



CITY OF PRINCE ALBERT  
**WATER UTILITY  
FUND BUDGET**

APPROVED BY COUNCIL AT THE  
DECEMBER 12, 2022 CITY COUNCIL MEETING

FOR YEAR ENDING  
DECEMBER 31, 2023



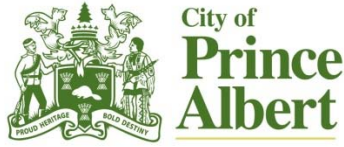
City of  
**Prince  
Albert**

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

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## Budget Overview



The Water Utility Fund budget includes operating and capital. The Water Utility Fund operating budget is intended to be self-sustaining by generating an operating surplus sufficient for debt repayment and future capital expenditures, in order to operate the water and waste water systems independent of the City's tax base. It generates revenue by collecting utility fees for providing safe potable drinking water and for treating the effluent generated by the City.

The Water and Sewer Utility Rates and Fees Bylaw No. 22 of 2021 includes a 3% increase in the average annual rates and fees paid by an average Prince Albert household for 2023, an approximate increase of \$2.77 per month for an average household. The recommended rate increases are required to ensure that sufficient funds exist to cover annual operating and capital costs for 2023. The rate increases recommended in the Bylaw partially address the need to recover prior Water Utility Fund losses and the need to address the increase in projected capital spending.

Below is the increased rates based on an average residential user:

### Average Residential - Monthly Charges for 14 cubic meters monthly

14 cubic meters 5/8 or 3/4 inch meter	Year 2022		Year 2023	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.37	\$19.18	\$1.41	\$19.74
Sewer Consumption	\$1.21	\$16.94	\$1.25	\$17.50
Water Fixed Charges	\$27.25	\$27.25	\$28.10	\$28.10
Monthly Fixed Charges	\$25.30	\$25.30	\$26.10	\$26.10
<b>TOTAL MONTHLY CHARGES</b>		<b>\$88.67</b>		<b>\$91.44</b>
	<b>Monthly Increase</b>			<b>\$2.77</b>
	<b>Yearly Increase</b>			<b>\$33.24</b>
	<b>Percentage Increase</b>			<b>3%</b>

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

**Average Residential - Monthly Charges for 22.9 cubic meters monthly**

22.9 cubic meters 5/8 or 3/4 inch meter	Year 2022		Year 2023	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.37	\$31.37	\$1.41	\$32.29
Sewer Consumption	\$1.21	\$27.71	\$1.25	\$28.63
Water Fixed Charges	\$27.25	\$27.25	\$28.10	\$28.10
Monthly Fixed Charges	\$25.30	\$25.30	\$26.10	\$26.10
<b>TOTAL MONTHLY CHARGES</b>		<b>\$111.63</b>		<b>\$115.11</b>

**Monthly Increase \$3.48**  
**Yearly Increase \$41.78**  
**Percentage Increase 3%**

**Average Residential - Monthly Charges for 45.8 cubic meters monthly**

45.8 cubic meters 5/8 or 3/4 inch meter	Year 2022		Year 2023	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.37	\$62.75	\$1.41	\$64.58
Sewer Consumption	\$1.21	\$55.42	\$1.25	\$57.25
Water Fixed Charges	\$27.25	\$27.25	\$28.10	\$28.10
Monthly Fixed Charges	\$25.30	\$25.30	\$26.10	\$26.10
<b>TOTAL MONTHLY CHARGES</b>		<b>\$170.71</b>		<b>\$176.03</b>

**Monthly Increase \$5.31**  
**Yearly Increase \$63.77**  
**Percentage Increase 3%**

**Below is the increase for an average commercial user using 250 cubic meters of water monthly:**

**Average Commercial - Monthly Charges for 250 cubic meters monthly**

250 cubic meters 1" Meter Size	Year 2022		Year 2023	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.37	\$342.50	\$1.41	\$352.50
Sewer Consumption	\$1.21	\$302.50	\$1.25	\$312.50
Water Fixed Charges	\$38.15	\$38.15	\$39.34	\$39.34
Monthly Fixed Charges	\$35.42	\$35.42	\$36.54	\$36.54
<b>TOTAL MONTHLY CHARGES</b>		<b>\$718.57</b>		<b>\$740.88</b>

**Monthly Increase \$22.31**  
**Yearly Increase \$267.72**  
**Percentage Increase 3%**

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### 2023 WATER UTILITY FUND BUDGET APPROVED

	2023 Budget	2022 Budget	(Favourable) Unfavourable Change
<b>REVENUES</b>			
User Charges and Fees	(\$19,674,950)	(\$19,322,490)	(\$352,460)
Interest and Penalties	(140,300)	(200,300)	\$60,000
Sundry	(140,000)	(105,000)	(\$35,000)
<b>Total Revenues</b>	<b>(19,955,250)</b>	<b>(19,627,790)</b>	<b>(327,460)</b>
<b>EXPENSES</b>			
Salaries Wages and Benefits	6,307,990	5,995,010	312,980
Contracted and General Services	903,200	940,500	(37,300)
Utilities	1,267,680	1,234,910	32,770
Interest on Long Term Debt	1,060,440	1,037,000	23,440
Fleet Expenses	868,150	844,640	23,510
Maintenance Materials and Supplies	3,687,200	3,003,190	684,010
Insurance	55,550	42,970	12,580
Bad Debt Expense	75,000	75,000	0
<b>Total Expenses</b>	<b>14,225,210</b>	<b>13,173,220</b>	<b>1,051,990</b>
<b>Operating (Surplus) Deficit</b>	<b>(5,730,040)</b>	<b>(6,454,570)</b>	<b>724,530</b>
<b>CAPITAL AND INTERFUND TRANSACTIONS</b>			
Capital Revenues	(436,130)	(371,270)	(64,860)
Amortization	5,750,000	5,500,000	250,000
Contribution to General Fund	614,000	614,000	0
Contribution to GF - City Facilities	266,930	280,500	(13,570)
Contribution to Airport Fund	5,830	5,830	0
Contribution of Sanitation Fund	2,000	2,000	0
Transfer from Sanitation Fund	(3,570)	(3,570)	0
<b>Capital and Interfund Transactions</b>	<b>6,199,060</b>	<b>6,027,490</b>	<b>171,570</b>
<b>TOTAL (SURPLUS) DEFICIT</b>	<b>469,020</b>	<b>(427,080)</b>	<b>896,100</b>
<b>Allocated as Follows:</b>			
Total (Surplus) Deficit	469,020	(427,080)	896,100
Non-Cash Adjustment - Amortization	(5,750,000)	(5,500,000)	(250,000)
<b>Total (Surplus) Deficit - Adjusted for Amortization</b>	<b>(5,280,980)</b>	<b>(5,927,080)</b>	<b>646,100</b>
Transfer to Water Utility Improvement Fund Balance	616,480	1,005,380	(388,900)
Transfer to Capital Committed Reserve	4,664,500	4,921,700	(257,200)
	<b>5,280,980</b>	<b>5,927,080</b>	<b>(646,100)</b>
	<b>0</b>	<b>0</b>	<b>0</b>

