



Notice of Meeting and Meeting Agenda Beddis Water Service Commission

Monday, October 16, 2023

12:30 PM

Salt Spring Island Multi Space (SIMS)
Boardroom, 124 Rainbow Road, Salt Spring
Island, BC V8K 2V5.

MS Teams Link: [Click here](#)

C. Cheeseman (Chair), G. Holman, C. Smid, M. McCormick

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Call to Order

2. Territorial Acknowledgement

3. Approval of Agenda

4. Adoption of Minutes

4.1. [23-686](#) Minutes of October 31, 2022 Beddis Water Service Commission Budget Meeting

Recommendation: That the minutes of the October 31, 2022 meeting be adopted as presented.

Attachments: [Minutes - October 31, 2022](#)

5. New Business

5.1. [23-736](#) 2024 Operating and Capital Budget

Recommendation: That the Beddis Water Service Commission:

1. Approve the 2024 operating and capital budget as presented and that the 2023 actual operating surplus or deficit be balanced on the 2023 Reserve Funds transfer (CRF and/or ORF).
2. Recommend that the Electoral Area Committee recommend that the CRD Board approve the 2024 Operating and Capital Budget and the Five-Year Financial Plan for the Beddis Water Service as presented.

Attachments: [Staff Report: 2024 Operating and Capital Budget](#)

[Appendix A: 2024 Budget](#)

6. Next Meeting - TBD

7. Adjournment



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**Minutes of the Beddis Water Service Commission Budget Meeting
Held October 31, 2022 at the Salt Spring Island Library, 129 McPhillips Avenue,
Salt Spring Island, BC**

DRAFT

Present: **Director:** Gary Holman
Commission Members: Michael McCormick, Chris Smid and Chris Cheeseman
Staff: Karla Campbell, Senior Manager SSI Electoral Area; Lia Xu, Manager, Finance Services; Dan Robson, Manager, Saanich Peninsula and Gulf Islands Operations; Dean Olafson, Manager Engineering; Shayla Burnham, Recording Secretary

These minutes follow the order of the agenda although the sequence may have varied.

1. Territorial Acknowledgement / Call Meeting to Order

A Territorial Acknowledgement was provided by Director Holman and the meeting was called to order at 12:39 pm.

MOVED by Commissioner McCormick, **SECONDED** by Commissioner Smid, that the Beddis Water Service Commission appoint Commissioner Cheeseman as Chair of the meeting.

CARRIED

2. Approval of Agenda

MOVED by Commissioner McCormick, **SECONDED** by Commissioner Cheeseman, that the Beddis Water Service Commission agenda of October 31, 2022 be approved as amended by moving item 6.2 Sky Valley Tank Replacement to item 5.1 and, and by reordering the agenda numerically.

CARRIED

3. Adoption of the Minutes of October 4, 2021

MOVED by Commissioner McCormick, **SECONDED** by Commissioner Cheeseman, that the Beddis Water Service Commission meeting minutes of October 4, 2021 be approved as amended by updating item 6.4 Backup Generator, bullet number three, to "Staff to explore if a common generator will able to service both the exiting treatment pump station and the new proposed booster pump station."

CARRIED

4. Chair and Director Reports

Director Holman briefly reported:

- Local Community Commission (LCC) won voter approval with an election prediction for May 2023.

Chair Cheeseman – no report.

5. New Business

5.1 Sky Valley Tank Replacement

- The Commission stated that the Sky Valley storage tank services 18 rate payers and is a functioning, gravity fed tank.
- Staff to review historical records and provide a report to the Commission with an update on the Sky Valley Tank Replacement project details.
- The Commission requested an overview of the Lautman Pump Station operations.

MOVED by Director Holman, **SECONDED** by Commissioner Cheeseman, that the Beddis Water Service Commission request staff to review historical records and provide a report to the Commission with an update on project specifics and to consider whether the existing configuration is a viable option before proceeding with Project Number 25-02 Construction of Booster Pump and Second Reservoir at Sky Valley Lower Reservoir.

CARRIED

5.2 2023 Operating and Capital Budget

- The Commission requested an update on the increased labour chargers as a result of the addition of an 'on-island' Manager of Operations and staff reiterated the position will be cost shared among 14 local utility services on Salt Spring Island and the Southern Gulf Islands to address regulatory requirements, workload management, capital project coordination and integration and provide additional oversight and support to worker health and safety.
- Staff confirmed Project Number 23-03 Electrical Upgrades are required.
- The Commission asked staff to clarify the location of the asbestos piping slated to be removed and staff confirmed a short section of surficial abandoned asbestos pipe below the old Lautman Reservoir will be disposed of before it deteriorates further and enters the environment. Staff further confirmed the pipe would be properly disposed of at the Hartland Landfill in 2023.
- Staff confirmed the Fulford Water Service Commission was in support of the backup power request following their Monday, October 3, 2022 Budget Meeting.
- Staff reiterated issues related to ongoing fatigue and Occupational Health & Safety (OHS) concerns, service and fire risks, public safety, and financial risks associated in not having backup power.

- A discussion around climate change occurred.
- Staff confirmed the main funding source for the backup power preliminary works is Community Works Funds (CWF).

MOVED by Director Holman, **SECONDED** by Commissioner Cheeseman, that the Beddis Water Service Commission request staff move Project Number 26-01 Install Inline Strainers from 2026 to 2023 and to move Project Number 20-02 Referendum or Alternative Approval Process – Funding for Future Projects from 2023 to 2024.

CARRIED

MOVED by Director Holman, **SECONDED** by Commissioner Smid, that the Beddis Water Service Commission reduce the transfer to Capital Reserve Fund (CRF) by \$20,000 to be set at \$60,000 and that the \$20,000 reduction be balanced by \$10,000 on the user charge and \$10,000 on parcel tax.

