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## LYALL HARBOUR BOOT COVE WATER LOCAL SERVICE COMMITTEE

Notice of Meeting on **Monday, October 25, 2021 at 9:30 a.m.**  
Goldstream Conference Room, 479 Island Highway, Victoria, BC

For members of the **public who wish to listen to the meeting** via telephone please call **1-833-353-8610** and enter the **Participant Code 1911461 followed by #**. You will not be heard in the meeting room but will be able to listen to the proceedings.

Jeanne Crerar (Chair)  
John Money

Director Dave Howe  
Ian Rowe

Michael Fry  
Jill Sabre-Makofka

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### AGENDA

#### 1. ELECTION OF CHAIR

*(Pursuant to Section 5 Bylaw No. 1875)*

*Election conducted by Ian Jesney, Senior Manager, Infrastructure Engineering*

#### 2. APPROVAL OF AGENDA

**Recommendation:** *That the agenda be approved.*

#### 3. ADOPTION OF MINUTES

**Recommendation:** *That the minutes of the following meetings be adopted:*

- November 23, 2020 Annual General Meeting ..... **2**
- November 23, 2020 Budget Agenda ..... **5**

#### 4. CHAIR'S REMARKS

#### 5. PRESENTATIONS/DELEGATIONS

*This meeting will be held by without the public present. A phone in number is provided above that will allow the public to listen to the meeting.*

*Presentation and Delegation requests can be made [online](#) or complete this [printable form](#) (PDF). Requests must be received no later than 4:30 p.m. two calendar days prior to the meeting.*

#### 6. COMMITTEE BUSINESS

##### 6.1. Lyall Harbour Boot Cove Water Service 2022 Operating and Capital Budget.....**7**

**Recommendation:** *That the Lyall Harbour/Boot Cove Water Local Service Committee:*

1. *Approve the 2022 Operating and Capital Budget as presented, and recommend that the actual 2021 deficit be balanced on a reduced transfer to the Capital Reserve Fund and revenue from the Operating Reserve Fund; and,*
2. *Recommends that the Electoral Areas Committee recommends that the CRD Board approve the 2022 Operating and Capital Budget and the five-year Financial Plan for the Lyall Harbour/Boot Cove Water Service as presented.*

#### 7. NEW BUSINESS

#### 8. ADJOURNMENT

**Next Meeting:** At the call of the Chair

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*To ensure quorum, advise **Denise Dionne 250.360.3087** if you cannot attend.*



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**MINUTES OF THE ANNUAL GENERAL MEETING OF THE LYALL HARBOUR/BOOT COVE WATER LOCAL SERVICE COMMITTEE held Monday, November 23, 2020 in the Goldstream Conference Room, 479 Island Highway Victoria, BC**

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**PRESENT:** **Committee Members:** J. Crerar (Chair), J. Money, I. Rowe

**By WebEx:** M. Fry, J. Sabre-Makofka

**Staff:** I. Jesney, Senior Manager, Infrastructure Engineering; M. McCrank, Senior Manager, Wastewater Infrastructure Operations; L. Xu, Manager, Financial Services; C. Moch, Manager Water Quality Operations; Dale Puskas, Manager Capital Projects; S. Orr (recorder)

**By WebEx:** T. Duthie, Manager Administrative Services; D. Puskas, Manager Capital Projects

**REGRETS:** D. Howe, Southern Gulf Islands Electoral Area Director

The meeting was called to order at 10:05 am.

**1. APPROVAL OF RESOLUTION**

1. That this resolution applies to the Lyall Harbour/Boot Cove Water Local Service Committee for the meetings being held between July 1, 2020 and December 31, 2020.
2. That the attendance of the public at the place of the meeting cannot be accommodated in accordance with the applicable requirements or recommendations under the *Public Health Act*, despite the best efforts of the Lyall Harbour/Boot Cove Water Local Service Committee, because:
  - a. The available meeting facilities cannot accommodate more than (8) people in person, including members of the Lyall Harbour/Boot Cove Water Local Service Committee and staff, and
  - b. There are no other facilities presently available that will allow physical attendance of the Lyall Harbour/Boot Cove Water Local Service Committee and the public in sufficient numbers; and
3. That the Lyall Harbour/Boot Cove Water Local Service Committee is ensuring openness, transparency, accessibility and accountability in respect of the open meeting by the following means:
  - a. By allowing the public to hear or participate via teleconference or electronic meeting software,
  - b. By providing notice of the meeting in newspaper or local notice Board, including the methods for providing written or electronic submissions,
  - c. 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,
  - d. By strongly encouraging the provision of, and subsequently receiving and distributing to members, written correspondence from the public in advance of the meeting, and

- e. By making the minutes of the meeting available on the CRD website following the meeting.

**MOVED** by J. Money, **SECONDED** by I. Rowe,  
That the Lyall Harbour/Boot Cove Water Local Service Committee adopt the resolution as presented.

