



Making a difference...together

CEDAR LANE WATER SERVICE COMMISSION

Notice of Meeting on **Thursday, October 7, 2021 at 12:00 PM**

Salt Spring Island Library, 129 McPhillips Ave, Salt Spring Island, BC V8K 2T5

Gary Holman

Lynda Wilcox

Jason Griffin

Cathy Lenihan

(r) regrets

AGENDA

1. Territorial Acknowledgement / Call Meeting to Order

2. Limited Space Meeting Resolution

That this resolution applies to the Cedar Lane Water Service Commission for the meeting being held on October 7, 2021, and that the attendance of the public at the place of the meeting will be limited in accordance with the applicable requirements or recommendations under the Public Health Act, despite the best efforts of the Commission because:

- a. The available meeting facilities cannot accommodate more than (20) people in person, including members of the Commission and staff, and
- b. There are no other facilities presently available that will allow physical attendance of the Commission and the public in sufficient numbers; and

That the Commission is ensuring openness, transparency, accessibility and accountability in respect of the open meeting by the following means:

- a. By making the meeting agenda, as well as the other relevant documents, available on the CRD website, and directing interested persons to the website by means of the notices provided in respect of the meeting,
- b. By making the minutes of the meeting available on the CRD website following the meeting.

Zoom link: <https://us06web.zoom.us/j/82052120246>

3. Approval of Agenda

1-2

4. Approval of Minutes of November 5, 2020

3-6

5. Director, Chair and Commissioner Reports

6. New Business

6.1 2022 Capital and Operating Budget

7-23

That the Cedar Lane Water Services Commission:

1. Approve the 2022 operating and capital budget as presented, and that the 2021 actual deficit be carried forward to the 2022 operating budget to be recovered by revenue immediately and,

To ensure quorum, advise Shayla Burnham 250 537 4448 if you cannot attend.

2. Recommend that the Electoral Area Services Committee recommend that the CRD Board approve the 2022 Operating and Capital Budget and the five-year Financial Plan for the Cedar Lane Water Service as presented.

7. Outstanding Business – None

8. Adjournment



Making a difference...together

Minutes of the Meeting of the CEDAR LANE WATER SERVICE COMMISSION
Held Thursday November 5, 2020 in the Lions Hall, 103 Bonnet Ave Salt Spring Island, BC

Present: **CRD Director:** Gary Holman
Commission Members: Lynda Wilcox, Jason Griffin, Cathy Lenihan
Staff: Karla Campbell, Senior Manager, Salt Spring Island Electoral Area; Dan Robson (9:50), Manager, Saanich Peninsula and Gulf Islands Operations; Allen Xu, Manager SSI Engineering; Lia Xu, Manager, Finance Services (via mobile phone); Tracey Shaver, Recording Secretary
Attending: Several rate payers for the service area

DRAFT

1. Territorial Acknowledgement / Call Meeting to Order

Chair Griffin called the meeting to order at 9:34 am.

2. Limited Space Meeting Resolution

MOVED by Commissioner Lenihan, **SECONDED** by Commissioner Wilcox,
That this resolution applies to the Cedar Lane Water Service Commission for the meeting being held on November 5, 2020, and that the attendance of the public at the place of the meeting will be limited in accordance with the applicable requirements or recommendations under the Public Health Act, despite the best efforts of the Commission because:

- a. The available meeting facilities cannot accommodate more than (30) people in person, including members of the Commission and staff, and
- b. There are no other facilities presently available that will allow physical attendance of the Commission and the public in sufficient numbers; and

That the Commission is ensuring openness, transparency, accessibility and accountability in respect of the open meeting by the following means:

- a. By making the meeting agenda, as well as the other relevant documents, available on the CRD website, and directing interested persons to the website by means of the notices provided in respect of the meeting,
- b. By making the minutes of the meeting available on the CRD website following the meeting.

CARRIED

3. Approval of Agenda

MOVED by Commissioner Lenihan, **SECONDED** by Commissioner Wilcox,
That the Cedar Lane Water Service Commission meeting agenda of November 5, 2020 be approved.

CARRIED

4. Approval of Minutes October 8, 2019

MOVED by Commissioner Lenihan, **SECONDED** by Commissioner Wilcox,
That the Cedar Lane Water Service Commission Minutes of October 8, 2019 be approved.

