



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: 2019–2023 Sewer Fund Financial Plan

File No.: 1705-20/1715-20

Date: February 25, 2019

PURPOSE:

The purpose of this report is for Council to consider the 2019–2023 Sewer Fund Financial Plan and the proposed sewer user fee increase for 2019.

POLICY ANALYSIS:

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually and Section 194 permits the levying of a fee to recover the cost for the delivery of a service.

The 2019–2023 Sewer budget is a component of the annual City of Courtenay five year financial plan. A proposed increase of 5% of the 2019 user fee has been incorporated into the 2019 – 2023 Sewer Fund Financial Plan with no change to the frontage rate.

EXECUTIVE SUMMARY:

The five year sewer fund financial plan is prepared annually and user fees are established to cover the projected cost of service delivery for the upcoming year. Funded entirely from sewer user fees and frontage fees, the sewer service receives no funding from general property taxation.

The City of Courtenay owns and operates a Class 3 Sewer collection system that collects and conveys effluent within the City to the Courtenay Lift Station and from there it flows to the sewage treatment plant. The Courtenay Lift Station and the Sewage Treatment Plant are part of the Comox Valley Regional Sewer Service, which is administered by the Comox Valley Regional District (CVRD).

Each component plays a vital role in providing sewer services to the residents of Courtenay and its regional partners. The CVRD has planned capital conveyance upgrades and treatment plant expansion in order to provide funding to ensure the sustainability, capacity and integrity of their portion of the system infrastructure. The CVRD annually requisitions the City for the cost of the City's share of the regional sewer service.

The City must also provide funding for its investment in the City's sewer service capital and operational needs. The cost of sewer service delivery is funded through a combination of user fees and frontage and parcel taxes. A 5% increase for user fee is recommended for 2019, increasing the rate from \$324.17 to \$340.38 and frontage fee remaining constant at \$10.24 per meter. The annual increase to a single family residence is \$16.21.

CAO RECOMMENDATIONS:

That based on the February 25, 2019 staff report “2019–2023 Sewer Fund Financial Plan”, Council approve OPTION 1, and proceed with the proposed 2019-2023 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 5% for 2019; 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 provides detail for 2019, 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 receives no funding from the general property taxation levy.

DISCUSSION:

The sanitary sewer utility service provided to City property owners is a combination of the City and CV Regional Sewer Service infrastructure. Administered by the CVRD, the regional sewer service infrastructure includes sewer pumping stations, sewer force mains (including the force main on Comox Road) and a wastewater treatment plant with an outfall for treated effluent. It was constructed in the early 1980’s and designed with a 25 year life-cycle. As a result of the 2011 CVRD sanitary sewer master plan, a 10-year capital plan was developed and approved by members of the CVRD Sewer commission in 2012. However, at the Service Participants request in 2018, the CVRD has embarked on a Liquid Waste Management Plan (LWMP). This Statutory Plan will outline future capital expenditures necessary for the sustainability of the Service. This Plan is expected to be completed in the spring of 2019.

City infrastructure includes lift stations, sewer trunk mains, a collection system and sewer connections within the boundaries of the municipality. This infrastructure varies in age depending on its location within the City. Infrastructure on the west side of the City varies from relatively new to over 60 years, whereas infrastructure on the east side of the river is generally newer and less than 25 years old.

The largest cost component of this financial plan is the cost of the regional sewer service shared proportionately between the City of Courtenay and the Town of Comox based on their respective sewer flow.

The 2019-2023 Sewer Fund Financial Plan is a collaborative effort of all the departments following the City's Asset Management Policy and the CAO Asset Management Working Group Directive.

City of Courtenay 2019 – 2023 Sewer Fund Financial Plan

The proposed 2019-2023 Sewer Fund Financial Plan is detailed in the following attachments:

Attachment 1: Sewer Operating Fund Overview

Attachment 2: Sewer Capital Fund Overview

Attachment 3: Sewer Surplus, Reserves and DCC

The sewer fund financial plan includes for 2019 \$7,842,500 in projected sewer revenues and the following expenditures: \$5,966,400 operating expenses, \$125,000 amortization, \$1,357,200 transfer to the capital fund, \$381,100 transfer to reserves and a surplus of \$12,800.

2019 Sewer Operating Fund

Sewer Operating Expenses

The sewer operating expenses are presented by economic segment in Table 1. The overall increase in operating costs between 2018 and 2019 budget is \$425,700 or 7.7%.

