



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2020–2024 Sewer Fund Financial Plan

**File No.:** 1705-20/1715-20  
**Date:** December 11, 2019

---

### PURPOSE:

The purpose of this report is for Council to consider the 2020–2024 Sewer Fund Financial Plan and the proposed sewer user fee increase for 2020.

### 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 2020–2024 Sewer budget is a component of the annual City of Courtenay five year financial plan. A proposed increase of 1.27% for the 2020 user fee has been incorporated into the 2020 – 2024 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 Regional Courtenay Lift Station and from there it is pumped via force-mains 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, through the Sewage Commission 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 collection 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 1.27% increase for the user fee is recommended for 2020, increasing the

rate from \$340.38 to \$344.71 and frontage fee remaining constant at \$10.24 per meter. The annual increase to a single family residence is \$4.33.

**CAO RECOMMENDATIONS:**

That based on the December 11, 2019 staff report “2020–2024 Sewer Fund Financial Plan”, Council approve OPTION 1, and proceed with the proposed 2020-2024 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 1.27% for 2020.

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 2020, as well as projections for the four years following.

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 Comox Valley 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 2020.

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 service participants, the City of Courtenay, the Town of Comox and HMCS Quadra based on their respective sewer flows.

The 2020-2024 Sewer Fund Financial Plan is a collaborative effort of all the departments following the City's Asset Management Bylaw and the CAO Asset Management Working Group Directive.

## City of Courtenay 2020 – 2024 Sewer Fund Financial Plan

The proposed 2020-2024 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 2020 \$8,379,400 in projected sewer revenues and the following expenditures: \$6,447,400 operating expenses, \$250,000 amortization, \$176,600 debt payment, \$917,500 transfer to the capital fund, \$381,000 transfer to reserves and a surplus of \$206,900.

### Sewer Operating Fund

#### *Sewer Operating Expenses*

The sewer operating expenses are presented by activities in Table 1. The overall increase in operating costs between 2019 and 2020 budget is \$481,000 or 8.1%.

Table 1: Sewer Operating Expenses 2019 – 2020 budget

Activity	Values		Unaudited 2019 Actual Year-to-date Nov28.19	2020 BUDGET	Variance 2020 Budget 2019 Budget
	2019 BUDGET				
CVRD Sewer Requisition	4,124,400	4,145,491	4,494,200	369,800	
Sewer Administration	268,600	191,072	315,500	46,900	
Sewer Engineering Servic	48,500	8,501	73,000	24,500	
Sewer Training	11,000	15,659	11,000	-	
Sewer Operations	372,400	328,971	352,100	(20,300)	
Sewer Lift Station Mainten	210,300	194,696	217,200	6,900	
Sewer Inflow & Infiltration	46,500	49,513	46,500	-	
Sewer Fleet	9,900	(28,147)	41,700	31,800	
Sewer Work in Progress	47,800	38,997	40,000	(7,800)	
Interfund Allocation	827,000	626,277	856,200	29,200	
Grand Total	5,966,400	5,571,031	6,447,400	481,000	

### Comox Valley Sewer Service

The Comox Valley Regional District 2019-2023 Financial Plan included a 6% increase for the Regional Sewer Service Requisition for the 2020 proposed budget. As the CVRD 2020-2024 Financial Plan is not

finalized at the moment, staff recommends to include a contingency of \$100,000 for 2020 as the proportion of the sewer flows for Courtenay has increased in 2019, which could impact the City's share of the requisition.

The sewer service requisition is the largest expense in the Sewer Operating Fund and represents 70% of the total expenses. Table 2 presents the increase in Courtenay's share of the sewer service requisition since 2018 to the proposed budget for 2024.

Table 2: Comox Valley Sewer Service Requisition, Courtenay's Share 2018 – 2024

Comox Valley Sewer Service Requisition Courtenay share	\$	% increase
2018 Actual	3,890,928	6.0%
2019 Actual	4,145,491	6.5%
2020 Estimation	4,494,200	8.4%
2021 Proposed budget	4,494,200	0.0%
2022 Proposed budget	4,949,300	10.1%
2023 Proposed budget	4,949,300	0.0%
2024 Proposed budget	4,949,300	0.0%

#### *Sewer Administration*

Sewer Administration 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. The increase is mostly due to a change in the allocation of the Engineering team expenses no longer transferred to capital projects.

