

THE CORPORATION OF THE CITY OF COURTENAY

SPECIAL COUNCIL MEETING

DATE: Wednesday, January 21, 2015

PLACE: City Hall Council Chambers

TIME: 4:00 p.m.

AGENDA

1.00 STAFF REPORTS

1. 2015-2019 Sewer Fund Financial Plan and User Fee Revenue
2. 2015-2019 Water Fund Financial Plan and User Fee Revenue

2.00 ADJOURNMENT

Posted January 16, 2015



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20 / 1830-05

From: Chief Administrative Officer

Date: January 21, 2015

Subject: 2015 – 2019 Sewer Fund Financial Plan and User Fee Revenue

PURPOSE:

The purpose of this report is to consider the 2015-2019 Sewer Fund Financial Plan as well as the proposed increase in sewer user fee revenue for 2015.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2015-2019 Sewer Fund Financial Plan is a component of the annual City of Courtenay five year financial plan.

Section 194 of the *Community Charter* allows Council to charge a user fee to cover the cost of delivery of a service.

The current year financial plan proposes a 10% user fee increase in 2015 to fund the regional portion of the sewer system, and a 3% increase to fund our municipal portion of the sewer system. Staff advise that future sewer utility rate adjustments for the municipal portion of the system will be supported through the development and implementation of Asset Management Planning, based on condition assessments, life cycle analysis, and risk management.

EXECUTIVE SUMMARY:

The five year sewer fund financial plan is prepared annually and user fees are established to cover the projected net cost of service delivery for the upcoming year. The sewer service is not funded from general property taxation.

Both the regional and the local municipal components of the sewerage system are integral in the delivery of the sewer utility service to users. While the planned fee increases in the regional five year plan are significant, these increases provide essential funding for capital works that are required to ensure the sustainability, capacity and integrity of the system's infrastructure.

An increase of 13% for user fees is recommended. The financial impact of this increase would result in a yearly increase of \$29 for a single family residence.

CAO RECOMMENDATIONS:

That based on the January 21, 2015 staff report "2015-2019 Sewer Fund Financial Plan and 2015 User Fee Revenue" Council approve OPTION 1, and proceed with the recommended 2015-2019 Sewer Fund Financial Plan, and that sewer user fee revenue be increased by 13% for 2015; and

That Council direct staff to amend the "City of Courtenay Fees and Charges Bylaw No. 1673, 1992", to reflect the proposed increase.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the *Community Charter*. The recommended Financial Plan for the sewer fund presented today provides detail for the 2015 year, as well as projections for the four years following. With Council's approval, the corresponding rates bylaws will then be drafted and presented to Council for adoption.

The sewer utility service is self-funding and is not assisted with funding from the general property taxation levy.

DISCUSSION:

The sewer utility service is provided to property owners utilizing municipal sewer collection infrastructure which is owned and operated by the City, as well as by regional infrastructure comprised of sewer force mains, pumping stations, and a wastewater treatment plant that is owned, operated, and managed by the Comox Valley Regional District. The City of Courtenay and the Town of Comox share proportionately in the costs associated with the regional infrastructure based on their relative sewer flows to the wastewater treatment plant.

Comox Valley Regional Sewerage 2015-2019 Financial Plan

The regional "Comox Valley Sewerage System" was constructed in the early 1980's and was designed to provide for a 25 year capacity. The system is now over thirty years old, and in 2011 a sanitary sewer master plan was completed which identified the capital works required to ensure continued viability and the sustainability of this core infrastructure.

A prioritized 10 year capital plan for the regional system was comprehensively debated by regional and municipal staff, as well as the members of the Sewer Commission, and was approved in 2012 by the Sewer Commission. This 10 year capital plan is a key driver in the cost of delivering sewer service in both Courtenay and Comox and is reflected in our five year financial plans.

In last year's 2014-2018 Comox Valley Sewerage System Financial Plan, the Sewer Commission approved annual increases of 12% to the municipal requisition, to end in 2018. Raising funds from user fees was part of the integrated financial planning in raising funds to carry out the approved regional plan capital works without significant dependence on incurring high levels of debt. The financial forecasts for the 2015-2019 Comox Valley Sewerage System Financial Plan continue this financial strategy, although at slightly lower percentages, and for 2015 to 2019 are planned to be 2015 – 11%, 2016 -10%, 2017 – 9%, 2018 – 8%, and 2019 – 0%. Requisitions increases are anticipated to remain level beginning in 2019.

In last year's regional budget process, the year of actual need for future regional capital works was reviewed (reflecting lower than previously forecast growth projections), and a phased budget provision for the approved priority projects was incorporated. This has resulted in a reduction in the both immediate

capital funding required in the next five years, a reduction in requisition funds required, and has assisted in reducing the projected debt financing required over the next fifteen years. It is felt by both regional and municipal finance staff that this is more financially sustainable in the long term for the service.

Table 1 below details the regionally budgeted requisitions for the 2015-2019 regional five year financial plan. For the 2015 financial year, an increase of 10% to the user fee revenues is required to ensure that the City’s share of regional system costs can be appropriately funded.

TABLE 1 – 2015-2019 Comox Valley Sewerage System, proposed requisition and estimate of Courtenay’s percentage share

YEAR	TOTAL REQUISITION	% INCREASE IN REQUISITION	COURTENAY % (BASED ON PROPORTIONAL CTNY/CMX SEWER FLOWS)	COURTENAY REQUISITION
2014	\$4,303,482	12%	64.93%	\$2,794,251
2015	\$4,776,865	11%	64.90% (est)	\$3,104,962
2016	\$5,254,552	10%	65.00% (est)	\$3,415,458
2017	\$5,727,461	9%	66.00% (est)	\$3,722,850
2018	\$6,185,658	8%	66.00% (est)	\$4,082,534
2019	\$6,185,658	0%	67.00% (est)	\$4,144,391

City of Courtenay 2015-2019 Sewer Financial Plan

The proposed 2015-2019 Sewer Fund Financial Plan is detailed in the attached Schedules:

- Schedule 1: Sewer Operating Fund
- Schedule 2: Sewer Capital Fund
- Schedule 3: Sewer Reserves

The overall costs of maintaining the City’s sewer operations and carrying out planned city sewer capital works has been funded in part from the 2014 operating surplus. As a result, staff recommend that a net 3% increase is required for the City’s operations and capital works.

