

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 PROGRAM BUDGET**

Program: 401 -- Westside Sewer System: Wastewater Treatment Plant m

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
Revenue:					
Insurance Claim Recovery & Misc Rev.	(2,400)	(2,400)	0	(2,400)	0
Services - Peachland	(353,008)	(353,008)	(0)	(350,934)	a 2,074 a
Services - West Kelowna	(3,282,883)	(3,282,883)	0	(3,238,094)	a 44,789 a
OBWB Sewer Grants	(25,310)	(25,310)	0	0	n 25,310
COVID Restart Grant	0	(14,929)	c (14,929)	(4,500)	(4,500)
Previous Year's Surplus/Deficit	(97,339)	(97,339)	(0)	(350,399)	c,k (253,059)
Engineering Admin OH	106,202	106,202	0	121,206	15,004
Administration OH	466,647	466,647	0	491,202	24,555
Transfer from Operating Reserve	(69,000)	0	b 69,000 b	0	69,000
Services - WFN	(866,760)	(866,760)	0	(918,216)	a (51,455) a
Total Revenue	(4,123,852)	(4,069,781)	54,071	(4,252,134)	(128,283)
Expenses:					
Operations	3,218,257	2,813,787	c (404,470)	3,189,624	d (28,633) d
Transfer to Equip. Reserves	55,000	55,000	0	55,000	e 0
Transfer to Operating Reserve	25,310	25,310	0	100,000	k 74,690
Transfer to Cap Fac. Reserves	825,285	825,285	0	907,510	f 82,225 f
Total Expenses	4,123,852	3,719,382	(404,470)	4,252,134	128,282
(Surplus) / Deficit	0	(350,399)	c (350,399)	0	(0)
FTE's	10.355			10.355	0
Total Service Cost Recovered From Partners/Participants	(4,502,652)	(4,502,651)		(4,507,244)	(4,592) 0.10%

Sewer Capital Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
Revenue					
Grants	(690,000)	0	690,000	(18,405)	671,595
Sale of Assets	(4,000)	(2,000)	2,000	0	o 4,000
From Equipment Reserves	(387,400)	(68,826)	318,574	(255,060)	o 132,340
From Capital Facility Reserves	(1,495,380)	(576,013)	919,367	(1,306,485)	h 188,895
From DCC Reserve Fund	(1,266,667)	(837,307)	429,360	(429,360)	h 837,307
Total Revenue	(3,843,447)	(1,484,145)	2,359,302	(2,009,310)	1,834,137
Expenses					
HVAC	162,960	52,193	(110,767)	225,500	g 62,540
Vehicles	268,571	40,583	(227,988)	183,560	g (85,011)
Engineering & Design Costs	27,488	25,795	(1,693)	25,750	(1,738)
TWAS Vault Expansion	1,900,000	1,255,960	(644,040)	644,040	gh (1,255,960)
Headworks Pumps	371,568	79,372	(292,196)	258,000	g (113,568)
Equipment/Improvements	25,000	16,196	(8,804)	25,750	750
Lab Equipment	45,000	14,047	(30,953)	20,000	(25,000)
Security System	10,000	0	(10,000)	51,500	41,500
Bioreactors	32,860	0	(32,860)	32,860	0
Odor Control	0	0	0	10,600	10,600
Blowers	1,000,000	0	(1,000,000)	300,000	fg (700,000)
Facility Renewal	0	0	0	231,750	231,750
Total Expenses	3,843,447	1,484,145	(2,359,302)	2,009,310	(1,834,137)
(Surplus) / Deficit	0	0	0	0	0
Equip. Reserve Fund Balance at Y/E		(325,082)		(125,722)	e (199,364)
Capital Facility Reserve Balance at Y/E		(1,413,407)		(1,015,502)	f (397,905)
DCC Reserve Fund		(3,773,809)		(3,977,893)	h,i (204,084)
Operating Reserve Fund Bal. at Y/E		(226,058)		(328,319)	c,k (102,261)

