DELISLE UTILITY RATE REVIEW

July 23rd, 2025

A review of Water & Sewer Rates for 2025

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Executive Summary

This business case evaluates the current water and sewer utility rates in the Town of Delisle and proposes a strategic path forward to ensure financial sustainability and infrastructure resilience. Over the past decade, Delisle's utility services have operated at a cumulative deficit of over $215,000, despite modest rate increases. The town currently has the lowest utility rates among comparable communities and lacks a dedicated infrastructure reserve.

Four options were considered:

Option A:
Maintain current rates, which risks continued deficits and infrastructure failure.

Option B:
Immediate rate increase to generate surplus and build reserves, but may be met with public resistance.

Option C:
Phased rate increase over 3 years with set rates, balancing financial needs with public acceptance.

Option D: Implement a phased increase over 3 years with sewer rates based on a percentage of the water bill, effective February 16th, 2026

Option D is recommended as it ensures utilities remain net-zero while gradually building reserves for infrastructure maintenance and expansion. This approach supports long-term planning, maintains competitive rates, and allows residents time to adjust.

The proposed phased increases will raise the quarterly minimum rate from $120 to $240 by 2028, aligning Delisle with regional standards and securing the future of its utility services.

Purpose

The purpose of this business case is to review water and sewer rates for the Town of Delisle. This business case will provide a recommendation as to if rates should be adjusted and the amount required to operate a utility surplus for ongoing utility infrastructure maintenance, development, and expansion.

Background

The Town of Delisle has enjoyed a relatively low-maintenance water treatment plant as a result of extensive upgrades completed in 2009 during which new wells, new pumps, and a new generator were added at a cost of just over $1,000.000. Now 16 years later, these upgrades are aging.

Utility infrastructure throughout town is replaced as is needed when there is a break in the line or when a major road replacement project is undertaken such as the replacement of the 500 block of Main street in 2021. However, 75% of the remaining infrastructure throughout Town was installed between 1962-1973 and is reaching; or has exceeded, it's expected maximum useful life.

Issue

The Town of Delisle is known for having low-cost utilities however the Town does not have any capital infrastructure reserves and there is a need to begin building reserves to maintain the water treatment plant and current existing water/sewer infrastructure throughout the Town.

Research and Analysis

Historical Water & Sewer Utility Rates

	Water (billed quarterly)		**Sewer** (billed quarterly)	**Total min. $** (billed quarterly)
2013	$60/6000gal	(+$6/1000)	$10 p/month	$90
2016 (August)	$60/6000gal	(+$8/1000)	$10 p/month	$90
2016 (November)	$69/6000gal	(+$8/1000)	$10 p/month	$99
2017 (August)	$69/6000gal	(+$10/1000)	$10 p/month	$99
2021 (August)	$75/6000gal	(+$10/1000)	$10 p/month	$105
2023 (May) to present	$75/6000gal	(+$10/1000)	$15 p/month	$120

Key Takeaway;

- Since 2013 water rates have increased by 25% and sewer rates by 50%
- Overall utility increase per household since 2013 is 33.3%

Comparative Analysis of Other Community Water & Sewer Utility Rates

Community	Water Rate (6,000 gal)	Sewer Rate (3 months)	Infra. Rate (3 months)	Total Quarterly (Min. Charge):	Bulk Water Sales
Communities Which Have Water Treatment Plant					
Delisle	$75.00	$45.00	$0.00	$120.00	$1 per 100 gal.
Borden	$103.85	$75.00	$135.00	$313.85	
Langham	$98.00	$75.00	$144.45	$317.45	$2.80 per 100 gal
Radisson	$36.80	$72.45	$45.00	$154.25	$2 per 100 gal.
Rosthern	$168.0	$99.00	$84.00	$351.00	
Asquith	$66.00	$75.00	$60.00	$201.00	
Viscount	$88.00	$66.00	$105.00	$259.00	
Elrose	$116.00	$45.00	$0.00	$161.00	

