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**CEDAR LANE WATER SERVICE COMMISSION**

Notice of Meeting on **December 3, 2012 at 11 am**

Portlock Park Portable Meeting Room, 145 Vesuvius Bay Road, Salt Spring Island, BC

C. Dixon (Chair)

J. Squier

O. Phillips

W. McIntyre

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**AGENDA**

1. Approval of Agenda
2. 2013 Operating and Capital Budget
3. New Business
4. Adjournment

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*To ensure a quorum, advise Tracey Shaver at 250.537.4448 if you cannot attend.*



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## REPORT TO CEDAR LANE WATER SERVICE COMMISSION MEETING OF MONDAY, DECEMBER 3, 2012

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### **SUBJECT**      **2013 OPERATING AND CAPITAL BUDGET**

### **ISSUE**

This report provides a synopsis of the 2013 budget, highlighting significant proposed changes. In accordance with Bylaw No. 3693, "Salt Spring Island Water, Sewer and Liquid Waste Disposal Commissions Bylaw No. 1, 2010", "Before the end of November of each year, a Commission shall be presented with a five-year operating and capital budget for the service area, which shall include estimates for the administrative, development, maintenance, operational and other expenses, including debt charges, and shall submit such expenditure estimates, together with estimates for expected revenues, in a form approved by the Financial Officer of the CRD for the approval of the Regional Board and for inclusion in the Regional Board's preliminary and annual budgets."

### **BACKGROUND**

#### 2012 Actual Revenue and Expense

The 2012 actual revenue is projected to be \$757 higher than budget due to higher than budgeted consumption charges. Expenditures are expected to be \$3,728 below budget, mainly due to lower labour expenditures and unused contingency funding. As a result, a \$4,485 surplus is anticipated at 2012 year end.

#### 2013 Operating Expense

A net decrease in the 2013 operating expense of \$1,068 is proposed, resulting from:

- \$2,911 decrease in operating expenses over 2012 budget;
- \$2,000 increase in North Salt Spring Waterworks operating contract budget;
- \$2,815 increase in contingency allowance to mitigate the risk of an operating deficit; and
- \$2,982 decrease in transfer to reserve fund.

The debt expenditure budget for 2013 is \$15,700.

#### 2013 Capital Plan

There are no new capital projects planned for 2013. It is expected to complete the Strategic Asset Management Plan that was initiated for the service in 2012.

#### 2013 Revenue Requirement and User Charges

With the proposed decrease in 2013 expenses and the projected \$4,485 surplus carried forward, the overall revenue requirement for 2013 decreases by \$1,068. The annual fixed user charge and the consumption charge rates are proposed to remain at the 2012 levels.

Forecast 2014-2017

A five-year capital and operating budget forecast is provided for information. The scope and budget for future capital upgrades will be considered upon completion of the Strategic Asset Management Plan initiated in 2012.

**RECOMMENDATION**

That the Cedar Lane Water Service Commission recommends that the CRD Board:

1. Approve the 2013 operating and capital budget for the Cedar Lane Water Service as presented;
2. Approve the 2013 fixed annual user charge and the consumption charge rates for the Cedar Lane Water Service as presented; and
3. Balance the 2012 actual revenue and expenditures on the 2012 transfer to reserve.

  
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Ted Robbins, BSc, CTech  
Acting General Manager, Integrated Water Services

TR:mm

Attachment: 1