

BIOSOLIDS PROCESSING OPTIONS

Funding & Financial Impacts



Source and Use of Capital Funds

5 year Summary

	Funds Required 2010-14 Capital Plan	Actual Funds on Hand January 2010
Development Cost Charges	\$4,530,000	\$5,579,110
Capital Reserves (Statutory)	4,503,112	3,290,799
Grants	5,126,684	
Sewer Reserve	2,409,000	1,861,905
Operating Reserves	1,754,388	4,518,244 **3,240,757
Gas Tax Funds (Deferred Revenues)	1,676,516	2,386,966
TOTAL FUNDING for 2010 Five Year Capital Plan	\$19,999,700	\$20,891,645

** Restricted internal surplus for specific operating needs
(RCMP costs/Building Reserves/Emergency funds for economic downturn)

2010 CAPITAL BUDGET (2010-2014)

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	Five Year Funding Requirement	2010 Funding Sources				
							Total Funding	Capital Reserves	Grants	Operating Reserves	Gas Tax
Airport	200,000	0	1,224,100	0	0	1,424,100	200,000	0	0	200,000	0
Community Enhancement	329,000	55,000	205,000	265,000	5,000	859,000	329,000	172,000	100,000	0	57,000
Equipment and Furniture	10,000	10,000	10,000	10,000	10,000	50,000	10,000	0	0	10,000	0
Facilities	345,002	70,002	40,001	0	0	455,005	345,002	315,002	0	30,000	0
Major Drainage DCC	147,000	0	40,000	340,000	340,000	867,000	147,000	0	0	147,000	0
Major Roads DCC	100,000	0	90,000	850,000	1,660,000	2,700,000	100,000	0	59,134	40,866	0
Minor Drainage Works	35,001	0	80,000	135,002	90,002	340,005	35,001	35,001	0	0	0
Park Development and Equipment	153,500	61,001	55,002	31,001	25,000	325,502	204,501	84,500	0	115,000	5,001
Roads (Non DCC)	358,000	121,100	510,001	923,501	0	1,912,602	358,000	358,000	0	0	0
Sewage Local Connector Lines	1,200,000	25,001	0	0	0	1,225,001	1,200,000	0	960,000	240000 (Sewer)	0
Sewage Treatment DCC	1,100,000	1,900,000	3,600,000	0	0	6,600,000	1,100,000	50,000	496,333	317,000	236,667
Sidewalks and Walkways	702,501	169,009	67,003	68,004	0	1,006,517	702,501	557,001	25,000	45,000	75,500
Vehicles and Equipment	112,000	392,000	113,001	0	0	617,001	100,000	100,000	0	0	0
West Porpoise Bay Sewage Collector (DCC)	0	30,000	0	329,000	0	359,000	0	0	0	0	0
West Sechelt Sewage Collector (DCC)	1,128,967	0	130,000	0	0	1,258,967	1,128,967	0	503,450	625517 DCC'S	0
Total Capital	5,934,971	2,956,115	6,189,108	2,976,508	2,155,002	19,999,700	5,934,971	1,646,503	2,143,917	1,770,383	374,168

2010-2014 Proposed Capital Projects Funded by Reserves, DCC's, Grants

- Airport - \$1,424,100
- Community Enhancements (\$847,000)
 - Maritime Gateway Park & Float - \$205,000
 - Davis Bay Pier & Seawall - \$50,000
 - Trail Bay Walkway - \$150,000
 - 4 Way Stop – Inlet/Dolphin - \$157,000
 - Curb Extensions – Inlet/Cowrie - \$260,000
 - Urban Forest Management - \$25,000
 - Audible Traffic Signals and Crosswalk Improvements - \$300,000



2010-2014 Proposed Capital Projects Funded by Reserves, DCC's, Grants

- Sidewalks & Walkways (\$538,000)
 - West Sechelt - \$155,000
 - Downtown – \$383,000
- Park Development and Equipment (\$217,000)
 - Mission Point Park \$177,000
 - Chapman Creek bank stabilization - \$20,000
 - Picadilly Park Playground Upgrade - \$20,000
- Facilities Maintenance & Equipment (\$992,000)
 - JSB & Municipal Hall Heating/Air Conditioning - \$230,000
 - Public Works, Parks & Archives Upgrades - \$145,000
 - Equipment - \$617,000
 - Tractor, Compacter, Salter, Vector Truck