CARRIED

5. Director, Chair and Commissioner Reports

5.1 Chair Report - none

5.2 Director Holman briefly reported on:

- CRD Hospital District Board approved 3 mil for Lady Minto Emergency Room upgrades
- SSI Water Protection Alliance; working on strategic focus, Aquafer assessment, Weston Lake Study and Rebate for rain water storage tanks

6. New Business

6.1 2021 Capital and Operating Budget

- General review of budget
- Staff recommending building up Capital and Operating Reserves; cannot bring forward a five year plan in deficit
- Concerns over need for security fencing identified by Operational Health and Safety Audit and Assessment Management plan

Dan Robson joins meeting at 9:50 am

- Employer must have plan in place to address safety issues
- Fencing work targeted for completion in 2024; staff to bring forward report prior to starting work

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Wilcox,
That the Cedar Lane Water Services Commission will leave presented Capital Works in five year plan contingent on annual reviews and review of the Operational Health and Safety report.

CARRIED

- Commission request to be involved in developing the hydrogeological assessment study
- Hydrogeological study may assist with investigations for new water sources

MOVED by Director Holman, **SECONDED** by Commissioner Griffin,
That the Cedar Lane Water Services Commission work with staff and William Shulba (SSIWPA-Islands Trust) in development of the hydrogeological study terms of reference.

CARRIED

- Several options discussed and reviewed to reduce fixed user fee
- Staff advise that lowering transfers to reserves will put the service at risk of future deficits and may continue a cycle of having user charges with significant fluctuation each year.
- Director Holman offered to use Community Works Funds for a portion of well inspection works (\$5,000) and (\$15,000) for backup power generation study.
- Director Holman proposed to reduce transfer to Capital Reserves by \$2,000 to \$2170.

- Director Holman proposed to reduce transfer to Operating Reserves by \$1,000 to \$3,200.
- Staff confirmed that the proposed reductions to operating and capital reserves will lower the user charge by approximately \$85.00 and or change the overall increase in 2021 to 8.6% vs 20%.
- Director Holman requested review of debt service retirement and potential relief

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan, that the Cedar Lane Water Services Commission:

1. Approve the 2021 operating and capital budget as amended by reducing the transfer to Capital Reserves by \$2,000 and reducing the transfer to Operating Reserves by \$1,000 and that the 2020 actual surplus or deficit be balanced on the 2020 transfer to the Capital Reserve Fund and Operating Reserve Fund; and,
2. Recommend that the Electoral Area Services Committee recommend that the CRD Board approve the 2021 Operating and Capital Budget and the five year Financial Plan for the Cedar Lane Water Service as presented.

CARRIED

7. Outstanding Business

7.1 Water license application annual volume for cedar lane water service area

- Commission does not agree with Ministry (FLNRO) recommendation of 7,000 m³ which is based on four years of historical water volume.
- Cedar Lane is operating at a “starvation” water volume due to low well production
- Cedar Lane residents follow strict water conservation practises while commercial operations in the aquafer area such as Bullock Lake do not
- Well production would not be able to keep up with full occupancy of households currently on the system
- Clarify if volume is for the existing wells or for the entire service area
- Commission would like to see something more in line with the average BC consumption rate
- If additional water source is located a new application for groundwater use would be required

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan, That the Cedar Lane Water Service Commission refers back to staff clarify with the Ministry of Forests Land Natural Resource Operations (FLNRO) if the proposed water license volume of 7,000 m³ is for the existing wells or for the service area going forward.

CARRIED

7.2 Cedar Lane Asset Management Plans

- Help with prioritizing future capital works
- Some of smaller maintenance activities to be completed by North Salt Spring Water Works under contract

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan,
That the Cedar Lane Water Service Commission received report for information.

CARRIED

8. Adjournment

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Wilcox,
That the meeting be adjourned at 12:00 pm.

CARRIED

CHAIR

SENIOR MANAGER

**REPORT TO CEDAR LANE WATER SERVICE COMMISSION
THURSDAY, OCTOBER 07, 2021**

SUBJECT 2022 Operating and Capital Budget

ISSUE SUMMARY

To present the 2022 operating and capital budget. In accordance with Bylaw No 3505, "Cedar Lane Water Service Commission Bylaw No. 1, 2008" the Commission's approval of the annual budget is required.

