

Meeting Date: September 22, 2026
For: Special Business Meeting
From: Financial Services
Subject: 2027-2036 Financial Plan: Utilities Fund Operating and SOP

Recommendation

THAT Council:

1. Approve the 2027 Utility Service Level Changes for inclusion in the 2027-2036 Financial Plan as presented in the report from Financial Services dated September 22, 2026.
 2. Approve the 2027 Utility Rates for inclusion in an amendment to District of Squamish Fees and Charges Bylaw No. 3185, 2025.
 3. Direct Staff to include the Utilities Special Operating Projects as presented in the report from Financial Services dated September 22, 2026, in the 2027-2036 Financial Plan.
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1. Purpose of Report

The purpose of this report is to present a long-term financial plan for the District Utilities (Water, Waste Water, Solid Waste) that provides for stability and sustainability.

2. What Informed the Recommendation

The 2027 -2036 Financial Plan is aligned with the District's 2023 - 2026 Strategic Plan and adherence to the annual financial plan bylaw is required pursuant to section 173 of the Community Charter.

3. Background

The implementation of the Utility Master Plans requires sustainable funding to support utility systems expansion needed to accommodate community growth, as well as ongoing replacement and upgrade of aging infrastructure. Both growth in volume of customers and rate increases contribute to the funding for the utility rates.

In addition to this report, an explanatory Budget Package Guide (Package Guide) has been included as Attachment 10 which explains the various budget principles. Principles included in the package and referred to in this report include the following:

Pre-Committed Changes (Non-Discretionary) - Items that are commitments as a result of prior Council financial planning decisions that have impacts on the current financial plan or increased revenues or

expenditures that are bound by legal contract, inflationary cost increases, change in legislation, or a result of provincial or federal contract changes.

Service Level Changes (SLC) –are additional operating costs added to the base operating budget. They are categorized into three categories: Service Level Increases, Service Level Maintenance, and Service Level Opportunities (as outlined in the accompanying Package Guide).

Asset Management Reserve Funding Strategy (AMRFS) – The Asset Management Plan (AMP) was completed in 2022 and recommended that the General and Water, Waste Water, and Solid Waste Funds increase its annual reserve contribution to replace existing assets. In 2023, Council endorsed the Asset AMRFS which included the AMP recommendations and incorporated additional capital requirements included in the 2023-2027 financial plan to provide a target ¹reserve contribution strategy that would work towards sufficient and sustainable reserves for a long-term capital program. The following table summarizes the recommended increase in utility reserve contribution annually (as a percentage of prior year user fee revenue):

Waste Water Fund	3.4%
Water Fund	1.8%
Solid Waste Fund ¹	0.2%

Special Operating Projects (SOP) - are one-time or non-recurring projects that have a single year or multi-year timeline that is bookended (have a start and end date) and is outside the District's regular service operations. In some instances, recurring projects that are grant dependent or have limited reserve funding have been included as an SOP, as once funding is no longer available, it will either be removed from the operating budget or another funding source will need to be found.

Inter-Fund Allocation (from General Fund) – A portion of each General fund support department (e.g. Communications, Finance, Legislative Services, Human Resources, Information Technology, Procurement) operating budgets are allocated to each of the three utilities proportionately (determined as utility operating budget as a percentage of the District's total operating budget). This allocation is reviewed and updated annually to reflect increases in support department operating budgets or changes to the proportionate share that should be allocated to each utility.

Fund – The District operates three Utility Funds (Water, Waste Water, and Solid Waste). Funds are defined as self-balancing and include revenues, expenses, and a reserve for a specific municipal service, program, or purpose.

Reserve - Reserves are a critical component of the District's long-term financial sustainability, serving as the primary source of funding for the capital program. Reserves allow the cost of infrastructure renewal, replacement, and growth-related investments to be funded gradually over time, helping to smooth taxation and fees, and reduce reliance on large one-time tax and fee increases. A reserve is established by Bylaw and recorded within the District's appropriated accumulated surplus for a specific purpose. As

¹ Solid Waste is minimally impacted by AMRFS as the cost of the landfill expansion is considered an addition, therefore was not incorporated into the 2022 AMP (which includes replacement and renewal of existing assets only).

statutory reserves, their use is governed by legislation and the terms of the applicable reserve bylaw. General tax revenue, and respective utility fund fees are the revenue source for reserve contributions. Reserves are primarily used for capital funding, however in some instances they can be used to fund operating projects if these are directly related to the creation of Capital Assets (Asset Management SOP).

4. Project Information

The District has experienced rapid community growth and diversification over the past several years, which has increased demands on District utility systems. This has resulted in utility fee increases to address cost pressures from service expansion to support growth, inflationary and tariff impacts, and the need to update and replace aging facilities and infrastructure.

The District's utility funds operate on a cost recovery basis, meaning each utility must generate sufficient revenue to cover its operating costs, debt servicing requirements, reserve contributions, and future infrastructure obligations.

The District has drafted a 10-year financial plan forecast for the utility funds, which addresses both the short-term needs and long-term financial sustainability of the utilities and aids in the prioritization of capital requirements. The 10-year plan is a directional tool meant to support decision making and is inherently uncertain due to the reliance on assumptions, data limitations, subjectivity to external events (e.g. natural disasters, geopolitical events) and inability to accurately predict market pressures such as supplier availability, inflation, tariffs and policy and regulation changes. The 10-year financial plan assumptions are based on historical trends, labour contract forecasts, inflation and cost increases, and incorporates the District's various master plans and management plans. While the plan is based on best information currently available, future assumptions may change as economic conditions, infrastructure requirements, growth patterns, and regulatory requirements evolve.

The Utility funds operate on a cost recovery basis, where the revenues generated by the utility must be sufficient to cover operating expenses of that fund. As well, each utility has a respective reserve. Contributions into the reserve include revenues from the utility fund (per AMRFS), annual operating surplus, and interest earnings. Expenditures funded from the reserve include funding of capital projects, operating projects directly related to the creation of capital assets (e.g. Master Plans) and SOPs of the utility.

As part of the Financial Planning process, it is important that reserve continuity is reviewed to ensure:

- Adequate future reserve balances available to fund planned projects plus unforeseen emergencies.
- Reserves are balanced over the 10-years of the Financial Plan with no deficit in any one year.
- Long-term reserves target a minimum balance equivalent to the average one-year capital spend. This target ensures adequate funding for all planned projects plus unforeseen expenditures.

PART 1: UTILITY FUND OPERATING AND 2027 RATE INCREASES

Relevant attachments:

- Attachment 1. 2027 Utility Revenue Requirement Changes
- Attachment 2. 2027 Utility Rates and Landfill Tipping Fees
- Attachment 3. 2027-2036 Utility Revenue Requirement Forecast
- Attachment 4. 2027-2036 Utilities Service Level Change Details

- Attachment 5: 2027-2036 Utilities Service Level Change Descriptions and Justifications
- Attachment 6: 2027-2036 Reserve Continuity Schedules
- Attachment 7: Solid Waste Alternative Option Details

WATER UTILITY FUND

The Water utility fund provides for all revenues, expenses, and capital related to the operation of the District's water system.

2027 Revenue and Expenses

The 2027 Revenues and Expenses of the Water fund are summarized below:

Water Utility	2027	% of Budget
Water User Fees	7,022,000	100%
Total Revenues	7,022,000	100%

Expense Type	2027	% of Budget
Salaries and Benefits	1,419,000	20%
Contracted Services	610,000	9%
Other (e.g. supplies, utilities)	923,000	13%
General Fund Support Departments	1,050,000	15%
Debt Servicing	500,000	7%
Reserve Contribution	2,520,000	36%
Total Expenses	7,022,000	100%

As noted above, the District's Water operating budget is funded primarily by user fee revenue, which total \$7.0M for 2027, and is an increase of \$300K over 2026 (or 4.5% increase to revenue). The Water fund operating expenditure budget utilizes 57% (\$4.0M) of the user fee revenue and the remaining 43% of revenues are utilized for debt servicing costs or transferred to reserve (including an amount per AMRFS) to fund capital infrastructure and SOP of the utility.

2027 Revenue Requirement Changes (Attachment 1):

For 2027, the increased revenues of \$302K are required to fund higher operating costs of the utility resulting from pre-committed cost increases, SLCs, support department cost allocation from the General fund, and reserve contributions. Main drivers of the increase are detailed in Attachment 1 and include:

- Pre-committed (or non-discretionary) cost increases (\$177K): including labour and benefits contract increases (\$66K); increased cost of supplies for pressure reducing stations and fire hydrants (\$37K); and other increases which include SCADA licencing, fuel, rentals, and insurance (\$128K). These increases are offset by a reduction in contracting expenses (-\$66K), as SCADA equipment maintenance costs were allocated to the Waste Water fund to reflect proportionate use.
- SLC (\$10K): Includes increase for water site uninterruptable power supply equipment maintenance (see Attachment 4 for details and Attachment 5 for description and justification).
- Allocation from General fund support departments (\$96K): Increased allocation of General fund support department operating budgets to the Water fund.

- Reserve Transfers (\$19K): Increase of \$119K based on 1.8% as per the AMRFS, offset by a decrease in other transfers of \$100K (anticipated surplus generated through savings in the Water fund operations).