2021 Budget Notes:

- Updated 5 year average flow splits. Shift in splits from West Kelowna (-1.07%) & Peachland (-0.05%) to WFN totalling 1.12%.
- \$69k of operating reserve not required as budgeted in 2020.
- Surplus resulting from unanticipated COVID Restart Grant \$14.9k and under expenditures for Biosolids mgmt \$94.2k, Equipment Rep & Mtce \$72.9k, Biosolids removal \$58.3k, Contract Services \$54.3k, Payroll \$41.6k, Centrifuge Mtce \$25.8k, Odor Ctrl Chemicals \$25.7k, Biofilter Mtce \$17.4k, Electrical Rep & Mtce \$10.6k, and misc. under \$10k. Grounds Mtce and Bldg Assessment Operations unspent. Overexpenditures for Polymer Chemicals \$24.7k, Electricity-Plant \$19.9k and misc. under \$10k.
- Increases: Payroll \$15.3k, Telephone \$2k, Insurance \$4k, Poly Chemicals \$13k, Gas & Fuel \$1k, Lab Supplies \$10k, UV Lighting \$2.5k, Safety Supplies \$4.5k, Chlorine & SO2 Gas \$1k, Legal Fees \$1.5k, Biofilter Mtce \$20k, Biosolids Mgmt \$35k, Sewer Line Mtce \$1k, Equipment \$18k, Bldg Equip Assmt Operations \$5k. Decreases: Electricity (Plant) \$5k, Water \$1k, Biosolids Removal \$130k, Centrifuge Mtce \$5k, Equipment Rental \$1k, Vehicle Operations \$20k.
- As per previous financial plans, \$55k is to be transferred annually to equipment reserve (not included in facility replacement calculations.)
- The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level continue to be raised annually to be able to fund anticipated upcoming capital needs. In 2020 it was increased to 45% and this budget shows 50%. Staff has advised of Roof replacement coming in 2027 estimated at \$2m. Future project needs are also being examined. \$1m blower project will also need to be done within the next few years.
- Includes 2020 carry forwards.
- Increasing capacity. 2/3 of project funded with DCC's as per Engineering Staff.
- Conservatively assumes \$600k in DCC's are collected annually, however this is likely to be higher. DCC Bylaw has been updated.
- Lift Stations and Collector Systems are budgeted as separate cost centres 470, 471 & 472 simply to track the costs at the request of the partners, but are part of the overall Westside Sewer Service.
- Transfer portion of surplus to Operating Reserve for future emergency repairs, studies, etc.

REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 - 2025 Five Year Program Budget Projections

Program:401 -- Westside Sewer System: Wastewater Treatment Plantn

Department:Engineering Services (Sewer Systems)

Sewer Revenue Fund Budgets									
	2021 Budget		2022 Projected Budget		2023 Projected Budget		2024 Projected Budget		2025 Projected Budget
<u>Revenue:</u>									
Misc. Rev.	(2,400)		0		0		0		0
Services - Peachland	(350,934)		(374,994)		(380,996)		(387,117)		(393,360)
Services - West Kelowna	(3,238,094)		(3,460,102)		(3,515,474)		(3,571,954)		(3,629,562)
OBWB Sewer Grants	0		0		0		0		0
COVID Restart Grant	(4,500)		0		0		0		0
Previous Year's Surplus/Deficit	(350,399)	bk	0		0		0		0
Engineering Admin OH	121,206		122,855		125,312		127,818		130,374
Administration OH	491,202		497,885		507,842		517,999		528,359
Transfer from Operating Reserve	0		0		0		0		0
Services - WFN	(918,216)		(981,170)		(996,871)		(1,012,887)		(1,029,223)
Total Revenue	(4,252,134)		(4,195,527)		(4,260,187)		(4,326,141)		(4,393,413)
<u>Expenses:</u>									
Operations	3,189,624	c	3,233,016	d	3,297,677		3,363,630		3,430,903
Transfer to Equip. Reserves	55,000	e	55,000	e	55,000	e	55,000	e	55,000
Transfer to Operating Reserve	100,000	k	0		0		0		0
Transfer Cap. Facility Reserves	907,510	f	907,510		907,510		907,510		907,510
Total Expenses	4,252,134		4,195,527		4,260,187		4,326,141		4,393,413
(Surplus) / Deficit	0		0		0		0		1
FTE's	10.355		10.355		10.355		10.355		10.355
Total Service Cost Recovered From Partners/Participants	(4,507,244)		(4,816,266)		(4,893,341)		(4,971,958)		(5,052,146)

