

Town of Yellow Grass

Waterworks Rate Review – Policy 2024

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 as well as waterworks reserves in order to cover future infrastructure maintenance and replacement costs. A Reverse Osmosis Water Treatment Plant has been installed and we need to have reserves to cover the cost of repairs and also to replace the filters when they need to be replaced. We have also installed a Bio filter system, to clean up a top producing well so the water is capable of going through our RO system.

The council of the Town of Yellow Grass has paid the debentures completely off and has removed the \$30 per month charge. We have increased our minimum water charge and overage charge.

WATERWORKS CAPITAL INVESTMENT STRATEGY 2024

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, as well as pay down the long-term debt.

The council of the Town of Yellow Grass intends to include the following projects in the proposed Waterworks Capital Investment Strategy: The Town of Yellow Grass has upgraded our water system by installing a reverse osmosis water filter system so we are following the levels acceptable to Government standards. This was a 1.5-million-dollar project cost shared by the Government, but the Town of Yellow Grass needs to ensure we can sustain the system now that we have it in place.

A new water well was drilled in 2022 at the same location as our other wells. It has been connected and is producing a large quantity of water for the Town.

Waterworks Assessment

As per our Environmental Officer, we are not required to do the waterworks assessment due to the fact that we are under 500 in population and we have ground water. We have installed a reverse osmosis water treatment plant.

Annual Waterworks Financial Overview

- Total waterworks revenues (R) - \$235,747
- Total waterworks expenditures (E) - \$142,342
- Total debt payments on waterworks infrastructure loans (D) - \$44,034
- Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio -

(\$235747)

(\$186376) = 1.26

-- For 2024, waterworks revenues covered 100% of the waterworks expenditures, with excess revenue put into a premium investment to be used for future repairs, replacement or expansion of our water system. The new well that was drilled was paid from the waterworks reserves.

As of December 31, 2024, the Town of Yellow Grass's waterworks reserve is \$60,103.39

The following additional information is available at the municipal office on the waterworks:

- 2024 Waterworks Rate Policy and Capital Investment Strategy.
- 2024 Financial Overview of the Waterworks
- 2024 Waterworks reserves