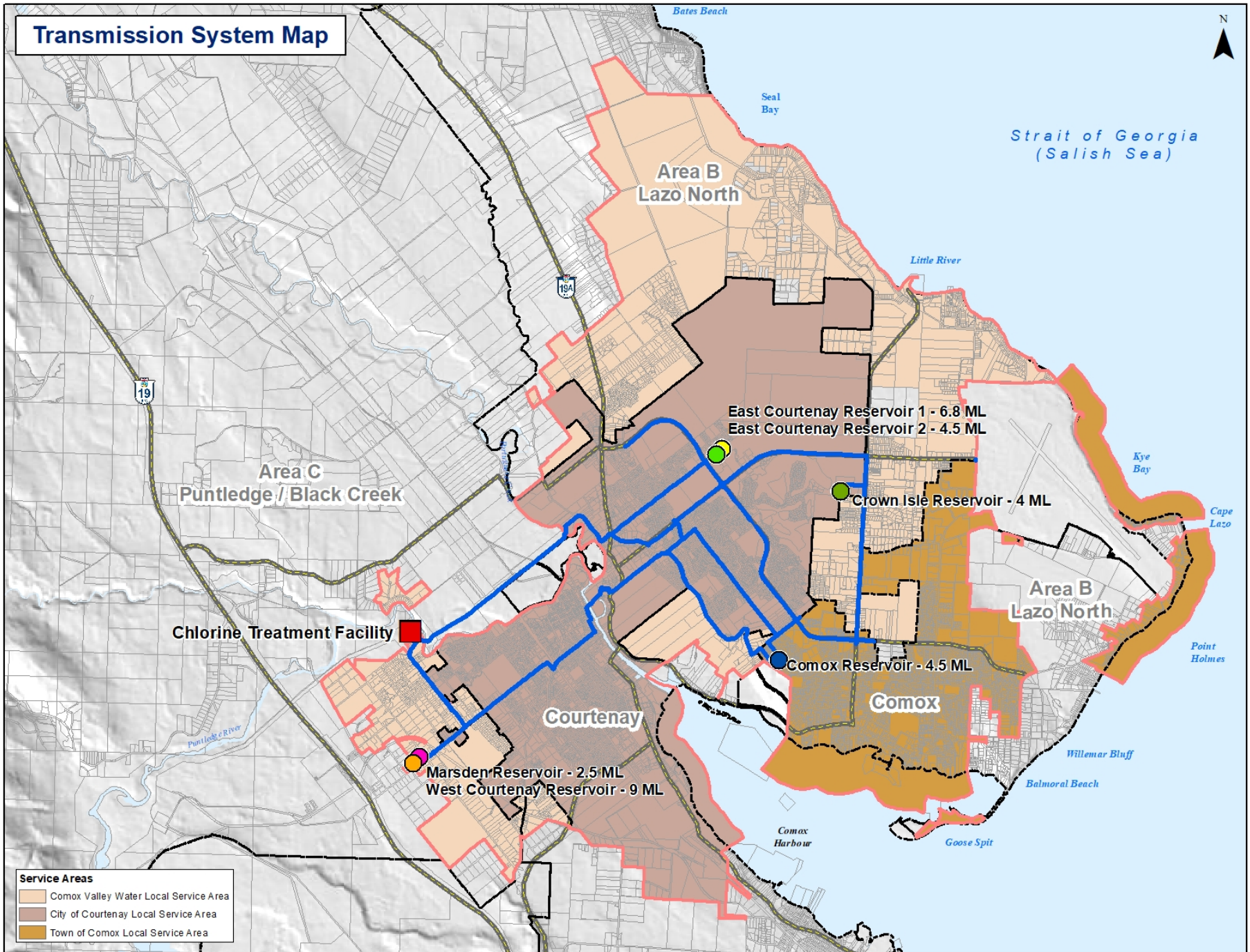


# **Comox Valley Water System (Function No. 300 & 301)**

## **2020 – 2024 Financial Plan**

# Transmission System Map



**Service Areas**

- Comox Valley Water Local Service Area
- City of Courtenay Local Service Area
- Town of Comox Local Service Area