Sewer Capital Fund Budgets						
	2021 Budget		2022 Projected Budget	2023 Projected Budget	2024 Projected Budget	2025 Projected Budget
Revenue						
Grants	(18,405)		0	0	0	0
From Equipment Reserves	(255,060)		(46,150)	(25,750)	(25,750)	(25,750)
From Capital Facility Reserves	(1,306,485)		(320,960)	(300,960)	(79,510)	(70,240)
From DCC Reserve Fund	(429,360)	h	0	0	0	0
Total Revenue	(2,009,310)		(367,110)	(326,710)	(105,260)	(95,990)
Expenses						
HVAC	225,500	g	0	0	0	0
Vehicles	183,560	g	20,400	0	0	0
Engineering & Design Costs	25,750		0	0	0	0
TWAS Vault Expansion	644,040	gh	0	0	0	0
Headworks Pumps	258,000	g	257,500	257,500	0	0
Equipment/Improvements	25,750		25,750	25,750	25,750	25,750
Lab Equipment	20,000		0	0	0	0
Security System	51,500		0	0	0	0
Bioreactors	32,860		32,860	32,860	32,860	32,860
Odor Control	10,600		30,600	10,600	10,600	10,600
Blowers	300,000	fg	0	0	0	0
Facility Renewal	231,750		0	0	36,050	26,780
Total Expenses	2,009,310		367,110	326,710	105,260	95,990
(Surplus) / Deficit	0		0	0	0	0
Equip. Reserve Fund Balance at Y/E	(125,722)	e	(135,368)	(165,714)	(196,364)	(227,320)
Capital Facility Reserve Bal. at Y/E	(1,015,502)	f	(1,608,997)	(2,228,628)	(3,078,120)	(3,945,469)
DCC Reserve Fund	(3,977,893)	hi	(4,617,672)	(5,263,849)	(5,916,488)	(6,575,653)
Operating Reserve Bal. at Y/E	(328,319)	k	(331,602)	(334,918)	(338,267)	(341,650)

- Notes
- a. Updated 5 year average flow splits. Shift in splits from West Kelowna (-1.07%) & Peachland (-0.05%) to WFN totalling 1.12%.

b. Surplus resulting from unanticipated COVID Restart Grant \$14.9k and under expenditures for Biosolids mgmt \$94.2k, Equipment Rep & Mtce \$72.9k, Biosolids removal \$58.3k, Contract Services \$54.3k, Payroll \$41.6k, Centrifuge Mtce \$25.8k, Odor Ctrl Chemicals \$25.7k, Biofilter Mtce \$17.4k, Electrical Rep & Mtce \$10.6k, and misc. under \$10k. Grounds Mtce and Bldg Assessment Operations unspent. Overexpenditures for Polymer Chemicals \$24.7k, Electricity-Plant \$19.9k and misc. under \$10k.

c. Increases: Payroll \$15.3k, Telephone \$2k, Insurance \$4k, Poly Chemicals \$13k, Gas & Fuel \$1k, Lab Supplies \$10k, UV Lighting \$2.5k, Safety Supplies \$4.5k, Chlorine & SO2 Gas \$1k, Legal Fees \$1.5k, Biofilter Mtce \$20k, Biosolids Mgmt \$35k, Sewer Line Mtce \$1k, Equipment \$18k, Bldg Equip Assmt Operations \$5k. Decreases: Electricity (Plant) \$5k, Water \$1k, Biosolids Removal \$130k, Centrifuge Mtce \$5k, Equipment Rental \$1k, Vehicle Operations \$20k.

d. Remove \$20k for ChemScan Repair.

e. As per previous financial plans, \$55k is to be transferred annually to equipment reserve (not included in facility replacement calculations.)

f. The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level continue to be raised annually to be able to fund anticipated upcoming capital needs. In 2020 it was increased to 45% and this budget shows 50%. Staff has advised of Roof replacement coming in 2027 estimated at \$2m. Future project needs are also being examined. \$1m blower project will also need to be done within the next few years.

g. Includes 2020 carry forwards.

h. Increasing capacity. 2/3 of project funded with DCC's as per Engineering Staff.

i. Conservatively assumes \$600k in DCC's are collected annually, however this is likely to be higher. DCC Bylaw has been updated.

j. Lift Stations and Collector Systems are budgeted as separate cost centres 470, 471 & 472 simply to track the costs at the request of the partners, but are part of the overall Westside Sewer Service.

k. Transfer portion of surplus to Operating Reserve for future emergency repairs, studies, etc.

401, 470, 471, 472 - Westside Wastewater / Sewer System

Schedule A - Flow Split Percentages Applied to Calculate 2021 - 2025 Revenue Contributions

Flow Splits for Budget Year with 5 Year Rolling Averaging:

Note: Annual Flow splits are based on the prior year's actual data provided by Urban Sytems.

