



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

---

**To:** Council  
**From:** Interim Chief Administrative Officer  
**Subject:** 2021-2025 Sewer Fund Financial Plan

**File No.:** 1705-20/1715-20  
**Date:** November 30, 2020

---

### **PURPOSE:**

The purpose of this report is for Council to consider the 2021–2025 Sewer Fund Financial Plan and the proposed sewer user fee increase for 2021.

### **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 2021–2025 Sewer budget is a component of the annual City of Courtenay five year financial plan. A proposed increase of 2.0% for the 2021 user fee has been incorporated into the 2021 – 2025 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 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 own 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 2.0% increase for the user fee is recommended for 2021, increasing the rate from \$344.71 to

\$351.60 and frontage rate remaining constant at \$10.24 per meter. The annual increase to a single family residence is \$6.89.

**CAO RECOMMENDATIONS:**

That based on the November 30, 2020 staff report “2021–2025 Sewer Fund Financial Plan”, Council approve OPTION 1, and proceed with the proposed 2021-2025 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 2.0% for 2021.

Respectfully submitted,



Trevor Kushner, BA, DLGM, CLGA, PCAMP  
Interim 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 2021, 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 summer of 2021.

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 impact of the ongoing pandemic was considered while preparing the Sewer Fund Financial Plan and is expected to be minimal on the sewer operating activities. Only a decrease in revenue from small businesses is incorporated in the 2021 proposed budget to account for potential reduced activity of small businesses.

The 2021-2025 Sewer Fund Financial Plan is a collaborative effort of all the departments following the City's Asset Management Bylaw 2981.

### City of Courtenay 2021 – 2025 Sewer Fund Financial Plan

The proposed 2021-2025 Sewer Fund Financial Plan is detailed in the following attachments:

Attachment # 1 – Sewer Operating Fund Budget Overview

Attachment # 2 – Sewer Capital Fund and Debt Budget Overview

Attachment # 3 – Sewer Surplus, Reserves and DCC Projections

The sewer fund financial plan includes for 2021 \$8,851,500 in projected sewer revenues and the following expenditures: \$6,716,800 of operating expenses, \$350,000 of amortization, \$258,500 for debt payments, \$1,057,400 for transfer to the capital fund, \$381,000 for transfer to reserves and a surplus of \$87,800.

#### Sewer Operating Fund

##### ***Sewer Operating Expenses***

In 2020, the Public Works Utilities Group along with Business Performance Group completed a thorough review of the sewer operating budget and updated the activities used to plan and track expenses to reflect current operating procedures and better manage service levels and preventative vs reactive work. As such, the "Sewer Operations" activity was broken out and other existing activities were combined where applicable. Each of the activities is also subdivided in multiple sub-activities. The 2021 budget is built around the updated operational activities, which are:

- Sewer Gravity Main
- Sewer Service
- Sewer Manhole/Chamber
- Sewer Valve
- Sewer Forcemain
- Sewer Lift Station
- Sewer Inflow & Infiltration

The sewer operating expense budget is presented by activity in Table 1. The overall increase in operating costs between 2020 and 2021 budget is \$269,400 or 4.2%, of which 3.5% is directly related to the projected increase in the CVRD requisition.

Table 1: Sewer Operating Expenses 2020 – 2021 budget

Activity2	Activity	2020 BUDGET	2021 BUDGET	Variance 2021 Budget 2020 Budget
CVRD Sewer Requisition		4,494,200	<b>4,717,200</b>	223,000
Sewer ADMIN - Salaries/Wages		304,000	<b>251,000</b>	(53,000)
Sewer Administration		11,500	<b>20,000</b>	8,500
Sewer ADMIN - Training		11,000	<b>11,000</b>	-
Sewer Engineering Services		73,000	<b>86,500</b>	13,500
Sewer Operations	Sewer Main		<b>183,800</b>	
	Sewer Service		<b>94,100</b>	
	Sewer Manhole/Chamber		<b>6,300</b>	
	Sewer Valve		<b>13,100</b>	
	Sewer Forcemain		<b>13,200</b>	
	Sewer Lift Station	217,200	<b>253,200</b>	
	Sewer Inflow & Infiltration		<b>81,000</b>	
	Sewer Operations - OLD	352,100		
	Sewer Inflow & Infiltration - OLD	46,500		
<b>Sewer Operations Total</b>		<b>615,800</b>	<b>644,700</b>	<b>28,900</b>
Sewer Vehicle Charges		30,600	<b>29,500</b>	(1,100)
Sewer Fleet		11,100	<b>23,700</b>	12,600
Sewer Work in Progress		40,000	<b>40,000</b>	-
Interfund Allocation		856,200	<b>893,200</b>	37,000
<b>Grand Total</b>		<b>6,447,400</b>	<b>6,716,800</b>	<b>269,400</b>