CARRIED

MOVED by Commissioner Smid, **SECONDED** by Commissioner Cheeseman, that the Beddis Water Service Commission:

- Approve the 2023 operating and capital budget as amended and that the 2022 actual operating surplus or deficit be balanced on the 2022 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund).
- Recommend that the Electoral Area Committee recommend that the CRD Board approve the 2023 Operating and Capital Budget and the five-year Financial Plan for the Beddis Water Service as amended.

CARRIED

6. Outstanding Business

6.1 Water Residuals

- The Commission expressed support for staff to explore Vancouver Island Health Authority (VIHA) permitting requirements for reducing water residual hauling methods.
- Potential cost savings for island wide services discussed through eliminating or minimizing trucked water residuals with a request for staff to explore cost sharing options throughout the 2024 budgeting process.

MOVED by Director Holman, **SECONDED** by Commissioner Smid, that the Beddis Water Service Commission request staff clarify and initiate the permit application process for alternative disposal of water treatment residuals as soon as possible.

CARRIED

6.2 Leak Detection

- The Commission agreed to forward leak detection questions/comments to staff via email following the meeting.

6.3 Electrical Backup Power

- Discussion occurred under item 5.2 Operating and Capital Budget.

6.4 Island Health Water Treatment Plant Inspection

- The Commission agreed to forward Island Health Water Treatment Plant Inspection questions/comments to staff via email following the meeting.

6.5 Emergency Response Plan

- Discussion occurred under item 5.2 Operating and Capital Budget.

7. Next Meeting – TBD

Commissioner Smid left the meeting at 3:03pm

8. Adjournment

MOVED by Commissioner McCormick, **SECONDED** by Commissioner Cheeseman, that the meeting be adjourned at 3:07 p.m.

CARRIED

CHAIR

SENIOR MANAGER



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REPORT TO BEDDIS WATER SERVICE COMMISSION MONDAY OCTOBER 16, 2023

SUBJECT 2024 Operating and Capital Budget

ISSUE SUMMARY

To present the 2024 operating and capital budget. In accordance with Bylaw No 3247, "Beddis Water Service Commission Bylaw No. 1, 2004" the Commissions' 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 Appendix A.

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 potentially leading to future capital improvements.

In preparing the Operating Budget, staff considered:

1. Actual expenditures incurred between 2021 and 2023
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 2023 may be made in January 2024. The CRD Board will give final approval to the budget and financial plan in March 2024.

The Financial Plan for the years 2025 – 2028 may be changed in future years.

BUDGET OVERVIEW

Operating Budget

It is projected that the 2023 operating expenses will be on target with slightly over budget by approximately \$319.

It is projected that the 2023 operating revenue will be under budget by approximately \$3,153 due primarily to lower water sales revenue.

As a result, there is an overall operating deficit of approximately \$3,472. To balance the 2023 operating budget, it is proposed that the 2023 transfer to Capital Reserve Fund be decrease by this deficit amount. Otherwise, the resulting deficiency in 2023 must immediately be included as an expenditure to be recovered from revenue in 2024 financial plan as required by *Local Government Act Section 374(11)*.

Operating costs for 2024 (excluding 2023 one-time cyclical program funded by ORF for 2023 reservoir cleaning and inspection \$14,000) has increased by \$9,836 (5.6%) compared to 2023. The increase is primarily to account for inflation, labour costs reflecting the renewed collective agreement since 2023 and an additional allocation cost reflecting the administration support from SSI Administration Budget.

Municipal Finance Authority (MFA) Debt

Loan Authorization Bylaw 3825 to borrow \$400,000 was approved and adopted in 2012 for capital upgrades to the Beddis Water System. Table 1 below summarizes the detailed information for existing MFA debt issues related LA3825.

Table 1 – Existing Debt Summary

| MFA Issues | Term | Borrowing Year | Retirement Year | Refinance Year | Original Interest Rate | Current Interest Rate | Principal | Principal Payment | Interest Payment | Total Annual Debt Cost |
|--------------|------|----------------|-----------------|----------------|------------------------|-----------------------|------------------|-------------------|------------------|------------------------|
| LA3825-124 | 10 | 2013 | 2023 | NA | 3.15% | 3.15% | \$300,000 | \$24,987 | \$9,450* | \$34,437 |
| LA3825-126 | 10 | 2013 | 2023 | NA | 3.85% | 3.85% | \$70,000 | \$5,830 | \$2,695 | \$8,525 |
| Total | | | | | | | \$370,000 | \$30,817 | \$12,145 | \$42,962 |

* Spring borrowing-2023 interest payment is \$4,725

Operating Reserve Fund

The Operating Reserve Fund (ORF) is evaluated as outlined in the CRD Operating Reserve Guidelines endorsed by the CRD Board in 2023 and is used to fund cyclical maintenance activities, equipment and supplies purchases that typically do not occur on an annual basis, which creates swings in expense. The ORF is the financial strategy to mitigate the corresponding fluctuation in revenue requirement on an annual basis. Typical maintenance activities include hydrant/standpipe maintenance and reservoir cleaning and inspection. Additionally, the operating reserve is also used to respond to unforeseen events and operating emergencies. It is proposed that 2024 transfers to the operating reserve fund be set at \$11,910. The Operating Reserve Fund balance at the end of 2023 is projected to be approximately \$11,600.

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 the transfer to Capital Reserve Fund (CRF) be set at \$88,000 in 2024. The reserve fund transfer planning is influenced by the funding required to support the five-year capital expenditure plan, the emergency response to infrastructure failures and guided by *Capital Reserve Funding Guidelines* endorsed by the CRD Board in aiming to achieve the optimal reserve fund level to ensure long-term prudent and sustainable management of service delivery objectives through capital investments.

A total of \$328,000 will be required from capital reserves over the next five years to support the capital expenditure plan.

The balance of the Capital Reserve Fund at the end of 2023 is projected to be \$17,736.

Capital Expenditure Plan

The 5-year plan includes \$8,495,000 of expenditures to be funded by a combination of grants, the service’s Capital Reserve Fund, and new debt following a public engagement and referendum process planned in 2024.

