



Making a difference...together

CEDAR LANE WATER SERVICE COMMISSION
Notice of Meeting on **December 5, 2013 at 11 am**
Portlock Park Portable Meeting Room, 145 Vesuvius Bay Road, Salt Spring Island, BC

O. Phillips

R. Pingle

C. Dixon

W. McIntyre

AGENDA

1. Approval of Agenda
2. 2014 Operating and Capital Budget
3. New Business
4. Adjournment

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



Making a difference...together

**REPORT TO CEDAR LANE WATER SERVICE COMMISSION
MEETING OF THURSDAY, DECEMBER 5, 2013**

SUBJECT **2014 OPERATING AND CAPITAL BUDGET**

ISSUE

This report provides a synopsis of the 2014 budget, highlighting significant proposed changes and is provided in accordance with Bylaw No. 3693, "Salt Spring Island Water, Sewer and Liquid Waste Disposal Commissions Bylaw No. 1, 2010."

BACKGROUND

2013 Actual Revenue and Expense

The 2013 actual revenue is projected to be \$2,760 lower than budget due to lower than budgeted water consumption and corresponding revenue. Expenditures are expected to be \$8,725 below budget, mainly due to lower labour expenditures and unused contingency funding. As a result, a \$5,965 surplus is anticipated at 2013 year end.

2014 Operating Expense

A net decrease in the 2014 operating expenditures of \$3,625 is proposed, resulting from:

- \$247 decrease in operating expenses over 2013 budget;
- \$460 increase allowance in the North Salt Spring Waterworks operating contract budget;
- \$3,828 decrease in the planned transfer to reserve fund over 2013 budget; and
- \$10 decrease in the debt expenditure budget over 2013 budget.

2014 Capital Plan

There are no new capital projects planned for 2014. It is expected to complete the Strategic Asset Management Plan for the service in 2014.

The Cedar Lane capital reserve fund balance at year end 2013 is projected to be \$80,234.

2014 Revenue Requirement – Parcel Tax and User Charges

With the proposed decrease in 2014 expenses and the projected \$5,965 surplus carried forward into 2014, the overall revenue requirement for 2014 remains the same as 2013. The parcel tax, annual fixed user charge and the consumption charge rates are proposed to remain at the 2013 levels.

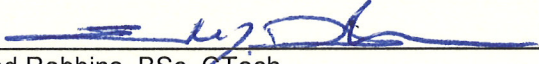
Forecast 2015-2018

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.

RECOMMENDATION

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

1. Approve the 2014 operating and capital budget for the Cedar Lane Water Service as presented;
2. Approve the 2014 parcel tax, fixed annual user charge and the consumption charge rates for the Cedar Lane Water Service as presented; and
3. Balance the 2013 actual revenue and expenditures on the 2013 transfer to reserve.



Ted Robbins, BSc, CTEch
General Manager, Integrated Water Services

TR:mm

Attachment: 1

CAPITAL REGIONAL DISTRICT

2014 BUDGET

Cedar Lane Water (SSI)

COMMITTEE REVIEW

Compiled and Presented by CRD Finance
Data provided by Integrated Water Services

November 2013

Service: 2.628 Cedar Lane Water (SSI)

Committee: Electoral Area Services

DEFINITION:

To provide and operate water supply and distribution facilities for the Salt Spring Island Cedar Lane Water Service Area.
Bylaw 3424 (Oct 10, 2007)

PARTICIPATION:

Local Service Area #31, P(764)

MAXIMUM LEVY:

Greater of \$54,000 or \$4.76/\$1,000 of actual assessed value of land and improvements.

MAXIMUM CAPITAL DEBT:

Authorized:	LA Bylaw No. 3425 (Oct 10, 2007)	\$168,000
Borrowed:	SI Bylaw 3514 (Feb 13, 2008)	(\$60,000)
Remaining:	SI Bylaw 3634 (Aug 12, 2009)	(\$108,000)
		<u>\$0</u>

(matures 2023) 4.65%

COMMISSION:

Cedar Lane Water Service Commission established by Bylaw 3505, Feb 13, 2008.

