

# 2024

## UTILITY FUND BUDGET

BUDGET  
APPROVED BY  
CITY COUNCIL



City of  
**Prince  
Albert**



**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

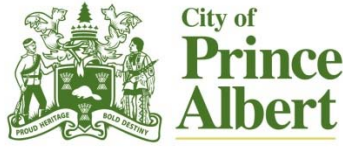
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**BUDGET OVERVIEW AND FINANCIAL HIGHLIGHTS**



The Water Utility Fund budget includes operating and capital. The Water Utility Fund 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 2024, an approximate increase of \$2.72 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 2024. 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 are 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 2023		Year 2024	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.41	\$19.74	\$1.45	\$20.30
Sewer Consumption	\$1.25	\$17.50	\$1.29	\$18.06
Water Fixed Charges	\$28.10	\$28.10	\$28.90	\$28.90
Monthly Fixed Charges	\$26.10	\$26.10	\$26.90	\$26.90
<b>TOTAL MONTHLY CHARGES</b>		<b>\$91.44</b>		<b>\$94.16</b>
<b>Monthly Increase</b>				<b>\$2.72</b>
<b>Yearly Increase</b>				<b>\$32.64</b>
<b>Percentage Increase</b>				<b>3%</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

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

<b>22.9 cubic meters 5/8 or 3/4 inch meter</b>	<b>Year 2023</b>		<b>Year 2024</b>	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.41	\$32.29	\$1.45	\$33.21
Sewer Consumption	\$1.25	\$28.63	\$1.29	\$29.54
Water Fixed Charges	\$28.10	\$28.10	\$28.90	\$28.90
Monthly Fixed Charges	\$26.10	\$26.10	\$26.90	\$26.90
<b>TOTAL MONTHLY CHARGES</b>		<b>\$115.11</b>		<b>\$118.55</b>
<b>Monthly Increase</b>				<b>\$3.43</b>
<b>Yearly Increase</b>				<b>\$41.18</b>
<b>Percentage Increase</b>				<b>3%</b>

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

<b>45.8 cubic meters 5/8 or 3/4 inch meter</b>	<b>Year 2023</b>		<b>Year 2024</b>	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.41	\$64.58	\$1.45	\$66.41
Sewer Consumption	\$1.25	\$57.25	\$1.29	\$59.08
Water Fixed Charges	\$28.10	\$28.10	\$28.90	\$28.90
Monthly Fixed Charges	\$26.10	\$26.10	\$26.90	\$26.90
<b>TOTAL MONTHLY CHARGES</b>		<b>\$176.03</b>		<b>\$181.29</b>
<b>Monthly Increase</b>				<b>\$5.26</b>
<b>Yearly Increase</b>				<b>\$63.17</b>
<b>Percentage Increase</b>				<b>3%</b>

**Commercial User – Monthly Charges for 250 cubic meters monthly**

<b>Average Commercial 250 cubic meters 1" Meter Size</b>	<b>Year 2023</b>		<b>Year 2024</b>	
	Utility Rates	Utility Costs	Utility Rates	Utility Costs
Water Consumption	\$1.41	\$352.50	\$1.45	\$362.50
Sewer Consumption	\$1.25	\$312.50	\$1.29	\$322.50
Water Fixed Charges	\$39.34	\$39.34	\$40.46	\$40.46
Monthly Fixed Charges	\$36.54	\$36.54	\$37.66	\$37.66
<b>TOTAL MONTHLY CHARGES</b>		<b>\$740.88</b>		<b>\$763.12</b>
<b>Monthly Increase</b>				<b>\$22.24</b>
<b>Yearly Increase</b>				<b>\$266.88</b>
<b>Percentage Increase</b>				<b>3%</b>



**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**2024 FINANCIAL HIGHLIGHTS**

The 2024 Budget includes a surplus transfer to the Water Utility Improvement Fund in the amount of **\$795,970** as follows:

<b>SUMMARY</b>	<b>Year 2024</b>	<b>Year 2023</b>	<b>Variance</b>
Administration, Billing and Meter Maintenance	\$16,650,800	\$16,704,270	(\$53,470)
Water Treatment Plant Operations	(\$6,382,745)	(\$6,131,980)	(\$250,765)
Waste Water Treatment Plant Operations	(\$4,707,130)	(\$4,842,250)	\$135,120
<b>Total Operations Surplus</b>	<b>\$5,560,925</b>	<b>\$5,730,040</b>	<b>(\$169,115)</b>
Funding for Capital Projects	(\$2,675,000)	(\$3,085,200)	\$410,200
Funding for Long Term Debt Financing Payments	(\$1,834,425)	(\$1,579,300)	(\$255,125)
Interfund Transfers	(\$885,400)	(\$885,190)	(\$210)
Add: Capital Revenues	\$629,870	\$436,130	\$193,740
<b>Total Capital and Interfund Transactions</b>	<b>(\$4,764,955)</b>	<b>(\$5,113,560)</b>	<b>\$348,605</b>
<b>Surplus Revenue: Transfer to Water Utility Improvement Fund</b>	<b>\$795,970</b>	<b>\$616,480</b>	<b>\$179,490</b>

**Note:** The chart above does not take amortization into account as it is a non-cash item.

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**2024 WATER UTILITY FUND BUDGET APPROVED**

<b>WATER UTILITY FUND</b>	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>Variance Change</b>
<b>REVENUES</b>			
User Charges and Fees	\$19,491,155	\$19,674,950	(\$183,795)
Interest and Penalties	\$135,300	\$140,300	(\$5,000)
Sundry	\$140,000	\$140,000	\$0
<b>Total Revenues</b>	<b>\$19,766,455</b>	<b>\$19,955,250</b>	<b>(\$188,795)</b>
<b>EXPENSES</b>			
Salaries Wages and Benefits	\$6,564,595	\$6,307,990	\$256,605
Contracted and General Services	\$1,260,540	\$1,257,030	\$3,510
Utilities	\$1,252,720	\$1,267,680	(\$14,960)
Interest on Long Term Debt	\$998,835	\$1,060,440	(\$61,605)
Fleet Expenses	\$877,900	\$870,150	\$7,750
Maintenance Materials and Supplies	\$3,138,550	\$3,331,370	(\$192,820)
Insurance	\$62,390	\$55,550	\$6,840
Bad Debt Expense	\$50,000	\$75,000	(\$25,000)
<b>Total Expenses</b>	<b>\$14,205,530</b>	<b>\$14,225,210</b>	<b>(\$19,680)</b>
<b>Operating Surplus</b>	<b>\$5,560,925</b>	<b>\$5,730,040</b>	<b>(\$169,115)</b>
<b>CAPITAL AND INTERFUND TRANSACTIONS</b>			
Capital Revenues	\$629,870	\$436,130	\$193,740
Amortization	(\$5,750,000)	(\$5,750,000)	\$0
Contribution to General Fund	(\$614,000)	(\$614,000)	\$0
Contribution to GF - City Facilities	(\$269,090)	(\$266,930)	(\$2,160)
Contribution to Airport Fund	(\$3,710)	(\$5,830)	\$2,120
Contribution of Sanitation Fund	(\$2,200)	(\$2,000)	(\$200)
Transfer from Sanitation Fund	\$3,600	\$3,570	\$30
<b>Capital and Interfund Transactions</b>	<b>(\$6,005,530)</b>	<b>(\$6,199,060)</b>	<b>\$193,530</b>
<b>TOTAL DEFICIT</b>	<b>(\$444,605)</b>	<b>(\$469,020)</b>	<b>\$24,415</b>
<b>Allocated as Follows:</b>			
Total Deficit	(\$444,605)	(\$469,020)	\$24,415
Non-Cash Adjustment - Amortization	\$5,750,000	\$5,750,000	\$0
<b>Total Surplus - Adjusted for Amortization</b>	<b>\$5,305,395</b>	<b>\$5,280,980</b>	<b>\$24,415</b>
Transfer to Water Utility Improvement Fund Balance	(\$795,970)	(\$616,480)	(\$179,490)
Capital Long Term Debt Financing Principal Payments	(\$1,834,425)	(\$1,579,300)	(\$255,125)
Capital Expenditures	(\$2,675,000)	(\$3,085,200)	\$410,200
	<b>(\$5,305,395)</b>	<b>(\$5,280,980)</b>	<b>(\$24,415)</b>
<b>BALANCED BUDGET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

