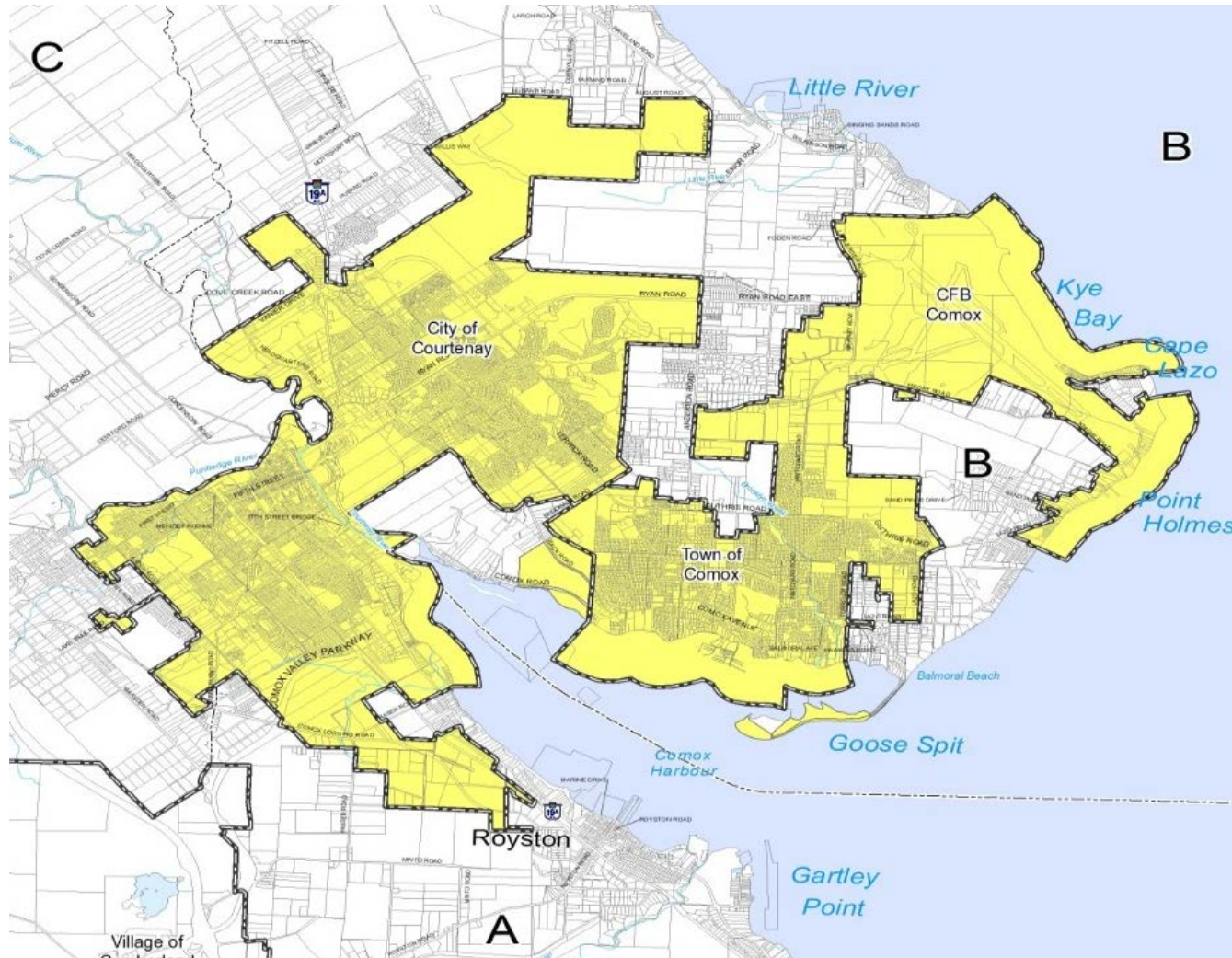


Comox Valley Sewerage System

Function # 335-338

2020 – 2024 Financial Plan

Comox Valley Sewerage Service



CV sewer service crew



Comox Valley Sewerage System

2019 Highlights

- Completion of the compost facility expansion
- Completion of follow up odour control studies at the CVWPCC
- Completion of multiple asset management driven replacements
- Progressed the LWMP planning process
- Started and almost finished construction of the CVWPCC EQ basin



2019 Financial Plan -Revenue

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	6,030,682	6,400,000	369,318
Sale Services User Fees	977,204	1,039,045	61,841
Other Revenue/Recoveries	4,598	4,676	78
Prior Years Surplus	727,406	104,762	(622,644)
	\$ 7,739,890	\$ 7,548,483	\$ (191,407)

