



Water Long Term Financial Plan Update

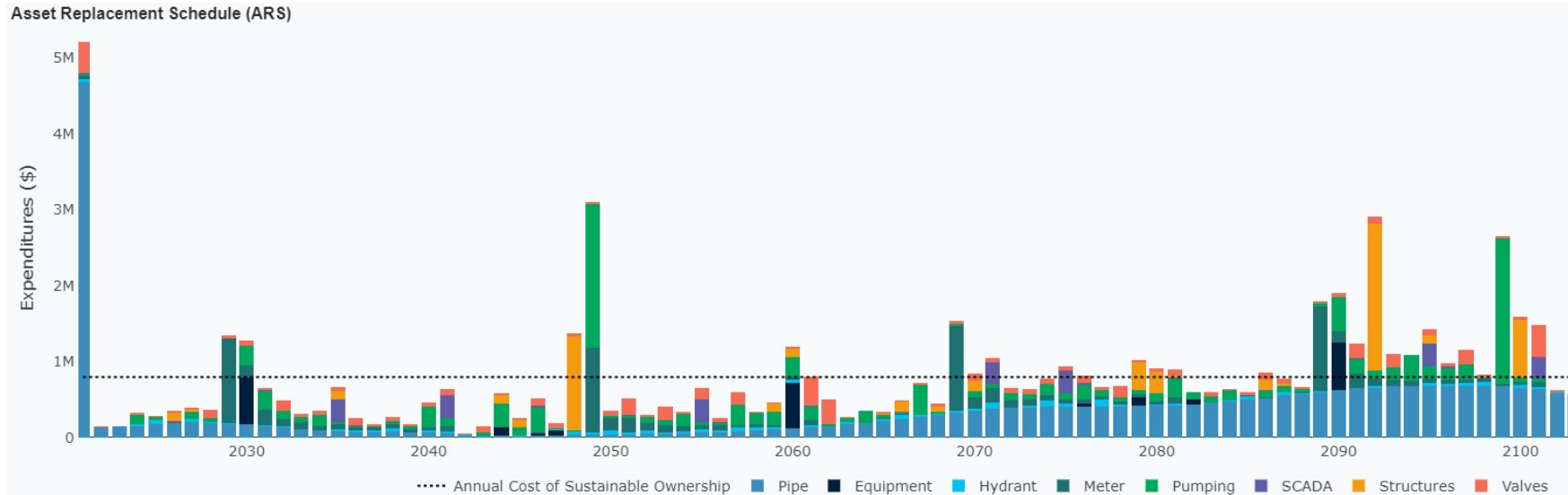
January 25, 2022

Water 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: 10% of annual user fees / sales of service
 - Capital Reserve: 3% of Total asset replacement value

Water Long Term Financial Plan



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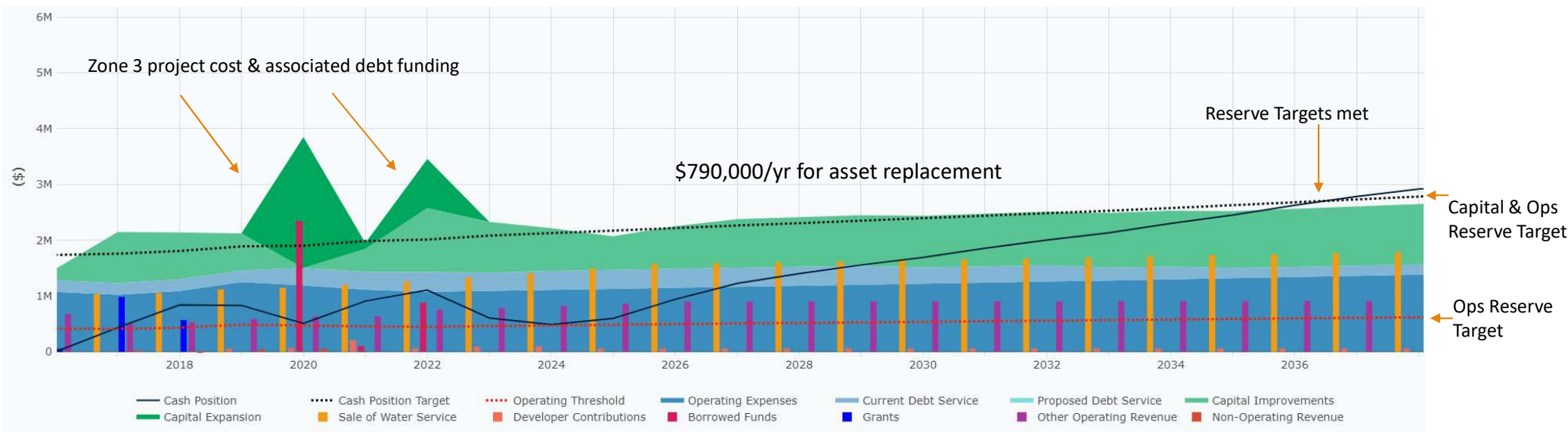
Operations:

- Based on 2022 Preliminary Budget

Capital:

- 2022-2026 based on preliminary Five-Year Capital Plan
- 2027 onward, based on Annual Cost for Asset Replacement
 - 100 year average of ~ \$790,000 per year.
 - Increased from \$640,000 per year to reflect updated asset inventory and unit costs.

Water Long Term Financial Plan



5% annual rate increases
2022-2026

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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 an overall revenue increase of 5% each year until 2026 (or until reserve targets met).

Water Long Term Financial Plan

Sample* Single Family Residential Property

5% increase for 2022



*Residential property using 320m³ water/year
(160m³ over 6-month period)

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