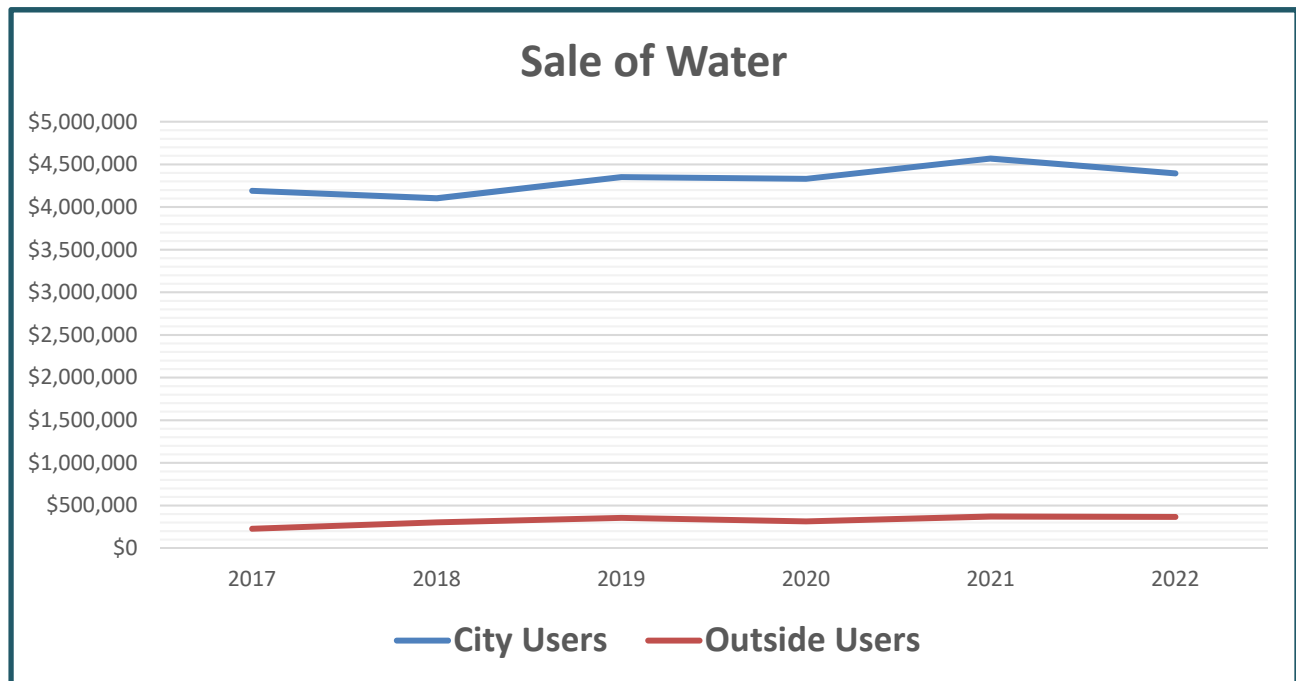
## 2024 WATER UTILITY FUND REVENUES

Budgeted revenues have decreased by the amount of **\$188,795** as follows over 2023:

	2024 Revenue	2023 Revenue	Increased (Decreased) Revenue	% Change
User Charges and Fees	\$19,491,155	\$19,674,950	(\$183,795)	-0.93%
Interest and Penalties	\$135,300	\$140,300	(\$5,000)	-3.56%
Sundry	\$140,000	\$140,000	\$0	0.00%
<b>Total Revenue</b>	<b>\$19,766,455</b>	<b>\$19,955,250</b>	<b>(\$188,795)</b>	<b>-0.95%</b>

Below is the revenue relating to the Sale of Water over the last several years, excluding sale of water to Prince Albert Rural Water.

	2017	2018	2019	2020	2021	2022
<b>City Users</b>	\$4,190,167	\$4,102,391	\$4,351,082	\$4,330,036	\$4,568,174	\$4,394,581
<b>Outside Users</b>	\$227,346	\$303,200	\$354,680	\$313,056	\$370,895	\$365,660
	<b>\$4,417,513</b>	<b>\$4,405,591</b>	<b>\$4,705,762</b>	<b>\$4,643,092</b>	<b>\$4,939,069</b>	<b>\$4,760,241</b>
<b>Change from Prior Year</b>		-\$11,922	\$300,171	-\$62,670	\$295,977	-\$178,828



## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

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

User Charges and Fees revenue for Year 2024 have **decreased** by the amount of **\$183,795** as follows:

User Charges and Fees	2024 Revenue	2023 Revenue	Increased (Decreased) Revenue
Consumption	\$10,007,805	\$9,937,679	\$70,125
Fixed Charges	\$8,912,950	\$9,124,450	(\$211,500)
Other Revenue	\$570,400	\$612,820	(\$42,420)
<b>Total User Charges and Fees</b>	<b>\$19,491,155</b>	<b>\$19,674,950</b>	<b>(\$183,795)</b>



## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

The decrease in revenue is attributed to less water being sold to users and more water conservation. As such, the 2024 Budget has adjusted water consumption sales to be more reflective of water conservation.

**As well, the reduction in revenue takes into account the fact that we approximately 210 water accounts for properties that are vacant where water service is turned off. The City has another 324 accounts with no consumption which are primarily vacant rental units or houses that are vacant that the owner is leaving vacant or trying to sell.**

The budgeted consumption of water to be sold to Prince Albert Rural Water has also been adjusted as Muskoday has built their own Water Treatment Plant. This results in a reduction of 213 homes. In 2023, Prince Albert Rural Water extended water service to Little Red. There are 101 homes in the Little Red area. The impact is a reduction of 112 homes (213-101). Water consumption for Prince Albert Rural Water has been decreased by 65,000 cubic meters for the 2024 Budget. If you factor high water users at 45 cubic meters per month multiplied by 112 homes it equates to 60,480 cubic meters less water sold. As such, the 2024 Budget has factored the reduction of water sold in relation to Muskoday being disconnected from Prince Albert Rural Water.

