

BACKGROUND

2009 SaskWater Annual Report *Refresh*

SaskWater is Saskatchewan's commercial Crown water utility, helping communities, First Nations and industry gain access to reliable and professional water and wastewater services. SaskWater helps Saskatchewan communities access quality water treated in accordance with strict standards and helps provide the expertise and capital needed to deliver quality drinking water to our communities. SaskWater currently serves 50,000 Saskatchewan residents, which represents about 5% of the province's population.

2009 Annual Report Highlights:

In 2009, SaskWater's net income was \$454,000, which was \$573,000 better than target.

Assets total \$95.0M (2008 – \$79.1M)

- SaskWater will not declare a dividend to CIC in 2009
- Return on equity (net income as a percentage of equity) is 1.4 per cent
- Debt ratio (debt as a percentage of debt plus equity) is 58.3 per cent

In 2009, \$17.8M was spent on capital new construction and expansion projects, asset management programs and infrastructure management on existing projects.

SaskWater continued to provide high-quality water and distributed its detailed Water Quality Report for 2009 with the 2009 Annual Report. The Water Quality Report is available online at www.saskwater.com.

SaskWater continued to provide dependable services to its customers, with fewer unplanned interruptions in 2009 than anticipated. Service interruptions that did occur lasted on average 4.98 hours.

SaskWater's focus on efficiencies resulted in the energy consumption per sales unit being lower than targeted. The year-end result for energy consumption per sales unit was 2.98kWh/su versus the targeted 3.13 kWh/su.

Water conservation is important to SaskWater, and as such, efforts have been made to reduce water losses. Transmission pipeline losses are 2.32 per cent for the year which is better than the target of 3.45 per cent. Overall, the water loss from SaskWater's infrastructure is very low. Typical accuracy of the measuring equipment is plus or minus 2 per cent. As such, small changes from year to year are normal and are not as significant as long-term trends.

SaskWater continued to support Saskatchewan businesses by purchasing \$10.9M in goods and services from Saskatchewan companies, which represents 97 per cent of the corporation's total purchases.