Key Takeaways;

- Lowest Rate: Delisle at $120 per quarter (6000 gallons of water plus sewer)
- Highest Rate: Rosthern at $351.00 per quarter (6000 gallons of water plus sewer)
- The average rate of the 8 communities is $234.69 per quarter
- Lowest Bulk Water Rate: Delisle at a rate of $1 per 100 gallons with the next closest being Radisson at a rate of $2 per 100 gallons
- Delisle and Elrose are the only communities which do not include an infrastructure fee.
- Though not noted, all of the communities with the exception of Delisle bill monthly.

Expense versus Revenue Analysis (Grants excluded)

	Revenue	Expenses	Difference +/-
2024	$385,423	$380,366	+$5,057
2023	$388,481	$401,918	-$13,437
2022	$351,358	$421,333	-$69,975
2021	$369,812	$419,246	-$49,434
2020	$351,984	$344,355	+$7,629
2019	$351,907	$340,935	+$10,972
2018	$349,338	$323,417	+$25,921
2017	$327,735	$332,623	-$4,888
2016	$267,388	$344,362	-$76,974
2015	$264,018	$313,957	-$49,939
	10 Year Total		-$215,068

Key Takeaways;

- Over the last 10 years, water/sewer utilities has lost $215,068
- Over the last 10 years, revenues have climbed by 47% while expenses have risen 34%
- Only 4 of the last 10 years (40%) have resulted in a surplus, with the 4-year surplus averaging $12,395
- After a $76,974 deficit in 2016, water rates were increased in 2017 by 15% resulting in a deficit of only $4,888 that year but a surplus in both 2018 and 2019.

Identification of Options

Option A: *Maintain Status Quo*

Option B: *Increase utility rates effective February 16th, 2026*

Option C: *Implement a phased increase over 3 years, effective February 16th, 2026*

Option D: *Implement a phased increase over 3 years with sewer rates based on a percentage of the water bill, effective February 16th, 2026*

Analysis of Options

Option A:

Maintain Status Quo

Maintaining status quo does not change the current rates and maintains them where they are at for both residential water and sewer and bulk water sales. This option will continue to result in a deficit for the community in the long term and does not plan for the future by building reserves for ongoing care and maintenance of existing infrastructure nor provides the ability to fund expansion of existing services.

Anticipated Revenues/Expenditures

$0 (no change)

Strengths	Weaknesses
Maintains lowest water rates among similar sized communities throughout Saskatchewan.	*Provides no opportunity to build reserves. Does not plan for the future and presumes that existing infrastructure will continue to hold out without upgrades, care or maintenance.*

Risks

1. **Lack of ability to generate reserves to fund repairs/upgrades for existing infrastructure**
2. **Aging infrastructure will eventually fail requiring the community to borrow funds.**

Impact	Likelihood
M	H
H	M

Option B:

Increase utility rates effective February 16th, 2026

Increasing utility rates immediately allows the opportunity to begin building reserves for the future. The Town of Delisle presently has the lowest water & sewer rates versus all communities reviewed and is also one of the only communities not incorporating an infrastructure fee. To begin building reserves, the following increase would be recommended to be implemented on February 16th, 2026:

Residential Water - $85 p/6000gal +$15/1000	*(up from $75/6000 + $10/1000)*
Residential Sewer - $20 p/month	*(up from $15 p/month)*
Infrastructure Fee - $25 p/month	*(up from no infrastructure fee)*
Total quarterly minimum = $220	*(up from $120 minimum quarterly)*
Bulk Water Sales - $2 per 100 gallons	*(up from $1 per 100 gallons)*

This option generates immediate revenue which will ensure an operating surplus and allow for funds to be allocated to a long-term infrastructure account. This plans for the future by supporting major expenditures having to do with existing infrastructure and provides an option to fund infrastructure upgrades and expansions as the Town of Delisle grows.