### Water Consumption Rates

Water Consumption Rates	Year 2024	Year 2023	Increase
In-City User	\$1.45	\$1.41	\$0.04
Outside User	\$2.54	\$2.47	\$0.07

\*\* Rate per cubic meter

### Sewer Consumption Rates

Sewer Consumption Rates	Year 2024	Year 2023	Increase
In-City User	\$1.29	\$1.25	\$0.04
Outside User	\$2.26	\$2.19	\$0.07

\*\* Rate per cubic meter

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**Water and Sewer Consumption Revenue – Increased Revenue of \$70,125**

<b>Consumption Revenue</b>	<b>2024 Utility Rates</b>	<b>2024 Consumption</b>	<b>2024 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)	\$1.45	3,080,000	<b>\$4,466,000</b>	\$1.41	3,280,200	<b>\$4,625,080</b>	<b>(\$159,080)</b>
Sask Pen Consumption - Outside User	\$2.54	112,000	<b>\$284,480</b>	\$2.47	117,000	<b>\$288,698</b>	<b>(\$4,218)</b>
Sale of Water – Outside City Rate (Twilite and Heartland)	\$2.54	5,600	<b>\$14,225</b>	\$2.47	5,665	<b>\$13,978</b>	<b>\$247</b>
Trailers Courts Consumption	\$2.54	25,000	<b>\$63,500</b>	\$2.47	27,000	<b>\$66,623</b>	<b>(\$3,123)</b>
Sale of Water (Super 8 Motel)	\$2.54	5,600	<b>\$14,220</b>	\$2.47	5,805	<b>\$14,324</b>	<b>(\$104)</b>
Rural Water Consumption	\$3.37	285,000	<b>\$960,450</b>	\$1.59	350,000	<b>\$556,500</b>	<b>\$403,950</b>
Sewer Consumption – In City Rate	\$1.29	3,000,000	<b>\$3,870,000</b>	\$1.25	3,228,900	<b>\$4,036,125</b>	<b>(\$166,125)</b>
Sewer Consumption – Outside City Rate	\$2.26	148,200	<b>\$334,930</b>	\$2.19	153,760	<b>\$336,350</b>	<b>(\$1,420)</b>
<b>Consumption Revenue</b>			<b>\$10,007,805</b>			<b>\$9,937,679</b>	<b>\$70,125</b>

Revenue from water consumption from Residential, Commercial and Industrial properties has **decreased** by **\$159,080** due to less water being sold. The projected water consumption for 2024 was reduced by 200,200 cubic meters, which results in a reduction to budgeted revenue. Over the last couple years, water is being conserved by users and less water is being sold.

Revenue from water consumption from Outside Users is projected to also **decrease** as a result of less water being used. The consumption for the Trailer Courts and Sask Penitentiary was reduced for Year 2024, based on average water sold.

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

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Revenue for sewer consumption from Residential, Commercial and Industrial properties has also **decreased** by **\$166,125** as a result of less water being sold. Consumption for 2024 was decreased by 228,900 cubic meters, based on an average review of consumption.

Revenue from sewer consumption for Outside City Users is projected to **decrease** as well by **\$1,420**.

### Prince Albert Rural Water

The present 10 year water supply agreement between the City and PARWU expired on May 4<sup>th</sup> 2021. This was the second 10 year agreement and PARWU wishes to continue receiving their water supply from the City. The previous water agreement rate structure was based on both fixed and water consumption charges. The formulas used to calculate these rates were complicated and not transparent in nature.

Administration conducted an internal review of the Water Utility Fund's Capital and Operating Budgets incorporating best practices from the Federation of Canadian Municipalities (FCM) Water and Sewer Rates Full Cost Recovery to provide a base line point to develop an external rate structure.

The old rate structure, as per Bylaw No. 22 of 2021, included a water consumption rate based on water sold and a fixed rate per user per month.

The new proposed rate structure is strictly charged on **water sold to the Prince Albert Rural Water Utility**. The new rate structure is calculated based on water usage by the users of the Prince Albert Rural Water Utility. There is no longer the requirement of users/households.

The new proposed rate structure is based on a markup over the City's cost per cubic meter for water. Over time, with the expansion of the Prince Albert Rural Water Utility, water consumption will increase which will generate additional revenue for water sold in the years to come.

The new rate structure provides transparency to the Prince Albert Rural Water Utility users and transparent costs for the City to produce water for its consumers.

The new Agreement between The City and Prince Albert Rural Water Utility (PARWU) includes a mark up of \$1.10 per cubic meter above the yearly calculated City water costs.

Based on 2024 budgeted expenditures, the rate for Prince Albert Rural Water is \$3.37. The projected consumption for Prince Albert Rural Water has been decreased as a result of the loss of Muskoday as a user. **As such, for 2024, you will only see a consumption charge for Prince Albert Rural Water, as the consumption and fixed charges have been combined into one fee with a mark-up cost to the users of PARWU. That reduction is illustrated in the charts as you will only see a consumption charges and no fixed charges.**

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**Water and Sewer Fixed Charges – Decreased Revenue \$211,500**

Fixed Charges	2024 Rate Per User	# of Users	2024 Revenue	2023 Rate Per User	# of Users	2023 Revenue	Increased (Decreased) Revenue
<b>Water Fixed Charges</b>							
Prince Albert Rural Water	\$0.00	0	\$0	\$49.37	1,104	\$654,054	(\$654,054)
Saskatchewan Penitentiary	\$53.01	283	\$180,022	\$49.37	329	\$194,913	(\$14,891)
Provincial Correctional Facilities	\$53.01	314	\$199,742	\$49.37	261	\$154,627	\$45,115
Trailer Courts (Eastview and Driftwood)	\$53.01	187	\$118,954	\$49.37	187	\$110,786	\$8,168
<b>Sewer Fixed Charges</b>							
Saskatchewan Penitentiary	\$33.63	283	\$114,207	\$32.63	329	\$128,823	(\$14,616)
Provincial Correctional Facilities	\$33.63	314	\$126,718	\$32.63	261	\$102,197	\$24,521
Trailer Courts (Eastview and Driftwood)	\$26.90	187	\$60,364	\$26.10	187	\$58,568	\$1,796
<b>In City Users</b>							
Fixed Water Charges - Meters			\$4,211,264			\$4,004,928	\$206,336
Fixed Sewer Charges - Meters			\$3,901,679			\$3,715,554	\$186,125
<b>Total Fixed Charges</b>			\$8,912,950			\$9,124,450	(\$211,500)

## Water and Sewer 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 **increased** in the total amount of **\$442,554** as per the increased fixed water and sewer charges.

### Trailer Courts

- 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
  - Equivalent Customers x \$ rate = Monthly Sewer Service Charge

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

- 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

The number of users for the Provincial Correctional Facilities and Federal Institutions (Penitentiaries) have been updated based on inmate estimates.

## Prince Albert Rural Water

As per the new Agreement, there is only a water consumption charge. The new proposed rate structure is strictly charged on **water sold to the Prince Albert Rural Water Utility**. The new rate structure is calculated based on water usage by the users of the Prince Albert Rural Water Utility. There is no longer the requirement of users/households.