BACKGROUND

The Capital Regional District (CRD) is required by legislation under the *Local Government Act* (LGA) to prepare an annual operating and capital budget and a 5-year financial plan including Operating Budgets and Capital Expenditure Plans annually. CRD staff have prepared the financial plan shown in attachment to this report for the Cedar Lane Water Service.

The Operating Budget includes the regular annual costs to operate the service. The Capital Expenditure Plan shows the anticipated expenditures for capital additions. These may include purchases of new assets or infrastructure, upgrades or improvements to existing assets or asset review and study work that could potentially lead to future capital improvements.

In preparing the Operating Budget, CRD staff considered:

1. Actual expenditures incurred between 2019 and 2021
2. Anticipated changes in level of service (if any)
3. Maximum allowable tax requisition
4. Annual Cost per taxpayer and per SFE

Factors taken into consideration in the preparation of the Capital Expenditure Plan included:

1. Available funds on hand
2. Projects already in progress
3. Condition of existing assets and infrastructure
4. Regulatory, environmental and health and safety factors.

Adjustments for surpluses or deficits from 2021 may be made in January 2022. The CRD Board will give final approval to the budget and financial plan in March 2022.

The Financial Plan for the years 2023 – 2026 may be changed in future years.

BUDGET OVERVIEW

Operating Budget

It is projected the 2021 operating expenses will be approximately \$9,591 over budget. Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following event:

- Water system leak investigation and subsequent repairs that included a boil water advisory being issued for the service in February 2021.

It is projected that the 2021 operating revenue will be approximately \$500 less than budgeted due to slightly lower than budgeted water sales revenue.

As a result, there is an overall estimated deficit and cashflow shortage of approximately \$10,091. In order to balance the 2021 budget, the resulting deficiency must immediately be included as an expenditure (deficit carry forward) to be recovered from revenue in the 2022 financial plan per Local Government Act Section 374(11).

The 2022 net operating cost has been increased by \$1,616 (3.1%) over 2021. The increase is primarily to account for core inflation.

Municipal Finance Authority (MFA) Debt

Loan Authorization Bylaw 3425 to borrow \$168,000 was approved and adopted in 2007 for constructing new waterworks. \$60,000 of this loan authorization was issued in 2008 and retired in 2018. Table 1 below summarizes the detailed information for existing MFA debt issue related to LA3425.

Table 1 - Existing Debt Summary

<i>MFA Issues</i>	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Refinance Year</i>	<i>Original Interest Rate</i>	<i>Current Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
LA3425-106	15	2009	2024	2019	4.13%	2.25%	\$108,000	\$5,394	\$2,430	\$7,824

Operating Reserve Fund

The Operating Reserve Fund is used to undertake maintenance activities that typically do not occur on an annual basis. Typical maintenance activities include hydrant/standpipe maintenance and reservoir cleaning and inspection and ground water well servicing. The operating reserve also funds the procurement of equipment and supplies that are not purchased on an annual basis. Additionally, the operating reserve could be used for emergency unplanned repairs.

It is proposed that transfers to the 2022 operating reserve fund transfer remain unchanged from 2021 of \$3,200. There is \$20,000 of planned maintenance to be funded by the Operating Reserve over the next five years.

The Operating Reserve Fund balance at the end of 2021 is projected to be approximately \$4,784.

Capital Reserve Fund

The Capital Reserve Fund is to be used to pay for capital expenditures that are not funded by other sources such as grants, operating budget or debt.

It is proposed that transfers to the Capital Reserve Fund increase from \$2,170 to \$15,000 in 2022 to ensure future funding of capital projects. The balance at the end of 2021 is projected to be \$41,837.

Capital Expenditure Plan

The 5-year plan includes \$306,500 of expenditures to be funded from the Capital Reserve Fund, debt, and grant.

Three projects were added to the 2022-2026 five-year capital plan:

1. Referendum or Alternative Approval Process – Funding for Manganese Removal Project and Others - \$20,000 (2022)
2. Public Engagement for Manganese Removal Project and Others - \$10,000 (2022)
3. Water Treatment Plant Manganese Removal Construction - \$165,000 (2023)

Following a public engagement and referendum process planned in 2022, new debt is projected in 2023 to partially cover the capital expenditures related to implementation of the project number 3 mentioned above. Table 2 below provides the future debt servicing cost simulation for analytical purposes with the indicative interest rate provided by MFA at the time of simulation

Table 2 – Future New Debt Simulation

<i>Future Borrowing(s) Estimation</i>	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Refinance Year</i>	<i>Estimated Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
	15	2023	2038	2033	2.90%	\$90,000	\$5,111	\$2,610	\$7,721

At the commencement of each loan, 1% of the gross amount borrowed is withheld and retained by MFA as Debt Reserve Fund (DRF). In order to provide the full amount to fund the capital project, this 1% DRF amount is budgeted in operating budget in the year of borrowing. However, there is no principal payment required in the year of borrowing.

