



Sanitary Sewer Long Term Financial Plan Update

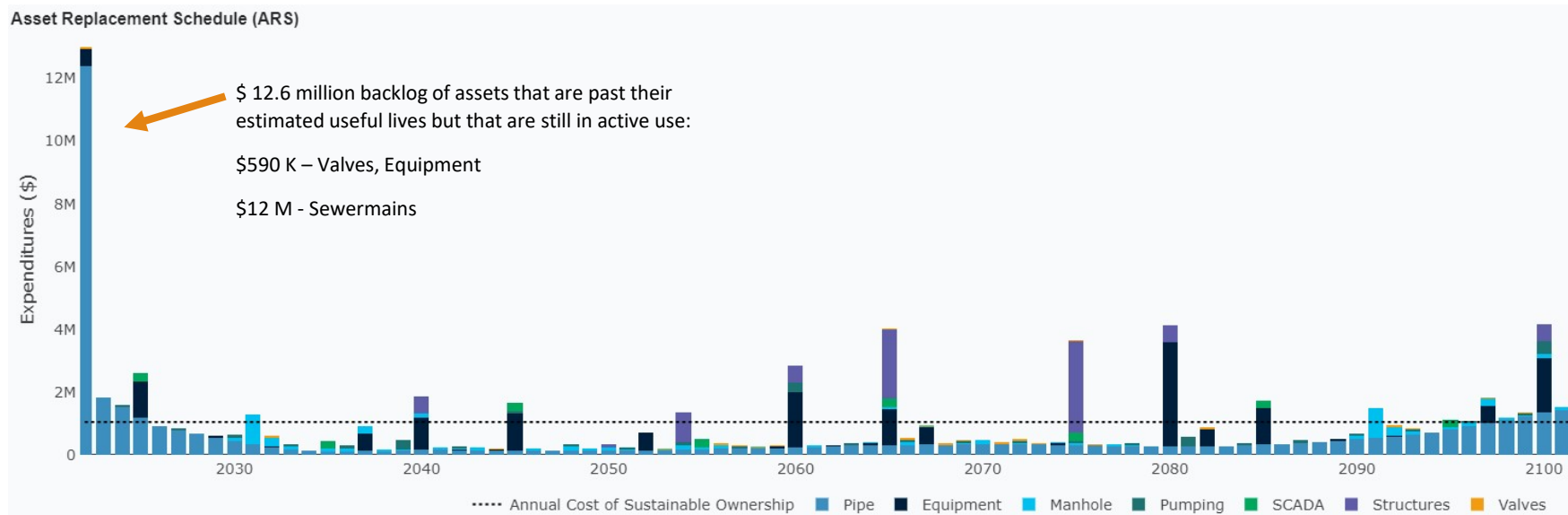
January 25, 2022

Sanitary Sewer Long Term Financial Plan

Goal:

- To achieve a fund with sufficient reserves to address short and long term operational and capital requirements, while limiting dependency on grant and debt funding.
- Reserves targets:
 - Operational Reserve with contingency: 30% of annual O&M expenses
 - Rate Stabilization: 5% of annual user fees
 - Capital Reserve: 3% of Total asset replacement value

Sanitary Sewer Long Term Financial Plan



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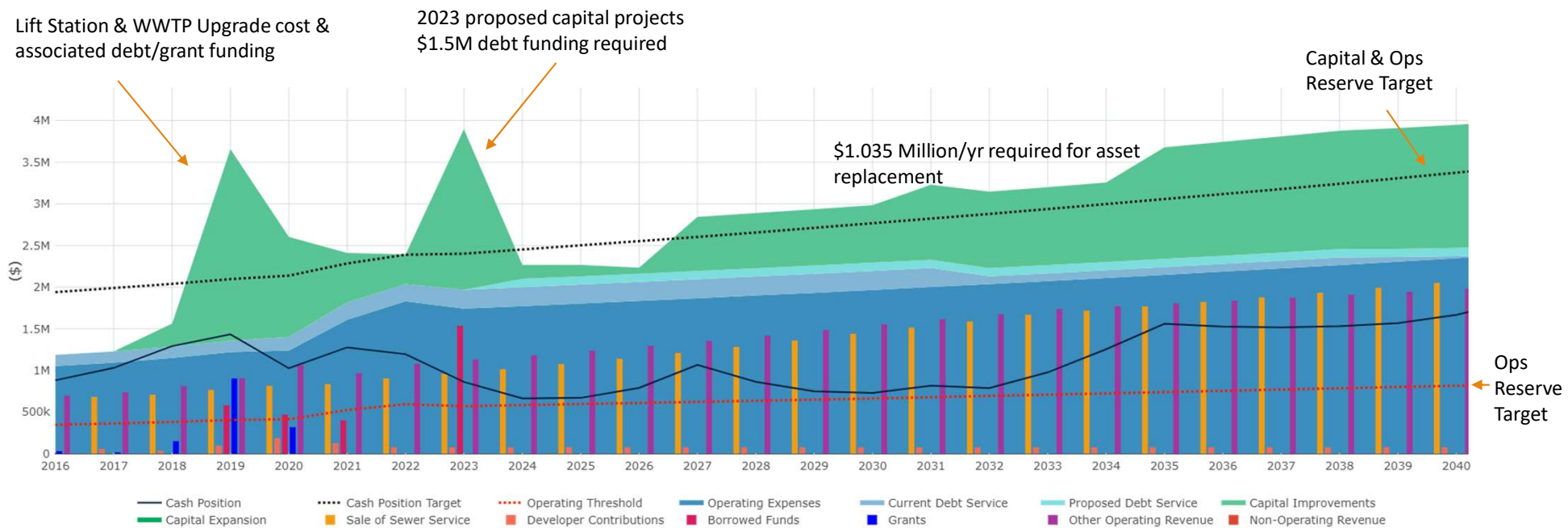
Operations:

- Based on 2022 Preliminary Budget

Capital:

- 2022-2026 based on preliminary Five-Year Capital Plan
- 2027-2035, gradually increasing up to the Annual Cost for Asset Replacement
 - 100 year average of ~ \$1,035,000 per year
 - Increased from \$950,000 per year to reflect updated asset inventory and unit costs.

Sanitary Sewer Long Term Financial Plan



Minimum 5% annual rate increase
until at least 2030

Sanitary Sewer Long Term Financial Plan

Goal:

- To achieve a self-sustaining sewer fund with sufficient reserves to address short and long term operational and capital requirements

Proposed Rate Increases:

- Proposed Parcel Tax and User Fee Rate Increases of 5% for 2022
 - 2% inflationary impacts
 - 3% asset replacement/renewal/long term sustainability
- Continue with minimum revenue increase of 5% each year until 2030 (or until reserve targets met)

Sanitary Sewer Long Term Financial Plan

Single Family Residential Property

5% increase for 2022



Sanitary Sewer Long Term Financial Plan



Single Family Residential Property

5% increase for 2022-2026