

NOTICE TO RESIDENTS

Meadow Lake City Council will be making a decision at their Regular Council Meeting on June 24, 2019 whether to proceed with a potable water supply and asset purchase and management agreement with SaskWater. This agreement will include the sale of the water treatment plant facility, water ponds and intake pumps to SaskWater. All future operations and management of the water treatment plant would be the responsibility of SaskWater, including staffing.

In addition to potable water, SaskWater would provide operations and maintenance of the sewage system and certified oversight of the distribution system.

The City of Meadow Lake would continue to own the water reservoirs, sewage lift stations, lagoon, and underground infrastructure.

The feedback received from those in attendance at the Public Meeting held on Tuesday, May 21, 2019 at the Civic Centre indicated that the main priority and concern is having safe drinking water. SaskWater has the capability to provide the expertise and staff to improve all day-to-day operations and remove the operating risks from the City.

The purpose of this mail out is to make the residents aware of this possible agreement and to receive feedback before a decision will be made on June 24th.

The SaskWater Proposal Background Information can be viewed on the City website homepage under "Local Notices". Or you can view the information at City Hall during regular business hours Monday to Friday, 8:30 a.m. to 4:30 p.m.

This information includes water revenue and expenses from 2014 to present, 2019 water rate comparisons with other communities in Saskatchewan, projected 2019-2025 rates comparison on an average residential bill, along with other 2020-2025 projected cost comparisons.

The City also has a brief online survey on the same page. The survey is open until June 7th to receive comments related to this proposal. Or, if you prefer, you may pick up a survey form from City Hall and return it after completion.

Any written comments to be reviewed by Council must be received at City Hall by noon on Thursday, June 20, 2019. You may also email your comments to: cityclerk@meadowlake.ca

The public may also attend the Council Meeting where a decision will be made on the proposed agreement on Monday, June 24th, at 7:00 p.m. in Council Chambers. Please use the south door.

Please feel free to talk to Council or City Staff, and visit the City website to view the full proposal. Hardcopies of any information will be made available upon request.

WHO IS SASKWATER?

- SASKWATER IS A CROWN CORPORATION THAT PROVIDES MUNICIPAL, FIRST NATION, AND INDUSTRIAL CUSTOMERS WITH SAFE, RELIABLE AND SUSTAINABLE WATER AND WASTEWATER SERVICES
- SASKWATER IS NOT INVOLVED IN SETTING WATER QUALITY AND USE REGULATIONS – THAT ROLE BELONGS TO THE WATER SECURITY AGENCY WHICH IS A DIFFERENT PROVINCIAL AGENCY
- SASKWATER PROVIDES POTABLE WATER AND WASTEWATER SERVICES TO 65 MUNICIPAL COMMUNITIES, 9 RM'S, AND 81 RURAL PIPELINE GROUPS IN THE PROVINCE.

SASKWATER PROPOSAL

- SASKWATER HAS PRESENTED COUNCIL WITH A POTABLE WATER SUPPLY AND ASSET PURCHASE AGREEMENT
 - SASKWATER WOULD PURCHASE THE CITY'S WATER PLANT, WATER PONDS, AND INTAKE PUMPS FOR A NET REVENUE TO THE CITY OF \$7 MILLION
 - SASKWATER WOULD THEN BECOME RESPONSIBLE TO MAINTAIN ALL WATER TREATMENT ASSETS AND MEET ALL CURRENT AND FUTURE WATER REGULATIONS
 - THE CITY WOULD CONTINUE TO OWN THE WATER RESERVOIRS, SEWAGE LIFT STATIONS, LAGOON, AND UNDERGROUND INFRASTRUCTURE
 - SASKWATER WOULD CREATE AND SELL POTABLE WATER TO THE CITY, AND THE CITY WOULD CONTINUE TO BILL RESIDENTS UNDER A RATE STRUCTURE SET BY COUNCIL
 - THE CITY AND SASKWATER WOULD ENTER INTO A 30 YEAR AGREEMENT
 - SASKWATER'S RATES CHARGED TO THE CITY WOULD BE FIXED FOR THE FIRST 7 YEARS UNDER A RATE PHASE-IN PROGRAM
 - THIS WOULD BE FOLLOWED BY RATES SET FOR 3 YEAR INTERVALS, NEGOTIATED BETWEEN SASKWATER AND COUNCIL AND BASED ON ACTUAL AND FORECASTED COSTS OF OPERATIONS
 - SASKWATER IS REQUIRED TO RECOVER ITS COSTS AS A COMMERCIAL CROWN USING A COST OF SERVICE MODEL
 - THE POLICY FOR THIS MODEL IS THAT FOR EVERY \$1.00 OF COST SASKWATER IS EXPECTED TO RECOVER BETWEEN \$0.95-\$1.05.

QUESTIONS AND ANSWERS

- HOW DOES SASKWATER OWNERSHIP OF THE WTP BENEFIT MEADOW LAKE?
 - AS THE OWNER OF THE FACILITY, SASKWATER ASSUMES THE RISK OF EQUIPMENT FAILURE, BUILDING MAINTENANCE, EQUIPMENT UPGRADES, TREATMENT PROCESS FAILURE OR UPGRADES.
 - THE CITY OF MEADOW LAKE AND FLYING DUST FIRST NATION HAD A PDWA FOR THREE MONTHS IN 2018 AS A RESULT OF ISSUES TREATING THE CITY'S SOURCE WATER. THEY ALSO HAVE STRUGGLED OCCASIONALLY TO MEET CERTAIN REGULATORY REQUIREMENTS. SASKWATER HAS TREATED SIMILARLY CHALLENGING WATER AND FOUND SUCCESS IN OTHER COMMUNITIES.
 - SASKWATER HAS ENGINEERS ON STAFF WITH EXPERIENCE RELATED TO DESIGN AND TREATMENT OF CHALLENGING WATER SOURCES.
 - SASKWATER HAS OPERATIONS STAFF WHO POSSESS THE EXPERTISE AND BROAD BASE OF KNOWLEDGE TO OPTIMIZE INFRASTRUCTURE DESIGN AND OPERATIONS.
 - SASKWATER PROVIDES PEACE OF MIND TO CUSTOMERS WITH 24/7/365 REMOTE MONITORING OF FACILITIES PERFORMED BY LIVE OPERATORS IN OUR CONTROL CENTRE IN REGINA (ROAM).
 - MEADOW LAKE'S PLANT IS A CLASS IV PLANT, WHICH REQUIRES A CLASS IV OPERATOR TO LEGALLY RUN. THERE ARE VERY FEW CLASS IV OPERATORS IN THE PROVINCE, WITH THE MAJORITY WORKING FOR SASKWATER.
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- HOW WILL THE SALE AND SERVICE AGREEMENT AFFECT WATER RATES?
 - WATER RATE POLICIES WILL CONTINUE TO BE SET BY COUNCIL BUT, REGARDLESS OF WHO OWNS THIS ASSET, RATES ARE EXPECTED TO INCREASE SO THE DEFICITS THAT ARE PRESENT ARE NOT SUBSIDIZED BY TAXES.