**CARRIED**

**2. APPROVAL OF AGENDA**

**MOVED** by I. Rowe, **SECONDED** by J. Sabre-Makofka,  
That the agenda be approved.

**CARRIED**

**3. ADOPTION OF MINUTES OF ANNUAL GENERAL MEETING OF AUGUST 20, 2019**

**MOVED** by J. Sabre-Makofka, **SECONDED** by J. Money,  
That the minutes of the Annual General Meeting of August 20, 2019 be adopted as circulated.

**CARRIED**

**4. CHAIR'S REPORT**

The Chair provided the following report:

- Boil Water Advisories: Sept. to Nov. 2019 and Feb. to Mar. 2020.
- Turbidity research and consultation in early March 2020 on Saturna by Integrated Water Services Engineering Department.
- Initiation of an email users list for people (owners and residents) who are on the Lyall Harbour/Boot Cove (LHBC) Water System.
- COVID -19 restrictions in effect from mid-March, affecting initiation and time-line of some projects.
- Change in the protection of the watershed with 10 hectares dedicated to the needs of the LHBC water system, and 20 hectares devoted to a community park.
- The Chair thanked the following people for their dedication and commitment to the LHBC Water Local Service:
  - John Money for working with the Capital Regional District to transfer his land to be used as a park.
  - Electoral Area Director David Howe for support for the water system grant proposal.
  - Ben Mabblerley and John Money for the donation of the heavy net debris barrier installation.
  - The anonymous donor for a financial gift to Saturna Island and to the water system.
  - Paul Brent, Chair of Parks and Recreation.
  - Integrated Water Services staff.

5. **APPOINTMENT OF COMMITTEE MEMBERS**

The Chair stated that there were two positions expiring on December 31, 2020 and that two nominations were received for a term beginning January 1, 2021 and expiring on December 31, 2022. The following nominations were received and agreed to stand:

- Jill Sabre-Makofka
- Ian Rowe

**MOVED** by J. Money, **SECONDED** by M. Fry,

That the Lyall Harbour/Boot Cove Water Local Service Committee direct staff to forward the names of the nominees to the Capital Regional District Board for appointment:

- Jill Sabre-Makofka
- Ian Rowe

**CARRIED**

6. **CORRESPONDENCE**

There was no correspondence.

7. **NEW BUSINESS**

There was no new business.

8. **ADJOURNMENT**

The meeting adjourned at 10:12 am.

**CARRIED**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary



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## **MINUTES OF THE OF THE LYALL HARBOUR / BOOT COVE WATER LOCAL SERVICE COMMITTEE held Monday, November 23, 2020 in the Goldstream Conference Room**

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**PRESENT:** **Committee Members:** J. Crerar (Chair), J. Money, I. Rowe

**By WebEx:** M. Fry, J. Sabre-Makofka

**Staff:** I. Jesney, Senior Manager, Infrastructure Engineering; M. McCrank, Senior Manager, Wastewater Infrastructure Operations; L. Xu, Manager, Financial Services; C. Moch, Manager Water Quality Operations; S. Orr (recorder)

**By WebEx:** D. Puskas, Manager Capital Projects

**REGRETS:** D. Howe, Southern Gulf Islands Electoral Area Director

The meeting was called to order at 10:13 am.

### **1. ELECTION OF CHAIR**

Nominations were called for election of Chair for the Lyall Harbour Boot Cove Water Local Service Committee for a one-year term. Jeanne Crerar was nominated and agreed to stand. Nominations were called for two additional times, and hearing none, Jeanne Crerar was elected Chair by acclamation.

### **2. APPROVAL OF AGENDA**

**MOVED** by J. Money, and **SECONDED** by I. Rowe,  
That the agenda be approved.

**CARRIED**

### **3. ADOPTION OF MINUTES OF JUNE 19, 2020**

**MOVED** by J. Money, and **SECONDED** by M. Fry,  
That the minutes of June 19, 2020 be adopted.

**CARRIED**

### **4. COMMITTEE BUSINESS**

#### **4.1 Money Lake Dam Geotechnical (Verbal Update)**

I. Jesney stated that a dam report was completed and will be circulated to the Committee. He stated that a grant application for \$1.16 Million dollars was submitted under the Investing in Canada Infrastructure Grant Program to address the dam improvement and water system requirements and anticipates the grant announcement to be made from the Provincial government in 2021.

Staff answered questions from the Committee regarding:

- Investing in Canada Infrastructure Grant Program
- Procurement process

- Dam safety
- Rock supply
- Water quality

The Committee thanked staff for the work on the grant application.

## **5. 2021 OPERATING AND CAPITAL BUDGET**

M. McCrank introduced the 2021 Operating and Capital Budget report and provided an overview of the key factors influencing the budget as presented in the report.

