

Information for Waskesiu Community Council
Waskesiu Townsite Capital Debt Repayment and Water, Sewer and Garbage Billing

1.0 Capital Debt Repayment

1.1 Operating Principles

Capital projects related to water, sewer and garbage services are cost recovered from leaseholders and residents in Waskesiu. Examples of these projects include items such as the sewage lagoons, water treatment plant and sewage lift stations. These costs are subsidized by Parks Canada and amortized over time. The leaseholder and resident payments for these projects are included in the annual water, sewer and garbage fees billed to leaseholders and residents in Waskesiu.

1.2 Capital Subsidies:

In order to decrease the burden of the costs of these often large infrastructure projects for leaseholders and residents, and to be consistent with subsidies in cities and municipalities outside of the National Parks, several subsidies are applied to water, sewer and garbage capital costs. These include:

1.2(a) Municipal Equivalent Subsidy

66% of all capital costs related to water, sewer and garbage are subsidized by Parks Canada. Subsidy level offered by Parks Canada is comparable to other municipalities which benefit from grant programs such as the Canada Infrastructure Program.

1.2(b) Parks Canada Usage

In PANP, 33% is deducted from the subsidized balance to cover usage by Parks Canada at its buildings and facilities (maintenance compound, administration building, campground washrooms, etc).

1.2(c) Environmental Subsidy

100% of the incremental capital costs for higher effluent targets when PCA standards are higher than provincial standards (currently does not apply in Waskesiu).

1.2(d) Subsidy related to Debt Limit

The capital debt limit is determined to be 1.0 times the average townsite revenue for Prince Albert National Park. Parks Canada will cover 100% of capital costs incurred for water, sewer and garbage when the community has reached its capital debt limit.

In addition to the total debt limit, there is also a “debt servicing limit” which is the maximum annual amount which can be recovered in any year, equal to 25% of the average townsite revenue for Prince Albert National Park. These debt guidelines exist to assist in the control of capital expenditures and to ensure townsite leaseholders and residents are not burdened with unreasonably high debt payments.

1.3 Illustrative Example:

Capital Expenditure	1,000,000	
Less: Municipal Equivalent Subsidy (66% subsidized by PCA)	<u>(666,666)</u>	% to review every 5 years
	333,334	
Less: PCA usage 33% (not charged to residents)	<u>(110,000)</u>	% to review every 5 years
Capital Expenditure to be recovered from residents	<u><u>223,334</u></u>	

2.0 Waskesiu Capital Debt Current Situation

Waskesiu Total Debt Limit:	\$1,890,000
Waskesiu Current Debt:	\$651,557
Waskesiu Debt Payment Limit:	\$377,000
Waskesiu Current Debt Payment:	\$133,100

3.0 Water, Sewer and Garbage Fees

3.1 Operating Principles:

Parks Canada collects a fee from all users of water, sewer and garbage.

Authority for recovery of utility costs is provided through the National Parks Act under the water, sewer and garbage regulations. The objective is full cost recovery of water, sewer and garbage service costs.

3.2 Water and Sewer Fees

Water and sewer fees are formula based therefore allowing for full recovery of costs. Formulas are related to the type of use on a property. For example a hotel is charged per room. The fee increases if the room is equipped with a kitchen. Charges are based on 7 months use or 12 month use depending on the seasonality of the business. Additional washrooms, hot tub facilities, staff accommodation units, are all captured in the formulas. Cabins and cottages are charged a fee based on 7 months use.

PCA salaries and equipment costs related to water and sewer are included in the water and sewer fee calculations. These costs are reduced by 33% to account for PCA usage at its own facilities.

3.3 Garbage Fees

Garbage fees are formula based therefore allowing for full recovery of costs. Formula is as follows:

$$\# \text{ bins} \times \# \text{ of times emptied} \times \text{rate} / \# \text{ users} = \text{Rate}$$

3.4 Illustrative Example:

$$\text{Cabins/cottages: } 20 \text{ bins} \times 95 \times 17.29 = 32851/569 = \$57.73$$

PCA salaries and equipment costs (except fleet vehicles), landfill and roll off bin fees are included in the garbage fee calculation. These costs are reduced by 33% to account for PCA usage at its facilities.

3.5 Other Municipal Services

Parks Canada does not have the authority to charge for general municipal services such as snow removal, road and street maintenance and fire protection

Parks Canada subsidizes the costs of the general municipal services offered in Waskesiu.