2027 Rate Increase (Attachment 2):

Water user fees are collected through customer billing and are based on customer volume and water utility fees, approved annually. For 2027, Staff are recommending a 1.8% rate increase for Water (consistent with 1.8% increase in 2026), based on the AMRFS, which will add \$119K to the Water Reserve. No additional rate increase is required, as revenue generated from increased customer volume (\$183K) is sufficient to generate the additional revenue required, at the proposed rate, to cover increased operating costs of the utility.

2027-2036 Revenue Requirement Forecast (Attachment 3):

Attachment 3 includes the 10-year Revenue Requirement and projected rate increases for the Water utility. As detailed, revenue requirement increases consistently at 4.7% annually for 2028 and beyond. This increase includes 1.8% as per AMRFS and an additional 2.9% increase in revenue due to increased operating expenses of the utility.

The additional 2.9% increased revenue may result from a rate increase or increased customer volume (or a combination of both). Based on historical trends and current customer base, customer volumes are projected to increase at approximately 3% per year. Therefore, the increase in customer volume is anticipated to generate the additional revenue required.

Water Capital Reserve Continuity Schedule (Attachment 6):

The Water capital reserve is used to fund new works, extensions or renewals of existing works, purchase equipment and SOP. Contributions into the reserves include revenues from the Water fund, surplus generated through savings in the Water fund operations and interest earnings. The 2027-2036 Water capital reserve Continuity Schedule is detailed in Attachment 6. Notable highlights include:

- The closing reserve balance is positive for all years of the 10-year Financial Plan. This indicates projected revenues into the reserve are sufficient to cover planned projects funded by the reserve.
- As per the District's Guiding Principles, the target minimum reserve balance is equal to one year of average annual expenditures from the reserve, which for 2027-2036 is \$4.3M. Projected closing balances in years 2032 and 2033 do fall below this minimum target, indicating the annual contributions will need to increase in excess of expenditures to build the reserve to the target minimum balance. Contributions will be reassessed during the next AMRFS update in 2028.
- Although not at the target minimum balance, the Water capital reserve has sufficient balance to lend to the Water Development Cost Charge (DCC) liability in the draft 2027-2036 Financial Plan. This enabled DCC eligible projects to be funded in the draft 2027-2036 Capital Plan, which would have otherwise been unfunded due to insufficient DCCs. Projects include Powerhouse Springs Production Well and Electrical Upgrade (\$1.4M) and Long-Term Drinking Water Source Expansion (\$2.5M). The Water-DCC liability reserve fund will repay the Water Reserve in 2036.

Water Metering Project:

Water metering was a key recommendation of the 2015 Water Master Plan to address water supply and consumption concerns in anticipation of future growth. As part of the implementation program, meters were installed for industrial, commercial, institutional (ICI), and multi-family residential properties

(townhome and apartments). With the meter installation now complete, the District is developing a new billing structure that will charge metered customers based on actual water usage rather than a flat fee. Under this system, residents and businesses in metered, stratified buildings will no longer receive individual utility bills; instead, strata councils will be billed quarterly for the building's total water consumption.

At the December 17, 2024, Regular Business Meeting Council endorsed moving forward with a single-tier Water and Waste Water metered rates structure for ICI, and multi-family residential properties. Staff are now working on the implementation. Prior to commencing billings, there are steps that must be completed. The following steps are currently underway:

- Configuration of District IT systems to accommodate metered billings, and
- Collecting metered usage data.

Collecting metered usage data over a full one-year period is essential to accurately compare consumption patterns between metered and unmetered properties. Water usage can fluctuate substantially throughout the year; primarily due to seasonal conditions. Analyzing a complete year of data provides a more representative understanding of usage trends, which is critical for establishing fair, accurate, and sustainable metered and unmetered rates.

It is anticipated that the above work will be completed in spring 2027. The following will start after the work that's currently underway has been completed:

- Revise the metered Water and Waste Water rate study with updated metered usage data,
- Complete a period of 'shadow billing' where metered customers can view what they will pay under the new rate structure, and
- Complete public engagement during the shadow billing period.

WASTE WATER UTILITY FUND

The Waste Water utility fund includes all revenues and expenses related to the operations of the District's Waste Water collection system and the waste water treatment plant.

2027 Revenue and Expenses

2027 revenues and expenses of the Waste Water utility fund are summarized below:

Revenue Type	2027	% of Budget
Waste Water User Fees	10,431,000	99%
Effluent Dumping Fees	110,000	1%
Other Miscellaneous	4,000	0%
Total	10,545,000	100%

Expense Type	2027	% of Budget
Salaries and Benefits	1,656,000	16%
Contracted Services	1,899,000	18%
Other (e.g. supplies, utilities)	1,432,000	14%
General Fund Support Departments	1,547,000	15%
Debt Servicing	233,000	2%
Reserve Contribution	3,778,000	36%
Total	10,545,000	100%

The District's Waste Water operating budget is funded by various revenue sources with user fees making up approximately 99% of revenues. The operating expenditure budget utilizes 62% (\$6.5M) of the operating revenue listed above and the remaining 38% of revenues are utilized for debt servicing or transferred to reserve (including an amount per AMRFS) to fund capital infrastructure and SOP of the utility.

Change in 2027 Revenue Requirement (Attachment 1)

Waste Water revenue required from user fees for 2027 is \$10.4M, which is an increase of \$1.1M over 2026 (or 11.4%). Increased revenues are required to cover operating expense increases of the fund resulting from pre-committed cost increases, service level changes, allocation of support department budgets from the General fund, and contributions to reserve. Main drivers of the increase are detailed in Attachment 1 and include:

- Pre-committed (or non-discretionary) cost increases (\$377K): Labour and benefit contract increases (\$93K); increased cost of contracted services for biosolid disposal and sani-flushing (\$68K); increased cost of supplies for lift stations, septage receiving stations, and the allocation of SCADA equipment maintenance from water (\$162K); and other increases which include increases for hydro, licensing and permitting (\$54K).
- Service Level Changes (\$49K): Increased operating budget for new IR24 lift station (\$29K) and waste water site uninterruptable power supply equipment maintenance (\$20K). See Attachment 4 for details and Attachment 5 for descriptions and justifications.
- Allocation from General fund support departments (\$145K): Increased allocation of General fund support department operating budgets to the Waste Water utility fund.
- Change in Reserve Transfers (\$537K): Increase based on 3.4% contribution as per the AMRFS (\$318K). In the approved 2026-2035 Financial Plan, reserve funding was utilized to smooth in increased operating costs of the utility in 2026. Reserve funding is not utilized in 2027, which results in an increased revenue requirement from user fees (\$219K).

2027 Rate Increase (Attachment 2)

Waste Water user fees are collected through customer billing and are based on customer volume and Waste Water utility fees, approved annually. For 2027, Staff are recommending an 8.8% rate increase (or \$63) for Waste Water (compared to a 7.2% increase in 2026) which includes:

- 3.4% increase as per the AMRFS, and will add approximately \$318K to the current Waste Water capital reserve for a total reserve contribution of \$3.6M in 2027.
- 5.4% rate increase to support increased operating costs of \$750K (detailed on Attachment 3). The proposed rate increase will generate approximately \$506K in revenue with the remaining \$243K revenue generated from increase in customer volume.

2027-2036 Revenue Requirement Forecast (Attachment 3):

Attachment 3 includes the 10-year revenue requirement and projected rates changes for the Waste Water utility. The annual change in rates includes a 3.4% increase as per AMRFS plus an additional increase that will be required to be generated from a rate or additional customer volume (or a combination of both) ranging between 3% - 8% over the year the ten years to cover the increased operating expenses of the utility.

Based on historical trends and current customer base, customer volumes are projected to increase at approximately 3% per year for Waste Water utility. As detailed in Attachment 3, the revenue increase required (in addition to the 3.4% per AMRFS) is 5.1% in 2028, 3.6% in 2029, and 3.0% in 2030 at which point the increase stabilizes at 3% annually. This indicates that additional rate increases will continue to be required in 2028 and 2029. However, in 2030, increased customer volume (of 3%) is anticipated to generate the additional revenue required to cover the increased operating costs of the utility.

It is important to note, that the revenue requirements detailed in Attachment 3 do not include revenues required to offset debt servicing costs on borrowing for the following capital projects included in the draft 2027-2036 Capital Plan:

- The Waste Water Treatment Plant Upsize project is eligible to be funded by DCCs. However, due to insufficient DCC balances, this project was funded from borrowing with annual debt servicing costs funded by DCCs (\$1.1M per year starting in 2027).
- The Chiefview and Tantalus Waste Water Upgrade project is also eligible to be funded by DCCs. Due to insufficient DCC balances, this project will be funded from borrowing with annual debt servicing costs funded by DCCs (\$409K per year starting in 2031).

Waste Water Capital Reserve (Attachment 6):

The Waste Water capital reserve is used to fund new works, extensions or renewals of existing works, and to purchase equipment. Revenues transferred to the reserve include contributions from the Waste Water fund (e.g. AMRFS) and interest earnings. The Waste Water capital reserve continuity schedule is detailed in Attachment 6. Notable highlights include:

- The closing reserve balance is positive for all years of the 10-year Financial Plan. This indicates projected revenues into the reserve are sufficient to cover planned projects funded by the reserve.
- Per the District's Long-Term Financial Plan Guiding Principles and Financial Policy (Guiding Principles), the target minimum reserve balance is equal to one-year of the average expenditures from the reserve, which for 2027-2036 is \$5.5M. The reserve is projected to be at its lowest balance in 2028. However, due to the annual reserve contributions per AMRFS, the reserve balance continues to build annually and is projected to achieve the minimum reserve balance target of \$5.5M by 2031.