FUNDING:

User Charge: Annual fixed fee per water service connection + consumption charge
Parcel Tax: Annual charge only on properties capable of being connected to the system.

RESERVE FUND BYLAW:

Cedar Lane Water Service Capital Reserve Fund, Bylaw #3582 (Nov 12, 2008).

2.628 - CEDAR LANE WATER

OPERATING COSTS:

Operating - Costs 16,769
 Contract For Services 23,500
 Contingency 0

TOTAL OPERATING COSTS

*Percentage Increase over prior year

CAPITAL / RESERVE
 Transfer to Equipment Replacem 7,334
 Transfer to Reserve Fund 7,334

TOTAL CAPITAL / RESERVES

Debt Expenditures 15,640
 MFA Debt Reserve 60

TOTAL COSTS

*Percentage Increase over prior year

Internal Recoveries 0
 Recovery - Other 0

OPERATING COSTS LESS INTERNAL RECOVERIES

*Percentage Increase over prior year

FUNDING SOURCES (REVENUE)

Surplus / (Deficit) 5,965
 Balance C/F from Prior to Current year (9,580)
 Revenue - Water Sales (12,500)
 Revenue - Other (60)
 User Charges (28,235)

TOTAL REVENUE

*Percentage Increase over prior year

REQUISITION
 NOTE: Capital / Reserve Fund Expenditures
 PARTICIPANTS: Cedar Lane Water LSA
 AUTHORIZED POSITIONS:
 Salaried 0.00
 Hourly 0.00

	2013		2014		2015		2016		2017		2018	
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	Supplementary	TOTAL	Supplementary	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	20,994	16,769	20,747	0	20,747	0	21,252	21,725	22,211	22,708		
	23,000	23,500	23,460	0	23,460	0	23,929	24,408	24,896	25,394		
	5,000	0	5,000	0	5,000	0	5,050	5,152	5,256	5,362		
TOTAL OPERATING COSTS	48,994	40,269	49,207	0	49,207	0	50,231	51,284	52,363	53,464		
*Percentage Increase over prior year	0.00%	-17.81%	0.44%		0.44%		2.08%	2.10%	2.10%	2.10%		
CAPITAL / RESERVE	0	0	0	0	0	0	0	0	0	0		
Transfer to Equipment Replacem	7,334	7,334	3,506	0	3,506	0	3,630	3,757	3,886	4,018		
Transfer to Reserve Fund	7,334	7,334	3,506	0	3,506	0	3,630	3,757	3,886	4,018		
TOTAL CAPITAL / RESERVES	15,640	15,640	15,640	0	15,640	0	15,640	15,840	15,640	15,640		
Debt Expenditures	60	60	50	0	50	0	50	50	50	50		
MFA Debt Reserve	60	60	50	0	50	0	50	50	50	50		
TOTAL COSTS	72,028	63,303	68,403	0	68,403	0	69,551	70,731	71,938	73,172		
*Percentage Increase over prior year	0.00%	-12.11%	-5.03%	0.00%	-5.03%	0.00%	1.68%	1.70%	1.71%	1.71%		
Internal Recoveries	0	0	0	0	0	0	0	0	0	0		
Recovery - Other	0	0	0	0	0	0	0	0	0	0		
OPERATING COSTS LESS INTERNAL RECOVERIES	72,028	63,303	68,403	0	68,403	0	69,551	70,731	71,938	73,172		
*Percentage Increase over prior year	0.00%	-12.11%	-5.03%		-5.03%		1.68%	1.70%	1.71%	1.71%		
FUNDING SOURCES (REVENUE)												
Surplus / (Deficit)	5,965	5,965	0	0	(5,965)	0	0	0	0	0		
Balance C/F from Prior to Current year	(9,580)	(9,580)	0	0	(12,500)	0	(12,500)	(12,500)	(12,500)	(12,500)		
Revenue - Water Sales	(12,500)	(9,800)	0	0	(50)	0	(50)	(50)	(50)	(50)		
Revenue - Other	(60)	0	0	0	(28,235)	0	(28,235)	(36,528)	(37,735)	(38,969)		
User Charges	(28,235)	(28,235)	0	0	(46,750)	0	(47,898)	(49,078)	(50,285)	(51,519)		
TOTAL REVENUE	(50,375)	(41,650)	(21,653)	0	(21,653)	0	(21,653)	(21,653)	(21,653)	(21,653)		
*Percentage Increase over prior year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
NOTE: Capital / Reserve Fund Expenditures	0	0	0	0	0	0	0	0	0	0		
PARTICIPANTS: Cedar Lane Water LSA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
AUTHORIZED POSITIONS:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Salaried	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Hourly	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

