

TOWN OF TISDALE

BYLAW NO. 09/26

A BYLAW TO ESTABLISH A WATERWORKS RATE POLICY AND CAPITAL INVESTMENT STRATEGY

WHEREAS the Council of the Town of Tisdale considers it necessary and expedient to establish a transparent and financially sustainable framework for waterworks and sanitary sewer utility rate planning, investment, reserve management, and reporting;

AND WHEREAS Council is authorized to enact bylaws respecting municipal services, fees, financial administration, and other matters within its jurisdiction pursuant to *The Municipalities Act* and other applicable legislation;

NOW THEREFORE the Council of the Town of Tisdale, in the Province of Saskatchewan, enacts as follows:

1. Short Title

- 1.1. This Bylaw may be cited as the “Waterworks Rate Policy and Investment Strategy Bylaw.”

2. Definitions

2.1. In this Bylaw:

- 2.1.1. “**Council**” means the Council of the Town of Tisdale.
- 2.1.2. “**Infrastructure Fee**” means a fee collected by the Town for infrastructure purposes under applicable legislation, a bylaw, or a Council-approved rate schedule.
- 2.1.3. “**Town**” means the Town of Tisdale.
- 2.1.4. “**Utility**” means the Town’s waterworks and sanitary sewer utility services.
- 2.1.5. “**Water and Sewer Bylaw**” means the Town’s Water and Sewer Bylaw, as amended or replaced from time to time.
- 2.1.6. “**Water Treatment Plant**” means the Town’s water treatment facility and its related treatment systems and works.

3. Purpose and Application

- 3.1. The purpose of this Bylaw is to establish the Town’s framework for utility rate-setting, annual utility financial review, planned waterworks investment, capital planning, funding, reserve management, governance, reporting, and periodic review.
- 3.2. This Bylaw applies to utility rates, charges, infrastructure fees, reserve contributions and transfers, capital investment decisions, and rate-related financial planning administered by the Town.

4. Guiding Principles

- 4.1. Financial sustainability: utility rates should reasonably support the full lifecycle cost of utility services.
- 4.2. User-pay and intergenerational equity: users should contribute fairly to the infrastructure capacity and renewal needs that support current service.
- 4.3. Asset stewardship: planned renewal is preferred over deferral that increases lifecycle cost, service risk, or emergency repair needs.
- 4.4. Transparency: rate and investment decisions shall be understandable, evidence-based, and reported to Council.

4.5. Affordability: rate changes should be phased where practical and communicated clearly to customers.

5. Rate-Setting Framework

- 5.1. Council shall review utility rates annually through the budget process, having regard to the projected revenues and the full and reasonable cost of providing service.
- 5.2. The annual review shall consider operating and treatment costs, regulatory compliance, administration and billing, routine maintenance, debt servicing, reserve contributions, planned capital renewal, and reasonable contingency requirements.
- 5.3. The Town may use base charges, consumption charges, connection or service fees, Infrastructure Fees, reserve transfers, grants, debt proceeds, and other lawful revenues, subject to the applicable Council approval process.
- 5.4. Administration shall present an annual utility financial review with the budget. The review shall compare projected revenues and expenditures, reserve balances, planned capital requirements, significant operating pressures, and any recommended rate action.

6. Investment Strategy

- 6.1. Subject to annual budget approval and available funding, the Town shall maintain a planned annual utility capital investment target of \$500,000 for the priority waterworks programs set out in this section.
- 6.2. The planned annual investment target shall consist of the following firm planning allocations:

Program	Annual Allocation	Primary Purpose
Water line replacement	\$250,000	Renewal or replacement of priority water distribution mains and related appurtenances.
Water Treatment Plant repairs	\$250,000	Planned repairs, rehabilitation, and reliability improvements at the Water Treatment Plant.
Combined planned annual investment	\$500,000	Dedicated annual capital planning target for the two priority waterworks programs.

- 6.3. Actual expenditures, project sequencing, and funding sources remain subject to Council’s annual budget approval, procurement requirements, regulatory requirements, grant availability, asset-condition priorities, and the availability of utility revenues, reserves, debt capacity, and other funding.

7. Water Line Replacement Program

- 7.1. The annual \$250,000 allocation for water line replacement shall support a rolling program. Project selection should be informed by asset age and condition, break history, water loss, capacity and fire-flow needs, coordination with road or underground utility work, customer impacts, and lifecycle cost.