SOLID WASTE UTILITY FUND

The Solid Waste utility fund includes two primary operations:

- Curbside collection services, and
- The Squamish Landfill.

Each operation is intended to generate sufficient revenue to cover its share of operating costs, administrative support costs, infrastructure requirements, reserve contributions, and future debt obligations.

Solid Waste rates are facing greater pressure than Water and Waste Water due to several factors:

- Landfill tipping fee revenues have declined in recent years,
- Future landfill expansion costs are expected to be financed through borrowing,
- Updated landfill post-closure obligations have increased reserve pressures, and

- The District is gradually increasing revenues now to avoid significantly larger future rate increases when debt servicing begins.

2027 Revenue and Expenses

The 2027 revenues and expenses of the Solid Waste utility are summarized below:

Revenue Type	2027	% of Budget
Curbside Collection Fees	3,180,000	45%
Landfill Tipping Fees	3,509,000	50%
Miscellaneous	335,000	5%
Total	7,024,000	100%

Expense Type	2027	% of Budget
Salaries and Benefits	378,000	5%
Contracted Services	4,719,000	67%
Other (e.g. supplies, utilities)	541,000	8%
General Fund Support Departments	328,000	5%
Debt Servicing	174,000	2%
Reserve Contribution	884,000	13%
Total	7,024,000	100%

As noted above, the District's Solid Waste operating budget is funded by various revenue sources with curbside collection and landfill tipping fees totalling \$6.7M or 95% of total revenues in 2027. The remaining 5% are revenues from Recycle BC.

The Solid Waste fund expenditure budget utilizes 85%, or \$6.0M, of the operating revenues listed above and the remaining revenues are utilized for debt servicing costs or transferred to reserve (including an amount per AMRFS). Solid Waste is minimally impacted by AMRFS as the cost of the landfill expansion is considered an addition. Therefore, it was not incorporated into the 2022 AMP (which includes replacement and renewal of existing assets only). The landfill expansion project is expected to be funded through borrowing, with the associated debt servicing and short-term construction financing costs incorporated into the operating budget. As the AMRFS is based on the 2023-2037 Capital Plan, the future borrowing costs are not included in the analysis.

2027 Revenue Requirement Changes (Attachment 1):

The main drivers of the 2027 increased revenue requirement for the Solid Waste utility are due to increases in operating costs (summarized in Attachment 1) and include:

- Pre-Committed Changes (or non-discretionary) cost increases (\$337K): due to labour and benefit contract increases (\$12K); increased cost of GFL contract for curbside collection including organics transportation and processing (\$102K); increased landfill scale operations (\$27K); and increased costs of waste diversion (\$170K).
- Allocation from General fund support departments (\$27K): Increased allocation of General fund support department operating budgets to the Solid Waste utility fund.
- Reduced transfer to the Solid Waste capital reserve (-\$808K): Includes a transfer to reserve per the AMRFS (\$6K) offset a reduction in landfill tipping fee revenue (\$800K). Over the previous three

years, the District has experienced declining tipping fee revenue due to several factors, which include:

- Customers diverting waste to the lower mainland, where tipping fees are lower, and not all sites charge the banned surcharge fee for contamination (e.g. construction sites).
- Customers bringing in only garbage to the landfill, and there is less direct revenue from the banned surcharge fee than in the past.
- Waste haulers are servicing business and multi-family homes and not bringing the waste to the Squamish Landfill.

2027 Rate Increase (Attachment 3):

Curbside Collection Fees

Curbside collection revenues are forecasted based on projected customer volume plus the rate increase required to generate enough revenue to fund operating expenses of the curbside collection operations.

For 2027, Staff are recommending a 10.3% rate increase applied across small, medium, and large totes (compared to 5.2% in 2026). Under this recommendation, curbside collection rates would increase annually to offset the increased operating costs of the Solid Waste utility and lost tipping fee revenue noted above. An additional rate increase would also apply to gradually increase revenue required to cover the future debt servicing costs of the landfill expansion project. This rate increase is made up of the two components as follows:

- 2027 Increase for Operations (3.3%): 0.2% as per the AMRFS and 3.1% for increased operating costs of the utility including reduced revenue from landfill tipping fees.
- Saving for debt servicing costs of the Landfill Expansion project (7%): 5% for debt servicing endorsed in the 2026-2035 Financial Plan plus an additional 2% for the increased cost of debt servicing due to increased capital project costs and reduced tipping fee revenues.

Landfill tipping fees

Proposed 2027 landfill tipping fees are detailed in Attachment 2. Updated rates have been proposed to account for the fixed and variable operational costs that the District is responsible for and services they would like to offer. Landfill tipping fee revenue is forecasted based on historical trends and rates are increased annually. The District's rate setting strategy aims to:

- Recover operating costs of the landfill,
- Maintain rates at a level that encourages continued use of authorized disposal facilities, and
- Ensure rates provide affordable access to responsible waste disposal activities.

Due to the increase in customers diverting waste out of the region, a minimal increase in tipping fees is proposed for 2027. Currently, the Squamish Landfill tipping fees are approximately \$100-\$300/metric tonne more than those in Metro Vancouver (depending on if the Banned Surcharge is applied or not).

2027-2036 Revenue Requirement Forecast (Attachment 3):

Attachment 3 includes the 10-year revenue requirement and projected rate increases for the Solid Waste utility. Landfill tipping fee revenue requirement increases consistently at 3% annually.

The annual increase to curbside collection revenue includes 0.2% as per AMRFS plus an additional increase required from either a rate increase or increased customer volume (or a combination of both). Based on historical trends and current customer base, customer volumes are projected to increase at approximately 1% per year for curbside collection customers.

Consistent with the 2026-2035 Financial Plan, the 2027-2036 Financial Plan includes short-term borrowing costs during construction of approximately \$420K in 2028, \$729K in 2029, and \$312K in 2030 and annual debt servicing costs of approximately \$2.4 million starting in 2031.

In the 2026-2035 Financial Plan, revenue was gradually increased (through rate increases) to meet future annual debt servicing costs associated with the landfill expansion. These revenues, as well as anticipated annual operating surplus, were to be transferred to reserve and used to reduce the amount of borrowing required on the landfill expansion project.

Due to reduced landfill tipping fees, the anticipated revenue collection (and transfer to reserve) is reduced. The projected annual revenue collection is no longer sufficient to fund the future debt servicing costs of the project. Therefore, future rate increases to curbside collection will be required beyond what was anticipated in the 2026-2035 Financial Plan.

Based on the District's Guiding Principles, it is District policy to maintain stable user fee increases and phase in any future increases, where future costs are identified in advance, to minimize spikes in user fees. Therefore, Staff recommend additional annual increases in 2027-2032 to gradually increase curbside collection rates and generate the revenue required to fund the future debt obligations, thereby avoiding a sharp rate increase in 2032. As detailed in Attachment 3, the revenue increases required (in addition to the 0.2% per AMRFS and 1% from customer volume) are 8% for 2028, 9% for 2029 and 10% for 2030-2032 at which point the revenues are sufficient to fund the annual debt servicing.

Solid Waste Capital Reserve (Attachment 6):

The Solid Waste capital reserve is used for new works, extensions or renewals of existing works, and to purchase equipment. Revenues to the reserve include contributions from the Solid Waste fund (e.g. AMRFS) and interest earnings. The Solid Waste capital reserve Continuity Schedule is detailed in Attachment 6. Notable highlights include:

- On an annual basis, the District retains Sperling Hansen Associates to revalue the Squamish Landfill post-closure cost estimate to ensure the District can meet its long-term obligations with respect to closure and post-closure costs (or asset retirement obligation). In 2025, the asset retirement obligation provided by Sperling Hansen Associates was \$1.45M greater than the previous valuation due to the need to relocate a portion of the existing landfill gas collection, the installation of permanent appurtenances and an addition of a contingency. The unanticipated expense was funded from the Solid Waste capital reserve (\$590K) and the General Operating Reserve (\$860K). These unexpected costs reduced the opening balance of the reserve to zero and requires repayment to the General Operating Reserve (seen as an expense in the continuity schedule for 2036).
- As noted above, landfill tipping fee revenues declined in 2025 and have been reduced in the 2027-2036 Financial Plan. As a result, the contribution to reserve is less than projected in the 2026-2035 Financial Plan resulting in lower reserve balances over the 10-years of the Financial Plan.
- Per the District's Guiding Principles, the target minimum reserve balance is equal to one-year of the average expenditures from the reserve, which for 2027-2036 is \$2.1M. The reserve is projected to

be at its lowest balance in 2036 which indicates that, although the reserve is receiving contributions as savings to fund debt servicing costs of the landfill expansion project, other contributions (including those under AMRFS) are not yet sufficient to achieve the minimum reserve balance target of \$2.1M.

- The reserve is balanced over the ten years of the 2027-2036 Financial Plan, with no deficit in any year which indicates projected revenues into the reserve are sufficient to cover planned projects funded by the reserve but is not sufficient for unforeseen expenses.

