ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR *(As required under* The Municipalities Regulations)

Name of Municipality	TOWN OF DELISLE
Date	September 1, 2025

WATERWORKS RATE POLICY

On August 14, 2025, Council passed a resolution on a waterworks rate policy.

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

Under the waterworks rate policy, the current quarterly base rate is $75.00 for the first 6,000 gallons of water plus an additional $10.00 for every 1,000 gallons consumed over the first 6,000 gallons. This rate took effect August 15, 2021 and was established in Bylaw No. 3-2021 passed on May 11, 2021. Council annually reviews the water and sewer rates and will, at the very least, take inflationary factors into account to ensure water and sewer revenues cover water and sewer expenses. Other than years where extraordinary capital expenditures have taken place, operating revenues have periodically covered operating expenses. Council will continue to raise rates to ensure revenues cover expenses while also generating surplus intended for infrastructure reserves.

(Describe how the waterworks rates and fees are determined, including the types of costs used for determining the rates and fees.)

The current water rate structure was established in May, 2021. The current water and sewer rates do not presently generate enough revenue to cover water and sewer operating expenses every year. Over the last 10 years utility services has resulted in a $215,000 deficit and increases are required. Operating costs include staff salaries, benefits and training; electricity; natural gas; insurance; chemicals; repairs; maintenance; supplies; etc. Over the last few years the Town has transferred the utility surplus (if any) into reserves to fund the new Lift Station #2 which is a major infrastructure project estimated to be over $3,000,000 and is presently underway. If there is long term debt, the first priority will always be to reduce debt and subsequently related interest payments.

Below provides a snapshot of our anticipated water rate increases. Rate increases are based on covering the cost of providing the service accounting for inflation and upgrades/maintenance and do not reflect the possibility of undertaking any major capital expenditures.

Date	Quarterly Base Rate (6,000 gallon allowance)	Excess Charge per 1,000 gal.
February 16th, 2026	$80 + $10 infrastructure fee	$15
August 16th, 2026	$80 + $20 infrastructure fee	$15
February 16th, 2027	$85 + $25 infrastructure fee	$15
February 16th, 2028	$85 + $25 infrastructure fee	$15

(Describe the objectives of the waterworks rate policy)

The objective of the waterworks rate policy is to ensure that the water and sewer utility continues to pay for the cost of the service provided while also building some reserves for major infrastructure upgrades and repairs. The proposed rate increases will cover inflation as well as provide for some small reserves or capital expenditures. The first priority is reduction of long-term debt and interest charges. The next priority after all debt is retired is replenishment of the Water & Sewer Reserve Fund to help address future capital projects.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On August 14, 2025, Council passed a resolution on a capital investment strategy.

(Describe the objectives of the waterworks capital investment strategy.)

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and the timely replacement of that infrastructure so that residents can continue to enjoy abundant, safe drinking water on an uninterrupted basis. When debt free, available surplus at the end of the year will be set aside for future capital expenditures in a reserve fund. Development fees of 10% are charged on all new lots sold and will be set aside for further expansion of the water and sewer utility. The cost of future waterworks infrastructure replacement and expansion will need a combination of increasing water rates to further build reserves, funding from senior governments, development charges, long term borrowing and, in extreme situations, local improvement levies.

(Describe how capital plans are determined, including how they are identified and prioritized. Indicate the sources of funding for waterworks infrastructure projects.)

We have significantly upgraded our waterworks utility. The water tower was retired and larger supply pumps with a generator were installed in the water treatment plant thereby significantly boosting the water pressure and ensuring that any new development will have an adequate water supply. We have over 93% of our water meters converted to radio frequency and we will continue with this conversion program which is anticipated to take 5 more years. The 2nd phase of the South Industrial subdivision was serviced with a water trickle system in 2019. We have also just completed 2 new wells and significant upgrades at the water treatment plant at a cost of $1,355,000. This project is already debt free. Well #2 has been decommissioned and Wells # 3 & 4 have been refurbished under these upgrades. The new Lift Station #2 is presently under construction at a cost of $3,266,910 funded through the ICIP grant program, reserves, and borrowing if necessary.
The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2024	Future Cost	Source of Funding
Water Meter Replacement	2030	$3,434.60	$48,750	Current utility operations
Water & Sewer to Hwy. Commercial Lots (1st Phase)	2030	$0	$1,500,000	Sale of Highway Commercial Lots
Replacement of Lift Station #2	2026	$132,360	$3,134,550	Current utility operations, Reserves, ICIP Grant & Borrowing

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe, abundant drinking water and funding available to undertake such projects.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2024 water and sewer revenues (as reported in the Financial Statements) (R) - $469,964

Total 2024 water and sewer expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - $380,366

Total debt payments on waterworks/sewage infrastructure loans (D) - Nil

Comparison of water & sewer revenues to expenditures plus debt payments expressed as a ratio - $\frac{(\$469{,}964)}{(\$380{,}366) + (\$0)} = 1.24$

If needed, an explanation of the ratio. (Examples could include reasons for variation from other years; unusual expenditures, revenues or volume; new infrastructure debt, etc.)

For 2024, water and sewer revenues covered 124% of water and sewer expenditures.

This ratio is not a true depiction of 2024 utility revenues versus expenses because it includes $84,541 in capital grant revenues received but excludes $132,360 in expenses which were paid in 2024 however are amortized over the life of the asset. In reality (cash accounting), utility revenues versus expenditures resulted in a deficit of $42,762

Amount of 2024 water & sewer revenues transferred out of the utility – Nil

Amount of 2024 supplementary funding required to cover expenditures, specifying the source of the supplementary funding – NIL

RESERVES

Reserves available for waterworks capital infrastructure - $766,403

ATTACHMENTS

- Available at the Town Office, at a cost of $30.00, is the 2016 waterworks system assessment, as required under section 35 of *The Water Regulations, 2002*.
- There are no agreements for waterworks services.

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR

The following is information on the Town of Delisle's waterworks, as required under *The Municipalities Regulations.*

<u>2024 Waterworks Financial Overview</u>:

- Total water and sewer revenues (R) - $469,964
- Total water and sewer expenditures (E) - $380,366
- Total debt payments on waterworks/sewage infrastructure loans (D) - Nil
- Comparison of water & sewer revenues to expenses plus debt payments expressed as a ratio - $\frac{(\$469{,}964)}{(\$380{,}366) + (\$0)} = 1.24$

-For 2024, water and sewer revenues covered 124% of water and sewer expenditures.

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In reality (cash accounting), utility revenues versus expenditures resulted in a deficit of $42,762

The following additional information is available for inspection at the municipal office on the waterworks:

- the August 14, 2024 waterworks rate policy and capital investment strategy
- capital plans in place and related sources of funding for the projects
- 2024 financial overview of the waterworks
- Information on any waterworks reserves
- at a cost of $30.00, a copy of the 2016 waterworks assessment.

(A copy of the information is to be sent to Saskatchewan Government Relations, Policy Development Branch, 1855 Victoria Avenue, Room 1540, Regina, Saskatchewan, S4P 3T2.)

Notes for Public Utility Boards

- These regulations also apply to public utility boards established under *The Municipalities Act.*
- The public utility board is responsible for compiling the required information related to the public utility and providing it to the respective municipalities.
- The municipalities are to make the public utility information available to the public at their municipal offices.
- Also, municipalities are to make available to the public at their municipal offices required waterworks information on the waterworks components that are not part of the public utility.
- The municipality must also provide the required information on the public utility and its own waterworks components directly to the public.

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