

# Village of Leask Waterworks Capital Investment Strategy 2016

On September 29, 2011 Council passed a resolution on a capital investment strategy which has been reviewed each year.

The objective of the waterworks capital investment strategy was to address the replacement of the water treatment plant and to address infrastructure maintenance and future upgrades and improvements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses.

In February 2013, Council put into service a Reverse Osmosis Water Treatment Plant as planned. The cost of same was fully funded by the Village, largely due to the preplanning that is involved in the waterworks capital investment strategy. The implementation of an infrastructure fee, and changing the method by which sewer fees were calculated and charged, contributed to the raising of the revenues necessary to successfully complete this project.

This capital investment strategy has helped realize the objective of providing safe drinking water for our community in the present and future.

Due to the increase in waste water generated by a RO System, the Permit to Operate was issued with the stipulation that the Village increase lagoon capacity by 2017. In early 2015, Council began exploring options to increase capacity and working with WSA in regulations and requirements with respect to the options available. In 2016, Council identified aeration system as the solution to the lagoon capacity. This system would allow for longer retention time allowing the Village to meet Water Security effluent quality goals. Throughout 2016, Council focused on installation, testing and monitoring the system with the services of engineers and cooperating with WSA to meet the requirements for a Permit to Operate a Pilot System.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements as identified and prioritized in the 2005 waterworks assessment to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	Incurred cost	Future Cost*	Sources of Funding
Water Treatment Plant Project	2013	314,150	0	Village – Fully Funded
Lagoon – Increase Capacity	2017	300,000	330,000	PTIC
½ of Outside Meter Readers	2017	50,000.	53,045	Gas Tax/Village Funded
½ of Outside Meter Readers	2018	50,000.	54,640.	Gas Tax/Village Funded

\*Assuming a 3% rate of inflation per year

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

### Annual Financial Overview for 2016

Total 2016 waterworks revenues (as reported in the Financial Statements)(R)- \$246,363

Total 2016 waterworks revenues returned to general revenues - \$0.

Total 2016 waterworks expenditures (as reported in the Financial Statements)(E) - \$207,661

Total debt payments on waterworks infrastructure loans (D) – Zero (no waterworks debt)

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio –  

$$\frac{246,363}{207,661} = 119\%$$

For 2016, waterworks revenues covered 119% of the waterworks expenditures.

Reserves available for waterworks capital infrastructure - \$174,720