

TOWN OF OXBOW 2015 WATERWORKS INFORMATION

Waterworks Rate Policy

On May 11, 2015 Council passed Bylaw No. 1065 fixing the charges for the use and consumption of water (and to fix the rates for use of the sewer). The objective of Bylaw No. 1065 is to generate revenues from the town waterworks system that more closely matches the cost of operating and maintaining the system. Waterworks accounts are rendered quarterly and meter readings are rounded to the nearest thousand gallons.

Quarterly rates for the user of water in the first three quarters of 2014 were:

- \$25.00 for the first 6,000 gallons
- \$5.00 per thousand gallons for the next 69,000 gallons
- \$15.00 per thousand gallons for the next 37,000 gallons
- \$25.00 per thousand gallons thereafter.

Unmetered water sold from the town's tap or hydrant:

- \$.20 per gallon with a minimum charge of \$10.00.

Rate increases effective October 1, 2015 were as follows:

- \$37.50 for the first 6,000 gallons
- \$7.50 per thousand gallons between 6,001 and 75,000 gallons
- \$22.50 per thousand gallons between 75,001 and 112,000 gallons
- \$37.50 per thousand gallons over 112,000 gallons

Unmetered water sold from the town's tap or hydrant:

- \$.50 per gallon with a minimum charge of \$50.00.

Waterworks Capital Investment

Residential and commercial growth of Oxbow requires the town to continually expand and upgrade the waterworks system. Upgrades to the water treatment plant were largely completed in 2013 with additional upgrades completed in 2014 and 2015. Following the 2011 flood it was necessary to decommission one of the town's three wells and to bring a new well on stream. This work was completed in late 2013. A significant portion of the expenditures related to the wells was made in 2014. Final expenditures related to decommissioning and bringing the new well on stream were made in 2015. Final and largest payment from the Provincial Disaster Relief Assistance Program for this work was made in 2015.

During 2014 Oxbow experienced a large number of water line breaks (54) which required the town to transfer existing utility reserves monies into the town's general operating account. Actual costs related to the water line breaks was \$150,000 more than budgeted for. In addition, a preliminary review of operating costs and revenues of the town water system showed that a large part of the system operating expenditures were still being covered by general tax revenue (ie. relevant staff salaries were not included in the reported expenditures). The water rates charged by the Town of Oxbow are inadequate to cover operating costs and future capital investment requirements. Following a review of rates charged by neighbouring municipalities and on review

of the provincial average for communities of similar size to Oxbow it was evident that the water rates in Oxbow too low. In early 2015 the town undertook a thorough review of revenues and expenditures and on May 11, 2015 Council adopted a new water and sewer rate Bylaw (1065) which provides for significant rate increases between October 1, 2015 through to the end of 2018. The objective of these rate increases is to properly cover the costs of water and to re-establish the town reserves that were depleted as a consequence of the 2011 flood.

2015 Annual Waterworks Financial Overview

REVENUES (Note: 2015 revenues does not include a PDAP payment of \$319,826 to off-set the cost of binging a new well on stream as a consequence of the 2011 flood.)	\$247,900
EXPENDITURE	\$785,440
DEBT PAYMENTS (Note: debt payments are for the installation of new water and sewer lines on Coldridge Road consequently, some sewer related costs are reported here.)	\$ 21,948
REVENUES TO EXPENDITURES PLUS DEBT PAYMENT RATIO	.30
RESERVES	\$ 0

Additional Information Available at the Municipal Office

- Current water and sewer rate policy and capital investment strategy
- Capital plans in place and related sources of funding
- Current financial overview
- Statement of reserves
- Current water and sewer assessment

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 Town of Oxbow
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