

**2024-2028
Financial Planning
CVRD Core Services
Water Supply**

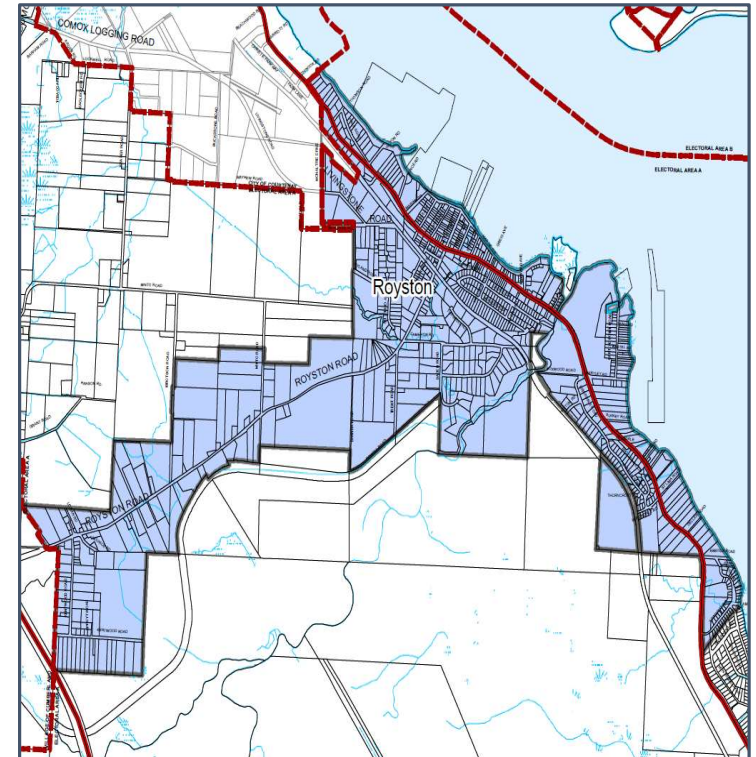
312 Royston Water Service





Core Service Water Supply

Core Service	Water Supply
Service Function Name	Royston Water Local Service Area (WLSA)
Service Sub-functions	None
Purpose	For the supply of water to Royston from the Village of Cumberland
Participants	Defined portion of Electoral Area A (Royston)
2024 Proposed Changes to Service	None





2023 Accomplishments

- Year 3/5 residential water meter replacement
- Minto Rd watermain replacement (fire protection project)
- Confined Space planning (valve certifications, hazard assessments, rescue plans, entry plans)
- Disinfection pumping system upgrades
- Advancing the water south extension project



2024 Work Plan

- Herondale reservoir repair (interior floor & overflow pipe hangers)
- Year 4/5 residential water meter replacement
- Mounce Road watermain (CFWD)
- Trent Road PRV upgrades
- Water south extension project progression of partnerships



Trends, Challenges & Opportunities

- Supply chain issues mostly due to staff shortages
- Costs increasing for everything, everyone, & anything
- BUT, that can be the biggest opportunity as well....



Innovative Ideas...to Cost Saving Results

- PRV cost saving upgrades led to BCMSA 'Innovation of the Year' Safety award
- Fire Hydrant Rehabilitation/Painting
- Self Rescue planning & training for Confined Space Entry
- Constructed lock block bunkers for material storage



Strategic Priorities & Initiatives

Type	Initiative	Comment
Board	Water Rate Review	Changes to parcel taxes & user rates complete
Board	Water South Extension	Continued discussion & progression on alternate source for Royston
Workplan	Annual Hydrant & Valve Maintenance & Exercising	Continued operation & maintenance of system & assets to deliver high quality water
Board	CEEP	Feasibility studies of initiatives identified in the 2023 energy audit



Human Resource

	2024	2025
Opening FTE Balance	2.12	2.14
Addition Request		
Full time		
Part Time		
Temporary /Casual		
Adjustments	0.02	
Total Change	0.02	0.00
Ending FTE Balance	2.14	2.14



Expenses

Year over Year Change

Category	2023 Approved Budget	2024 Proposed Budget	Increase (Decrease)	
			(\$)	(%)
Support Services	\$44,515	\$56,952	\$12,437	27.9%
Personnel Costs	259,439	259,490	51	0.0%
Materials, Supplies & Utilities	329,119	400,654	71,535	21.7%
Contract & General Services	148,948	100,527	(48,421)	(32.5%)
Debt Charges	-	24,750	24,750	100.0%
Transfer to Reserves	369,179	75,921	(293,258)	(79.4%)
Transfer to Other Services	12,617	12,720	103	0.8%
Minor Capital	5,000	5,000	-	0.0%
Total Expenses	1,168,817	936,014	(232,803)	(19.9%)

Key Notes

- Bulk water purchases [+65K]
- Professional fees [-15K], engineering fees [-10K]
- Using reserves to fund part of conversion costs to regional water