**For 2024, you will only see a consumption charge for Prince Albert Rural Water, as the consumption and fixed charges have been combined into one fee with a mark-up cost to the users of PARWU. That reduction is illustrated in the chart as you will only see a consumption charges and no fixed charges.**

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

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

<b><i>Monthly Water Fixed Charge</i></b>	<b>2024 Water Fixed</b>	<b>2023 Water Fixed</b>	<b>Monthly Increase</b>	<b>Yearly Increase</b>
5/8 inches	\$28.90	\$28.10	\$0.80	\$9.60
3/4 inches	\$28.90	\$28.10	\$0.80	\$9.60
1 inch	\$40.46	\$39.34	\$1.12	\$13.44
1.5 inches	\$52.02	\$50.58	\$1.44	\$17.28
2 inches	\$83.81	\$81.49	\$2.32	\$27.84
3 inches	\$317.90	\$309.10	\$8.80	\$105.60
4 inches	\$404.60	\$393.40	\$11.20	\$134.40
<b><i>Monthly Sewer Fixed Charge</i></b>	<b>2024 Sewer Fixed</b>	<b>2023 Sewer Fixed</b>	<b>Monthly Increase</b>	<b>Yearly Increase</b>
5/8 inches	\$26.90	\$26.10	\$0.80	\$9.60
3/4 inches	\$26.90	\$26.10	\$0.80	\$9.60
1 inch	\$37.66	\$36.54	\$1.12	\$13.44
1.5 inches	\$48.42	\$46.98	\$1.44	\$17.28
2 inches	\$78.01	\$75.69	\$2.32	\$27.84
3 inches	\$295.90	\$287.10	\$8.80	\$105.60
4 inches	\$376.60	\$365.40	\$11.20	\$134.40



**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**Other Revenue – Decreased Revenue of \$42,420**

Water Crane revenue has been **increased by \$35,000** as a result of increased water sold at the Water Crane. As well, there is an increase in revenue relating to reconnection charges for utility users in the City.

There is a decrease in User Charges and Fees Revenue related to Water and Sewer services provided to City Facilities. The City makes an accounting entry to record these costs to City Facilities. The majority of the decrease relates to the Waste Water Treatment Plant as both the water meters are failing and at the end of their useful life. The meters cannot be replaced due to the current state of plumbing in the building and the potential for other major operating failures and maintenance costs that could occur if the City tried to replace the meters at this time. There is also a corresponding decrease in the budgeted expenditures for water and sewer services for City Facilities.

<b>Other Revenue</b>	<b>2024 Revenue</b>	<b>2023 Revenue</b>	<b>Increased (Decreased) Revenue</b>
Water Crane	\$115,000	\$80,000	\$35,000
Septic Dumping Fees	\$70,000	\$70,000	\$0
Reconnection Charges	\$32,000	\$25,000	\$7,000
CF - Sale of Water	\$201,680	\$245,190	(\$43,510)
CF - Water Capital Works (meters)	\$37,130	\$34,030	\$3,100
CF - Sewer Service Charges	\$81,385	\$127,480	(\$46,095)
CF - Sewer Capital Works (meters)	\$33,205	\$31,120	\$2,085
<b>Total Revenue</b>	<b>\$570,400</b>	<b>\$612,820</b>	<b>(\$42,420)</b>

**INTEREST AND PENALTIES**

Interest and Penalties revenue has **decreased** by **\$5,000** 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.

<b>Interest and Penalties</b>	<b>2024 Revenue</b>	<b>2023 Revenue</b>	<b>Increased (Decreased) Revenue</b>
Penalties	\$135,000	\$140,000	(\$5,000)
Interest	(\$300)	(\$300)	\$0

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### SUNDRY REVENUE

Sundry revenue is generated from tag fees, bill reprint fees, frozen or burnt water meters, etc.

Budget remains at **\$140,000** based on a review of prior year actuals and expectations for 2024:

### 2024 WATER UTILITY FUND EXPENDITURES

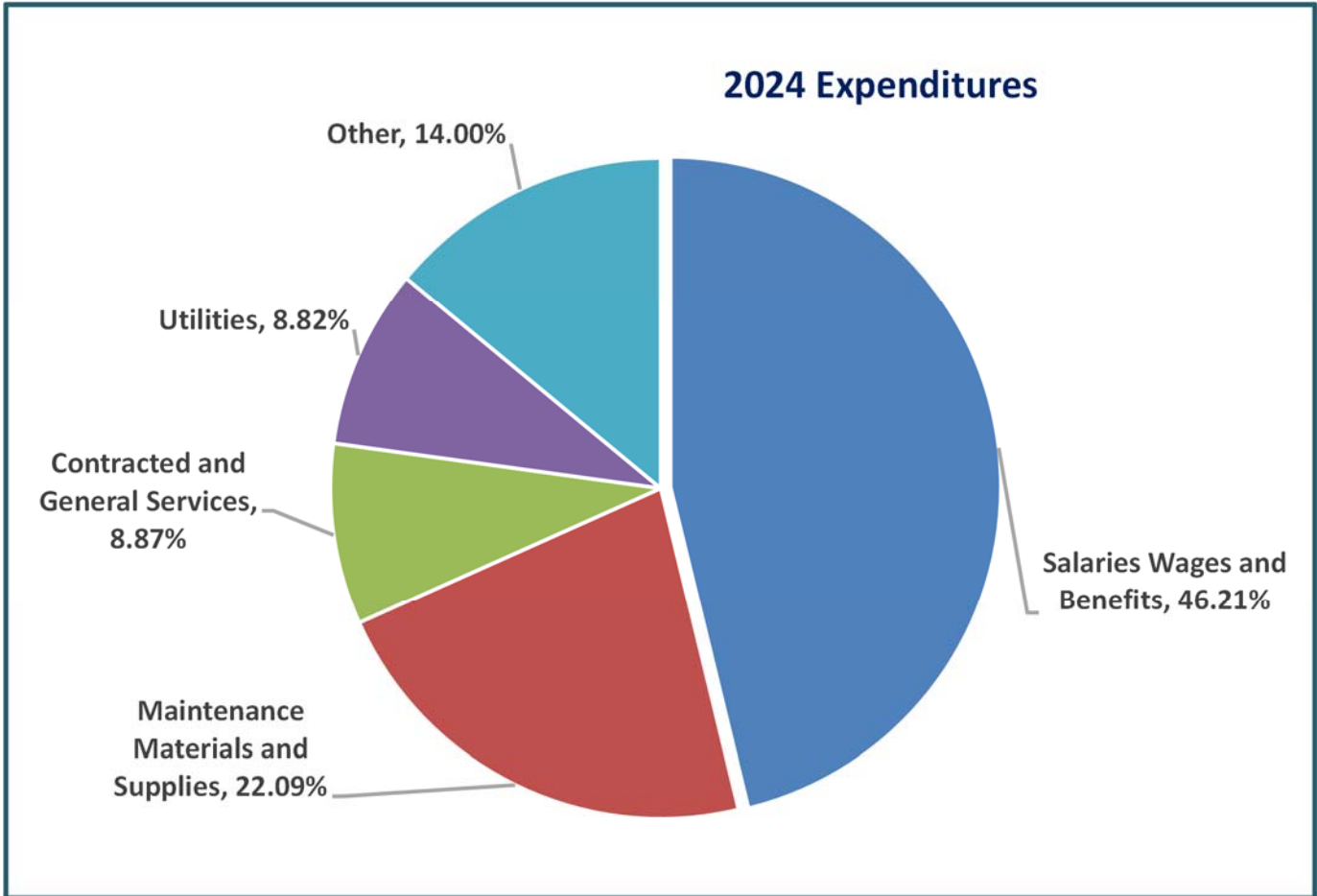
Budgeted expenses have decreased by **\$19,680**, which represents a 0.14% decrease over 2023:

