

Meeting Date: October 28, 2025
For: Special Business Meeting
From: Financial Services
Subject: 2026-2035 Utilities Fund Operating

Recommendation

THAT Council:

1. Approve the 2026 Utility Service Level Changes for inclusion in the 2026-2035 Financial Plan.
 2. Approve the 2026 Utility Rates for inclusion in the District of Squamish Fees and Charges Bylaw No 3185, 2025.
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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 that provides for rate stability and sustainability.

2. What Informed the Recommendation

The 2026 -2035 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 for utility systems expansion to accommodate community growth, ongoing replacement and upgrade of aging infrastructure. Both growth (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 6 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) – Service Level Changes 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 – 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 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 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	0.2%

4. Project Information

The District has experienced rapid community growth and diversification over the past several years which has placed added pressure on District resources to keep pace. This has led to the requirement for utility fee increases to manage cost pressures from increasing services to meet growth, inflation, and the requirement to update and replace aging facilities and infrastructure.

For the first time, the District has drafted a ten-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 ten-year plan is a directional tool meant to support decision making and is inherently uncertain due to the reliance on assumptions, the data limitations, the subjectivity to external events (e.g. natural disasters, geopolitical events) and inability to predict policy and regulation changes. The ten-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.

10 Year Revenue Projection

Attachment 1 includes the 10 year Revenue Requirement and projected rate increases required for each utility. Increases in 2027-2035 are largely due to debt servicing costs related to completion of capital projects funded by borrowing, such as the Waste Water Treatment Plant Headworks Building Replacement Project and the Residual Waste Long Term Planning (Landfill Expansion project).

- Waste Water: The 2026-2035 Capital Plan includes Wastewater Treatment Plant (WWTP) Headworks Building Replacement project (\$18M) which will be funded by borrowing. As a result, future rate increases will be required to support short term borrowing costs during construction (2029-2031) and debt servicing costs (\$1.5M annually) starting in 2032 upon completion of the project.
- The District's 2026-2035 Capital Plan includes the Residual Waste Long Term Planning project, a lateral expansion of the Squamish Landfill, which is projected to reach capacity by 2030. The expansion project will be primarily funded through borrowing, with annual debt servicing costs of approximately \$2.4 million starting in 2032. To prepare for this, staff recommend annual solid waste rate increases of 5% from 2026 to 2032, gradually building the annual revenue and rates needed to cover future debt payments and avoid a sharp rate hike in 2032. The additional

revenue collected during this period (approximately \$6M) will be placed in reserve to help fund the project and reduce borrowing requirements.

Utilities Operating Budgets

The October 21, 2025 Utility Fund Operating workshop focuses on changes to Utility Operating Budget and the impact on 2026 Utility Fees. Discussion regarding 2026-2035 Utility Fund Special Operating Projects and Capital Projects is included in the October 14, 2025 report to Council and will be further discussed during a future SOP and Capital budget workshop.

Relevant attachments:

- Attachment 1: 2026-2035 Utility Forecasted Revenue Requirement Increases
- Attachment 2: Summary of Utility Rates and Landfill Tipping Fees
- Attachment 3: Changes in Revenue Requirements by Fund

Growth in the volume of customers in addition to rate increases contribute to the total revenue requirement (Attachment 1). A summary of rates is included in Attachment 2, with further information of changes in revenue requirement detailed in Attachment 3.

Water Utility Fund:

The District's Water Operating Budget is funded by user fees and water on/off charges, with user fees making up approximately 99.9% of revenue with Water On/Off Charges being negligible. For 2026, revenues total \$6.7M:

Revenue Type	2026	% of Budget
Water User Fees	6,700,000	100%
Water On/Off Charges	-	0%
Total	6,700,000	100%

The Water Fund Operating expenditure budget utilizes 55% (\$3.8M) of the operating revenue listed above. The remaining 45% of revenues are utilized for debt servicing or transferred to reserve (per AMRFS).

Expense Type	2026	% of Budget
Salaries and Benefits	1,350,000	20%
Contracted Services	700,000	10%
Other (supplies, utilities, etc)	750,000	11%
General Fund Support Departments	950,000	14%
Debt Servicing	450,000	7%
Reserve Contribution	2,500,000	38%
Total	6,700,000	100%

Water revenue required for 2026 is \$6.7M, an increase of \$303K over 2025 (or 4.7%). Increased revenue is required to fund operating expense increases of the utility resulting from service level changes and pre-committed cost increases.