Of note in this financial plan is the provision of \$50,000 from 2015 through to 2019, specifically to continue the process of compiling detailed condition assessments of the existing sewer infrastructure. This is key data for the development of a sewer asset management plan, which will assist the City in making more informed decisions on future capital infrastructure priorities. As asset management/condition assessment work is eligible work under the Gas Tax Fund, a transfer of funds from the Gas Tax Reserve sufficient to cover the 2015 condition assessment initiative has been provided for in the financial plan.

The Sewer Fund Capital Project Plan is attached as Schedule 2 of this report. For 2015, \$1,728,000 in capital spending is proposed, of which \$758,000 is funded from user fee revenue, and the balance is funded from reserves.

Approximately half of the capital projects identified for 2015 are a continuation of engineering designs initiated in 2014 and relate to other budget categories such as roads, storm sewer or watermains. Where priorities align for infrastructure renewal of surface and/or underground utility replacement, staff propose to advance those projects to construction in 2015. These projects include 2nd Street (Cliffe to England), 12th Street (Stewart to Urquhart), and England Avenue (10th to 12th).

Staff have identified the need to replace the existing Anderton and 1st Street Sewer Lift Stations in 2016. In order to have this occur, design should begin in 2015. The sewer main draining into the 1st Street Lift Station has been identified to have capacity constraints for a number of years. In addition, the forcemain leaving the lift station has been identified as requiring renewal for a number of years. As part of the Lift Station design, staff recommend that the renewal and upgrade of this sewer and forcemain be completed in conjunction with the Lift Station replacement.

FINANCIAL IMPLICATIONS:

To cover the overall 2015 cost of delivering the sewer utility operating and capital activities, an increase of 13% is recommended. This will result in an annual increase of \$29.00 (or \$2.42/month) in the single family user rate.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the proposed increase to the 2015-2019 Sewer Utility Financial Plan and user fees, staff will prepare the user fees amendment bylaw, and return it to Council for adoption.

On adoption for the user fee amendment bylaw, staff will update the financial system for the 2015 utility billing.

The proposed sewer utility work plan is anticipated to be delivered with existing staff resources in coordination with contracted engineering service providers.

STRATEGIC PLAN REFERENCE:

Value Statement 2: A progressive, diverse and sustainable City

Goal 1: Ensure infrastructure is sustainable

Objective c) Complete an inventory and assessment of City roads, buildings, and utilities, and report on works required.

OFFICIAL COMMUNITY PLAN REFERENCE:

Section 6.3 Sanitary Sewer Treatment

REGIONAL GROWTH STRATEGY REFERENCE:

5-D Sewer – Encourage sewer management approaches and technologies that respond to public health needs and maximize existing infrastructure

CITIZEN/PUBLIC ENGAGEMENT:

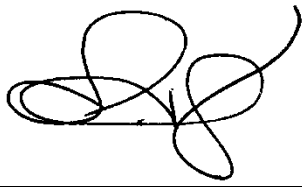
The public is notified of the upcoming changes to sewer user fees through regular council meetings, media webcasts, and information posted on the City's website.

OPTIONS:

OPTION 1: That Council approves the 2015-2019 Sewer Fund Financial Plan, and that sewer user fee revenue be increased by 13% for 2015, and further that staff are directed to amend the user fee bylaws to incorporate the fee increase.

OPTION 2: That Council defer the endorsement of the proposed 2015-2019 Sewer Utility Financial Plan and the proposed increase to the 2015 sewer user fees for further discussion at a later Council meeting.

Prepared by:



Tillie Manthey, BA, CPA, CGA

Director, Financial Services/Deputy CAO

Attachments:

- Schedule 1 – Sewer Operating Fund 2015-2019
- Schedule 2 – Sewer Capital Fund 2015-2019
- Schedule 3 – Sewer Reserves

City of Courtenay
Sewer Operating Fund
Proposed 2015-2019 Financial Plan

Percentage Increase - Regional System	12.00%	10.00%	9.00%	8.00%	8.25%	1.25%
Percentage Increase - City Distribution System	0.00%	3.00%	4.00%	3.00%	1.75%	1.25%
	<u>12.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>11.00%</u>	<u>10.00%</u>	<u>2.50%</u>

Bylaw Rate - Single Family Dwelling	\$ 222	\$ 251	\$ 283	\$ 315	\$ 346	\$ 355
Increase		\$ 29	\$ 32	\$ 32	\$ 31	\$ 9

DESC	2014 FINAL BUDGET	2014 EST. YEAREND	2015 PROPOSED BUDGET	2016 PROJ BUDGET	2017 PROJ BUDGET	2018 PROJ BUDGET	2019 PROJ BUDGET
REVENUE							
Frontage Tax Levy	1,835,000	1,900,562	1,900,562	1,900,562	1,900,562	1,900,562	1,900,562
Sale of Services	3,076,245	3,107,819	3,509,186	3,962,730	4,396,388	4,833,989	4,954,329
Connection charges and rentals	36,000	59,978	36,000	36,000	36,000	36,000	36,000
Interest earnings	225	0	225	225	225	225	225
MFA Earnings	1,500	0	1,500	1,500	1,500	1,500	1,500
From Reserve for Future Expenditure	1,057,976	1,057,976	386,493	0	0	0	0
From Sewer Reserve Fund	50,000	50,000	40,000	35,000	30,000	30,000	26,103
From Gas Tax Fund	40,000	0	100,000	50,000	50,000	50,000	50,000
From Prior Year Surplus	116,919	0	476,768	844,176	299,650	0	0
TOTAL REVENUE	6,213,865	6,176,335	6,450,734	6,830,193	6,714,325	6,852,276	6,968,719
EXPENSE							
CVRD requisition - regional sewer costs	2,794,252	2,794,251	3,100,185	3,415,458	3,722,850	4,082,534	4,144,391
Administration costs	188,370	193,286	160,751	163,125	165,533	167,978	170,458
Interfund allocations	728,529	638,303	732,723	736,800	741,888	749,307	756,800
Operation and maintenance	515,600	323,911	733,887	619,965	631,265	642,790	654,464
Asset Condition Assessments	50,000	0	50,000	50,000	50,000	50,000	50,000
Debt Interest Charges	144,547	144,547	144,547	144,547	144,547	144,547	144,547
Debt Principle Payments	75,242	75,242	75,242	75,242	75,242	75,242	75,242
To General Operating Fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000
To Sewer Machinery & Equipment Reserve	75,000	75,000	75,000	75,000	75,000	75,000	75,000
To Sewer Connection Reserve	20,000	0	0	0	0	0	0
To Reserve for Future Expenditure	300,000	386,493	128,063	0	0	34,378	42,317
To Sewer Capital Fund	1,266,825	547,969	1,144,836	1,444,556	1,002,500	725,000	750,000
To Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Contingency Reserve	0	0	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENSE	6,213,865	5,234,501	6,450,734	6,830,193	6,714,325	6,852,276	6,968,719
INCREASE (DECREASE) IN SEWER FUND	0	941,834	0	0	0	0	(0)

