

Detailed Overview of Utilities Preliminary Year-End Financial Results

Utility Program	(Surplus)/Deficit
Saskatoon Light & Power	\$145,820
Storm Water Utility	(\$220,129)
Water Utility	(\$5,803,741)
Waste Water Utility	(\$4,099,153)
Waste Services Utility	(\$757,018)
Total	(\$10,734,221)

Utility Year-End Results

- Saskatoon Light & Power (SL&P) reported a deficit of \$145,820. SL&P revenues were lower than budgeted largely due to an expected rate increase which did not occur. Additionally, the sales volumes were also the lowest total recorded in the last 20 years despite a growth in customers, due to conservation and more energy efficient products that are reducing demand. The decreased revenues were partially offset by decreased bulk power costs, less GIL transferred to the mill rate program, salary costs savings and decreased materials, supplies, tool costs and general equipment.

This deficit was offset by a transfer from the Electrical Revenue Stabilization Reserve which brought the balance in the Electrical Revenue Stabilization Reserve of \$2.55 million.

- Storm Water Management Utility reported a year-end surplus of \$220,129. Reduced contractor costs due to more in-house work resulted in savings in construction equipment, materials and supplies which were partially offset by higher salaries expenditures. This surplus was transferred to the Storm Water Management Stabilization Reserve resulting in a balance of \$1.50 million within this reserve.
- Water Utility reported a year-end surplus of \$5.80 million. Meter revenue was higher than expected however most of the savings for the Water Utility were realized from savings in expenditures like equipment and materials due to a focus on more capital work than anticipated, decreased external contracting costs from lower-than-expected water main breaks and lower amounts of chemicals utilized. 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 \$5.53 million from the Water Utility and \$3.84 million from the Wastewater Utility was subsequently transferred from this stabilization reserve to the Waterworks Capital Projects Reserve and the Wastewater Treatment Capital Reserve, leaving a balance of \$9.68 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 \$4.10 million. Sales revenues were above budget due higher than expected volumes as well as increased levels of use in Sewer Surcharge, and Heavy Grit and Liquid Waste Disposal resulting in higher revenue. Expenditure savings were also realized due to less unplanned failures, savings in utility costs and lower contractor prices than budgeted. 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 \$757,018. A surplus in total revenue was realized largely due to higher-than-expected billable units but the variable garbage collections program also realized increased revenues as the number of shared carts between tenants or landlords and tenants was lower than expected. This revenue was partially offset with lower revenue due to more residents taking advantage of the smallest cart size than anticipated. Overall expenditures were below budget despite additional processing costs and increased tipping fees which were offset by reduced salaries, advertising, fuel and equipment expenditures which were all less than anticipated. The surplus within Waste Services was transferred to the Waste Utilities Stabilization Reserve which resulted in a year-end balance for this reserve of \$2.53 million.

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 \$1.21 million in 2024 amongst the Utility Business Lines.

The savings are due to approximately \$377,600 million savings from deferred hiring and \$831,500 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.