### *Comox Valley Sewer Service*

The Comox Valley Regional District 2020-2024 Financial Plan includes a 6.3% increase for the 2021 Regional Sewer Service Requisition, which accounts for most of the 2021 sewer budget increase.

The sewer service requisition is the largest expense in the Sewer Operating Fund and represents 70% of the total operating expenses. Table 2 presents the increase in Courtenay's share of the sewer service requisition since 2018 to the proposed budget for 2025, based on the CVRD 2020-2024 Financial Plan.

Table 2: Comox Valley Sewer Service Requisition, Courtenay's Share 2018 – 2025

Comox Valley Sewer Service Requisition per 2020-2024 approved Financial Plan		
	\$	% increase
Courtenay share		
2018 Actual	3,890,928	6.0%
2019 Actual	4,145,491	6.5%
2020 Actual	4,439,680	7.1%
<b>2021 Proposed budget</b>	<b>4,717,160</b>	<b>6.3%</b>
2022 Proposed budget	4,994,640	5.9%
2023 Proposed budget	5,272,120	5.6%
2024 Proposed budget	5,757,710	9.2%
2025 Proposed budget	5,757,710	-

### *Sewer Administration*

Sewer Administration costs include a portion of the salaries, wages and benefits of Public Works management staff and Engineering team. The decrease is related to the Foreman wages and benefits now all budgeted in operations.

### *Sewer Engineering Services*

This section includes \$30,000 carried forward from 2020 to complete the sewer rates review as recommended in the Water Smart Action Plan presented to Council on October 28, 2019. This review is conducted simultaneously with the water rates review. Also included is \$20,000 for the completion of the sewer master plan and \$16,500 for the warranty work estimated to address the last deficiencies of the Greenwood Trunk once the project is completed.

### *Sewer Operations*

The budget for sewer operations is expected to remain stable for 2021 and is distributed amongst the new activities. It includes the crew wages and benefits as well as the material and services needed to perform regular operations, preventative and reactive work on the sewer infrastructure.

### *Sewer Vehicle Charges and Fleet*

The Sewer Vehicle Charges and Fleet budgets are adjusted in 2021 based on actual and anticipated equipment and vehicle usage.

### *Internal Allocations*

Internal Allocations is a percentage of the General Fund and Public Works expenses transferred to the Sewer Fund. The intent is to transfer a reasonable amount for General Government Services 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 reviewed periodically and will be analyzed before the 2022 budget. The variance represents the general increase in the General Government Services and Public Works expense budget.

### *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 rate at \$10.24 per meter, which is expected to generate \$2,071,600 for 2021. An increase of 2.0% of the sewer user fee is proposed for 2021 and 5.5% for the next four years to fund the significant increase anticipated for the CVRD sewer requisition. An annual 1% increase is also factored in the revenue calculations for population growth. In addition the sewer revenues are adjusted to account for potential activity reduction of small businesses as a result of the ongoing pandemic. Thus, a 10% reduction in revenue from small businesses is included and represents a reduction in revenue of \$41,300 for 2021. The sewer user fees are expected to generate \$5,490,100 for 2021.

Once the sewer master plan is finalized in 2021, it will result in a draft 10 year capital plan, which will also support the sewer rates review planned for 2021. 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 changes in user fee and frontage rate since 2017 are detailed in Table 3.