8. Water Treatment Plant Repair Program

- 8.1. The annual \$250,000 allocation for Water Treatment Plant repairs shall support planned repairs and rehabilitation, including critical mechanical, electrical, process, structural, instrumentation, and safety-related work. Priorities should protect regulatory compliance, treatment reliability, operational resilience, and the continued delivery of safe drinking water.

9. Five-Year Capital Planning

- 9.1. The following five-year outlook is a planning schedule that embeds the annual investment commitment as the minimum planned capital target for the programs in Section 6. It is not a commitment to spend beyond Council’s annually approved budget or available funding.

Program	Year 1	Year 2	Year 3	Year 4	Year 5	Five-Year Total
Water line replacement	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Water Treatment Plant repairs	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Combined planned investment	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000

- 9.2. Administration shall update the five-year capital plan annually. The update shall identify recommended projects, expected timing, estimated project cost, funding source, risk or condition rationale, coordination opportunities, and any variance from this Bylaw.
- 9.3. Council may adjust annual allocations or project sequencing where supported by a documented business case, material emergency, grant opportunity, regulatory requirement, or funding constraint.

10. Funding, Reserves, and Debt

10.1. Funding Hierarchy

- 10.1.1. Utility revenues and reserve contributions shall be the primary ongoing source for planned renewal. Grants, cost-sharing, development-related revenues, and prudent debt may be used, where appropriate, to accelerate high-priority work or respond to major capital needs.
- 10.1.2. The Town shall not rely on one-time revenues for recurring operating costs.

10.2. Infrastructure Fees

- 10.2.1. Infrastructure Fees collected by the Town shall be transferred to the applicable utility capital reserve for future waterworks and sewer capital projects.
- 10.2.2. Where the annual utility budget identifies a current-year funding deficiency, Council may approve the use of Infrastructure Fee revenue to address that deficiency, provided the use is consistent with applicable legislation, the Water and Sewer Bylaw, and the Town’s approved budget and financial policies.

10.3. Reserve Management and Debt

- 10.3.1. The Town shall maintain separate and clearly reported water and sewer operating and capital reserve balances.
- 10.3.2. Annual budget documents shall identify planned reserve contributions, withdrawals, projected year-end balances, and the relationship between reserves and the five-year capital plan.
- 10.3.3. Borrowing shall be considered prudently and only in accordance with applicable legislation and Council approval.

11. Governance, Reporting, and Accountability

- 11.1. Council is responsible for approving utility rates, annual budgets, capital plans, reserve transfers, borrowing, and material amendments to this Bylaw.
- 11.2. Administration is responsible for implementing this Bylaw, maintaining supporting records, preparing annual recommendations, and reporting to Council on progress.
- 11.3. The annual report to Council shall include, at a minimum:

Reporting Item	Minimum Information for Council
Rate and utility financial review	Projected revenue, operating cost, capital contribution, reserve position, and recommended rate action.
Capital plan update	Priority projects, five-year forecast, project status, funding source, and changes to allocation or timing.
Investment strategy performance	Budgeted and actual spending for the \$250,000 water line and \$250,000 Water Treatment Plant programs, including explanation of variances.
Asset and risk indicators	Material breaks, treatment reliability issues, regulatory risks, and condition findings that could affect investment priorities.

12. Administration

- 12.1. The Chief Administrative Officer, or designate, is authorized to administer this Bylaw and to bring forward the annual reviews, plans, and recommendations required by it.
- 12.2. Administration may retain unspent approved funds in a dedicated capital reserve or carry them forward in accordance with the Town’s financial policies and Council approval.

13. Review and Amendment

- 13.1. This Bylaw shall be reviewed annually as part of the Town’s budget and utility rate-setting process and comprehensively at least every five years, or sooner where material changes occur.
- 13.2. Council may amend this Bylaw by bylaw. The annual allocations and five-year planning figures shall be refreshed through the annual budget and capital planning process, subject to available funding and Council approval.

14. Conflict

- 14.1. Where there is a conflict between this Bylaw and applicable legislation, the legislation prevails. Where there is a conflict between this Bylaw and the Water and Sewer Bylaw respecting specific rates, fees, service terms, or enforcement, the Water and Sewer Bylaw prevails.

15. Severability

- 15.1. If any provision of this Bylaw is found to be invalid or unenforceable, that provision shall be severed, and the remaining provisions shall continue in full force and effect.

16. Effective Date

- 16.1. This Bylaw comes into force on the date of its final passing.

SEAL

Mayor

Chief Administrative Officer