Alternative Option (Attachment 7)

In the 2026-2035 Financial Plan, the annual rate increases to curbside collection fees included an annual increase of 5.0%; revenue was gradually increased to meet future annual debt servicing costs associated with the landfill expansion and reduce the amount of borrowing required to fund the landfill expansion project. However, due to reduced landfill tipping fee revenues and unanticipated landfill post-closure costs funded by reserve, the additional rate increases required are less gradual (e.g. Staff recommended increase for debt savings is 7% in 2027 compared to 5% in the 2026-2035 Financial Plan). In addition, there is no longer the opportunity to reduce the borrowing required to fund the landfill expansion project.

The Staff recommendation above is consistent with the District's Guiding Principles. However, Staff recognize that Council may prefer for rate increases to be applied in the period for which debt servicing costs are incurred, rather than introducing incremental rate increases in advance. The primary advantage to this approach is that it provides a clearer relationship between the landfill expansion project and the associated rate impacts, enabling more direct communication to customers regarding the costs of the project.

Therefore, as an alternative option, the Solid Waste utility and landfill expansion project could be treated as two separate funding programs. Curbside collection rates would be increased annually to offset increased operating expenses only and a separate funding strategy would be developed for the landfill expansion project debt servicing costs (e.g. an additional landfill expansion fee in the year debt servicing costs start).

2027 Revenues and Expenses – Alternative Option

The following table highlights the differences between the Staff recommendation and alternative option for the 2027 revenues and expenses:

Revenue Type	Staff Recommendation - Debt Savings		Alternate Recommendation - No Debt Savings	
	2027	% of Budget	2027	% of Budget
Curbside Collection Fees	3,180,000	45%	2,974,000	44%

Expense Type	Staff Recommendation - Debt Savings		Alternate Recommendation - No Debt Savings	
	2027	% of Budget	2027	% of Budget
Reserve Contribution	884,000	13%	678,000	10%

For 2027, curbside collection revenues total \$3.0M (all other revenue sources remain the same). Because of these decreased revenues, the reserve contribution totals \$678K (all other operating expenses remaining the same).

2027 Alternative Rate Increase:

Under the alternative option, curbside collection fees would increase by 3.3% across all tote sizes, which includes 0.2% increase for AMRFS and 3.1% for increased operating costs and lost revenue (see Attachment 7 for details).

2027-2036 Alternative Revenue Requirement Forecast:

Attachment 7 details the 10-year revenue requirement and projected rate increases for the Solid Waste utility under the alternative option. Landfill Tipping Fee Revenue requirement is consistent at a 3% increase annually. The curbside collection annual revenue requirement increase includes 0.2% as per AMRFS plus an additional increase, to cover the increased operating expenses of the utility only, which would be generated from rate increase or increased customer volume (or a combination of both).

Under this alternative option, revenue requirement is not gradually increased to meet future annual debt servicing costs associated with the landfill expansion. Instead, rates are increased in 2030 when costs are incurred. The resulting increase required is approximately 35% in 2030 (or medium tote fee of approximately \$640), followed by 14.9% in 2031, 6.2% in 2032, and 1% in 2033. After which, the rate increases will stabilize.

PART 2: 2027-2036 UTILITIES SPECIAL OPERATING PROJECTS

Relevant attachments:

- Attachment 8: 2027-2036 Utilities Special Operating Project Details
- Attachment 9: 2027-2036 Utilities Special Operating Project Descriptions

SOPs are detailed in Attachment 8 with Project descriptions and justifications in Attachment 9. SOPs endorsed in the 2026-2035 Financial Plan and continuing in the 2027-2036 Financial Plan total \$1.8M over the 10-year plan with \$480K in 2027. No new projects have been added to the 2027-2036 Financial Plan. Changes from the 2026-2035 Financial Plan may be the result of timing delays or revised cost estimates. In some cases, Staff have realigned projects to make better use of resources and to coordinate projects across departments where necessary and possible. A summary by funding source is below:

Funding Source	2027-2036 Special Operating Projects	2027 Special Operating Projects
Development Cost Charges (DCC)	1,261,800	-
Reserves	578,200	480,000
Total	1,840,000	480,000

Notable projects in 2027 include:

- Residual Waste Management Long-Term Planning (\$80K): Costs associated with the pre-design and permitting of the landfill, such as environmental analysis, waste discharge requirements that are set by the Province or other stakeholders.
- Plateau/Thunderbird Reservoir Condition Assessments (\$250K): The reservoirs have not been inspected since their original commissioning due to significant access challenges, and this project will complete an inspection and ensure suitable management of the infrastructure.
- Water Supply Trunk Main Assessment/Inspection (\$150K): The Powerhouse Springs water trunk main is critical infrastructure supplying the community with water and has been identified as a

potential risk that should be addressed to reduce vulnerability to loss of community water supply. This project will assess the highest risk portions of the main and identify any required remedial work.

Projects noted above have been deemed critical. As per the Budget Package Guide (Attachment 10), critical is defined as projects and services that:

- Have been committed via contract;
- Have a legal, life safety, or financial risk;
- Are necessary to complete an approved project; or,
- Are critical to maintain current service level.

5. Engagement

Letstalksquamish/budget-2027 will be the home for all materials and community input opportunities relating to the 2027-2036 Financial Plan. Links to interactive tools, such as BudgetBook, as well as all reports being shared with Council will be posted there. The District's communications channels will support the public in learning about the draft Financial Plan. Public feedback on the draft plan is being collected via Let's Talk Squamish or email to budgetfeedback@squamish.ca. A public information night is being planned for November.

6. Financial Implications

Staff recommend that the operating budget and utility fees in this report be incorporated in the 2027-2036 Financial Plan and Fees and Charges Bylaw.

7. Next Steps

Based on Council direction, Staff will include the changes proposed in this report to Council as part of the overall 2027-2036 Financial Plan for Council consideration. In addition, Staff will amend the Fees and Charges Bylaw for the 2027 Utility Rates, for Council consideration. The schedule to update the Fees and Charges bylaw for three readings and adoption is December 1, and December 8, respectively.

8. Alternatives to Recommendation

1. THAT Council approve the 2027 Utility Service Level Changes for inclusion in the 2027-2036 Financial Plan as presented in the report from Financial Services date September 22, 2026 with the following changes:
 - a. xxx
2. THAT Council approve the 2027 Utility Rates for inclusion in an amendment to the District of Squamish Fees and Charges Bylaw No 3185, 2025 using the alternative option, as presented in the report from Financial Services dated September 22, 2026 .
3. THAT Council direct Staff to include the Utilities Special Operating Projects as presented in the report from Financial Services dated September 22, 2026, in the 2027-2036 Financial Plan with the following changes:
 - a. xxx

9. Attachments

1. 2027-2036 Utility Revenue Requirement Forecast
2. 2027 Utility Rates and Landfill Tipping Fees
3. 2027 Utility Fund Revenue Increases
4. 2027-2036 Utilities Service Level Change Details
5. 2027-2036 Utilities Service Level Change Descriptions and Justifications
6. 2027-2036 Reserve Continuity Schedules
7. Solid Waste Alternative Option Details
8. 2027-2036 Utilities Special Operating Project Details
9. 2027-2036 Utilities Special Operating Project Descriptions
10. 2027-2036 Budget Package Guide

10. Staff Review

Prepared By:

Laura Turner, CPA, CA, Director of Financial Planning and Reporting

Reviewed By:

Reann Sousa, MPAcc, CPA, CA, Director of Financial Operations

Heather Boxrud, MBA, CPA, CGA, CFO and General Manager of Financial, IT and Procurement Services

Melissa von Bloedau, Corporate Officer

CAO Recommendation:

That the recommendation of the Financial Services department be approved.

Linda Glenday, CAO

District of Squamish
2027-2036 Financial Plan
Attachment 1: 2027 Utility Revenue Requirement Changes

WATER FUND				
	2026	2027	\$ Change	% Change
Pre-Committed Increases				
Salaries and Benefits	1,353,000	1,419,000	66,000	1.0% Labour Contract Increases
Contracting	676,000	610,000	-66,000	-1.0% Allocation of SCADA equipment maintenance to waste water fund (-\$64K) and other small increases
Supplies	461,000	498,000	37,000	0.6% Increased cost of supplies for pressure reducing stations (\$21K) and fire hydrants (16K)
Debt Servicing	488,000	500,000	12,000	0.2% Principal and interest payments for capital projects funded by borrowing
Other (Excluding SLC)	287,000	415,000	128,000	1.9% Increased hydro rate and consumption, SCADA licensing, plus multiple other small increases and decreases across all other accounts (such as technology, fuel, rentals, insurance)
Total Pre-Committed	3,265,000	3,442,000	177,000	2.6%
Total Service Level Changes	-	10,000	10,000	0.1% See Attachment 4 for Details and Attachment 5 for Descriptions and Justifications
Inter-Fund Allocation (from General Fund)	954,000	1,050,000	96,000	1.4% Allocation of General fund support department operating budgets
Reserve Transfers				0.0%
Contribution to Reserve per AMRFS	2,327,964	2,446,943	118,979	1.8%
Other transfers to reserve	173,036	73,057	(99,979)	-1.5% Anticipated surplus generated through savings in the Water fund operations
Reserve Transfers	2,501,000	2,520,000	19,000	0.3%
Total Revenue Requirement (User Fees)	6,720,000	7,022,000	302,000	4.5%