Capital Projects Fund

As specific capital projects are approved, the funding revenues for them are transferred into this Capital Project Fund from multiple funding sources if applicable, including Capital Reserve Fund (CRF), grant funding, external contributions and Debt. Any funds remaining upon completion of a project will be transferred back to its original funding source(s). No projects are to be closed in 2021.

Fixed Back-up Power Generation Equipment Projects

Specific projects of note are *Power Generation Equipment – Study* (initiated in 2021) (CE.735) and Project No. 21-01 – *Power Generation Equipment* that is currently planned for 2023. The Cedar Lane Water Service has the following sites that require back-up power: 1) Water Treatment Plant and booster pump; 2) Well #1; 3) Well #5. In the event of a power failure at these sites, the

water distribution system is pressured by gravity from the water storage tank, albeit at reduced pressure. Staff's recommendation is to install fixed back-up power generation equipment at the water treatment plant and booster pump station as well as the two raw water well sites in order to ensure the community remains with potable water to their service at all times, including during extended utility power outages. The risks of not having back-up power is as follows:

Operations and Maintenance Staff Occupational Health and Safety Risk:

- In the event of a long duration power outage, typically the result of a significant storm event, operations and maintenance staff are responding to a number of emergencies in the water and wastewater services on Salt Spring Island. This response is often completed during inclement weather with dangerous travel conditions due to closed roads as well as cancelled or challenging ferry crossings. These responses result in long working hours during which worker fatigue is a concern. The lack of fixed back-up power generation equipment results in another element of emergency to which the staff have to respond resulting in additional travel risk and fatigue.
- The use of portable or trailered generators would increase this Health and Safety Risk as this would require staff to tow equipment to sites through difficult conditions and continue to expose them to fatigue when there are a number of other issues to resolve.

Service and Fire Risk:

- During an extended power outage, if the water in the storage tank drains through normal usage or due to a main break/leak, there will be no water to users shortly after the power loss. This will also expose the service to risk in terms of no water in the distribution system for fire-fighting purposes.

Public Health and Safety Risk:

- In the event that the water distribution system and storage tanks depressurize, the service is typically placed under a Boil Water Advisory when water service is restored. This is as a result of the risk of foreign and contaminated materials entering the system through groundwater infiltration. This water quality risk exposes the public to a health concern as well as staff to further emergency response in terms of communicating the Advisory and then completing the water service recovery plan which involves extensive water main flushing and water quality sampling.

Financial Risk:

- The lack of back-up power results in extensive staff involvement as outlined above. This operational response labour is a cost funded by the service and often results in unforeseen operational budget overruns.

For the reasons outlined above, it is staff's recommendation that the Cedar Lane Water Local Service Commission approve these Fixed Back-up Power Generation Projects as presented in the 5 year capital plan.

User Charge and Parcel Tax

The service is funded by parcel tax, fixed user charges and variable water consumption charge. Properties connected to the water system pay the annual user charge and all properties within the local service area are responsible for the parcel tax. The 2022 water rate for consumption charge remains unchanged from 2021.

Table 3 below summarizes the 2022 over 2021 changes for parcel tax and user fee.

Table 3 – Parcel Tax and User Charge Summary

Budget Year	Parcel Tax	Taxable Folios Numbers	Parcel Tax per Folio*	User Charge	SFE Numbers	User Charge per SFE	Parcel Tax & User Charge
2021	\$10,024	37	\$285.14	\$43,047	37	\$1,163.43	\$1,448.57
2022	\$15,000	37	\$426.69	\$62,608	37	\$1,692.11	\$2,118.80
Change (\$)	\$4,976	0	\$141.55	\$19,561	0	\$528.68	\$670.23
Change (%)	49.64%	0.00%	49.64%	45.44%	0.00%	45.44%	46.27%

* Includes the 5.25% admin fee charged by the Ministry of Finance (not CRD revenue)

RECOMMENDATION

That the Cedar Lane Water Services Commission:

1. Approve the 2022 operating and capital budget as presented, and that the 2021 actual deficit be carried forward to the 2022 operating budget to be recovered by revenue immediately and,
2. Recommend that the Electoral Area Services Committee recommend that the CRD Board approve the 2022 Operating and Capital Budget and the five-year Financial Plan for the Cedar Lane Water Service as presented.