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROPOSED BUDGET	SOURCE OF FUNDS									TOTAL	
				USER	RESERVE FUNDS	RESERVE	GOV'T	DCC RESERVE		OTHER REVENUE				
				FEES	AMOUNT	NAME	FOR F.E.	GRANT	AMOUNT	NAME	AMOUNT	NAME		
1st Street @ Morrison Creek - Sewer Repairs	CONSTRUCTION MAINTENANCE	RENEWAL	5,000	-			5,000							5,000
Carmanah & Valcourt Cres - Design and Construction	DETAILED DESIGN	RENEWAL/ UPGRADE CAPACITY	270,000	68,625			106,285			64,125	S2375	30,965	(Unexpended) Costco DCC 005-11-4-055-0550-06668	270,000
South Courtenay Sewer Planning/Capacity Provisions (Local Area Service)	PLANNING	NEW SERVICE	100,000	84,792			15,208							100,000
1st Street Up Stream of Lift Station MH 3-501 to 3-504 - DESIGN	PLANNING	RENEWAL/ UPGRADE CAPACITY	55,000	54,739						261	S4750			55,000
Replace AC Pressure Force Main on all Lift Sta - Phase 1 Design 1st St Sta to discharge - DESIGN	PLANNING	RENEWAL/ UPGRADE CAPACITY	75,000	57,188						17,813	S2375			75,000
Mansfield Lift Station - New generator	DESIGN/ CONSTRUCTION	MAINTENANCE / UPGRADE	50,000	-			50,000							50,000
Headquarters Road (Glacier Rd to Vanier Dr)/Vanier Dr (Headquarters Rd to High School Entrance) PH. 1 - Design/Construction	CONSTRUCTION MAINTENANCE	NEW SERVICE	21,000	11,000			10,000							21,000
Sandpiper Dr Sewer- Planning, Design, Local Area Service	PLANNING	NEW SERVICE	60,000	-			60,000							60,000
1st Street Lift Station - DESIGN	PLANNING	RENEWAL	105,000	-	20,000	GAS TX	85,000							105,000
Anderton Lift Station - DESIGN	PLANNING	RENEWAL	105,000	-	50,000	GAS TX	55,000							105,000
Sewer Flush Truck - REPLACEMENT	PLANNING	RENEWAL	400,000	-	400,000	Swr EQP								400,000
2nd Street - Cliffe to England - DESIGN/ CONSTRUCTION	PRELIMINARY DESIGN	RENEWAL	248,000	248,000										248,000
12th Street - Stewart to Urquart Ave - DESIGN/ CONSTRUCTION	PRELIMINARY DESIGN	RENEWAL	132,000	132,000										132,000
10th Street - Willemar Ave to Piercy Ave - DESIGN/ CONSTRUCTION	PRELIMINARY DESIGN	RENEWAL	37,000	37,000										37,000
15th Street - West end to Willemar Ave - DESIGN/ CONSTRUCTION	PRELIMINARY DESIGN	RENEWAL	25,000	25,000										25,000
North Courtenay Sanitary Extension (remaining areas within Courtenay) - PLANNING / CONCEPT	PLANNING	NEW SERVICE	40,000	40,000										40,000
TOTAL 2015 CAPITAL PLAN			1,728,000	758,343	470,000	-	386,493	-	82,199	-	30,965	-	-	1,728,000

