

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

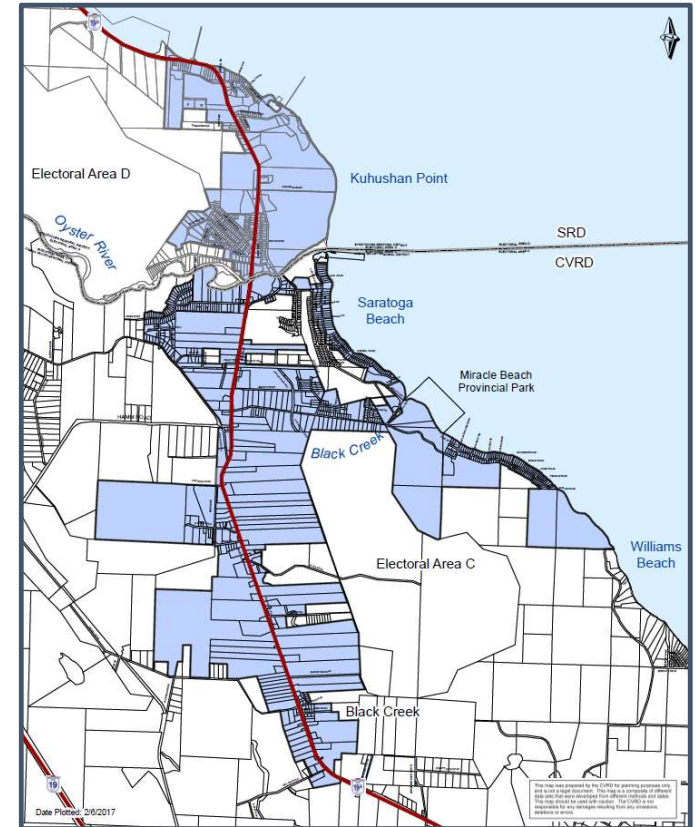
**313 Black Creek/Oyster Bay  
Water Service**





# Core Service Water Supply

| Core Service                     | Water Supply  |
|----------------------------------|---|
| Service Function Name            | Black Creek/Oyster Bay Water                        |
| Service Sub-functions            | None  |
| Purpose                          | To provide water service to users in the CVRD & SRD |
| Participants                     | Defined portion of Electoral Areas C & D            |
| 2024 Proposed Changes to Service | None  |





## 2023 Accomplishments

- Completed chlorine gas conversion...no more gas
- Residential meter replacement program (year 4/6)
- Lifted connection suspension & progressed installation of a new well
- Utilized CityWorks to complete preventative maintenance, inspections, service requests & workorders





## 2024 Work Plan

- Complete construction of new well
- Continue with residential meter replacement program
- Operational/ asset replacements in treatment facility (caustic skid/pH analyzer)
- Updates to asset management plan
- Clean up of piping & works around wells 1,2 & 4
- Fire Hydrant painting



## 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    | Continue Water Master Planning                  | Water master plan completed, continue with implementation in 2024                  |
| 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 | 2.33 | 2.44 |
| Addition Request    |      |      |
| Full time           |      |      |
| Part Time           |      |      |
| Temporary /Casual   |      |      |
| Adjustments         | 0.11 |      |
| Total Change        | 0.11 | 0.00 |
| Ending FTE Balance  | 2.44 | 2.44 |

- Small increase due to addition of distribution operator shared between water services





# Expenses

## Year over Year Change

| Category                        | 2023 Approved Budget | 2024 Proposed Budget | Increase (Decrease) |             |
|---------------------------------|----------------------|----------------------|---------------------|-------------|
|                                 |                      |                      | (\$)                | (%)         |
| Support Services                | \$67,296             | \$51,505             | (\$15,791)          | (23.5%)     |
| Personnel Costs                 | 287,631              | 296,314              | 8,683               | 3.0%        |
| Materials, Supplies & Utilities | 122,747              | 140,542              | 17,795              | 14.5%       |
| Contract & General Services     | 151,698              | 141,899              | (9,799)             | (6.5%)      |
| Debt Charges                    | 104,123              | 99,123               | (5,000)             | (4.8%)      |
| Transfer to Reserves            | 47,857               | 94,503               | 46,646              | 97.5%       |
| Transfer to Other Services      | 14,934               | 14,956               | 22                  | 0.1%        |
| Minor Capital                   | -                    | 11,500               | 11,500              | 100.0%      |
| <b>Total Expenses</b>           | <b>796,286</b>       | <b>850,342</b>       | <b>54,056</b>       | <b>6.8%</b> |

## Key Notes

- Chemicals [+10K], Software [+3.5K]
- Professional fees [-15K]
- Increase in reserve contributions made possible from rate increases
- Chemical barrel dolly [+6.5K]