Staff answered questions from the Committee regarding:

- Operations staffing
- Boil water advisory costs
- Safety costs
- Finishing filters
- Water testing
- Operating Reserve Funds balance
- Alternate Approval Process
- User charges

**MOVED** by I. Rowe, and **SECONDED** by J. Money,  
 That the Lyall Harbour Boot Cove Water Local Service Committee:

1. Approve the 2021 Operating and Capital Budget, and recommend that the actual deficit in 2020 be carried forward to 2021 and balanced against the 2021 User Charge; and,
2. Recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2021 Operating and Capital Budget and the five year Financial Plan for the Lyall Harbour/Boot Cove Water Service as presented.

**CARRIED**

## **6. NEW BUSINESS**

Staff answered questions from the Committee regarding disinfection by-products.

## **7. ADJOURNMENT**

**MOVED** by I. Rowe, and **SECONDED** by J. Money,  
 That the meeting be adjourned at 11:30 am.

**CARRIED**

\_\_\_\_\_  
 Chair

\_\_\_\_\_  
 Secretary



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## REPORT TO LYALL HARBOUR/BOOT COVE WATER LOCAL SERVICE COMMITTEE MEETING OF MONDAY, OCTOBER 25, 2021

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**SUBJECT**     Lyall Harbour/Boot Cove Water Service 2022 Operating and Capital Budget

### **ISSUE SUMMARY**

To present the 2022 operating and capital budget for Committee approval, pursuant to Bylaw No. 1875, "Lyall Harbour/Boot Cove Water Local Services Committee Bylaw 1, 1990".

### **BACKGROUND**

The Capital Regional District (CRD) is required by legislation under the *Local Government Act* (LGA) to prepare a 5-year financial plan including Operating Budgets and Capital Expenditure Plans annually. CRD staff have prepared the financial plan shown in Appendix A for the Lyall Harbour/Boot Cove Water Local 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:

- Actual expenditures incurred between 2019 and 2021
- Anticipated changes in level of service (if any)
- Maximum allowable tax requisition
- Annual cost per taxpayer and per single family equivalent (SFE)

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

- Available funds on hand
- Projects already in progress
- Condition of existing assets and infrastructure
- Regulatory, environmental, and health and safety factors

Adjustments for surpluses or deficits from 2021 will 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 2023 to 2026 may be changed in future years.

### **BUDGET OVERVIEW**

#### ***Operating Budget***

It is projected that the 2021 operating expenses will be approximately \$26,333 over budget. Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following events:

- Emergency response to a water system leak at 207 East Point Road.
- Emergency response to a water system leak at 112 Payne Road.

**Lyall Harbour/Boot Cove Water Local Service Committee – October 25, 2021**  
**Lyall Harbour/Boot Cove Water Service 2022 Operating and Capital Budget**

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- Emergency response to high turbidity due to Money Lake algae bloom that resulted in a boil water advisory for the service.
- Several emergency responses to low reservoir water levels resulting leak detection efforts.
- Corrective maintenance performed on the water treatment plant flow control valve.
- Response and corrective actions to safety concerns and mould developing within the Water Treatment Plant.
- Corrective maintenance performed on Money Lake water recirculation line.
- Replacement of water treatment plant booster pump.
- Troubleshooting and corrective maintenance on the chlorine chemical feed pump and chlorine analyzer equipment.

These events resulted in additional labour, material and supply costs that go beyond operating budget contingencies. The 2021 budget included the inspection of the chlorine contact tank with a budget amount of \$10,000 to be funded from the Operating Reserve Fund. This work has been deferred to 2022.

It is projected that the 2021 operating revenue will be slightly over budget by approximately \$215 primarily due to service charges and penalties.

As a result, there is an overall estimated operating deficit and cash flow shortage of approximately \$26,118. In order to balance the 2021 operating deficit, it is proposed that the Capital Reserve Fund transfer be reduced from \$15,000 to \$9,474 and a transfer from the Operating Reserve Fund in the amount of \$20,592 as recovery in year 2021. Otherwise, the resulting deficiency in 2021 must immediately be included as an expenditure to be recovered from revenue in 2022 financial plan as required by *Local Government Act* (LGA) Section 374(11).

The 2022 gross operating budget has been increased by \$7,510 (4.5%) over 2021. The increase is primarily the result of core inflation and the provisional cost of renting office space for the operator to perform administration duties that is currently taking place within a small area of the water treatment plant.

The 2022 operating budget also includes a \$10,000 expenditure to conduct an inspection of the chlorine contact tank that was deferred from 2021. This work will be funded from the Operating Reserve Fund.

***Municipal Finance Authority (MFA) Debt***

Loan Authorization Bylaw 3587 (LA3857) to borrow \$430,000 was approved and adopted in 2008 to construct a new treatment plant, storage tank and installation of meters.