Table 1: Sewer Operating Expenses 2018 – 2019 budget

Sewer Operating Expenses	2018 Final Budget	2019 Final Budget	2018-2019 Budget Variance
Expenditures by Economic Segments			
Personnel	615,900	670,900	55,000
General Services	262,300	291,100	28,800
Insurance	10,700	11,000	300
Internal Allocations	648,300	764,900	116,600
(CVRD)	3,890,900	4,124,400	233,500
Goods	87,100	77,800	(9,300)
Utilities	25,500	26,300	800
Total Operating costs	5,540,700	5,966,400	425,700

Personnel

Personnel costs include wages and benefits for staff working in sewer utility operations, and a portion of the salaries, wages and benefits of Public Works management staff and Engineering team. Personnel costs are rising due to an increase in benefits of about \$22,500, of which half is related to the new Employer Health Tax. About \$12,000 is related to the salaries and wages annual increase and \$20,500 is due to an

increase in preventive work performed on the sewer system, such as sewer flushing, grease and root removal, and smoke testing. While there is a modest increase to operational budgets, these programs can extend the life of an asset by 10-15% therefore saving significant capital expenditure in the future.

General Services

An additional \$75,000 is included in the 2019 general services for the new smoke testing remediation program. This increase is partially offset by a reduction in the consulting fees for the sewer master plan: 2018 budget included \$75,000 and 2019 budget includes \$25,000 for the completion of the master plan, which results in a \$50,000 reduction for 2019.

Internal Allocations

Internal allocations is a percentage of the General Fund, Public Works and fleet expenses transferred to the Sewer Fund. The intent is to transfer a reasonable amount for General Government and Public Works expenditures (personnel, utilities, materials, insurance, contracted services and fleet costs) as recognition of the administrative costs necessary to provide the service. A transfer for engineering staff time to capital projects is also included in this segment.

The sewer allocation is set to 11.5% of the General Government Services and to 17% of the Public Works Administrative expenses based on prior year estimate. The allocation percentage is usually reviewed every couple years and will be analyzed again before the 2020 budget. The variance represents the general increase in the General Government and Public Works expenses.

Comox Valley Sewer Service

The Comox Valley Regional District 2019-2023 Proposed Financial Plan includes a 6% increase for the Regional Sewer Service Requisition for 2019 and 2020. The sewer service requisition is the largest expense in the Sewer Operating Fund and represents 69% of the total expenses. Table 2 presents the increase in Courtenay's share of the sewer service requisition since 2016 to the proposed budget for 2023.

Table 2: Comox Valley Sewer Service Requisition, Courtenay's Share 2016 – 2023

Comox Valley Sewer Service Requisition Courtenay share	\$	% increase
2016 Actual	3,484,685	
2017 Actual	3,670,687	5.3%
2018 Actual	3,890,928	6.0%
2019 Proposed budget	4,124,383	6.0%
2020 Proposed budget	4,371,846	6.0%
2021 Proposed budget	4,371,846	0.0%
2022 Proposed budget	4,924,080	12.6%
2023 Proposed budget	4,924,080	0.0%

Sewer Revenues

Revenues collected with the sewer user fees and frontage fees are used to cover the costs of the operating and capital expenditures. Staff recommend maintaining the the current frontage fee at \$10.24 per meter,

which is expected to generate \$1,987,400 for 2019. An increase of 5% of the sewer user fee is proposed for the next four years to fund the increase in the regional sewer service requisition. The sewer user fees are expected to generate \$5,023,600 for 2019. A reduction in revenue due to the closure of the dairy product processing plant is also included in the five year plan.

The change in the user fees since 2016 is detailed in Table 3.

Table 3: Sewer user and frontage fees 2016-2019

Annual	Sewer User Fee		Sewer Frontage Fee	
	One-time	Change	per meter	Change
2016	\$267.91	\$24.36	\$10.24	\$ -
2017	\$294.70	\$26.79	\$10.24	\$ -
2018	\$324.17	\$29.47	\$10.24	\$ -
2019	\$340.38	\$16.21	\$10.24	\$ -

2019 Sewer Capital Fund

The projects included in the 2019 Sewer Capital Budget are presented in Table 4 below. All projects were started in 2018 and will continue in 2019. The source of funding and the projects scheduled for the four following years are detailed in Attachment 2.