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROPOSED BUDGET	SOURCE OF FUNDS								TOTAL
				USER	RESERVE FUNDS		RESERVE	GOV'T	DCC RESERVE		OTHER REVENUE	
				FEES	AMOUNT	NAME	FOR F.E.	GRANT	AMOUNT	NAME	AMOUNT	
2016												
Old Island Hwy / Comox Road (fronting Lewis Centre) - Replacement.	PLANNING	RENEWAL/ UPGRADE CAPACITY	5,000	5,000								5,000
Main Replacement 26th St - Cliffe to Fitzgerald			94500	72,056					22,444	S2375		94,500
South Courtenay Sewer Extension (Local Area Service) - DESIGN & CONSTRUCTION PHASE 1 OF 2	LAS IMPLEMENTATION/DETAILED DESIGN	NEW SERVICE	1,800,000	-							1,800,000	DEBT / to be set up as a Local Service Area 1,800,000
1st Street Up Stream of Lift Station MH 3-501 to 3-504 - CONSTRUCTION	CONSTRUCT	RENEWAL/ UPGRADE CAPACITY	300,000	157,500					142,500	S4750		300,000
Scada System - IMPLEMENTATION	INSTALLATION	NEW SERVICE	50,000	-	50,000	GAS TX						50,000
Sandpiper Dr Sewer, Local Area Service - CONSTRUCTION	LAS IMPLEMENT./ DESIGN	NEW SERVICE	200,000	200,000								Conn fees 200,000
1st Street Lift Station - CONSTRUCTION	CONSTRUCT	RENEWAL	1,900,000	-	1,900,000	GAS TX						1,900,000
Anderton Lift Station - CONSTRUCTION	CONSTRUCT	RENEWAL	2,000,000	-	2,000,000	GAS TX						2,000,000
10th Street - Willemar Ave to Piercy Ave - DESIGN/ CONSTRUCTION	CONSTRUCTION	RENEWAL	153,000	153,000								153,000
15th Street - West end to Willemar Ave - DESIGN/ CONSTRUCTION	CONSTRUCTION	RENEWAL	125,000	125,000								125,000
2nd Street - Cliffe to England	CONSTRUCTION MAINTENANCE	RENEWAL	3,000	3,000								3,000
12th Street - Stewart to Urquart Ave	CONSTRUCTION MAINTENANCE	RENEWAL	3,000	3,000								3,000
10th Street - Willemar Ave to Piercy Ave	CONSTRUCTION MAINTENANCE	RENEWAL	3,000	3,000								3,000
15th Street - West end to Willemar Ave	CONSTRUCTION MAINTENANCE	RENEWAL	3,000	3,000								3,000
North CTNY Sanitary Extension (remaining areas within Courtenay) - PLANNING / CONCEPT	PRELIMINARY DESIGN	NEW SERVICE	40,000	40,000								40,000
Willemar Ave - 17th Street to 26th Street	TENDER READY	RENEWAL	680,000	680,000								680,000
TOTAL 2016 CAPITAL PLAN			7,359,500	1,444,556	3,950,000	-	-	-	164,944	-	1,800,000	- 7,359,500

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROPOSED BUDGET	SOURCE OF FUNDS									TOTAL
				USER	RESERVE FUNDS		RESERVE	GOV'T	DCC RESERVE		OTHER REVENUE		
				FEES	AMOUNT	NAME	FOR F.E.	GRANT	AMOUNT	NAME	AMOUNT	NAME	

2017

Piercy Ave - 17th St to 26th St	TENDER READY	RENEWAL	610,000	610,000									610,000
ARDEN TRUNK SEWER - Complete concept design for land acquisition and preliminary design.	CONCEPT/PRE-DESIGN	NEW SERVICE/ CAPACITY	500,000	262,500					237,500	S475			500,000
10th Street East & Sitka Ave - MH Improvements PHASE 1	PLANNING	RENEWAL/ UPGRADE CAPACITY	30,000	22,875					7,125	S2375			30,000
Superstore / Williams Road / Back Road Trunk Sewer Replacement - DESIGN			75,000	75,000									75,000
Sitka Ave Sewer Replacement - DESIGN			25,000	25,000									25,000
TOTAL 2017 CAPITAL PLAN			1,240,000	995,375	-	-	-	-	244,625	-	-	-	1,240,000

2018

Provision for Projects			725,000	725,000					-				725,000
TOTAL 2018 CAPITAL PLAN			725,000	725,000	-	-	-	-	-	-	-	-	725,000

2019

Provision for Projects			750,000	750,000									750,000
TOTAL 2019 CAPITAL PLAN			750,000	750,000	-	-	-	-	-	-	-	-	750,000

Sewer Fund Reserves

2014 Reserve Fund Summary - Anticipated Position

2014 Projected Yearend	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2013 balance forward	1,516,264	1,057,976	30,965	417,711	394,703	551,813	3,969,432
Contributions						44,099	44,099
Transfer from Operating Fund	941,834	386,493		-	75,000		1,403,327
Interest Earnings				2,933	3,014	4,029	9,976
Subtotal	2,458,098	1,444,469	30,965	420,644	472,717	599,941	5,426,834
Budgeted Use - Operating				(50,000)			(50,000)
Budgeted Use - Capital		(1,057,976)				(404,931)	(1,462,907)
Dec 31, 2014 projected year end	2,458,098	386,493	30,965	370,644	472,717	195,010	3,913,927

2015	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2014 balance forward	2,458,098	386,493	30,965	370,644	472,717	195,010	3,913,927
Contributions						50,000	50,000
Transfer from Operating Fund					75,000		75,000
Interest Earnings				2,595	3,309	1,365	7,269
Subtotal	2,458,098	386,493	30,965	373,239	551,026	246,375	4,046,196
Budgeted Use - Operating	(476,768)			(40,000)			(516,768)
Budgeted Use - Capital		(386,493)	(30,965)	(11,438)	(400,000)	(82,199)	(911,095)
Dec 31, 2015 projected year end	1,981,330	-	-	321,801	151,026	164,176	2,618,333

2016	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2015 balance forward	1,981,330	-	-	321,801	151,026	164,176	2,618,333
Contributions						100,000	100,000
Transfer from Operating Fund					75,000		75,000
Interest Earnings				2,253	1,057	1,149	4,459
Subtotal	1,981,330	-	-	324,053	227,083	265,325	2,797,792
Budgeted Use - Operating	(844,176)			(35,000)			(879,176)
Budgeted Use - Capital		-	-			(164,944)	(164,944)
Dec 31, 2016 projected year end	1,137,154	-	-	289,053	227,083	100,381	1,753,672

2017	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2016 balance forward	1,137,154	-	-	289,053	227,083	100,381	1,753,672
Contributions						150,000	150,000
Transfer from Operating Fund					75,000		75,000
Interest Earnings				2,023	1,590	703	4,316
Subtotal	1,137,154	-	-	291,076	303,673	251,084	1,982,987
Budgeted Use - Operating	(299,650)			(30,000)			(329,650)
Budgeted Use - Capital		-	-			(244,625)	(244,625)
Dec 31, 2017 projected year end	837,504	-	-	261,076	303,673	6,459	1,408,712

2018	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2017 balance forward	837,504	-	-	261,076	303,673	6,459	1,408,712
Contributions						150,000	150,000
Transfer from Operating Fund					75,000		75,000
Interest Earnings				1,828	2,126	45	3,998
Subtotal	837,504	-	-	262,904	380,798	156,504	1,637,711
Budgeted Use - Operating				(30,000)			(30,000)
Budgeted Use - Capital		-	-				-
Dec 31, 2018 projected year end	837,504	-	-	232,904	380,798	156,504	1,607,711

