

Media Backgrounder

Water Treatment Plant Delivery

Communities own their treatment plants and have traditionally been responsible to budget and plan for regular maintenance and upgrades of infrastructure. This will continue.

Many communities use their own sources of funds, such as their reserves, property taxes and their water utility rates to cover the costs of providing safe drinking water.

There are three other sources of assistance for communities:

1. Sask Water is being re-focused to provide services to help communities operate their treatment plants and to help communities find cost-effective solutions to drinking water treatment issues.
2. The province's Municipal Financing Corporation assists in making capital funds available on flexible borrowing terms at competitive rates.
3. The province will continue to assist communities with clearly identified health concerns from their water through the Canada – Saskatchewan Infrastructure Program. Through the program \$170 million of equal contributions from the federal, provincial and municipal governments can be invested in local infrastructure improvements over the five years beginning October, 2000.

Sask Water Refocused to Help Communities

Sask Water is being re-focused to help communities provide a sustainable, reliable, safe and clean supply of drinking water for the citizens of Saskatchewan.

Sask Water will focus its work with communities to find appropriate and affordable solutions to drinking water treatment challenges and providing water for industry by:

- providing evaluations of facilities and providing advice and assistance towards effective solutions
- providing project management and design/build water supply, water treatment and wastewater treatment and rural distribution systems.
- undertaking contract operation and maintenance of community and industry owned water supply and wastewater treatment systems
- providing certified operators, 24/7 monitoring and emergency response, routine system maintenance and capital improvement recommendations, routine water testing and analysis.
- sourcing, transporting and delivering raw and treated water supplies and treatment and disposal of wastewater on commercial terms.

Sask Water will be a self-sustaining subsidiary of the Crown Investments Corporation. Services will be provided on a commercial basis to assist in improving water treatment infrastructure.

Sask Water will remain headquartered in Moose Jaw and retain approximately 70 existing utility division staff. Budgets from Sask Water's existing utility division will be directed to its new mandate.

Municipal Financing Corporation

Purpose

The Municipal Financing Corporation of Saskatchewan (MFC) was established in 1969 under the authority of The Municipal Financing Corporation Act. The purpose of MFC is to assist in making capital funds available for the financing of sewer and water, school, and other essential construction and local improvement projects by municipalities and school divisions.

Limitations of borrowing

Municipal governments and school divisions can borrow from MFC.

MFC allows local authorities to minimize interest costs by offering extremely competitive interest rates and the ability to repay debt prior to maturity. In addition, MFC offers very flexible borrowing terms that can be customized to meet the needs of the project being financed. The interest rate charged by MFC depends on the term of the debt and current interest rate levels. The interest rate is the sum of the Province of Saskatchewan's cost of borrowing plus a small amount to cover MFC's administrative costs.

MFC is authorized to finance up to 50 per cent of the total authorized borrowings of a capital project, except for sewer and water projects, which can be up to 100 per cent of authorized borrowings.

Canada-Saskatchewan Infrastructure Program

- The Canada-Saskatchewan Infrastructure Program Agreement was officially signed on October 11, 2000. Through the program over \$170 million of equal contributions from the federal, provincial and municipal governments will be invested into local infrastructure improvements in the province. Saskatchewan's share of the federal funding will be \$56,711,000 over five years.
- At least 50 per cent of the funding will be directed to rural projects. "Rural" will be based on the Statistics Canada definition, which includes all communities with populations less than 10,000.
- In general, Canada and Saskatchewan will each contribute up to 1/3 of the cost of projects in each fiscal year. Individual projects may receive more or less than 1/3 funding by Canada or Saskatchewan.

Priorities:

- "Green" infrastructure is the primary priority under the program. "Green" infrastructure is defined, but not necessarily limited to water and wastewater systems, water management, solid waste management and recycling, and improving the energy efficiency of buildings and facilities owned by local governments. The CSIP Management Committee and Project Review

Committees have given the highest priority to water supply and waste water projects.

- The highest priority in 2001 was to address the needs of communities with serious health and environmental problems related to their water and sewer systems. All of the communities that were under “Precautionary Drinking Water Advisories” that applied for funding were approved. A number of communities that had been issued Orders by the Minister of Environment to correct problems with their sewage treatment systems also received approval. These same priorities continued in 2002.
- Projects funded under the program will include at least 50 per cent “green” infrastructure
- 30 per cent to 40 per cent of the funding will be targeted to transportation projects and the remaining 10 per cent to 20 per cent to the other secondary priorities