	2016	2017	2018	2019	2020	2021 5 Yr Avg	Prior Year Avg	Change
401 - WWTP								
CWK	75.71%	71.00%	72.50%	72.04%	67.96%	71.84%	72.91%	-1.07%
Peachland	7.73%	9.90%	7.28%	6.59%	7.43%	7.79%	7.84%	-0.05%
WFN	16.56%	19.10%	20.22%	21.37%	24.61%	20.37%	19.25%	1.12%
			*					
470 - Trunk Lines								
CWK	82.10%	78.80%	78.20%	77.30%	73.40%	77.96%	79.16%	-1.20%
WFN	17.90%	21.20%	21.80%	22.70%	26.60%	22.04%	20.84%	1.20%
			*					

* 2017 was a record flood year.

<u>ESTIMATED REVENUE BREAKDOWN</u>			<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<u>Sewer Revenue Fund Breakdown</u>								
401 - WWTP		<u>2021</u>	<u>2020</u>					
	CWK	71.84%	73.34%	(3,238,094)	(3,460,102)	(3,515,474)	(3,571,954)	(3,629,562)
	Peachland	7.79%	8.44%	(350,934)	(374,994)	(380,996)	(387,117)	(393,360)
	WFN	20.37%	18.22%	(918,216)	(981,170)	(996,871)	(1,012,887)	(1,029,223)
			Subtotal	<u>(4,507,244)</u>	<u>(4,816,266)</u>	<u>(4,893,341)</u>	<u>(4,971,958)</u>	<u>(5,052,146)</u>
470 - Trunk Lines								
	CWK	77.96%	80.10%	(396,818)	(439,887)	(446,231)	(459,719)	(536,924)
	WFN	22.04%	19.90%	(112,184)	(124,360)	(126,154)	(129,967)	(151,793)
			Subtotal	<u>(509,002)</u>	<u>(564,247)</u>	<u>(572,385)</u>	<u>(589,685)</u>	<u>(688,717)</u>
			Fees	<u>(5,016,246)</u>	<u>(5,380,513)</u>	<u>(5,465,726)</u>	<u>(5,561,643)</u>	<u>(5,740,863)</u>
Collection Systems								
	472 - Peachland	100%	100%	(206,224)	(243,690)	(248,134)	(252,666)	(257,289)
	471 - WFN	100%	100%	(127,859)	(154,947)	(158,046)	(161,206)	(164,431)
			Subtotal	<u>(334,083)</u>	<u>(398,637)</u>	<u>(406,179)</u>	<u>(413,872)</u>	<u>(421,719)</u>
			Grand Total	<u><u>(5,350,329)</u></u>	<u><u>(5,779,150)</u></u>	<u><u>(5,871,905)</u></u>	<u><u>(5,975,515)</u></u>	<u><u>(6,162,582)</u></u>
<u>Summary of all estimated fees by area:</u>								
	CWK			(3,634,912)	(3,899,989)	(3,961,705)	(4,031,673)	(4,166,486)
	Peachland			(557,158)	(618,685)	(629,129)	(639,783)	(650,649)
	WFN			(1,158,259)	(1,260,476)	(1,281,071)	(1,304,060)	(1,345,447)
	Total Fees			<u><u>(5,350,329)</u></u>	<u><u>(5,779,150)</u></u>	<u><u>(5,871,905)</u></u>	<u><u>(5,975,515)</u></u>	<u><u>(6,162,582)</u></u>

Notes:

a. The flow revenues fluctuate from year to year, which will impact the revenue split from each jurisdiction in the future.

401, 470, 471, 472 - Westside Wastewater / Sewer System
Schedule B - 2015 Flow Split Percentages Applied to Calculate 2021 Reserve Contributions
included in Budget.

