

Detailed Overview of Utilities Preliminary Year-End Financial Results

Utility Program	Surplus/(Deficit)
Saskatoon Light & Power	\$1,432,374
Storm Water Utility	(\$392,301)
Water Utility	\$4,544,161
Waste Water Utility	\$3,669,982
Waste Services Utility	\$1,707,030
Total	\$10,961,247

Utility Year-End Results

- Saskatoon Light & Power (SL&P) reported a surplus of \$1.4 million. SL&P revenues were higher than budgeted largely the result of a longer, warmer than usual summer. Despite the surplus and higher revenue than budgeted, sales volumes were the second lowest total recorded in the last five years. The increased revenues were partially offset by increased bulk power costs, more GIL transferred to the mill rate program, and increased materials, supplies, tool costs and general equipment.

This surplus was transferred to the Electrical Revenue Stabilization Reserve which brought the reserve balance over the maximum allowable by the policy, therefore, an amount of \$1.3 million was subsequently transferred from this stabilization reserve to the Electrical Distribution Extension Reserve to support the Asset Management Plan, leaving a balance in the Electrical Revenue Stabilization Reserve of \$2.7 million.
- Storm Water Management Utility reported a year-end deficit of \$392,300. Higher than expected metered revenues were offset by increased maintenance costs for sewer main, manhole and catch basin repairs. This deficit was transferred from the Storm Water Management Stabilization Reserve leaving a balance of \$1.3 million within this reserve.
- Water Utility reported a year-end surplus of \$4.5 million. Revenue was higher than expected as sales volumes were aided by the warm, dry summer, in addition there were savings due to staff vacancies, reduced overtime, reduced training, deferred maintenance, and lower than usual water main breaks. Both the Water Utility surplus and the Wastewater Utility surplus were transferred to the Water and Wastewater Stabilization Reserve, which brought the reserve balance over the maximum allowable by the policy, therefore, an amount of \$7.2 million was subsequently transferred from this stabilization reserve to the Waterworks Capital Projects Reserve and the Wastewater Treatment Capital Reserve, leaving a balance of \$9.1 million within the Water and Wastewater Stabilization Reserve. The transfer of surplus funding into the Capital reserves will help to fund future Water and Wastewater projects and could reduce borrowing or rate increase requirements in future years.

- Wastewater Utility reported a year-end surplus of \$3.7 million. Sales revenues were above budget due to the warm and dry summer months. Expenditure savings were also realized due to reduced overtime, decreased water usage and biogas usage, savings in chemical costs, and reduced maintenance costs. As mentioned, both the Water and the Wastewater Utility surpluses were transferred to the Water and Wastewater Stabilization Reserve and the amount over the maximum allowable by the policy was subsequently transferred to the Waterworks Capital Projects Reserve and the Wastewater Treatment Capital Reserve.
- Waste Services Utility reported a year end surplus of \$1.7 million. The Curbside Organics program had a favourable variance of \$1.3 million as there was staff savings within the operating program due to additional capital work for the implementation of the program, and lower vehicle and equipment maintenance costs. Other variances were favourable multi and single-family recycling program with higher-than-expected revenue, staff savings from vacancies and lower advertising costs. The surplus within Waste Services was transferred to the Waste Utilities Stabilization Reserve which brought the reserve balance over the maximum allowable by the policy, therefore, an amount of \$554,780 was subsequently transferred from this stabilization reserve to the Waste Minimization Reserve, leaving a balance of \$1.8 million in the Waste Utilities Stabilization Reserve.

Training and Discretionary Spending Savings

As part of a corporate-wide objective to help offset the budgetary pressures, Administration realized savings, in staff training and travel, staff vacancies, materials, office supplies and other expenditures, of approximately \$1.5 million in 2023 amongst the Utility Business Lines.

The savings are due to approximately \$240,000 in savings from training, \$360,000 million savings from deferred hiring and \$940,000 from office, maintenance or other expenditure deferrals. These savings are split amongst the business lines and are already included in the numbers mentioned in this report.