

Utility Rate Scenarios

Agenda

- ▶ 2025 Budget Principles
- ▶ Rate & Reserve Assumptions
- ▶ 2025-2029 Water Budgets
- ▶ Water Rate & Reserve Scenarios
- ▶ 2025-2029 Sewer Budgets
- ▶ Sewer Rate & Reserve Scenarios
- ▶ Rate Comparisons
- ▶ Timeline going forward

BUDGET PRINCIPLES

1. The cost of the water and sewer services should be borne by the users of the service and not subsidized by general property taxes
2. Rates should be set at a level to ensure adequate reserves for unanticipated expenses and grant cost-share opportunities
3. Water services are budgeted as one system, domestic and non-domestic.
4. Rates should be compared to local communities and similarly sized municipalities.
5. Maintenance of service continuity and public safety should underlie proposed capital and operating expenditures in water and sewer services.
6. Year 1 (2025) of Five-Year Plan Funded by Reserves Only.

2025-2029 Capital Plan - Water

FUND	Water									
Sum of 25-34		Column Labels								
Row Labels	PROJECT NAME	Priority	FUNDING	2025	2026	2027	2028	2029	Grand Total	
49	Fairview & Station Intersection Improvements Design	P3	WC					15	15	
51	Booster station SCADA (6A)	P1	WC			150			150	
58	Water Meter Replacements	P1	WC	300	300	300	300	40	1240	
63	Canal - Upgrade trash racks	P3	WC					75	75	
98	S3-Similkameen Avenue	P1	Grant		566				566	
99	W8-Main Street Veterns to School	P1	Grant		950				950	
100	W9-River Crossing Park Dr and Fairview Rd Design	P1	WC					20	20	
104	W6-Water reservoir feed line 2 Testing	P1	WC			150			150	
	W6-Water reservoir feed line 2	P1	Grant			950			950	
105	Pacific Silica River Crossing Design	P2	WC					50	50	
110	Proposed Domestic Pump Station Testing and Report	P3	WC					150	150	
118	Mud Lake Irrigation VFD/Soft Starts electrical Upgrade/HVAC/Flow Meter/New MCC	P2	WC					500	500	
119	New Main Line Isalation 18" Valve Kobau Rd 18	P1	WC		40				40	
122	2- New 12" Isolation Valve at Park Rill System #1	P1	WC		40				40	
123	Fairview Irrigation New Flow Meter	P1	WC	30					30	
130	New Scada & PLC's for entire system	P1	WC	125	125	125	125	125	625	
134	Rockcliffe Irrigation Irrigation VFD/Soft Starts electrical Upgrade/HVAC/Flow Meter/New MCC	P1	WC		500				500	
136	Station St. - Fairview to Co-op and Sawmill Design	P2	WC				30		30	
	Station St. - Fairview to Co-op and Sawmill	P2	Grant					400	400	
137	Okanagan St - Co-op to Haven Design	P3	WC					35	35	
141	Gate Valve Replacements each year	P1	WC	20	20	20	20	20	100	
142	New Scada Computers	P3	WC					20	20	
143	Ionizer Redesign and Revamp	P1	WC	50					50	
145	Rd. 2 Intake Screen Canal	P1	WC	115					115	
146	Bridge Pipe Hanger Inspections	P1	WC	8					8	
149	Hester New Flow Meter	P1	WC	25					25	
160	Diversion Control Gates and Motors	P1	WC				500		500	
	Diversion Control Gates and Motors Design/Investigation	P1	WC		50				50	
161	Siphon Control Gate	P1	WC	50					50	
162	Black Sage 2B River Intake Gate	P1	Grant			350			350	
(blank)	Garp Pumphouse Fixes ie: storm drains, drywells, etc.	P1	WC	50					50	
	Well Decommissioning Tucelnuit	P1	WC			100			100	
	Well Decommissioning CPR	P1	WC			100			100	
	Well Decommissioning Blacksage	P1	WC				35		35	
171	Mud Lake New Pump	P1	WC	50					50	
Grand Total				823	2591	2245	1010	1450	8119	

Irrigation Projects (2025-2029)