WASTE WATER FUND				
	2026	2027	\$ Change	% Change
Pre-Committed Changes:				
Salaries and Benefits	1,563,000	1,656,000	93,000	1.0% Labour Contract Increases
Contracting	1,831,000	1,899,000	68,000	0.7% Increased cost and volume of biosolids transportation and disposal (\$68K)
Supplies	599,000	761,000	162,000	1.7% Allocation of SCADA equipment maintenance from water (\$64K); Lift station, septage receiving station, treatment and other supplies (\$98K)
Other	971,000	1,025,000	54,000	0.6% Increased hydro rate and consumption (\$7K); Increased cost of licensing and permit fees for disposal (\$21K); Small increases and decreases across all other accounts
Total Pre-Committed	4,964,000	5,341,000	377,000	4.0%
Total Service Level Changes	-	49,000	49,000	0.8% See Attachment 4 for Details and Attachment 5 for Descriptions and Justifications
Inter-Fund Allocation (from General Fund)	1,402,000	1,547,000	145,000	1.5% Allocation of General fund support department operating budgets
Reserve Transfers				
Contribution to Reserve per AMRFS	3,290,000	3,608,000	318,000	3.4%
Funding from Reserve	219,000	-	219,000	2.3% In 2026, reserve was utilized to smooth in increased operating costs
Reserve Transfers	3,071,000	3,608,000	537,000	5.7%
Total Revenue Requirement	9,437,000	10,545,000	1,108,000	11.8%
Less: Increase in Other Revenues	74,000	114,000	40,000	-0.4% Increased fees from trucked liquid waste disposal
Total Revenue Requirement (User Fees)	9,363,000	10,431,000	1,068,000	11.4%

SOLID WASTE FUND				
	2026	2027	\$ Change	% Change
Pre-Committed Changes:				
Salaries and Benefits	366,000	378,000	12,000	0.2% Labour Contract Increases
Contracting - Curbside Collection	2,095,000	2,178,000	83,000	1.2% Increased GFL contract including organics transportation and processing (\$102K); Offset by other small reductions
Contracting - Landfill	2,337,000	2,541,000	204,000	2.9% Increased Landfill scale operations contract (\$27K) and increased diversion costs (\$170K)
Debt Servicing	203,000	174,000	(29,000)	-0.4% Principal and interest payments on borrowing for capital projects
Other	475,000	541,000	66,000	0.9% Small increases and decreases across all other accounts
Total Pre-Committed Changes	5,476,000	5,812,000	336,000	4.7%
Inter-Fund Allocation (from General Fund)	301,000	328,000	27,000	0.4%
Reserve Transfer				
AMRFS Contribution	53,000	59,000	6,000	0.1%
Reserve Transfer	1,639,000	825,000	(814,000)	-11.4% Decreased Landfill tipping fee revenue due to diversion results in reduced transfer to reserve
Reserve Transfers	1,692,000	884,000	(808,000)	-11.3%
Total Revenue Requirement	7,469,000	7,024,000	(445,000)	-6.2%
Less: Increase in Other Revenues	327,000	335,000	8,000	-0.1% Increased Recycle BC Revenues increased based on projected number of households
Total Revenue Requirement (User Fees)	7,142,000	6,689,000	(453,000)	-6.3%

District of Squamish
2027-2036 Financial Plan
Attachment 2: 2027 Utility Rates and Landfill Tipping Fees

Utility	2026 Rates	Increase	2027 Rates	Increase (%)
Water	518	9	527	1.8%
Waste Water	719	63	782	8.8%
Garbage (Small)	243	25	268	10.3%
Garbage (Medium)	448	46	494	10.3%
Garbage (Large)	675	70	745	10.3%

Tipping Fees	2026	% ↑	2027
Solid Waste			
Waste (residential and commercial)	245	2.0%	250
Waste from o/s Squamish	245	2.0%	250
Mixed Waste	553	1.3%	560
Minimum Charge: Waste	10	0.0%	10
Invasive Plants	91	4.4%	95
Invasive Plants (from certified company)	43	4.7%	45
Recyclable Materials			
Ammonia Refrigerant Containing Units not covered by Stewardship Materials	80	2.6%	82
Appliances with cooling units (not ammonia-containing)	-		-
Gyproc	425	4.7%	445
Concrete	185	5.0%	194
Mattress	30	6.7%	32
Tire	20	5.0%	21
Tire with Rim	30	6.7%	32
Tire - Commercial Size	118	5.0%	124
Wood - Clean to Transfer Station	145	5.0%	152
Wood - Dirty to Transfer Station	194	3.1%	200
Yard Waste to Transfer Station	145	5.0%	152
Glass >100kg	81	1.2%	82
Cardboard	250	0.0%	250
Organics (up to 5 tonnes per load)	150	0.0%	150
Minimum Charge: Recyclables	10	0.0%	10
Other			
Weigh Service	48	4.2%	50
Surcharge			
Surcharge if Wood Load (clean or dirty) is contaminated over 5%, by weight or volume	144	0.0%	144
Banned Materials Surcharge	308	0.6%	310
Surcharge if Concrete load is >110 kg	90	0.0%	90
Controlled Waste			
RV, Boats & trailers (All liquids must be drained. Recyclables removed (including drive train and frame). Must be dismantled into 1 metre (four feet) sections or less.	300	3.0%	309
Asbestos	500	3.0%	515
Sewage Sludge - DOS (Technically res. Waste)	300	3.0%	309
Deceased Animals (require pre-authorization and approval)	300	3.0%	309

District of Squamish
2027-2036 Financial Plan
Attachment 3: 2027-2036 Utility Revenue Requirement Forecast

	2027		2028		2029		2030		2031		2032		2033		2034		2035		2036	
	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase
Water Fees																				
Prior year revenue	6,719,942		7,022,219		7,354,007		7,701,718		8,066,122		8,448,015		8,848,239		9,267,675		9,707,243		10,167,910	
Increase per AMRFS	118,979	1.8%	126,400	1.8%	132,372	1.8%	138,631	1.8%	145,190	1.8%	152,064	1.8%	159,268	1.8%	166,818	1.8%	174,730	1.8%	183,022	1.8%
Increase for Operations	183,298	2.7%	205,388	2.9%	215,339	2.9%	225,773	2.9%	236,703	2.9%	248,160	2.9%	260,168	2.9%	272,750	2.9%	285,937	2.9%	299,758	2.9%
Revenue Requirement	7,022,219	4.5%	7,354,007	4.7%	7,701,718	4.7%	8,066,122	4.7%	8,448,015	4.7%	8,848,239	4.7%	9,267,675	4.7%	9,707,243	4.7%	10,167,910	4.7%	10,650,690	4.7%
Waste Water Fees																				
Prior year revenue	9,363,644		10,430,968		11,321,445		12,118,221		12,893,789		13,718,991		14,597,006		15,531,213		16,525,211		17,582,825	
Increase per AMRFS	318,364	3.4%	354,653	3.4%	384,929	3.4%	412,020	3.4%	438,389	3.4%	466,446	3.4%	496,298	3.4%	528,061	3.4%	561,857	3.4%	597,816	3.4%
Increase for Operations	748,960	8.0%	535,824	5.1%	411,847	3.6%	363,548	3.0%	386,813	3.0%	411,569	3.0%	437,909	3.0%	465,937	3.0%	495,757	3.0%	527,485	3.0%
Revenue Requirement	10,430,968	11.4%	11,321,445	8.5%	12,118,221	7.0%	12,893,789	6.4%	13,718,991	6.4%	14,597,006	6.4%	15,531,213	6.4%	16,525,211	6.4%	17,582,825	6.4%	18,708,126	6.4%
Solid Waste																				
Prior year revenue	4,202,266		3,508,709		3,613,970		3,722,390		3,834,062		3,949,084		4,067,556		4,189,582		4,315,270		4,444,728	
Increase in Tipping Fees	(693,557)	-16.5%	105,261	3.0%	108,420	3.0%	111,672	3.0%	115,022	3.0%	118,472	3.0%	122,026	3.0%	125,688	3.0%	129,458	3.0%	133,342	3.0%
Sub-Total Landfill Revenue	3,508,709	-16.5%	3,613,970	3.0%	3,722,390	3.0%	3,834,062	3.0%	3,949,084	3.0%	4,067,556	3.0%	4,189,582	3.0%	4,315,270	3.0%	4,444,728	3.0%	4,578,070	3.0%
Curbside Collection Revenues																				
Prior year revenue	2,939,379		3,180,408		3,473,006		3,827,252		4,255,904		4,732,566		5,262,613		5,325,764		5,389,674		5,454,350	
Increase per AMRFS	5,879	0.2%	6,361	0.2%	6,946	0.2%	7,655	0.2%	8,512	0.2%	9,465	0.2%	10,525	0.2%	10,652	0.2%	10,779	0.2%	10,909	0.2%
Increase for Debt Servicing	205,757	7.0%	254,433	8.0%	312,571	9.0%	382,725	10.0%	425,590	10.0%	473,257	10.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Increase for Operations	29,394	1.0%	31,804	1.0%	34,730	1.0%	38,273	1.0%	42,559	1.0%	47,326	1.0%	52,626	1.0%	53,258	1.0%	53,897	1.0%	54,543	1.0%
Sub-Total Curbside Collection Revenue	3,180,408	8.2%	3,473,006	9.2%	3,827,252	10.2%	4,255,904	11.2%	4,732,566	11.2%	5,262,613	11.2%	5,325,764	1.2%	5,389,674	1.2%	5,454,350	1.2%	5,519,802	1.2%
Total Revenue Requirement	6,689,117	-6.3%	7,086,976	5.9%	7,549,642	6.5%	8,089,966	7.2%	8,681,650	7.3%	9,330,169	7.5%	9,515,346	2.0%	9,704,944	2.0%	9,899,078	2.0%	10,097,872	2.0%