2.628 - CEDAR LANE WATER

column	Prior Yr: v7	Est Act v9	Core v2	#VALUE!	Total	Fcst Yr1 v10	Fcst Yr2 v11	Fcst Yr3 v12	Fcst Yr4 v13
		#				#			
Operating - Costs	20,994	16,769	20,747	0	20,747	21,252	21,725	22,211	22,708
Contract For Services	23,000	23,500	23,460	0	23,460	23,929	24,408	24,896	25,394
Contingency	5,000	0	5,000	0	5,000	5,050	5,152	5,256	5,362
Other Labour	350	350	360	0	360	370	377	385	393
Corp.Svs & Insurance/Legal	3,721	3,721	3,721	0	3,721	3,886	3,912	3,991	4,070
Operating Labour	5,570	2,652	5,575	0	5,575	5,686	5,800	5,916	6,034
Vehicles	688	250	500	0	500	510	520	531	541
Water Quality Oversight/Report	0	0	0	0	0	0	0	0	0
Travel Expenses	177	80	177	0	177	181	184	188	192
Repairs and Maintenance Costs	950	400	950	0	950	969	988	1,008	1,028
Rentals and Leases	100	0	100	0	100	102	104	106	108
Operating - Other Costs	3,449	280	353	0	353	360	367	375	382
Administration & Engineering	3,206	3,006	2,974	0	2,974	3,033	3,094	3,155	3,215
Licences/Surveys/Fees	150	150	150	0	150	153	156	159	162
Water Testing Expenditures	3,000	1,600	3,060	0	3,060	3,121	3,184	3,247	3,312
Electricity	2,200	3,000	2,290	0	2,290	2,383	2,479	2,579	2,683
Supplies - Chemical	300	300	300	0	300	306	312	318	325
Supplies - Operating	233	1,000	238	0	238	242	247	252	257
	20,994	16,769	20,747	0	20,747	21,252	21,725	22,211	22,708
Operating Expenditures - LSA's	48,984	40,269	49,207	0	49,207	50,231	51,284	52,363	53,464
Capital Reserve Expenditures	7,334	7,334	3,506	0	3,506	3,630	3,757	3,886	4,018
Debt Expenditures	15,640	15,640	15,640	0	15,640	15,640	15,640	15,640	15,640
MFA Debt Reserve	60	60	50	0	50	50	50	50	50
Revenue - Water Sales	(12,500)	(9,800)	(12,500)	0	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
Revenue - Other	(60)	0	(50)	0	(50)	(50)	(50)	(50)	(50)
User Charges	(28,235)	(28,235)	(28,235)	0	(28,235)	(35,348)	(36,528)	(37,735)	(38,969)
Grants In Lieu of Taxes	0	0	0	0	0	0	0	0	0
Revenue	(40,795)	(38,035)	(40,785)	0	(40,785)	(47,898)	(48,078)	(50,285)	(51,519)
Parcel Taxes	(21,653)	(21,653)	(21,653)	0	(21,653)	(21,653)	(21,653)	(21,653)	(21,653)
Funds Carried Forward	(9,580)	(9,580)	(5,965)	0	(5,965)	0	0	0	0
Debit	0	0	0	0	0	0	0	0	0
Debit	0	(5,965)	0	0	0	0	0	0	(6)
Total Plan	0	(5,965)	0	0	0	0	0	0	(6)

Service: 2.628 Cedar Lane Water (SSI)