2019	Surplus	Unexpended		Sewer Utility	Machinery & Equipment	Sewer DCC	Total
		Capital Funds C/Fwd	Capital Borrowing		Reserve	Funds	
Dec 31, 2017 balance forward	837,504	-	-	232,904	380,798	156,504	1,607,711
Contributions						50,000	50,000
Transfer from Operating Fund					75,000		75,000
Interest Earnings				1,630	2,666	1,096	5,391
Subtotal	837,504	-	-	234,534	458,464	207,600	1,738,102
Budgeted Use - Operating				(30,000)			(30,000)
Budgeted Use - Capital		-	-				-
Dec 31, 2019 projected year end	837,504	-	-	204,534	458,464	207,600	1,708,102



STAFF REPORT

To: Council

File No.: 1705-20 / 1830-05

From: Chief Administrative Officer

Date: January 21, 2015

Subject: 2015 – 2019 Water Fund Financial Plan and User Fee Revenue

PURPOSE:

The purpose of this report is to consider the proposed 2015-2019 Water Fund Financial Plan as well as the proposed increase in water user fee revenue for 2015.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan. The 2015-2019 Water Fund Financial Plan is a component of the annual City of Courtenay five year financial plan.

Section 194 of the *Community Charter* allows Council to charge a user fee to cover the cost of delivery of a service.

The current year financial plan proposes a 3% overall user fee increase in 2015 which covers both the regional portion of the water system and our municipal portion of the water distribution system. Staff advise that future water utility rate adjustments for the municipal portion of the system will be supported through the development and implementation of Asset Management Planning, based on condition assessments, life cycle analysis, and risk management.

EXECUTIVE SUMMARY:

The five year water fund financial plan is prepared annually and user fees are established to cover the projected net cost of service delivery for the upcoming year. The water service is not funded from general property taxation.

Both the regional and the local municipal components of the water system are integral in the delivery of the water utility service to users. As bulk water purchases and Regional bulk water rates are a key cost driver in our municipal financial plan, it is essential information for use in adequately planning for revenue levels needed from user fees. For the current five year financial plan, regional bulk water rate is forecast to remain unchanged at \$0.64/m³ for 2015, and a \$0.02/m³ increase is forecast in each of 2016 and 2017 to raise funds required to meet the planned regional capital works plan.

CAO RECOMMENDATIONS:

That based on the January 21, 2015 staff report “2015-2019 Water Fund Financial Plan and User Fee Revenue” Council approve OPTION 1, that Council approves the 2015-2019 Water Fund Financial Plan, and that water user fee revenue be increased by 3% for 2015; and

That Council direct staff to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992”, to reflect the proposed increase.

Respectfully submitted,



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Consideration and approval of a five year financial plan is an annual requirement under the *Community Charter*. The recommended Financial Plan for the water fund presented today provides detail for the 2015 year, as well as projections for the four years following. With Council's approval, the corresponding rates bylaws will then be drafted and presented to Council for adoption.

The water utility service is self-funding, and is not assisted with funding from the general property taxation levy.

DISCUSSION:

The water utility service is provided to property owners utilizing municipal water infrastructure which is owned and operated by the City, as well as by regional water infrastructure which transports and treats the water supply from the Comox Lake reservoir and transports it to the City's boundary. The City of Courtenay purchases the bulk water consumed within its distribution area. The budgeted cost of purchasing bulk water is a primary cost driver within our water financial plan, and is calculated based on the regional bulk water rate as well as the annual volumes of water forecast to be used by the City.

The proposed 2015-2019 Water Fund Financial Plan is detailed in the attached Schedules:

- Schedule 1: Water Operating Fund
- Schedule 2: Water Capital Fund
- Schedule 3: Water Fund Reserves

A portion of the budgeted increase in 2015 for the cost of maintaining the existing level of service in City's water operations, as well as carrying out the planned municipal 2015 water capital works, have been funded from the water fund operating surplus account. As a result, staff recommend that a net overall 3% fee revenue increase is required this year as additional funding for City operations and capital works.

Of note in this financial plan is the continuation of the provision of annual funds to carry on the process of compiling detailed condition assessments of the existing water infrastructure. This is key data for asset management, which will assist the City in making informed decisions on capital infrastructure priorities going forward. In addition, \$150,000 has been budgeted to carry out a much needed update to the 2005 Water Model. As asset management/condition assessment work and capacity building community planning are eligible works under the Gas Tax Fund, a transfer of funds from the Gas Tax Reserve sufficient to cover the 2015 condition assessment initiative and the water model study has been provided for in the financial plan.

Water Consumption and the Cost of Purchasing Water

Growth and an extremely dry year in 2014 resulted in ending the year with an increase of 4.1% over water consumption in 2013.

Two water efficiency programs, funded from reserves, have been retained in the financial plan. The first program, “Water Enforcement”, is again planned for the summer season. This initiative has been very beneficial in not only educating the public on water restrictions that may be in effect but also and where required, in enforcing the restrictions. An annual amount of \$5,000 has been budgeted to continue this program. The second efficiency program, “Commercial Toilet Rebates”, has been beneficial for commercial /institutional organizations in replacing older model toilets with newer water saver facilities. An annual amount of \$1,500 has been budgeted to continue this program.

A third program, funded from the Water Meter Repair and Replacement Reserve, is a meter replacement program which has been actively carried out for the past three years. It is believed that the replacement of many of the older meters has been instrumental in identifying internal premise leaks as more accurate meter readings have led to higher billings and as a consequence, investigation by property owners.

Finally, in 2014, the City purchased leak detection equipment which is not proactively in use and has been instrumental in locating areas of concern.

COST OF PURCHASING BULK WATER

Five year water consumption costs were developed taking into account anticipated population growth, effects of implemented water efficiency initiatives, as well as the projected cost to purchase bulk water from the Comox Valley Regional District. The cost per cubic meter is forecast to remain unchanged from the 2014 rate (\$0.64/m3). The cost of bulk water purchases provided for in the five year financial plan is based on the following projections and assumptions.