Irrigation Projects	2025	2026	2027	2028	2029	Total
Canal - Upgrade trash racks	-	-	-	-	75,000	75,000
Mud Lake Irrigation VFD/Soft Starts electrical Upgrade/HVAC/Flow Meter/New MCC	-	-	-	-	500,000	500,000
New Main Line Isolation 18" Valve Kobau Rd 18		40,000				40,000
Fairview Irrigation New Flow Meter	30,000					30,000
Rockcliffe Irrigation VFD/Soft Starts electrical Upgrade/HVAC/Flow Meter/New MCC		500,000				500,000
New Scada & PLC's for entire system	62,500	62,500	62,500	62,500	62,500	312,500
New Scada Computers					10,000	10,000
Ionizer Redesign and Revamp	50,000					50,000
Rd. 2 Intake Screen Canal	115,000					115,000
Hester New Flow Meter	25,000					25,000
Diversion Control Gates and Motors				500,000		500,000
Diversion Control Gates and Motors Design/Investigation		50,000				50,000
Siphon Control Gate	50,000					50,000
Black Sage 2B River Intake Gate			350,000			350,000
Well Decommissioning Blacksage				35,000		35,000
Mud Lake New Pump	50,000	-	-	-	-	50,000
	382,500	652,500	412,500	597,500	647,500	2,692,500

Rate & Reserve Projection Assumptions

- ▶ Assumptions for All Water & Sewer Scenarios
 - ▶ 2% inflation in operating costs from 2026-2029
 - ▶ Interest rate on reserves 3%
 - ▶ All P&I on debt is charged to consolidated water fund
- ▶ Water Rate Scenarios
 - ▶ Scenario One:
 - ▶ 3% rate increase in 2025, 5% each year for 2026-2029
 - ▶ Scenario Two:
 - ▶ 4% increase in 2025, 5% each year (2026-2029)
- ▶ Sewer Rate Scenarios
 - ▶ Scenario One
 - ▶ 2% Increase in 2025, 5% each year (2026-2029)
 - ▶ Scenario Two
 - ▶ 3% Increase in 2025, 5% each year (2026-2029)
 - ▶ Scenario Three
 - ▶ 5% Increase in 2025, 5% each year (2026-2029)

WATER SCENARIO ONE

RESERVE PROJECTIONS (3% Rate Increase for 2025, 5% all other years)

Scenario Increases Water

	2025	2026	2027	2028	2029
Scenario A - Base (Consumption)	3%	5%	5%	5%	5%
Scenario A - Base (Fixed)	3%	5%	5%	5%	5%
Scenario A - Base (Parcel Taxes)	3%	5%	5%	5%	5%
Transfers to Water Capital Reserve	664,955	823,413	1,210,902	1,473,104	1,664,833
Water Capital Reserve Balances	-1,826	-253,413	12,489	482,914	1,121,457
Water Capital Reserve Budgeted Spending	823,000	1,075,000	945,000	1,010,000	1,050,000

Small deficit in consolidated water reserve

Insufficient funds projected to execute 2026 capital spend using reserves alone

Scenario Increases Water Irrigation

	2025	2026	2027	2028	2029
Scenario A - Base (Irrigation)	3%	5%	5%	5%	5%
Net Operating (Surplus) Deficit	-285,092	-330,968	-379,776	-431,685	-486,827
Water Canal Capital Budgeted Spending	382,500	652,500	412,500	597,500	647,500
Cumulative (Surplus) Deficit	97,408	418,940	451,664	617,479	778,152

Operating Deficit in irrigation growing over time

Assumes 3% Rate Increase for
2025, 5% (2026-2029)

WATER 5-YEAR (2025 - 2029) FINANCIAL PLAN

WATER OPERATING FUND:

