

Schedule A
Of
MINUTES OF THE FOUR HUNDRED AND SEVENTY FIFTH (475TH) MEETING OF THE COUNCIL OF THE TOWN OF ROSE VALLEY, BEING THE SEVENTH MEETING OF THE COUNCIL OF THE TOWN OF ROSE VALLEY FOR THE YEAR 2014, WHICH WAS HELD IN THE ROSE VALLEY TOWN OFFICE, ON JULY 24, 2014 AT 7:00 P.M.

The Waterworks Rate Policy 2014

A resolution of the Town of Rose Valley to establish a Written Policy regarding the setting of rates to be charged for the use and consumption of water in compliance with *The Municipalities Regulations* (Part VII, Sections 50 to 55)

The Council of the Town of Rose Valley, in the Province of Saskatchewan, enacts as follows:

Description of Waterworks Rates and Fees charged by the Municipality:

1. Water rates for the year 2014 are adopted pursuant to
 - a. Bylaw Number 10/2011 adopted by the Council of the Town of Rose Valley on November 10, 2011 and approved by the Saskatchewan Municipal Board, Local Government Committee with such bylaw effective January 12, 2012.
 - b. For the year 2014 the rate for water service shall be a flat rate of \$100.00 per month.
2. Water is not metered, therefore the user has unrestricted use of water with the exception that water restrictions may be imposed on watering of lawns, gardens, trees and shrubs by resolution in Council. The purpose of such restrictions is to ensure that there is enough water available for fire protection and to keep water treatment and distribution at reasonable levels. Public notice shall be provided regarding such restrictions.
3. Water and Sewer rates were not increased per month.
4. Council will annually review the waterworks policy in order to work towards waterworks revenues that continue to cover waterworks operating costs and provide funds to pay for needed waterworks system repair and replacement. Council's intention is to provide safe, potable water which is affordable through a utility which is sustainable. As Council looks for the most economical and effective means to build this sustainable utility public consultation will be encouraged. Public notice of necessary rate increases will be given as soon as possible.

Description of How Waterworks Rates and Fees are Determined

1. The monthly flat rate was chosen as a rate which would meet the municipal requirements for provision of the water and sewer utility. In Council's view primary concerns are
 - i) The provision of safe drinking water which meets the standards for drinking water set by regulation from federal and provincial legislation;
 - ii) The provision of water which is as affordable; and
 - iii) The provision of a service which is sustainable i.e. able to continue to provide safe, drinkable water for the future.
2. In setting this rate Council considered a number of factors as follows:
 - i) Increased expenditures due to debt repayment on the major capital investment in the reservoir project and new reverse osmosis potable water treatment system as well as rising operating costs. Operating costs include waterworks and administration staff salaries, benefits and training; power, telephone, heat; fuel, insurance, chemicals, repairs, maintenance, supplies and Watershed levies.
 - ii) With increasing regulation and requirements placed on municipal water systems, following incidents at Walkerton and North Battleford, Council and operations staff anticipated the water system having increasing problems meeting provincial and federal water standards. Rose Valley's system has always provided and continues to provide safe, drinkable water that meets all standards. However, the 2005 Waterworks Assessment, required by *The Water Regulations, 2002*, identified replacement of 45 year old water system components, including the Tower reservoir, as becoming an increasing concern in the provision of safe, drinkable water which meets provincial and federal regulated standards. Historically, Rose

Valley's water rates did not include an infrastructure charge, that is a charge used to collect revenue that could be put into reserves so that the municipality could address waterworks infrastructure problems that arose and replace the aging infrastructure. In 2009 the Town of Rose Valley brought the new reservoir, which replaced the Tower, on line. In 2010 the Water Treatment system was upgraded to a Reverse Osmosis membrane treatment system and the 20 year old primary well was replaced with this initiative receiving 2/3rds funding under the Building Canada Fund- Communities Component. In 2012 the sewage pumping station was upgraded to handle increased demand due to the new RO system and in face increasingly wet spring and summer seasons.

- iii) Council took into consideration that senior governments are strongly encouraging municipalities to move toward making water utilities self-financing, that is having users pay for the cost of the service. In the past the municipality used general funds to supplement water revenues as needed. Municipalities are now being strongly discouraged from using general revenue funding to provide water services.
3. Future rate increases will be based on ongoing evaluation of operating costs and the requirements of repairing and replacing the waterworks aging infrastructure in a cost effective manner.

Description of Objectives of the Waterworks Rate Policy

4. The primary objective of the waterworks policy is to work towards waterworks that
 - i) provide safe, drinkable and affordable water; and
 - ii) are self-financing where the users pay for the cost of the service.
5. To accomplish this objective waterworks rates will be increased as needed over time to meet increasing operating costs. Considering that the rate increases necessary to meet infrastructure costs for the reservoir and water treatment projects bring water rates to a level where affordability becomes an issue, Council will build waterworks reserves very gradually in order to cover future infrastructure maintenance and replacement costs. Council will determine the most cost effective and efficient manner to meet any further system deficiencies identified in the 2010 Waterworks Assessment required by *The Water Regulations, 2002*.
6. Self financing waterworks shall reduce pressure on property taxes as funding for waterworks operating and capital expenditures are no longer drawn from the general revenue fund. Future mill rates will reflect this.