

TOWN OF ARCOLA
ANNUAL WATERWORKS INFORMATION
AND
2025 WATERWORKS FINANCIAL OVERVIEW

Year: **2025**

WATERWORKS RATE POLICY

In 2022, Council passed a bylaw to fix the rates to be charged for the use and consumption of water, to fix the rates to be charged by way of rent and service charge for the use of the sewer, and to charge a monthly infrastructure fee for both.

- The Water & Sewer Rates are:

Monthly Water Service Charges:

3,000 gallons or less	Minimum \$30.00
3,001 gallons and over	\$6.00/1,000 gallons or part thereof

Monthly Non – Metered Water Charges: \$30.00

Monthly Water Infrastructure Charges for Residential and Commercial:
\$10.00

Water Sales at the Water Station:

Bulk Water Sales, when available \$20.00/1,000 gallons

Monthly Sewer Service Charges:

3,000 gallons or less	Minimum \$30.00
3,001 gallons and over	\$6.00/1,000 gallons or part thereof

Monthly Sewer Infrastructure for Residential and Commercial:
\$10.00

The objective of the Town of Arcola’s Waterworks Rate Policy is to work towards a financially sustainable and self-financing water utility system while continuing to provide safe, reliable, and regulated drinking water services to residents and businesses.

The Town recognizes the importance of maintaining and upgrading critical water infrastructure in order to meet present and future operational, environmental, and regulatory requirements. This policy is intended to ensure that water utility revenues are sufficient to support the ongoing operation, maintenance, renewal, and eventual replacement of waterworks infrastructure.

Council’s long-term goal is to establish financially independent waterworks operations that do not place undue demand on the municipal general reserve fund or municipal taxation revenues. Water utility rates will therefore be reviewed periodically to ensure revenues adequately support operational costs, infrastructure maintenance, reserve contributions, and future capital expenditures.

The Town of Arcola continues to prioritize the renewal and replacement of aging waterworks infrastructure as funding permits. Capital improvements are identified and prioritized based on infrastructure condition, operational necessity, regulatory compliance, system reliability, and financial capacity.

Council has completed a feasibility study relating to future water source development and water treatment plant upgrades. The Town recognizes the need to secure a more reliable long-term water source and modernize aging treatment infrastructure to ensure continued safe and sustainable water service for the community.

To support these long-term infrastructure objectives, the Town of Arcola has applied for funding under the Canada Housing Infrastructure Fund (CHIF) grant program to assist with the development of a new water source and water treatment plant upgrades. The Town has also begun preliminary groundwork in locating a potential future water source and will be completing source monitoring and evaluation activities throughout the summer season.

The Town will continue exploring all available provincial and federal grant opportunities to assist with major capital infrastructure improvements while minimizing the financial impact on utility users wherever possible.

This Waterworks Rate Policy supports:

- sustainable utility operations;
- long-term infrastructure planning;
- reserve funding for future capital projects;
- responsible asset management practices;
- gradual and manageable utility rate adjustments;
- and the long-term financial viability of the municipal waterworks system.

Council remains committed to ensuring the Town of Arcola's waterworks system continues to provide safe, dependable, and sustainable drinking water services for current and future residents.

WATERWORKS CAPITAL INVESTMENT STRATEGY

The objective of the Town of Arcola's Waterworks Capital Investment Strategy is to address anticipated waterworks infrastructure maintenance, immediate drinking water infrastructure concerns, and future infrastructure replacement needs in a timely and financially responsible manner to ensure the continued delivery of safe and reliable drinking water services to the community.

The strategy utilizes the 2015 Waterworks System Assessment completed in accordance with Saskatchewan Environment requirements for infrastructure planning, as well as the Water Feasibility Study completed in 2025 relating to future raw water supply and water treatment infrastructure upgrades.

The Town continues to prioritize the renewal and replacement of aging infrastructure as funding permits while planning for future water source development and water treatment plant improvements. Capital planning decisions are based on infrastructure condition, operational requirements, regulatory compliance, public health protection, and long-term system sustainability.

The Town of Arcola remains committed to responsible asset management practices and pursuing available provincial and federal funding opportunities to support future waterworks infrastructure improvements.

TOWN OF ARCOLA

ANNUAL WATERWORKS FINANCIAL OVERVIEW

The following information is detailed from the 2025 Audited Financial Statement regarding the annual Water & Sewer costs as required under *The Municipalities Regulations*:

2025 Water & Sewer Financial Overview:

Revenues

Water Revenues	\$185,831
Sewer Revenues	<u>\$186,298</u>
Total Revenues	\$372,129

Expenses

Wages & Benefits	\$102,076
Professional/Contract Services	\$ 52,335
Utilities	\$ 17,388
Maintenance/Mat & Supplies	\$ 58,228
Interest (Lagoon)	\$ 23,157
Amortization	<u>\$141,908</u>
Total Expenses	\$395,092

- Total Waterworks Revenues: \$372,129
- Total Waterworks Expenses: \$395,092
- Comparison of waterworks revenues to expenses, expressed as a ratio:

$$\$372,129 / \$395,092 = 0.94$$

So for 2025, waterworks revenues covered 94% of waterworks expenses.

Note: In 2017 The Town of Arcola had to borrow \$1,100,000 in for the Sewage Lagoon.

Note: The expenses include Amortization (\$141,908) and Interest Payment for Lagoon (\$23,157).

Note: The Town of Arcola is holding money in capital reserves for the water and sewer lines in the combined amount of \$1,121,386.

Note: In 2025, the Town completed approximately 900 metres of sewer re-lining, representing an investment of approximately \$300,000. This brings the total sewer re-lining completed over the past several years to nearly 2,000 metres. During the initial phase of the program, a full CCTV camera assessment of the sewer system was completed, and a 1–10 year prioritized replacement plan was developed based on pipe condition.

This 2025 sewer re-lining project was funded through the sewer reserve. The reserve will be replenished through Canada Community-Building Fund (CCBF) allocations, as the project was approved under the Town's Integrated Infrastructure Planning (IIP) submission. The Town continues to take a proactive approach to sewer renewal, and remaining sections identified for future work will be reassessed as part of ongoing condition monitoring and planning.

Future Plans for Capital Reserve Money are:

1. Obtaining a sufficient water source and upgrading treatment plant

The following waterworks information is available at the Town of Arcola Office for public viewing:

- 2025 financial overview of the waterworks.
- A copy of the 2010 & 2015 waterworks system assessment.
- The transfer of funds to and from reserves.
- Agreement respecting the provisions of municipal waterworks services.