## 2023 WATER UTILITY FUND REVENUES

The four primary sources of revenue for the Water Utility Fund are:

### Water Service

This is the water consumption rate or volumetric charge. The amount charged is based on the amount of water consumed. You are charged for the amount of water you use. Metered Water Rate is per **cubic meter** of the water you use.

### Sewage Treatment

This charge is based on the amount of water consumed. This is the sewer consumption rate or volumetric charge. Metered Sewer Consumption Rate is per **cubic meter** of the water you use.

### Water Capital Works

The water capital works charge is a fixed meter charge that is a **monthly flat charge**. The amount charged monthly is based on the meter size to reflect the demand placed on utilities. This charge is for the capital replacement of the water distribution system.

### Sewer Capital Works

The sewer capital works charge is a fixed meter charge that is a **monthly flat charge**. The amount charged monthly is based on the meter size to reflect the demand placed on utilities. This charge is for the capital replacement of the waste water collection system.

Recognition of revenue generated from water and sewer usage by City facilities continues to be recorded and adjusted through interfund transactions.

## USER CHARGES AND FEES REVENUE

Budgeted User Charges and Fees revenue has **increased** by **\$352,460** over 2022 as follows:

- \$299,302 increase in water and sewer consumption for In-City Users and Outside Consumers.
- \$59,408 increase in monthly water and sewer fixed charges as per increased rates.
- (\$6,250) decrease in Other Revenue

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

**WATER AND SEWER CONSUMPTION REVENUE – INCREASED REVENUE OF \$299,302**

<b>Consumption Revenue</b>	<b>2022 Utility Rates</b>	<b>2022 Consumption</b>	<b>2022 Revenue</b>	<b>2023 Utility Rates</b>	<b>2023 Consumption</b>	<b>2023 Revenue</b>	<b>Increased (Decreased) Revenue</b>
Sale of Water - Residential, Commercial and Industrial (In-City Rate)	\$1.37	3,330,200	<b>\$4,574,695</b>	\$1.41	3,280,200	<b>\$4,625,082</b>	<b>\$50,387</b>
Sask Pen Consumption - Outside User	\$2.40	113,267	<b>\$272,292</b>	\$2.47	117,000	<b>\$288,698</b>	<b>\$16,406</b>
Sale of Water – Outside City Rate (Twilite and Heartland)	\$2.40	5,663	<b>\$13,615</b>	\$2.47	5,665	<b>\$13,978</b>	<b>\$364</b>
Trailers Courts Consumption	\$2.40	31,149	<b>\$74,880</b>	\$2.47	27,000	<b>\$66,623</b>	<b>(\$8,258)</b>
Sale of Water (Super 8 Motel)	\$2.40	5,805	<b>\$13,955</b>	\$2.47	5,805	<b>\$14,324</b>	<b>\$369</b>
Rural Water Consumption	\$1.54	325,643	<b>\$501,491</b>	\$1.59	350,000	<b>\$556,500</b>	<b>\$55,009</b>
Sewer Consumption – In City Rate	\$1.21	3,187,908	<b>\$3,861,512</b>	\$1.25	3,228,900	<b>\$4,036,125</b>	<b>\$174,613</b>
Sewer Consumption – Outside City Rate	\$2.12	153,760	<b>\$325,937</b>	\$2.19	153,760	<b>\$336,350</b>	<b>\$10,413</b>
<b>Total Consumption Revenue</b>			<b>\$9,638,377</b>			<b>\$9,937,679</b>	<b>\$299,302</b>

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### WATER CONSUMPTION

Revenue for water consumption from Residential, Commercial and Industrial properties has **increased** by **\$50,387** due to the increased rate per cubic meter for 2023. The increase is offset by a reduction in projected water consumption. The projected water consumption for 2023 was reduced by 50,000 cubic meters, which results in a reduction to budgeted revenue.

Revenue **increased** by **\$8,880** for water consumption from Outside Users as a result of the increased rate per cubic meter for 2023. The consumption for the Trailer Courts was reduced for 2023, based on average water sold to the Trailer Courts in prior years.

Water Consumption for Prince Albert Rural Water is projected to increase contributing to a total revenue **increase** of **\$55,009**, due to the increased rate per cubic meter and projected water sold.

Water Consumption Rates	Year 2022	Year 2023	Increase
In-City User	\$1.37	\$1.41	<b>\$0.04</b>
Outside User	\$2.40	\$2.47	<b>\$0.07</b>
Prince Albert Rural Water	\$1.54	\$1.59	<b>\$0.05</b>

\*\* Rate per cubic meter

### SEWER CONSUMPTION

Revenue for sewer consumption for Residential, Commercial and Industrial properties has **increased** by **\$174,613** due to the increased rate per cubic meter for 2023. Consumption for 2023 was increased by 40,992 cubic meters, based on a review of average historical consumption.