Table 4: Sewer Capital Projects - 2019 budget

Sewer Capital Projects	2019 Proposed Budget
Riverside Sanitary Trunk - 8 St to 19 St - Trunk Main Upgrade	\$1,500,000
1 St Lift Station Replacement - Design 2019	\$350,000
20 St & Riverside Lane - Chamber	\$300,000
Comox Rd, Lewis Park, River Crossing - Sanitary Main Replacement - Design 2019	\$200,000
Greenwood Trunk Connection - Design 2019	\$151,800
Braidwood Rd - Road & Utility Reconstruction - Sanitary - Design 2019	\$36,300
Grand Total	\$2,538,100

The Sewer Capital Fund also includes the debt servicing costs. For 2019, \$56,600 is included as interest payment and \$75,200 as principal payment for a total of \$131,800. The projected debt servicing costs for 2020 to 2023 are detailed in Attachment 2.

2019 Sewer Surplus and Reserves

Table 5 shows the sewer surplus, reserves and Development Cost Charges (DCC) estimated closing balances for 2018 and 2019. The five year schedule is presented in Attachment 3.

Table 5: Estimated sewer surplus and surplus balance

SEWER	Unaudited	Budget
Surplus, Reserves and DCC Summary	Actual	
Estimated Closing Balance	2018	2019
Sewer Fund Surplus		
Prior Year Surplus (unallocated)	\$ 916,200	\$ 929,000
Surplus Reserve For Future Expenditure (Unspent Capital 2018)	611,700	-
	1,527,900	929,000
Sewer Capital Reserves		
Sewer Reserve	505,600	505,600
Asset Management Reserve	2,771,800	1,871,800
Sewer Machinery and Equipment	791,400	378,900
	4,068,800	2,756,300
Total Sewer Surplus and Reserves	\$ 5,596,700	\$ 3,685,300
Sewer Development Cost Charges (DCC)		
Sewer DCC Bylaw #1638/2755	34,300	34,300
Sewer DCC Bylaw #2426/2755	619,800	507,100
Total Sewer DCC	\$ 654,100	\$ 541,400

Operating Surplus

2019 sewer budget is expected to generate a surplus of \$12,800. A large portion of the prior year surplus is then used in the four following years, mainly to fund the capital projects.

The reserve for future expenditures of \$611,700 represents unspent monies collected in 2018 to fund 2018 capital projects carried forward and to be used in 2019.

Capital Reserves

The Asset Management reserve will provide \$1.2M in 2019 to fund the Riverside Sanitary Trunk Upgrade - 8 St to 19 St project.

The Sewer Machinery and Equipment reserve will fund 75% of a new Vactor truck approved in the 2018 fleet budget, but with an order time of 10 months, to be purchased in 2019 (\$412,500). The remaining 25% will be funded by the Water Machinery and Equipment Reserve.

Development Cost Charges (DCC)

DCC are presented as deferred revenues in the financial statements and are not included with the reserves.

Some DCC monies will be used towards the Greenwood project in 2019 (\$112,700).

FINANCIAL IMPLICATIONS:

To cover the overall cost to deliver the sewer utility operating and capital activities, an increase of 5% is recommended for 2019. This will result in an annual increase of \$16.21 in the single family user rate.

Debt

Three major projects are identified in the 2020 proposed budget:

- Greenwood Trunk Connection at an estimate of \$4.1M;
- Replacement of 1st Street lift station at an estimate of \$2.3M;
- Comox Road, Lewis Park, River Crossing sanitary main replacement at an estimate of \$1.4M.

Since anticipated revenues, existing reserves, and prior year surplus are not sufficient to cover the anticipated construction costs, long term borrowing is considered as the primary source of funding for the Greenwood and 1st Street lift station replacement projects in 2020. In order to obtain long term financing, the City must follow a lengthy statutory process that includes adoption of a municipal loan authorization bylaw, approval by the Ministry of Community Services, elector approval, and inclusion in our regional district security issuing bylaw. The entire process can take up to 8 months, therefore it is recommended that staff begin this process shortly after the budget has been adopted in order to ensure the funds are available when required in 2020.

Blended rate

As the bylaw amendment would become effective only on final adoption, projected to be mid-March 2019, these rates to be charged to the property owners will be the product of a blend of 2018 and 2019 bylaw rates as illustrated below:

Sewer User Fee	2018 Bylaw Rate	2019 Bylaw Rate	2018 Blended User Fee	Impact	Impact %
Single Family Dwelling	324.17	344.71	340.38	16.21	5.0%

ADMINISTRATIVE IMPLICATIONS:

Subsequent to Council endorsing the recommended increase for the 2019-2023 Sewer Fund Financial Plan and user fees, staff will prepare the user fees amendment bylaw, and return to Council for adoption.