	2024 Budget	Draft 2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
REVENUES						
User fees	\$ 3,363,431	\$ 3,432,636	\$ 3,607,735	\$ 3,788,167	\$ 3,974,135	\$ 4,179,837
Property taxation	613,524	769,012	807,479	847,875	890,286	934,793
Government transfers	-	-	-	-	-	-
Other revenue from own services	136,071	132,445	140,392	128,017	138,358	73,988
Sale of services	33,700	43,765	43,765	43,765	43,765	43,765
Investment income	-	-	-	-	-	-
Development cost charges	-	-	-	-	-	-
Contributions from developers and other	-	-	-	-	-	-
	\$ 4,146,726	\$ 4,377,858	\$ 4,599,371	\$ 4,807,824	\$ 5,046,544	\$ 5,232,383
EXPENDITURES						
Water Services	\$ 3,828,386	\$ 3,832,382	\$ 3,887,490	\$ 3,935,255	\$ 3,974,902	\$ 4,033,382
	\$ 318,340	\$ 545,476	\$ 711,881	\$ 872,569	\$ 1,071,642	\$ 1,199,001
SURPLUS/(DEFICIT)						
	\$ 318,340	\$ 545,476	\$ 711,881	\$ 872,569	\$ 1,071,642	\$ 1,199,001
ADJUSTED FOR NON-CASH ITEMS						
Actuarial Adjustment	\$ (100,071)	\$ (88,752)	\$ (96,699)	\$ (84,324)	\$ (94,665)	\$ (30,295)
Total Amortization	745,322	752,498	752,498	752,498	752,498	752,498
	\$ 645,251	\$ 663,746	\$ 655,799	\$ 668,174	\$ 657,833	\$ 722,203
TOTAL CASH FROM OPERATIONS	\$ 963,591	\$ 1,209,222	\$ 1,367,680	\$ 1,540,743	\$ 1,729,475	\$ 1,921,204
ADJUSTED FOR CASH ITEMS (Non Expenditures)						
Transfer from reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Water Capital Reserve Fund	410,503	664,955	823,413	1,210,902	1,473,104	1,664,833
Transfer to General Capital Fund	-	-	-	-	-	-
Other stat reserves	3,660	3,660	3,660	3,660	3,660	3,660
Debt -existing & new						
Total Principal Payments	549,428	540,607	540,607	326,181	252,711	252,711
New Debt						
TOTAL CASH ITEMS (Non Expenditures)	\$ 963,591	\$ 1,209,222	\$ 1,367,680	\$ 1,540,743	\$ 1,729,475	\$ 1,921,204
FINANCIAL PLAN BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Transfer to reserve
not covering
depreciation

WATER SURPLUS & RESERVE PROJECTIONS

	2024 Estimate	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
WATER CAPITAL RESERVE FUND	Agreed to 2023 Audited F/S					
Projected Balance - Jan. 1	2,630,715	153,971	(1,826)	(253,413)	12,489	482,914
Transfers In						
Transfer from water operations	410,503	664,955	823,413	1,210,902	1,473,104	1,664,833
Transfer from Water Capital Charge Fund	-					
MFA Debt Reserve/Surplus Refunds	-	-	-	-	-	-
Total Transfers In	410,503	664,955	823,413	1,210,902	1,473,104	1,664,833
Expenditures & Transfers Out						
Water Capital Program	(2,928,400)	(823,000)	(1,075,000)	(945,000)	(1,010,000)	(1,050,000)
Contributions towards DCC projects - roads						
Contributions towards DCC projects - water						
Total Expenditures & Transfers Out	(2,928,400)	(823,000)	(1,075,000)	(945,000)	(1,010,000)	(1,050,000)
Projected Balance before estimated Interest	112,818	(4,074)	(253,413)	12,489	475,593	1,097,747
Estimated interest @ 3.0%	41,153	2,248	-	-	7,321	23,710
Projected Balance - Dec. 31	153,971	(1,826)	(253,413)	12,489	482,914	1,121,457

WATER SCENARIO TWO

RESERVE PROJECTIONS (4% Rate Increase for 2025, 5% all other years)

Scenario Increases Water

	2025	2026	2027	2028	2029
Scenario A - Base (Consumption)	4%	5%	5%	5%	5%
Scenario A - Base (Fixed)	4%	5%	5%	5%	5%
Scenario A - Base (Parcel Taxes)	4%	5%	5%	5%	5%
Transfers to Water Capital Reserve	706,877	866,786	1,255,628	1,519,334	1,712,697
Water Capital Reserve Balances	40,613	-167,601	143,027	664,292	1,356,858
Water Capital Reserve Budgeted Spending	823,000	1,075,000	945,000	1,010,000	1,050,000

Small surplus in reserve projected at the end of 2025

Insufficient funds projected to execute 2026 capital spend using reserves alone

Scenario Increases Water Irrigation

	2025	2026	2027	2028	2029
Scenario A - Base (Irrigation)	4%	5%	5%	5%	5%
Net Operating (Surplus) Deficit	-298,085	-344,631	-394,123	-446,720	-502,622
Water Canal Capital Budgeted Spending	382,500	652,500	412,500	597,500	647,500
Cumulative (Surplus) Deficit	84,415	392,284	410,661	561,441	706,319