District of Squamish
2027-2036 Financial Plan
Attachment 4: 2027-2036 Utilities Service Level Change Details

[illegible]

Number	Name	Description	Justification
WATER:			
AUTO - 500	Water Site Uninterruptable Power Supply (UPS)	Un-interruptible Power Supply (UPS) hardware maintenance for water facilities.	Current SCADA Hardware Asset Management budget does not support UPS equipment. UPS equipment has a typical life span of 5 - 10 years. Budget is to ensure maintenance of hardware.
WASTEWATER:			
AUTO - 479	IR24 Lift Station Operating Budget	Operating and maintenance budget for IR24 sewage lift station.	The District is working towards a Municipal Type Servicing Agreement (MTSA) with Squamish Nation for provision of utility services. The District of Squamish has maintained this lift station for more than 15 years and has collected fees to do so under an existing interim agreement. However operational budgets were never established for this lift station which has negatively impacted the overall wastewater collections operational budget.
AUTO - 501	Wastewater Site Uninterruptable Power Supply (UPS)	Un-interruptible Power Supply (UPS) hardware maintenance for wastewater facilities.	Current SCADA Hardware Asset Management budget does not support UPS equipment. UPS equipment has a typical life span of 5 - 10 years. Budget is to ensure maintenance of hardware.

DISTRICT OF SQUAMISH

2027-2036 Financial Plan

Attachment 6: 2027-2036 Reserve Continuity Schedules

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Capital Rehab - Solid Waste											
Opening Balance	-	805,627	1,305,761	1,527,536	1,727,298	1,603,505	1,427,318	1,476,779	1,405,359	1,420,992	1,428,661
Revenues	1,877,511	883,694	1,026,895	1,272,302	1,763,131	2,204,966	2,678,471	2,602,590	2,639,643	2,621,679	2,610,091
Expenses	(1,071,884)	(383,560)	(805,120)	(1,072,540)	(1,886,924)	(2,381,153)	(2,629,010)	(2,674,010)	(2,624,010)	(2,614,010)	(3,470,112)
Closing Balance	\$805,627	\$1,305,761	\$1,527,536	\$1,727,298	\$1,603,505	\$1,427,318	\$1,476,779	\$1,405,359	\$1,420,992	\$1,428,661	\$568,640
Capital Rehab - Waste Water											
Opening Balance	9,368,340	4,642,948	3,570,858	3,321,319	3,870,675	5,100,083	6,377,283	7,989,347	7,335,580	7,915,233	9,567,532
Revenues	6,611,949	3,777,910	4,135,961	4,524,356	5,149,783	5,745,800	6,332,264	6,941,517	7,574,937	8,219,358	8,941,156
Expenses	(11,337,341)	(4,850,000)	(4,385,500)	(3,975,000)	(3,920,375)	(4,468,600)	(4,720,200)	(7,595,284)	(6,995,284)	(6,567,059)	(7,495,284)
Closing Balance	\$4,642,948	\$3,570,858	\$3,321,319	\$3,870,675	\$5,100,083	\$6,377,283	\$7,989,347	\$7,335,580	\$7,915,233	\$9,567,532	\$11,013,404
Capital Rehab - Water											
Opening Balance	10,556,111	10,171,263	8,572,959	7,251,479	6,322,519	4,747,066	4,348,726	4,115,233	4,163,776	4,406,077	4,911,157
Revenues	4,172,059	2,519,541	2,635,365	2,879,385	3,333,392	3,608,505	3,898,352	4,255,388	4,550,896	4,911,925	7,663,315
Expenses	(4,556,907)	(4,117,845)	(3,956,845)	(3,808,345)	(4,908,845)	(4,006,845)	(4,131,845)	(4,206,845)	(4,308,595)	(4,406,845)	(4,606,845)
Closing Balance	\$10,171,263	\$8,572,959	\$7,251,479	\$6,322,519	\$4,747,066	\$4,348,726	\$4,115,233	\$4,163,776	\$4,406,077	\$4,911,157	\$7,967,627

Table 1. Curbside Collection User Fees

Tote size	2026 Rates	Increase	2027 Rates	Increase (%)
Garbage (Small)	243	8	251	3.3%
Garbage (Medium)	448	15	463	3.3%
Garbage (Large)	675	22	697	3.3%

Table 2. 2027-2036 Utility Revenue Requirement Forecast

	2027		2028		2029		2030		2031		2032		2033		2034		2035		2036	
Revenue	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase
Landfill Revenue	3,508,709	-16.5%	3,613,970	3.0%	3,722,390	3.0%	3,834,062	3.0%	3,949,084	3.0%	4,067,556	3.0%	4,189,582	3.0%	4,315,270	3.0%	4,444,728	3.0%	4,578,070	3.0%
Curbside Collection Revenue Requirement																				
Opening Balance	2,939,379		2,974,652		3,042,423		3,078,932		4,193,506		4,868,235		5,228,597		5,341,383		5,443,880		5,509,206	
Increase per AMRFS (0.2% of curbside)	5,879	0.2%	5,949	0.2%	6,085	0.2%	6,158	0.2%	8,387	0.2%	9,736	0.2%	10,457	0.2%	10,683	0.2%	10,888	0.2%	11,018	0.2%
Increase for Debt Servicing	-	0.0%	-	0.0%	-	0.0%	1,077,626	35.0%	624,832	14.9%	301,831	6.2%	50,043	1.0%	-	0.0%	-	0.0%	-	0.0%
Increase for Operations	29,394	1.0%	61,823	2.1%	30,424	1.0%	30,789	1.0%	41,935	1.0%	48,795	1.0%	52,286	1.0%	91,814	1.7%	54,438	1.0%	55,093	1.0%
Curbside Collection Revenue Requirement	2,974,652	1.2%	3,042,423	2.3%	3,078,932	1.2%	4,193,506	36.2%	4,868,235	16.1%	5,228,597	7.4%	5,341,383	2.2%	5,443,880	1.9%	5,509,206	1.2%	5,575,317	1.2%
Total Solid Waste	6,483,361	-9.2%	6,656,393	2.7%	6,801,322	2.2%	8,027,568	18.0%	8,817,319	9.8%	9,296,153	5.4%	9,530,965	2.5%	9,759,150	2.4%	9,953,934	2.0%	10,153,387	2.0%

PROJECTS													FUNDING SOURCES	
REF	Project Name	Department	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	DCC	Reserves
2026-2035 Financial Plan SOP: Pending Endorsement														
92300107	Zero Waste Strategy Review	Sustainability	-	45,000	-	-	-	-	50,000	-	-	-		95,000
Total 2026-2035 Financial Plan SOP			-	45,000	-	-	-	-	50,000	-	-	-	-	95,000
2026-2035 Financial Plan SOP: Critical														
92301106	Residual Waste Management Long Term Planning	Sustainability	80,000	40,000	40,000	215,000	60,000	15,000	10,000	10,000	-	-		470,000
94300104	Plateau/Thunderbird Reservoir Condition Assessments	Engineering	250,000	-	-	-	-	-	-	-	-	-		250,000
94300106	Water Master Plan Update/Water Rate Study	Engineering	-	-	150,000	-	-	-	-	175,000	-	-	321,750	3,250
94300110	Water Loss Management Study	Engineering	-	100,000	-	-	-	-	-	-	-	-		100,000
94320103	Water Supply Trunk Main Assessment/Inspection	Engineering	150,000	-	-	-	-	-	-	-	-	-		150,000
94320104	Stawamus Surface Water Supply Feasibility Assessment and Permitting	Engineering	-	150,000	-	-	-	-	-	-	-	-		150,000
96300102	Sewer Master Plan Update	Engineering	-	-	-	150,000	-	-	-	-	150,000	-	256,450	43,550
Total 2026-2035 Financial Plan SOP - Critical*			480,000	290,000	190,000	365,000	60,000	15,000	10,000	185,000	150,000	-	578,200	1,166,800
TOTAL 2027-2036 FINANCIAL PLAN SOP			480,000	335,000	190,000	365,000	60,000	15,000	60,000	185,000	150,000	-	578,200	1,261,800

*Critical is Defined as:
Safety, Legislative and Risk: Priority is given to projects and services to alleviate or mitigate areas that contain legislative impacts, health and safety concerns or a high degree of financial risk.