Submitted by	Karla Campbell, BPA, Senior Manager, Salt Spring Island Electoral Area
Submitted by	Matthew McCrank, MSc., P.Eng., Senior Manager, Infrastructure Operations
Submitted by	Rianna Lachance, BCom, CPA, CA, Senior Manager Financial Services
Concurrence	Robert Lapham, MCIP, RPP, Chief Administrative Officer

MMc/KC/RL/:sb

Attachment: [2022 Budget Cedar Lane Water Service Budget](#)

CAPITAL REGIONAL DISTRICT

2022 Budget

Cedar Lane Water (SSI)

Commission Review

OCTOBER 2021

Service: 2.628 Cedar Lane Water (SSI)

Committee: Electoral Area

DEFINITION:

To provide and operate water supply and distribution facilities for the Salt Spring Island Cedar Lane Water Service Area.
Bylaw 3424 (Oct 10, 2007)

PARTICIPATION:

Local Service Area #31, P(764)

MAXIMUM LEVY:

Greater of \$54,000 or \$4.76/ \$1,000 of actual assessed value of land and improvements to a maximum of \$105,473.

MAXIMUM CAPITAL DEBT:

Authorized:	LA Bylaw No. 3425 (Oct 10, 2007)	\$168,000
Borrowed:	SI Bylaw 3514 (Feb 13, 2008)	(\$60,000)
	SI Bylaw 3634 (Aug 12, 2009)	(\$108,000)
Remaining:		<u>\$0</u>

COMMISSION:

Cedar Lane Water Service Commission established by Bylaw 3505, Feb 13, 2008.

FUNDING:

Parcel Tax: Annual charge only on properties capable of being connected to the system.

User Charge:

Annual Fixed Fee per single family dwelling unit or equivalent.
The consumption charge for water will be the total volume of water metered to the water service connections, measured in cubic meters at the following rate:

- First 30 cubic metres or portion - \$2.50 / cubic metre
- Next 30 cubic metres or portion - \$9.00 / cubic metre
- Greater than 61 cubic metres - \$25.00 / cubic metre

RESERVE FUND BYLAW:

Cedar Lane Water Service Capital Reserve Fund, Bylaw #3582 (Nov 12, 2008),
Cedar Lane Water Service Operating Reserve Fund, Bylaw #4144 (Dec 14, 2016).

2.628 - Cedar Lane Water (SSI)	2021		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	2022 ONGOING	ONE-TIME	TOTAL	2023	2024	2025	2026
OPERATING COSTS										
Operations Contract	22,200	32,100	22,650	-	-	22,650	23,100	23,560	24,030	24,510
Repairs & Maintenance	26,080	25,000	1,600	-	-	1,600	1,630	1,670	21,710	1,750
Allocations	4,786	4,786	4,889	-	-	4,889	5,044	5,081	5,255	5,281
Water Testing	3,040	3,700	3,100	-	-	3,100	3,160	3,220	3,280	3,350
Electricity	4,580	4,300	4,670	-	-	4,670	4,760	4,860	4,960	5,060
Supplies	1,540	2,386	1,570	-	-	1,570	1,600	1,630	1,660	1,690
Labour Charges	11,231	11,226	11,464	-	-	11,464	11,706	11,932	12,181	12,415
Other Operating Expenses	3,070	2,620	3,200	-	-	3,200	3,280	3,360	3,440	3,520
TOTAL OPERATING COSTS	76,527	86,118	53,143	-	-	53,143	54,280	55,313	76,516	57,576
*Percentage Increase over prior year						-30.6%	2.1%	1.9%	38.3%	-24.8%
DEBT / RESERVES										
Transfer to Capital Reserve Fund	2,170	2,170	15,000	-	-	15,000	20,000	20,000	30,000	30,000
Transfer to Operating Reserve Fund	3,200	3,200	3,200	-	-	3,200	5,000	6,000	6,000	6,000
MFA Debt Reserve Fund	30	30	30	-	-	30	930	30	30	30
MFA Debt Principal	5,394	5,394	5,394	-	-	5,394	5,394	10,505	5,111	5,111
MFA Debt Interest	2,430	2,430	2,430	-	-	2,430	3,735	5,040	2,610	2,610
TOTAL DEBT / RESERVES	13,224	13,224	26,054	-	-	26,054	35,059	41,575	43,751	43,751
TOTAL COSTS	89,751	99,342	79,197	-	-	79,197	89,339	96,888	120,267	101,327
FUNDING SOURCES (REVENUE)										
Estimated Deficit CFW 2021 to 2022	-	(10,091)	10,091	-	-	10,091	-	-	-	-
Transfers from Operations Reserve Fund	(25,000)	(25,000)	-	-	-	-	-	-	(20,000)	-
Sales - Water	(11,500)	(11,000)	(11,500)	-	-	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)
User Charges	(43,047)	(43,047)	(62,608)	-	-	(62,608)	(52,659)	(55,208)	(57,587)	(58,277)
Other Revenue	(180)	(180)	(180)	-	-	(180)	(180)	(180)	(180)	(180)
TOTAL REVENUE	(79,727)	(89,318)	(64,197)	-	-	(64,197)	(64,339)	(66,888)	(89,267)	(69,957)
REQUISITION - PARCEL TAX	(10,024)	(10,024)	(15,000)	-	-	(15,000)	(25,000)	(30,000)	(31,000)	(31,370)
*Percentage Increase over prior year						0.0%	0.0%	0.0%	0.0%	0.0%
Sales						45.4%	-15.9%	4.8%	4.3%	1.2%
User Charge						49.6%	66.7%	20.0%	3.3%	1.2%
Requisition						38.0%	0.1%	8.5%	3.5%	1.1%
Combined										