Operating Deficit in irrigation growing over time

Assumes 4% Rate Increase for 2025, 5% (2026-2029)

WATER 5-YEAR (2025 - 2029) FINANCIAL PLAN

WATER OPERATING FUND:

REVENUES

	2024 Budget	Draft 2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
User fees	\$ 3,363,431	\$ 3,467,089	\$ 3,643,273	\$ 3,824,699	\$ 4,011,777	\$ 4,218,666
Property taxation	613,524	776,481	815,314	856,069	898,874	943,828
Government transfers	-	-	-	-	-	-
Other revenue from own services	136,071	132,445	140,392	128,017	138,358	73,988
Sale of services	33,700	43,765	43,765	43,765	43,765	43,765
Investment income	-	-	-	-	-	-
Development cost charges	-	-	-	-	-	-
Contributions from developers and other	-	-	-	-	-	-
	\$ 4,146,726	\$ 4,419,780	\$ 4,642,744	\$ 4,852,550	\$ 5,092,774	\$ 5,280,247

EXPENDITURES

Water Services	\$ 3,828,386	\$ 3,832,382	\$ 3,887,490	\$ 3,935,255	\$ 3,974,902	\$ 4,033,382
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SURPLUS/(DEFICIT)

	\$ 318,340	\$ 587,398	\$ 755,254	\$ 917,295	\$ 1,117,872	\$ 1,246,865
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ADJUSTED FOR NON-CASH ITEMS

Actuarial Adjustment	\$ (100,071)	\$ (88,752)	\$ (96,699)	\$ (84,324)	\$ (94,665)	\$ (30,295)
Total Amortization	745,322	752,498	752,498	752,498	752,498	752,498
	\$ 645,251	\$ 663,746	\$ 655,799	\$ 668,174	\$ 657,833	\$ 722,203

TOTAL CASH FROM OPERATIONS

	\$ 963,591	\$ 1,251,144	\$ 1,411,053	\$ 1,585,469	\$ 1,775,705	\$ 1,969,068
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ADJUSTED FOR CASH ITEMS (Non Expenditures)

Transfer from reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Water Capital Reserve Fund	410,503	706,877	866,786	1,255,628	1,519,334	1,712,697
Transfer to General Capital Fund	-	-	-	-	-	-
Other stat reserves	3,660	3,660	3,660	3,660	3,660	3,660
Debt -existing & new						
Total Principal Payments	549,428	540,607	540,607	326,181	252,711	252,711

TOTAL CASH ITEMS (Non Expenditures)

	\$ 963,591	\$ 1,251,144	\$ 1,411,053	\$ 1,585,469	\$ 1,775,705	\$ 1,969,068
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FINANCIAL PLAN BALANCE

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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WATER SURPLUS & RESERVE PROJECTIONS

	2024 Estimate	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
WATER CAPITAL RESERVE FUND						
Projected Balance - Jan. 1	2,630,609	153,862	40,613	(167,601)	143,027	664,292
Transfers In						
Transfer from water operations	410,503	706,877	866,786	1,255,628	1,519,334	1,712,697
Transfer from Water Capital Charge Fund	-					
MFA Debt Reserve/Surplus Refunds	-	-	-	-	-	-
Total Transfers In	410,503	706,877	866,786	1,255,628	1,519,334	1,712,697
Expenditures & Transfers Out						
Water Capital Program	(2,928,400)	(823,000)	(1,075,000)	(945,000)	(1,010,000)	(1,050,000)
Contributions towards DCC projects - roads						
Contributions towards DCC projects - water						
Total Expenditures & Transfers Out	(2,928,400)	(823,000)	(1,075,000)	(945,000)	(1,010,000)	(1,050,000)
Projected Balance before estimated Interest	112,712	37,739	(167,601)	143,027	652,361	1,326,989
Estimated interest @ 3.0%	41,150	2,874	-	-	11,931	29,869
Projected Balance - Dec. 31	153,862	40,613	(167,601)	143,027	664,292	1,356,858