Six (6) new projects were added to the 2024-2028 five-year Capital Plan as follows:

1. WTP Electrical Upgrades from 2020 Asset Management Plan (25-03) - \$335,000 (Debt)
2. Ventilation for WTP and Pump Building (24-05) - \$24,000 (Debt)
3. Replacement of Flocculator Mixer Motors at WTP (24-06) - \$24,000 (Debt)
4. WTP Demolish Old Chlorine/Pump Building (24-07) - \$30,000 (Debt)
5. WTP SCADA, Communication & Control Upgrades (24-08) - \$220,000 (Debt)
6. Update Asset Management Plan (27-01) - \$50,000 (Grant and Reserve)

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. The debt servicing is for eleven (11) projects for a total of \$8,127,000. Please refer to the 2024 – 2028 Five Year Capital Plan for details on the eleven projects.

Table 2 – Future New Debt Simulation

| | Term | Borrowing Year | Retirement Year | Estimated Interest Rate | Principal | Principal Payment | Interest Payment | Total Annual Debt Cost |
|--------------------------------|------|----------------|-----------------|-------------------------|--------------------|-------------------|------------------|------------------------|
| Future Borrowing(s) Estimation | 25 | 2024 | 2049 | 4.40% | \$340,000 | \$8,614 | \$14,960 | \$23,574 |
| | 25 | 2025 | 2050 | 4.30% | \$1,582,000 | \$40,079 | \$68,026 | \$108,105 |
| | 25 | 2026 | 2051 | 4.30% | \$305,000 | \$7,727 | \$13,115 | \$20,842 |
| | 25 | 2027 | 2052 | 4.30% | \$3,120,000 | \$79,043 | \$134,160 | \$213,203 |
| | 25 | 2028 | 2053 | 4.30% | \$2,780,000 | \$70,430 | \$119,540 | \$189,970 |
| Total | | | | | \$8,127,000 | \$205,892 | \$349,801 | \$555,693 |

At the commencement of each loan, 1% of the gross amount borrowed is withheld and retained by MFA as Debt Reserve Fund (DRF). 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. The estimated debt servicing cost of \$555,693 equates to approximately \$4,056 cost per parcel.

Capital Projects Fund

As specific capital projects are approved, funding revenues are transferred into the Capital Project Fund from multiple funding sources, including the Capital Reserve Fund (CRF), grant funding, external contributions, and debt. Whenever possible, any funds remaining upon completion of a project will be transferred back to the reserve funding source(s) for use on future projects.

User Charge and Parcel Tax

The service is funded by parcel tax, fixed user charge and sale of water consumption. Properties connected to the water system pay the annual fixed user charge and all properties within the local

service area are responsible for the parcel tax. The tiered water consumption rates are unchanged from 2023. The water consumption revenue is projected to be the same as 2023.

Table 3 below summarizes the 2024 over 2023 changes for parcel tax and user charge.

Table 3 – Parcel Tax and User Charge Summary

| <i>Budget Year</i> | <i>Parcel Tax*</i> | <i>Taxable Folios Numbers</i> | <i>Parcel Tax per Folio*</i> | <i>User Charge</i> | <i>SFE Numbers</i> | <i>User Charge per SFE</i> | <i>Parcel Tax & User Charge</i> |
|--------------------|--------------------|-------------------------------|------------------------------|--------------------|--------------------|----------------------------|-------------------------------------|
| 2023 | \$80,318 | 137 | \$617.04 | \$130,690 | 128 | \$1,021.02 | \$1,638.06 |
| 2024 | \$84,940 | 137 | \$660.23 | \$139,837 | 128 | \$1,092.48 | \$1,752.71 |
| Change (\$) | \$5,622 | 0 | \$43.19 | \$9,147 | 0 | \$71.46 | \$114.65 |
| Change (%) | 7.00% | 0.00% | 7.00% | 7.00 | 0.00% | 7.00% | 7.00% |

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

RECOMMENDATION

That the Beddis Water Service Commission:

1. Approve the 2024 operating and capital budget as presented and that the 2023 actual operating surplus or deficit be balanced on the 2023 Reserve Funds transfer (CRF and/or ORF).
2. Recommend that the Electoral Area Committee recommend that the CRD Board approve the 2024 Operating and Capital Budget and the Five-Year Financial Plan for the Beddis Water Service as presented.

| | |
|--------------|---|
| Submitted by | Karla Campbell, MBA, BPA, Senior Manager, Salt Spring Island Electoral Area |
| Submitted by | Jason Dales, B.Sc, WD IV, Senior Manager, Infrastructure Operations |
| Submitted by | Rianna Lachance, B. Comm., CPA, CA, Senior Manager Financial Services |
| Concurrence | Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer |

JD/KC/RL:sb

Appendix A: [2024 Budget Beddis Water Service Budget](#)

CAPITAL REGIONAL DISTRICT

2024 Budget

Beddis Water

Commission Review

OCTOBER 2023

DEFINITION:

To provide and operate water supply and distribution facilities for the Salt Spring Island Beddis Water System Service Area. Bylaw No. 3188 (November 24, 2004).

PARTICIPATION:

Order in Council No 176, February 24, 2005.

MAXIMUM LEVY:

Greater of \$133,000 or \$2.71 / \$1,000 of actual assessed value of land and improvements. To a maximum of \$440,091.

MAXIMUM CAPITAL DEBT:

| | | | |
|--|----------|--------------------|-------|
| Beddis Waterworks 1994 previous debt paid out 2011 | \$95,909 | | |
| AUTHORIZED: LA Bylaw No. 3193 (November 24, 2004) | | \$325,500 | |
| BORROWED: SI Bylaw No. 3291 | | (\$325,500) | 1.80% |
| Remaining: | | <u>\$0</u> | |
| AUTHORIZED: LA Bylaw No. 3825 (July 11, 2012) | | \$400,000 | |
| BORROWED: SI Bylaw No. 3882 (Jan 9, 2013) Matures 2023 | | (\$300,000) | 3.15% |
| BORROWED: SI Bylaw No. 3910 (July 2013) Matures 2023 | | (\$70,000) | 3.85% |
| Remaining: | | <u>\$30,000</u> | |

COMMISSION:

Beddis Water Service Commission established by Bylaw No. 3693 (April 14th, 2010)

FUNDING:

Any deficiencies after user charge and/or frontage tax or parcel tax to be levied on taxable school assessments, excluding property that is taxable for school purposes by Special Act.