TABLE 1 – City of Courtenay 2015-2019 Forecasted Water Consumption/Cost of Water Purchases

Projected Bulk Water Costs			
<u>Year</u>	<u>Projected bulk water purchases</u>	<u>CVRD rate / m3</u>	<u>Projected Annual Cost</u>
2014	4,661,484	0.64	\$ 2,983,350
2015	4,708,099	0.64	\$ 3,013,183
2016	4,755,180	0.66	\$ 3,138,419
2017	4,802,732	0.68	\$ 3,265,858
2018	4,850,759	0.68	\$ 3,298,516
2019	4,899,267	0.68	\$ 3,331,501

Capital Projects for 2015

The Water Fund Capital Project Plan is attached as Schedule 2 to this report. For 2015, \$1,354,348 in capital spending is proposed, of which \$506,000 is funded from water user fees and balance from funds held in reserves.

Approximately half of the capital projects identified for 2015 are a continuation of engineering designs initiated in 2014 and relate to other budget categories such as roads, storm main or sanitary sewer. Where priorities align for infrastructure renewal of surface and/or underground utility replacement, staff propose to advance those projects to construction in 2015. These projects include 2nd Street (Cliffe to England), 12th Street (Stewart to Urquhart), England Ave (10th to 12th).

As staff progress with leak detection and condition assessments in 2015, a budget provision of \$500,000 has been identified to renew approximately 1km of watermain. This will be based off current field determined data and historical breaks or maintenance records for problematic areas. Staff continue to work on establishing the locations of this proposed renewal work.

Finally, in late 2013 the City of Courtenay annexed an area of land to the south of existing City boundaries and assumed ownership of the existing water pipe network. As a result, in 2014, staff completed a transfer of the water services to the Comox Valley Water System. This work triggered the payment of CVRD Capital Improvement Cost Charges (CICC) under the CVRD CICC Bylaw 2350 (2001). The current capital budget provides for a \$340,000 allowance for the payment of these fees to the CVRD (subject to confirmation with CVRD staff).

FINANCIAL IMPLICATIONS:

A 3% increase in the water bylaw user rates is recommended. This will result in an *annual* increase of \$10.45 (or \$0.87/month) in the single family user rate.

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the proposed increase to the 2015-2019 Water Utility Financial Plan and user fees, staff will prepare the user fees amendment bylaw, and return it to Council for adoption.

On adoption for the user fee amendment bylaw, staff will update the financial system for the 2015 utility billing.

The proposed water utility work plan is anticipated to be delivered with existing staff resources in coordination with contracted engineering service providers.

STRATEGIC PLAN REFERENCE:

Value Statement 2: A progressive, diverse and sustainable City

Goal 1: Ensure infrastructure is sustainable

Objective c) Complete an inventory and assessment of City roads, buildings, and utilities, and report on works required.

OFFICIAL COMMUNITY PLAN REFERENCE:

6.2 Water Supply

6.2.1 to ensure a high level of water quality is maintained

6.2.2 to protect the watershed of the Comox Lake and thereby protect the City's source of water

REGIONAL GROWTH STRATEGY REFERENCE:

5-A Water – Promote water conservation and efficiency throughout the Comox Valley

5-B Water - Protect the quality of water sources

CITIZEN/PUBLIC ENGAGEMENT:

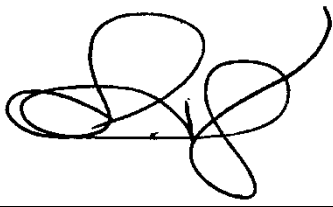
The public is notified of the upcoming changes to user fees through regular council meetings, media webcasts, and information posted on the City's website.

OPTIONS:

OPTION 1: That Council approves the 2015-2019 Water Fund Financial Plan which includes an increase of 3% to revenue raised from water user fees.

OPTION 2: That Council defer the endorsement of the proposed 2015-2019 Water Fund Financial Plan for further discussion.

Prepared by:



Tillie Manthey, BA, CPA, CGA

Director, Financial Services/Deputy CAO

Attachs:

- Schedule 1 – Water Operating Fund 2015-2019
- Schedule 2 – Water Capital Fund 2015-2019
- Schedule 3 - Water Reserves

City of Courtenay
Water Operating Fund
Proposed 2015-2019 Financial Plan

Bulk Water Rate - Regional Plant / m3	\$0.64	\$0.64	\$0.66	\$0.68	\$0.68	\$0.68
Bulk Water Consumption Forecasts	4,661,484	4,708,099	4,755,180	4,802,732	4,850,759	4,899,267
Percentage Increase - Regional Water , m3	0.00%	0.70%	2.65%	2.60%	0.70%	0.70%
Percentage Increase - City Distribution System	0.00%	2.30%	2.00%	2.00%	2.00%	2.00%
Recommended Increase	<u>0.00%</u>	<u>3.00%</u>	<u>4.65%</u>	<u>4.60%</u>	<u>2.70%</u>	<u>2.70%</u>
Bylaw Rate - Single Family Dwelling Increase	\$ 348.38	\$ 358.83	\$ 375.52	\$ 392.79	\$ 403.40	\$ 414.29
		\$ 10.45	\$ 16.69	\$ 17.27	\$ 10.61	\$ 10.89

