

**VILLAGE OF MUENSTER**  
**WATERWORKS RATE POLICY**

The waterworks rates and fees charged by the Village of Muenster include:

- A utility deposit of \$150.00 charged per residence or per business meter.
- A monthly base fee of \$11.25 for water and \$12.25 for sewer is charged per meter regardless of whether the residence is occupied or not.
- On top of the base charge, a per gallon usage charge of \$23.25/1,000 gallons is billed out monthly as per our Water Rate Bylaw dated January 18, 2022.
- The Village of Muenster has a coin-op meter at the water treatment plant where people may purchase bulk water at a rate of \$26.75/1,000 gallons.

Bylaws will be passed each year in the event of water rate changes.

The \$11.25/month base fee and \$23.25/1,000 gallon usage charge, along with the monthly sewer charge of \$12.25, were established by bylaw on January 18, 2022. These monthly charges should cover 100% of the waterworks operating costs.

In 2021, these charges covered approximately 73% of the waterworks operating costs due to the amortization figure of \$47,033 being included in the operating expenditures. If this amortization figure had not been factored into the equation, the waterworks would have shown a deficit of \$34,564. The deficit was primarily due to unanticipated water line work required on Scott Street. Waterworks operating costs, or expenditures, include the cost of water from SaskWater, waterworks staff salaries, benefits and training, power, telephone, fuel, heat, chemicals, line repairs, maintenance, and supplies, as well as the annual amortization figure. The monthly fees residents incur do not include an infrastructure charge. The waterworks infrastructure loan principal and interest equated to \$26,579 in 2021. Income/expense numbers referenced here are pre-audit values.

Below provides an estimation of future water and sewer charges to reflect the rate increases projected for the next four years. Estimated rate increases are based on consumption charge increases from SaskWater along with increased operating costs locally. The monthly charges shown are based on an average household consuming 3,000 gallons of water each month. The estimated monthly charge does not account for possible annual increases to the base fees for water and sewer.

<b>Date</b>	<b>Per 1,000 Gallon Rate</b>	<b>Estimated Monthly Charge</b>
January 1, 2021	\$23.01	\$92.03
January 1, 2022	\$23.25	\$96.00
January 1, 2023	\$24.75	\$115.00
January 1, 2024	\$25.85	\$120.00

The objective of the waterworks rate policy is to operate waterworks that are primarily self-financing, where the users pay for the cost of the service. While achieving this, it is also intended to keep the rates as affordable as possible. 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. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes.



## WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance and future infrastructure replacements so as to ensure the municipal waterworks provides safe drinking water to residents and businesses. The strategy uses the 2016 waterworks system assessment that was required by Saskatchewan Water Security Agency for infrastructure planning as well as best practice asset management strategies.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council has established a Utility Reserve Fund and will deposit 4% of expenditures annually into this fund. The Utility Reserve Fund will only be used for water and sewer capital expenses. The Village also has access to its Capital Trust Fund and long-term borrowing. The Capital Trust Fund is money held in trust for any capital needs the Council of the Village of Muenster feels necessary. Annual debt payments towards the waterworks infrastructure loans equated to \$26, 579 in 2021.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

In 2018, the Village completed a sewer system upgrade project which included the construction of a new force main to the lagoon, installation of a backup power generator and other associated works at the sewage lift station. The total project cost of \$520,700 was shared on a one-third basis, with the Government of Canada, the Government of Saskatchewan, and the Village of Muenster each contributing \$173,566. The project has improved the reliability and performance of the wastewater collection system for the residents of Muenster.

The Village also completed a new Reservoir addition at the Water Treatment Plant in 2018. This project increased the capacity of our water holding reservoirs, which was a recommendation of The Water Security Agency, our provincial governing body of waterworks systems. The Village received \$300,000 of government funding for this project also. The Village was very fortunate to receive government funding to assist with both these project. The funding we received assisted us in financing the remaining costs of these projects with the use of some Reserve money along with long-term financing, keeping the annual payments very manageable.

The Village of Muenster currently recognizes that approximately 80% of the water meters in service to date will require updating in 2022 and 2023. Water meters are purchased and owned by the Village. At this time the Village supplies meters to residents at no charge. As meters age their accuracy of measuring water flow degrades. Upon installation of new meters, residents may experience a small percentage increase to their consumption rates due to the improved technology.

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

### ANNUAL FINANCIAL OVERVIEW (2021)

\*Pre-Audit Overview

Total 2021 waterworks operating revenues (R) - \$223,177

Total 2021 waterworks operating expenditures (E) - \$278,195

Total debt payments of waterworks infrastructure loans (D) – 26,579

Comparison of waterworks operating revenues to operating expenditures plus debt payments,  
expressed as a ratio –  $\frac{(223,177)}{(278,195) + (26,579)} = .73$

For 2021, waterworks operating revenues covered 73 percent of the waterworks operating expenditures.  
(Total 2021 waterworks expenditures of \$278,195 includes an amortization figure of \$47,033.)



## RESERVES

Reserves available for waterworks capital infrastructure:  
Capital Trust Fund - \$109,943.84  
Utility Reserve Fund - \$5,071.46

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## ATTACHMENTS

Attached is the 2016 waterworks system assessment as required under section 35 of *The Water Regulations, 2002*. There are no agreements for waterworks services. (Available at the Village Office)

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Waterworks Information available for review at the Village of Muenster Office:

- Waterworks Rate Policy and Capital Investment Strategy
- Capital plans in place and related sources of funding for the projects.
- Financial Overview of the Waterworks
- Reserves available for Waterworks Projects
- Copy of the 2016 Waterworks System Assessment