Cedar Lane Water (SSI)
 Reserve Summary Schedule
 2022 - 2026 Financial Plan

Reserve/Fund Summary						
	Estimated	Budget				
	2021	2022	2023	2024	2025	2026
Operating Reserve Fund	4,784	7,984	12,984	17,484	3,484	9,484
Capital Reserve Fund	41,837	26,837	10,337	20,337	50,337	82,337
Total	46,621	34,821	23,321	37,821	53,821	91,821

Reserve Schedule

Reserve Fund: 2.628 Cedar Lane Water (SSI) - Operating Reserve Fund - Bylaw 4144

Reserve fund used for: unforeseen operational repairs and maintenance; infrequent maintenance activities such as reservoir cleaning and inspection, hydrant maintenance and ground water well maintenance. Optimum minimum balance of \$4,500 (approximately 10%) of the annual operating budget.

Reserve Cash Flow

Fund: Fund Centre:	1500 105208	Estimated	Budget				
		2021	2022	2023	2024	2025	2026
Beginning Balance		26,328	4,784	7,984	12,984	17,484	3,484
Transfer from Ops Budget		3,200	3,200	5,000	4,500	6,000	6,000
Expenditures		(25,000)	-	-	-	(20,000)	-
Planned Maintenance Activity Well No. 1 Inspection & Reservoir cleaning & inspection						Reservoir cleaning & inspection	
Interest Income*		256					
Ending Balance \$		4,784	7,984	12,984	17,484	3,484	9,484

Assumptions/Background:

* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

Reserve Schedule

Reserve Fund: 2.628 Cedar Lane Water (SSI) - Capital Reserve Fund

Bylaw 3582

Reserve Cash Flow

Fund: Fund Centre:	1076 102020	Estimated	Budget				
		2021	2022	2023	2024	2025	2026
Beginning Balance		74,434	41,837	26,837	10,337	20,337	50,337
Transfer from Ops Budget		2,170	15,000	20,000	20,000	30,000	32,000
Transfer from Cap Fund		-	-	-	-	-	-
Transfer to Cap Fund		(35,000)	(30,000)	(36,500)	(10,000)	-	-
Interest Income*		233					
Ending Balance \$		41,837	26,837	10,337	20,337	50,337	82,337

Assumptions/Background:

Transfer as much as operating budget will allow.

* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

CAPITAL REGIONAL DISTRICT

FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2022 to 2026

Service No.	2.628	Carry Forward from 2021	2022	2023	2024	2025	2026	TOTAL
Cedar Lane Water (SSI)								
EXPENDITURE								
Buildings		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures		\$70,000	\$30,000	\$266,500	\$10,000	\$0	\$0	\$306,500
Vehicles		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$70,000	\$30,000	\$266,500	\$10,000	\$0	\$0	\$306,500
SOURCE OF FUNDS								
Capital Funds on Hand		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debtenture Debt (New Debt Only)		\$0	\$0	\$90,000	\$0	\$0	\$0	\$90,000
Equipment Replacement Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)		\$65,000	\$0	\$140,000	\$0	\$0	\$0	\$140,000
Donations / Third Party Funding		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund		\$5,000	\$30,000	\$36,500	\$10,000	\$0	\$0	\$76,500
		\$70,000	\$30,000	\$266,500	\$10,000	\$0	\$0	\$306,500

CAPITAL REGIONAL DISTRICT
5 YEAR CAPITAL PLAN
2022 - 2026

Project Number

Project number format is "yy-###"
"yy" is the last two digits of the year the project is planned to start.
"###" is a numerical value. For example, 22-01 is a project planned to start in 2022.

For projects in previous capital plans, use the same project numbers previously assigned.

Capital Expenditure Type

Study - Expenditure for feasibility and business case report.
New - Expenditure for new asset only
Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service
Replacement - Expenditure replaces an existing asset

Capital Project Title

Input title of project. For example "Asset Name - Roof Replacement", "Main Water Pipe Replacement".

Capital Project Description

Briefly describe project scope and service benefits.
For example: "Full Roof Replacement of a 40 year old roof above the swimming pool area. The new roofing system is built current energy standards, designed to minimize maintenance and have an expected service life of 35 years".

Total Project Budget

Provide the total project budget, even if it extends beyond the 5 years of this capital plan.

Funding Source Codes

Debt = Debenture Debt (new debt only)
ERF = Equipment Replacement Fund
Grant = Grants (Federal, Provincial)
Cap = Capital Funds on Hand
Other = Donations / Third Party Funding
Res = Reserve Fund
STLoan = Short Term Loans
WU = Water Utility
If there is more than one funding source, use additional rows for the project.

Asset Class

L - Land
S - Engineering Structure
B - Buildings
V - Vehicles

Long-term Planning

Master Plan / Servicing Plan = Plan that identifies new assets required to meet future needs.
Asset Management Plan / Sustainable Service Delivery Plan = Integrated plan that identifies asset replacements based on level of service, critically, condition, risk, replacement costs as well as external impacts.
Replacement Plan = Plan that identifies asset replacements based primarily on asset age or asset material/type.
Condition Assessment = Assessment that identifies asset replacements based on asset condition.

Cost Estimate Class

Class A (±10-15%) = Estimate based on final drawings and specifications; used to evaluate tenders.
Class B (±15-25%) = Estimate based on investigations, studies or preliminary design; used for budget planning.
Class C (±25-40%) = Estimate based on limited site information; used for program planning.
Class D (±50%) = Estimate based on little/no site information; used for long-term planning.

Carryforward from 2021

Input the carryforward amount from 2021 capital plan that is remaining to be spent. Forecast this spending in 2022 to 2026.

Project Drivers

Maintain Level of Service = Project maintains existing or improved level of service.
Advance Board or Corporate Priority = Project is a Board or Corporate priority.
Emergency = Project is required for health or safety reasons.
Cost Benefit = Economic benefit to the organization.

Service #: 2.628
Service Name: Cedar Lane Water (SSI)

Project List and Budget													
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2021	2022	2023	2024	2025	2026	5 - Year Total
18-01	Renewal	Abandon unused wells	Decommission wells	\$10,000	S	Res	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
21-01	New	Power generation equipment	Back up power construction	\$16,500	S	Grant	\$15,000	\$0	\$15,000	\$0	\$0	\$0	\$15,000
21-01					S	Res	\$0	\$0	\$1,500	\$0	\$0	\$0	\$1,500
23-01	New	Investigation for new groundwater sources	Conduct study and site investigation to identify groundwater sources and new well location	\$30,000	S	Res	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000
21-02	New	Detailed Hydrogeological Assessment	Conduct a detailed hydrogeological assesment of the Cedar Lane water system.	\$55,000	S	Grant	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$50,000
21-02					S	Res	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$5,000
21-03	Study	Referendum or Alternative Approval Process - Funding for Mangnese Removal Project and others	Seek service area electors approval to fund Mn removal project and others.	\$20,000	S	Res	\$0	\$20,000	\$0	\$0	\$0	\$0	\$20,000
21-04	Study	Public Engagement for Mn removal project and others	Undertake a referendum or AAP to borrow funds to carry out the Mn removal project and others.	\$10,000	S	Res	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000
21-05	New	WTP Mangnese removal construction	Construct and install mangnese removal system	\$165,000	S	Debt	\$0	\$0	\$90,000	\$0	\$0	\$0	\$90,000
21-05					S	Grant	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000
													\$0
													\$0
													\$0
GRAND TOTAL				\$306,500			\$70,000	\$30,000	\$266,500	\$10,000	\$0	\$0	\$306,500

