

**Town of Osler
POLICIES**

TITLE:	CAPITAL INVESTMENT WATERWORKS STRATEGY & WATER RATE POLICY
INITIAL EFFECTIVE DATE:	JUNE 20TH, 2006
MOST RECENT AMENDMENT	August 16, 2016
POLICY NUMBER:	OSL.9.1

Purpose of Policy:

The Council of the Town of Osler is setting out in policy the Capital Investment Strategy for various forms of infrastructure required to service our growing population. This will be set out in separate policy statements. These policies will be reviewed annually as part of the budget process to ensure the funds are correctly distributed and that the policy does not require immediate revision.

Policy OSL.9.1 is intended to ensure that a safe and adequate drinking water can be provided to the residents and businesses of Osler in the present and during any future growth.

Status of Waterworks as of June 2006

1. In 2006 the Town of Osler owned and operated a Water Treatment Plant facility which was approximately 27 years old.
2. The reservoir located below the old Water Treatment Plant has a capacity of 238 cubic metres (52,400 Imperial gallons).
3. In November of 2004 a Water Pump-house/Reservoir review was undertaken by our Engineers, Catterall & Wright.
4. The Town of Osler currently contracts with Sask Water to obtain potable water through a pipeline from the Saskatoon area.

Objective of the Policy

1. The primary objective of the waterworks capital investment policy is to address anticipated waterworks infrastructure and maintenance.
2. The secondary objective is to plan for future infrastructure replacements so they can be handled in timely fashion, to allow for adequate safe drinking water for residents and businesses and to ensure an adequate storage supply for firefighting purposes.
3. The capital investment strategy highlighted below is based on the waterworks system assessment completed in 2005 by our consulting engineers.

Capital Investment Strategy

1. Based on recommendations from both the 2004 and 2005 reports provided by the Engineers, the Town of Osler has upgraded the existing water treatment facility due to the rapid growth of the community.
2. A capital outlay (2006-07) was required to cover the \$1.4M needed to provide an updated water treatment plant and storage reservoir. This will be paid for as set out in Schedule "A" attached.

3. The addition of an infrastructure fee on all water billings will be used firstly to cover the cost of borrowing. As the cost of borrowing is reduced, the remaining funds must be set aside in a reserve fund to allow for future replacement of ageing infrastructure as required.
4. Water rates will be reviewed and increased regularly taking into consideration the percentage increase identified for water supply by Sask Water.
5. Council will regularly review the information being gathered with respect to Tangible Capital Assets and will use this information to restructure water rates on a regular basis.

Status of Waterworks 2010

1. The WTP (upgraded in 2006-07) has a reservoir capacity for approximately 3,130 persons (based on 275 litres per capita per day).
2. The distribution pumping system can provide for 2200 persons (based on 275 litres per capita per day).
3. The undersized lines on 3rd Street, 3rd Avenue and 4th Avenue have been upgraded as planned.
4. At this time there is a water line running to the intersection of 3rd Street and VCA Road.
5. The current facilities can adequately provide for any growth within the town limits that existed prior to the annexation of the portion south of VCA road. It is anticipated the population of the original town area could not exceed 1500. Any growth south of VCA road (or growth in other directions) will need to be reviewed and consideration given to ensure adequate water pumping and storage capacity for each subdivision.

2011 – Review Undertaken Following TCA Work and 2010 Audit

1. Following a review and some consultation work regarding Tangible Capital Assets it was decided the Town of Osler will begin to set up reserves based on Life Cycle Costing.
2. Annually an amount should be budgeted and set aside in reserves to ensure sufficient funding for ongoing upgrades and replacement of Waterworks Infrastructure.

2012 – Review Undertaken During Capital Budget Meeting February, 2012

1. The Off Site Levies charged with respect to new developments in the Town of Osler will reflect the need to improve facilities and increase capacity on a go forward basis.
2. Reserve Funds need to be reviewed annually to ensure sufficient funding to upgrade as needed for future growth.

2013 – Review Undertaken in October, 2013

1. Consideration should be given to purchase of additional land for possible expansion of Water storage. There is potential for property adjacent to town shop to be available for purchase. If this comes to fruition Council should include purchase in Capital Expenditures considerations for our 5-Year Capital budget cycle beginning with 2014.
2. Consider the time frame for expansion of the storage capacity and water treatment plant for future development to either the south or the west. Current capacity is approximately 2000 and 2013 population is at 1200. This is to be at the cost of the developer and should be built into the Servicing Agreement at the time of subdivision review and approval and be part of the negotiations.

3. Council would like to establish rates on a longer term basis (i.e. for the entire term of the current Council after each election). Look at the possibility of creating rates that take us through to the Municipal Elections in October of 2016.

2014 – Review Undertaken in September, 2014

1. Decision was made by Council not to purchase the additional land but rather look at the possibility of relocating the Town Shop and allowing this property (which is adjacent to the Water Treatment Plant) to be used for any potential future expansion.
2. Water Rates have now been established to the Spring of 2016 which will provide for more readily predictable funding going forward.
3. A detailed Tangible Capital Asset (Asset Management) Plan will be worked on during the coming months to ensure sustainability over the long term.

2015 – Review Undertaken in August, 2015

1. Water Rates have now been established to the Spring of 2017

2016 – Review Undertaken in August, 2016

1. Work is continuing on the Tangible Capital Asset (Asset Management) Plan to ensure sustainability over the long term.
2. Staff has attended a workshop regarding radio frequency water meters and Council will be budgeting in the future for the software system and gradually replacing the water meters in town (approximately 10-20 per year).

AMENDMENT HISTORY:

Accepted as Policy by the Council of the Town of Osler

Date: June 20th, 2006

Updated: June, 2008

Schedule “A” Updated: January, 2009 – confirmed during budget process

Updated: March 2010 Approved April 20, 2010

Updated: Oct 11, 2011 – Approved following receipt of Audit Financial Statements for 2010

Updated: Feb 16, 2012 during budget meeting – to be put forward on Council Agenda for final review when 2012 Audit is complete

Updated: Oct 22, 2013 – Include the possibility of purchasing additional land for future water storage; expansion for future development; and setting rates for entire Council term

Updated: Sept 23, 2014 – Update Schedule “A” and discuss TCA Plan to be completed

Updated: Aug 18, 2015 – Update Schedule “A”

Updated: Aug 16, 2016 – Review - budgeting for radio frequency water meters

Updated: Aug 16, 2016 – Schedule “A” to include radio frequency water meters

SCHEDULE “A” – Updated for 2015 – appears on Page 4