#### *Sewer Engineering Services*

An additional \$45,000 is included in 2020 to complete a sewer rates review. This review will be conducted simultaneously with the water rates review as recommended in the Water Smart Action Plan presented to Council on October 28, 2019. This increase is partially offset by a reduction of \$20,000 for the sewer master plan undertaken in 2018 and nearing completion.

#### *Sewer Operations*

The sewer operations are expected to remain stable for 2020. A reduction of \$40,000 is included for the smoke testing program already included in the Sewer Inflow & Infiltration budget. An increase of \$5,000 is also required for SCADA data collection and \$15,000 for an increase in vehicle and equipment hourly usage to support sewer operations.

#### *Sewer Fleet*

An increase of \$31,800 is included for the sewer fleet maintenance expenses and allocation based on prior year usage.

#### *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.

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 2021 budget. The variance represents the general increase in the General Government and Public Works expenses.

### ***Sewer Revenues***

Revenues collected through sewer user and frontage fees are used to cover the costs of the operating and capital expenditures. Staff recommend maintaining the current frontage fee at \$10.24 per meter, which is expected to generate \$2,224,800 for 2020. An increase of 1.27% of the sewer user fee is proposed for 2020 and 2.5% for the next four years to fund the service. The sewer user fees are expected to generate \$5,260,800 for 2020.

Once the sewer master plan is finalized in early 2020, it will result in a draft 20 year capital plan, which will also support the sewer rate review planned for 2020. Once these two pieces of information are available, frontage and sewer user fees will be further analyzed and recommendations will be presented to adjust the sewer revenue requirements in future year financial plans.

The change in the user fees since 2017 is detailed in Table 3.

Table 3: Sewer user and frontage fees 2017-2020

Annual	Sewer User Fee			Sewer Frontage Fee	
	One-time	Change	Change %	per meter	Change
2017	\$294.70	\$26.79	10.00%	\$10.24	\$ -
2018	\$324.17	\$29.47	10.00%	\$10.24	\$ -
2019	\$340.38	\$16.21	5.00%	\$10.24	\$ -
2020	\$344.71	\$4.33	1.27%	\$10.24	\$ -

### ***Sewer Capital Fund***

The projects included in the 2020 Sewer Capital Budget are presented in Table 4 below. The source of funding and the projects scheduled for the four following years are detailed in Attachment 2.

Table 4: Sewer Capital Projects - 2020 budget

Category	Project description	2020 Proposed Budget
New	Sewer - Greenwood Trunk Construction	4,100,000
	Sewer System Options Analysis	200,000
<b>New Total</b>		<b>4,300,000</b>
Renewal	Comox Road, Lewis Park, River Crossing Sanitary Main Replacement	194,900
	Sewer - 1st Street Lift Station Replacement	341,100
	Braidwood Road - Road & Utility - Sewer Component	31,500
	Sewer - Mansfield Drive Forcemain	50,000
	Veterans Memorial Parkway Sewer Sleeve	50,000
<b>Renewal Total</b>		<b>667,500</b>
<b>Grand Total</b>		<b>4,967,500</b>

### Debt Servicing Costs

The Sewer Operating Fund also includes the debt servicing costs. For 2020, the interest payment is expected to be \$101,400, of which \$43,100 relates to the new borrowing for the Greenwood Trunk Connection project. A principal payment of \$75,200 on existing debt is also included for a total debt servicing costs for 2020 of \$176,600. The projected debt servicing costs for 2021 to 2024 are detailed in Attachment 2.