# Comox Valley Water System

## BC Hydro Penstock/Water Supply and Distribution

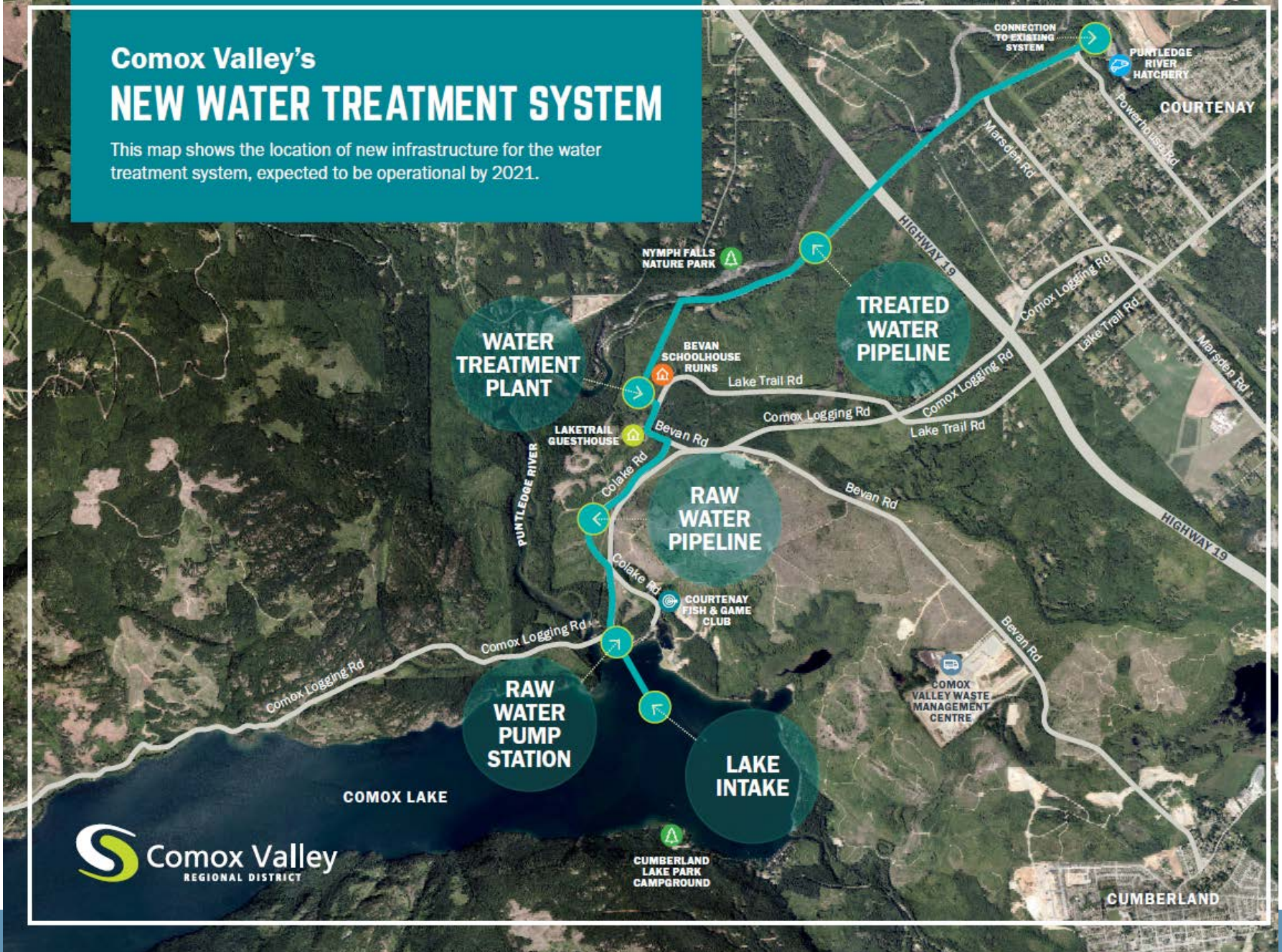
- Comox Lake source water
- Diversion dam diverts water into BC Hydro Penstock
- 10' diameter, above ground steel pipeline, approximately 5 km long
- Two CVRD tie-ins to penstock divert water to CVWS
- Flows by gravity into the CVRD CI building for disinfection





# Comox Valley's NEW WATER TREATMENT SYSTEM

This map shows the location of new infrastructure for the water treatment system, expected to be operational by 2021.



