

Utility Fund Summary

Approval of Sewer and/or Water Rates



**Saskatchewan
Municipal
Board**

This form constitutes the "Application for Approval of Sewer and/or Water Rates" pursuant to Section 23 of *The Municipalities Act* and Sections 24 and 47 of *The Northern Municipalities Act, 2010*

ABOUT THE FORM

This form is to be completed to request the approval of the Local Government Committee for sewer and water utility rates. ALL QUESTIONS MUST BE ANSWERED.

ADDITIONAL INFORMATION

For additional information on the sewer and water rate approval process, please visit the SMB's website at www.smb.gov.sk.ca or contact:

Local Government Committee
Saskatchewan Municipal Board
480 – 2151 Scarth Street
REGINA SK S4P 2H8
Telephone: (306) 787-6221
Fax: (306) 787-1610

**FOR FURTHER INFORMATION OR ASSISTANCE IN COMPLETING THE APPLICATION
CALL OUR OFFICE AT THE PHONE NUMBER INDICATED ABOVE.**

What the Committee Approves

The committee approves water and sewer rates, charges, tolls or rents set by a council as it relates to the use of the service as well as discounts or additional amounts or percentages to be charged for arrears relating to the rates, charges, tolls or rents.

Matters Considered by the Committee

When considering applications for water and sewer rate changes, the committee's approval is based on the following criteria:

- That rates are equitable to all users regardless of classification;
- That the revenue generated by the utility is sufficient to offset all expenditures including debt retirement resulting from borrowing for capital utility projects; and
- Municipalities are encouraged to set aside funds for future capital utility projects.

The intent is to have a self-sustaining utility. The goal is to have a Utility Surplus after operating expenses and debt repayment. This will allow the municipality to set aside reserves for future utility capital projects.

Factors Considered by the Committee in the Determination of Equity

In considering whether the rates are equitable, some factors the committee considers:

- Charges to customers are according to the cost of services they utilize. Based on:
 - the demands they place on the system; and
 - the impact they have on the system.
- Equal charges may not be equitable. If all users place the same demand and have the same impact on the system they may be equal.
- Social policy should not be factored into the rates. There are other mechanisms a municipality can utilize if they wish to subsidize a user than to adjust the utility rate to a lesser rate.

Public Utility Boards

The committee approves water and sewer rates for public utility boards (PUB) where the establishing municipalities have delegated the authority for the rates to the PUB.

On initial application to the SMB or when participation membership changes, the PUB is required to submit a copy of the bylaw that established the PUB from each of the participating municipalities and a copy of the corporate bylaw for the PUB.

**APPLICATION FOR APPROVAL OF SEWER AND/OR WATER RATES TO SASKATCHEWAN MUNICIPAL BOARD
PURSUANT TO THE MUNICIPALITIES ACT and THE NORTHERN MUNICIPALITIES ACT**

*****A FULLY COMPLETED APPLICATION WILL ASSIST IN THE TIMELY PROCESSING OF YOUR APPROVAL REQUEST;
INCOMPLETE APPLICATIONS MAY BE RETURNED TO THE MUNICIPALITY FOR COMPLETION*****

<p>Send this completed application form to: Secretary, Local Government Committee Saskatchewan Municipal Board #480-2151 Scarth Street REGINA SK S4P 2H8</p>	<p>Application Date: _____</p> <p>Bylaw No(s): _____</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Sewer</td> <td style="text-align: center;">Water</td> <td style="text-align: center;">Sewer/Water</td> </tr> <tr> <td colspan="3" style="text-align: center;">(Check appropriate box)</td> </tr> <tr> <td style="text-align: right;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: right;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Sewer	Water	Sewer/Water	(Check appropriate box)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sewer	Water	Sewer/Water											
(Check appropriate box)													
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											

CHECKLIST: Items marked with a must accompany the application. Mark in appropriate boxes for other items.

Included	Material Required
<input checked="" type="checkbox"/>	Finally passed bylaw – three copies certified and sealed
<input checked="" type="checkbox"/>	Latest audited financial statements. If latest audited financial statements are not for the immediate preceding calendar year, also include the trial balance for the year. I.e. Submitting application in 2017– send 2015 financial statement and 2016 trial balance
<input checked="" type="checkbox"/>	Current year trial balance
<input checked="" type="checkbox"/>	Current year sewer and water utility budget (if available)
<input checked="" type="checkbox"/>	Water Rate Policy (if available) (For further detail see: www.municipal.gov.sk.ca/Health-Safety/Public-Health-Welfare ,
<input checked="" type="checkbox"/>	Capital Investment Strategy (if available) under Waterworks Regulatory Requirements)
<input type="checkbox"/>	Organized Hamlets only – copy of revenue and expenses for the organized hamlet
<input type="checkbox"/>	Public Utility Boards only – on initial application provision of copies of bylaws establishing the public utility board and corporate bylaw. If membership changes provide updated copies of bylaws.