Main drivers of the increase in water operating expenses are detailed in Attachment 3 and include:

- Pre-committed (or non-discretionary) cost increases of (\$50K): Including labour and benefits contract increases (\$30K) and increased cost of Hydro (\$15K)
- Service Level Change Requests (\$122K), and;
- Reserve Contribution as per the Asset Management Reserve Funding Strategy (\$114K)

Staff are recommending a 1.8% rate increase for Water (consistent with 1.8% increase in 2025) based on a 1.8% increase as per the AMRFS. This will add approximately \$114K to the current Water capital reserve contribution for a total contribution of \$2.5M in 2026. Additional revenue generated from increased customer volume is sufficient to meet operating expense increases of the utility.

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 November 26, 2024, Committee of the Whole 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
- Revise the metered water and wastewater rate study with updated metered usage data.

The following will start after the work that's currently underway has been completed:

- 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.

Staff are targeting commencement of metered water and wastewater billings for January 1, 2027.

Waste Water Utility Fund:

The District's Waste Water Operating Budget is funded by various revenue sources with user fees making up approximately 97% of revenue. For 2026, revenues total \$9.7M:

Revenue Type	2026	% of Budget
Waste Water User Fees	9,400,000	97%
Effluent Dumping Fees	100,000	1%
Miscellaneous Revenue	-	0%
Transfer from Reserve	200,000	2%
Total	9,700,000	100%

The Waste Water Fund Operating expenditure budget utilizes 61% (\$6.0M) of the operating revenue listed above. The remaining 39% of revenues are utilized for debt servicing or transferred to reserve (per AMRFS).

Expense Type	2026	% of Budget
Salaries and Benefits	1,600,000	16%
Contracted Services	1,800,000	19%
Other (supplies, utilities, etc)	1,200,000	12%
General Fund Support Departments	1,400,000	14%
Debt Servicing	200,000	2%
Transfer to Reserve	3,500,000	37%
Total	9,700,000	100%

Waste Water revenue required from user fees for 2026 is \$9.4M, which is an increase of \$878K over 2025 (or 10.3%). Increased revenues are required to cover operating expense increases of the fund resulting from service level changes noted above and pre-committed cost increases. Main drivers of the increase are detailed in Attachment 3 and include:

- Pre-committed (or non-discretionary increases) of \$280K: Labour and Benefit contract increases (\$49K), increased cost of contracted services (\$130K) including costs of biosolid disposal and sani-flushing
- Service Level Change Requests (\$53K)
- Budget Allocation from General Fund Support Departments (\$255K), and;
- Reserve contribution as per the Asset Management Reserve Funding Strategy (289K)

Staff are recommending a 7.2% rate increase for Waste Water (compared to a 5.7% increase in 2025) which is based on a 3.4% increase as per the AMRFS, and will add approximately \$289K to the current Waste Water capital reserve for a total reserve contribution of \$3.5M in 2026. Further increase of 3.7% is required to fund the increased operating expenses of the utility.

Solid Waste Utility Fund:

The District's Solid Waste Operating Budget is funded by various revenue sources with curbside collection and landfill tipping fees making up approximately 96% of revenue.

For 2026, revenues total \$7.5M:

Revenue Type	2026	% of Budget
Curbside Collection Fees	3,000,000	40%
Landfill Tipping Fees	4,200,000	56%
Miscellaneous	300,000	4%
Total	7,500,000	100%

The Solid Waste Fund Operating expenditure budget utilizes 75% (\$5.6M) of the operating revenue listed above. The remaining 25% of revenues are utilized for debt servicing or transferred to reserve (per AMRFS).

Expense Type	2026	% of Budget
Salaries and Benefits	400,000	5%
Contracted Services	4,400,000	59%
Other	500,000	7%
General Fund Support Departments	300,000	4%
Debt Servicing	200,000	3%
Transfer to Reserve	1,700,000	22%
Total	7,500,000	100%

Residential Curbside Collection:

Residential Curbside Collection Revenue required for 2026 is \$2.9M, an increase of \$172K over 2025 (or 6.2%). This increase is required to cover operating expense increases of residential curbside collection plus debt servicing costs of the solid waste utility fund.

Staff are recommending a rate increase of 5.2% for Solid Waste curbside collection (consistent with a 5.2% increase in 2025) to be applied across small, medium, and large totes. This increase is made up of 5.0% to fund current and future debt servicing costs plus 0.2% as per the AMFRS. Solid Waste is minimally impacted by AMRFS as the cost of the landfill expansion is considered an addition and not incorporated into the 2022 AMP. The landfill expansion project is funded by borrowing and, therefore, debt servicing costs are included in the operating expenses of the utility fund.

In 2025, Council endorsed piloting a new service to households that have a large amount of organic waste or recyclables that they would like to properly recycle. In 2025 interested households paid an annual solid waste utility charge of \$150 (plus the exchange fee) to receive an additional organics tote, or they could upsize their recycling tote for the cost of the exchange fee with no increase to their annual utility bill. Uptake in the program has been five to-date, and staff will continue to observe if there is increased interest. This service is cost-neutral as the prices are set to be cost-recovery.