***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
LA3587-106	15	2009	2024	2019	4.13%	2.25%	\$250,000	\$12,485	\$5,625	\$18,110
LA3587-110	15	2010	2025	2020	4.50%	1.28%	\$180,000	\$9,663	\$2,304	\$11,967
<b>Total</b>							<b>\$430,000</b>	<b>\$22,148</b>	<b>\$7,929</b>	<b>\$30,077</b>



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***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, reservoir cleaning and water treatment filter media 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 operating reserve be set at \$20,000 in 2022 and future years to ensure future maintenance activities are fully funded and an optimal balance in the reserve fund be maintained. There is \$45,000 of planned maintenance to be funded by the Operating Reserve Fund over the next five years.

The Operating Reserve Fund balance at the end of 2021 is projected to be \$2,060.

***Capital Reserve Fund (CRF)***

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 budgeted transfer to the CRF be set at \$30,000 in 2022. The reserve fund transfer planning is influenced by the funding requirement to support the five-year capital expenditure plan 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.

The capital reserve balance at the end of 2021 is projected to be \$13,164.

***Capital Expenditure Plan***

The 5-year plan includes \$1,131,600 of expenditures for the period 2022 to 2026 to be funded by a combination of the service's CRF, grant funding, and new debt. The Pressure Release Valve (PRV) Bypass Assembly Replacement (19-02) is to be funded through the CRF for a total of \$8,000 in 2022. An Alternative Approval Process (AAP) (19-04) is to be funded through the CRF for a total of \$15,000 in 2023. Table 2 below provides the future debt servicing cost simulation for analytical purpose 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%	\$53,000	\$3,010	\$1,537	\$4,547
	15	2024	2039	2034	2.90%	\$225,000	\$12,777	\$6,525	\$19,302
<b>Total</b>						<b>\$278,000</b>	<b>\$15,787</b>	<b>\$8,062</b>	<b>\$23,849</b>

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.

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**Lyall Harbour/Boot Cove Water Service 2022 Operating and Capital Budget**

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A Community Works Fund Grant for the Dam Improvements & Regulatory Requirements (22-02) has been approved for \$390,000 to be carried out in 2022. Work includes seismic reinforcement of the dam, construction of the toe drain, replacement of the infiltrators, and a dam safety review.

**Capital Project Fund**

As specific capital projects are approved, the funding revenues for them are transferred into the Capital Project Fund from multiple funding sources if applicable, including the CRF, grant funding, external contributions and debt. Any funds remaining upon completion of a project are transferred back to the CRF for use on future capital projects or its original non-CRF funding sources if required.

**User Charge and Parcel Tax**

The service is funded by fixed user charge and parcel tax. 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. Table 3 below summarizes the 2022 over 2021 changes for parcel tax and user charge.

**Table 3 – Parcel Tax and User Charge Summary**

<b>Budget Year</b>	<b>Parcel Tax</b>	<b>Taxable Folios Numbers</b>	<b>Parcel Tax per Folio*</b>	<b>User Charge</b>	<b>SFE Numbers</b>	<b>User Charge per SFE</b>	<b>Parcel Tax &amp; User Charge</b>
<b>2021</b>	\$127,738	171	\$786.22	\$109,462	164	\$667.45	<b>\$1,453.67</b>
<b>2022</b>	\$130,290	171	\$801.93	\$112,304	164	\$684.78	<b>\$1,486.71</b>
<b>Change (\$)</b>	\$2,552	0	\$15.71	\$2,842	0	\$17.33	<b>\$33.04</b>
<b>Change (%)</b>	2.00%	0.00%	2.00%	2.60%	0.00%	2.60%	<b>2.27%</b>

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

**RECOMMENDATION**

That the Lyall Harbour/Boot Cove Water Local Service Committee:

1. Approve the 2022 Operating and Capital Budget as presented, and recommend that the actual 2021 deficit be balanced on a reduced transfer to the Capital Reserve Fund and revenue from the Operating Reserve Fund; and,
2. Recommends that the Electoral Areas Committee recommends that the CRD Board approve the 2022 Operating and Capital Budget and the five-year Financial Plan for the Lyall Harbour/Boot Cove Water Service as presented.

Submitted by	Matthew McCrank, M.Sc., P.Eng., Senior Manager, Wastewater Infrastructure Operations
Submitted by	Dale Puskas, P.Eng. Acting Senior Manager, Infrastructure Engineering
Submitted by	Rianna Lachance, B.Com, CPA, CA, Senior Manager, Financial Services
Concurrence	Ted Robbins, B.Sc., C.Tech., General Manager, Integrated Water Services
Concurrence	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT=**

Appendix A: 2022 Lyall Harbour/Boot Cove Budget

# **CAPITAL REGIONAL DISTRICT**

## **2022 Budget**

### **Lyall Harbour Water**

#### **Commission Review**

OCTOBER 2021

**Service:** 2.640 Lyall Harbour Boot Cove Water (Saturna)

**Committee:** Electoral Area

#### DEFINITION:

To provide and operate and maintain a domestic water supply and distribution system for the Saturna Island Water Supply and Distribution System Specified Area in the Lyall Harbour/Boot Cove district on Saturna Island. Bylaw No. 513 (November 22, 1978).

