

Town of Blaine Lake
Waterworks Capital Investment Strategy
 September, 2010

On July 17th, 2006 Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses. The strategy uses the 2005 waterworks system assessment that was required by Saskatchewan Environment for infrastructure planning.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves, once the water rates cover waterworks operating costs, and long term borrowing.

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.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements as identified and prioritized in the 2005 waterworks assessment to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2010 cost	Future Cost*	Sources of Funding
Lagoon Dredging	2010	40,000		reserves
Reservoir Cleaning	2010	3,000		Utility revenues
Water treatment Plant	2015	\$100,000	\$115,000.	reserves

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

Annual Financial Overview for 2009

Total 2009 waterworks revenues (as reported in the Financial Statements)(R)- \$184,526.

Total 2009 waterworks expenditures (as reported in the Financial Statements)(E) - \$161,158 not including amortization - \$576,944. including amortization.

Total debt payments on waterworks infrastructure loans (D) – \$39,952.

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

$$\frac{161,158}{184,526} = 1.145$$

For 2009, waterworks revenues covered 100% of the waterworks expenditures.

Amount of 2009 waterworks revenues transferred out of the utility – \$34,000.

Amount of 2009 supplementary funding required to cover expenditures - Zero from the general revenue fund.