Committee: Electoral Area Services

Year	Taxable Folios		Parcel Tax	By-law No.		Number Connections	User Charge	By-law No.	Actual Assessments	Converted Assessments
	Folios	Parcels		No.	No.					
2010	37	37	\$525.40	37	37	37	\$500 + consumption charge *	3688	15,217,125	1,528,179
2011	37	37	\$826.44	37	37	37	\$763.11 + consumption charge *	3777	15,534,425	1,559,836
2012	37	37	\$826.44	37	37	37	\$763.11 + consumption charge *	3822	14,605,425	1,468,531
2013	37	37	\$615.94	37	37	37	\$763.11 + consumption charge *	3891	13,690,325	1,369,032
2014	37	37	\$615.94	37	37	37	\$763.11 + consumption charge *	3891		

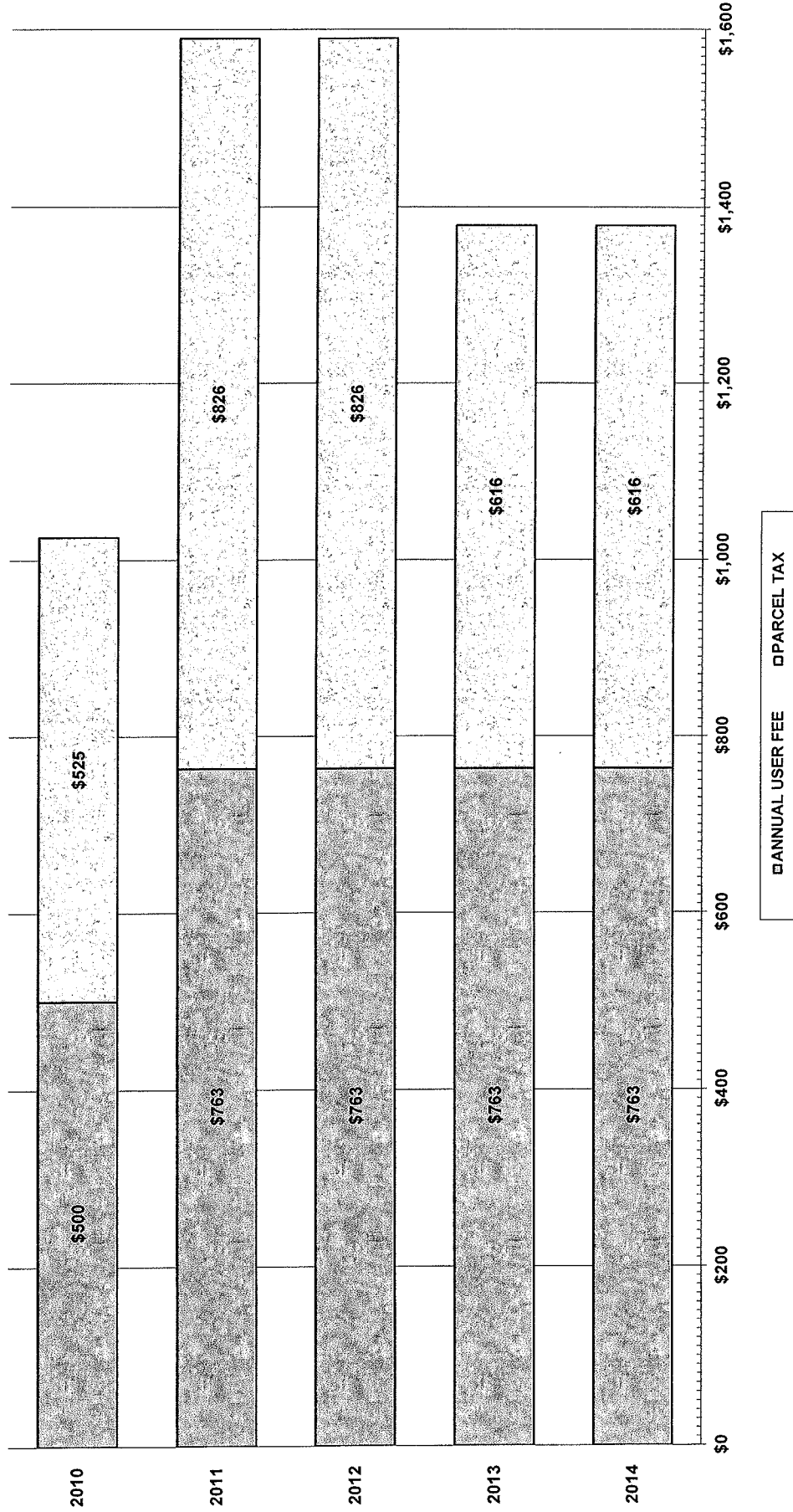
* 2008 was based on number of SFE's @ \$588 + consumption charge.