2025-2029 Capital Plan - Sewer

FUND	Sewer									
Sum of 25-34		Column Labels								
Row Labels	PROJECT NAME	Priority	FUNDING	2025	2026	2027	2028	2029	Grand Total	
49	Fairview & Station Intersection Improvements Design	P3	SC					10	10	
98	S3-Similkameen Avenue	P1	Grant		426				426	
99	W8-Main Street Veterans to School	P1	Grant		435				435	
100	S7-River Crossing Park Dr and Fairview Rd Design	P1	SC					15	15	
114	S2-Sanitary Main Hillside to Veterans	P1	Grant			350			350	
	S2-Sanitary Main Hillside to Veterans Design	P1	SC		40				40	
115	S9-Sanitary Main Fir to Lift station	P2	SC				300		300	
	S9-Sanitary Main Fir to Lift station Design	P2	SC			15			15	
117	Future Design of Wastewater Treatment System upgrade	P3	SC					125	125	
125	Reclaim Waterline investigation/testing	P2	SC			150			150	
	Reclaim Waterline Design	P2	SC			75			75	
130	New Scada & PLC's for entire system	P1	SC	100	100	100			300	
136	Station St. - Fairview to Co-op and Sawmill Design	P2	SC				30		30	
	Station St. - Fairview to Co-op and Sawmill	P2	Grant					300	300	
137	Okanagan St - Co-op to Haven Design	P3	SC					35	35	
142	New Scada Computers	P3	SC					10	10	
147	Bridge Pipe Hanger Inspections	P1	SC	17.5					17.5	
148	Topping Lake Chlorination Station Elect. Service, MCC's, Pumps and motors Upgrades	P1	SC	695					695	
150	Highlift HVAC	P1	SC	30					30	
151	Influent Lifstation Elec. Upgrades	P1	SC		125				125	
152	Scott Rd Lifstation Upgrades	P2	SC				175		175	
153	Upgrading Drumscreen Wash Lines	P1	SC	30					30	
154	Bing to Hillside SIPP/CIPP Sewer Main in Rear Yards Design	P1	SC			35			35	
	Bing to Hillside SIPP/CIPP Sewer Main in Rear Yards	P1	SC				350		350	
163	S1 - Fariview to Sawmill Rd. Sanitary Main Replacement Design	P1	SC		40				40	
	S1 - Fariview to Sawmill Rd. Sanitary Main Replacement	P1	Grant			900			900	
Grand Total				872.5	1166	1625	855	495	5013.5	

SEWER SCENARIO ONE
RESERVE PROJECTIONS - 2% Rate increase for sewer in
2025, 5% each year (2026-2029))

	<u>Scenario Increases Sewer</u>				
	2025	2026	2027	2028	2029
Scenario A - Base (Fixed & Usage)	2%	5%	5%	5%	5%
Scenario A - Base (Parcel Taxes)	2%	5%	5%	5%	5%
Transfers to Sewer Capital Reserve	633,172	707,865	779,159	854,743	934,824
Sewer Capital Reserve Balances	176,913	591,128	1,019,083	1,049,395	1,831,798
Sewer Capital Reserve Budgeted Spending	873,000	305,000	375,000	855,000	195,000

SEWER 5-YEAR (2025 - 2029) FINANCIAL PLAN

SEWER OPERATING FUND:

REVENUES

	2024 Budget	Draft 2025 Budget	2026	2027	2028	2029
User fees	1,397,383	\$ 1,431,168	\$ 1,510,055	\$ 1,585,251	\$ 1,664,195	\$ 1,747,044
Property taxation	392,729	398,317	418,246	439,152	461,096	484,139
Government transfers	-	-	-	-	-	-
Sale of services	27,230	19,796	19,996	19,996	19,996	19,996
Investment income	-	-	-	-	-	-
Use of Restricted Revenue (DCCs)	-	-	-	-	-	-
Contributions from developers and other	-	-	-	-	-	-
	\$1,817,342	\$ 1,849,281	\$ 1,948,297	\$ 2,044,399	\$ 2,145,287	\$ 2,251,179