Revenue

Year over Year Change

Key Notes

- Parcel tax up 15% as per rate review
- User rates up 7% as per rate review

Category	2023 Approved Budget	2024 Proposed Budget	Increase (Decrease)	
			(\$)	(%)
Parcel Tax	\$196,000	\$225,400	\$29,400	15.0%
Sale of Services	665,107	710,614	45,507	6.8%
Transfers from Reserve	20,000	-	(20,000)	(100.0%)
Prior Year Surplus	287,710	-	(287,710)	(100.0%)
Total Revenue	1,168,817	936,014	(232,803)	(19.9%)



Funding Sources

Rate Component	2023	2024	2025	2026	2027	2028
User Rates						
% Increase	-	7%	7%	7%	7%	7%
Cost for Avg User (248m3/yr)	\$605	\$647	\$692	\$740	\$792	\$848
Parcel Tax						
% Increase	-	15%	15%	15%	15%	15%
Cost per Parcel	\$200	\$230	\$265	\$304	\$350	\$402
Total Annual Cost of Water for Average User	\$805	\$877	\$957	\$1,045	\$1,142	\$1,250



Operating Budget: 2025-2028 Projections

Category	2025	2026	2027	2028
Parcel Tax	\$259,700	\$297,920	\$773,531	\$824,491
Sale of Services	759,308	811,409	867,158	926,809
Total Revenue	1,019,008	1,109,329	1,640,689	1,751,300
Support Services	56,952	56,952	56,952	56,952
Personnel Costs	273,352	281,156	289,186	297,458
Materials, Supplies, Utilities	412,325	424,340	436,709	449,444
Contract & General Service	153,129	165,794	128,526	121,326
Debt Charges	49,500	49,500	49,500	49,500
Transfer to Reserve	56,007	113,498	230,997	340,494
Transfer to Other Services	12,618	12,836	443,435	430,607
Minor Capital	5,125	5,253	5,384	5,519
Total Expenses	1,019,008	1,109,329	1,640,689	1,751,300

312 Royston Water

2024-2033 Capital Planning

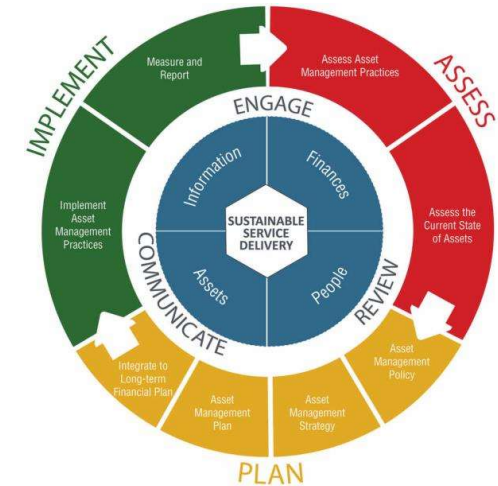




Asset Management Update

- Asset inventory/replacement schedule
- Risk/criticality assessment
- Integration to GIS
- Implement CMMS

- Review of DSS software options
- Development of condition assessment program





2024-2028 Capital Plan

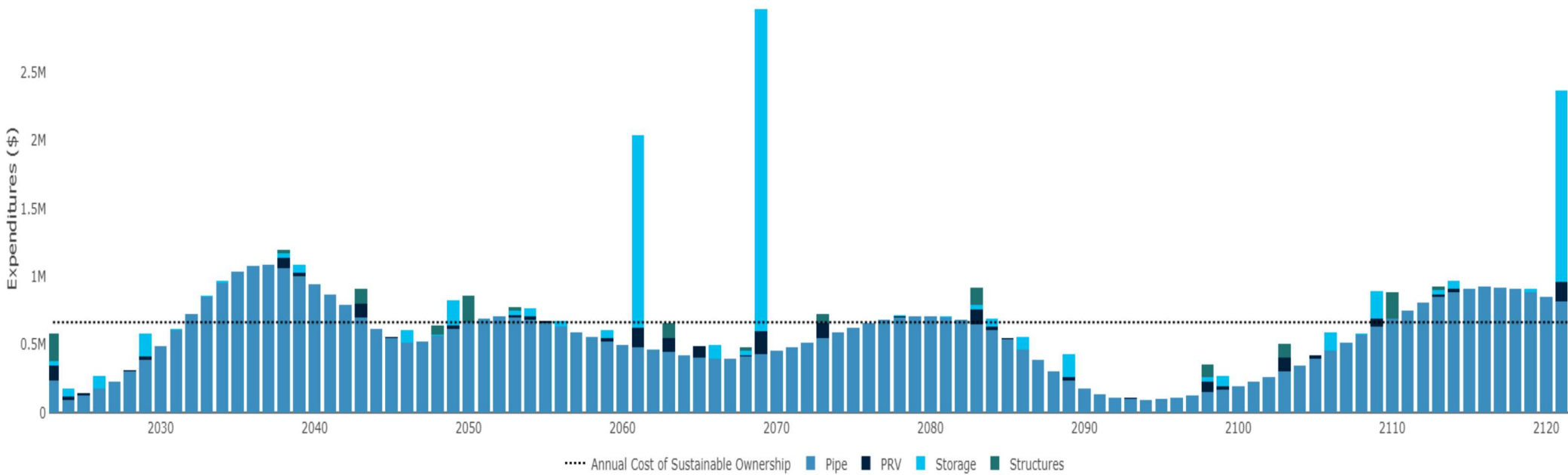
	2024	2025	2026	2027	2028
1151 – Conversion to CV Regional Water Supply	\$2,000,000	-	-	-	-
1172 – Annual Capital Projects	390,000	\$50,000	-	-	-
Total	2,390,000	500,000	-	-	-