Total Expenditures	2024 Budget	2023 Budget	Increase (Decrease)	% Change
Salaries Wages and Benefits	<b>\$6,564,595</b>	\$6,307,990	\$256,605	<b>4.07%</b>
Contracted and General Services	<b>\$1,260,540</b>	\$1,257,030	\$3,510	<b>0.28%</b>
Utilities	<b>\$1,252,720</b>	\$1,267,680	(\$14,960)	<b>-1.18%</b>
Interest on Long Term Debt	<b>\$998,835</b>	\$1,060,440	(\$61,605)	<b>-5.81%</b>
Fleet Expenses	<b>\$877,900</b>	\$870,150	\$7,750	<b>0.89%</b>
Maintenance Materials and Supplies	<b>\$3,138,550</b>	\$3,331,370	(\$192,820)	<b>-5.79%</b>
Insurance	<b>\$62,390</b>	\$55,550	\$6,840	<b>12.31%</b>
Bad Debt Expense	<b>\$50,000</b>	\$75,000	(\$25,000)	<b>-33.33%</b>
<b>Total Expenditures</b>	<b>\$14,205,530</b>	<b>\$14,225,210</b>	<b>(\$19,680)</b>	<b>-0.14%</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

The major expenses for the Water Utility Fund are as follows:



*Note: % of Total Expenditures*

## **SALARY WAGES AND BENEFITS**

The 2024 Budget includes an increase to general wages, including applicable step increases, wage adjustments, and payroll benefit increases.

### **General Wage Adjustments – Out of Scope Employees**

Motion of Special City Council Meeting August 21, 2023

That City of Prince Albert Out of Scope Staff, excluding Out of Scope Staff at the Prince Albert Police Service and Prince Albert Fire Department, be provided with a general wage increase in the following amounts:

1. Zero Percent (0%) effective January 1, 2022;
2. Three Percent (3%) effective January 1, 2023;
3. Two Percent (2%) effective August 21, 2023;
4. Three Percent (3%) effective January 1, 2024; and,
5. Three Percent (3%) effective January 1, 2025.

### **Payroll Benefits**

Payroll Benefits have increased as follows:

1. The maximum CPP cost will increase to \$3,820 in 2024 from \$3,754 in 2023. The employer matches the employee cost for CPP.
2. The WCB costs have risen from \$1.94/\$100 of WCB assessable earnings in 2022 to \$2.25/\$100 of WCB assessable earnings in 2023.

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**\$256,605 increase** in Salaries Wages and Benefits, a 4.07% increase over 2023 as follows:

Salaries Wages and Benefits	2024 Budget	2023 Budget	Increase / (Decrease)	% Change
Salaries Regular	\$928,945	\$1,148,120	(\$219,175)	-19.09%
Statutory Overtime	\$113,645	\$114,000	(\$355)	-0.31%
Salaries Casual	\$50,820	\$67,690	(\$16,870)	-24.92%
Wages Regular	\$3,095,870	\$2,832,080	\$263,790	9.31%
Wages Overtime	\$312,955	\$279,640	\$33,315	11.91%
Payroll Benefits	\$1,555,370	\$1,390,480	\$164,890	11.86%
Salary Allocations	\$506,990	\$475,980	\$31,010	6.51%
<b>Total</b>	<b>\$6,564,595</b>	<b>\$6,307,990</b>	<b>\$256,605</b>	<b>4.07%</b>

**Salaries Regular – Decrease of \$219,175**

- **\$249,700 decrease** relating to accrual for retro payment budgeted in the 2023 Budget.
- **\$32,470 decrease** budgeted in 2024 regarding a 1% Vacancy Management budget to account for turnover and salary savings during the year.
- **\$62,995 increase** for the staff allocations of Public Works Administration charged to the Water Utility Fund. The increase includes the increase to general wages, including applicable step increases.

**There is 1% budgeted for vacancy management savings for Year 2024 in the total amount of \$32,470.**

**Salaries Regular**

Please see below for the 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:

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%

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

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%

- **\$16,870 decrease** in Salaries Casual based on a review of actuals and expectations for 2024. Salaries Casual relate to the hiring of any summer students or casual staffing for vacancies. The budget for Salaries Casual includes \$20,000 for janitorial cleaning at the Water Treatment Plant and \$20,000 cleaning at the Waste Water Treatment Plant.
- **\$263,790 increase** in Wages Regular for increases in general wages, including applicable step increases. This relates to the operators for the WTP and WWTP.
- **\$33,315 increase** in overtime includes the increased rates per hour projected for Year 2024 as well as a review of actuals. Overtime relates to watermain repairs, WTP plant operators overtime, and sewer connections (breaks).
- **\$164,890 increase** for Payroll Benefits as per increased rates for CPP and WCB.
- **\$31,010 increase** in Salary Allocations to reflect an allocation from the Financial Services Functional Area in the General Fund to the Water Utility Fund. This reflects the time that Financial Services spends on Water Utility Fund related accounting duties. The total allocation of **\$506,990** to the Water Utility Fund relates to Financial Services is as follows:

<b>Allocation of Financial Services</b>	
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%



## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### CONTRACTED AND GENERAL SERVICES

Contracted and General Services have **increased** by the amount of **\$3,510** as follows:

Contracted and General Services	2024 Budget	2023 Budget	Increase / (Decrease)	% Change
Water Administration	\$170,000	\$170,000	\$0	0.00%
Water Treatment Plant Operations	\$81,740	\$73,730	\$8,010	10.86%
Waste Water Treatment Plant Operations	\$1,008,800	\$1,013,300	(\$4,500)	-0.44%
<b>Contracted and General Services</b>	<b>\$1,260,540</b>	<b>\$1,257,030</b>	<b>\$3,510</b>	<b>0.28%</b>

#### Large Contracted Costs include:

- 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 short 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.
- **\$170,000** for cellular water meter reading.

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### UTILITIES

Utilities have [decreased](#) by the amount of **\$14,960** over Year 2023 as follows:

Utilities	2024 Budget	2023 Budget	Increase / (Decrease)	% Change
Water & Sewer	\$82,000	\$162,660	(\$80,660)	-49.59%
Heating Fuels	\$181,930	\$199,170	(\$17,240)	-8.66%
Electricity	\$988,790	\$905,850	\$82,940	9.16%
<b>Total Utilities</b>	<b>\$1,252,720</b>	<b>\$1,267,680</b>	<b>(\$14,960)</b>	<b>-1.18%</b>

#### Water & Sewer

There is a [decrease](#) of **\$80,660** for Water and Sewer relating to the charge for sewer and water for City Facilities. There is a corresponding decrease in User Charges and Fees Revenue for Water and Sewer for City Facilities. That is the entry that records the water used by City Facilities. The majority of the variance relates to the Waste Water Treatment Plant as both the water meters are failing and at the end of their useful life. The meters cannot be replaced due to the current state of plumbing in the building and the potential for other major operating failures and maintenance costs that could occur if the City tried to replace the meters at this time.