EXPENDITURES

Total Administration	397,193	\$ 410,391	\$ 418,599	\$ 426,971	\$ 435,510	\$ 444,220
Total Operations	65,283	\$ 66,981	\$ 68,321	\$ 69,687	\$ 71,081	\$ 72,503
Total Collection	285,417	\$ 281,634	\$ 287,267	\$ 293,012	\$ 298,872	\$ 304,849
Total Treatment Disposal	499,677	\$ 457,103	\$ 466,245	\$ 475,570	\$ 485,081	\$ 494,783
Total Amortization	201,732	\$ 201,732	\$ 201,732	\$ 201,732	\$ 201,732	\$ 201,732
Total Interest Payments	-	-	-	-	-	-
Sewer Services	\$1,449,302	\$ 1,417,841	\$ 1,442,164	\$ 1,466,972	\$ 1,492,276	\$ 1,518,087

SURPLUS/DEFICIT

	368,040	431,440	506,133	577,427	653,011	733,092
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ADJUSTED FOR NON-CASH ITEMS

Amortization Non-Cash	\$ 201,732	\$ 201,732	\$ 201,732	\$ 201,732	\$ 201,732	\$ 201,732
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TOTAL CASH FROM OPERATIONS

	\$ 569,772	\$ 633,172	\$ 707,865	\$ 779,159	\$ 854,743	\$ 934,824
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ADJUSTED FOR CASH ITEMS (Non Expenditures)

Transfer from sewer reserves	-	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to/from own reserves:						
Lift Stn contingency	-	-	-	-	-	-
Lagoon Desludge Reserve	-	-	-	-	-	-
Sewer Reserve	569,772	633,172	707,865	779,159	854,743	934,824
Transfer to Other Funds	-	-	-	-	-	-
Debt						
Principal	-	-	-	-	-	-
New debt						
Principal	-	-	-	-	-	-
Interest (included in expenditures above)	-	-	-	-	-	-

TOTAL CASH ITEMS (Non Expenditures)	\$ 569,772	\$ 633,172	\$ 707,865	\$ 779,159	\$ 854,743	\$ 934,824
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FINANCIAL PLAN BALANCE

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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**2% RATE INCREASE IN 2025,
5% (2026-2029)**

SEWER SURPLUS & RESERVE PROJECTIONS

	2024	2025	2026	2027	2028	2029
	Estimate	Budget	Plan	Plan	Plan	Plan
SEWER REPLACEMENT RESERVE FUND	<div>Agreed to 2023 Audited F/S</div>					
Projected Balance - Jan. 1	312,672	408,096	176,913	591,128	1,019,083	1,049,395
Transfers In						
Transfer from sewer operations	569,772	633,172	707,865	779,159	854,743	934,824
Internal loan repayment Sewer DCC fund						
MFA Debt Reserve/Surplus Refunds						
Total Transfers In	569,772	633,172	707,865	779,159	854,743	934,824
Expenditures & Transfers Out						
Sewer Capital Program	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Internal loan to Sewer DCC Reserve Fund						
Contributions towards DCC projects - roads						
Contributions towards DCC projects - sewer						
Total Expenditures & Transfers Out	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Projected Balance before estimated interest	397,444	168,268	579,778	995,287	1,018,826	1,789,219
Estimated interest @ 3.0%	10,652	8,645	11,350	23,796	30,569	42,579
Projected Balance - Dec. 31	408,096	176,913	591,128	1,019,083	1,049,395	1,831,798

SEWER SCENARIO TWO
 RESERVE PROJECTIONS - 3% Rate increase for sewer in
 2025, 5% for each year (2026-2029)

	<u>Scenario Increases Sewer</u>				
	2025	2026	2027	2028	2029
Scenario A - Base (Fixed & Usage)	3%	5%	5%	5%	5%
Scenario A - Base (Parcel Taxes)	3%	5%	5%	5%	5%
Transfers to Sewer Capital Reserve	650,894	726,703	798,905	875,557	956,718
Sewer Capital Reserve Balances	194,901	628,777	1,077,904	1,131,106	1,938,183
Sewer Capital Reserve Budgeted Spendng	873,000	305,000	375,000	855,000	195,000

