

# 2021 Wastewater User Fees and Frontage Fees

Special Board meeting  
December 3, 2020

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# Considerations – Legislative and SCRD Policies

- Local Government Act:
  - Budgets need to be balanced (can't budget for a deficit or a surplus)
- Environmental Permit requirements
  - Environmental Management Act - Municipal Wastewater regulation
  - Sewerage System Regulation
- SCRD Financial Sustainability Policy:
  - User fees to fund Operations and maintenance
  - Frontage fees to fund Capital expenditures
- SCRD 2019-2023 Strategic Plan :
  - Strategy: Continue to develop and implement comprehensive asset stewardship strategy



# Considerations – discretionary

- SCRD Asset Management Plans for each individual Wastewater system
- Preferred funding to fund immediate asset failures /system performance issues:
  - Capital Reserves
  - Loans
- Preferred funding of end of lifespan replacement:
  - Capital Reserves
  - Loans
  - Grants (note: requirement for SCRD to cover non-eligible cost and/or percentage of eligible cost)
- Preferred period to build up target reserves levels.



# Considerations - recommendations

- Guided by 2019-2023 Strategic plan
- Reflect anticipated operating and maintenance cost for 2021
- Funding mix for end of lifespan infrastructure replacement to be confirmed for each system.
  - Funding whole or in part from reserves would reduced future debt load.
  - Building up reserves over a long period preferred to avoid large rate increases in future years.
- Funding immediate asset failures / asset performance issues from reserves is preferred over borrowing.
  - Current capital reserves not adequate levels in all systems



# System specific considerations

Service	EOY Capital Reserve Projections		Comments
	2020	2021	
Greaves	\$ 3,239	\$ 4,451	Feasibility study treatment and collection system
Woodcreek	\$ 33,064	\$ 55,110	Infrastructure related performance concerns
Sunnyside	\$ 19,080	\$ 21,302	
Jolly Roger	\$ 39,615	\$ 46,079	2021: Budget proposal \$9,000
Secret Cove	\$ 12,845	\$ 19,713	2021: Budget proposal \$9,000
Lee Bay	\$ 257,795	\$ 293,953	
Square Bay	\$ 44,834	\$ 54,134	2020: only debt servicing, Infrastructure related performance concerns
Langdale	\$ 4,080	\$ 12,160	Feasibility study treatment system
Canoe	\$ 3,071	\$ 3,071	2020/21: only debt servicing
Merrill	\$ 436	\$ 1,836	2020: only debt servicing, Feasibility study treatment system
Curran	\$ 30,405	\$ 48,115	2021: Budget proposal \$26,814
Roberts Creek	\$ 35,850	\$ 45,274	Infrastructure related performance concerns
Lily Lake	\$ -	\$ 8,512	2020: no current reserve
Painted Boat	\$ 5,244	\$ 12,112	
Sakinaw	\$ -	\$ -	Frontage fee support O&M

# Next steps

- Engagement and Board decisions on:
  - Funding method for system component replacements
  - Target capital reserves levels and associated timelines
  - Rates for 2022
- Feasibility studies Greaves, Merril and Langdale
- Ongoing assessment and addressing of performance issues
- Optional: Letter signed by Board Chair explaining 2021 user fees and frontage fees and next steps in 2021