Sewer Consumption revenue for Outside City Users is projected to **increase** by **\$10,413** due to the increased rate per cubic meter.

Sewer Consumption Rates	Year 2022	Year 2023	Increase
In-City User	\$1.21	\$1.25	<b>\$0.04</b>
Outside User	\$2.12	\$2.19	<b>\$0.07</b>

\*\* Rate per cubic meter



## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### WATER AND SEWER FIXED CHARGES – INCREASED REVENUE OF \$59,408

Fixed Charges	2022 Rate Per User	# of Users	2022 Revenue	2023 Rate Per User	# of Users	2023 Revenue	Increased (Decreased) Revenue
<b>Water Fixed Charges</b>							
Prince Albert Rural Water	\$45.66	1,216	<b>\$666,271</b>	\$49.37	1,104	<b>\$654,054</b>	<b>(\$12,217)</b>
Saskatchewan Penitentiary	\$45.66	329	<b>\$180,266</b>	\$49.37	329	<b>\$194,913</b>	<b>\$14,647</b>
Provincial Correctional Facilities	\$45.66	261	<b>\$143,007</b>	\$49.37	261	<b>\$154,627</b>	<b>\$11,620</b>
Trailer Courts (Eastview and Driftwood)	\$45.66	187	<b>\$102,461</b>	\$49.37	187	<b>\$110,786</b>	<b>\$8,325</b>
<b>Sewer Fixed Charges</b>							
Saskatchewan Penitentiary	\$31.63	329	<b>\$124,875</b>	\$32.63	329	<b>\$128,823</b>	<b>\$3,948</b>
Provincial Correctional Facilities	\$31.63	261	<b>\$99,065</b>	\$32.63	261	<b>\$102,197</b>	<b>\$3,132</b>
Trailer Courts (Eastview and Driftwood)	\$25.30	187	<b>\$56,773</b>	\$26.10	187	<b>\$58,568</b>	<b>\$1,795</b>
<b>In City Users</b>							
Fixed Water Charges - Meters			<b>\$3,991,077</b>			<b>\$4,004,928</b>	<b>\$13,851</b>
Fixed Sewer Charges - Meters			<b>\$3,701,248</b>			<b>\$3,715,554</b>	<b>\$14,306</b>
<b>Total Fixed Charges</b>			<b>\$9,065,043</b>			<b>\$9,124,451</b>	<b>\$59,408</b>

### WATER FIXED CHARGES

The fixed water and sewer charges for Residential, Commercial, Industrial, Trailer Courts, Sask Pen and Provincial Correctional Facilities and Federal Institutions (Penitentiaries) have all **increased** by a combined total of **\$71,625** related to the increased fixed water and sewer charges. The increase in revenue is **offset by a decrease of \$12,217** in revenue from Prince Albert Rural Water.

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### Trailer Courts and Prince Albert Rural Water Users

- Revenue is based on the number of users/households “outside of the City of Prince Albert Corporate Limits” connected to the City's watermain system = Equivalent Customers
  - Equivalent Customers x \$ rate = Monthly Water Service Charge

### Trailer Courts

- Revenue is based on the number of users/households “outside of the City of Prince Albert Corporate Limits” connected to the City's watermain system = Equivalent Customers
  - Equivalent Customers x \$ rate = Monthly Sewer Service Charge

### Provincial Correctional Facilities and Federal Institutions (Penitentiaries)

- Revenue is based on the number of inmates divided by 2.5 = Equivalent Customers
  - Equivalent Customers x \$ rate = Monthly Water Service Charge
  - Equivalent Customers x \$ rate = Monthly Sewer Service Charge

## PRINCE ALBERT RURAL WATER

Revenue has decreased by **\$12,217** for 2023. Prince Albert Rural Water provided correspondence to the City in September of 2022 advising that the Muskoday First Nation (213 homes) expects to have their Water Treatment Plant operational prior to the end of 2022. They have asked for their service to be disconnected at that time. Their correspondence also states that service will be extended to Little Red as approved by the City. There are 101 homes within the Little Red area. The impact to revenue related to the reduction in users for 2023 is as follows (213 – 101 = 112):

Prince Albert Rural Water	Year 2022	Year 2023	Impact
Monthly Water Service Charge	\$45.66	\$49.37	
2022 Users = 1,216	\$666,271	\$720,407	(\$54,136)
Less reduction of 112 users			\$66,353
<b>2023 Revenue Reduction</b>			<b>\$12,217</b>

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

The fixed water and sewer charges will be increasing as follows:

<b>Monthly Water Fixed Charge</b>	<b>2022 Water Fixed</b>	<b>2023 Water Fixed</b>	<b>Monthly Increase</b>	<b>Yearly Increase</b>
5/8 inches	\$27.25	\$28.10	\$0.85	<b>\$10.20</b>
3/4 inches	\$27.25	\$28.10	\$0.85	<b>\$10.20</b>
1 inch	\$38.15	\$39.34	\$1.19	<b>\$14.28</b>
1.5 inches	\$49.05	\$50.58	\$1.53	<b>\$18.36</b>
2 inches	\$79.03	\$81.49	\$2.46	<b>\$29.52</b>
3 inches	\$299.75	\$309.10	\$9.35	<b>\$112.20</b>
4 inches	\$381.50	\$393.40	\$11.90	<b>\$142.80</b>

<b>Monthly Sewer Fixed Charge</b>	<b>2022 Sewer Fixed</b>	<b>2023 Sewer Fixed</b>	<b>Monthly Increase</b>	<b>Yearly Increase</b>
5/8 inches	\$25.30	\$26.10	\$0.80	<b>\$9.60</b>
3/4 inches	\$25.30	\$26.10	\$0.80	<b>\$9.60</b>
1 inch	\$35.42	\$36.54	\$1.12	<b>\$13.44</b>
1.5 inches	\$45.54	\$46.98	\$1.44	<b>\$17.28</b>
2 inches	\$73.37	\$75.69	\$2.32	<b>\$27.84</b>
3 inches	\$278.30	\$287.10	\$8.80	<b>\$105.60</b>
4 inches	\$354.20	\$365.40	\$11.20	<b>\$134.40</b>

**OTHER REVENUE – DECREASED REVENUE OF \$6,250**

Budgeted Water Crane revenue has been increased for 2023 by \$33,300 related to increased water sold at the Water Crane. As well, there is an increase in budgeted revenue related to reconnection charges for utility users in the City. City Facility – Sale of Water and Sewer Service Charges have decreased based on a review of actuals and expectations for City facilities for 2023.