Anticipated Revenues/Expenditures

Additional $183,600 p/year in revenue

Strengths

Ensures utility services is net-zero and always remains in a surplus. Plans for the future by building reserves and providing an option to fund upgrades and expansions.

Weaknesses

As increases have been relatively low over the last 10 years this increase may be alarming to some residents. This recommendation provides for an immediate increase but does not consider increases which may be required over the next 4-5 years.

Risks

Impact	Likelihood
M	L

1. **Residents may feel that this is a significant increase given the lack of increases over the last 10 years**

Option C:

Option C: Implement a phased increase over 3 years, effective February 16th, 2026

Increasing utility rates in a phased approach over 3 years allows the community to bring utility rates up to comparable rates with other communities while allowing residents to adjust and prepare for the increase over the specified period.

This provides the best option at a gradual increase of rates to an eventual quarterly minimum rate of $235 per account, substantially increasing utility revenues. This option provides the best opportunity to build infrastructure reserves and plan for the future of Delisle supporting both existing infrastructure and allowing the opportunity to fund upgrades and expansions.

The following phased increase would be recommended to be implemented on February 16th, 2026:

February 2026

Residential Water - $80 p/6000gal +$15/1000
Residential Sewer - $20 p/month
Infrastructure Fee - $10 p/month
Total quarterly minimum = $170

Bulk Water Sales - $2 per 100 gallons

August 2026

Residential Water - $80 p/6000gal +$15/1000
Residential Sewer - $20 p/month
Infrastructure Fee - $20 p/month
Total quarterly minimum = $200

Bulk Water Sales - $2 per 100 gallons

February 2027

Residential Water - $85 p/6000gal +$15/1000
Residential Sewer - $20 p/month
Infrastructure Fee - $25 p/month
Total quarterly minimum = $220

Bulk Water Sales - $3 per 100 gallons

February 2028

Residential Water - $85 p/6000gal +$15/1000
Residential Sewer - $25 p/month
Infrastructure Fee - $25 p/month
Total quarterly minimum = $235

Bulk Water Sales - $3 per 100 gallons

Anticipated Revenues/Expenditures

2026 – increase of $146,880 in revenue
2027 – increase of $183,600 in revenue
2028 – increase of $211,140 in revenue

Strengths	Weaknesses
Residents would have the ability to adjust to the increases over 3 years. This option provides a significant boost in revenue while also remaining among the lowest water rates with comparable communities. This option provides a great opportunity to build reserves and provide an option to fund upgrades and expansions.	*Residents will find any increase to utility rates difficult to accept regardless of the phased in approach. This option "locks in" the community to a set phased in approach when more revenue may be needed due to unplanned major repairs required with existing infrastructure.*

Risks

1. **Residents may be opposed to any increase in utility rates**
2. **Town may be committed to a phased in increase despite more revenue being needed for unplanned major infrastructure failures.**

Impact	Likelihood
L	M
M	L

Option D:

Implement a phased increase over 3 years with sewer rates based on a percentage of the water bill, effective February 16th, 2026

Increasing utility rates in a phased approach over 3 years allows the community to bring utility rates up to comparable rates with other communities while allowing residents to adjust and prepare for the increase over the specified period. This provides the best option at a gradual increase of rates to an eventual quarterly minimum rate of $240 per account, substantially increasing utility revenues. This option provides the best opportunity to build infrastructure reserves and plan for the future of Delisle supporting both existing infrastructure and allowing the opportunity to fund upgrades and expansions.

Basing sewer rates on a percentage of the water bill appropriately charges heavy water users more for sewer services and the increased burden they place on the sewer infrastructure. This option is fairer to residents wherein a household of 1 will presumably be paying less than a household of 5, the latter of which would use substantially more water. Revenues are anticipated to be relatively the same as Option C if users do not exceed 6000 gallons of water usage of the quarterly billing period.