### Sewer Surplus and Reserves

Table 5 shows the sewer surplus, reserves and Development Cost Charges (DCC) estimated closing balances for 2019 and 2020. 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	2019	2020
<b>Sewer Fund Surplus</b>		
Prior Year Surplus (unallocated)	1,273,500	1,480,400
Surplus Reserve For Future Expenditure		
(Unspent Capital 2019)	567,500	-
	1,841,000	1,480,400
<b>Sewer Capital Reserves</b>		
Sewer Reserve	514,000	514,000
Asset Management Reserve	1,920,200	1,620,200
Sewer Machinery and Equipment	486,800	561,800
	2,921,000	2,696,000
<b>Total Sewer Surplus and Reserves</b>	<b>4,762,000</b>	<b>4,176,400</b>
<b>Sewer Development Cost Charges (DCC)</b>		
Sewer DCC Bylaw #1638/2755	34,300	34,300
Sewer DCC Bylaw #2426/2755	876,900	426,900
<b>Total Sewer DCC</b>	<b>911,200</b>	<b>461,200</b>

*Operating Surplus*

The 2020 sewer budget is expected to generate a surplus of \$206,900, which is then used in the proposed 2021 budget. A large portion of the prior year surplus is also used in the following years, mainly to fund the capital projects.

The estimated reserve for future expenditures of \$567,500 represents unspent monies collected in 2019 to fund 2019 capital projects carried forward and to be used in 2020.

*Capital Reserves*

The Asset Management reserve will provide \$600,000 in 2020 to fund a portion of the Greenwood Trunk Connection project.

A contribution of \$300,000 to the Asset Management Reserve and \$75,000 to the Machinery and Equipment Reserve has been included for 2020 and is consistent with previous financial plans.

*Development Cost Charges (DCC)*

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

DCC monies will be used towards the Greenwood Trunk Connection project in 2020 in the amount of \$450,000.

**FINANCIAL IMPLICATIONS:**

To cover the overall cost to deliver the sewer utility operating and capital activities, an increase of 1.27% is recommended for 2020. This will result in an annual increase of \$4.33 in the single family user rate.

*Debt*

Three major projects are identified in the 2020 and 2021 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 Trunk Connection project in 2020 and 1<sup>st</sup> Street lift station replacement project in 2021. 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.

The borrowing process is underway for the \$3.0 M required for the Greenwood Trunk Connection project in 2020. Staff anticipate starting the borrowing process for the 1<sup>st</sup> Street lift station in the summer of 2020 to secure funding for 2021.

**ADMINISTRATIVE IMPLICATIONS:**

The 2019 Sewer Rates bylaw was adopted on March 18, 2019. This involved the calculation of a blended rate for 2019, which was a pro rata of 2018 bylaw rate effective until March 18, 2019 and 2019 bylaw rate effective as of March 19, 2019. The 1.27% proposed sewer rate increase for 2020 maintains the current bylaw rate for 2020, therefore an amendment to user fee bylaw is not required for 2020.

Subsequent to Council endorsing the recommended increase for the 2020-2024 Sewer Fund Financial Plan and user fees, 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 50 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 2018-2019. This information has allowed the City's Asset Management Plan to identify priority Projects that align with Council's Strategic Plan and future development and growth. Additionally, the Sewer Master Plan will be finalized by early 2020. Together, these will result in a draft 20-year capital sewer plan.

**STRATEGIC PRIORITIES REFERENCE:****We focus on organizational and governance excellence**

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

**We proactively plan and invest in our natural and built environment**

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services

● **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 that are 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