<b>Other Revenue</b>	<b>2022 Revenue</b>	<b>2023 Revenue</b>	<b>Increased (Decreased) Revenue</b>
Water Crane	\$46,700	\$80,000	\$33,300
Septic Dumping Fees	\$70,000	\$70,000	\$0
Reconnection Charges	\$15,000	\$25,000	\$10,000
CF - Sale of Water	\$271,330	\$245,190	(\$26,140)
CF - Water Capital Works (meters)	\$34,030	\$34,030	\$0
CF - Sewer Service Charges	\$150,890	\$127,480	(\$23,410)
CF - Sewer Capital Works (meters)	\$31,120	\$31,120	\$0
<b>Total Revenue</b>	<b>\$619,070</b>	<b>\$612,820</b>	<b>(\$6,250)</b>

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### INTEREST AND PENALTIES

Interest and Penalties revenue has **decreased** by **\$60,000**, as there has been a reduction in penalties being charged on accounts. With the change to monthly billing and more people signing up for MIPPS (monthly installment payment plan which allows utility customers to make monthly payments on their utility account as opposed to making quarterly payments), there are less penalties being charged.

### SUNDRY REVENUE

Sundry revenue has **increased** by **\$35,000** based on increased revenue from tag fees, bill reprint fees, frozen or burnt water meters, etc.

## 2023 WATER UTILITY FUND EXPENDITURES

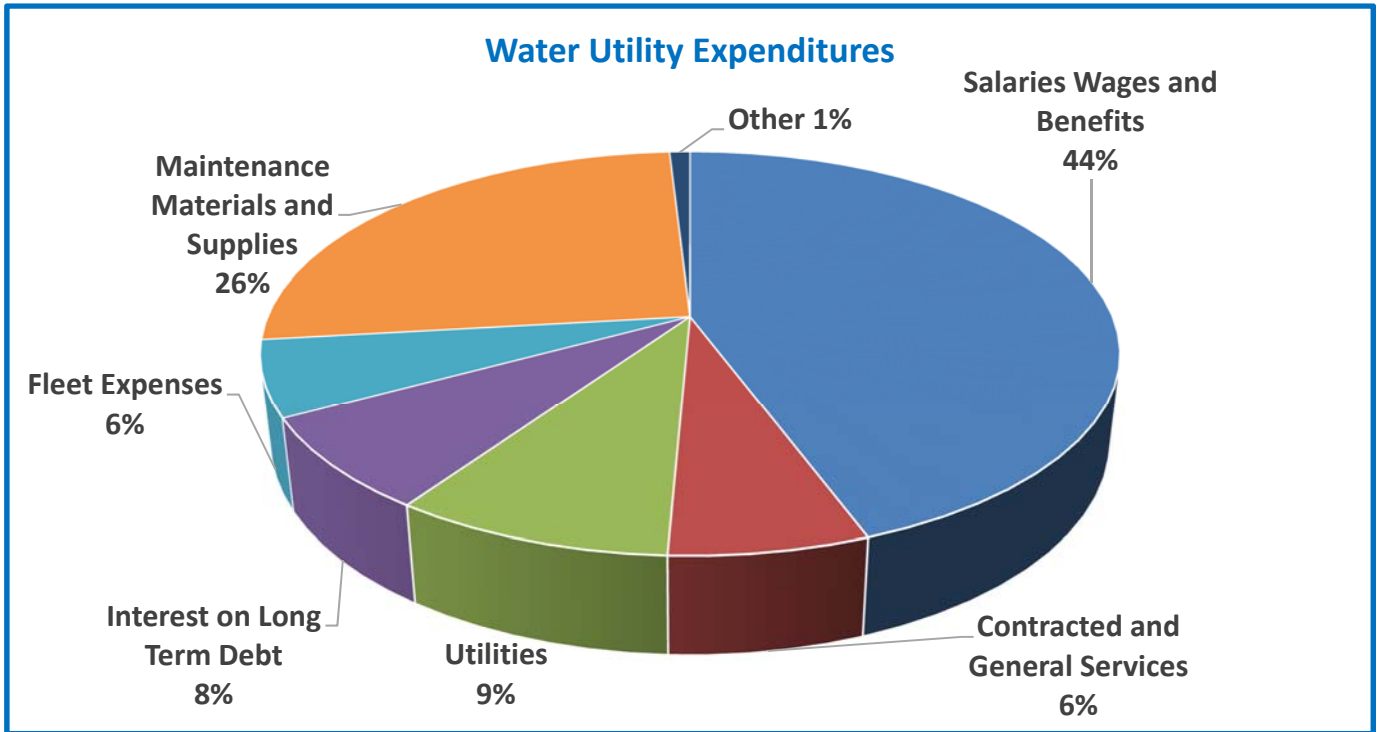
Budgeted expenses have increased by \$1,051,990, which represents a 7.99% increase over 2022:

Expenditures	2023 Budget	2022 Budget	(Favourable) Unfavourable Change	% Change	% of Total Expenses
Salaries Wages and Benefits	\$6,307,990	\$5,995,010	<b>\$312,980</b>	5.22%	44.34%
Contracted and General Services	\$903,200	\$940,500	<b>(\$37,300)</b>	-3.97%	6.35%
Utilities	\$1,267,680	\$1,234,910	<b>\$32,770</b>	2.65%	8.91%
Interest on Long Term Debt	\$1,060,440	\$1,037,000	<b>\$23,440</b>	2.26%	7.45%
Fleet Expenses	\$868,150	\$844,640	<b>\$23,510</b>	2.78%	6.10%
Maintenance Materials Supplies	\$3,687,200	\$3,003,190	<b>\$684,010</b>	22.78%	25.92%
Insurance	\$55,550	\$42,970	<b>\$12,580</b>	29.28%	0.39%
Bad Debt Expense	\$75,000	\$75,000	<b>\$0</b>	0.00%	0.53%
<b>Total Expenses</b>	<b>\$14,225,210</b>	<b>\$13,173,220</b>	<b>\$1,051,990</b>	<b>7.99%</b>	<b>100.00%</b>

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

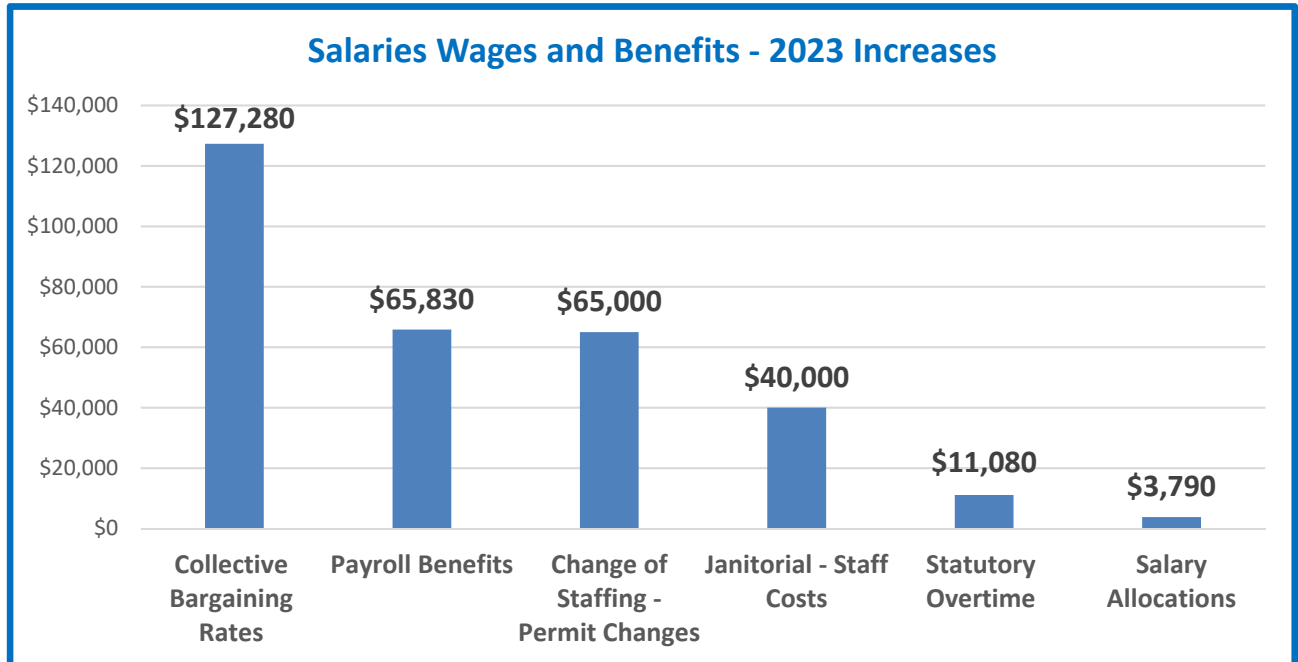
The expenses for the Water Utility Fund are as follows:



*Note: % of Total Expenditures*

**SALARY WAGES AND BENEFITS**

Salaries Wages and Benefits have increased by \$312,980, a 5.22% increase over 2022 as follows:



## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### Notes:

- Increase in Statutory Overtime is required to reflect the cost of the new Statutory Day on September 30 for Truth and Reconciliation Day.
- New for 2023: \$20,000 for janitorial cleaning at the Water Treatment Plant and \$20,000 for janitorial cleaning at the Waste Water Treatment Plant. The janitorial cleaning is done by City staff.
- \$45,000 increase for Wages Regular and a \$20,000 increase for Payroll Benefits for a total increase of \$65,000. This increase of \$65,000 is offset by a reduction in the budget for Maintenance Materials and Supplies of (\$45,000) and Contracted and General Services of (\$20,000). This is a budget re-allocation. Early in 2022, the Water Security Agency changed the operating permit for the Waste Water Treatment Plant which updated the requirements for disposing of the facilities biosolids. As such, the budgeted amount for the purchase of compost material has been reduced and re-allocated to wages to support the work required by City staff to prepare and dispose of the biosolids in the approved manner at the landfill.

### **STAFF ALLOCATIONS TO UTILITY FUND**

Allocations of Public Works staffing costs charged to the Water Utility Fund to reflect the amount of time spent on Water Utility Fund related duties are shown below:

Director of Public Works	30%
Engineering Services Manager	30%
Manager of Capital Projects	20%
Manager of Operations	20%
Water Treatment Plant Manager	100%
Waste Water Treatment Plant Manager	100%
Assistant Environmental Manager	100%
Surface Works Manager	20%
Utilities Manager	70%
Water and Sewer Manager	70%
Senior CAD Technician	90%
Engineering Cad Technician	100%
Secretary II	100%
Clerk Steno II	75%
Clerk Steno II	100%

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

Salary Allocations to reflect an allocation from the Financial Services and Payroll Functional Area in the General Fund to the Water Utility Fund are shown below. This reflects the time that Financial Services spends on Water Utility Fund related accounting duties. The total allocation of **\$475,980** to the Water Utility Fund related to Financial Services is as follows:

Allocation of Financial Services	
Director of Financial Services	20%
Senior Operations Manager	40%
Senior Accounting Manager	20%
Finance Manager	20%
Utility Services Manager	75%
Chief Clerk	20%
Water Clerk	100%
Water Clerk	100%
Customer Service Representative	100%
Secretary	20%

### CONTRACTED AND GENERAL SERVICES

Contracted and General Services have **decreased** by the amount of **\$37,300** as follows:

- **Decrease** of \$20,000 related to the re-allocation to payroll benefits as per Water Security Agency Permit.
- **Decrease** of \$12,500 related to reduced programming costs for software at Lift Stations.
- **Decrease** of \$5,000 for pest control contracting.
- **Increase** of \$200 for housing costs – floor mats outside entrances areas and carbon room.