- User Charge:** Fixed user charge + variable consumption charge to all metered properties
- Parcel Tax:** Annual, only on properties capable of being connected to the system, starting 2006
- User Charge:**
 - Annual Fixed Fee per 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 38 cubic metres or portion - \$3.10 / cubic metre
 - Next 68 cubic metres or portion - \$6.30 / cubic metre
 - Greater than 106 cubic metres - \$8.50 / cubic metre
- Water Connection Charge:** The connection charge for a service shall be the actual cost for the connection

RESERVE FUND:

Fund 1069, established by Bylaw # 3274 (April 27, 2005)

2.624 - Beddis Water

| | 2023 | | BUDGET REQUEST | | | | FUTURE PROJECTIONS | | | |
|---|------------------|------------------|------------------|---------|----------|------------------|--------------------|------------------|------------------|------------------|
| | BOARD BUDGET | ESTIMATED ACTUAL | CORE BUDGET | ONGOING | ONE-TIME | TOTAL | 2025 | 2026 | 2027 | 2028 |
| <u>OPERATING COSTS</u> | | | | | | | | | | |
| Operations Contracts | 23,080 | - | - | - | - | - | - | - | - | - |
| Grit & Waste Sludge Disposal | 12,760 | 10,700 | 12,210 | - | - | 12,210 | 12,460 | 12,710 | 12,960 | 13,220 |
| Repairs & Maintenance | 19,940 | 28,000 | 6,150 | - | - | 6,150 | 6,270 | 6,390 | 6,520 | 6,650 |
| Allocations | 12,520 | 12,520 | 15,147 | - | - | 15,147 | 15,436 | 15,750 | 16,067 | 16,391 |
| Water Testing | 10,241 | 8,920 | 11,750 | - | - | 11,750 | 11,984 | 12,228 | 12,474 | 12,723 |
| Electricity | 12,000 | 10,900 | 11,200 | - | - | 11,200 | 11,420 | 11,650 | 11,880 | 12,120 |
| Supplies | 11,080 | 16,200 | 11,470 | - | - | 11,470 | 11,700 | 11,930 | 12,160 | 12,400 |
| Labour Charges | 77,940 | 95,000 | 106,640 | - | - | 106,640 | 108,778 | 110,962 | 113,188 | 115,460 |
| Other Operating Expenses | 11,480 | 9,120 | 12,310 | - | - | 12,310 | 12,590 | 12,880 | 13,180 | 13,500 |
| TOTAL OPERATING COSTS | 191,041 | 191,360 | 186,877 | - | - | 186,877 | 190,638 | 194,500 | 198,429 | 202,464 |
| *Percentage Increase over prior year | | | -2.2% | | | -2.2% | 2.0% | 2.0% | 2.0% | 2.0% |
| <u>DEBT / RESERVES</u> | | | | | | | | | | |
| Transfer to Operating Reserve Fund | 7,830 | 7,830 | 11,910 | - | - | 11,910 | 10,000 | 9,000 | 9,000 | 9,000 |
| Transfer to Capital Reserve Fund | 60,000 | 56,528 | 88,000 | - | - | 88,000 | 115,390 | 121,000 | 127,600 | 13,437 |
| MFA Debt Reserve Fund | 70 | 70 | 3,400 | - | - | 3,400 | 15,820 | 3,050 | 31,200 | 27,800 |
| MFA Debt Principal | 30,817 | 30,817 | - | - | - | - | 8,614 | 48,693 | 56,420 | 135,463 |
| MFA Debt Interest | 7,420 | 7,420 | 3,740 | - | - | 3,740 | 31,967 | 86,265 | 129,641 | 260,146 |
| TOTAL DEBT / RESERVES | 106,137 | 102,665 | 107,050 | - | - | 107,050 | 181,791 | 268,008 | 353,861 | 445,846 |
| TOTAL COSTS | 297,178 | 294,025 | 293,927 | - | - | 293,927 | 372,429 | 462,508 | 552,290 | 648,310 |
| <u>FUNDING SOURCES (REVENUE)</u> | | | | | | | | | | |
| Estimated Balance c/fwd from 2023 to 2024 | - | - | - | - | - | - | - | - | - | - |
| Balance c/fwd from 2022 to 2023 | - | - | - | - | - | - | - | - | - | - |
| Transfer from Operating Reserve Fund | (14,000) | (14,000) | - | - | - | - | - | - | - | - |
| Sales - Water | (72,000) | (65,000) | (68,000) | - | - | (68,000) | (72,000) | (72,000) | (72,000) | (72,000) |
| User Charges | (130,690) | (130,690) | (139,837) | - | - | (139,837) | (185,979) | (241,768) | (297,370) | (356,840) |
| Other Revenue | (170) | (4,017) | (150) | - | - | (150) | (150) | (150) | (150) | (150) |
| TOTAL REVENUE | (216,860) | (213,707) | (207,987) | - | - | (207,987) | (258,129) | (313,918) | (369,520) | (428,990) |
| REQUISITION - PARCEL TAX | (80,318) | (80,318) | (85,940) | - | - | (85,940) | (114,300) | (148,590) | (182,770) | (219,320) |
| *Percentage increase over prior year | | | | | | | | | | |
| Sales | | | -5.6% | | | -5.6% | 5.9% | 0.0% | 0.0% | 0.0% |
| User Fee | | | 7.0% | | | 7.0% | 33.0% | 30.0% | 23.0% | 20.0% |
| Requisition | | | 7.0% | | | 7.0% | 33.0% | 30.0% | 23.0% | 20.0% |
| Combined | | | 3.8% | | | 3.8% | 26.7% | 24.2% | 19.4% | 17.4% |