Table 3: Sewer user fee and frontage rate 2017-2021

Annual	Sewer User Fee			Sewer Frontage Rate	
	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	\$ -
2021	\$351.60	\$6.89	2.00%	\$10.24	\$ -

### Sewer Capital Fund

The projects included in the 2021 Sewer Capital Budget are presented in Table 4 below. Most projects are carried forward from 2020. The only new project is Cascara and Klanawa Sewer Connection to Greenwood. The source of funding and the projects scheduled for the four following years are detailed in Attachment 2.

Table 4: Sewer Capital Projects - 2021 budget

2021 Proposed Budget	
Project description	Total
Sewer - Greenwood Trunk Construction (CF)	1,000,000
Sewer - 1st Street Lift Station Replacement (CF)	341,100
Puntledge Sanitary Catchment Replacement (CF)	255,000
South Courtenay Sewer System (CF)	200,000
Sewer Cascara and Klanawa Connection to Greenwood (New)	100,000
Sewer - Mansfield Drive Forcemain (CF)	50,000
Braidwood Road - Road & Utility - Sewer Component (CF)	31,300
<b>Grand Total</b>	<b>1,977,400</b>

### Debt Servicing Costs

The Sewer Operating Fund also includes the debt servicing costs. For 2021, the interest payment is expected to be \$73,100, of which \$27,300 relates to the borrowing secured in 2020 for the Greenwood Trunk Connection project. A principal payment of \$185,400 on existing debt is also included in 2021, of which \$97,700 is for the Greenwood Trunk, for a total debt servicing costs of \$258,500. The projected debt servicing costs for 2021 to 2025 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 2020 and 2021. The five year schedule is presented in Attachment 3.

Table 5: Estimated sewer surplus and surplus balance

<b>SEWER</b>	Estimated	Budget
<b>Surplus, Reserves and DCC Summary</b>	Actual	
Estimated Closing Balance	2020	2021
<b>Sewer Fund Surplus</b>		
Prior Year Surplus (unallocated)	2,008,600	2,096,400
Surplus Reserve For Future Expenditure (Unspent Capital 2020)	867,300	-
	<u>2,875,900</u>	<u>2,096,400</u>
<b>Sewer Capital Reserves</b>		
Sewer Reserve	539,100	539,100
Asset Management Reserve	2,387,700	2,087,700
Sewer Machinery and Equipment	643,400	718,400
	<u>3,570,200</u>	<u>3,345,200</u>
<b>Total Sewer Surplus and Reserves</b>	<b><u>6,446,100</u></b>	<b><u>5,441,600</u></b>
<b>Sewer Development Cost Charges (DCC)</b>		
Sewer DCC Bylaw #1638/2755	34,800	34,800
Sewer DCC Bylaw #2426/2755	748,400	428,400
<b>Total Sewer DCC</b>	<b><u>783,200</u></b>	<b><u>463,200</u></b>

### *Operating Surplus*

The 2021 sewer budget is expected to generate a surplus of \$87,800, which is then used in the proposed 2022 budget. A large portion of the prior year surplus is also used in the following years.

The estimated reserve for future expenditures of \$867,300 represents unspent monies collected in 2020 to fund 2020 capital projects carried forward and to be used in 2021.

### *Capital Reserves*

The Asset Management reserve will provide \$600,000 in 2021 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 2021 and is consistent with previous financial plans.

### *Development Cost Charges (DCC)*

DCC monies will be used towards the Greenwood Trunk Connection project in 2021 in the amount of \$320,000.

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

### **FINANCIAL IMPLICATIONS:**

To cover the overall cost to deliver the sewer utility operating and capital activities, an increase of 2.0% is recommended for 2021. This will result in an annual increase of \$6.89 in the single family user rate.

### *Debt*

Three major projects are identified in the 2021 and 2022 proposed budget:

- Completion of the Greenwood Trunk Connection at an estimate of \$1.0M (2021);
- 1st Street Lift Station Replacement at an estimate of \$2.64M (2021-2022);
- Puntledge Sanitary Catchment Replacement at an estimate of \$1.755M (2021-2022).