### CONTRACTED AND GENERAL SERVICES - LARGE CONTRACTS

- Sewer Photography - **\$350,000** - Contractors performing cleaning and photography of the City's sewer mains. Information is utilized to identify areas requiring maintenance replacement or re-lining.
- Sewer Relining - **\$350,000** - Contractors performing spot repairs or full block relining as determined after the completion of the sewer photography on the City's sewer system.
- Sanitary Sewer Connection - **\$135,000** for relining of sanitary sewer services, sewer photography and root cleaning costs.

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### UTILITIES

Budgeted Utilities have **increased** by **\$32,770** over 2022 as follows:

Utilities	2023 Budget	2022 Budget	(Favourable) Unfavourable Change	% Change
Water & Sewer	\$162,660	\$202,610	(\$39,950)	-19.72%
Heating Fuels	\$199,170	\$168,800	\$30,370	17.99%
Electricity	\$905,850	\$863,500	\$42,350	4.90%
<b>Total Utilities</b>	<b>\$1,267,680</b>	<b>\$1,234,910</b>	<b>\$32,770</b>	<b>2.65%</b>

### INTEREST ON LONG TERM DEBT

Budgeted Interest on Long Term Debt has **increased** by **\$23,440** as follows:

Interest on Long Term Debt	Expiry of Loan	2023 Budget	2022 Budget	(Favourable) Unfavourable Change
Upgrades at the Water Treatment Plant	Sept 2024	<b>\$53,950</b>	\$79,390	<b>(\$25,440)</b>
River Street Reservoir	Dec 2042	<b>\$202,520</b>	\$209,610	<b>(\$7,090)</b>
2nd Avenue and Marquis Road Reservoir	Dec 2042	<b>\$189,500</b>	\$196,140	<b>(\$6,640)</b>
Water Meter Replacement Project	Dec 2028	<b>\$96,590</b>	\$110,990	<b>(\$14,400)</b>
Raw Water Pump House	Mar 2057	<b>\$436,130</b>	\$371,270	<b>\$64,860</b>
Waste Water Treatment Plant Design	Mar 2057	<b>\$81,750</b>	\$69,600	<b>\$12,150</b>
<b>Total Interest on Long Term Debt</b>		<b>\$1,060,440</b>	<b>\$1,037,000</b>	<b>\$23,440</b>

The Loan for the Upgrades at the Water Treatment Plant will conclude in 2024 with the last payment made September 2024. The increases related to the Raw Water Pump House and Waste Water Treatment Plant design are the result of increases in interest rates from 2021 to March of 2022 when the funds were actually borrowed.

For the loans showing a decrease in interest, the principal payments are increasing, and the interest payments are decreasing.

On February 15, 2022, Council approved the Capital Financing for:

- Raw Water Pump House - \$12,803,000 to be payable over a period of 35 years.
- Waste Water Treatment Plant Design - \$2,400,000 to be payable over a period of 35 years.



## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

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The interest for the Loan borrowed for the Raw Water Pump House will be funded from the Canada Community Building Fund (formerly Gas Tax Funding).

### WATER METER PROJECT

Interest is being charged internally for the Water Meter Replacement Project. However, there is no interest charged internally for the overall deficit of the Water Utility Fund that is covered by the General Fund.

- Water Utility Fund: interest is shown as an expense in the Water Utility Fund.
- General Fund: interest shows as revenue to the General Fund.

The loan principal for the project comes from the Water Utility Improvement Fund Balance annually. This is shown in the budget document. The surplus from the Water Utility Fund operating budget covers the principal payment.

### FLEET EXPENSES

Fleet Expenses have **increased** by **\$23,510** over 2022. The majority of the increase relates to the equipment used for the Water Treatment Plant operations.

### MAINTENANCE MATERIALS AND SUPPLIES

Maintenance Materials and Supplies have **increased** by **\$684,010** over 2022, representing a 22.78% increase. The one-time projects shown below total \$603,000, which is 88.2% of the total 2023 increase.

#### One Time Projects

Air Handler on Sludge Management Building	\$150,000
New Pump Ordered	\$122,000
Chlorine Gas - Disinfectant for Water Treatment Process	\$121,000
Ammonia Analyzer required for Process Control	\$105,000
One Spare Pump for Sewage Pumping Stations	\$45,000
UV Bulbs - 56 Bulbs replaced annually	\$35,000
Polymer Hot Water Heater Replacement	\$15,000
Washer and Dryer Replacement	\$5,000
SCADA Computers due for replacement	\$5,000

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**Total One Time Projects for Year 2023      \$603,000**

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### INSURANCE

Insurance has **increased** by **\$12,580** over 2022. The 2023 insurance budget is based on a review of 2022 actual costs and consideration of annual increases for 2023 estimated by the City's insurance broker. Administration is estimating an annual increase of 7% for property and liability insurance for 2023. The increase can be attributed to inflation (building values) and annual rate increases.

### CAPITAL REVENUES

Capital Revenues relate to funding from the Canada Community Building Fund - CCBF (formerly Gas Tax Funding) for the interest payment specific to the Raw Water Pump House loan. The interest payment is funded from CCBF. The principal payment is also funded from the CCBF and is included in the Capital Project Section. The interest payment of **\$436,130** for the Raw Water Pump House loan is included under Long Term Debt to be funded from the CCBF.