**Beddis Water Reserves
 Summary Schedule
 2024 -2028 Financial Plan**

Reserve/Fund Summary

| | Estimated | Budget | | | | |
|------------------------|------------------|---------------|---------------|---------------|----------------|----------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Operating Reserve Fund | 11,600 | 23,510 | 33,510 | 42,510 | 51,510 | 60,510 |
| Capital Reserve Fund | 17,736 | 17,736 | 41,126 | 24,126 | 141,726 | 155,163 |
| Total | 29,336 | 41,246 | 74,636 | 66,636 | 193,236 | 215,673 |

Reserve Schedule

Reserve Fund: 2.624 Beddis Water - Operating Reserve Fund

Reserve fund used for unforeseen operational repairs and maintenance; infrequent maintenance activities such as reservoir cleaning and inspection, hydrant maintenance.

Reserve Cash Flow

| Fund: Fund Centre: | 1500 105206 | Estimated | Budget | | | | |
|------------------------------|----------------|---|---------------|---------------|---------------|---------------|---------------|
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Beginning Balance | | 17,170 | 11,600 | 23,510 | 33,510 | 42,510 | 51,510 |
| Transfer from Ops Budget | | 7,830 | 11,910 | 10,000 | 9,000 | 9,000 | 9,000 |
| Expenditures | | (14,000) | - | - | - | - | - |
| Planned Maintenance Activity | | Reservoir cleaning and inspection | | | | | |
| Interest Income* | | 600 | | | | | |
| Ending Balance \$ | | 11,600 | 23,510 | 33,510 | 42,510 | 51,510 | 60,510 |

Assumptions/Background:

* Interest is 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: 2.624 Beddis Water - Capital Reserve Fund - Bylaw 3274

For capital repairs, additions and improvements to water system infrastructure

Reserve Cash Flow

| Fund: | 1069 | Estimated | Budget | | | | |
|---------------------------------|--------|---------------|---------------|---------------|---------------|----------------|----------------|
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Fund Centre: | 101894 | | | | | | |
| Beginning Balance | | 4,198 | 17,736 | 17,736 | 41,126 | 24,126 | 141,726 |
| Transfer from Ops Budget | | 56,528 | 88,000 | 115,390 | 121,000 | 127,600 | 13,437 |
| Transfer from Cap Fund | | - | | | | | |
| Transfer to Cap Fund | | (43,000) | (88,000) | (92,000) | (138,000) | (10,000) | - |
| Interest Income * | | 10 | | | | | |
| Ending Balance \$ | | 17,736 | 17,736 | 41,126 | 24,126 | 141,726 | 155,163 |

Assumptions/Background:

* Interest is 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 - 2024 to 2028

| | | | | | | | | |
|--------------------|---------------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Service No. | 2.624 | Carry Forward from 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
| | Beddis Water (SSI) | | | | | | | |

EXPENDITURE

| | | | | | | | | |
|-----------------------|-----------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| Buildings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Equipment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Engineered Structures | \$10,000 | \$428,000 | \$1,674,000 | \$443,000 | \$3,170,000 | \$2,780,000 | \$8,495,000 | \$8,495,000 |
| Vehicles | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$10,000 | \$428,000 | \$1,674,000 | \$443,000 | \$3,170,000 | \$2,780,000 | \$8,495,000 | \$8,495,000 |

SOURCE OF FUNDS

| | | | | | | | | |
|---------------------------------|-----------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Funds on Hand | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Debenture Debt (New Debt Only) | \$0 | \$340,000 | \$1,582,000 | \$305,000 | \$3,120,000 | \$2,780,000 | \$8,127,000 | \$8,127,000 |
| Equipment Replacement Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grants (Federal, Provincial) | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$40,000 | \$40,000 |
| Donations / Third Party Funding | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve Fund | \$10,000 | \$88,000 | \$92,000 | \$138,000 | \$10,000 | \$0 | \$328,000 | \$328,000 |
| | \$10,000 | \$428,000 | \$1,674,000 | \$443,000 | \$3,170,000 | \$2,780,000 | \$8,495,000 | \$8,495,000 |

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2024 - 2028

Service #:

2.624

Service Name:

Beddis Water (SSI)