Since anticipated revenues, existing reserves, and prior year surplus are not sufficient to cover the anticipated design and construction costs of these three major projects, long term borrowing has been considered as the primary source of funding for the Greenwood Trunk Connection project in 2020 and 2021 and 1<sup>st</sup> Street Lift Station replacement project in 2022. 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 has been successfully completed in October 2020 to secure \$3.0 M required for the Greenwood Trunk Connection project. Staff anticipate starting the borrowing process for the 1<sup>st</sup> Street Lift Station project in the summer of 2021 to secure funding for 2022.

### **ADMINISTRATIVE IMPLICATIONS:**

Subsequent to Council endorsing the recommended increase for the 2021-2025 Sewer Fund Financial Plan and user fees, staff will prepare the user fees amendment bylaw, and return to Council for adoption.

After the user fee amendment bylaw is adopted, staff will update the financial system with the new rates, prior to the 2021 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 2018-2019. 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 early 2021. 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.

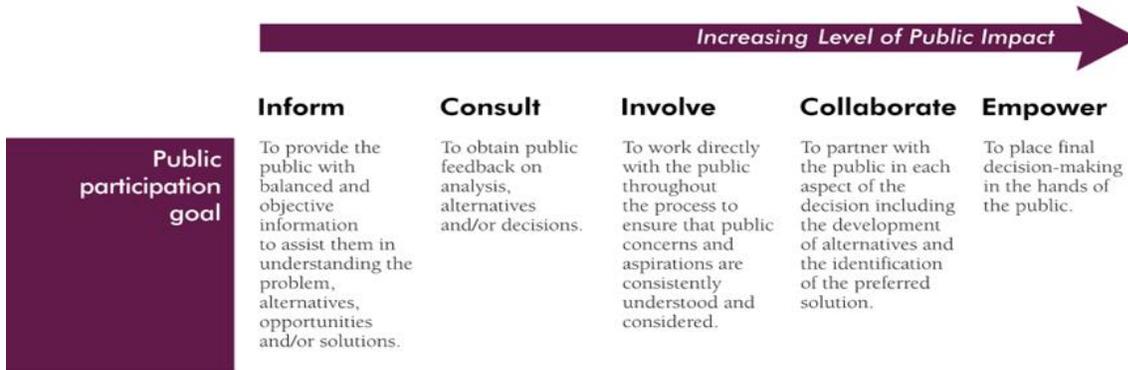
**REGIONAL GROWTH STRATEGY REFERENCE:**

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 2021-2025 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 2021-2025 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 2021-2025 Sewer Fund Financial Plan; and, that sewer user fee revenue be increased by 2.0% for 2021. **(Recommended)**

**Option 2:**

That Council defer approval of the proposed 2021–2025 Sewer Fund Financial Plan for further discussion at a later Council meeting.

Prepared by:

Annie Bérard, CPA, CMA, MBA  
 Manager of Financial Planning, Payroll  
 and Business Performance

Reviewed by:

Jennifer Nelson, CPA, CGA  
 Director of Financial Services

Concurrence by:

Trevor Kushner, BA, DLGM, CLGA, PCAMP  
 Interim Chief Administrative Officer

*Attachments:*

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

**Sewer Operating Fund Budget 2021-2025**

Frontage Rate \$/m	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.24
Sewer Utility Rate	\$ 344.71	\$ 351.60	\$ 370.94	\$ 391.34	\$ 412.86	\$ 435.57
Sewer Utility Rate Annual Increase		2.0%	5.5%	5.5%	5.5%	5.5%