SEWER SURPLUS & RESERVE PROJECTIONS

	2024	2025	2026	2027	2028	2029
	Estimate	Budget	Plan	Plan	Plan	Plan
SEWER REPLACEMENT RESERVE FUND						
Projected Balance - Jan. 1	312,672	408,096	194,901	628,777	1,077,904	1,131,106
Transfers In						
Transfer from sewer operations	569,772	650,894	726,703	798,905	875,557	956,718
Internal loan repayment Sewer DCC fund						
MFA Debt Reserve/Surplus Refunds						
Total Transfers In	569,772	650,894	726,703	798,905	875,557	956,718
Expenditures & Transfers Out						
Sewer Capital Program	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Internal loan to Sewer DCC Reserve Fund						
Contributions towards DCC projects - roads						
Contributions towards DCC projects - sewer						
Total Expenditures & Transfers Out	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Projected Balance before estimated Interest	397,444	185,990	616,604	1,052,682	1,098,461	1,892,824
Estimated interest @ 3.0%	10,652	8,911	12,173	25,222	32,645	45,359
Projected Balance - Dec. 31	408,096	194,901	628,777	1,077,904	1,131,106	1,938,183

SEWER SCENARIO THREE
RESERVE PROJECTIONS - 5% Rate increase for sewer in
2025, 5% for each year (2026-2029)

	<u>Scenario Increases Sewer</u>				
	2025	2026	2027	2028	2029
Scenario A - Base (Fixed & Usage)	5%	5%	5%	5%	5%
Scenario A - Base (Parcel Taxes)	5%	5%	5%	5%	5%
Transfers to Sewer Capital Reserve	686,330	764,374	838,502	917,109	1,000,383
Sewer Capital Reserve Balances	230,869	704,060	1,195,636	1,294,546	2,150,846
Sewer Capital Reserve Budgeted Spending	873,000	305,000	375,000	855,000	195,000

SEWER SURPLUS & RESERVE PROJECTIONS

	2024	2025	2026	2027	2028	2029
	Estimate	Budget	Plan	Plan	Plan	Plan
SEWER REPLACEMENT RESERVE FUND						
Projected Balance - Jan. 1	312,672	408,096	230,869	704,060	1,195,636	1,294,546
Transfers In						
Transfer from sewer operations	569,772	686,330	764,374	838,502	917,109	1,000,383
Internal loan repayment Sewer DCC fund						
MFA Debt Reserve/Surplus Refunds						
Total Transfers In	569,772	686,330	764,374	838,502	917,109	1,000,383
Expenditures & Transfers Out						
Sewer Capital Program	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Internal loan to Sewer DCC Reserve Fund						
Contributions towards DCC projects - roads						
Contributions towards DCC projects - sewer						
Total Expenditures & Transfers Out	(485,000)	(873,000)	(305,000)	(375,000)	(855,000)	(195,000)
Projected Balance before estimated Interest	397,444	221,426	690,243	1,167,562	1,257,745	2,099,929
Estimated interest @ 3.0%	10,652	9,443	13,817	28,074	36,801	50,917
Projected Balance - Dec. 31	408,096	230,869	704,060	1,195,636	1,294,546	2,150,846

Comparison of Scenarios on Ratepayers

Fixed and Variable Rates	Current Annual Cost	Water 4% Sewer 5%	Annual Increase	Water 3%, Sewer 3%	Annual Increase	Water 3% Sewer 2%	Annual Increase
Single Family Residential	694.26	722.03	27.77	715.09	20.83	715.09	20.83
Agricultural (Farm)	3,053.30	3,175.43	122.13	3,144.90	91.60	3,144.90	91.60
Sewer	570.38	598.90	28.52	587.49	17.11	581.79	11.41

Residential Single family assumes BC average annual utilization of 318 M3

Agricultural assumes 10-acre parcel

Summary of Utility Related Debt

EXPIRY	Rate	Fund	Purpose	2024 Payment	2024 Principal	2024 Interest	2024 Balance	2025 Payment
2024	4.975%	Water	Water SYSTEM #2 - 10 INCH LOOPING	5,020.94	2,879.00	2,141.94	-	
2024	4.975%	Water	Other HESTER CR/SYST	12,018.04	6,891.14	5,126.90	-	
2024	4.975%	Water	Water TUCELNUIT WATER EXT	9,579.84	5,493.08	4,086.76	-	
2024	4.975%	Water	Water SAWMILL RD EXT	512.88	294.08	218.80	-	
2025	4.170%	Water	Water 2010 WATER PROJECTS	8,114.40	6,633.10	1,481.30	11,181.10	8,114.40
2028	5.150%	Water	Water RURAL TWINNING	143,676.48	63,003.36	80,673.12	501,100.35	143,676.48
2025	3.350%	Water	Water WATER PROJECTS	214,753.61	201,057.15	13,696.46	207,792.51	214,753.56
2026	2.100%	Water	Water 2013-2014 WATER CAPITAL PROJE	91,157.15	73,469.89	17,687.26	188,931.04	91,157.15
2045	2.000%	Water	Water-Gallagher Lake Water Siphon	407,435.97	189,707.97	217,728.00	6,095,841.36	407,435.97

Debt Retiring in 2024 will save the Town \$27K in interest and principal starting in 2025.

