

Annual Waterworks Information 2023

Available at the Town Office by September 1 of each year

(as required under *The Municipalities Regulations Sec. 50-55*)

Town of Davidson August 20, 2024

Waterworks Rate Policy

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

Under the Water & Sewer Rate Bylaw No. 705, passed on May 12, 2008, and amended by Bylaws #740 (February 19, 2013), #752 (December 17, 2013), #763 (April 21, 2015), #772 (January 17, 2017), the water rates were set as follows:

Monthly Water Rates:

1,000 gallons or less..... \$15.00 minimum
Over 1,000 gallons \$10 per 1,000 gallons or part thereof

Infrastructure fee:

Domestic connections..... \$7/month
Commercial connections \$7/month
Café, Restaurants..... \$21/month
Lounges, Bar rooms \$21/month
Hospital, health facility \$93/month
Hotel/Motel per room with residence, an additional \$2 per room per month (\$7 for residence + \$2 for each rental room per month)
School..... \$2/classroom/month
Apartment Blocks..... \$7/suite/month
Suites in commercial buildings – commercial connection + \$7/suite/month

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

The rates set in Bylaw No. 763, passed on April 21, 2015 and Bylaw No. 769, passed on March 15, 2016 remain in effect, and were chosen to be an acceptable rate for residents and businesses.

Describe the objectives of the waterworks rate policy.

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time as costs increase. Council plans to review rates on an annual basis.

The 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. This will ensure our waterworks can provide safe drinking water now, and into the future.

Waterworks Capital Investment Strategy

Describe the objectives of the waterworks capital investment strategy.

The objective of the waterworks capital investment strategy is to establish water and sewer rates, whereby there will be an annual surplus created which will be transferred into a reserve for future waterworks infrastructure upgrades.

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

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements as identified and prioritized in the 2015 Waterworks System Assessment to ensure safe drinking water. The latest waterworks capital plan and planned sources of funding are as follows:

TABLE 3.2 REPLACEMENT COST/SERVICE LIFE			
ITEM	TYPICAL SERVICE LIFE	ESTIMATED REMAINING SERVICE LIFE	TOTAL COST
Raw Water Supply			
Wells (2)	20-40 Years	10-20 Years	
Water Supply Main	40-60 Years	20-30 Years	
Subtotal			\$2,000,000
Water Treatment Plant, Storage and Distribution Pumping			
Reservoirs	40-60 Years	15-35 Years	
WTP Building	40-60 Years	15-35 Years	
Mechanical	20-30 Years	5-10 Years	
Filtration System	25-35 Years	10-15 Years	
Electrical and Controls	20-30 Years	5-10 Years	
Chemical Feed Systems	10-20 Years	0-5 Years	
Distribution Pumps	20-30 Years	0-5 Years	
Subtotal			\$ 4,000,000
Distribution System			
Water Distribution System Including Service Reconnections and Pavement Replacement	40-60 Years	0-25 Years	
Subtotal			\$ 5,000,000
ESTIMATED REPLACEMENT COST			\$ 11,000,000

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

Annual Financial Overview

Of the previous calendar year.

Total 2023 waterworks revenues (includes ½ of the infrastructure fee revenue)	\$325,995.50
Total 2023 waterworks expenditures	\$351,199.00
Comparison of waterworks revenues to expenditures	<u>325,995.50</u>
plus debt payments, expressed as a ratio	351,199.00 = 0.93

For 2023, waterworks revenues covered 93% of the waterworks operating expenditures.

Amount of 2023 waterworks revenues transferred out of the utility to the Utility Reserve

..... \$60,000

Amount of 2023 supplementary funding required to cover expenditures, \$25,203.50

 Specifying the source of the supplemental funding: property taxes

Reserves:

Reserves available for waterworks capital infrastructure as of Dec 31, 2023

 (Total Utility Reserve) \$400,679.15

Additional Information Available

The following additional information is available at the Town Office on waterworks:

- Water & Sewer Rate Bylaw No. 705, passed on May 12, 2008, and amended by Bylaws #740 (February 19, 2013), #752 (December 17, 2013), #763 (April 21, 2015), #772 (January 17, 2017)
- 2015 Waterworks System Assessment
- There are no agreements for waterworks services