Expense Type		Activity	DESC	Sum of 2020 BUDGET	Sum of 2021 BUDGET	Sum of 2022 BUDGET	Sum of 2023 BUDGET	Sum of 2024 BUDGET	Sum of 2025 BUDGET
Revenue	Sewer Frontage	Sewer Frontage	SEWER FRONTAGE TAX	(2,224,800)	(2,071,600)	(2,092,300)	(2,113,200)	(2,134,300)	(2,155,700)
			SEWER CONNECTION PARCEL TAX	(15,800)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
	<b>Sewer Frontage Total</b>			<b>(2,240,600)</b>	<b>(2,083,600)</b>	<b>(2,104,300)</b>	<b>(2,125,200)</b>	<b>(2,146,300)</b>	<b>(2,167,700)</b>
	Sewer Utility Fees	Sewer Utility Fees	SEWER USER CHARGES - COMMERCIAL	(623,200)	(597,000)	(630,300)	(665,400)	(702,400)	(741,500)
			SEWER USER CHARGES - INSTITUTIONAL (CVRD)	(300,500)	(306,500)	(323,300)	(341,100)	(359,900)	(379,700)
			SEWER USER CHARGES - RESIDENTIAL	(4,337,100)	(4,586,600)	(4,866,700)	(5,163,700)	(5,478,700)	(5,812,700)
	<b>Sewer Utility Fees Total</b>			<b>(5,260,800)</b>	<b>(5,490,100)</b>	<b>(5,820,300)</b>	<b>(6,170,200)</b>	<b>(6,541,000)</b>	<b>(6,933,900)</b>
	Sewer Other Revenues			(20,500)	(20,500)	(20,500)	(20,500)	(20,500)	(20,500)
	Transfer from Prior Year Surplus			-	-	(393,300)	(425,400)	(57,600)	(258,000)
	Transfer from Reserve			(567,500)	(867,300)				
	Equity in Capital Assets			(250,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
	Sewer Work in Progress			(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
<b>Revenue Total</b>				<b>(8,379,400)</b>	<b>(8,851,500)</b>	<b>(8,728,400)</b>	<b>(9,131,300)</b>	<b>(9,155,400)</b>	<b>(9,770,100)</b>
Expense	CVRD Sewer Requisition			4,494,200	4,717,200	4,994,700	5,272,200	5,757,800	5,757,800
	Sewer Engineering Services			73,000	86,500	28,000	37,000	32,300	28,000
	Sewer ADMIN - Salaries/Wages			304,000	251,000	256,000	261,100	266,200	271,300
	Sewer Administration			11,500	20,000	20,600	21,200	21,800	22,500
	Sewer ADMIN - Training			11,000	11,000	11,000	11,000	11,000	11,000
	Sewer Operations	Sewer Main			183,800	185,800	187,900	190,100	192,300
		Sewer Service			94,100	95,200	96,300	97,400	98,500
		Sewer Manhole/Chamber			6,300	6,400	6,500	6,600	6,700
		Sewer Valve			13,100	13,200	13,300	13,400	13,500
		Sewer Forcemain			13,200	13,300	13,400	13,500	13,600
		Sewer Inflow & Infiltration			81,000	81,400	81,800	82,200	82,600
		Sewer Lift Station		217,200	253,200	256,800	260,700	263,700	266,800
		Sewer Operations - OLD		352,100					
		Sewer Inflow & Infiltration - OLD		46,500					
	<b>Sewer Operations Total</b>			<b>615,800</b>	<b>644,700</b>	<b>652,100</b>	<b>659,900</b>	<b>666,900</b>	<b>674,000</b>
	Sewer Vehicle Charges			30,600	29,500	29,500	29,500	29,500	29,500
	Sewer Fleet			11,100	23,700	24,000	24,300	24,600	24,900
	Transfer to Reserve	Transfer to Reserve	CARBON OFFSETS	5,500	5,500	5,500	5,500	5,500	5,500
			CONTINGENCY RESERVE	206,900	87,800	-	-	-	-
			TRANS TO M&E SEWER RESERVE	75,000	75,000	75,000	75,000	75,000	75,000
			TRANS TO M.F.A.RESERVE	500	500	500	500	500	500
			TRANS TO RES. FOR FUTURE EXP	567,500	867,300	-	-	-	-
			TRANSFER TO ASSET MGMT RESERVE	300,000	300,000	300,000	300,000	300,000	300,000
			TRSF TO SEWER CAPITAL FUND	350,000	190,100	750,000	700,000	-	500,000
	<b>Transfer to Reserve Total</b>			<b>1,505,400</b>	<b>1,526,200</b>	<b>1,131,000</b>	<b>1,081,000</b>	<b>381,000</b>	<b>881,000</b>
	Interfund Allocation			856,200	893,200	910,500	916,800	940,200	952,500
	Sewer Work in Progress			40,000	40,000	40,000	40,000	40,000	40,000
	Debt			176,600	258,500	281,000	427,300	634,100	727,600
	Amortization			250,000	350,000	350,000	350,000	350,000	350,000
<b>Expense Total</b>				<b>8,379,400</b>	<b>8,851,500</b>	<b>8,728,400</b>	<b>9,131,300</b>	<b>9,155,400</b>	<b>9,770,100</b>
<b>Grand Total</b>				-	-	-	-	-	-