On adoption for the user fee amendment bylaw, staff will update the financial system for the 2019 utility billing.

Once finalized, the sewer budget will be incorporated as part of the statutory component of the five year financial plan. Compilation of this financial plan will take a minimum of 60 hours of staff time.

ASSET MANAGEMENT IMPLICATIONS:

Much of the sewer network in west Courtenay was built during a three-year period in the early 1960s and is projected to reach its end-of-life in the early 2020s. Detailed Condition Assessment (CCTV inspections) work was completed in 2018. Additionally, the Sewer Master Plan will be finalized by late Spring 2019.

Together, these will result in a draft 25-year capital sewer plan. It is anticipated that by June 2019 a complete Sewer Plan will be formalized.

STRATEGIC PRIORITIES REFERENCE:

The 2019-2023 Sewer Fund Financial Plan focuses on Asset Management for Sustainable Service Delivery and is tailored to guide infrastructure renewal, operating spending and maintenance programs.

We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community



- **Area of Control**
The policy, works and programming matters that fall within Council's jurisdictional authority to act.
- ▲ **Area of Influence**
Matters that fall within shared or agreed jurisdiction between Council and another government or party.
- **Area of Concern**
Matters of interest outside Council's jurisdictional authority to act.

OFFICIAL COMMUNITY PLAN REFERENCE:

Section 6.3 Sanitary Sewer Treatment to follow policies to reduce infiltration, consider downstream capacity of existing sewer mains, and to provide an effluent network that is limited to areas within the City's municipal boundaries.

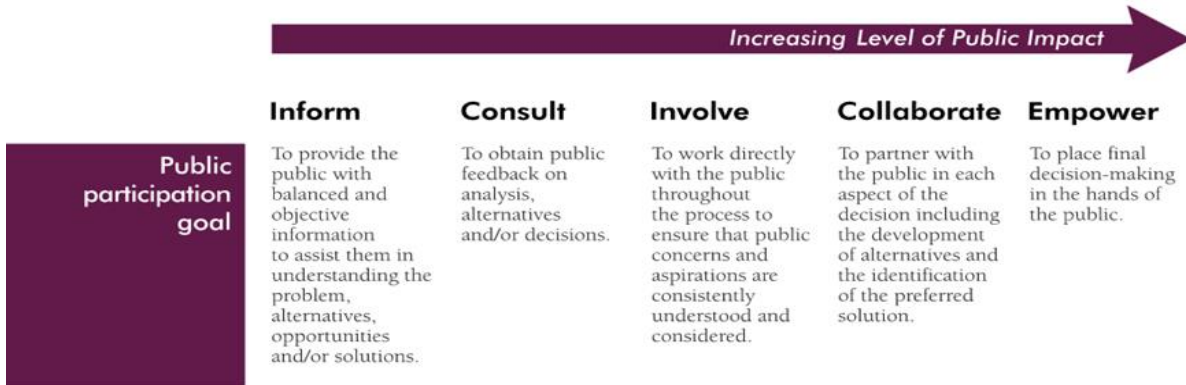
REGIONAL GROWTH STRATEGY REFERENCE:

This budget is presented with the intent of encouraging sewer management approaches and the use of processes and technologies that provide the public with infrastructure that addresses public health needs and concerns and provides equal service to all residents within the municipality and region (per Comox Valley Regional Growth Strategy Bylaw No. 120, 2010, Part 3.2.5, Objective 5-D Page 56).

PUBLIC ENGAGEMENT:

The *Community Charter* (sec. 166) requires that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The City will **consult** with the public based on the IAP2 Spectrum of Public Participation:

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf

**OPTIONS:****Option 1:**

That Council approve the 2019-2023 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 5% for 2019, and

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

Option 2:

That Council defer approval of the proposed 2019–2023 Sewer Fund Financial Plan for further discussion at a later Council meeting.

