22,000	23,000	24,000
Total Revenues	\$ 11,073,679	\$ 11,502,017	\$ 12,269,281	\$ 12,928,972	\$ 13,624,061	\$ 14,357,457
Expenditures:						
Production	\$ 2,971,446	\$ 3,047,945	\$ 3,279,790	\$ 3,752,742	\$ 4,044,169	\$ 4,266,440
Distribution	4,018,372	4,032,213	4,128,986	4,228,082	4,329,556	4,433,465
Administration	1,361,636	1,500,084	1,549,711	1,613,249	1,669,331	1,727,712
Total Expenditures	\$ 8,351,454	\$ 8,580,242	\$ 8,958,487	\$ 9,594,073	\$ 10,043,056	\$ 10,427,617
Reserve Contribution	\$ 2,722,225	\$ 2,921,775	\$ 3,310,794	\$ 3,334,899	\$ 3,581,006	\$ 3,929,840
Reserve Cashflow Model						
	2018	2019	2020	2021	2022	2023
Opening Balance of Reserve	\$ 8,326,765	\$ 18,138,802	\$ (3,743,594)	\$ 4,086,191	\$ 7,075,030	\$ 445,974
Reserve Contribution	2,722,225	2,921,775	3,310,794	3,334,899	3,581,006	3,929,840
Interest Revenue	238,190	169,143	4,452	159,042	116,562	(88,760)
Borrowing Proceeds	30,000,000	20,000,000	15,000,000	10,000,000	-	-
Gas Tax Funding	2,033,041	2,082,952	2,082,952	2,082,952	2,082,952	2,082,952
Borrowing Repayment	(504,212)	(4,423,349)	(5,857,000)	(6,751,287)	(6,751,287)	(6,751,287)
Tax Funding	2,706,874	2,836,492	2,921,587	3,009,234	3,099,511	3,192,497
Infrastructure Levy	-	1,363,000	1,620,000	1,620,000	1,717,200	1,820,232
Carry Forwards	-	(27,422,409)	-	-	-	-
Capital Expenditures	(27,384,081)	(19,410,000)	(11,253,000)	(10,466,000)	(10,475,000)	(10,375,000)
Closing Balance of Reserve	\$ 18,138,802	\$ (3,743,594)	\$ 4,086,191	\$ 7,075,030	\$ 445,974	\$ (5,743,552)
Forecast Rates:						
	2018	2019	2020	2021	2022	2023
Projected Key Rates						
Anticipated Cost Increases	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Production Cost Increases	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Approved Rate Structure	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Average Cost Example						
	2018	2019	2020	2021	2022	2023
75M3 per Qtr 15 - 20mm Meter	\$ 181.89	\$ 192.81	\$ 204.38	\$ 216.64	\$ 229.64	\$ 243.41
25M3 per Mnth 15 - 20mm Meter	\$ 60.63	\$ 64.27	\$ 68.13	\$ 72.21	\$ 76.55	\$ 81.14
Infrastructure Levy-15-20mm/Mnth	\$ -	\$ 8.33	\$ 8.33	\$ 8.33	\$ 8.83	\$ 9.36

ATTACHMENT #3 – 2019 TO 2023 Sanitary Sewer Planned Capital Expenditures

Object Account	Total 2018	Carry Forward 2018	2019	2020	2021	2022	2023	Total
9731 - S1 SANITARY SEWERS	1,611,000	1,175,000	1,569,000	2,906,000	1,150,000	1,000,000	1,000,000	7,625,000
9733 - S3 WASTEWATER TREATMENT PLANT	1,428,252	933,000	770,000	543,000	1,432,000	500,000	500,000	3,745,000
9734 - S4 LIFT STATIONS	300,000	300,000	370,000	390,000	6,250,000	4,500,000	200,000	11,710,000
9725 - S25 WASTEWATER LOAN REPAYMENT	1,545,688	-	1,544,494	1,545,278	1,546,461	1,545,068	644,832	6,826,133
Sanitary Sewage Reserve Summary	4,884,940	2,408,000	4,253,494	5,384,278	10,378,461	7,545,068	2,344,832	29,906,133



City of Moose Jaw Sanitary Sewer (Wastewater) Utility 2019 to 2023 Financial Model