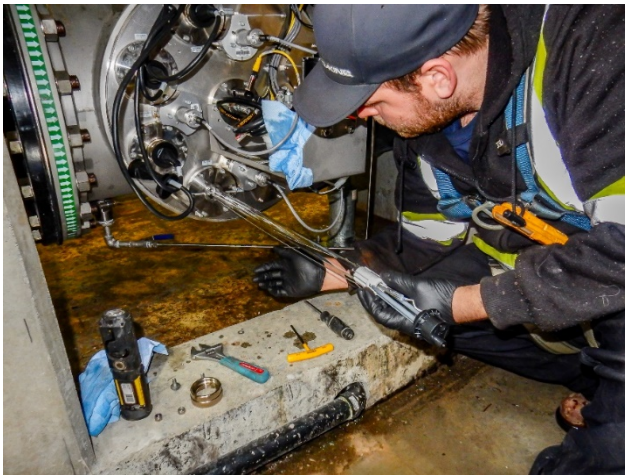


# CV Water Service Crew



# Comox Valley Water System 2019 Accomplishments

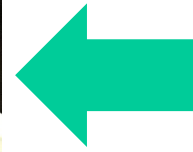
- ✓ Watermain transmission repair under the Puntledge River
- ✓ Replaced lamps, auto cleaners and home switches for the UV system at the chlorination station
- ✓ Completed draft asset management plan and asset inventory
- ✓ Updated the sampling program for the service
- ✓ Implemented new software for operations
- ✓ Awarded the CVWTP contract and initiated construction



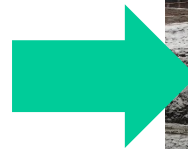




Leak  
Repair



WTP  
Construction



# Comox Valley Water System

## 2020 Work Plan

- Construction of CVWTP
- Hiring of new treatment operator
- Continue work on asset management plan
- Condition assessment of concrete cylinder pipe
- Increase electrical preventative maintenance
- Selection and implementation of computerized maintenance management system





# 2020 Financial Plan - Revenue

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Senior Government Grants			-
Sale Services User Fees	7,213,907	6,998,510	(215,397)
Other Revenue/Recoveries	98,673	98,980	307
Transfer from Reserve		750,000	750,000
Prior Years Surplus	144,187		(144,187)
	<b>\$ 7,456,767</b>	<b>\$ 7,847,490</b>	<b>\$ 390,723</b>

- Most revenue is derived from the sale of bulk water.
- There is a 3.8% increase to the bulk water rate from 2019

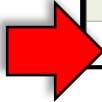
# 2020 Financial Plan - Revenue

	2019-2023 ADOPTED FINANCIAL PLAN		2020-2024 PROPOSED FINANCIAL PLAN	
	<i>BULK WATER RATE (\$/M<sup>3</sup>)</i>	<i>WATER RATE REVENUE (\$M)</i>	<i>BULK WATER RATE (\$/M<sup>3</sup>)</i>	<i>WATER RATE REVENUE (\$M)</i>
<b>2019</b>	\$0.80	\$7.2M	-	-
<b>2020</b>	\$0.83	\$7.6M	\$0.83	\$7.0M
<b>2021</b>	\$0.85	\$7.95M	\$0.85	\$7.2M
<b>2022</b>	\$0.85	\$8.1M	\$0.85	\$7.3M
<b>2023</b>	\$0.85	\$8.2M	\$0.96	\$8.3M
<b>2024</b>	-	-	\$0.96	\$8.4M



# 2020 Financial Plan – Personnel

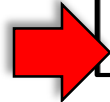
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Senior Government Grants			-
Sale Services User Fees	7,213,907	6,998,510	(215,397)
Other Revenue/Recoveries	98,673	98,980	307
Transfer from Reserve		750,000	750,000
Prior Years Surplus	144,187		(144,187)
	<b>\$ 7,456,767</b>	<b>\$ 7,847,490</b>	<b>\$ 390,723</b>
<b>Expenditures</b>			
Personnel Costs	1,086,468	1,386,325	299,857



- Currently showing a 27.5% increase to personnel costs attributable to the start of hiring new operators for the CVWTP
- Personnel costs are expected to increase by a total of approximately 60% over 2019 once all CVWTP hiring complete

# 2020 Financial Plan –Operating

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Senior Government Grants			-
Sale Services User Fees	7,213,907	6,998,510	(215,397)
Other Revenue/Recoveries	98,673	98,980	307
Transfer from Reserve		750,000	750,000
Prior Years Surplus	144,187		(144,187)
	<b>\$ 7,456,767</b>	<b>\$ 7,847,490</b>	<b>\$ 390,723</b>
<b>Expenditures</b>			
Personnel Costs	1,086,468	1,386,325	299,857
Operating	1,985,839	1,964,614	(21,225)

