

RESORT VILLAGE OF SHIELDS WATERWORKS RATE POLICY

Moved that all properties connected to the municipal waterworks system shall pay an annual fee of \$300 plus consumption costs of \$28.63 per 1000 imperial gallons (\$6.30 per cubic meter). The annual cost and the fee for consumption shall be reviewed periodically to determine if an adjustment is required. The minimum annual fee shall ensure that all properties connected to the system are contributing to the operation of the system. The consumption rate shall be set to recover costs, allow for capital investing and encourage conservation while remaining affordable. The water system shall continue to be financially independent.

RESORT VILLAGE OF SHIELDS CAPITAL INVESTMENT STRATEGY

Moved that the Resort Village of Shields will annually invest an amount to ensure that funds are available to replace the newly constructed pumphouse and reservoir when necessary. The new distribution system is expected to surpass the Engineers certified lifetime of the work which has been stated as 25 years. It is the intent of the Resort Village of Shields to set aside an annual amount equal to the amount of the amortization expense to provide a funded reserve for future capital expenses – 2019 balance is \$402,024. At the end of 2019, the municipality had \$23,174.24 from operations in the water surplus account. A plan to allocate \$2000 from each new lot sold/developed in the subdivisions to the Water System Reserve has resulted in a fund of \$64,000. The annual water rate is reviewed annually to ensure that the system operates on a break even basis and amounts are included for transfer to reserves.