



# Councillor Blog February 2022

Welcome back fellow residents of White City, and those reading from the surrounding area, for the February 2022 edition of the White City Councillor Blog.

This month's blog will focus on Water and Sewer Utility Rate changes. At the January 24, 2022 Regular Council Meeting, Council adopted new Water and Sewer Utility Rates for the next three years. These rates will come into effect for the February Utility bill received in March 2022:

Water	2021	2022	2023	2024
<b>Water Service Fee</b>	\$20.75/month	\$22.00/month	\$22.00/month	\$22.00/month
<b>Residential Consumption</b>	\$3.25 (1-35m <sup>3</sup> )	\$3.40 (1-35m <sup>3</sup> )	\$3.55 (1-35m <sup>3</sup> )	\$3.65 (1-35m <sup>3</sup> )
	\$4.23 (>35m <sup>3</sup> )	\$4.42 (>35m <sup>3</sup> )	\$4.62 (>35m <sup>3</sup> )	\$4.75 (>35m <sup>3</sup> )
<b>Non-Residential Consumption</b>	\$3.58 (1-35m <sup>3</sup> )	\$3.74 (1-35m <sup>3</sup> )	\$3.91 (1-35m <sup>3</sup> )	\$4.02 (1-35m <sup>3</sup> )
	\$4.65 (>35m <sup>3</sup> )	\$4.86 (>35m <sup>3</sup> )	\$5.08 (>35m <sup>3</sup> )	\$5.23 (>35m <sup>3</sup> )
<b>Sewer</b>				
<b>Sewer Service Fee</b>	\$43.50/month	\$41.00/month	\$39.00/month	\$37.00/month
<b>Residential Consumption</b>	\$1.10 (1-35m <sup>3</sup> )	\$1.35 (1-35m <sup>3</sup> )	\$1.55 (1-35m <sup>3</sup> )	\$1.88 (1-35m <sup>3</sup> )
	\$0.00 (>35m <sup>3</sup> )	\$0.00 (>35m <sup>3</sup> )	\$0.00 (>35m <sup>3</sup> )	\$0.00 (>35m <sup>3</sup> )
<b>Non-Residential</b>	\$1.10	\$1.35	\$1.55	\$1.88

**Background:** In 2020, the Town initiated a review of water and sewer utility rates with the objective to determine a rate strategy for the Water and Sewer Utility to be sustainable moving forward. This Utility Rate Review recommended a Utility (Full-Cost) Approach, which looks at what is needed to pay for the utility now and sustain the service in the future. This method means those using the system today are paying for the use of the system and establishing reserves that will be used for required capital expenses or emergencies. The Utility Approach is considered a 'best practice' among municipalities, is widely utilized and generally results in greater rate stability and an assurance that rates are not supported by the municipal tax levy.





In 2020, the most recent audited data available, the Town's waterworks ratio was 0.72. This means the Town only recuperated 72% of total Water and Sewer expenditures through Water and Sewer Revenues. The remaining 28% of expenses were subsidized through the tax levy. Supporting water rates through the tax levy isn't ideal as the Water and Sewer Utility should operate as its own self-funded portion of the municipality. Like any other business, running continual deficits is not sustainable.





If rates were left as they were, or reduced, the water utility would require a municipal tax injection of approximately \$1.74 million from 2020 to 2029 – money that could be spent on other municipal services such as recreation, infrastructure maintenance and increasing municipal services. By subsidizing the utility with municipal taxes, the utility would not be collecting reserves for future capital expenses. This would be similar to someone not putting away savings for emergencies or retirement on a regular basis.

## Why can't we support the Water and Sewer Utility with Municipal Taxes?

-  Reserves, or savings, aren't established for future expenses or emergency repairs.
-  It reduces the funds available for providing other municipal services like recreation, planning, programming, projects, snow removal, maintenance and more.
-  It may result in more significant increases to tax rates.
-  The community, as a whole, ends up subsidizing water usage of some residents instead of those residents paying for the water they use.

In 2020 the Town renegotiated the water contract with SaskWater. Under the terms of the proposed new agreement with SaskWater, the Town will see a savings of approximately \$6.23 million in water costs over the next twenty years, providing stability to the municipal rates and helping support the full-cost approach.

The Utility Rate Review commissioned by the Town establishes very clearly why the Town should be moving forward with incremental utility rate increases to reach the full-cost approach for our Water and Sewer Utility. That is, to not only pay for what we're using today but also to set aside funds in a reserve so that enhancements or major replacements or repairs can be accommodated without the need to significantly alter rates in any one particular year. Council is sensitive to the concerns of residents about our water and sewer rates, however ultimately, it is Council's responsibility as custodians of these assets for the community that we make the difficult decision to incorporate these rate changes.

As members of this community who pay the same utility rates as our neighbours, Council does not take lightly the decision to change rates. In fact, as a Council we would like nothing more to reduce rates and taxes while still providing the same, or better, services. Unfortunately, that is not the situation we find ourselves in. As your elected officials, it is our responsibility to appropriately manage the assets of the municipality, even when those decisions are difficult and may be unpopular.

If you would like more information on the Water and Sewer Utility or how rates are determined, we encourage you to reach out to a member of Council or the town office for more information. If you have any questions, have a comment, want more information or want to suggest a topic for a future blog please email [townoffice@whitecity.ca](mailto:townoffice@whitecity.ca) or call 306-781-2355 – we look forward to hearing from you!

– Mayor Brian Fergusson

For more information on utility rates, including a comparison of utility rates, water 'hardness' and waterworks ratio, visit [whitecity.ca](http://whitecity.ca) or scan the QR code.

