

Detailed Overview of Utilities Preliminary Year-End Financial Results

Utility Program	(Surplus)/Deficit
Saskatoon Light & Power	(3,485,464)
Storm Water Utility	(312,836)
Water Utility	(8,076,885)
Waste Water Utility	(5,807,769)
Waste Services Utility	(1,168,114)
Total	(18,851,069)

Utility Year-End Results

- Saskatoon Light & Power (SL&P) reported a surplus of \$3.48 million. SL&P revenues were lower than budgeted largely due to an expected rate increase which did not occur. The decreased revenues were partially offset by decreased bulk power costs, less GIL transferred to the mill rate program, salary costs savings due to vacancies and decreased construction and equipment maintenance.

This surplus was transferred to the Electrical Revenue Stabilization Reserve; which brought the balance over the maximum allowed, therefore a subsequent transfer of \$3.13 million was made from the Electrical Revenue Stabilization Reserve to the Electrical Distribution Extension Reserve. These transactions brought the balance in the Electrical Revenue Stabilization Reserve to \$2.90 million.

- Storm Water Management Utility reported a year-end surplus of \$312,836. 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 \$1.80 million within this reserve.
- Water Utility reported a year-end surplus of \$8.08 million. Meter revenue was higher than budget by approximately \$2.30 million due to higher volumes as well as more meters in service than expected. Expenditures savings are due to lower equipment and materials usage due to a focus on more capital work than anticipated, decreased external contracting costs from lower-than-expected water main breaks and lower chemical prices than anticipated. 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. To bring the reserve balance in accordance with policy, an amount of \$3.96 million was subsequently transferred from this stabilization reserve to the Waterworks Capital Projects Reserve, \$5.30 million to the Wastewater Treatment Capital Reserve and if approved with this report \$4.00 million will be transferred to the Infrastructure Replacement Reserve – Water and Wastewater, 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, including the new Water Treatment Plant, and could reduce borrowing or rate increase requirements in future years. Specifically, the transfer to the Infrastructure Replacement Reserve – Water and Wastewater as recommended by Administration, will ensure that additional contingency funds are available for Acadia Reservoir Fill Main work that is planned for 2026 and 2027, in case there are areas of higher risk of failure discovered during construction.

- Wastewater Utility reported a year-end surplus of \$5.81 million. Sales revenues were above budget due higher than expected volumes as well as increased levels of use in 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 work 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, the Wastewater Treatment Capital Reserve and if approved in this report the Infrastructure Replacement Reserve – Water and Wastewater.
- Waste Services Utility reported a year end surplus of \$1.17 million. A surplus in total revenue was realized largely due to higher-than-expected household growth for billable units. Overall expenditures were below budget despite additional processing costs and increased tipping fees which were offset by reduced advertising, fuel and equipment expenditures which were all less than anticipated. The surplus within Waste Services was transferred to the Waste Utilities Stabilization Reserve and the amount over the maximum allowable by the policy was subsequently transferred to the Waste Minimization Reserve which resulted in a year-end balance for the Waste Utilities Stabilization Reserve of \$2.98 million.