Section I – APPLICANT INFORMATION

Name of Municipality:		Mailing Address:		Office Hours:	Days	Time
Contact Person:	Name:			Position:		
	Telephone Number:		Fax Number:		Email Address:	

Section II – FINANCIAL INFORMATION

Total Sewer and Water Utility Reserve, as at December 31, 20__ :	\$	Reserve Name: As indicated on Schedule 8 of financial statement
If not presently reserving the full amount of the annual utility surplus, why is this not occurring and what is council's future plan?		
If the sewer and water utility is having on-going utility deficits what is council's plan to bring the utility to a self-sustaining status? Self-sustaining is defined as revenues being sufficient to cover operations, debt repayments, capital and setting aside amounts for reserves.		
If the audited financial statement indicates an overall decrease in the net financial position for the municipality in the current and/or previous year, please provide further explanation of why the decrease occurred. Indicate council's plan for recovery. (Attach additional sheets if required).		

Section III – RATE INFORMATION

If a penalty is charged on overdue sewer and water accounts, is it charged pursuant to this bylaw? Yes _____ No _____
If not pursuant to this bylaw indicate the name of the bylaw that the penalty is charged pursuant to:
What factors did council consider in establishing the rate structures i.e. water, sewer, infrastructure, etc.? (Attach additional sheets if required).
Reason(s) for requested rate change. Provide reason for each rate change i.e. sewer, water, on-off charges, etc. (Attach additional sheets if required).

Section IV – UTILITY FUND SUMMARY

NOTE: If financial statement data for a year was provided with a previous application, it is not required to complete the data for that year.

Total Number of Customers:					
_____ Sewer _____ Water	2014 From financial statement	2015 From financial statement	2016 ___ Preliminary ___ Financial statement	2017 ___ Budget ___ Forecast	2018 Forecast

OPERATIONS:

Revenue: (Note: Schedules referenced are those on the financial statements) → carry forward value from previous column

Total Sewer and Water Operating Revenue (Schedule 2-4);	\$	\$	\$	\$	\$
<i>Plus:</i> Additional revenue for rate changes effective for only a portion of prior year (show in Calculation Area "A" how amount was calculated)					
<i>Plus:</i> Additional revenue for rate changes effective in the current year (show in Calculation Area "B" how amount was calculated)					
<i>Plus:</i> Other Revenue (description and amount if more than one) i.e. SIGI grant _____					
TOTAL ANNUAL OPERATING REVENUE (a)	\$	\$	\$	\$	\$

Expenditure:

Total Sewer and Water Expense (Schedule 3-3) Includes amortization.	\$	\$	\$	\$	\$
<i>Plus:</i> Estimated increase/decrease in utility expense (if any) (describe). This will include any one-time or incremental operating costs. _____ _____					
TOTAL ANNUAL OPERATING EXPENSES (b)	\$	\$	\$	\$	\$
UTILITY OPERATING SURPLUS/(DEFICIT) (a)-(b)	\$	\$	\$	\$	\$

DEBT REPAYMENT:

Annual debt payment for the utility (<u>principal only</u> – from Notes to the Financial Statement)	\$	\$	\$	\$	\$
Annual debt payment (<u>principal and interest</u>) associated with anticipated new debt (explain in Calculation Area "C" how amount was calculated and what debt is for)				\$	\$

CAPITAL:

Capital Acquisition Expenditures (Schedule 7). (describe) i.e. treatment plant upgrade _____ _____ _____	\$	\$	\$	\$	\$
Capital Revenue (describe) i.e. grants, donations, etc _____ _____	\$	\$	\$	\$	\$

Calculation Area (Attach additional sheets if required): e.g. 420 users x \$1.50 per month x 12 months = \$7,560.

"A" - Additional revenue for rate changes effective for only a portion of last calendar year i.e. if rate change went into effect June 1, 2017 then only 7 months of the additional revenue would be included in the 2017 revenue. A further 5 months of additional revenue would be in effect in 2018.

"B" – Additional revenue for rate changes effective in the current year i.e. if rate change will only be for part of current year include only the additional revenue to be collected in the current year. The balance of the revenue would show under "A" above, for the next calendar year.

"C" – Annual debt payment associated with anticipated new sewer and water utility debt. Include what borrowing is for and terms of repayment.

Borrowing for Utility – Details of borrowing related to the utility that **did not** require Saskatchewan Municipal Board approval.

Purpose	Amount	Total Annual Repayment	Term	Terms
i.e. Water Treatment Plant	i.e. \$250,000	i.e. \$89,912.69	i.e. Feb 2017 - Jan 2020	i.e. \$7,492,72 monthly
(1)				
(2)				

Please review the application and ensure all sections are complete. Double check the checklist to ensure all material is enclosed. Additionally, please review the last approval letter from the Committee and provide requested information, if not previously supplied.