#### PARTICIPATION:

Specified Area #14 - G(764)

#### MAXIMUM LEVY:

Greater of \$150,000 or \$6.90 / \$1,000 on actual assessed value of land and improvements. To a maximum of \$450,006.

#### MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3587 (Jan 14, 2009)	\$430,000
BORROWED:	SI Bylaw 3634 (Aug 12, 2009)	\$250,000
BORROWED:	SI Bylaw 3677 (Feb 10, 2010)	\$180,000
REMAINING:		<hr/> \$0

#### COMMITTEE:

Lyall Harbour/Boot Cove Water Committee established by Resolution - September 29, 1982

Lyall Harbour/Boot Cove Water Local Services Committee established by Bylaw No. 1875 (December 12, 1990)

#### FUNDING:

<b>User Charge:</b>	Annual charge per single family equivalency unit connected to the system.
<b>Parcel Tax:</b>	Annual charge levied only on properties capable of being connected to the system.
<b>Connection Charges:</b>	Actual Cost + 15% Admin Fee (Minimum Connection \$400)

#### RESERVE FUND:

Bylaw No. 1785 (February 14, 1990)

2.640 - Lyall Harbour Water	2021		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2023	2024	2025	2026
<u>OPERATING COSTS</u>										
Repairs & Maintenance	15,200	6,900	5,310	-	10,000	15,310	20,420	25,662	5,640	5,750
Allocations	11,820	11,820	12,477	-	-	12,477	12,697	12,921	13,160	13,402
Water Testing	8,280	8,280	8,450	-	-	8,450	8,620	8,790	8,970	9,150
Electricity	4,230	3,400	3,550	-	-	3,550	3,620	3,690	3,760	3,840
Supplies	5,680	5,680	5,790	-	-	5,790	5,910	6,030	6,150	6,270
Labour Charges	110,217	130,000	112,420	-	-	112,420	114,670	116,960	119,300	121,690
Other Operating Expenses	10,460	16,140	15,400	-	-	15,400	15,770	16,160	16,550	16,960
<b>TOTAL OPERATING COSTS</b>	<b>165,887</b>	<b>182,220</b>	<b>163,397</b>	<b>-</b>	<b>10,000</b>	<b>173,397</b>	<b>181,707</b>	<b>190,213</b>	<b>173,530</b>	<b>177,062</b>
*Percentage Increase over prior year			-1.5%			4.5%	4.8%	4.7%	-8.8%	2.0%
<u>DEBT / RESERVES</u>										
Transfer to Operating Reserve Fund	15,000	15,000	20,000	-	-	20,000	20,000	20,000	20,000	20,000
Transfer to Capital Reserve Fund	15,000	9,474	30,000	-	-	30,000	30,800	25,000	30,800	43,500
MFA Debt Reserve Fund	130	130	120	-	-	120	650	2,370	120	120
MFA Debt Principal	22,148	22,148	22,148	-	-	22,148	22,148	25,158	25,450	15,787
MFA Debt Interest	7,929	7,929	7,929	-	-	7,929	8,313	11,097	9,214	8,062
<b>TOTAL DEBT / RESERVES</b>	<b>60,207</b>	<b>54,681</b>	<b>80,197</b>	<b>-</b>	<b>-</b>	<b>80,197</b>	<b>81,911</b>	<b>83,625</b>	<b>85,584</b>	<b>87,469</b>
<b>TOTAL COSTS</b>	<b>226,094</b>	<b>236,901</b>	<b>243,594</b>	<b>-</b>	<b>10,000</b>	<b>253,594</b>	<b>263,618</b>	<b>273,838</b>	<b>259,114</b>	<b>264,531</b>
<u>FUNDING SOURCES (REVENUE)</u>										
Balance c/fwd from 2020 to 2021	22,103	22,103	-	-	-	-	-	-	-	-
Transfer from Operating Reserve Fund	(10,000)	(20,592)	-	-	(10,000)	(10,000)	(15,000)	(20,000)	-	-
User Charges	(109,462)	(109,462)	(112,304)	-	-	(112,304)	(114,698)	(117,238)	(119,784)	(122,411)
Grants in Lieu of Taxes	(767)	(767)	(780)	-	-	(780)	(800)	(820)	(840)	(860)
Other Revenue	(230)	(445)	(220)	-	-	(220)	(220)	(220)	(220)	(220)
<b>TOTAL REVENUE</b>	<b>(98,356)</b>	<b>(109,163)</b>	<b>(113,304)</b>	<b>-</b>	<b>(10,000)</b>	<b>(123,304)</b>	<b>(130,718)</b>	<b>(138,278)</b>	<b>(120,844)</b>	<b>(123,491)</b>
<b>REQUISITION - PARCEL TAX</b>	<b>(127,738)</b>	<b>(127,738)</b>	<b>(130,290)</b>	<b>-</b>	<b>-</b>	<b>(130,290)</b>	<b>(132,900)</b>	<b>(135,560)</b>	<b>(138,270)</b>	<b>(141,040)</b>
*Percentage increase over prior year										
User Fees						2.6%	2.1%	2.2%	2.2%	2.2%
Requisition						2.0%	2.0%	2.0%	2.0%	2.0%
<b>Combined</b>						<b>2.3%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>