DESC	2014 FINAL BUDGET	2014 EST. YEAREND	2015 PROPOSED BUDGET	2016 PROJ BUDGET	2017 PROJ BUDGET	2018 PROJ BUDGET	2019 PROJ BUDGET
REVENUE							
Frontage Tax Levy	688,322	691,749	691,749	713,366	713,366	713,366	713,366
Sale of Water	4,465,584	4,482,978	4,618,446	4,960,880	5,189,080	5,329,185	5,473,073
Connection charges and rentals	155,587	146,787	138,810	138,810	138,810	138,810	138,810
Water use - parks	104,000	104,000	104,000	104,000	104,000	104,000	104,000
MFA Earnings	300	0	300	300	300	300	300
From Reserve for Future Expenditure	1,174,396	1,174,396	567,442	227,000	0	0	0
From Water Efficiency Reserve	7,000	5,377	6,500	6,500	6,500	6,500	6,500
From Water Utility Reserve-Meter Replacement	25,000	25,000	25,000	25,250	25,503	25,758	26,015
From Gas Tax Fund	110,000	37,750	175,000	25,000	25,000	25,000	25,000
From Prior Year Surplus	381,841	0	190,300	544,532	579,267	0	0
TOTAL REVENUE	7,112,030	6,668,037	6,517,547	6,745,638	6,781,826	6,342,919	6,487,064
EXPENSE							
Water purchase	2,967,479	3,043,777	3,055,538	3,276,057	3,406,521	3,439,323	3,472,453
Administration costs	181,464	190,437	159,034	161,300	163,599	165,933	168,302
Interfund allocations	971,372	854,359	862,903	871,532	880,247	889,050	897,940
Operation and maintenance	836,500	718,217	939,460	956,459	973,800	991,487	1,009,526
Study - Update 2005 Water Model	85,000	0	160,000	10,000	10,000	85,000	10,000
NEW: Asset Condition Assessments	35,000	37,750	25,000	25,000	25,000	25,000	25,000
Debt Interest Charges	28,260	28,260	28,260	28,260	28,260	28,260	28,260
Debt Principle Payments	20,149	20,149	20,149	20,149	20,149	20,149	20,149
Water Efficiency Measures							
: Enforcement	4,000	4,177	5,000	5,000	5,000	5,000	5,000
: Commercial Toilet Rebate Program	3,000	1,200	1,500	1,500	1,500	1,500	1,500
To General Operating Fund	75,000	75,000	75,000	75,000	75,000	75,000	75,000
To Water Utility Reserve	27,250	27,250	27,250	27,250	27,250	27,250	27,250
To Water Machinery & Equipment Reserve	30,000	30,000	30,000	30,000	30,000	34,000	39,000
To Reserve for Future Expenditure	631,131	567,442	227,000	0	0	468	152,184
To Water Capital Fund	1,210,925	294,980	845,953	1,202,631	1,080,000	500,000	500,000
To Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Contingency Reserve	0	0	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENSE	7,112,030	5,898,498	6,517,547	6,745,638	6,781,826	6,342,919	6,487,064
INCREASE (DECREASE) IN WATER FUND	0	769,539	0	(0)	(0)	0	(0)

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROP. BUDGET AMOUNT	USER FEES	SOURCE OF FUNDS							TOTAL
					RESERVE FUNDS		RESERVE FOR F.E.	DCC RESERVE		OTHER REVENUE		
					AMOUNT	NAME		AMOUNT	NAME	AMOUNT	NAME	
SWWD Changeover - concept/design	PLANNING / PRELIMINARY DESIGN	NEW SERVICE	100,000	-			100,000					100,000
Comox Road Improvements - Phase 3 DESIGN	PRELIMINARY DESIGN	RENEWAL	15,000	-			13,575	1,425	W0950			15,000
Willemar Ave - 17th Street to 26th Street - Completion of existing project	DETAILED DESIGN	RENEWAL	29,348	-			22,378	6,970	W2375			29,348
Menzies & 5th AC water Main replace - completion of 2013 project	CONSTRUCTION MAINTENANCE	RENEWAL	10,000	-			10,000					10,000
Vanier Drive -Water Main Installation	CONSTRUCTION	NEW SERVICE	5,000	-			5,000					5,000
2nd Street (Cliffe to England Ave) Main replacement	DETAILED DESIGN / CONSTRUCTION	RENEWAL	140,000	46,530			93,470					140,000
12th Street (Stewart to Urquart Ave) Main replace	DETAILED DESIGN / CONSTRUCTION	RENEWAL	75,000	32,371			42,629					75,000
South Courtenay - water supply changeover to properties within the Royston LSA - CVRD CICC's	CICC	NEW SERVICE	340,000	287,354			52,646					340,000
England Ave. (10th to 12th Street)	DETAILED DESIGN / CONSTRUCTION	RENEWAL	100,000	100,000								100,000
10th Street - Willemar Ave to Piercy Ave	DETAILED DESIGN	RENEWAL	25,000	25,000								25,000
15th Street - West end to Willemar Ave	DETAILED DESIGN	RENEWAL	15,000	15,000								15,000
1000m of watermain replacement	CONSTRUCTION	RENEWAL	500,000	-	500,000	CWF - GAS TAX						500,000
TOTAL 2015 CAPITAL PLAN			1,354,348	506,255	500,000	-	339,698	8,395	-	-	-	1,354,348

**WATER CAPITAL FUND
5 YEAR CAPITAL PLAN - 2015-2019**

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROP. BUDGET AMOUNT	USER FEES	SOURCE OF FUNDS							TOTAL
					RESERVE FUNDS		RESERVE FOR F.E.	DCC RESERVE		OTHER REVENUE		
					AMOUNT	NAME		AMOUNT	NAME	AMOUNT	NAME	
2016												
SWWD Changeover - construction	CONSTRUCTION	NEW SERVICE	400,000	291,131						108,869	BL 2440 Unexpended	400,000
10th Street - Willemar Ave to Piercy Ave	CONSTRUCTION	RENEWAL	225,000	225,000								225,000
15th Street - West end to Willemar Ave	CONSTRUCTION	RENEWAL	90,000	90,000								90,000
Vanier Drive -Water Main Installation	CONSTRUCTION	NEW SERVICE	200,000	95,000		from 2014	105,000					200,000
Willemar Ave - 17th Street to 26th Street - Construction	CONSTRUCTION	RENEWAL	520,000	274,500		from 2014	122,000	123,500	W2375			520,000
1000m of watermain replacement	CONSTRUCTION	RENEWAL	500,000	-	500,000	CWF - GAS TAX						500,000
TOTAL 2016 CAPITAL PLAN			1,935,000	975,631	500,000	-	227,000	123,500	-	108,869	-	1,935,000
2017												
SWWD Changeover - construction			400,000	400,000								400,000
SWWD Changeover - CVRD CICC's			340,000	340,000								340,000
Piercy Ave - 17th St to 26th St	CONSTRUCTION	RENEWAL	340,000	340,000								340,000
1000m of watermain replacement			500,000	-	500,000	CWF - GAS TAX						500,000
TOTAL 2017 CAPITAL PLAN			1,580,000	1,080,000	500,000	-	-	-	-	-	-	1,580,000
2018												
1000m of watermain replacement		RENEWAL	500,000	-	500,000	CWF - GAS TAX						500,000
New service projects		NEW SERVICE	500,000	500,000								500,000
TOTAL 2018 CAPITAL PLAN			1,000,000	500,000	500,000	-	-	-	-	-	-	1,000,000