#### Heating Fuels

There is a [decrease](#) of **\$17,240** based on a review actual and projected usage along with forecasted commodity rates. The Government of Saskatchewan has approved SaskEnergy's commodity rate decrease of 24.5 per cent, bringing it from \$4.20 per gigajoule (GJ) to \$3.20/GJ, as well as its five per cent delivery service rate increase. Effective October 1, 2023, this combined rate adjustment will result in an overall bill decrease of nearly eight per cent or \$6.52 per month for the average residential customer.

#### Electricity

There is an [increase](#) of **\$17,240** based on a review actual and projected usage along with forecasted commodity rates.

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

<b>Utilities</b>	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>Increase / (Decrease)</b>
WTP - Water & Sewer	\$2,640	\$2,660	(\$20)
WTP - Heating Fuels	\$62,337	\$74,100	(\$11,763)
WTP - Electricity	\$352,270	\$351,300	\$970
Raw Water Operation - Heating Fuels	\$15,918	\$12,000	\$3,918
Raw Water Operation - Electricity	\$118,408	\$52,000	\$66,408
2nd Avenue Reservoir - Heating Fuels	\$2,917	\$3,300	(\$383)
2nd Avenue Reservoir - Electricity	\$59,360	\$64,400	(\$5,040)
Marquis Road Reservoir - Heating Fuels	\$2,968	\$1,870	\$1,098
Marquis Road Reservoir - Electricity	\$60,502	\$62,000	(\$1,498)
Lift Station - Heating Fuels	\$14,899	\$23,500	(\$8,601)
Lift Station - Electricity	\$49,934	\$45,350	\$4,584
WWTP -Water & Sewer	\$79,363	\$160,000	(\$80,637)
WWTP - Heating Fuels	\$77,128	\$75,200	\$1,928
WWTP - Electricity	\$336,556	\$320,800	\$15,756
Sewage Treatment Composting - Heating Fuels	\$5,766	\$9,200	(\$3,434)
Sewage Treatment Composting - Electricity	\$11,754	\$10,000	\$1,754
<b>Total Utilities</b>	<b>\$1,252,720</b>	<b>\$1,267,680</b>	<b>(\$14,960)</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**INTEREST ON LONG TERM DEBT**

Interest on Long Term Debt has decreased in the amount of **\$61,605** as follows:

Interest on Long Term Debt	Expiry of Loan	2024 Budget	2023 Budget	Increase / (Decrease)
Upgrades at the Water Treatment Plant	Sep-24	\$27,500	\$53,950	<b>(\$26,450)</b>
River Street Reservoir	Dec-42	\$196,255	\$202,520	<b>(\$6,265)</b>
2nd Avenue and Marquis Road Reservoir	Dec-42	\$183,635	\$189,500	<b>(\$5,865)</b>
Water Meter Replacement Project	Dec-28	\$81,735	\$96,590	<b>(\$14,855)</b>
Raw Water Pump House	Mar-57	\$429,250	\$436,130	<b>(\$6,880)</b>
Waste Water Treatment Plant Design	Mar-57	\$80,460	\$81,750	<b>(\$1,290)</b>
<b>Total Interest on Long Term Debt</b>		<b>\$998,835</b>	<b>\$1,060,440</b>	<b>(\$61,605)</b>

The Loan for the Upgrades at the Water Treatment Plant will conclude September 2024. The last payment will be made September 2024. Commencing Year 2025, the funding for the WTP Upgrades debt financing will fund the Raw Water Pump House debt financing as there is no additional Canada Community Building Funding after 2024 for the Raw Water Pump House.

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).

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.

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### Water Meter Replacement 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

**\$7,750 increase** in Fleet Expenses for the Waste Water Treatment Plant operation based on a review of actuals costs. The 2024 Budget **incorporates a 0% increase related to the general fleet charge out rates.**

Fleet Expenses	2024 Budget	2023 Budget	Increase / (Decrease)	% Change
Water Administration	\$27,000	\$27,000	\$0	0.00%
Water Treatment Plant Operations	\$394,090	\$394,090	\$0	0.00%
Waste Water Treatment Plant Operations	\$456,810	\$449,060	\$7,750	1.73%
<b>Total Fleet Expenses</b>	<b>\$877,900</b>	<b>\$870,150</b>	<b>\$7,750</b>	<b>0.89%</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**MAINTENANCE MATERIALS AND SUPPLIES**

Maintenance Materials and Supplies have decreased since Year 2023 in the amount of **\$192,820** as follows:

<b>Maintenance Materials and Supplies</b>	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Water Administration	\$436,220	\$447,230	(\$11,010)	-2.46%
Water Treatment Plant Operations	\$1,838,400	\$1,820,650	\$17,750	0.97%
Waste Water Treatment Plant Operations	\$863,930	\$1,063,490	(\$199,560)	-18.76%
<b>Total Maintenance Materials and Supplies</b>	<b>\$3,138,550</b>	<b>\$3,331,370</b>	<b>(\$192,820)</b>	<b>-5.79%</b>

The approved 2023 one-time expenditures have been removed from the 2024 Budget. However, there are some other increases for 2024 as outlined below:

<b>Water Treatment Plant Materials and Supplies</b>	
Decrease related to the removal of one time expenditure for the replacement of the media in the chlorine gas scrubber. <u>One-time expenditure from 2023.</u>	(\$161,000)
Decrease related to new polymer hot water heater replacement. <u>One-time expenditure from 2023.</u>	(\$15,000)
The water purification materials (potassium permanganate, coagulant, carbon, polymer, chlorine, sodium hydroxide, fluoride, orthophosphate and Microsand are all consumable products required to properly treat the raw water providing a safe reliable potable water to consumers. The raw water quality is very unpredictable and dictates the demand placed on these consumable materials through the treatment process making it very hard to accurately predict the volume of materials required year to year. These materials are subject to world trade market fluctuations/tariffs, exchange rates and transportation costs. It is best practice to use a minimum 4 year average of past expenditures as a base point for this budgeting process.	\$199,540