Wastewater Utility - Forecast November 22, 2018	2018	2019	2020	2021	2022	2023
Operating Budget Model						
Revenues:						
General Service	\$ 7,670,000	\$ 7,980,635	\$ 8,520,726	\$ 8,980,845	\$ 9,465,811	\$ 9,976,964
Sewer Blocks	450	806	900	1,000	1,100	1,200
Utility Billing Penalties	44,998	46,217	48,713	51,343	54,116	57,038
Septage Fees	34,793	26,811	28,000	29,000	30,000	31,000
House Connections	400,000	400,000	420,000	441,000	463,050	486,203
Total Revenues	\$ 8,150,241	\$ 8,454,469	\$ 9,018,338	\$ 9,503,188	\$ 10,014,076	\$ 10,552,405
Expenditures:						
Administration	\$ 1,000,542	\$ 1,038,449	\$ 1,069,700	\$ 1,112,800	\$ 1,152,288	\$ 1,193,415
Sewage Treatment	2,043,742	2,164,488	2,216,436	2,269,630	2,324,101	2,379,880
Sanitary Sewers	1,229,613	1,188,246	1,216,764	1,245,966	1,275,869	1,306,490
Total Expenditures	\$ 4,273,897	\$ 4,391,183	\$ 4,502,899	\$ 4,628,396	\$ 4,752,259	\$ 4,879,785
Reserve Contribution	\$ 3,876,344	\$ 4,063,286	\$ 4,515,439	\$ 4,874,792	\$ 5,261,817	\$ 5,672,620
Reserve Cashflow Model						
Opening Balance of Reserve	\$ 4,068,572	\$ 3,994,859	\$ 1,460,754	\$ 618,952	\$ (4,946,385)	\$ (7,421,338)
Reserve Contribution	3,876,344	4,063,286	4,515,439	4,874,792	5,261,817	5,672,620
Interest Revenue	72,571	64,103	27,036	(61,667)	(191,702)	(196,166)
Borrowing Proceeds	-	-	-	-	-	-
Building Canada Funding	-	-	-	-	-	-
Infrastructure Levy	-	-	-	-	-	-
Borrowing Repayment	(1,545,688)	(1,544,494)	(1,545,278)	(1,546,461)	(1,545,068)	(644,832)
Carry Forwards	-	(2,408,000)	-	-	-	-
Capital Expenditures	(2,476,940)	(2,709,000)	(3,839,000)	(8,832,000)	(6,000,000)	(1,700,000)
Closing Balance of Reserve	\$ 3,994,859	\$ 1,460,754	\$ 618,952	\$ (4,946,385)	\$ (7,421,338)	\$ (4,289,716)
Forecast Rates:						
Projected Key Rates						
Anticipated Cost Increases	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Approved Rate Structure	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Average Cost Example						
75M3 per Qtr 15 - 20mm Meter	\$ 147.18	\$ 156.01	\$ 165.37	\$ 175.29	\$ 185.81	\$ 196.96
25M3 per Mnth 15 - 20mm Meter	\$ 49.06	\$ 52.00	\$ 55.12	\$ 58.43	\$ 61.94	\$ 65.65

ATTACHMENT #5 – 2017 Utility Rate Comparison

Residential Water & Sewer

25M3 per Month - 3/4" service	2017 Rank	
Weyburn	76.93	1
Yorkton	82.49	2
Meadow Lake	89.17	3
Swift Current	99.89	4
Moose Jaw	101.91	5
Prince Albert	103.27	6
Saskatoon	104.03	7
Melfort	104.82	8
Estevan	107.16	9
North Battleford	119.12	10
Regina	131.00	11
Martensville	136.00	12
Warman	139.66	13
Melville	150.03	14
Humboldt	165.29	15

Commercial Water & Sewer

500M3 per Month - 2" service	2017 Rank	
Weyburn	916.35	1
Meadow Lake	1,086.67	2
Prince Albert	1,262.84	3
Moose Jaw	1,400.08	4
Melfort	1,426.55	5
Yorkton	1,483.70	6
Swift Current	1,561.45	7
Melville	1,613.13	8
North Battleford	1,734.25	9
Estevan	1,781.65	10
Saskatoon	1,880.41	11
Regina	1,901.80	12
Martensville	1,969.50	13
Humboldt	2,715.03	14
Warman	3,025.47	15

ATTACHMENT #6 – Comparison to City of Regina Utility Rates

Moose Jaw

	25 m3	3/4" Service
variable		
water	1.2419	31.05
sewer	1.3092	32.73
		63.78
Fixed	Month	
water	29.58	
sewer	16.33	
		45.91
	Monthly	109.69

Regina

	25 m3	3/4" Service
variable		
water	1.92	48.00
sewer	1.71	42.75
		90.75
Fixed	Day	
water	0.81	24.30
sewer	0.62	18.60
		42.90
	Monthly	133.65

ATTACHMENT #7 – Potential Waterworks Infrastructure Levy Examples

Potential Water Works Infrastructure Levy

Below are examples of how an infrastructure levy might be structured to replace the Hospital Levy collecting the same amount of funds \$1,620,000 annually.

EXAMPLE #1

Meter Size	# of Meters	Annual Amount of	
		Levy	Funds Generated
15 - 20 mm	11,804	\$ 131.00	\$ 1,546,324
21 - 30 mm	257	\$ 131.00	\$ 33,667
31 - 40 mm	47	\$ 131.00	\$ 6,157
41 - 50 mm	230	\$ 131.00	\$ 30,130
51 - 75 mm	22	\$ 131.00	\$ 2,882
76 - 100 mm	11	\$ 131.00	\$ 1,441
101 - 150 mm	3	\$ 131.00	\$ 393
151 - 200 mm	-	\$ 131.00	\$ -
greater than 200mm	4	\$ 131.00	\$ 524
	12,378		\$ 1,621,518

Includes Rural Accounts

levy 100

EXAMPLE #2

Meter Size	# of Meters	Annual Amount of	
		Levy	Funds Generated
15 - 20 mm	11,804	\$ 100.00	\$ 1,180,400
21 - 30 mm	257	\$ 200.00	\$ 51,400
31 - 40 mm	47	\$ 400.00	\$ 18,800
41 - 50 mm	230	\$ 800.00	\$ 184,000
51 - 75 mm	22	\$ 1,600.00	\$ 35,200
76 - 100 mm	11	\$ 3,200.00	\$ 35,200
101 - 150 mm	3	\$ 6,400.00	\$ 19,200
151 - 200 mm	-	\$ 12,800.00	\$ -
greater than 200mm	4	\$ 25,600.00	\$ 102,400
	12,378		\$ 1,626,600

Includes Rural Accounts