| PROJECT DESCRIPTION | | | | PROJECT BUDGET & SCHEDULE | | | | | | | | | |
|---------------------|--------------------------|--|--|---------------------------|-------------|----------------|------------------|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------------------|
| Project Number | Capital Expenditure Type | Capital Project Title | Capital Project Description | Total Project Budget | Asset Class | Funding Source | Carryforward | 2024 | 2025 | 2026 | 2027 | 2028 | 5 - Year Total auto-populates |
| 20-02 | Study | Referendum or Alternative Approval Process - Funding for Future Projects | Seek service area electors approval to fund projects | \$ 20,000 | S | Res | \$ - | \$ 20,000 | \$ - | \$ - | \$ - | \$ - | \$ 20,000 |
| 21-01 | New | Back up power generation equipment - design | Back up power design and construction. Includes construction services and CRD project management. | \$ 480,000 | S | Debt | \$ - | \$ - | \$ - | \$ 140,000 | \$ 340,000 | \$ - | \$ 480,000 |
| 21-03 | Study | Public Engagement for Future Projects | Undertake a referendum or AAP to borrow funds | \$ 10,000 | S | Res | \$ 10,000.00 | \$ 10,000 | \$ - | \$ - | \$ - | \$ - | \$ 10,000 |
| 21-04 | New | Design of booster pump and second reservoir at Sky Valley lower reservoir and decommission of upper reservoir. | Preliminary and detailed design of booster pump and second reservoir at Sky Valley lower reservoir. Includes CRD project management. | \$ 86,000 | S | Res | \$ - | \$ 53,000 | \$ - | \$ - | \$ - | \$ - | \$ 53,000 |
| 23-01 | Decommission | AC Pipe Removal | Remove approximately 50m of abandoned AC water pipe. Includes CRD project management. | \$ 22,000 | S | Debt | \$ - | \$ 22,000 | \$ - | \$ - | \$ - | \$ - | \$ 22,000 |
| 24-01 | New | Changes to DAF control panel | Motor overload resets to be external to the controller. Provide support for ultrasonic probe. | \$ 55,000 | S | Debt | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |
| 24-01 | New | Changes to DAF control panel | CRD Project Management | | S | Res | \$ - | \$ 5,000 | \$ - | \$ - | \$ - | \$ - | \$ 5,000 |
| 24-05 | New | Ventilation for WTP and Pump Building | A mechanical exhaust system is required to extract blue green cyanotoxins produced by blue green algae in the summer months. Relocate vent from chlorine room directly outside. Includes CRD project management. | \$ 24,000 | S | Debt | \$ - | \$ 24,000 | \$ - | \$ - | \$ - | \$ - | \$ 24,000 |
| 24-06 | Replacement | Replacement of flocculator mixer motors at WTP. | Replacement of flocculator mixer motors at WTP. Includes CRD project management. | \$ 24,000 | S | Debt | \$ - | \$ 24,000 | \$ - | \$ - | \$ - | \$ - | \$ 24,000 |
| 24-07 | Decommission | WTP Demolish old chlorine/pump building | WTP Demolish old chlorine/pump building - demolition, hazard assessment and CRD project management. | \$ 30,000 | S | Debt | \$ - | \$ - | \$ - | \$ 30,000 | \$ - | \$ - | \$ 30,000 |
| 24-08 | Renewal | WTP SCADA Upgrades - WTP Communications and Control Upgrades | To upgrade RTU programming software to Workbench. Replace the RTU and PLC controller due to age and criticality to current CRD I/O standards. At end of life for SCADAPAC 357e Series PLCs and ad. | \$ 220,000 | S | Debt | \$ - | \$ 220,000 | \$ - | \$ - | \$ - | \$ - | \$ 220,000 |
| 25-01 | Decommission | Decommission of Sky Valley Upper Reservoir | Decommission and removal of Sky Valley Upper Reservoir - demolition, hazard assessment and CRD project management. | \$ 62,000 | S | Debt | \$ - | \$ - | \$ 62,000 | \$ - | \$ - | \$ - | \$ 62,000 |
| 25-02 | New | Booster pump and second reservoir at Sky Valley lower reservoir | Booster pump and second reservoir at Sky Valley lower reservoir - Construction, construction services and CRD project management. | \$ 1,320,000 | S | Debt | \$ - | \$ - | \$ 1,320,000 | \$ - | \$ - | \$ - | \$ 1,320,000 |
| 25-03 | New | WTP Electrical Upgrades from 2020 AMP | Various electrical upgrades from the 2020 AMP - design. Includes construction, construction services and CRD project management. | \$ 335,000 | S | Debt | \$ - | \$ - | \$ 200,000 | \$ 135,000 | \$ - | \$ - | \$ 335,000 |
| 25-06 | Study | AC Water main Assessment and Replacement Strategy | Develop a strategy and phased program for AC pipeline replacement and first stage design. Includes CRD project management. | \$ 92,000 | S | Res | \$ - | \$ - | \$ 92,000 | \$ - | \$ - | \$ - | \$ 92,000 |
| 25-04 | Replacement | AC Water Main Replacement Detailed Design | Detailed Design for replacement of ~5.2 km of AC pipe. Includes CRD project management. | \$ 138,000 | S | Res | \$ - | \$ - | \$ - | \$ 138,000 | \$ - | \$ - | \$ 138,000 |
| 25-05 | Replacement | AC Water Main Replacement Construction | Replace ~ 5.2 km of AC Pipe at \$1/km. Includes construction services and CRD project management. | \$ 5,560,000 | S | Debt | \$ - | \$ - | \$ - | \$ - | \$ 2,780,000 | \$ 2,780,000 | \$ 5,560,000 |
| 27-01 | Study | Update Asset Management Plan | Revise McElhanney Condition Assessment to SAMP. | \$ 50,000 | S | Grant | \$ - | \$ - | \$ - | \$ - | \$ 40,000 | \$ - | \$ 40,000 |
| 27-01 | Study | Update Asset Management Plan | CRD Project Management | | S | Res | \$ - | \$ - | \$ - | \$ - | \$ 10,000 | \$ - | \$ 10,000 |
| | | | | | | | | | | | | | \$ - |
| | | | GRAND TOTAL | \$ 8,528,000 | | | \$ 10,000 | \$ 428,000 | \$ 1,674,000 | \$ 443,000 | \$ 3,170,000 | \$ 2,780,000 | \$ 8,495,000 |

Service: 2.624 Beddis Water (SSI)

| | | | | | |
|--------------------------|---|------------------------------|--|------------------------------------|--|
| Project Number | 20-02 | Capital Project Title | Referendum or Alternative Approval Process - Funding for Future Projects | Capital Project Description | Seek service area electors approval to fund projects |
| Project Rationale | Need to obtain approval from the area electors for future projects. | | | | |

| | | | | | |
|--------------------------|---|------------------------------|---------------------------------------|------------------------------------|---|
| Project Number | 21-03 | Capital Project Title | Public Engagement for Future Projects | Capital Project Description | Undertake a referendum or AAP to borrow funds |
| Project Rationale | As per Commission request (Dec. 15/2015), capital construction projects greater than \$50,000 are to be funded thru debt, in which case a referendum may be required. | | | | |

| | | | | | |
|--------------------------|---|------------------------------|---|------------------------------------|---|
| Project Number | 21-01 | Capital Project Title | Back up power generation equipment - design | Capital Project Description | Back up power design and construction. Includes construction services and CRD project management. |
| Project Rationale | In order to maintain potable water service in the event of an extended power outage, back up power is required. | | | | |

| | | | | | |
|--------------------------|--|------------------------------|--|------------------------------------|--|
| Project Number | 21-04 | Capital Project Title | Design of booster pump and second reservoir at Sky Valley lower reservoir and decommission of upper reservoir. | Capital Project Description | Preliminary and detailed design of booster pump and second reservoir at Sky Valley lower reservoir. Includes CRD project management. |
| Project Rationale | Need to replace an existing reservoir with a new one and this will require a booster pump to operate it. This project os for the preliminary design. | | | | |

| | | | | | |
|--------------------------|---|------------------------------|-----------------|------------------------------------|---|
| Project Number | 23-01 | Capital Project Title | AC Pipe Removal | Capital Project Description | Remove approximately 50m of abandoned AC water pipe. Includes CRD project management. |
| Project Rationale | This is for a short section of surficial abandoned asbestos pipe which needs to be removed and disposed of before it deteriorates further and enters the environment. | | | | |

