ANNUAL WATERWORKS INFORMATION
VILLAGE OF ST. LOUIS – August 13, 2025

WATERWORKS RATE POLICY

This policy was reviewed on August 13, 2025 and updated with new rate plan for the next six years.

Under the waterworks rate policy resolution, the flat rate charge of $135.00 per quarter for a maximum of 5,000 gallons of water and the per 1000 gallon water rate of $22.73 for usage above the 5,000 gallon minimum was implemented for 2025, as adopted under the water bylaw dated March 14, 2006 and amended on September 11, 2007 and further amended on August 13, 2009, October 19, 2010 and June 13, 2016, ensuring that waterworks revenues cover waterworks operating costs. Beginning January 1, 2026, Council is planning to raise the per 1000 gallon water rate for usage over 5,000 gallon minimum by 4% and will also increase these overage uses by 4% in each of 2027, 2028, 2029, 2030 and 2031. Beginning January 1, 2026, Council is planning to raise the flat rate charge to $140.00 per quarter for usage of up to 5,000 gallons of water and by an additional $5.00 per quarter for each subsequent year 2027 through 2031, based on the passing of a new rate bylaw in 2026. At the same time, Council will closely monitor waterworks expenditures. Sewer rates on all accounts were increased by $5.00 per quarter for all user's accounts beginning January 1, 2022 and these rates will remain in effect through 2027. Sewer rates will increase by $5.00 per quarter again in 2028.

Beginning in 2020 waterworks infrastructure rates increased to $30 per quarter and to $40 per quarter for 2021 and 2022 and to $50 per quarter for 2023 through 2027.

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

The $135.00 flat rate quarterly charge for a maximum of 5,000 gallons and the $22.73 per 1000 gallon water rate above the 5,000 gallon usage that was established on June 13, 2016 for 2025 was chosen to be an acceptable rate for residents and businesses at that time. The flat rate and per 1,000 gallon rate currently generates enough waterworks revenues to cover the waterworks operating costs, without any unusual operating costs factored in. The current rates covered 100% of the operating and asset amortization costs in 2024. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training, power, telephone, fuel, heat, insurance, chemicals, repairs, maintenance, supplies, etc. as well as asset amortization and the major cost of purchasing the treated water from Sask Water. The Sask Water costs alone account for 56% of all waterworks expenditures for 2024 and these rates have escalated at an average rate of 4% per year. 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. This waterworks rate policy should allow the Village to reserve funding annually to help offset future waterworks infrastructure needs.

Below provides the planned flat rate for 5,000 gallon rate and the per 1000 gallon water rate increases over the next six years. To demonstrate the impact on residents and businesses, below are estimated quarterly charges that reflect the rate increases, which are based on the minimum usage requirements of 5,000 gallons per quarter and on an average household consumption of approximately 10,000 gallons per quarter. The estimated quarterly charges include a current quarterly sewer charge of $70.00 for households and $115.00 for businesses. It also includes current rates for monthly infrastructure fee, and monthly waste collection fees. These rates may also be adjusted slightly during the duration of this rate plan.

			Estimated	**Estimated**	**Estimated**
	Per 1000 gallon rate	**Per 1000 gallon rate**	**Quarterly**	**Quarterly**	**Quarterly Charge**
Date	**Minimum 5,000**	**Above 5,000 minimum**	**Charge (minimum)**	**Charge (average household)**	**Business (minimum use)**
January 1, 2025	$27.00/1,000	$22.73/1,000	$306	$422	$351
January 1, 2026	$28.00/1,000	$23.64/1,000	$311	$430	$356
January 1, 2027	$29.00/1,000	$24.50/1,000	$316	$440	$361
January 1, 2028	$30.00/1,000	$25.48/1,000	$326	$450	$371
January 1, 2029	$31.00/1,000	$26.50/1,000	$331	$460	$376
January 1, 2030	$32.00/1,000	$27.50/1,000	$336	$475	$381
January 1, 2030	$32.00/1,000	$27.50/1,000	$341	$490	$391

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 in relation to expenses, so that the revenues cover operating costs, to the extent possible. At the end of each year of the planned rate increases, Council will review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the waterworks reserves in order to cover future infrastructure maintenance and replacement costs.

This 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. Also, rates that cover costs will influence consumer demand and foster water conservation. Self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund could have a direct effect on future mill rates.

WATERWORKS 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 manner so as to ensure the municipal waterworks provides safe drinking water and wastewater collection and treatment for residents and businesses. The strategy uses *The Waterworks and Sewage*

Works Regulations, as regulated by the Water Security Agency for infrastructure planning.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake a combination of increasing water and sewer rates to build waterworks reserves, increasing infrastructure fees, accessing grant programs and long-term borrowing.

This capital investment strategy will ensure that safe drinking water and sewage collection and treatment 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 with input from the Water Security Agency and *The Waterworks and Sewage Works Regulations* to ensure safe drinking water and wastewater collection and treatment. The current waterworks capital plans and planned sources of funding are as follows.

Project	**Planned Year of Completion**	**Costs**		**Sources of Funding**
Savings for future Infrastructure needs	2024 – 2029	$35,000 Annually		Infrastructure Levy
Water & Sewer Main Upgrades	2030 – 2040	$220,000 Annually		Savings / Grants / Borrowing

The current capital investment plan is to collect infrastructure funds and operating surpluses in an amount of approximately $35,000 annually that will be held in reserve for future water and sewer infrastructure capital project upgrades, in accordance with municipal asset management plans, less any capital expenses Council has authorized from this fund. For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water and wastewater collection and treatment.

Village of St. Louis 2024 Public Reporting on Municipal Waterworks

Total 2024 waterworks revenues (R) - $166,404

Total 2024 waterworks expenditures (E) - $161,634

Comparison of waterworks revenues to expenditures, expressed as a ratio

$$\frac{\$166,404}{\$161,634} = 1.03$$

For 2024, waterworks revenues covered 100% of the waterworks expenditures, including amortization of capital assets. Asset depreciation accounted for 9% of actual 2024 expense ($14,882). Municipality generated enough waterworks revenue to cover annual depreciation. $69,310 was realized as profit from combined municipal water and sewer works and placed into infrastructure surplus savings for 2024.

RESERVES

Reserves available for water/ sewer works capital infrastructure at July 1, 2025 - $250,098.

The following information required pursuant to section 54 of the Municipalities Regulations is available for inspection at the municipal office during regular office hours:

- The August 13, 2025 Waterworks Rate Policy and Capital Investment Strategy
- 2024 waterworks revenues, expenses, revenues to expenses (expressed as a ratio) and any explanation of the ratio that the municipality considers necessary.
- Capital plans in place and the related sources of funding for the projects.
- Current waterworks reserve information.
- A copy of the 2015 Waterworks Assessment prepared by Catterall & Wright.
- 2024 Notice to Consumers regarding quality and sampling information.
- All current agreements entered into by the municipality respecting the provision of municipal waterworks services.