Additional Breakdown of Budget Information regarding Reserve Contribution Levels as requested by participants:

Capital & Reserve Contribution Breakdown - With 50% Capital / Reserve Contributions:

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>401 - WWTP (per Urban Systems report)</u>						
CWK	71.84% a	656,946	656,946	656,946	656,946	656,946
Peachland	7.79% a	71,198	71,198	71,198	71,198	71,198
WFN	20.37% a	186,288	186,288	186,288	186,288	186,288
		<u>914,432</u>	<u>914,432</u>	<u>914,432</u>	<u>914,432</u>	<u>914,432</u>
<u>Net Plant Additions: x 45% over avg. 40 years operational at the end of 2019</u>						
CWK	71.84% a	(4,972)	(4,972)	(4,972)	(4,972)	(4,972)
Peachland	7.79% a	(539)	(539)	(539)	(539)	(539)
WFN	20.37% a	(1,410)	(1,410)	(1,410)	(1,410)	(1,410)
		<u>(6,921)</u>	<u>(6,921)</u>	<u>(6,921)</u>	<u>(6,921)</u>	<u>(6,921)</u>

Totals by Area for WWTP Reserves:

CWK	71.84% a	651,974	651,974	651,974	651,974	651,974
Peachland	7.79% a	70,659	70,659	70,659	70,659	70,659
WFN	20.37% a	184,878	184,878	184,878	184,878	184,878
Total WWTP Capital & Reserve Contributions		<u>907,510</u>	<u>907,510</u>	<u>907,510</u>	<u>907,510</u>	<u>907,510</u>

Additional Breakdown of Budget Information regarding Reserve Contribution Levels as requested by participants:

Capital & Reserve Contribution Breakdown - With 45% Capital / Reserve Contributions :

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>470 - Lift Stations (per Urban Systems report)</u>						
CWK	77.96% a	53,529	53,529	53,529	53,529	53,529
WFN	22.04% a	15,133	15,133	15,133	15,133	15,133
		<u>68,663</u>	<u>68,663</u>	<u>68,663</u>	<u>68,663</u>	<u>68,663</u>
<u>c. Net Additions (x 45% over avg 20 years) operational at the end of the year</u>						
CWK	77.96% a	1,144	1,144	1,144	1,144	1,144
WFN	22.04% a	323	323	323	323	323
		<u>1,467</u>	<u>1,467</u>	<u>1,467</u>	<u>1,467</u>	<u>1,467</u>
<u>470 - Trunk Lines (per Urban Systems report)</u>						
CWK	77.96% a	67,999	67,999	67,999	67,999	67,999
WFN	22.04% a	19,224	19,224	19,224	19,224	19,224
		<u>87,223</u>	<u>87,223</u>	<u>87,223</u>	<u>87,223</u>	<u>87,223</u>
<u>c. Net Additions (x 45% over avg. 20 years) operational at the end of the year</u>						
CWK	77.96% a	0	0	0	0	0
WFN	22.04% a	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Trunk Lines (per Urban Systems report)

472 - Peachland	100% b	21,519	21,519	21,519	21,519	21,519
Total Trunk Lines		<u>108,742</u>	<u>108,742</u>	<u>108,742</u>	<u>108,742</u>	<u>108,742</u>

Totals by Area for Lift Stations & Trunk Lines:

CWK	122,672	122,672	122,672	122,672	122,672
WFN	34,681	34,681	34,681	34,681	34,681
Subtotal RDCO Collector Systems	<u>157,353</u>	<u>157,353</u>	<u>157,353</u>	<u>157,353</u>	<u>157,353</u>
Peachland	21,519	21,519	21,519	21,519	21,519
Total Lift Station & Trunk Line Contributions	<u>178,871</u>	<u>178,871</u>	<u>178,871</u>	<u>178,871</u>	<u>178,871</u>

Notes:

- The flow revenues fluctuate from year to year, which will impact the revenue split from each jurisdiction in the future.
- Peachland pays 100% for the Marine Force Main.
- Asset report and annual capital cost replacement amount has been updated by Urban Systems in 2019 and additions or deletions have been made to those numbers based on capital work done.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 PROGRAM BUDGET**

**Program: 470 -- Westside Sewer System: RDCO Lift Stations/
Collector Systems**

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
Revenue:					
Services - West Kelowna	(395,946)	(395,946)	0	(396,818) a	(872)
COVID Restart Grant	0	(36)	(36)	0	0
Previous Year's Surplus/Deficit	(12,883)	(12,883)	(0)	(47,266) b	(34,384)
Transfer From Operating Reserve	(6,237)	0	6,237	0	6,237
Engineering Admin OH	10,608	10,608	0	12,717	2,109
Administration OH	46,609	46,609	0	51,538	4,929
Services - WFN	(104,238)	(104,238)	0	(112,184) a	(7,946)
Total Revenue	(462,087)	(455,886)	6,201	(492,014)	(29,927)
Expenses:					
Operations	321,441	267,973 b	(53,468) b	334,661 c	13,220 c
Transfer to Capital Fac. Reserves	140,646	140,646	0	157,353 d	16,707
Total Expenses	462,087	408,619	(53,468)	492,014	29,927
(Surplus) / Deficit	0	(47,266) b	(47,267)	0	(0)
FTE's	0.76			0.76	0.00
Total Service Cost Recovered From Partners/Participants	(500,184)	(500,184)		(509,002)	(8,818)

