

ANNUAL WATERWORKS INFORMATION

For the Year 2022

Town of Lemberg

Report Date: May 26, 2023

WATERWORKS RATE POLICY

On March 15, 2022, Council enacted a bylaw to fix the rates to be charged for the use and consumption of water and to fix the rates by way of rent and service charges for the use of sewer.

The monthly water was chosen to be a rate that would be affordable for residents and businesses. The monthly fees, including water, sewer and an infrastructure fee, are anticipated to generate enough waterworks revenue to cover the waterworks' operating cost. With the addition of an infrastructure fee, that amount will be put into reserves so the Council can address future waterworks problems that arise and replace aging waterworks infrastructure as required. Council will monitor those expenses to determine if a rate increase is necessary in coming years to ensure this user service is self-sustaining.

Current Monthly Water Rates as approved by Bylaw 2022-01

Water

- Minimum Charge - \$30.00/month (3,000 gallons)
- Over 3001 gallons - \$5.00 per 1000 gallons pro-rated per usage

Sewer

- | | |
|------------------------|--------------|
| - Banks, Credit Unions | \$40.00 each |
| - Cafes | \$43.00 each |
| - Churches | \$40.00 each |
| - Garages | \$40.00 each |
| - Offices | \$40.00 each |
| - Residences | \$40.00 each |
| - Schools-High | \$56.50 each |
| - Post Office | \$40.00 each |

Infrastructure

- \$30.00 regardless if water or sewer is used

The waterworks rate policy aims to work towards self-financing waterworks, where the users pay for the cost of the service. Waterworks rates will need to increase over time so that the revenues cover operating costs. Council will review its waterworks policy to determine if revenues are covering costs. Council will consider increasing rates to build waterworks reserves to cover future infrastructure maintenance and replacement costs identified in the 2019 Conceptual Study for Water and Wastewater System Upgrades.

This waterworks rate policy will work towards a financially independent waterworks that does 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. Self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mil rates.

WATERWORKS CAPITAL INVESTMENT STRATEGY

A waterworks capital investment strategy aims to address anticipated waterworks infrastructure maintenance and replacements in a timely fashion to ensure the municipal waterworks provide safe drinking water to residents and businesses. Council contracted Associated Engineering to complete a Downstream Use and Impact Study (DUIS) and a Conceptual Study for Water and Wastewater Treatment System Upgrades. Within the report, recommendations for upgrades to both water and wastewater/lagoon facilities are included. Funding for a lagoon upgrade was applied for, and the application was successful and is now 100% complete. Funding sources include the Federal and Provincial governments, with 2/3 of the project costs and the remaining to be funded through the Town through debentures.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will need to review the possibility of continually increasing water rates. New funding streams are being researched to provide financial assistance for a new water treatment plant/upgrade to address ongoing high ammonia.

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.

2022 ANNUAL FINANCIAL INFORMATION OVERVIEW

Total 2022 Waterworks Revenues - \$208,526

Total 2022 Waterworks Expenditures - \$227,428

Total debt payments on waterworks infrastructure loans – \$0

Comparison of waterworks revenues to expenditures plus debt payments,
Expressed as a ratio – 0.92

For 2022, the Town dug test well for future water treatment plant upgrades.

Total Infrastructure Reserves - \$193,311.59

The following additional information is available at the municipal office of the waterworks:

- The waterworks rate policy (Bylaw 2022-01)
- 2022 Audited Financial Statement
- Waterworks reserves
- A copy of the 2020 Waterworks assessment
- 2019 Water and Wastewater Treatment Upgrades Conceptual Study by Associated Engineering