Service: 2.624 Beddis Water (SSI)

Project Number 24-01 **Capital Project Title** Changes to DAF control panel **Capital Project Description** Motor overload resets to be external to the controller. Provide support for ultra-sonic probe.

Project Rationale Various changes, modifications and upgrades required for the control panel for the DAF unit.

Project Number 25-03 **Capital Project Title** WTP Electrical Upgrades from 2020 AMP **Capital Project Description** Various electrical upgrades from the 2020 AMP - design. Includes construction, construction services and CRD project management.

Project Rationale Similar to all water distribution systems on SSI, the Beddis system was constructed using asbestos cement pipe which is at the end of its useful life span and requires replacement. Failures cause water leaks and this will occur on a more frequent basis in the future. This project is for the construction phase of the project.

Project Number 24-07 **Capital Project Title** WTP Demolish old chlorine/pump building **Capital Project Description** WTP Demolish old chlorine/pump building - demolition, hazard assessment and CRD project management.

Project Rationale

Project Number 24-08 **Capital Project Title** WTP SCADA Upgrades - WTP Communications and Control Upgrades **Capital Project Description** To upgrade RTU programming software to Workbench. Replace the RTU and PLC controller due to age and criticality to current CRD I/O

Project Rationale

Project Number 25-01 **Capital Project Title** Decommission of Sky Valley Upper Reservoir **Capital Project Description** Decommission and removal of Sky Valley Upper Reservoir - demolition, hazard assessment and CRD project management.

Project Rationale

Service: **2.624** **Beddis Water (SSI)**

Project Number 25-02 **Capital Project Title** Booster pump and second reservoir at Sky Valley lower reservoir **Capital Project Description** Booster pump and second reservoir at Sky Valley lower reservoir - Construction, construction services and CRD project management.

Project Rationale

Project Number 25-03 **Capital Project Title** WTP Electrical Upgrades from 2020 AMP **Capital Project Description** Various electrical upgrades from the 2020 AMP - design. Includes construction, construction services and CRD project management.

Project Rationale

Project Number 25-01 **Capital Project Title** Decommission of Sky Valley Upper Reservoir **Capital Project Description** Decommission and removal of Sky Valley Upper Reservoir - demolition, hazard assessment and CRD project management.

Project Rationale The Sky Valley Upper Reservoir is no longer in use and needs to be decommissioned and disposed of. It will be replaced by a second reservoir at the Lower location.

Project Number 25-02 **Capital Project Title** Booster pump and second reservoir at Sky Valley lower reservoir **Capital Project Description** Booster pump and second reservoir at Sky Valley lower reservoir - Construction, construction services and CRD project management.

Project Rationale When the Sky Valley Upper Reservoir is decommissioned it will be replaced by a booster pump and second reservoir at the lower Sky Valley location.

Project Number 25-05 **Capital Project Title** AC Water Main Replacement Construction **Capital Project Description** Replace ~ 5.2 km of AC Pipe at \$1k/m. Includes construction services and CRD project management.

Project Rationale

Project Number 27-01 **Capital Project Title** Update Asset Management Plan **Capital Project Description** Revise McElhanney Condition Assessment to SAMP.

Project Rationale

2.624 - Beddis Water

Capital Projects

Updated @ Sep 11, 2023

| Year | Project# | Status | Capital Project Description | Total Project Budget | Spending | | Total Funding in Place |
|------|-------------|--------|---|----------------------|---------------------|--------------------|------------------------|
| | | | | | Expenditure Actuals | Remaining Spending | |
| 2019 | CE.676.7501 | Open | Beddis Water Intake and Screen | 238,725 | 54,484 | 184,241 | 238,725 |
| 2019 | CE.699.4503 | Open | Safe Work Procedures | 12,000 | 3,292 | 8,708 | 12,000 |
| 2020 | CE.735.4502 | Open | Power generation equipment-Study | 10,000 | 49 | 9,952 | 10,000 |
| 2023 | CE.831.5101 | Open | Sky Valley New Booster Pump & Reservoir | 33,000 | 1,275 | 31,725 | 33,000 |
| 2023 | CE.836.2001 | Open | Beddis WTP Lifting Apparatus | 55,000 | 781 | 54,219 | 55,000 |
| 2023 | CE.836.2002 | Open | Beddis PRV Strainers | 11,000 | 755 | 10,246 | 11,000 |
| 2003 | CE.836.2003 | Open | Replacement of Variable Frequency Drives. | 9,000 | 26 | 8,974 | 9,000 |
| | | | | | | | |
| | | | | | | | |
| | | | Totals | 368,725 | 60,661 | 308,065 | 368,725 |

Service:

2.624 Beddis Water

Committee: Electoral Area

| <u>Year</u> | <u>Taxable Folios</u> | <u>Parcel Tax per Folio</u> | <u>SFE's</u> | <u>User Charge* per SFE</u> | <u>Total Tax & Charges</u> | <u>Avg. Water Sales per SFE</u> | <u>Bylaw</u> | <u>Actual Assessments \$(000's)</u> |
|-------------|-----------------------|-----------------------------|--------------|-----------------------------|--------------------------------|---------------------------------|--------------|-------------------------------------|
| 2012 | 138 | \$449.63 | 126 | \$324.56 | \$774.19 | \$534.88 | 3864 | 79,241.53 |
| 2013 | 137 | \$500.00 | 126 | \$324.56 | \$824.56 | \$539.13 | 3891 | 77,081.58 |
| 2014 | 137 | \$550.00 | 126 | \$324.56 | \$874.56 | \$531.59 | 3925 | 74,106.66 |
| 2015 | 137 | \$550.00 | 127 | \$453.00 | \$1,003.00 | \$664.41 | 3993 | 72,592.90 |
| 2016 | 137 | \$549.99 | 127 | \$561.10 | \$1,111.09 | \$661.42 | 4073 | 72,668.60 |
| 2017 | 137 | \$549.99 | 127 | \$561.10 | \$1,111.09 | \$661.42 | 4208 | 80,096.00 |
| 2018 | 137 | \$554.98 | 127 | \$595.04 | \$1,150.02 | \$654.76 | 4236 | 90,992.78 |
| 2019 | 137 | \$554.98 | 127 | \$639.92 | \$1,194.90 | \$653.54 | 4311 | 99,150.28 |
| 2020 | 137 | \$554.98 | 127 | \$686.93 | \$1,241.91 | \$645.67 | 4339 | 105,556.25 |
| 2021 | 137 | \$564.43 | 127 | \$831.20 | \$1,395.63 | \$566.93 | 4395 | 116,434.53 |
| 2022 | 137 | \$575.88 | 128 | \$900.46 | \$1,476.34 | \$562.50 | 4470 | 147,896.70 |
| 2023 | 137 | \$617.04 | 128 | \$1,021.02 | \$1,638.06 | \$562.50 | 4525 | 162,395.05 |
| 2024 | 137 | \$660.23 | 128 | \$1,092.48 | \$1,752.71 | \$531.25 | | |

Change from 2023 to 2024

\$43.19

\$71.46

\$114.65

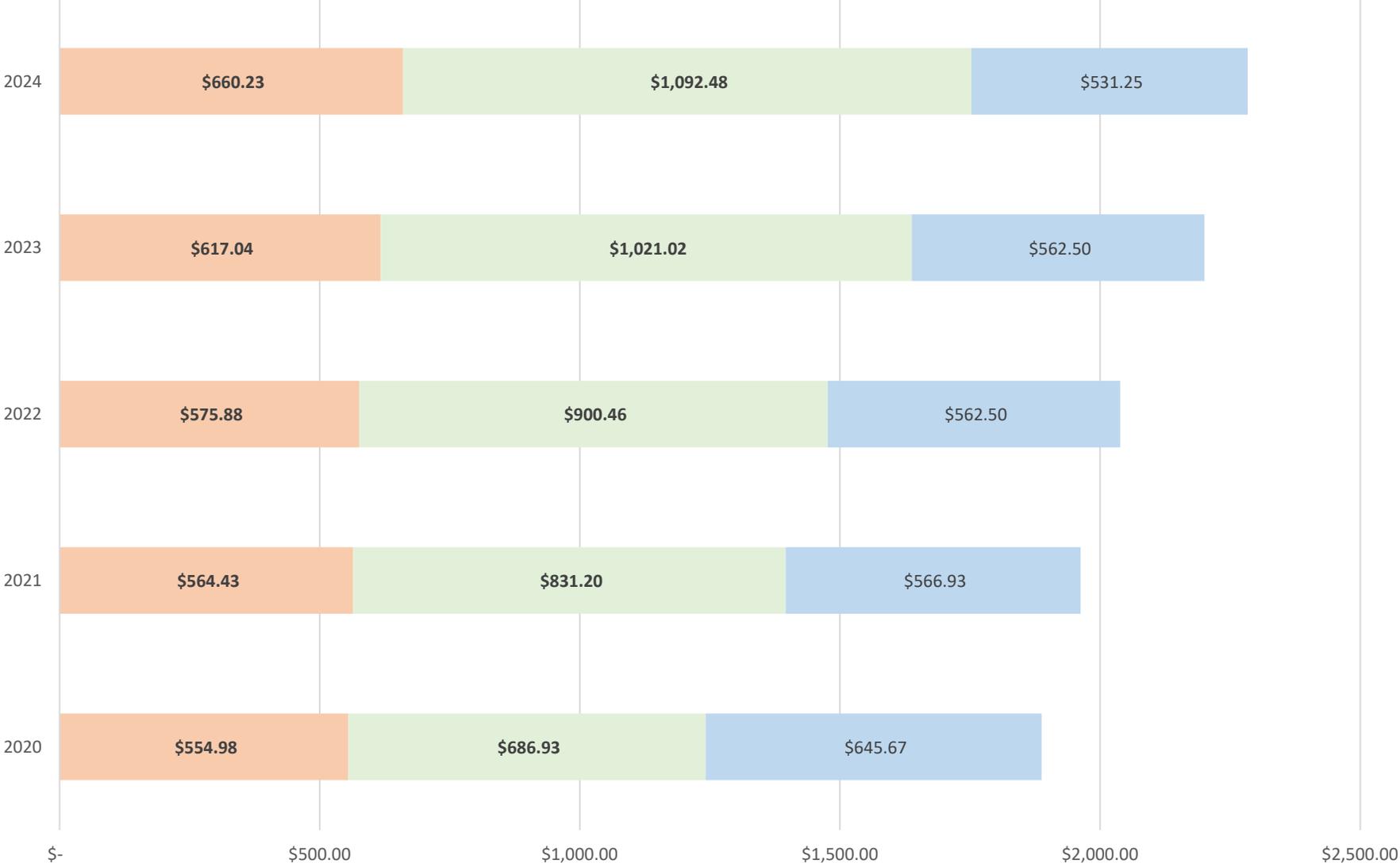
7.00%

7.00%

7.00%

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

Beddis Water Funding Analysis 2020 - 2024



PARCEL TAX FIXED USER FEE AVERAGE WATER SALES per SFE