Sewer Capital Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
Revenue					
Transfer from Cap Fac. Reserve	(102,860)	(53,146)	49,714	(105,000)	(2,140)
Transfer from DCC Reserve	(990,000)	0	990,000	(2,450,250) e	(1,460,250)
Total Revenue	(1,092,860)	(53,146)	1,039,714	(2,555,250)	(1,462,390)
Expenses					
Pumps (Headworks)	25,000	0	(25,000)	25,000	0
Flow Meters	21,770	18,686	(3,084)	21,000	(770)
Communication Electrical	13,500	0	(13,500)	0	(13,500)
Lift Station Land	500,000	0	(500,000)	800,000 e	300,000
Engineering & Design Cost	523,000	34,460	(488,540)	500,000 e	(23,000)
Lift Station - Collector	0	0	0	1,175,000 e	1,175,000
Equipment & Improvements	9,590	0	(9,590)	34,250	24,660
Total Expenses	1,092,860	53,146	(1,039,714)	2,555,250	1,462,390
(Surplus) / Deficit	0	0	0	0	0
East Trunk Line DCC Reserve Fund		(2,380,797)		(54,355) f	
Capital Facility Reserve Balance at Y/E		(617,838)		(675,319) d	
Operating Reserve Bal. at Y/E		(6,346)		(6,409)	

2021 Budget Notes:

- 5 year flow split average shift of 1.2% from West Kelowna to WFN.
- Surplus due to under expenditures in sewer line mtce & flushing, contract services, odour control chemicals, payroll, vehicle operations, and lift stn-utilities. Electrical repairs & mtce \$11.3k higher than anticipated.
- Increases: Payroll \$1.2k, Telephone \$0.4k, Insurance \$0.6k, Electrical Rep. & Mtce \$3k, Lift Stns Repairs & Mtce \$12.5k, Bldg/Equip Assessment \$0.5k. Decreases: Odor Control Chem. \$5k
- The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level continue to be raised annually to be able to fund anticipated upcoming capital needs. In 2020 it was increased to 45% and this budget shows 50%.
- Engineering to provide additional information. Class D estimates for lift station projects. Costs and recommendations are dependent on Engineering & Design study. 2021 information is for financial planning purposes. The project should be funded primarily by DCC's as this is capacity related. Grants may be available. DCC reserves are now insufficient to fund the two projects including 2024 & 2025. Since DCC's should be used, financing would then be required. Some reserves would be used, but these should be kept for funding asset replacement as planned.
- Conservatively assumes increase to DCC's of \$100,000. DCC Bylaw has been updated. Future funds dependent on development.

REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 - 2025 Five Year Program Budget Projections

Program: 470 -- Westside Sewer System: RDCO Lift Stations/Collector Systems

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budgets

	2021 Budget		2022 Projected Budget		2023 Projected Budget		2024 Projected Budget		2025 Projected Budget
Revenue:									
Services - West Kelowna	(396,818)	a	(439,887)		(446,231)		(459,719)		(536,924)
Previous Year's Surplus/Deficit	(47,266)	b	0		0		0		0
Engineering Admin OH	12,717		12,971		13,231		13,496		13,765
Administration OH	51,538		52,569		53,620		54,692		55,786
Services - WFN	(112,184)	a	(124,360)		(126,154)		(129,967)		(151,793)
Total Revenue	(492,014)		(498,707)		(505,534)		(521,497)		(619,165)
Expenses:									
Operations	334,661	c	341,354		348,181		355,145		362,248
Debt Payments	0		0		0		9,000	e	99,565
Transfer to Capital Fac. Reserve	157,353	d	157,353		157,353		157,353		157,353
Total Expenses	492,014		498,707		505,534		521,497		619,165
(Surplus) / Deficit	0		0		0		0		0
FTE's	0.76		0.76		0.76		0.76		0.76
Total Service Cost Recovered From Partners/Participants	(509,002)		(564,247)		(572,385)		(589,685)		(688,717)