Prepared by:

Annie Bérard

Annie Bérard, CPA, MBA
Manager of Business Performance

Concurrence:

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Attachments:

- Attachment # 1 – Sewer Operating Fund Overview
- Attachment # 2 – Sewer Capital Fund Overview
- Attachment # 3 – Sewer Surplus, Reserves and DCC

City of Courtenay
City of Courtenay for the Years 2019 - 2023

Sewer Operating Fund	Budget 2018	Budget 2019	2020	Proposed Budget		
				2021	2022	2023
Sewer Utility Rate - Single Family Unit	324.17	<i>Blended rate</i> 340.38	357.4	375.27	394.03	403.88
Proposed increase %		5.0%	5.0%	5.0%	5.0%	2.5%
Revenues						
Operating						
Frontage & Parcel Taxes	\$ 1,973,500	\$ 2,011,400	\$ 2,306,400	\$ 2,323,800	\$ 2,344,100	\$ 2,364,500
Sale of Services	4,767,900	5,043,600	5,315,700	5,609,400	5,919,200	6,097,800
Revenue from Own Sources	50,900	50,800	50,700	50,700	50,700	50,700
Total Operating Revenues	6,792,300	7,105,800	7,672,800	7,983,900	8,314,000	8,513,000
Reserves & Surplus						
Future Expenditure Reserve	307,600	611,700	-	-	-	-
Gas Tax Fund	75,000	-	-	-	-	-
Surplus	-	-	413,400	211,300	103,500	-
Total Transfers from Reseves & Surplus	382,600	611,700	413,400	211,300	103,500	-
Equity in Capital Assets	125,000	125,000	125,000	125,000	125,000	125,000
Total Revenues	\$ 7,299,900	\$ 7,842,500	\$ 8,211,200	\$ 8,320,200	\$ 8,542,500	\$ 8,638,000
Expenses						
Operating						
General Administration	\$ 1,118,800	\$ 1,165,000	\$ 1,153,900	\$ 1,169,900	\$ 1,199,200	\$ 1,204,000
CVRD	3,890,900	4,124,400	4,371,800	4,371,800	4,924,100	4,924,100
Collection	531,000	677,000	713,800	702,600	697,600	704,800
	5,540,700	5,966,400	6,239,500	6,244,300	6,820,900	6,832,900
Amortization	125,000	125,000	125,000	125,000	125,000	125,000
Total Operating Expenses	5,665,700	6,091,400	6,364,500	6,369,300	6,945,900	6,957,900
Transfers to Other Funds						
Sewer Capital Fund - 2019 Revenues	941,800	745,500	1,465,700	1,569,900	1,215,600	1,169,800
Sewer Capital Fund - 2018 Revenues	307,600	611,700	-	-	-	-
	1,249,400	1,357,200	1,465,700	1,569,900	1,215,600	1,169,800
Transfers to Reserves						
Asset Management Reserve	300,000	300,000	300,000	300,000	300,000	300,000
Machinery/Equip Reserve	75,000	75,000	75,000	75,000	75,000	75,000
MFA Reserve Fund	700	600	500	500	500	500
Carbon Offsets Reserve	5,500	5,500	5,500	5,500	5,500	5,500
Total Transfers	381,200	381,100	381,000	381,000	381,000	381,000
Transfer to Appropriated Surplus						
Surplus contingency	3,600	12,800	-	-	-	129,300
Total Expenses	\$ 7,299,900	\$ 7,842,500	\$ 8,211,200	\$ 8,320,200	\$ 8,542,500	\$ 8,638,000

Sewer Capital Projects 2019-2020

Sewer Capital Projects 2019-2020			2019 Funding				2020 Funding				
		Values									
		2019 Budget	2019 General Revenues	2019 New Works Reserve	2019 Reserve for Future Expenditures	2019 DCC Reserve	2020 Proposed Budget	2020 Debt	2020 New Works Reserve	2020 General Revenues	2020 DCC Reserve
Category	Project description										
New	20 St & Riverside Lane - Chamber	300,000	120,700		179,300						
	Greenwood Trunk Connection	151,800	3,300		35,800	112,700	4,100,000	3,000,000	600,000	50,000	450,000
	North Sandwick sewer						50,000			50,000	
	South Courtenay Sewer						200,000			200,000	
New Total		451,800	124,000		215,100	112,700	4,350,000	3,000,000	600,000	300,000	450,000
Renewal	Riverside Sanitary Trunk - 8 St to 19 St - Trunk Main Upgrade	1,500,000	170,100	1,200,000	129,900						
	1 St Lift Station Replacement	350,000	217,500		132,500		2,300,000	2,300,000			
	Comox Rd, Lewis Park, River Crossing - Sanitary Main Replacement	200,000	102,100		97,900		1,400,000		1,300,000	100,000	
	Braidwood Rd - Road & Utility Reconstruction - Sanitary	36,300			36,300		500,000			500,000	
	Cliffe Ave - Mansfield to Anfield ph 1 - Design 2019						50,000			50,000	
Renewal Total		2,086,300	489,700	1,200,000	396,600		4,250,000	2,300,000	1,300,000	650,000	
Grand Total		2,538,100	613,700	1,200,000	611,700	112,700	8,600,000	5,300,000	1,900,000	950,000	450,000