Lyall Harbour Water  
Reserve Summary Schedule  
2022 - 2026 Financial Plan

**Reserve/Fund Summary**

	<b>Estimated</b>	<b>Budget</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Operating Reserve Fund	2,060	12,060	17,060	17,060	37,060	57,060
Capital Reserve Fund	13,164	35,164	50,964	75,964	106,764	150,264
<b>Total</b>	<b>15,223</b>	<b>47,223</b>	<b>68,023</b>	<b>93,023</b>	<b>143,823</b>	<b>207,323</b>

<b>Reserve Schedule</b>
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<b>Reserve Fund: 2.640 Lyall Harbour Water System - Operating Reserve Fund - Bylaw 4144</b>
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Reserve fund used for: unforeseen operational repairs and maintenance; infrequent maintenance activities such as reservoir cleaning and inspection, filter media replacement etc. Optimum minimum balance of \$13,000 (approximately 10%) of the annual operating budget.
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<b>Reserve Cash Flow</b>
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Fund: Fund Centre:	1500 105213	Estimated	Budget				
		2021	2022	2023	2024	2025	2026
Beginning Balance		7,592	2,060	12,060	17,060	17,060	37,060
Transfer from Ops Budget		15,000	20,000	20,000	20,000	20,000	20,000
Transfer to Ops Budget		-	(10,000)	(15,000)	(20,000)	-	-
Planned Maintenance Activity			Chlorine Contact Tank Inspection	Reservoir Cleaning & inspection	Replace filtration Media		
Deficit Recovery		(20,592)					
Interest Income		60					
Ending Balance \$		2,060	12,060	17,060	17,060	37,060	57,060

<b><u>Assumptions/Background:</u></b>
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Set level of transfers in order to avoid spikes in requisition resulting from unforeseen breakdowns in water infrastructure
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<b>Reserve Schedule</b>
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<b>Reserve Fund: 2.640 Lyall Harbour Water System - Capital Reserve Fund - Bylaw 1785</b>
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Surplus money from the operation of the water system may be paid from time to time into the reserve fund.
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<b>Reserve Cash Flow</b>
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Fund: 1025 Fund Centre: 101369	Estimated	Budget				
	2021	2022	2023	2024	2025	2026
Beginning Balance	23,490	13,164	35,164	50,964	75,964	106,764
Transfer from Ops Budget	9,474	30,000	30,800	25,000	30,800	43,500
Transfer from Cap Fund	-	-	-	-	-	-
Transfer to Cap Fund	(20,000)	(8,000)	(15,000)	-	-	-
Interest Income*	200					
<b>Ending Balance \$</b>	<b>13,164</b>	<b>35,164</b>	<b>50,964</b>	<b>75,964</b>	<b>106,764</b>	<b>150,264</b>

<b><u>Assumptions/Background:</u></b>
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To fully fund capital expenditure plan
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* 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.
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**CAPITAL REGIONAL DISTRICT**  
**FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2022 to 2026**

<b>Service No.</b>	<b>2.640</b>	<b>Carry Forward from 2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>TOTAL</b>
	<b>Lyall Harbour Boot Cove Water (Sal)</b>							

**EXPENDITURE**

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$8,000	\$58,000	\$0	\$0	\$0	\$66,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$390,000	\$30,000	\$645,600	\$0	\$0	\$1,065,600
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$398,000</b>	<b>\$88,000</b>	<b>\$645,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,131,600</b>

**SOURCE OF FUNDS**

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$0	\$0	\$53,000	\$225,000	\$0	\$0	\$278,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$390,000	\$20,000	\$420,600	\$0	\$0	\$830,600
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$8,000	\$15,000	\$0	\$0	\$0	\$23,000
	<b>\$0</b>	<b>\$398,000</b>	<b>\$88,000</b>	<b>\$645,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,131,600</b>