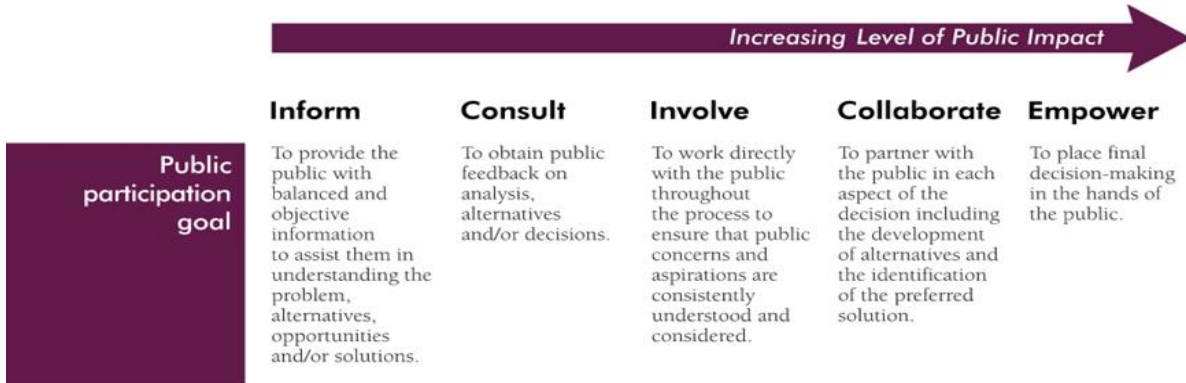


needs and concerns and provides equal service to all residents within the municipality and region (per Comox Valley Regional Growth Strategy Bylaw No. 120, 2010, Part 3.2.5, Objective 5-D Page 56).

### 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 “**inform**” the public about the 2020-2024 Sewer Fund Financial Plan through special council meetings, media webcasts, and information posted on the City’s website. In addition, the City will “**consult**” the public prior to final adoption of the 2020-2024 Financial Plan Bylaw.

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum\\_vertical.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf)



### OPTIONS:

#### Option 1:

That Council approve the 2020-2024 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 1.27% for 2020. (**Recommended**)

#### Option 2:

That Council defer approval of the proposed 2020–2024 Sewer Fund Financial Plan for further discussion at a later Council meeting.

Prepared by:

Annie Bérard

Annie Bérard, CPA, CMA, MBA

Manager of Financial Planning, Payroll  
and Business Performance

Concurrence:

J. Nelson

Jennifer Nelson, CPA, CGA

Director of Financial Services

*Attachments:*

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

**Sewer Operating Fund Budget 2020-2024**

Frontage rate \$/m	\$	10.24	\$	10.24	\$	10.24	\$	10.24	\$	10.24	\$	10.24
Sewer Utility Rate - Single Family Unit	\$	340.38	\$	344.71	\$	353.33	\$	362.16	\$	371.21	\$	380.49
Proposed Increase %				1.27%		2.50%		2.50%		2.50%		2.50%