Sewer Capital Projects 2021-2023

Sewer Capital Projects 2021-2023			2021 Funding		2022 Funding			2023 Funding		
		Values								
Category	Project description	2021 Proposed Budget	2021 General Revenues	2022 Proposed Budget	2022 General Revenues	2022 New Works Reserve	2023 Proposed Budget	2023 General Revenues	2023 New Works Reserve	2023 Debt
Renewal	Sewer - Projects identified through Asset Management Strategy	500,000	500,000							
	Cliffe Ave - Mansfield to Anfield ph 1 - Design 2019	404,300	404,300							
	Cliffe Ave - Mansfield to Anfield ph 2	150,000	150,000	750,000	250,000	500,000	750,000	250,000	500,000	
	Anderton Ave Lift Station			250,000	250,000		2,200,000			2,200,000
	Arden Central Trunk Main			200,000	200,000		2,000,000			2,000,000
	Mansfield Lift Station Upgrade						50,000	50,000		
	Courtenay Riverway - 21st to Mansfield						50,000	50,000		
Renewal Total		1,054,300	1,054,300	1,200,000	700,000	500,000	5,050,000	350,000	500,000	4,200,000
Grand Total		1,054,300	1,054,300	1,200,000	700,000	500,000	5,050,000	350,000	500,000	4,200,000

Sewer Debt Servicing Costs

		Values				
Account	Department	2019 Budget	2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget
Interest	Existing Debt Interest	56,600	56,600	56,600	56,600	56,600
	New Debt Interest		186,600	186,600	186,600	334,400
Interest Total		56,600	243,200	243,200	243,200	391,000
Principal	Existing Debt Principal	75,200	75,200	75,200	75,200	75,200
	New Debt Principal		197,200	197,200	197,200	353,500
Principal Total		75,200	272,400	272,400	272,400	428,700
Grand Total		131,800	515,600	515,600	515,600	819,700

City of Courtenay
City of Courtenay for the Years 2019 - 2023

SEWER Surplus, Reserves and DCC Summary	Unaudited Actual 2018	Budget 2019	2020	Proposed Budget		
Estimated Closing Balance				2021	2022	2023
Sewer Fund Surplus						
Prior Year Surplus (unallocated)	\$ 916,200	\$ 929,000	\$ 515,600	\$ 304,300	\$ 200,800	\$ 181,800
Surplus Reserve For Future Expenditure (Unspent Capital 2018)	611,700	-	-	-	-	-
	1,527,900	929,000	515,600	304,300	200,800	181,800
Sewer Capital Reserves						
Sewer Reserve	505,600	505,600	505,600	505,600	505,600	505,600
Asset Management Reserve	2,771,800	1,871,800	271,800	571,800	371,800	171,800
Sewer Machinery and Equipment	791,400	378,900	453,900	528,900	603,900	678,900
	4,068,800	2,756,300	1,231,300	1,606,300	1,481,300	1,356,300
Total Sewer Surplus and Reserves	\$ 5,596,700	\$ 3,685,300	\$ 1,746,900	\$ 1,910,600	\$ 1,682,100	\$ 1,538,100
Sewer Development Cost Charges (DCC)						
Sewer DCC Bylaw #1638/2755	34,300	34,300	34,300	34,300	34,300	34,300
Sewer DCC Bylaw #2426/2755	619,800	507,100	57,100	57,100	57,100	57,100
Total Sewer DCC	\$ 654,100	\$ 541,400	\$ 91,400	\$ 91,400	\$ 91,400	\$ 91,400

Purpose of Sewer Reserves

Prior Year Surplus: accumulated excess of revenues over expenses from prior years which has not been set aside for specific purposes

Reserve for Future Expenditure: revenues collected for 2018 capital projects unfinished and carried forward to 2019

Sewer Reserve, Bylaw #1382: established for funding capital expenditures or debt related to sewer utility only

Asset Management Reserve, Bylaw #2819: established to acquire tangible capital assets relating to the sewer fund or for refurbishing, renewing or replacing existing tangible capital assets for those assets within the sewer fund

Sewer Machinery and Equipment, Bylaw #1976: established to fund replacement of depreciated or obsolete machinery and equipment in the sewer fund

Sewer DCC 'North East Zone', Bylaw #1638/2755: to be used for approved sewer projects

Sewer DCC, Bylaw #2426/2755: to be used for approved sewer projects