# Revenue

## Year over Year Change

## Key Notes

- Converting frontage tax to parcel, increase as per rate review

| Category             | 2023 Approved Budget | 2024 Proposed Budget | Increase (Decrease) |             |
|----------------------|----------------------|----------------------|---------------------|-------------|
|                      |                      |                      | (\$)                | (%)         |
| Parcel Tax           | 163,562              | 201,925              | 38,363              | 23.5%       |
| Sale of Services     | 632,724              | 648,417              | 15,693              | 2.5%        |
| <b>Total Revenue</b> | <b>796,286</b>       | <b>850,342</b>       | <b>54,056</b>       | <b>6.8%</b> |



## Funding Sources

| Rate Component                                    | 2023         | 2024                             | 2025         | 2026         | 2027         | 2028         |
|---|--------------|----------------------------------|--------------|--------------|--------------|--------------|
| <b>User Rates</b>                                 |              |                                  |              |              |              |              |
| % Increase  | -            | 2.5% per year to match inflation |              |              |              |              |
| Cost for Avg User (243m3/yr)                      | \$421        | \$432                            | \$443        | \$453        | \$465        | \$477        |
| <b>Parcel Tax</b>                                 |              |                                  |              |              |              |              |
| % Increase  | -            | 25%                              | 27%          | 27%          | 27%          | 27%          |
| Cost per Parcel                                   | \$1.24/ft    | \$197                            | \$251        | \$318        | \$404        | \$513        |
| <b>Total Annual Cost of Water to Average User</b> | <b>\$581</b> | <b>\$629</b>                     | <b>\$693</b> | <b>\$772</b> | <b>\$869</b> | <b>\$990</b> |



# Operating Budget: 2025-2028 Projections

| Category                       | 2025           | 2026             | 2027             | 2028             |
|--------------------------------|----------------|------------------|------------------|------------------|
| Parcel Tax                     | \$257,275      | \$325,950        | \$414,100        | \$525,825        |
| Sale of Services               | 664,503        | 680,990          | 697,890          | 715,212          |
| <b>Total Revenue</b>           | <b>921,778</b> | <b>1,006,940</b> | <b>1,111,990</b> | <b>1,241,037</b> |
| Support Services               | 51,505         | 51,505           | 51,505           | 51,505           |
| Personnel Costs                | 312,022        | 320,854          | 329,928          | 339,299          |
| Materials, Supplies, Utilities | 148,269        | 151,573          | 154,966          | 158,439          |
| Contract & General Service     | 174,980        | 178,138          | 141,379          | 134,699          |
| Debt Charges                   | 99,123         | 99,123           | 99,123           | 99,123           |
| Transfer to Reserve            | 115,764        | 185,304          | 314,415          | 437,134          |
| Transfer to Other Services     | 14,990         | 15,190           | 15,290           | 15,319           |
| Minor Capital                  | 5,125          | 5,253            | 5,384            | 5,519            |
| <b>Total Expenses</b>          | <b>921,778</b> | <b>1,006,940</b> | <b>1,111,990</b> | <b>1,241,037</b> |

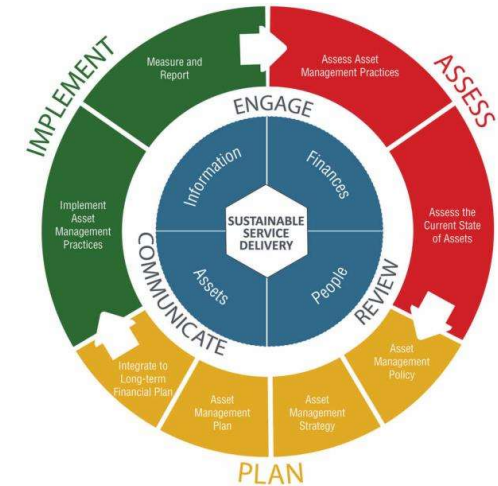
**313 Black Creek/Oyster Bay  
Water  
2024-2033 Capital Planning**





# 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 |
|--------------------------------|----------------|---------------|------|------|------|
| 1037 – New Water Supply        | \$758,135      | -             | -    | -    | -    |
| 1152 – Annual Capital Projects | \$187,000      | \$55,000      | -    | -    | -    |
| <b>Total</b>                   | <b>945,135</b> | <b>55,000</b> | -    | -    | -    |

### 2024 Annual Capital Projects:

- Caustic pump replacement
- Meter replacements
- pH Analyzer
- Spill containment reconfiguration
- UV actuator (1 of 2)
- Well clean up 1,2 & 4



