



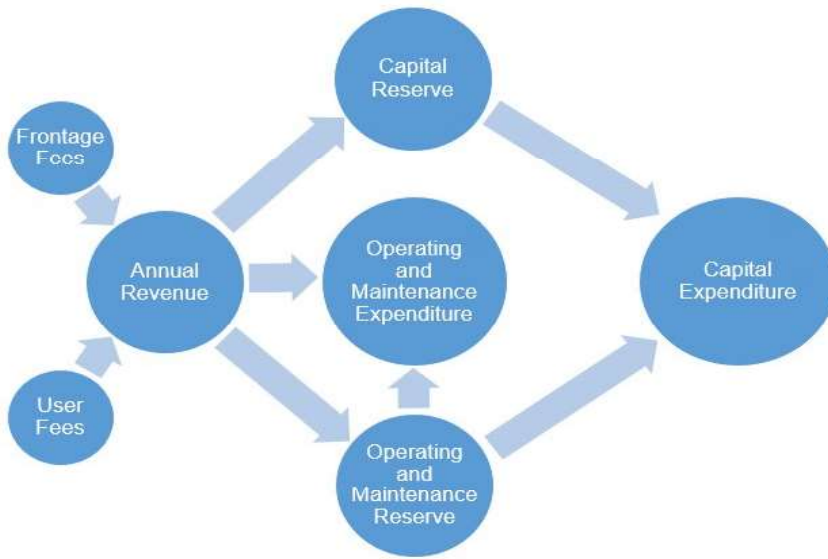
A recent review of the Jolly Roger wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

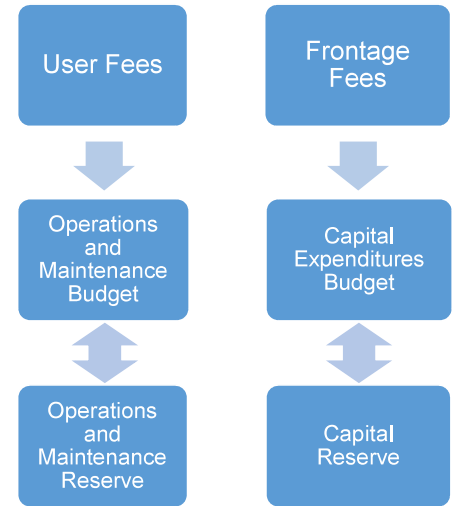
A copy of the Jolly Roger Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Jolly-Roger

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCR D Wastewater Funding Model



Preferred Funding Model

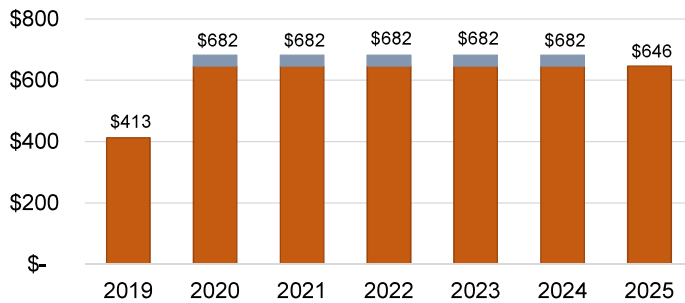


User Fee and Operations and Maintenance Budget Review

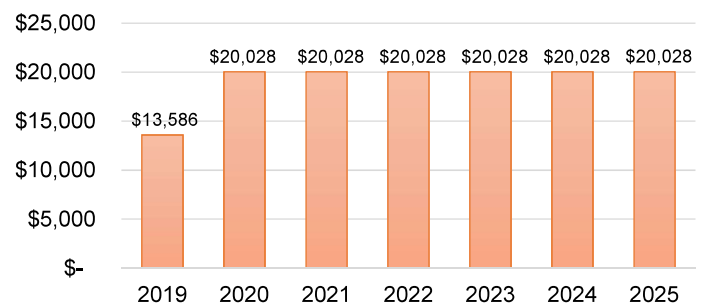
An increase of up to \$234 from 2019 user fees is being considered. The SCR D has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$36 be added annually to the user fees for a period of five years in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1