### 2023 CAPITAL AND INTERFUND TRANSFERS

Budgeted capital and interfund transactions have not changed from the 2022 Budget as the prior years budgeted amount was determined to be sufficient:

- \$614,000 Contribution to General Fund - Prior to 2010, the franchise fee was based on five percent of the total revenues received by the Water Utility Fund. Since 2010, it was suggested that the amount of the transfer be changed to reflect the actual apportionment of costs for people who currently contribute to the operation of the Water Utility Fund but would otherwise not be charged to that Fund. In 2012 the total dollars being transferred to the General Fund was set at \$614,000. This amount has not changed since 2012 as it was determined to be sufficient.
- \$266,930 Contribution to General Fund – City Facilities - The transfer is based on Financial Services review and forecast of City facilities water and sewer utility charges for 2023.

	2022 Budget	2023 Budget	Increase (Decrease)
Contribution to General Fund	\$614,000	\$614,000	\$0
Contribution to GF - City Facilities	\$266,930	\$280,500	(13,570)
Contribution to Airport Fund – City Facilities	\$5,830	\$5,830	\$0
Contribution to Sanitation Fund – City Facilities	\$2,000	\$2,000	\$0
Transfer from Sanitation Fund – City Facilities	(\$3,570)	(\$3,570)	\$0
<b>Total Interfund Transfers</b>	<b>\$885,190</b>	<b>\$898,760</b>	<b>(\$13,570)</b>

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

## 2023 CAPITAL BUDGET

The 2023 Capital Budget for the Water Utility Fund Budget is as follows:

Item	Year 2023
Watermain Replacement Program	\$1,500,000
Sanitary/Storm Sewer Replacement Program	\$800,000
Fire Hydrant - Fire Protection	\$60,000
Fire Hydrant Replacement Program	\$105,000
Lead Service Replacement	\$155,000
Replacement Postage Machine	\$15,200
River Street Reservoir Refurbish and Repairs	\$400,000
Former Raw Water Pump House - Decommission	\$50,000
Water Meter Replacement Program Long Term Debt	\$464,300
Long-Term Debt Repayment - New Water Reservoirs	\$214,000
Long-Term Debt Repayment - Zone 2 Water Reservoir Upgrades	\$200,000
WTP - Loan Principal	\$664,600
Long-Term Debt Repayment - WWTP Detailed Design Year 1 and 2	\$36,400
Long-Term Debt Repayment - Raw Water Pump House	\$194,000
<b>TOTAL WATER UTILITY FUND CAPITAL BUDGET</b>	<b>\$4,858,500</b>

Please see below for a summary of 2023 capital spending and the funding sources:

Water Utility Improvement Fund	\$4,664,500
Community Canada Building Fund (Gas Tax)	\$194,000
<b>TOTAL CAPITAL FUNDING</b>	<b>\$4,858,500</b>

2022 Water Utility Improvement Funding for Capital	\$4,921,700
2023 Water Utility Improvement Funding for Capital	\$4,664,500
<b>Reduction in Capital Funding</b>	<b>(\$257,200)</b>

## AMORTIZATION

Amortization is an accounting method for spreading out the cost of a capital asset over the expected useful life of that asset (i.e. the cost is spread out over multiple years). The City budgets for 100% of the cost of a capital asset within the capital budget. Due to this difference, amortization is shown as a non-cash adjustment within the budget.

For 2023, Amortization has increased from \$5,500,000 to \$5,750,000, an increase of \$250,000. The increase relates primarily to the new Raw Water Pump House.

## WATER UTILITY IMPROVEMENT FUND BALANCE

In conclusion, the sustainability of the Water Utility Fund is dependent on users being charged rates and fees that result in sufficient revenues to cover required operating costs and capital costs. As always, administration works hard to provide a budget that is fiscally responsible and palatable for the residents of Prince Albert.

A summary of the 2023 budget impacts on the Water Utility Improvement Fund Balance is as follows:

- The budgeted Water Utility Fund surplus from operations, after adjusting for non-cash amortization, to be transferred to the Water Utility Improvement Fund Balance for 2023 is \$5,280,980.
- The funding of \$4,664,500 is required for the Capital Committed 2023 Capital Expenditures.
- **This results in an estimated decrease to the deficit in the Water Utility Improvement Fund Balance of (\$616,480).**

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### FUNCTIONAL AREA: ADMINISTRATION, BILLING AND METER MAINTENANCE

This functional area includes the costs associated with Administration working for the Water Utility Fund, Water Billing and Meter Maintenance. This is one of the three Functional Areas.

	2023 Budget	2022 Budget	(Favourable) Unfavourable Change
<b>REVENUES</b>			
Interest and Penalties	(\$140,300)	(\$200,300)	\$60,000
Sundry	(140,000)	(105,000)	(35,000)
<b>Total Revenues</b>	<b>(280,300)</b>	<b>(305,300)</b>	<b>25,000</b>
<b>EXPENSES</b>			
Salaries Wages and Benefits	2,231,210	2,133,750	97,460
Interest on Long Term Debt	1,060,440	1,037,000	23,440
Fleet Expenses	27,000	25,410	1,590
Maintenance Materials and Supplies	617,230	549,520	67,710
Bad Debt Expense	75,000	75,000	0
<b>Total Expenses</b>	<b>4,010,880</b>	<b>3,820,680</b>	<b>190,200</b>
<b>Operating (Surplus) Deficit</b>	<b>3,730,580</b>	<b>3,515,380</b>	<b>215,200</b>
<b>CAPITAL AND INTERFUND TRANSACTIONS</b>			
Capital Revenues	(436,130)	(371,270)	(64,860)
Amortization	5,750,000	5,500,000	250,000
Interfund Transfers	885,190	898,760	(13,570)
<b>Capital and Interfund Transactions</b>	<b>6,199,060</b>	<b>6,027,490</b>	<b>171,570</b>
<b>TOTAL (SURPLUS) DEFICIT</b>	<b>9,929,640</b>	<b>9,542,870</b>	<b>386,770</b>

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### FUNCTIONAL AREA: WATER TREATMENT AND MAINTENANCE

This functional area includes the revenues associated with water sold and water fixed charges. The expenditures relate to the costs associated with the operation of the Water Treatment Plant and associated water delivery network.