CAPITAL REGIONAL DISTRICT  
5 YEAR CAPITAL PLAN  
2022 - 2026

<b>Project Number</b> 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.	<b>Capital Project Description</b> 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".	<b>Carryforward from 2021</b> Input the carryforward amount from the 2021 capital plan that is remaining to be spent. Forecast this spending in 2022 to 2026.	<b>Project Drivers</b> <b>Maintain Level of Service</b> = Project maintains existing or improved level of service. <b>Advance Board or Corporate Priority</b> = Project is a Board or Corporate priority. <b>Emergency</b> = Project is required for health or safety reasons. <b>Cost Benefit</b> = Economic benefit to the organization.
<b>Capital Expenditure Type</b> <b>Study</b> - Expenditure for feasibility and business case report. <b>New</b> - Expenditure for new asset only <b>Renewal</b> - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service <b>Replacement</b> - Expenditure replaces an existing asset	<b>Total Project Budget</b> Provide the total project budget, even if it extends beyond the 5 years of this capital plan.	<b>Funding Source Codes</b> 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.	<b>Long-term Planning</b> <b>Master Plan / Servicing Plan</b> = Plan that identifies new assets required to meet future needs. <b>Asset Management Plan / Sustainable Service Delivery Plan</b> = Integrated plan that identifies asset replacements based on level of service, criticality, condition, risk, replacement costs as well as external impacts. <b>Replacement Plan</b> = Plan that identifies asset replacements based primarily on asset age or asset material/type. <b>Condition Assessment</b> = Assessment that identifies asset replacements based on asset condition.
<b>Capital Project Title</b> Input title of project. For example "Asset Name - Roof Replacement", "Main Water Pipe Replacement".	<b>Asset Class</b> <b>L</b> - Land <b>S</b> - Engineering Structure <b>B</b> - Buildings <b>V</b> - Vehicles	<b>Cost Estimate Class</b> 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.	

Service #: 2.640

Service Name: Lyall Harbour Boot Cove Water (Saturna)

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
19-01	Replacement	Air Valve Replacement - Ph 2	Replace aging air valves that are a safety concern.	\$20,000	E	Debt	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
19-02	Replacement	PRV Bypass Assembly Replacement	Construct bypasses on the East Point, Narvaez and Boot Cove PRV stations to maintain system operation while the PRV's undergo maintenance.	\$8,000	E	Res	\$0	\$8,000	\$0	\$0	\$0	\$0	\$8,000
19-03	Replacement	Standpipe and Valve Replacement	Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable	\$8,000	E	Debt	\$0	\$0	\$8,000	\$0	\$0	\$0	\$8,000
19-04	New	Alternative Approval Process	Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds. If the grant is not successful.	\$15,000	S	Res	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000
19-05	New	Autoflush Installation	Install 3 autoflushes within the water distribution system to maintain distribution water quality.	\$20,000	E	Grant	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
20-02	New	Raw Water Turbidity Meter	Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.	\$10,000	E	Debt	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000
21-01	Replacement	Source Water Viability Study	Study to determine vulnerability of the source water and its viability.	\$15,000	S	Debt	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000
22-01	New	Install Larger Supply Line to Tank	Construct a larger supply line to the tank to improve system reliability and operation.	\$175,000	S	Debt	\$0	\$0	\$0	\$175,000	\$0	\$0	\$175,000
22-02	Renewal	Dam Improvements & Regulatory Requirements	Seismic reinforcement of Money Lake Dam based upon the 2016 Dam Safety Review. Includes seepage pit construction and Dam Safety Review	\$390,000	S	Grant	\$0	\$390,000	\$0	\$0	\$0	\$0	\$390,000
23-01	New	WTP Upgrades	Upgrades to the water treatment plant to meet IHA requirements including ozone upgrades and chlorination upgrades.	\$470,600	S	Grant	\$0	\$0	\$0	\$420,600	\$0	\$0	\$420,600
23-01					S	Debt	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
GRAND TOTAL				\$1,131,600			\$0	\$398,000	\$88,000	\$645,600	\$0	\$0	\$1,131,600

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)			
Project Number	19-01	Capital Project Title	Air Valve Replacement - Ph 2
Capital Project Description	Replace aging air valves that are a safety concern.		
Project Rationale	The air valves are 35 years old and are corroded, giving rise to safety concerns. Project has been deferred to 2022.		
Project Number	19-02	Capital Project Title	PRV Bypass Assembly Replacement
Capital Project Description	Construct bypasses on the East Point, Narvaez and Boot Cove PRV stations to maintain system operation while the PRV's undergo maintenance.		
Project Rationale	The inlet and outlet piping at the East Point, Narvaez and Boot Cove PRV stations are very corroded and there is no way to isolate the stations to replace or maintain the pressure reducing valves. It is proposed that new inlet and outlet piping be installed with 100mm gate valves and bypass piping so that customers are not without water when PRV's are being serviced. Project has been deferred to 2022.		
Project Number	19-03	Capital Project Title	Standpipe and Valve Replacement
Capital Project Description	Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable		
Project Rationale	The standpipe valves at 119 and 155 East Point Road are seized and inoperable. Therefore, the operators cannot use them for flushing or draining of the mains. It is proposed the valves and corroded 50mm supply line to the standpipe be replaced. The scope of work and material pricing was re-evaluated in 2016. It was determined that the budget needed to be increased from \$5,000 to \$8,000 to accommodate the required works. Project has been deferred to 2022.		
Project Number	19-04	Capital Project Title	Alternative Approval Process
Capital Project Description	Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds. If the grant is not successful.		
Project Rationale	Future required projects to maintain public safety and level of service require funding in excess of current projected reserve balance. Future funding will be for improvements the Water Treatment Plant to increase reliability and optimize for improved operations, conducting a regulatory requirement for a dam safety review and construct a larger supply line to the storage tank. Funding is required to undertake public consultation to inform borrow strategies and conduct a referendum.		