Expense Type	Activity	DESC	2019 BUDGET	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET
Revenue	Sewer Frontage	SEWER FRONTAGE TAX	(1,987,400)	<b>(2,224,800)</b>	(2,247,100)	(2,269,500)	(2,292,200)	(2,315,100)
		SEWER CONNECTION PARCEL TAX	(24,000)	<b>(15,800)</b>	(13,100)	(9,700)	(9,700)	(9,700)
	<b>Sewer Frontage Total</b>		<b>(2,011,400)</b>	<b>(2,240,600)</b>	<b>(2,260,200)</b>	<b>(2,279,200)</b>	<b>(2,301,900)</b>	<b>(2,324,800)</b>
	Sewer Utility Fees	SEWER USER CHARGES - COMMERCIAL	(631,300)	<b>(623,200)</b>	(639,100)	(655,400)	(672,200)	(689,400)
		SEWER USER CHARGES - RESIDENTIAL	(4,142,800)	<b>(4,337,100)</b>	(4,472,100)	(4,611,000)	(4,754,100)	(4,901,500)
		SEWER USER CHARGES - INSTITUTIONAL (CVRD)	(249,500)	<b>(300,500)</b>	(308,000)	(315,700)	(323,600)	(331,700)
	<b>Sewer Utility Fees Total</b>		<b>(5,023,600)</b>	<b>(5,260,800)</b>	<b>(5,419,200)</b>	<b>(5,582,100)</b>	<b>(5,749,900)</b>	<b>(5,922,600)</b>
	Sewer Other Revenues		(20,000)	<b>(20,000)</b>	(20,000)	(20,000)	(20,000)	(20,000)
	Misc. Revenue		(600)	<b>(500)</b>	(500)	(500)	(500)	(500)
	Interest Revenues		(200)	-	-	-	-	-
	Sewer Work in Progress		(50,000)	<b>(40,000)</b>	(40,000)	(40,000)	(40,000)	(40,000)
	Transfer from Reserve		(611,700)	<b>(567,500)</b>	-	-	-	-
	Transfer from Prior Year Surplus		-	-	(295,000)	(260,400)	(168,000)	(353,000)
	Equity in Capital Assets		(125,000)	<b>(250,000)</b>	(250,000)	(250,000)	(250,000)	(250,000)
<b>Revenue Total</b>			<b>(7,842,500)</b>	<b>(8,379,400)</b>	<b>(8,284,900)</b>	<b>(8,432,200)</b>	<b>(8,530,300)</b>	<b>(8,910,900)</b>
Expense	CVRD Sewer Requisition		4,124,400	<b>4,494,200</b>	4,494,200	4,949,300	4,949,300	4,949,300
	Sewer Administration		268,600	<b>315,500</b>	321,700	328,000	334,300	340,600
	Sewer Training		11,000	<b>11,000</b>	11,000	11,000	11,000	11,000
	Sewer Engineering Services		48,500	<b>73,000</b>	28,000	28,000	28,000	28,000
	Sewer Operations		372,400	<b>352,100</b>	355,200	358,400	361,700	361,700
	Sewer Lift Station Maintenance		210,300	<b>217,200</b>	220,500	223,800	227,200	227,200
	Sewer Inflow & Infiltration		46,500	<b>46,500</b>	46,500	46,500	46,500	46,500
	Sewer Fleet		9,900	<b>41,700</b>	42,100	42,200	42,500	42,500
	Sewer Work in Progress		47,800	<b>40,000</b>	40,000	40,000	40,000	40,000
	Interfund Allocation		827,000	<b>856,200</b>	858,600	880,900	887,000	904,300
	Transfer to Reserve	TRANSFER TO ASSET MGMT RESERVE	300,000	<b>300,000</b>	300,000	300,000	300,000	300,000
		TRANS TO M&E SEWER RESERVE	75,000	<b>75,000</b>	75,000	75,000	75,000	75,000
		TRANS TO M.F.A.RESERVE	600	<b>500</b>	500	500	500	500
		TRANS TO RES. FOR FUTURE EXP	611,700	<b>567,500</b>	-	-	-	-
		TRSF TO SEWER CAPITAL FUND	613,700	<b>350,000</b>	900,000	450,000	500,000	750,000
		CONTINGENCY RESERVE	12,800	<b>206,900</b>	-	-	-	-
		CARBON OFFSETS	5,500	<b>5,500</b>	5,500	5,500	5,500	5,500
	<b>Transfer to Reserve Total</b>		<b>1,619,300</b>	<b>1,505,400</b>	<b>1,281,000</b>	<b>831,000</b>	<b>881,000</b>	<b>1,131,000</b>
	Debt		131,800	<b>176,600</b>	336,100	443,100	471,800	578,800
	<b>Debt Total</b>		<b>131,800</b>	<b>176,600</b>	<b>336,100</b>	<b>443,100</b>	<b>471,800</b>	<b>578,800</b>
	Amortization		125,000	<b>250,000</b>	250,000	250,000	250,000	250,000
<b>Expense Total</b>			<b>7,842,500</b>	<b>8,379,400</b>	<b>8,284,900</b>	<b>8,432,200</b>	<b>8,530,300</b>	<b>8,910,900</b>

Fund	Sewer
Department	(All)
Area	(Multiple Items)
Total Funding	(All)

		2020 Proposed Budget	2020 Sewer Revenues	2020 Sewer Reserves	2020 Reserve for Future Expenditures	2020 DCC Reserve	2020 Debt	2021 Proposed Budget	2021 Sewer Revenues	2021 Sewer Reserves	2021 Debt
Category	Project description										
New	Sewer - Greenwood Trunk Construction	4,100,000	50,000	600,000		450,000	3,000,000				
	Sewer System Options Analysis	200,000	200,000								
New Total		4,300,000	250,000	600,000		450,000	3,000,000				
Renewal	Comox Road, Lewis Park, River Crossing Sanitary Main Replacement	194,900			194,900			1,400,000	100,000	1,300,000	
	Sewer - 1st Street Lift Station Replacement	341,100			341,100			2,300,000	300,000		2,000,000
	Braidwood Road - Road & Utility - Sewer Component	31,500			31,500						
	Sewer - Mansfield Drive Forcemain	50,000	50,000					750,000	500,000	250,000	
	Veterans Memorial Parkway Sewer Sleeve	50,000	50,000								
Renewal Total		667,500	100,000		567,500			4,450,000	900,000	1,550,000	2,000,000
Grand Total		4,967,500	350,000	600,000	567,500	450,000	3,000,000	4,450,000	900,000	1,550,000	2,000,000

