

WATERWORKS CAPITAL ASSET MANAGEMENT PLAN

RESORT VILLAGE OF KANNATA VALLEY

Adopted by Resolution of Council R57/12 at a Special Meeting of council on the 26th day of JUNE, 2012

Updated Feb.19, 2013

2013 WATERWORKS RATE POLICY

General Conditions

In 1973 the Resort Village of Kannata Valley commissioned a water distribution system that included a well, a reservoir, a small equipment building and the associated intake pipelines, pumping, control systems, and distribution network serving those properties that elected to connect to the system. This original system was installed and commissioned from revenue generated from stakeholders and government grants. Annual operating costs were offset by revenue generated from stakeholder user fees.

Historically: The water utility was designed to be operated on a "Fee for Service" basis where municipal funds from property taxation would not be required to subsidize the utility operations. Our records show that from inception in 1973 to the end of 2011 the revenue from stakeholders (*persons using water from the infrastructure*) for **CAPITAL** infrastructure expenditures a Shortfall of \$77,000. During the same period, the revenue generated from annual stakeholder user fees to operating expenses is at a surplus of by approximately \$7,500. Thus, from inception to the end of 2011 (39 years), the water utility has been subsidized from the municipal general revenue funds by approximately \$70,000 or by an average of \$1800 per year.

CURRENTLY: The Resort Village of Kannata Valley completed the recent capital improvements with the installation of a water treatment facility. This facility now supplies CONSUMPTIVE WATER to residents of Kannata Valley and, by agreement to Jesuit Fathers; Sask Beach Community Center & Bulk Delivery Station; Rock Ridge Developments and Valley Ridge Acres. The utility operates in compliance with terms and conditions of a PERMIT TO OPERATE # 2256 issued by Saskatchewan Environment.

In 2011 the revenue generated from subscriber user fees was \$50,300 and the operating expenditures were \$37,800.

In 2012 the revenue generated from subscriber user fees & over use was \$69,836.

In 2011 the first WATERWORKS CAPITAL ASSETS MANAGEMENT PLAN was introduced and implemented by resolution of council. Under this plan, \$11,700 derived from a user levy of \$60 per subscriber was set aside in a Reserve Account for future capital expenditures.

In 2012 the revenue generated from the WATERWORKS CAPITAL ASSET MANAGEMENT PLAN was \$10,800 & will be set aside in a separate interest bearing bank account.

To Follow:

- Appendix A: Capital Investment Strategy Plan
- Appendix B: Schedule of Water Rates
- Appendix C: Waterworks Quality Assurance/Quality Control Policy
 - Appendix A – Waterworks Production Division
 - Appendix B – Waterworks Distribution Division
 - Appendix C – Waterworks Metering Division
- Appendix D: Waterworks Emergency Response Plan

APPENDIX A
Annexed to the Waterworks Capital Asset Management Plan

CAPITAL INVESTMENT STRATEGY

Objective:

1. To invest capital funds for a water treatment system that will produce 'consumptive' water that meets the requirements of the Provincial Drinking Water Quality Standards.
2. To secure funding eligibility under the federal/provincial "Building Canada Fund" (*BCF*) program
3. To recover the municipal share of capital infrastructure costs from stakeholder levies & fees
4. To establish connection levies for future stakeholders

Scope of Capital Works

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| Phase 1: | Complete a Water Assessment Study |
| Phase 2: | Conduct Water Treatment Pilot Studies |
| Phase 3: | Construct and Commission a Water Treatment Facility |
| Phase 4: | Secure a second source of suitable raw water |

Capital Works Schedule

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| 2006 | Complete a Waterworks Assessment Study |
| 2007 | Conduct Water Treatment Pilot Studies using alternative technologies |
| 2008 | Solicit proposal for selected water treatment systems. |
| 2008 | Secure financial requirements for this capital investment |
| 2009 | Complete site work and construct treatment facility |
| 2010 | Interconnect new infrastructure with existing infrastructure |
| 2010 | Install and Commission water treatment equipment |
| 2011 | Install of stakeholder metering and back flow devices |
| 2012 | Conduct exploratory works to secure a second source of raw water |
| Future | - Develop and integrate a second source of raw water |

Capital Works Financials

Expenditures:

- \$42,200 (3%) of the Capital Works Costs were ineligible for funding under the *BCF* Program.
- \$1,374,000 (97%) of the Capital Works Costs was eligible for funding under the *BCF* program.

Funding Receipts:

- \$409,200 (29%) from subscribers
- \$82,200 6%) from the Kannata Valley General Gov. Revenue Account
- \$918,800 (65%) from the *BCF* program.