

Town of Blaine Lake Waterworks Rate Policy

2011

On September 18th, 2006 Council passed a bylaw on a waterworks rate policy.

Under the waterworks rate policy resolution was adopted in September 2006. This policy states that Council's goal is to operate a self-sustaining waterworks infrastructure. To continue to meet the goal of a self-sustaining waterworks infrastructure, Council will closely examine water revenue and expenses on an annual basis to ensure that this goal is met.

By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases.

Waterworks revenue generated enough income to cover waterworks operating costs. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the estimated monthly water and collection rates for 2012 to 2014. To demonstrate the impact on residents, below are estimated monthly charges that reflect the rate increases, which are based on the average household consuming 3300 gallons of water each month.

Date	Minimum Monthly Rate	Sewage Rate	Estimated Monthly Charge
January 1, 2012	33.50	11.00	44.50
January 1, 2013	34.00	11.50	45.50
January 1, 2014	34.00	11.50	45.50

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 so that the revenues cover operating costs, to the extent possible. At the end of each year Council will review its waterworks policy to determine if revenues are covering costs. They will also review waterworks rates to determine if waterworks infrastructure reserves will be sufficient to cover upcoming replacement and maintenance costs such as replacing the Water Treatment Plant in approximately 2020 which was identified as a need in the 2005 waterworks assessment required by *The Waterworks Regulations, 2002*.

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. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mill rates.