2024 Annual Capital:

- Herondale reservoir repairs
- Meter replacements
- Mounce Road watermain
- Trent Road PRV



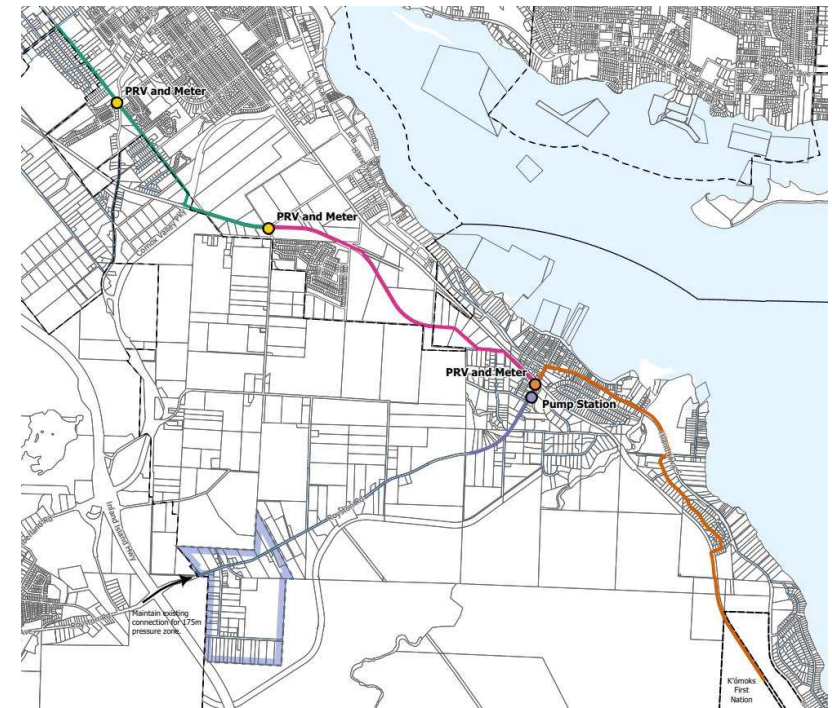
Long Term Capital Plan





Conversion to CV Regional Water Supply

- Royston WLSA proposed partner in Water South Extension Project (WSEP)
- Royston costs= \$2M
 - Portion of water transmission main costs
 - Booster pump station
 - Watermain on Royston Road
- Funding
 - Gas tax & grant (ICIP) funding \$335,000
 - Reserves \$765,000
 - Borrowing \$900,000





Reserves

Projected Balances

Reserve	2023 Ending Balance
312 – Future Expenditure Reserve	\$343,952
839 – Capital Works Reserve	1,399,151
891 – Capital Cost Charge Reserve	68,711
Total	1,811,814



Future Expenditure Reserve (312)

Projected Balances

	2024	2025	2026	2027	2028
Opening Balance	\$343,952	\$198,952	\$203,952	\$208,952	\$213,952
Contributions to Reserve	5,000	5,000	5,000	5,000	5,000
Transfers to Capital	150,000	-	-	-	-
Ending Balance	198,952	203,952	208,952	213,952	218,952



Capital Works Reserve (839)

Projected Balances

	2024	2025	2026	2027	2028
Opening Balance	\$1,399,151	\$465,072	\$466,079	\$574,577	\$800,574
Contributions to Reserve	70,921	51,007	108,498	225,997	335,494
Transfers to Capital/Operating	1,005,000	50,000	-	-	-
Ending Balance	465,072	466,079	574,577	800,574	1,136,068








Capital Cost Charge Reserve (891)

Projected Balances

	2024	2025	2026	2027	2028
Opening Balance	\$68,711	\$68,711	\$68,711	\$68,711	\$68,711
Contributions to Reserve	Cannot be reliably estimated				
Transfers to Capital	-	-	-	-	-
Ending Balance	68,711	68,711	68,711	68,711	68,711



Summary

<p>Fiscal Responsibility</p> 	<p>Climate Crisis & Environmental Stewardship & Protection</p> 	<p>Community Partnerships</p> 	<p>Indigenous Relations</p> 	<p>Accessibility, Diversity, Equity & Inclusion</p> 
<p>Asset Management</p> <p>Fair & sustainable water rates established for 2024 through rate review</p>	<p>Fully metered system</p> <p>Conservation user rate structure</p> <p>Reliable & resilient infrastructure</p>	<p>Management of service by EASC</p> <p>Partnering on WSEP</p>	<p>Close communication with K'ómoks First Nation on relevant initiatives</p>	<p>Equitable access to water</p> <p>Consider applications from property owners for water system extension</p>



Options & Recommendations

- That the proposed 2024-2028 financial plan for the function 312, Royston Water Service, be approved.





Questions?