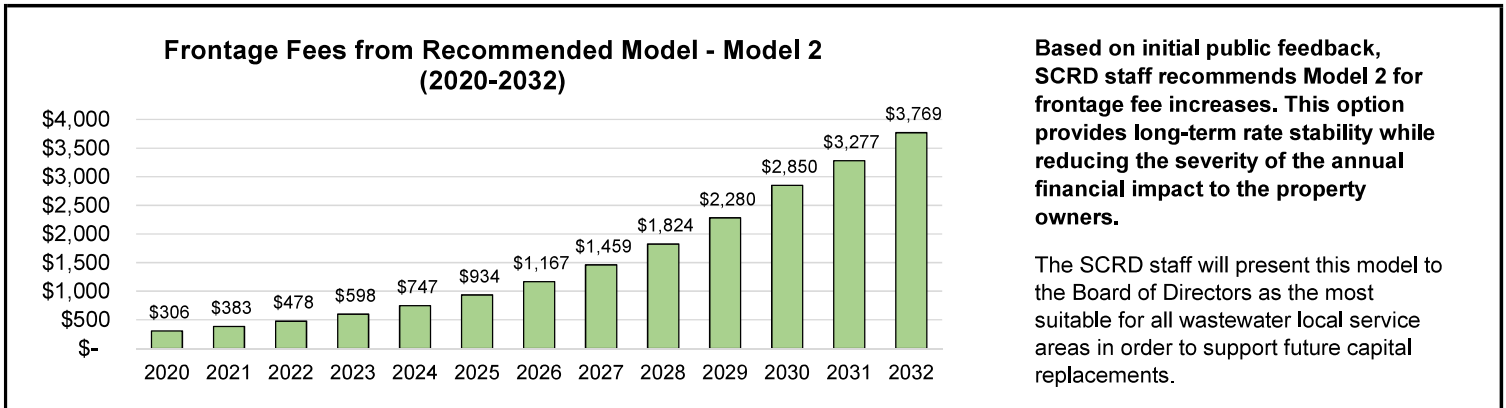
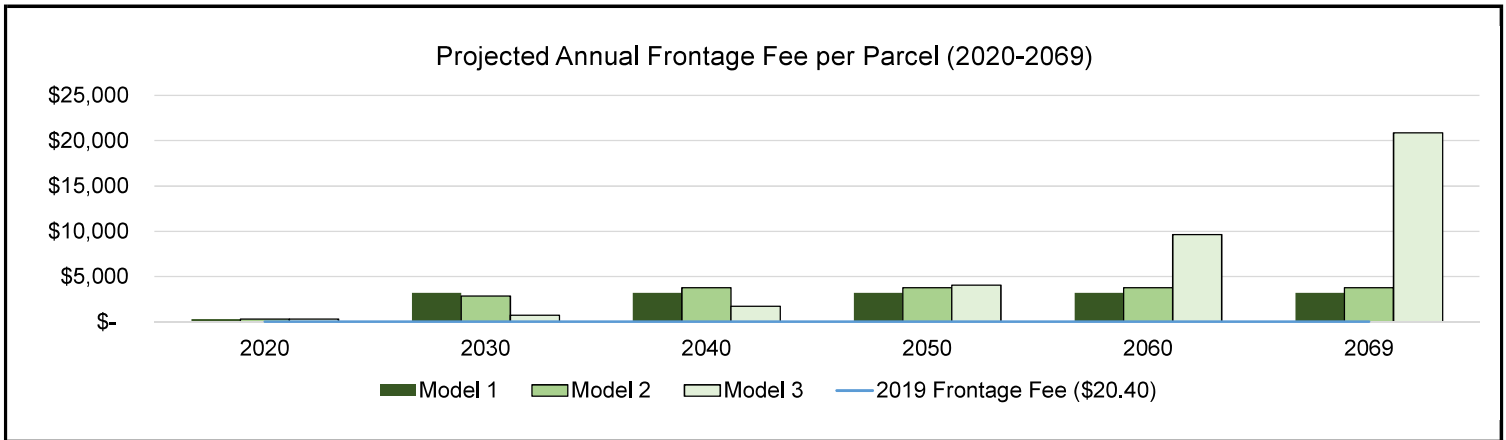
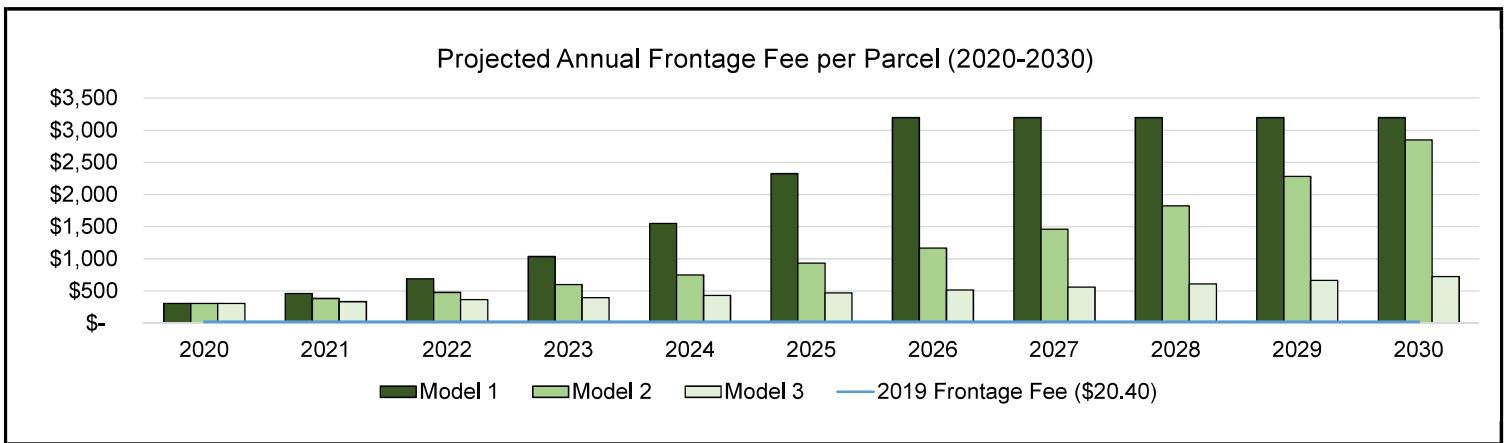
Frontage fee increases by **1400%** to \$306 in 2020
 Frontage fee increases by **50%** annually between 2021-2025
 Frontage fee increases by **37.5%** in 2026
 No additional increase in frontage fees beyond **2026**

Model 2

Frontage fee increases by **1400%** to \$306 in 2020
 Frontage fee increases by **25%** annually between 2021-2030
 Frontage fee increases by **15%** in 2031 and 2032
 No additional increase in frontage fees beyond **2032**

Model 3

Frontage fee increases by **1400%** to \$306 in 2020
 Frontage fee increases by **9%** annually between 2021-**2069**



Based on initial public feedback, SCRD staff recommends Model 2 for frontage fee increases. This option provides long-term rate stability while reducing the severity of the annual financial impact to the property owners.

The SCRD staff will present this model to the Board of Directors as the most suitable for all wastewater local service areas in order to support future capital replacements.