**WATER CAPITAL FUND
5 YEAR CAPITAL PLAN - 2015-2019**

PROJECT DESCRIPTION	PROJECT STATUS	ASSET MGMT CATEGORY	PROP. BUDGET AMOUNT	USER FEES	SOURCE OF FUNDS							TOTAL
					RESERVE FUNDS		RESERVE FOR F.E.	DCC RESERVE		OTHER REVENUE		
					AMOUNT	NAME		AMOUNT	NAME	AMOUNT	NAME	
2019												
1000m of watermain replacement		RENEWAL	500,000	-	500,000	CWF - GAS TAX						500,000
New Service projects		NEW SERVICE	500,000	500,000								500,000
TOTAL 2019 CAPITAL PLAN			1,000,000	500,000	500,000	-	-	-	-	-	-	1,000,000

Water Fund Reserves

2015 Reserve Fund Summary - Anticipated Position

2014 Projected Yearend	Surplus	Capital Funds	Unexpended Capital	Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2013 bal fwd	1,006,472	1,174,396	108,869	1,230,156	261,670	159,992	356,089	4,297,644
Contributions							33,699	33,699
Transfer from Operating Fund	769,539	567,442			27,750	30,000		1,394,731
Interest Earnings				8,639	1,838	1,159	2,588	14,224
Subtotal	1,776,011	1,741,838	108,869	1,238,795	291,258	191,151	392,376	5,740,298
Use - Operating				(5,577)	(25,000)			(30,577)
Use - Capital		(1,174,396)					(24,948)	(1,199,344)
Dec 31, 2014 proj .year end	1,776,011	567,442	108,869	1,233,218	266,258	191,151	367,428	4,510,377

2015 Financial Plan	Surplus	Capital Funds	Unexpended Capital	Utility & Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2014 bal fwd	1,776,011	567,442	108,869	1,233,218	266,258	191,151	367,428	4,510,377
Contributions							40,000	40,000
Transfer from Operating Fund					27,250	30,000		57,250
Interest Earnings				8,633	1,864	1,338	2,572	14,406
Subtotal	1,776,011	567,442	108,869	1,241,851	295,372	222,489	410,000	4,622,033
Budgeted Use - Operating	(190,300)			(6,500)	(25,000)			(221,800)
Budgeted Use - Capital		(340,442)				TBD	(8,395)	(348,837)
Dec 31, 2015 proj .year end	1,585,711	227,000	108,869	1,235,351	270,372	222,489	401,605	4,051,396

2016	Surplus	Capital Funds	Unexpended Capital	Utility & Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2015 bal fwd	1,585,711	227,000	108,869	1,235,351	270,372	222,489	401,605	4,051,396
Contributions							50,000	50,000
Transfer from Operating Fund					27,250	30,000		57,250
Interest Earnings				9,265	1,893	1,669	3,012	15,838
Subtotal	1,585,711	227,000	108,869	1,244,616	299,514	254,158	454,617	4,174,485
Budgeted Use - Operating	(544,532)			(6,500)	(25,250)			(576,282)
Budgeted Use - Capital		(227,000)	(108,869)			TBD	(123,500)	(459,369)
Dec 31, 2016 proj .year end	1,041,179	-	-	1,238,116	274,264	254,158	331,117	3,138,834

2017	Surplus	Capital Funds	Unexpended Capital	Utility & Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2016 bal fwd	1,041,179	-	-	1,238,116	274,264	254,158	331,117	3,138,834
Contributions							50,000	50,000
Transfer from Operating Fund					27,250	30,000		57,250
Interest Earnings				9,286	1,920	1,906	2,483	15,595
Subtotal	1,041,179	-	-	1,247,402	303,434	286,064	383,600	3,261,679
Budgeted Use - Operating	(579,267)			(6,500)	(25,503)			(611,270)
Budgeted Use - Capital						TBD		-
Dec 31, 2017 proj .year end	461,912	-	-	1,240,902	277,931	286,064	383,600	2,650,409

2018	Surplus	Capital Funds	Unexpended Capital	Utility & Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2018 bal fwd	461,912	-	-	1,240,902	277,931	286,064	383,600	2,650,409
Contributions							50,000	50,000
Transfer from Operating Fund					27,250	34,000		61,250
Interest Earnings				12,409	1,946	2,861	3,836	26,504
Subtotal	461,912	-	-	1,253,311	307,127	322,925	437,436	2,788,163
Budgeted Use - Operating				(6,500)	(25,758)			(32,258)
Budgeted Use - Capital						TBD		-
Dec 31, 2018 proj .year end	461,912	-	-	1,246,811	281,369	322,925	437,436	2,755,905

2019	Surplus	Capital Funds	Unexpended Capital	Utility & Water	Meter	Machinery & Equipment	Water DCC	Total
		C/Fwd	Borrowing	Efficiency	Replacement	Reserve	Funds	
Dec 31, 2018 bal fwd	461,912	-	-	1,246,811	281,369	322,925	437,436	2,755,905
Contributions							50,000	50,000
Transfer from Operating Fund					27,250	39,000		66,250
Interest Earnings				12,468	1,970	3,229	4,374	27,559
Subtotal	461,912	-	-	1,259,279	310,588	365,154	491,811	2,899,714
Budgeted Use - Operating				(6,500)	(26,015)			(32,515)
Budgeted Use - Capital						TBD		-
Dec 31, 2019 proj .year end	461,912	-	-	1,252,779	284,573	365,154	491,811	2,867,199