**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

<b>Waste Water Treatment Plant Materials and Supplies</b>	
Decrease related to a New Pump ordered. <u>One-time 2023 expenditure.</u>	(\$122,000)
Decrease related to washer and dryer replacement. <u>One-time 2023 expenditure.</u>	(\$5,000)
Decrease related to ammonia analyzer required for process control. <u>One-time 2023 expenditure.</u>	(\$105,000)
Decreased related to UV Bulbs 56 bulbs get replaced annually. <u>One-time 2023 expenditure.</u>	(\$35,000)
Decrease related to SCADA computer due for replacement. One of the servers. <u>One-time 2023 expenditure.</u>	(\$5,000)
Decrease related to one spare pump as a backup for sewage pumping stations 5, 6, 7, 8, 9, 10, and 11. <u>One-time 2023 expenditure.</u>	(\$45,000)
Decrease related to air handler on sludge management building that was at the end of its life expectancy and is in need of replacement. <u>One-time 2023 expenditure.</u>	(\$150,000)
UV Bulbs 56 bulbs get replaced annually (\$42,000); SCADA computer is due for replacement for second server (\$7,000); ChemScan unit supplies (\$5,000); 4 additional DO probes (~\$35,000); Breakdowns/older equipment repairs + resolving high H2S issues + Process optimization (\$85,000); Effluent flow meter (\$30,000 est.); Routine maintenance items at WWTP (\$10,000); Reclamation C3 water (\$60,000 est.). Total Budget of \$274,000, increase of \$155,000 for 2024. <b><u>One-time expenditure for 2024.</u></b>	\$155,000
\$7,600 allocated to repairs like fan belts, pump parts, replacement fans, and backflow preventers annual certification and parts. \$45,000 for spare pump for sewage pumping station 5, 6, 7, 8, 9, 10, and 12. The sewage pumping stations were updated starting 2014. The life of a pump is 7 to 10 years. 2024 Budget increase of \$52,600.	\$52,600
Washer Compactor assembly replacement. <b><u>One-time expenditure for 2024.</u></b>	\$159,420

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### INSURANCE

Insurance has **increased** by **\$6,840** over 2023.

2024 insurance budget is based on a review of 2023 actual costs and consideration of annual increases for 2024 estimated by the City's insurance broker. The increase also incorporates insurance related to new property additions since prior year's budget.

Insurance	2024 Budget	2023 Budget	Increase / (Decrease)
Water Treatment Plant	\$29,930	\$27,210	\$2,720
Raw Water Pump House	\$6,610	\$4,500	\$2,110
2nd Avenue Reservoir	\$1,860	\$1,710	\$150
Marquis Road Reservoir	\$1,800	\$1,660	\$140
Lift Stations	\$5,820	\$5,370	\$450
Waste Water Treatment Plant	\$14,030	\$12,770	\$1,260
Sewage Treatment Compost (building at landfill)	\$2,340	\$2,330	\$10
<b>Total Insurance</b>	<b>\$62,390</b>	<b>\$55,550</b>	<b>\$6,840</b>

### BAD DEBT EXPENSE

Bad Debt Expense is budgeted at \$50,000 for 2024. **Decrease** of **\$25,000** from Year 2023.

Bad debt expense relates to the water bills that have been deemed to be uncollectible due to becoming "inactive". An account becomes inactive when an individual moves and they do not pay their final water bill. In these instances, the City would have received a deposit up front from that person which is applied to the final bill, however the deposit does not always cover their entire final bill. The bad debt account covers that deficiency.

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

### CAPITAL REVENUES

Capital Revenues relate to funding from the Canada Community Building Fund (CCBF - formerly Gas Tax Funding) for the interest and principal payment specific to the Raw Water Pump House loan. The interest payment is funded from CCBF.

Funding to cover interest of \$429,250 and principal of \$200,620 for Raw the Water Pump House Debt Financing.

Capital Revenues	2024 Budget	2023 Budget	Increase / (Decrease)	% Change
Capital Revenues – Raw Water Pump House	\$629,870	\$436,130	\$193,740	44.42%

The interest payment of \$429,250 for the Raw Water Pump House loan is included under the expense of Long Term Debt to be funded from the CCBF.

The principal payment of \$200,620 is also funded from the CCBF and is included in the Capital Project Section.

### 2024 CAPITAL AND INTERFUND TRANSFERS

2024 Interfund Transactions:

	2024 Budget	2023 Budget	Increase (Decrease)
Contribution to General Fund	\$614,000	\$614,000	\$0
Contribution to GF - City Facilities	\$269,090	\$266,930	\$2,160
Contribution to Airport Fund – City Facilities	\$3,710	\$5,830	(\$2,120)
Contribution to Sanitation Fund – City Facilities	\$2,200	\$2,000	\$200
Transfer from Sanitation Fund – City Facilities	(\$3,600)	(\$3,570)	(\$30)
<b>Total Interfund Transfers</b>	<b>\$885,400</b>	<b>\$885,190</b>	<b>\$210</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

\$614,000 Contribution to General Fund - Prior to 2010, the franchise fee was based on five percent of the total revenues received in 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.

\$269,090 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 2024.

**2024 Capital Budget**

The 2024 Capital Budget for the Water Utility Fund Budget is as follows:

<b>2024 UTILITY FUND CAPITAL PROJECTS</b>	
Watermain Replacement Program	\$1,500,000
Sanitary and Storm Sewer Replacement Program	\$850,000
Lead Service Replacement Program	\$155,000
Fire Hydrant Replacement Program	\$105,000
Fire Hydrant - Fire Protection	\$65,000
<b>TOTAL UTILITY FUND PROJECTS</b>	<b>\$2,675,000</b>
<b>LOAN PRINCIPALS</b>	
Loan Principal - WTP Upgrades	\$691,020
Loan Principal - Water Meter Replacement	\$479,180
Loan Principal - River Street Reservoir	\$220,000
Loan Principal - Zone 2 Water Reservoir Upgrades	\$206,000
Loan Principal - WWTP Detailed Design - Year 1 & 2	\$37,605
Loan Principal - Raw Water Pump House	\$200,620
<b>TOTAL LOAN PRINCIPALS</b>	<b>\$1,834,425</b>
<b>TOTAL 2024 UTILITY FUND CAPITAL</b>	<b>\$4,509,425</b>

## 2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2024

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Please see below for a summary of 2024 capital spending and the funding sources:

Water Utility Improvement Fund	\$4,308,805
Community Canada Building Fund (Gas Tax)	\$200,620
<b>TOTAL CAPITAL FUNDING</b>	<b>\$4,509,425</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 Year 2024, Amortization is **\$5,750,000, same as Year 2023.**

## **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 2024 budget impacts on the Water Utility Improvement Fund Balance is as follows:

- The contribution from operations is **\$5,305,395**;
- The funding of **\$4,509,425** is required for the Capital Committed 2024 Capital Expenditures.
- This results in the **net surplus** transfer of **\$795,970** to the Water Improvement Fund Balance.

<b>WATER UTILITY IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)</b>	<b>2024 Budget</b>	2023 Budget
<b>Budgeted Transactions</b>		
<b>Funding:</b>		
Contribution from Operations	<b>\$5,305,395</b>	\$5,280,980
<b>Expenses:</b>		
Transfer to Capital Committed Reserve	<b>(4,509,425)</b>	(4,664,500)
Budgeted (Increase) Decrease to Fund	<b>795,970</b>	616,480
<b>Fund Deficit Balance, Beginning of Year (Estimated)</b>	<b>(1,200,842)</b>	(1,817,322)
<b>Fund Deficit Balance, End of Year (Estimated)</b>	<b>(404,872)</b>	(1,200,842)

Note that the beginning balance is obtained from the 2022 Audited Financial Statements. As such, it includes \$12.8 million in debt financing received for the Raw Water Pump House, and \$2.4 million received for the Waste Water Treatment Plant design, however a portion of these funds had either been re-allocated to a different project, or were unspent at the end of 2022. Approximately \$5.8M of the Raw Water Pump House loan, and approximately \$1.2M of the Waste Water Treatment Plant design loan were remaining to be spent/re-allocated. This results in approximately \$7M (\$5.8M + \$1.2M) included in the opening Water Improvement Fund balance that is earmarked for a specific purpose, and not available to offset the Water Utility Improvement Fund's deficit.