The following phased increase would be recommended to be implemented on February 16th, 2026:

February 2026

Residential Water - $80 p/6000gal +$15/1000

Sewer

Residential	– 50% of water bill
Commercial	– 75% of water bill
Industrial	– 90% of water bill
School	– 90% of water bill

Infrastructure Fee - $10 p/month

Total quarterly minimum = $165

Bulk Water Sales - $2 per 100 gallons

August 2026

Residential Water - $80 p/6000gal +$15/1000

Sewer

Residential	– 50% of water bill
Commercial	– 75% of water bill
Industrial	– 90% of water bill
School	– 90% of water bill

Infrastructure Fee - $20 p/month

Total quarterly minimum = $210

Bulk Water Sales - $2 per 100 gallons

February 2027

Residential Water - $85 p/6000gal +$15/1000

Sewer

Residential	– 50% of water bill
Commercial	– 75% of water bill
Industrial	– 90% of water bill
School	– 90% of water bill

Infrastructure Fee - $20 p/month

Total quarterly minimum = $217.50

Bulk Water Sales - $3 per 100 gallons

February 2028

Residential Water - $85 p/6000gal +$15/1000

Sewer

Residential	– 50% of water bill
Commercial	– 75% of water bill
Industrial	– 90% of water bill
School	– 90% of water bill

Infrastructure Fee - $25 p/month

Total quarterly minimum = $240

Bulk Water Sales - $3 per 100 gallons

Anticipated Revenues/Expenditures

2026 – increase of $146,880 in revenue
2027 – increase of $175,000 in revenue
2028 – increase of $225,500 in revenue

Strengths	Weaknesses
Residents would have the ability to adjust to the increases over 3 years. This option provides a significant boost in revenue while also remaining among the lowest water rates with comparable communities. This option is more fair to residents and charges sewer rates based on the amount of water being used, so heavy water users are paying more for sewer services. This option provides the best opportunity to build reserves and provide an option to fund upgrades and expansions.	*Residents will find any increase to utility rates difficult to accept regardless of the phased in approach. This option "locks in" the community to a set phased in approach when more revenue may be needed due to unplanned major repairs required with existing infrastructure.*

Risks

1. **Residents may be opposed to any increase in utility rates**
2. **Town may be committed to a phased in increase despite more revenue being needed for unplanned major infrastructure failures.**

Impact	Likelihood
L	M
M	L

Recommendation of Option

Recommended: Option D

Option D provides a needed increase to utility rates and ensures that utilities remain in a net zero position while generating surplus moving forward. This option plans for the future and provides the best opportunity to begin building infrastructure reserves to support existing infrastructure while also providing the opportunity to fund major infrastructure upgrades and expansions to support the growth of Delisle.

Option D is the only option which gradually increases utility rates allowing residents to adjust each year as rates climb and also more fairly assigns sewer rates based on overall water usage. The option still maintains Delisle as having low water rates amongst comparable communities.

Conclusion

Utility rates have been reviewed and adjusted minimally over the last 10 years resulting in utilities accumulating a deficit of over $215,000 over the last 10 years. Despite existing infrastructure approaching its useful life expectancy Delisle has no reserves for existing infrastructure and no long-term plan to address infrastructure which is nearing 70 years old.

When comparing utility rates to other communities, Delisle presently has the lowest rates with compared communities and is one of only two communities which does not include a separate infrastructure fee. Delisle also provides the cheapest bulk water of compared communities.

A review of expenses versus revenue found that utilities rarely results in a surplus and has actually resulted in a total deficit of over $215,000 over the last decade. Immediate rate increases are needed not only to ensure that utility services remain in a sustainable net-zero place but also that a surplus is generated to build reserves and begin to plan.

Residents may be opposed to any kind of rate increase so a gradual phase in of increases to reach the required rate would be preferred.

Bibliography

1. **Delisle Audited Financial Statements from 2015-2024 (available at Town Office)**

2. **Utility Comparison Survey completed by Langham in 2024 (available at Town Office)**