- **6% increase to requisition** in 2020, inline with what was approved in existing 5 year financial plan
- Revenue forecasted to remain unchanged from DND and KFN
- LWMP related infrastructure borrowing requirements driving up requisition in later years
- Will be adjusted next year with outcome of LWMP

	2019	2020	2021	2022	2023	2024
2019-2023	\$6 M	\$6.4 M	\$6.4 M	\$7.2 M	\$7.2 M	
2020-2024		\$6.4 M	\$6.8 M	\$7.2 M	\$7.6 M	\$8.3 M

2020 Financial Plan - Personnel

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	6,030,682	6,400,000	369,318
Sale Services User Fees	977,204	1,039,045	61,841
Other Revenue/Recoveries	4,598	4,676	78
Prior Years Surplus	727,406	104,762	(622,644)
	\$ 7,739,890	\$ 7,548,483	\$ (191,407)
Expenditures			
Personnel Costs	1,758,835	1,667,154	(91,681)



- Motion included in report to correct error
- Actual increase in 2020 projected to be approximately 1.5 per cent
 - Includes shift away from capitalizing project staff
 - Regular CUPE increases

2019 Financial Plan - Operating

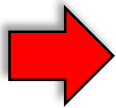
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
Revenue			
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Prior Years Surplus	727,406	104,762	(622,644)
	\$ 7,739,890	\$ 7,548,483	\$ (191,407)
Expenditures			
Personnel Costs	1,758,835	1,667,154	(91,681)
Directors Remuneration	7,200	7,200	-
Operating	2,400,620	2,470,117	69,497



- Operating costs expected to increase by approximately 3 per cent
 - Increase in anticipated LWMP spending
 - Increase in electrical preventative maintenance

2019 Financial Plan –Reserves

Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	6,030,682	6,400,000	369,318
Sale Services User Fees	977,204	1,039,045	61,841
Other Revenue/Recoveries	4,598	4,676	78
Prior Years Surplus	727,406	104,762	(622,644)
	\$ 7,739,890	\$ 7,548,483	\$ (191,407)
Expenditures			
Personnel Costs	1,758,835	1,667,154	(91,681)
Directors Remuneration	7,200	7,200	-
Operating	2,400,620	2,470,117	69,497
Contribution to Reserve	2,585,895	2,391,960	(193,935)



- 2020 reserve contribution down slightly
- Capital works and DCC reserves are drawn to minimum levels over financial plan to help fund capital projects

At December 31, 2019:

- Capital works reserve: \$6,892,952
- Development cost charge reserve: \$1,923,734

2019 Financial Plan - Capital

	2019 BV	2020PB	Increase (Decrease)
Capital			
Funding Sources			
Short Term Debt Proceeds	2,700,000	3,000,000	300,000
Transfer from Reserve	10,882,081	8,939,000	(1,943,081)
	\$ 13,582,081	\$ 11,939,000	\$ (1,643,081)
Funding Applied			
Capital Projects & Equip	13,582,081	11,939,000	(1,643,081)
	\$ 13,582,081	\$ 11,939,000	\$ (1,643,081)

- Primary drivers for capital spending are the age and capacity of the infrastructure
- Capital revenue for these projects will be funded through a combination of capital works reserves, DCC reserves and long term debt
- Capital in 2020 is funded through reserves and short term debt

2020 Work plan – Capital Projects

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

Project	2020
Sewer conveyance upgrades	\$3 M
Annual capital equipment	\$260 k
Odour control – bioreactors	\$6 M
EQ basin (carry forward)	\$1.6 M
CFB Comox PS (carry forward)	\$830 k
Annual asset management projects	\$150 k
Total	\$11,939,000

In summary...

Fiscal Responsibility	Climate Crisis and Environmental Stewardship and Protection
<ul style="list-style-type: none">• Service facing period of intense capital spending• Potential to phase conveyance upgrades would help reduce impact to sewer users• Potential for additional partners to help dilute capital and operating costs	<ul style="list-style-type: none">• LWMP being driven by push to decommission Willemar Bluffs forcemain• All new infrastructure being designed for resilience to predicted impacts of climate change
Community Partnerships	Indigenous Relations
<ul style="list-style-type: none">• LWMP process continues and involves intensive consultation with stakeholders• Working closely with Area A and KFN to assess the viability of extending sewer services south	<ul style="list-style-type: none">• CVRD working closely with the KFN to resolve past and future impacts of infrastructure on IR1• Potential for partnership with KFN to facilitate KFN economic development in the south