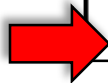


- There is a modest decrease to operating costs
- Increase in overall expenditures attributable to \$750,000 contribution for the Cumberland Community Forest Society



# 2020 Financial Plan – Capital Reserves

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Senior Government Grants			-
Sale Services User Fees	7,213,907	6,998,510	(215,397)
Other Revenue/Recoveries	98,673	98,980	307
Transfer from Reserve		750,000	750,000
Prior Years Surplus	144,187		(144,187)
	<b>\$ 7,456,767</b>	<b>\$ 7,847,490</b>	<b>\$ 390,723</b>
<b>Expenditures</b>			
Personnel Costs	1,086,468	1,386,325	299,857
Operating	1,985,839	1,964,614	(21,225)
Contribution to Reserve	3,273,734	2,257,928	(1,015,806)



- Capital reserves to fund approximately 25% of the CVWTP costs
- The plan optimizes use of available reserves but leaves reserves in good shape by end of financial planning period

At December 31, 2019:

- Capital works reserve: \$13,828,650
- Development cost charge reserve: \$7,238,323
- Future Expenditure Fund: \$3,117,173

# 2020 Financial Plan – Capital

<b>Capital</b>				
<b>Funding Sources</b>		2019 BV	2020PB	Increase (Decrease)
Senior Government Grants		14,573,307	36,256,366	21,683,059
Other Revenue/Recoveries		75,240	10,000	(65,240)
Short Term Debt Proceeds			14,646,464	14,646,464
Transfer from Reserve		10,410,698	10,472,780	62,082
	<b>\$</b>	<b>25,059,245</b>	<b>\$ 61,385,610</b>	<b>\$ 36,326,365</b>
<b>Funding Applied</b>				
Capital Projects & Equip		25,059,245	61,385,610	36,326,365
	<b>\$</b>	<b>25,059,245</b>	<b>\$ 61,385,610</b>	<b>\$ 36,326,365</b>

- Construction on the CVWTP began in 2019
- Projects will be funded through a combination of capital works reserves, DCC reserves and long term debt
- New debt will begin in 2020 for the CVWTP
- Higher-cost long term debt delayed as late as possible



# 2020 Financial Plan – Capital

*Support of the financial plan will also demonstrate support for the operating and capital projects/ contracts included within the plan.*

<b>Project</b>	<b>2020</b>
Vehicle Capital Purchase	\$90 k
Annual Capital Equipment	\$85 k
Annual Capital Projects	\$550 k
CVWTP	\$60.4 M
Extension of Water Service South	\$20 k
Maintenance Management System	\$80 k
Comox Lake Land Corp Purchase	\$150 k
<b>Total</b>	<b>\$61 M</b>

# Watershed Protection Plan

## 2019

- Management planning for Coal Beach property to prevent future development on lake
- Continued work on proper functioning condition assessment
- Commenced implementation education and outreach program
- Deployment of thermistor strings
- MNAI initiative to establish value of WS as a natural asset

## 2020

- Complete management plan for Coal Beach property
- Further proper functioning condition assessments of sub-watersheds
- Work with WAG to review WPP risk assessment
- Complete MNAI initiative and incorporate the watershed into the 300 asset management plan

# In Summary

<b>Fiscal Responsibility:</b>	<b>Climate Crisis and Environmental Stewardship and Protection:</b>
<ul style="list-style-type: none"> <li>• Revenue projections holding steady</li> <li>• Continuing to development asset management plan</li> <li>• Keeping CVWTP on time and budget</li> </ul>	<ul style="list-style-type: none"> <li>• Continued implementation of WPP</li> <li>• CVWS contribution towards Perseverance Creek purchase</li> <li>• All rural connections are metered and both municipalities actively increasing proportion of metered connections</li> </ul>
<b>Community Partnerships:</b>	<b>Indigenous Relations:</b>
<ul style="list-style-type: none"> <li>• Continued management of the CVWS through the water committee with representation from two municipalities and EA</li> <li>• Implementation of the WPP guided by multi-stakeholder WAG</li> </ul>	<ul style="list-style-type: none"> <li>• Working closely with KFN on delivery of water to the south</li> <li>• As a result of the MBA signed in 2018, KFN now has spot on the WC as observer</li> </ul>