2010-2014 Proposed Capital Projects Funded by Reserves, DCC's, Grants

- Major Roads/Drainage Upgrades (\$5,135,000)
 - Trail Ave Road – \$2,600,000
 - Trail Ave Drainage – \$720,000
 - Deerhorn - \$160,000
 - Inlet Avenue - \$750,000
 - Mermaid - \$350,000
 - East Porpoise Bay - \$100,000
 - Cowrie Street- \$65,000
 - Nickerson Road - \$50,000
 - Minor Drainage – \$340,000
 - Inlet Ave, Periwinkle Lane, Cook Creek/Reef Rd, Ingrens Creek/SIR Crossing, Carol Brook/Fairway Crossing



2010-2014 Proposed Capital Projects Funded by Reserves, DCC's, Grants

- Sewer Related (\$2,689,000)
 - Lift Station Inlet Ave – \$1,000,000
 - Trail Ave/Teredo Sewer Repair - \$200,000
 - West Porpoise Bay Upgrades - \$359,000
 - West Sechelt Trunk Line Expansion – \$1,130,000
- Sewer Treatment (\$6,500,000)
 - Ebbtide treatment upgrade \$600,000
 - Biosolid Upgrade (Dusty Rd) - \$4,200,000
 - Outfall Line Construction – \$1,700,000



OTHER CAPITAL/OPERATING COST PRESSURES

- According to recent asset assessment reports from McElhanney Consulting Services, the District's road and sewer infrastructure requires significant investment to ensure asset lives are not prematurely shortened.
- The costs on the next two pages are in 2010 dollars. If the maintenance is postponed, costs will continue to increase.



Sewer (Storm drains & sanitary sewers)

- 2010 Sewer Collection System Analysis
 - 26 km of storm drains & 47 km of sewers
 - 23% are in poor condition and need to be replaced in next 5 years
 - 73% of the sewer forcemains are in poor condition and need to be replaced in the next 5 years
- Financial Resources required:
 - Initial Five year financial cost **\$2.5 Million**
 - Total of **\$8.75 Million** required over the next 25 years



Roads

- 2010 Road Analysis
 - Over 80 km of roads
 - Majority of roads are well maintained and in good to very good condition
 - 16% of road segments would benefit from drainage improvements
- Financial Resources Required:
 - Initial Five Year Financial Cost of **\$1.8 Million**
 - Total of **\$18 Million** required over the next 25 years



Biosolids Treatment – Class B

• Biosolids Handling Plant

- Cost: \$4.2 Million plus \$.6 million for Ebbtide Upgrade
- Total \$4.8 Million in 2010 budget
- Grants cover these costs 100%:
 - Canada Infrastructure Grant \$3.2 Million
 - Gas Tax Grants \$1.6 Million

No Financial impact on District taxpayers



Biosolids Handling Plant: Class A (Thickening and Drying)

- Cost: Up to \$5.5 Million, plus \$.6 million for Ebbitide Upgrade: Total Cost of \$6.1 million
- \$4.8 Million in 2010 budget, additional \$1.3 million required
- Grants/Existing Surplus cover these costs:

Canada Infrastructure Grant	\$3.2 Million
Gas Tax Grants	\$1.6 Million
Additional Gas Tax Monies available	.4 Million
Sewer Surplus (\$1.8 mil total)	<u>.9</u> Million

- **Total funding currently available** **\$6.1 M**

No financial impact on District Taxpayers



Cost of Borrowing for New Primary Treatment Plant

- Assume \$12 Million Cost
- \$4 million District contribution from:
 - Gas Tax \$2.0 M
 - Sewer Treatment DCCs 1.0 M
 - Sewer Account Surplus 1.0 M
- Borrow remaining \$8 million
 - Interest rate 3.5%, 20 Year Term
 - Voters must approve borrowing (Referendum)
- \$8.0 M to be borrowed plus \$3.2 M interest costs
- \$11.2 M TO BE REPAID OVER 20 YEARS or \$560,000 per year

Impact: 9% tax increase for next 20 years or \$100 additional tax each year per 'average' house valued at \$415,000



Summary of Property Taxation impacts

- Proposed Biosolids Handling Plant
 - 0% tax increase
 - 100% paid by Gas Tax Grant, Reserves, Infrastructure grant
- Sewer Treatment Plant
 - 9% tax increase for 20 years
 - \$100 per year per average residence
 - Assumes \$3.2 M Infrastructure grant lost
 - Uses an additional \$1.3M TO \$2.0M of reserves