Sub-Department Responsible	New, Renewal, or Project description	2021 Proposed Budget	2021 General Revenues	2021 Reserves	2021 Reserve for Future Expenditures	2021 DCC Reserve	2022 Proposed Budget	2022 General Revenues	2022 Reserves	2022 Debt	
Engineering (Sewer)	New	Sewer - Greenwood Trunk Construction	1,000,000	30,000	600,000	50,000	320,000				
		South Courtenay Sewer System	200,000			200,000					
		Sewer Cascara and Klanawa connection to Greenwood	100,000		100,000			300,000	300,000		
	<b>New Total</b>	<b>1,300,000</b>	<b>130,000</b>	<b>600,000</b>	<b>250,000</b>	<b>320,000</b>	<b>300,000</b>	<b>300,000</b>			
	Renewal	Sewer - 1st Street Lift Station Replacement	341,100			341,100		2,300,000		300,000	2,000,000
		Puntledge Sanitary Catchment Replacement	255,000	60,100		194,900		1,500,000	200,000	1,300,000	
		Sewer - Mansfield Drive Forcemain	50,000			50,000		250,000	250,000		
		Braidwood Road - Road & Utility - Sewer Component	31,300			31,300					
		Sewer - Arden Central Trunk Main									
	<b>Renewal Total</b>	<b>677,400</b>	<b>60,100</b>		<b>617,300</b>		<b>4,050,000</b>	<b>450,000</b>	<b>1,600,000</b>	<b>2,000,000</b>	
<b>Engineering (Sewer) Total</b>	<b>1,977,400</b>	<b>190,100</b>	<b>600,000</b>	<b>867,300</b>	<b>320,000</b>	<b>4,350,000</b>	<b>750,000</b>	<b>1,600,000</b>	<b>2,000,000</b>		
Public Works - Asset Manag											
<b>Grand Total</b>	<b>1,977,400</b>	<b>190,100</b>	<b>600,000</b>	<b>867,300</b>	<b>320,000</b>	<b>4,350,000</b>	<b>750,000</b>	<b>1,600,000</b>	<b>2,000,000</b>		

Sub-Department Responsible	New, Renewal, or Project description	2023 Proposed Budget	2023 General Revenues	2023 Reserves	2023 Debt	2024 Proposed Budget	2024 Reserves	2024 Debt	2025 Proposed Budget	2025 General Revenues	2025 Reserves	
Engineering (Sewer)	New	South Courtenay Sewer System										
		Sewer Cascara and Klanawa connection to Greenwood	1,000,000			1,000,000						
	<b>New Total</b>	<b>1,000,000</b>			<b>1,000,000</b>							
	Renewal	Braidwood Road - Road & Utility - Sewer Component	500,000	500,000								
		Sewer - Arden Central Trunk Main	200,000	200,000			2,000,000	250,000	1,750,000			
Sewer - Mansfield Drive Forcemain		3,000,000		500,000	2,500,000							
<b>Renewal Total</b>	<b>3,700,000</b>	<b>700,000</b>	<b>500,000</b>	<b>2,500,000</b>	<b>2,000,000</b>	<b>250,000</b>	<b>1,750,000</b>					
<b>Engineering (Sewer) Total</b>	<b>4,700,000</b>	<b>700,000</b>	<b>500,000</b>	<b>3,500,000</b>	<b>2,000,000</b>	<b>250,000</b>	<b>1,750,000</b>					
Public Works - Asset Manag	Renewal	Sewer - Projects identified through Master Plan							1,000,000	500,000	500,000	
<b>Renewal Total</b>									<b>1,000,000</b>	<b>500,000</b>	<b>500,000</b>	
<b>Public Works - Asset Management (Sewer) Total</b>									<b>1,000,000</b>	<b>500,000</b>	<b>500,000</b>	
<b>Grand Total</b>		<b>4,700,000</b>	<b>700,000</b>	<b>500,000</b>	<b>3,500,000</b>	<b>2,000,000</b>	<b>250,000</b>	<b>1,750,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>500,000</b>	