## New Water Supply



Nov.18, 2022  
PAD CONSTRUCTION

Nov & Dec 2022  
DRILLING & TESTING

2023  
PERMITTING & DESIGN

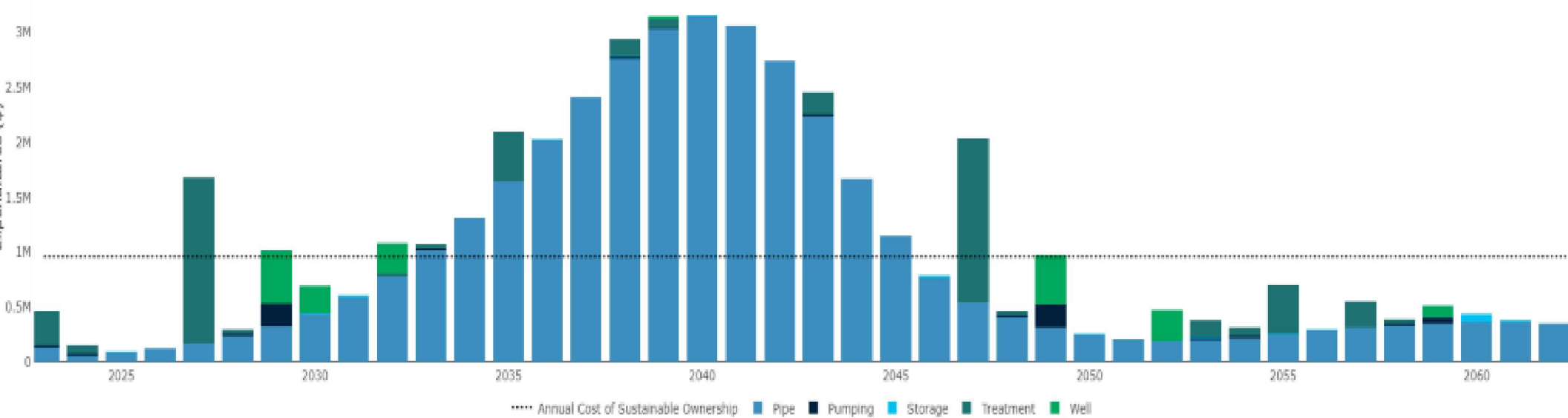
2024

- Permits & water licenses
- Tender
- Construction-spring





# Long Term Capital Plan





# Reserves

## Projected Balances

| Reserve                                | 2023 Ending Balance |
|--|---------------------|
| 313 – Future Expenditure Reserve       | \$98,986            |
| 860 – Facilities Reserve               | 67,875              |
| 897 – Development Cost Charges Reserve | 403,198             |
| <b>Total</b>                           | <b>570,059</b>      |



# Future Expenditure Reserve (313)

## Projected Balances

|                          | 2024      | 2025      | 2026      | 2027      | 2028      |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance          | \$98,986  | \$103,986 | \$108,986 | \$113,986 | \$118,986 |
| Contributions to Reserve | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     |
| Transfers to Operating   | -         | -         | -         | -         | -         |
| Ending Balance           | \$103,986 | \$108,986 | \$113,986 | \$118,986 | \$123,986 |



# Facilities Reserve (860)

## Projected Balances

|                          | 2024        | 2025     | 2026    | 2027    | 2028      |
|--------------------------|-------------|----------|---------|---------|-----------|
| Opening Balance          | \$207,986** | \$85,641 | 141,405 | 321,709 | 631,124   |
| Contributions to Reserve | 89,503      | 110,764  | 180,304 | 309,415 | 432,134   |
| Transfers to Capital     | 211,848     | 55,000   | -       | -       | -         |
| Ending Balance           | 85,641      | 141,405  | 321,709 | 631,124 | 1,063,258 |

\* Includes project 1037 2023 projected carry forward \$140,111








## Development Cost Charges Reserve (897)

### Projected Balances

|                                | 2024                         | 2025      | 2026      | 2027      | 2028      |
|--------------------------------|------------------------------|-----------|-----------|-----------|-----------|
| Opening Balance                | \$403,198                    | \$200,753 | \$200,753 | \$200,753 | \$200,753 |
| Contributions to Reserve       | Cannot be reliably estimated |           |           |           |           |
| Transfers to Capital/Operating | 202,445                      | -         | -         | -         | -         |
| Ending Balance                 | 200,753                      | 200,753   | 200,753   | 200,753   | 200,753   |



# Summary

| <b>Fiscal Responsibility</b><br> | <b>Climate Crisis &amp; Environmental Stewardship &amp; Protection</b><br> | <b>Community Partnerships</b><br> | <b>Indigenous Relations</b><br> | <b>Accessibility, Diversity, Equity &amp; Inclusion</b><br> |
|---|---|---|--|--|
| <p>Asset Management</p> <p>Fair &amp; sustainable water rates established for 2024 through rate review</p>        | <p>Fully metered system</p> <p>Conservation user rate structure</p> <p>Reliable &amp; resilient infrastructure- new well</p>                                | <p>Service partnership between SRD &amp; CVRD</p>   | <p>Close communication with K'ómoks First Nation on relevant initiatives such as water licensing</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 313, Black Creek/Oyster Bay Water Service, be approved.



Questions?