Service:

2.628

Cedar Lane Water (SSI)

Project Number 18-01

Capital Project Title Abandon unused wells

Capital Project Description Decommission wells

Project Rationale The original system drilled five wells, and two (well #1 and #5) are in production and operate separately. Wells that are no longer in use must be closed to avoid potential future aquifer contamination. Abandoning a well must be in accordance with Groundwater Protection Regulations

Project Number 21-05

Capital Project Title WTP Manganese removal construction

Capital Project Description Construct and install manganese removal

Project Rationale Health Canada has changed manganese limits. Maximum acceptable concentration (MAC) for total manganese in drinking water is 0.12 mg/L (120 µg/L). Cedar Lane water testing results can exceed this threshold value and sometimes double. There is some urgency to get this done as it is a potential health issue. SSI Engineering intends to get the design done (by third party consultant) in the last half of 2021.

Project Number 21-01

Capital Project Title Power generation equipment

Capital Project Description Back up power construction

Project Rationale Back up power equipment.

Project Number 21-02

Capital Project Title Detailed Hydrogeological Assessment

Capital Project Description Conduct a detailed hydrogeological assessment of the Cedar Lane water system.

Project Rationale Detailed study of groundwater source, state of the aquifer, ground water balance and potential risks and concerns are required to support a sustainable groundwater supply for the residents of the Cedar Lane Water Service Area. Note that approval for a CWF grant was obtained on August 10th, 2020.

Project Number 23-01

Capital Project Title Investigation for new groundwater sources

Capital Project Description Conduct study and site investigation to identify groundwater sources and new well location

Project Rationale In the SAMF of April 2020 by McElhannay Consulting Services Ltd. It was noted that a new well will be required in the next 1 to 5 years at a cost of \$60K.

2.628 - Cedar Lane Water (SSI)

Capital Projects

Updated @ Sep 8th, 2021

Year	Project#	Status	Capital Project Description	Total Project Budget	Expenditure Actuals	Remaining Funds
2019	CE.699.4505	Open	Safe Work Procedures	5,000	1,078	3,922
2020	CE.735.4503	Open	Power Generation Equipment	5,000	49	4,951
2021	CE.780.4501	Open	Manganese Removal	35,000	343	34,657
			Totals	45,000	1,470	43,530

Service: **2.628 Cedar Lane Water (SSI)**

Committee: **Electoral Area**

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax</u>	<u>SFE's</u>	<u>User Charge*</u>	<u>Tax & Charges</u>	<u>Bylaw</u>	<u>Actual Assessments \$(000's)</u>
2012	37	\$826.44	37	\$763.11	\$1,589.55	3822	14,605.43
2013	37	\$615.94	37	\$763.11	\$1,379.05	3891	13,690.33
2014	37	\$615.94	37	\$763.11	\$1,379.05	3891	13,719.03
2015	37	\$615.85	37	\$763.24	\$1,379.09	3993	13,478.10
2016	37	\$615.85	37	\$763.24	\$1,379.10	4073	13,824.40
2017	37	\$644.59	37	\$774.89	\$1,419.48	4171	15,179.00
2018	37	\$604.93	37	\$854.89	\$1,459.82	4236	17,881.90
2019	37	\$372.36	37	\$960.81	\$1,333.17	4311	21,162.91
2020	37	\$339.95	37	\$991.86	\$1,331.81	4339	21,130.41
2021	37	\$285.14	37	\$1,163.43	\$1,448.57	4395	22,158.21
2022	37	\$426.69	37	\$1,692.08	\$2,118.77		

Change from 2021 to 2022

\$141.55 \$528.65 \$670.20
49.64% 45.44% 46.27%

* A variable consumption charge is paid in addition to the fixed user charge.

Cedar Lane Water Funding Analysis 2018 - 2022