<b>Project Number</b>	19-05	<b>Capital Project Title</b>	Autoflush Installation	<b>Capital Project Description</b>	Install 3 autoflushes within the water distribution system to maintain distribution water quality.
<b>Project Rationale</b>	Three watermain require frequent flushing to maintain disinfectant residuals and water quality. Flushing requires operator time which can be utilized conducting other maintenance tasks. Funds are required to construct 3 autoflushes. Project has been deferred to 2022.				

<b>Project Number</b>	20-02	<b>Capital Project Title</b>	Raw Water Turbidity Meter	<b>Capital Project Description</b>	Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.
<b>Project Rationale</b>	Install a new turbidity meter in the raw water line to aid in operation of the WTP.				

<b>Project Number</b>	21-01	<b>Capital Project Title</b>	Source Water Viability Study	<b>Capital Project Description</b>	Study to determine vulnerability of the source water and its viability.
<b>Project Rationale</b>	Study to determine the medium to long term vulnerability of the source water (Money Lake) and its viability as a water source (quantity and quality) for the LHBC system in light of pressures such as climate change.				

<b>Project Number</b>	22-01	<b>Capital Project Title</b>	Install Larger Supply Line to Tank	<b>Capital Project Description</b>	Construct a larger supply line to the tank to improve system reliability and operation.
<b>Project Rationale</b>	The supply line to the tank is undersized, installation of a larger supply line will improve operation. Funding is required to construct a larger supply line to the tank.				

Project Number	22-02	Capital Project Title	Dam Improvements & Regulatory Requirements	Capital Project Description	Seismic reinforcement of Money Lake Dam based upon the 2016 Dam Safety Review. Includes seepage pit construction and Dam Safety Review
Project Rationale	This is a continuation of project 18-03, where seismic reinforcement of the Money Lake Dam will commence. Funds are required to retain a contractor to undertake the works and retain a consultant to conduct the dam safety review.				

Project Number	23-01	Capital Project Title	WTP Upgrades	Capital Project Description	Upgrades to the water treatment plant to meet IHA requirements including ozone upgrades and chlorination upgrades.
Project Rationale	Funds are required to upgrade the water treatment plant to meet IHA requirements including ozone upgrades and chorination works.				

## 2.640 - Lyall Harbour Water

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### Capital Projects

*Updated @ Sep 8th, 2021*

Year	Project#	Status	Capital Project Description	Total Project Budget	Expenditure Actuals	Remaining Funds
2017	CE.584	CLOSE	Dam Safety Improvements - Toe Berm	65,000	57,928	7,072
2021	CE.781.4601	OPEN	Water System Upgrades - Access Platforms and Building	55,000	21,835	33,165
			<b>Totals</b>	<b>120,000</b>	<b>79,763</b>	<b>40,237</b>

Service: 2.640 Lyall Harbour Water

Committee: Electoral Area

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel tax per Folio</u>	<u>Number SFE's</u>	<u>User Charge per SFE</u>	<u>Total Tax &amp; Charges</u>	<u>Bylaw</u>	<u>Actual Assessments \$(000's)</u>
2011	170	\$560.00	158	\$325.00	\$885.00	3799	\$57,270.06
2012	171	\$560.00	159	\$375.00	\$935.00	3823	\$56,058.96
2013	171	\$560.00	159	\$390.31	\$950.31	3892	\$55,689.76
2014	171	\$600.00	159	\$461.14	\$1,061.14	3924	\$50,581.58
2015	171	\$611.11	159	\$472.48	\$1,083.59	3987	\$48,842.00
2016	174	\$654.18	159	\$528.24	\$1,182.42	4074	\$48,842.00
2017	174	\$667.25	160	\$535.34	\$1,202.59	4170	\$53,211.48
2018	174	\$667.25	160	\$585.06	\$1,252.31	4233	\$56,853.16
2019	174	\$720.90	161	\$624.84	\$1,345.74	4274	\$58,914.38
2020	171	\$806.49	164	\$638.74	\$1,445.23	4337	\$63,381.81
2021	171	\$786.22	164	\$667.45	\$1,453.67	4389	\$65,218.26
2022	171	\$801.93	164	\$684.78	\$1,486.71		

Change from 2021 to 2022

\$15.71

2.00%

\$17.33

2.60%

\$33.04

2.27%