Debt Servicing Costs

New, Renewal, or Project description	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	
Debt Interest	Existing Debt Interest	73,100	73,100	73,100	73,100	
	New Debt Interest 1 St Lift Station		22,500	45,000	45,000	
	New Debt Interest Arden				19,700	39,400
	New Debt Interest Mansfield			28,100	56,300	56,300
	New Debt Interest Cascara and Klanawa			11,300	22,500	22,500
<b>Debt Interest Total</b>	<b>73,100</b>	<b>95,600</b>	<b>157,500</b>	<b>216,600</b>	<b>236,300</b>	
Debt Principal	Existing Debt Principal	185,400	185,400	185,400	185,400	
	New Debt Principal 1 St Lift Station			84,400	84,400	
	New Debt Principal Arden					73,800
	New Debt Principal Mansfield				105,500	105,500
	New Debt Principal Cascara and Klanawa				42,200	42,200
<b>Debt Principal Total</b>	<b>185,400</b>	<b>185,400</b>	<b>269,800</b>	<b>417,500</b>	<b>491,300</b>	
<b>Grand Total</b>	<b>258,500</b>	<b>281,000</b>	<b>427,300</b>	<b>634,100</b>	<b>727,600</b>	

SEWER Surplus, Reserves and DCC Summary	Estimated	Budget	Proposed Budget			
	Actual 2020	2021	2022	2023	2024	2025
Estimated Closing Balance						
<b>Sewer Fund Surplus</b>						
Prior Year Surplus (unallocated)	2,008,600	2,096,400	1,703,100	1,277,700	1,220,100	962,100
Surplus Reserve For Future Expenditure	867,300	-	-	-	-	-
	<u>2,875,900</u>	<u>2,096,400</u>	<u>1,703,100</u>	<u>1,277,700</u>	<u>1,220,100</u>	<u>962,100</u>
<b>Sewer Capital Reserves</b>						
Sewer Reserve	539,100	539,100	539,100	539,100	539,100	539,100
Asset Management Reserve	2,387,700	2,087,700	787,700	587,700	637,700	437,700
Sewer Machinery and Equipment	643,400	718,400	793,400	868,400	943,400	1,018,400
	<u>3,570,200</u>	<u>3,345,200</u>	<u>2,120,200</u>	<u>1,995,200</u>	<u>2,120,200</u>	<u>1,995,200</u>
<b>Total Sewer Surplus and Reserves</b>	<b><u>6,446,100</u></b>	<b><u>5,441,600</u></b>	<b><u>3,823,300</u></b>	<b><u>3,272,900</u></b>	<b><u>3,340,300</u></b>	<b><u>2,957,300</u></b>
<b>Sewer Development Cost Charges (DCC)</b>						
Sewer DCC Bylaw #1638/2755	34,800	34,800	34,800	34,800	34,800	34,800
Sewer DCC Bylaw #2426/2755	748,400	428,400	428,400	428,400	428,400	428,400
<b>Total Sewer DCC</b>	<b><u>783,200</u></b>	<b><u>463,200</u></b>	<b><u>463,200</u></b>	<b><u>463,200</u></b>	<b><u>463,200</u></b>	<b><u>463,200</u></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 2020 capital projects unfinished and

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

**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

**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