Sewer Capital Fund Budgets

	2021 Budget		2022 Projected Budget		2023 Projected Budget		2024 Projected Budget		2025 Projected Budget
Revenue									
Capital Financing	0		0		0		(600,000)	e	(3,750,000)
Transfer from Cap Fac. Reserve	(105,000)		(63,540)		(265,450)	e	(500,000)	e	(150,000)
Transfer From DCC Reserve	(2,450,250)	e	0		(250,000)	e	(100,000)	e	(100,000)
Total Revenue	(2,555,250)		(63,540)		(515,450)		(1,200,000)		(4,000,000)
Expenses									
Pumps (Headworks)	25,000		0		0		0		0
Facility Renewal	0		45,000		0		0		0
Flow Meters	21,000		15,450		15,450		0		0
Lift Station Land	800,000	e	0		0		0		0
Engineering & Design Cost	500,000	e	0		500,000	e	0		0
Lift Station - Collector	1,175,000		0		0		1,200,000	e	4,000,000
Equipment & Improvements	34,250		3,090		0		0		0
Total Expenses	2,555,250		63,540		515,450		1,200,000		4,000,000
(Surplus) / Deficit	0		0		0		0		0
East Trunk Line DCC Reserve Fund	(54,355)	e,f	(154,899)	e,f	(6,448)	e,f	(6,512)	e,f	(6,577)
Capital Facility Reserve Bal. at Y/E	(675,319)	d	(775,249)		(672,250)	e	(331,325)	e	(340,491)
Operating Reserve Bal. at Y/E	(6,409)		(6,474)		(6,538)		(6,604)		(6,670)

Notes

- 5 year flow split average average shift of 1.2% from West Kelowna to WFN.
- Surplus due to under expenditures in sewer line mtce & flushing, contract services, odour control chemicals, payroll, vehicle operations, and lift stn-utilities. Electrical repairs & mtce \$11.3k higher than anticipated.
- Increases: Payroll \$1.2k, Telephone \$0.4k, Insurance \$0.6k, Electrical Rep. & Mtce \$3k, Lift Stns Repairs & Mtce \$12.5k, Bldg/Equip Assessment \$0.5k. Decreases: Odor Control Chem. \$5k
- The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level continue to be raised annually to be able to fund anticipated upcoming capital needs. In 2020 it was increased to 45% and this budget shows 50%.
- Engineering to provide additional information. Class D estimates for lift station projects. Costs and recommendations are dependent on Engineering & Design study. 2021 & 2024/25 project information is for financial planning purposes. The project should be funded primarily by DCC's as these are capacity related. Grants may be available. DCC reserves are currently insufficient to fund these two projects for 2021 & 2024/25. Since DCC's should be used, funding is shown with financing since reserves should be kept for asset replacement. When more information is known, the financial plan will be refined.
As an estimate, 20 year financing at 3% in 2021 and then 4% for 2024 has been shown.
- Conservatively assumes increase to DCC's of \$100,000. DCC Bylaw is being updated. Future funds dependent on development.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 PROGRAM BUDGET**

**Program: 471 -- Westside Sewer System: WFN Lift Stations/
Collector Systems**

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
<u>Revenue:</u>					
COVID Restart Grant	0	(30)	(30)	0	0
Previous Year's Surplus/Deficit	(24,393)	(24,393)	0	(24,050) a	343
Engineering Admin OH	4,465	4,465	0	4,843	378
Administration OH	19,618	19,618	0	19,626	8
Services - WFN	(134,988)	(134,988)	(0)	(127,859)	7,129
Total Revenue	(135,298)	(135,329)	(31)	(127,440)	7,858
<u>Expenses:</u>					
Operations	135,298	111,278	(24,020)	127,440 b	(7,858) b
Total Expenses	135,298	111,278	(24,020)	127,440	(7,858)
(Surplus) / Deficit	0	(24,050) a	(24,050)	0	0
FTE's	0.42			0.42	0.00

2021 Budget Notes:

- a. Surplus due to lower lift stn repairs & mtce, contract services, odour control chemicals, and training.
b. Increases: Payroll \$0.6k, Telephone \$1k, Electrical Rep. & Mtnc \$1.5k, Utilities \$0.5k.
Decreases: Siphon Flushing \$7.5k, Lift Stns Rep. & Mtce \$4k.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 - 2025 Five Year Program Budget Projections**