	2023 Budget	2022 Budget	(Favourable) Unfavourable Change
<b>REVENUES</b>			
User Charges and Fees	(\$11,068,780)	(\$10,901,100)	(\$167,680)
<b>Total Revenues</b>	<b>(11,068,780)</b>	<b>(10,901,100)</b>	<b>(167,680)</b>
<b>EXPENSES</b>			
Salaries Wages and Benefits	2,436,650	2,333,580	103,070
Contracted and General Services	19,700	19,500	200
Utilities	623,630	594,410	29,220
Fleet Expenses	394,090	371,790	22,300
Maintenance Materials and Supplies	1,874,680	1,665,350	209,330
Insurance	35,080	27,460	7,620
<b>Total Expenses</b>	<b>5,383,830</b>	<b>5,012,090</b>	<b>371,740</b>
<b>TOTAL (SURPLUS) DEFICIT</b>	<b>(5,684,950)</b>	<b>(5,889,010)</b>	<b>204,060</b>

## 2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

### FUNCTIONAL AREA: WASTE WATER TREATMENT AND MAINTENANCE

This functional area includes the revenues associated with sewer consumption and sewer fixed charges. The expenditures relate to the costs associated with the operation of the Waste Water Treatment Plant, Lift Stations, and the associated sewer and storm sewer collection network.

	2023 Budget	2022 Budget	(Favourable) Unfavourable Change
<b>REVENUES</b>			
User Charges and Fees	(\$8,606,170)	(\$8,421,390)	(\$184,780)
<b>Total Revenues</b>	<b>(8,606,170)</b>	<b>(8,421,390)</b>	<b>(184,780)</b>
<b>EXPENSES</b>			
Salaries Wages and Benefits	1,640,130	1,527,680	112,450
Contracted and General Services	883,500	921,000	(37,500)
Utilities	644,050	640,500	3,550
Fleet Expenses	447,060	447,440	(380)
Maintenance Materials and Supplies	1,195,290	788,320	406,970
Insurance	20,470	15,510	4,960
<b>Total Expenses</b>	<b>4,830,500</b>	<b>4,340,450</b>	<b>490,050</b>
<b>TOTAL (SURPLUS) DEFICIT</b>	<b>(3,775,670)</b>	<b>(4,080,940)</b>	<b>305,270</b>

**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

**CAPITAL COMMITTED**

<b>CAPITAL COMMITTED RESERVE</b>	<b>2023 Budget</b>	<b>2022 Budget</b>
<b>Budgeted Funding:</b>		
<b>Funding for Capital</b>		
Transfer from Water Utility Improvement Fund (Uncommitted)	(\$4,664,500)	(\$4,921,700)
Gas Tax Funding	(\$194,000)	(\$215,900)
Debt Financing	-	(\$1,300,000)
<b>Total Funding for Capital</b>	<b>(\$4,858,500)</b>	<b>(\$6,437,600)</b>
<b>Expenditures:</b>		
Water Main Replacement	\$1,500,000	\$1,400,000
Sanitary and Storm Sewer Replacement	\$800,000	\$750,000
River Street Reservoir Refurbish and Repairs	\$400,000	\$400,000
Lead Service Replacement Program	\$155,000	\$150,000
Fire Hydrant Replacement Program	\$105,000	\$100,000
Fire Hydrant - Fire Protection	\$60,000	\$50,000
Former Raw Water Pump House - Decommission	\$50,000	\$170,000
Replacement of Postage Machine	\$15,200	-
Waste Water Plant Upgrade - Detailed Design Year 2	-	\$1,300,000
Water Treatment Plant PLC and SCADA system upgrades	-	\$395,000
<b>Loan Principal Payments (not Capital)</b>		
Water Treatment Plant Upgrade Loan Principal	\$664,600	\$639,100
Water Meter Replacement Loan Principal	\$464,300	\$450,000
River Street Reservoir Loan Principal	\$214,000	\$206,000
Zone 2 Water Reservoir Upgrades Loan Principal	\$200,000	\$193,000
WWTP Detailed Design Year 1 and 2	\$36,400	\$18,600
Raw Water Pump House - Funded from Gas Tax	\$194,000	\$215,900
<b>Total Expenditures</b>	<b>\$4,858,500</b>	<b>\$6,437,600</b>



**2023 APPROVED WATER UTILITY OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2023

## WATER UTILITY IMPROVEMENT FUND BALANCE

<b>WATER UTILITY IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)</b>	<b>Year 2023 Budget</b>	<b>Year 2022 Budget</b>
<b>Budgeted Transactions</b>		
<b>Funding:</b>		
Contribution from Operations	<b>(\$5,280,980)</b>	(\$5,927,080)
<b>Expenses:</b>		
Transfer to Capital Committed Reserve	<b>\$4,664,500</b>	\$4,921,700
Budgeted (Increase) Decrease to Fund	<b>(\$616,480)</b>	(\$1,005,380)
<b>Fund (Surplus) Deficit Balance, Beginning of Year (Estimated)</b>	<b>\$18,888,436</b>	\$19,893,816
<b>Fund (Surplus) Deficit Balance, End of Year (Estimated)</b>	<b>\$18,271,956</b>	\$18,888,436

**Please note that the beginning balance is from the 2021 Audited Financial Statements, and as such, does not factor the approval Capital Financing of \$12.8 million for the Raw Water Pump House.**



City of  
**Prince  
Albert**