		Values								
		2022 Proposed Budget	2022 Sewer Revenues	2022 Sewer Reserves	2023 Proposed Budget	2023 Sewer Revenues	2023 Debt	2024 Proposed Budget	2024 Sewer Revenues	2024 Sewer Reserves
Category	Project description									
Renewal	Sewer - Projects identified through Master Plan	500,000	250,000	250,000				1,000,000	750,000	250,000
	Braidwood Road - Road & Utility - Sewer Component				500,000	500,000				
	Sewer - Arden Central Trunk Main	200,000	200,000		2,000,000		2,000,000			
Renewal Total		700,000	450,000	250,000	2,500,000	500,000	2,000,000	1,000,000	750,000	250,000
Grand Total		700,000	450,000	250,000	2,500,000	500,000	2,000,000	1,000,000	750,000	250,000

		Values				
		2020 Proposed Budget	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget
Category	Project description					
Debt Interest	Existing Debt Interest	58,300	58,300	58,300	58,300	58,300
	New Debt Interest Greenwood	43,100	86,100	86,100	86,100	86,100
	New Debt Interest 1 St Lift Station		28,700	57,400	57,400	57,400
	New Debt Interest Arden				28,700	57,400
Debt Interest Total		101,400	173,100	201,800	230,500	259,200
Debt Principal	Existing Debt Principal	75,200	75,200	75,200	75,200	75,200
	New Debt Principal Greenwood		87,800	87,800	87,800	87,800
	New Debt Principal 1 St Lift Station			78,300	78,300	78,300
	New Debt Principal Arden					78,300
Debt Principal Total		75,200	163,000	241,300	241,300	319,600
Grand Total		176,600	336,100	443,100	471,800	578,800

<b>SEWER</b>	Estimated	Budget	Proposed Budget			
<b>Surplus, Reserves and DCC Summary</b>	Actual					
Estimated Closing Balance	2019	2020	2021	2022	2023	2024
<b>Sewer Fund Surplus</b>						
Prior Year Surplus (unallocated)	1,273,500	1,480,400	1,185,400	925,000	757,000	404,000
Surplus Reserve For Future Expenditure	567,500	-	-	-	-	-
	1,841,000	1,480,400	1,185,400	925,000	757,000	404,000
<b>Sewer Capital Reserves</b>						
Sewer Reserve	514,000	514,000	514,000	514,000	514,000	514,000
Asset Management Reserve	1,920,200	1,620,200	370,200	420,200	720,200	770,200
Sewer Machinery and Equipment	486,800	561,800	636,800	711,800	786,800	861,800
	2,921,000	2,696,000	1,521,000	1,646,000	2,021,000	2,146,000
<b>Total Sewer Surplus and Reserves</b>	<b>4,762,000</b>	<b>4,176,400</b>	<b>2,706,400</b>	<b>2,571,000</b>	<b>2,778,000</b>	<b>2,550,000</b>
<b>Sewer Development Cost Charges (DCC)</b>						
Sewer DCC Bylaw #1638/2755	34,300	34,300	34,300	34,300	34,300	34,300
Sewer DCC Bylaw #2426/2755	876,900	426,900	426,900	426,900	426,900	426,900
<b>Total Sewer DCC</b>	<b>911,200</b>	<b>461,200</b>	<b>461,200</b>	<b>461,200</b>	<b>461,200</b>	<b>461,200</b>

#### 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 2019 capital projects unfinished and carried forward to 2020

**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