District of Squamish
2027-2036 Financial Plan
Attachment 9: Special Operating Project Descriptions

REF	Project Name	Project Description	Project Justification Benefits	Project Funding
92300107	Zero Waste Strategy Review	The regular update of the Zero Waste Action Plan and Circular Economy Implementation Plan. The intent is to combine the Zero Waste Action Plan and the Circular Economy Implementation Plan, which will be achieved by updating the plans in a harmonized approach.	As per Section 21.10 of the Official Community Plan Bylaw 2500, 2017, Schedule A the Zero Waste Action Plan is to be updated every 5 years. The goal is to move the DOS towards waste disposal and diversion targets established by the Strategic Plan.	Reserves
92301106	Residual Waste Management long term planning - Pre-design and Permitting	Costs associated with the pre-design and permitting of the landfill expansion, such as environmental analysis, waste discharge requirements that are set by the Province or other stakeholders. Additionally, this budget includes: operational certificate amendment, Hydrogeology/Hydrological Assessment and the environmental compensation for tree removal.	The DOS will require a way to dispose of waste when the current Landfill reaches capacity in early 2030. Description of monetary change from previous financial plan: Updates based on stakeholder engagement, updated construction timing based on the current landfill's lifespan and updated permitting requirements. Currently the budget includes costs related to internal and external support for project management.	Reserves
94300104	Plateau/Thunderbird Reservoir Condition Assessments	This project will install an access chamber and complete inspection of two reservoirs that have been bored into granite. The inspections will confirm storage volume and assess condition and determine whether reservoirs should continue to be utilized in the future as well as recommend any necessary remedial measures to reduce leakage. The budget includes engaging a contractor/consultant to complete a comprehensive inspection of the Plateau and Thunderbird reservoirs.	The Plateau and Thunderbird reservoirs have not been inspected since their original commissioning due to significant access challenges. The condition, level of leakage and storage volume are all unknown and pose risks to the District's water system. This project will complete an inspection and ensure suitable management of this unique infrastructure.	Reserves
94300106	Water Master Plan Update/Water Rate Study	This project will update the 2024 Water Master Plan in order to maintain up to date recommendations, refine water system capital priorities and associated funding requirements. The project will involve assessing current growth projections and associated water demands and ensure the District has plans to maintain robust water supply and distribution systems. The plan will also review and update the District's Water Conservation Plan. The project includes engaging an engineering consultant to prepare a Water Master Plan Update and to assess water rates and ensure they are suitable for full cost recovery of the recommended capital program.	This project will follow Official Community Plan policy to prepare and review master plans every 5 years to identify existing capacities short-term upgrading requirements and the long-term viability of the District's infrastructure systems. In addition, a rate study is required to implement a new water rate structure that achieves the goals of equitable billing water conservation and full-cost recovery for the water utility.	Development Cost Charges, Reserves
94300110	Water Loss Management Study	This project will prepare a Water Loss Management Plan to assess levels of leakage from the District's water supply system and provide recommendations to mitigate water loss. Work will include assessing leakage on a zone by zone basis, determining areas with unacceptable leakage and providing recommendations to reduce water loss in order to reduce water consumption and preserve valuable water resources.	The District loses a significant amount of water through leakage as identified in the Water Loss Management Study completed in 2012 which places a strain on the District's water supply source. The 2012 study recommended installation of zone meters in order to track water consumption in distinct zones of Squamish. This has been completed and the District is now ready to update the study and identify areas of high leakage to target for repairs and leakage reduction.	Reserves
94320103	Water Supply Trunk Main Assessment/Inspection	Conduct a desktop seismic assessment and a condition assessment of the Water Supply trunk main, including the above-ground portion through the Smoke Bluffs and marine crossing of the Upper Mamquam Blind Channel. The project will provide costing and a feasibility assessment for inspecting buried portions of the pipeline and reaching out to contractors to determine the best approach for investigating the marine crossing.	The Powerhouse Springs water trunk main is critical infrastructure supplying the community with water and has been identified as a potential risk that should be addressed to reduce vulnerability to loss of community water supply. This project will assess the highest risk portions of the main and identify any required remedial work.	Reserves
94320104	Stawamus Surface Water Supply Feasibility Assessment and Permitting	Complete a feasibility assessment of the Stawamus River to determine potential as a future water supply source. Work will include assessing the river flows, fisheries flow requirements, assessing permitting feasibility and seismic resiliency of existing infrastructure. Work will include preparing a concept level design for the purposes of cost estimation and feasibility assessment. The project will inform whether to pursue adding treatment and utilizing the Stawamus River as a main long-term water source.	The District prepared a Long-Term Water Supply Strategy as part of the 2024 Water Master Plan that highlighted the need to expand the District's water supply capacity to keep pace with rapid community growth. Conducting an assessment of the Stawamus River as a potential water source is a key recommendation to enhance water security.	Reserves
96300102	Sewer Master Plan Update	The Sewer Master Plan Update will take updated community growth projections into account and review capacity of the system to identify a long-term capital plan that ensures adequate capacity in the long term. The SMP will also complete financial analysis of the sewer utility to determine appropriate rates and ensure sustainable long-term funding. The project funds will pay for engaging an engineering consultant to prepare a Sewer Master Plan update.	Official Community Plan policy is to update master plans every 5 years to ensure suitable long-range planning of infrastructure assets. With ongoing changes to community growth, it is important for the District to review changes and ensure the sewer system is being planned appropriately to accommodate new growth and maintain sustainable utility rates to fund required projects.	Development Cost Charges, Reserves

Budget Package Guide 2027-2036

Financial Plan Guiding Principles

Guiding principles for financial stability were developed by staff and Council and incorporated into the Long-term Financial Plan – Guiding Principles and Financial Plan Policy:

- **Stable and Sufficient:**
 - Taxes do not fluctuate greatly from year to year
 - Revenues are sufficient to support long-term goals for the community
- **Sustainable and Equitable**
 - Investment is sufficient to sustain the desired service level indefinitely
 - Everyone pays an equitable amount for the services they receive
 - Cost recovery model is equitable
- **Prudent and Flexible**
 - Financial decisions aim to minimize risk
 - Financial decisions ensure future flexibility to adapt opportunities and/or changing circumstances
- **Efficient and Measurable**
 - Services are provided in an efficient manner
 - Successes are measured using indicators/benchmarks

Financial Plan Drivers

The primary priority drivers of the financial plan are the following:

- **Strategic Plan:** Council's 2023-2026 Strategic Plan outlines where the District will direct energy resources and focus. The four strategic outcomes are:
 - Connected and Livable Community
 - Prepared for the Future
 - Resilient People and Partnerships
 - Reliable Service Deliver
- **Master Plans:** The District has invested heavily to develop Master Plans to guide its work over the coming decades. The result is a strategic approach that maximizes budgets and resources, determines acceptable levels of services, and establishes priorities to meet the infrastructure needs of our community today and tomorrow.
 - **Real Estate and Facilities Master Plan:** significant investment in replacement of aging facilities will be the next implementation phase of the Real Estate and Facilities Master Plan with a priority order focus on investment in facilities identified as critical, core and support facilities.

- Utilities Master Plans: The implementation of the Utility Master Plans requires sustainable funding for utility systems expansion to accommodate community growth, ongoing replacement, and upgrade of aging infrastructure.
- Safety, Legislative, and Risk: Priority is given to projects and services to alleviate or mitigate areas that contain legislative impacts, health and safety concerns, or a high degree of financial risk.

Pre-Committed Cost and Service Level Cost Guidelines

- Pre-Committed Operating Revenue and Expenses: Items considered pre-committed are non-discretionary in the current financial plan. Generally, they include costs that are legally contracted, pre-committed costs or costs associated with borrowing. Pre-committed costs can be considered part of the base budget, and some local governments choose not to outline specifically, however for transparency and clarity, the District chooses to explain the changes to the base budget by illustrating what instigated these changes and why they occurred. Several categories may exist depending on the nature of pre-committed costs in the fiscal. Some examples include:
 - *Miscellaneous Revenue and Expense Changes*: These costs are associated with pre-committed decisions or changes in business volumes that impact revenue and expenses. An example is an increase in building permit revenue or an increase in software license costs.
 - *Annualization of Prior Year Service Level Changes*: These costs are service level budget changes approved and budgeted in the prior year. Whenever possible, the District will smooth the taxpayer impact over two years by delaying hiring or service until partway through the year thereby smoothing the cost increase over two years, rather than one year.
 - *Labour Contract Cost*: These costs are associated with the impact of contract negotiations on the tax base; this does not include additional personnel. Additional personnel are recommended through the service level change recommendation process.
- Changes in Debt Servicing: These changes in costs are associated with capital investment projects that were funded by borrowing. Once the borrowing has been issued (cash received) the debt servicing costs, in the form of interest and principal repayment, will begin to incur. Costs of borrowing can be a result of either growth or replacement projects (more aligned with the inflationary non-discretionary concept than growth).
- Service Level Change: Service Level Changes are additional operating costs added to the base operating budget. There are three types of service level changes identified in the financial plan:

- *Service Level Increases (SLI)*: Additional services recommended that are funded by tax or utility rates.
- *Service Level Maintenance (SLM)*: Additional resources required to maintain current service levels that are funded by tax or utility rates. These additional costs are a result of growth. In addition, resource requirements may be needed to implement the capital plan. Wherever it meets the accounting regulations and standards, the District will capitalize these costs (fund costs through capital).
- *Service Level Opportunity (SLO)*: Additional services that are funded or managed by an external source but benefit the community. No tax or utility rate impact is expected.