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**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.**

	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>Variance Change</b>	<b>% Change</b>
<b>REVENUES</b>				
User Charges and Fees	\$19,306,155	\$19,524,950	(\$218,795)	-1.12%
Interest and Penalties	\$135,300	\$140,300	(\$5,000)	-3.56%
Sundry	\$140,000	\$140,000	\$0	0.00%
<b>Total Revenues</b>	<b>\$19,581,455</b>	<b>\$19,805,250</b>	<b>(\$223,795)</b>	<b>-1.13%</b>
<b>EXPENSES</b>				
Salaries Wages and Benefits	\$2,138,200	\$2,231,210	(\$93,010)	-4.17%
Contracted and General Services	\$170,000	\$170,000	\$0	0.00%
Interest on Long Term Debt	\$109,235	\$150,540	(\$41,305)	-27.44%
Fleet Expenses	\$27,000	\$27,000	\$0	0.00%
Maintenance Materials and Supplies	\$436,220	\$447,230	(\$11,010)	-2.46%
Bad Debt Expense	\$50,000	\$75,000	(\$25,000)	-33.33%
<b>Total Expenses</b>	<b>\$2,930,655</b>	<b>\$3,100,980</b>	<b>(\$170,325)</b>	<b>-5.49%</b>
<b>TOTAL SURPLUS</b>	<b>\$16,650,800</b>	<b>\$16,704,270</b>	<b>(\$53,470)</b>	<b>-0.32%</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**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.

	2024 Budget	2023 Budget	Variance Change	% Change
<b>REVENUES</b>				
User Charges and Fees	\$115,000	\$80,000	\$35,000	43.75%
<b>Total Revenues</b>	<b>\$115,000</b>	<b>\$80,000</b>	<b>\$35,000</b>	<b>43.75%</b>
<b>EXPENSES</b>				
Salaries Wages and Benefits	\$2,656,855	\$2,436,650	\$220,205	9.04%
Contracted and General Services	\$81,740	\$73,730	\$8,010	10.86%
Interest on Long Term Debt	\$809,140	\$828,150	(\$19,010)	-2.30%
Fleet Expenses	\$394,090	\$394,090	\$0	0.00%
Maintenance Materials and Supplies	\$1,838,400	\$1,820,650	\$17,750	0.97%
Utilities	\$677,320	\$623,630	\$53,690	8.61%
Insurance	\$40,200	\$35,080	\$5,120	14.60%
<b>Total Expenses</b>	<b>\$6,497,745</b>	<b>\$6,211,980</b>	<b>\$285,765</b>	<b>4.60%</b>
<b>TOTAL DEFICIT</b>	<b>(\$6,382,745)</b>	<b>(\$6,131,980)</b>	<b>(\$250,765)</b>	<b>4.09%</b>



**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**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.

	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>Variance Change</b>	<b>% Change</b>
<b>REVENUES</b>				
User Charges and Fees	\$70,000	\$70,000	\$0	0.00%
<b>Total Revenues</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENSES</b>				
Salaries Wages and Benefits	\$1,769,540	\$1,640,130	\$129,410	7.89%
Contracted and General Services	\$1,008,800	\$1,013,300	(\$4,500)	-0.44%
Interest on Long Term Debt	\$80,460	\$81,750	(\$1,290)	-1.58%
Fleet Expenses	\$456,810	\$449,060	\$7,750	1.73%
Maintenance Materials and Supplies	\$863,930	\$1,063,490	(\$199,560)	-244.11%
Utilities	\$575,400	\$644,050	(\$68,650)	-10.66%
Insurance	\$22,190	\$20,470	\$1,720	8.40%
<b>Total Expenses</b>	<b>\$4,777,130</b>	<b>\$4,912,250</b>	<b>(\$135,120)</b>	<b>-2.75%</b>
<b>TOTAL DEFICIT</b>	<b>(\$4,707,130)</b>	<b>(\$4,842,250)</b>	<b>\$135,120</b>	<b>-2.79%</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**CAPITAL COMMITTED**

<b>CAPITAL COMMITTED RESERVE</b>	<b>2024 Budget</b>	<b>2023 Budget</b>
<b>Budgeted Funding:</b>		
<b>Funding for Capital</b>		
Transfer from Water Utility Improvement Fund (Uncommitted)	\$4,308,805	\$4,664,500
Canada Community Building Fund (CCBF)	\$200,620	\$194,000
<b>Total Funding for Capital</b>	<b>\$4,509,425</b>	<b>\$4,858,500</b>
<b>Expenditures:</b>		
Water Main Replacement	(\$1,500,000)	(\$1,500,000)
Sanitary and Storm Sewer Replacement	(\$850,000)	(\$800,000)
River Street Reservoir Refurbish and Repairs		(\$400,000)
Lead Service Replacement Program	(\$155,000)	(\$155,000)
Fire Hydrant Replacement Program	(\$105,000)	(\$105,000)
Fire Hydrant - Fire Protection	(\$65,000)	(\$60,000)
Former Raw Water Pump House - Decommission		(\$50,000)
Replacement of Postage Machine		(\$15,200)
<b>Loan Principal Payments (not Capital)</b>		
Water Treatment Plant Upgrade Loan Principal	(\$691,020)	(\$664,600)
Water Meter Replacement Loan Principal	(\$479,180)	(\$464,300)
River Street Reservoir Loan Principal	(\$220,000)	(\$214,000)
Zone 2 Water Reservoir Upgrades Loan Principal	(\$206,000)	(\$200,000)
WWTP Detailed Design Year 1	(\$37,605)	(\$36,400)
Raw Water Pump House - Funded from Gas Tax	(\$200,620)	(\$194,000)
<b>Total Expenditures</b>	<b>(\$4,509,425)</b>	<b>(\$4,858,500)</b>

**2024 APPROVED WATER UTILITY FUND OPERATING AND CAPITAL BUDGET**

For the Year Ending December 31, 2024

**WATER UTILITY IMPROVEMENT FUND BALANCE**

<b>WATER UTILITY IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)</b>	<b>2024 Budget</b>	<b>2023 Budget</b>
<b>Budgeted Transactions</b>		
<b>Funding:</b>		
Contribution from Operations	<b>\$5,305,395</b>	\$5,280,980
<b>Expenses:</b>		
Transfer to Capital Committed Reserve	<b>(4,509,425)</b>	(4,664,500)
Budgeted (Increase) Decrease to Fund	<b>795,970</b>	616,480
<b>Fund Deficit Balance, Beginning of Year (Estimated)</b>	<b>(1,200,842)</b>	(1,817,322)
<b>Fund Deficit Balance, End of Year (Estimated)</b>	<b>(404,872)</b>	(1,200,842)

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