**Program: 471 -- Westside Sewer System: WFN Lift Stations/
Collector Systems**

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budgets

	2021 Budget		2022 Projected Budget	2023 Projected Budget	2024 Projected Budget	2025 Projected Budget
Revenue:						
Previous Year's Surplus/Deficit	(24,050)	a	0	0	0	0
Engineering Admin OH	4,843		4,940	5,038	5,139	5,242
Administration OH	19,626		20,018	20,419	20,827	21,244
Services - WFN	(127,859)		(154,947)	(158,046)	(161,206)	(164,431)
Total Revenue	(127,440)		(129,989)	(132,589)	(135,240)	(137,945)
Expenses:						
Operations	127,440	b	129,989	132,589	135,240	137,945
Total Expenses	127,440		129,989	132,589	135,240	137,945
(Surplus) / Deficit	0		0	0	0	0
FTE's	0.42		0.42	0.42	0.42	0.42

Notes

- a. Surplus due to lower lift stn repairs & mtce, contract services, odour control chemicals, and training.
b. Increases: Payroll \$0.6k, Telephone \$1k, Electrical Rep. & Mtnc \$1.5k, Utilities \$0.5k.
Decreases: Siphon Flushing \$7.5k, Lift Stns Rep. & Mtce \$4k.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 PROGRAM BUDGET**

**Program: 472 -- Westside Sewer System: Peachland Lift Stations/
Collector Systems**

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budget

	2020 Budget	2020 Actual	Variance 2020 Act. vs. Bud.	2021 Budget	Variance: 2021 vs. 2020 Budget
<u>Revenue:</u>					
Services - Peachland	(215,702)	(215,702)	(0)	(206,224)	9,478
COVID Restart Grant	0	(30)	(30)	0	0
Previous Year's Surplus/Deficit	(29,886)	(29,886)	0	(33,111) a	(3,224) a
Engineering Admin OH	6,337	6,337	0	6,944	607
Administration OH	27,846	27,846	0	28,141	295
Total Revenue	(211,405)	(211,436)	(31)	(204,250)	7,156
<u>Expenses:</u>					
Operations	192,038	158,958	(33,080)	182,731 b	(9,307) b
Capital Facilities Reserve	19,367	19,367	0	21,519 c	2,152
Total Expenses	211,405	178,325	(33,080)	204,250	(7,156)
(Surplus) / Deficit	0	(33,111) a	(33,111)	0	0
FTE's	0.49			0.49	0.00

Capital Facility Reserve Balance at Y/E (177,538) (200,832) c

2021 Budget Notes:

- a. Increased surplus due to under expenditures for lift stns-repairs & mtce, contract services, odour control chemicals, electrical repairs & mtce, training, and vehicle operations. Payroll higher than anticipated.
- b. Increases: Payroll \$0.7k, Electrical Rep. & Mtnc \$0.5k.
Decreases: Trng & Education \$0.5, Odor Control Chem. \$2.5k, Contract Services \$7.5k.
- c. Reserve Contributions at 50% asset renewal level.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2021 - 2025 Five Year Program Budget Projections**

**Program: 472 -- Westside Sewer System: Peachland Lift Stations/
Collector Systems**

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budgets

	2021 Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget	2025 Projected Budget
Revenue:					
Services - Peachland	(206,224)	(243,690)	(248,134)	(252,666)	(257,289)
Previous Year's Surplus/Deficit	(33,111) a	0	0	0	0
Engineering Admin OH	6,944	7,083	7,224	7,369	7,516
Administration OH	28,141	28,703	29,277	29,863	30,460
Total Revenue	(204,250)	(207,904)	(211,632)	(215,434)	(219,312)
Expenses:					
Operations	182,731 b	186,386	190,113	193,916	197,794
Capital Facilities Reserve	21,519 c	21,519	21,519	21,519	21,519
Total Expenses	204,250	207,904	211,632	215,434	219,312
(Surplus) / Deficit	0	0	0	0	0
FTE's	0.49	0.49	0.49	0.49	0.49
Capital Facility Reserve Bal. at Y/E	(200,832) c	(224,359)	(248,121)	(272,120)	(296,360)

Notes

- a. Increased surplus due to under expenditures for lift stns-repairs & mtce, contract services, odour control chemicals, electrical repairs & mtce, training, and vehicle operations. Payroll higher than anticipated.
- b. Increases: Payroll \$0.7k, Electrical Rep. & Mtnc \$0.5k.
Decreases: Trng & Education \$0.5, Odor Control Chem. \$2.5k, Contract Services \$7.5k.
- c. Reserve Contributions at 50% asset renewal level.