Service Level Changes are further broken down into the following two categories:

- **Previously Endorsed Service Level Changes**: Services or resources that have been endorsed by Council through motion in a previous Council meeting (e.g. Transit Annual Operating Agreement).
 - **Service Level Changes Pending Endorsement**: Services or resources that have not yet been endorsed by Council that were either discussed throughout the year or directed by Council to budget deliberations for inclusion in the 2027-2036 Financial Plan (e.g. additional staffing due to increased operating hours).
- Asset Management Reserve Funding: The Asset Management Plan (AMP) was completed in 2022 and recommended increases to the capital reserve contribution to replace existing assets. In 2023, Council endorsed the Asset Management Reserve Funding Strategy (AMRFS) which included the AMP recommendations and incorporated additional capital requirements included in the 2023-2027 financial plan to provide a target reserve contribution strategy which incorporates asset replacement, community growth, and climate change impacts on future asset investment needs, in order to work towards sufficient and sustainable reserves for a long-term capital program
 - Non-Market Change (NMC): Non-Market Change is the addition or removal of assessment folios to the tax roll across all tax classes. Development is the primary driver of increases in NMC, however changes in NMC could be a result of a property's tax exemption qualification changes, additional industries being added, or removed from the tax roll.
 - Inter-Fund Allocation (from General Fund) – A portion of each general fund support department operating budgets is allocated to each of the three utilities proportionately

(determined as utility operating budget as a percentage of the District's total operating budget). This allocation is reviewed and updated annually to reflect increases in support department operating budgets or changes to the proportionate share that should be allocated to each utility.

Metrics

Included in this package are two primary financial metrics:

- **Tax Impact %:** % increase in tax revenue requirement added to the base budget.
- **Tax Impact \$:** Annual cost to the average residential taxpayer of the increase in tax revenue requirement added to the base budget.

Utilities

As the Utility funds operate on a cost recovery basis (i.e. they are self-balancing), the revenues generated by utility fees must be sufficient to cover operating expenses of that fund and accommodate for inflation, community growth, and costs related to the ongoing replacement and upgrade of aging infrastructure, including an annual transfer to Capital Reserves as per the AMP.

Both growth (volume of customers) and rate increases contribute to the funding formula for the utility rates:

- **Wastewater Utility:** Fees reflect increase for Asset Management Plan, cost recovery for operating expense inflation, and costs related to facilities upgrades (including expansion of the current wastewater treatment plant).
- **Water Utility:** Fees reflect increase for Asset Management Plan and cost recovery for operating expense inflation.
- **Solid Waste Utility:** Residential collection fees reflect increase for Asset Management Plan plus annual cost increases associated with curbside collection, tipping fees at the organic material processing facility, disposal of solid waste at the landfill, and the ongoing debt servicing costs of landfill expansion.

Special Operating Project (SOP) Guidelines

Special Operating Projects are one-time or non-recurring projects outside of the District's regular service operations. They can contain single or multi-year project timelines and should not include routine repairs and maintenance items. Special Operating Projects category methodology is used to highlight projects of significance that are Council Strategic projects, corporate projects and operating projects, and include project cost and funding source.

Special Operating Projects are typically funded by grants, general taxation, external sources of revenue (such as partnerships), and provisions. Special Operating Projects cannot be capital in nature and therefore, cannot be funded by debenture borrowing.

Special Operating Projects are classified into the following two categories:

- **2026-2035 Financial Plan Special Operating Projects:** Special Operating Projects that were endorsed in the 2026-2035 Financial Plan and have continued in the 2027-2036 Financial Plan.
 - **2026-2035 Financial Plan – Critical:** These SOP were endorsed by Council in the 2026-2035 Financial Plan and are deemed to be critical.
- **New Special Operating Projects:** These are projects that are new to the 2027-2036 Financial Plan.
 - **New SOP – Critical:** These are projects that are new in the 2027-2036 Financial Plan and deemed to be critical.

Critical is defined as projects and services that have been committed via contract; there are legal, life safety or financial risk, is necessary to complete an approved project; is critical to maintain current service level.

Capital Guidelines

Local Governments own significant amounts of infrastructure used to provide services to residents (e.g., wastewater, water, facilities, fleet, Information Technology infrastructure). Public Sector Accounting Standard (PSAS) identifies this infrastructure investment as Tangible Capital Assets (TCA) and are defined generally as assets having physical substance that:

- Are held for use in the production or supply of goods and services, for administrative purposes, or for the development, construction, maintenance, or repair of other TCAs;
- Have useful economic lives extending beyond an accounting period (fiscal year);
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations.

Project Categories (Capital and SOP)

Capital Projects are grouped into the following categories:

Category	Criteria
Master Plan	The Project is required to meet implementation of an approved Master Plan.
Strategic Plan	The Project is required to meet implementation of current Strategic Plan.
Growth	The Project is required to meet anticipated growth in population or development.
Municipal Infrastructure	The Project enhances use, replaces or substantially renovates existing infrastructure assets.
Municipal Facilities	The Project enhances use, replaces or substantially renovates existing facility assets.
Municipal Equipment	The project replaces or substantially renovates existing equipment assets.
Municipal Capacity	The Project enhances use or improves efficiency of existing resources (operating projects only).
Municipal Cyclical	The Project is required to meet cyclical operational requirements (operating projects only). Will be converted to Operating budget.

Funding Sources

Capital projects can be funded by reserves, borrowing, taxation, provisions, and external sources of revenue such as partnerships, Developer Cost Charges, Community Amenity Contributions, and grants.

Reserves (transfers): Reserves are a critical component of the District's long-term financial sustainability, serving as the primary source of funding for the capital program. Reserves allow the cost of infrastructure renewal, replacement, and growth-related investments to be funded gradually over time, helping to smooth taxation and fees, and reduce reliance on large one-time tax and fee increases. A reserve is established by Bylaw and recorded within the District's appropriated accumulated surplus for a specific purpose. As statutory reserves, their use is governed by legislation and the terms of the applicable reserve bylaw. General tax revenue, and respective utility fund fees are the revenue source for reserve contributions.

Reserves are primarily used for capital funding, however in some instances they can be used to fund operating projects if these are directly related to the creation of Capital Assets (Asset Management SOP). Reserves include Capital reserves for the General Capital and Equipment (tax-funded reserve contributions); Utilities Funds (respective utility rate funded reserve contributions); and other smaller miscellaneous reserves established by Council.

Borrowing: Borrowing is a valuable and effective capital funding option in absence of reserves or other funding sources, which can be utilized to spread out the cost of the project over a longer period of time, such as the project's useful life, and allows its costs to be paid not just by today's taxpayer, but by future users of the asset as well.

Provisions: A provision (non-legislated) is money set aside by Council Resolution to fund expenditures for a specific purpose. Provisions are held in the appropriated accumulated surplus but categorized as non-statutory. Provisions may be used to fund Operating budgets, if required.

Grants: Local Governments may receive funding from several provincial and federal grant programs. Grants are either conditional or non-conditional. Conditional grants are designated for a specific purpose and may not be used for other projects, while unconditional grants may be used for any purpose the recipient local government chooses.

In order to meet legislated requirements of the Community Charter and the Local Government Act, Local Governments must include grant funded projects in the financial plan. However, if the grant application is not successful, the project cannot be completed without a budget amendment to adjust the funding.

Development Cost Charges (DCCs): Local Governments levy development cost charges on new development to pay for new or expanded in ground infrastructure such as wastewater, water, drainage, parks, and roads necessary to adequately service the demands of that new development. DCCs are not available to fund facilities nor any infrastructure that is not listed in the DCC bylaw.

DCC's may not be sufficient to cover the full cost of the project and therefore, alternative funding mechanisms must be explored. Where costs exceed funding, some options that may be used are to borrow from other DCC's or other reserves. Borrowing could be undertaken with DCC's being used to repay the debt servicing. Other options include having Developer's pay for the cost of construction themselves while entering an agreement with the District to recoup costs and repay them (front loaded agreements).

Although referred to as a reserve in the Community Charter and Local Government Act, for accounting purposes, DCCs are held in the liability section of the Statement of Financial Position rather than an appropriation within the accumulated surplus.

Unfunded Capital Project

The unfunded project category was introduced in 2025 during the development of the Ten-Year Financial Plan to identify capital projects that are considered District priorities but do not yet have a confirmed funding source. Projects may remain unfunded until financing is secured through sources such as Development Cost Charges (DCCs), grants, reserves, borrowing, or other revenues. While these projects are included in budget documents to communicate the District's priorities to the community and the intent to pursue funding opportunities, they are not incorporated into the Financial Plan Bylaw until an approved funding source has been identified.

Carry Forwards Classification

Carry forwards are projects from the previous financial plan that will continue into the new subsequent financial plan. Although there are instances where carry forwards occur in Special Operating Projects, most are Capital Projects. Three types of carry forwards exist and are being used to evaluate project completion rates:

- Delayed or Deferred Project Carry Forwards: These projects are the standard one-year project that was delayed or deferred beyond the initial intended timeframe and require the budget to be brought forward into the subsequent fiscal. These carry forwards should be minimized as much as possible, and they contribute to the % project completions performance metric. These projects will be treated in the same way as they have historically.
- Multi-phased/fiscal spanned projects: Multi-phased projects and fiscal spanned projects should be budgeted over multiple years. These projects will be categorized separately in the financial plan. These projects will be separated from a delayed/deferred carry forward project and will not contribute to the overall % project completion performance metric. This will be communicated in the financial plan and in the quarterly financial reporting.
- Placeholder carryforwards: These projects (e.g. real estate acquisitions, flood protection upgrades, grant funded projects that are contingent on grant application approval) are budgeted as placeholders should the opportunity to execute on the budget exist, which may or may not occur. As with the multi-phased/fiscal spanned reports, these projects should be highlighted separately in the financial plan and not contribute to the overall project completion % performance metric.

The District has adopted a process where each spring, as part of the fiscal year end process, uncompleted projects are carried forward to the following fiscal year and incorporated into the Financial Plan through a Bylaw Amendment.