Water SYSTEM #2 - 10 INCH LOOPING
Other HESTER CR/SYST
Water TUCELNUIT WATER EXT
Water SAWMILL RD EXT

Debt Retiring in 2025 will save the Town \$223K in interest and principal starting in 2026

Water 2010 WATER PROJECTS

Borrowing Capacity of the Town

- ▶ Liability Servicing Capacity Available = \$1,600,331 (Based on ceiling of 25% of Municipal Revenue less current debt servicing)
 - ▶ This represents the theoretical additional debt servicing room available to the Town of Oliver under Provincial legislation.
 - ▶ Town is currently at 11%, the average for all municipalities is 3%.
 - ▶ Equates to borrowing \$24,530,000 at 4.01% under 25-year amortization
- ▶ In 2026, due to debt retiring in 2024 & 2025, we will have \$250,000 in cashflow available for borrowing or reserves.
 - ▶ Equates to borrowing \$3,840,000 at 4.01% under 25-year amortization

Current Utility Rate Comparisons

Oliver has 2nd lowest residential water but 2nd highest agricultural water

Fixed & Variable Rate	Oliver	Keremeos	Osoyoos	Osoyoos (2025)	Peachland	Summerland
Single Family Residential	\$694.26	\$401.70	\$1,556.45	\$1699.52	\$1,071.00	\$943.62
Agricultural (Farm)	\$3,053.30	\$2,007.00	\$3,721.00	\$4,785.00	\$2,068.00	\$2,267.80
Sewer	\$570.38	\$250.00	\$771.40	\$816.40	\$373.93	\$665.64

Residential Single family assumes BC average annual utilization of 318 M3

Agricultural assumes 10-acre parcel

How do our rates compare? Depends on what you look at.

Municipality	Population	Per Capita User Fees - 2024	Per Capita Total Property Taxes & Charges - 2024
Keremeos	1,608	189.95	1912.18
Princeton	2,894	409.12	3323.71
Peachland	5,789	447.24	2777.17
Penticton	36,885	643.24	2626.15
Summerland	12,042	675.4	2632.93
Oliver	5,094	906.89	2736.34
Osoyoos	5,556	1441.48	3982.92

User fees include sewer, water and garbage

Oliver has the fourth highest per capita Total Property Taxes & Charges behind Osoyoos, Princeton & Peachland

Oliver has the second highest per capita user fees next to Osoyoos

Taxes & Charges on a Representative House - 2024

Municipality	Home Value	Total Variable Rate Taxes	Total Residential User Fees	Total Residential Property Taxes & Charges
Princeton	373,062	2,033	652	2,685
Keremeos	473,995	2,816	380	3,318
Oliver	624,998	2,852	1,253	4,400
Merritt	444,902	3,158	881	4,417
Osoyoos	712,642	3,162	1,624	4,956
Summerland	878,446	3,581	1,458	5,524
Penticton	772,659	3,823	1,579	5,402
Peachland	944,181	4,107	783	5,309

Oliver is the third lowest comparing Total Residential Property Taxes & Charges ahead of Princeton & Keremeos

Oliver is third lowest variable rate taxes on an average home

Oliver is in middle of the pack for Residential User Fees

Budget Timeline

- ▶ December 9, 2024 - Adoption of Water, Parcel Tax and Sewer Revised Bylaws
- ▶ January 6, 2025 - Presentation of 2025-2029 Capital Budget
- ▶ January 27, 2025 - Presentation of 2025-2029 Operating & Capital Budgets
- ▶ February 24, 2025 - Presentation of 2025-2029 Financial Plan
- ▶ February 25-March 26 Public Feedback Period
- ▶ March 31, 2025 - Presentation of 2025-2029 Financial Plan
- ▶ April 22, 2025 - Adoption of 2025-2029 Financial Plan
- ▶ May 12, 2025 - Adoption of 2025 Tax Bylaw

QUESTIONS / COMMENTS