Effective 2009, annual user charge is based on number of connections + consumption charge.

The consumption charge for water will be the volume of water metered to each service connection, measured in cubic metres (or other units converted to cubic metres) over a three-month billing period at a rate as follows:

- First 38 cubic metres or portion \$2.25 per cubic metre
- Next 68 cubic metres or portion \$8.00 per cubic metre
- Greater than 105 cubic metres \$25.00 per cubic metre

CAPITAL REGIONAL DISTRICT Cedar Lane WATER (SSI) FUNDING ANALYSIS 2010 - 2014



Actual data 2010-13, Projected 2014
Prepared by CRD Finance
11/21/2013

Service: 2.628 Cedar Lane Water (SSI)

Committee: Electoral Area Services

CEDAR LANE CAPITAL RESERVE FUND (# 1076):

Balance as at:	December 31, 2012	71,938
Interest (estimate)		962
Transfer to reserve fund		7,334
Transfer from reserve fund		
TOTAL ESTIMATED FUNDS:	December 31, 2013	<u>\$80,234</u>

2.628 Cedar Lane Water (SSI)
 2014 - 5 YEAR CAPITAL PLAN
 (\$'000 - 2014 Dollars)

Capital Works Description	Cap Type	2014	2015	2016	2017	2018	5 Yr Total	Projected completion cost
Strategic Asset Management Plan (SAMP) (C/F from 2012)	S	5	-	-	-	-	5	
TOTAL		5	-	-	-	-	5	

Funding Source:	2014	2015	2016	2017	2018	5 Yr Total
Grants (Federal, Provincial)	5	-	-	-	-	5
Total Proposed Funding Source	5	-	-	-	-	5

Cap Type:

- B = Buildings
- E = Equipment
- L = Land
- S = Engineering Structures
- V = Vehicles

CAPITAL REGIONAL DISTRICT - SCHEDULE G

CAPITAL BUDGET FORM
2014 to 2016 & Forecast 2017 to 2018

Service #: **2.628**
 Service Name: **Cedar Lane Water (SSI)**

Year (1)	Type Code (2)* ↓	Specific Project Description (3)	Capital		Grant Program Sponsor (6)	Loan Authorization # (7)	Participants (8) ↓	%
			Expense \$	Funding Amount Total (4) ** ↓				
2014	S	Strategic Asset Management Plan (SAMP) (C/F from 2012)	5,000	5,000	Gas Tax			

TOTAL 5,000 5,000

<p>Type Codes (2) *</p> <ul style="list-style-type: none"> L = Land S = Engineering Structures B = Buildings V = Vehicles E = Equipment 	<p>Funding Source Codes (4) **</p> <ul style="list-style-type: none"> D = Debenture Debt (new debt only) E = Equipment Replacement Fund G = Grants (Federal, Provincial) O = Donations / Third Party Funding
<p>C = Capital Funds on Hand</p> <p>R = Reserve Fund</p> <p>S = Short Term Loans</p> <p>L = Lands Sales</p>	

Cedar Lane Water (SSI)

#1 Strategic Asset Management Plan (SAMP) (carryforward, 2014)\$5,000
An engineering study will be conducted to determine the quantity, age, condition and approximate life expectancy of water mains and other infrastructure; estimate the cost to renew or replace infrastructure; and develop a long-term financial plan to fund infrastructure renewal or replacement as required to maintain an acceptable level of service and stable annual cost of service.