Landfill tipping fees:

Total Landfill Tipping Fee Revenue required for 2026 is \$4.2M, an increase of \$284K over 2025 (or 7.2%) to cover operating expenses of the landfill.

2026 landfill tipping fees have been proposed and are detailed in Attachment 2. Updated rates as well as a new rate (minimum recyclable charge per load) 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 (e.g. commercial organics and cardboard).

Main drivers of the operating increases of the Solid Waste Utility are summarized in Attachment 3 and include:

- Pre-Committed Changes: Reduction of \$440K mainly due to revised GFL contracted services budget. Previous years budgets were based on pandemic levels of landfill usage and have been revised in 2026 to more accurately reflect current and prior years actual cost.
- Debt Servicing Costs: Reduction of \$1M due to debt servicing costs of the Landfill Vertical Wall ending in 2025.
- Budget Allocation from General Fund Support Departments: Increased \$75K
- Increased Reserve Contribution (\$1.6M): Includes increased reserve contribution per the AMRFS (\$5K) plus additional funding for current and future debt servicing costs (\$144K). In addition, the debt servicing costs for the landfill vertical wall ends in 2025, however, to prepare for landfill

expansion debt servicing costs, Staff recommend the user fee increase remains consistent with prior year and the resulting surplus be transferred to reserve.

Service Level Changes (SLC) (Attachment 4 and 5):

Service Level Changes are additional operating costs added to the base operating budget and are detailed in Attachment 4 with descriptions and justifications in Attachment 5. The 2026 SLCs are managed within the proposed rate structure and include the following:

Water:

- Water Meter Maintenance and Replacement (\$49K): Increased costs for the ongoing repair and replacement required to ensure meters read accurately for water billing purposes.
- IT/SCADA Systems Specialist (\$6K and 0.1 FTE): Required for additional hours worked by IT staff to maintain the SCADA communication network.
- Finch Drive Pump Station (\$6K): Increased costs of the new pump station after ownership transferred to the District in the spring of 2025.
- Water Utility Operator (\$61K and 1 FTE): Position required due to water system growth.

Waste Water:

- Waste Water Utility Operator (\$43K and 1 FTE): Position required due to waste water system growth.
- Changeroom space for wastewater collections and treatment staff (\$10K): Required to meet Occupational, Health and Safety standards.

Reserve Continuity Schedules (Attachment 6):

As part of the Financial Planning process, it is important that reserve continuity is reviewed for all reserves to ensure that adequate future reserve balances are available to fund planned projects plus any unforeseen emergencies. Reserve continuities for each of the three utility funds are detailed in Attachment 6 and include:

- Water Capital Reserve: Used for new works, extensions or renewals of existing works, and to purchase equipment. Revenues to the reserve include contributions from the water fund (e.g. AMRFS) and interest earnings.
- Waste Water Capital Reserve: Used to fund new works, extensions or renewals of existing works, and to purchase equipment. Revenues to the reserve include contributions from the wastewater fund (e.g. AMRFS) and interest earnings.
- Solid Waste Capital Reserve: 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.

5. Engagement

The 2026-2035 Financial Plan will be available on the District website with links to interactive tools and Let's Talk Squamish. The 2026-2035 Financial Plan will be referenced in key messaging from the District in support of the District Strategic Plan.

6. Financial Implications

Staff recommend that the operating budget and utility fees in this report be incorporated in the 2026-2035 Financial Plan and Utility 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 2026-2035 Financial Plan for Council consideration.

In addition, Staff will update the Fees and Charges Bylaw for the 2026 Utility Rates. The schedule to update the Fees and Charges bylaw for three readings and adoption is December 2, and December 9, respectively.

8. Alternatives to Recommendation

Council may direct Staff to make changes to the Financial Plan as presented in this report and have those changes include in the 2026-2035 Financial Plan.

9. Attachments

1. 2026-2035 Utility Forecasted Revenue Requirement Increases
2. 2026 Utility Rates and Landfill Tipping Fees
3. 2026-2035 Utility Fund Revenue Increases
4. 2026-2035 Utilities Service Level Change Details
5. 2026-2035 Utilities Service Level Change Descriptions and Justifications
6. 2026-2035 Reserve Continuity Schedules
7. 2026-2035 Budget Package Guide

10. Staff Review

Prepared By:

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Reviewed By:

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

Melissa von Bloedau, Corporate Officer

CAO Recommendation:

That the recommendation of Financial Services be approved.

Linda Glenday, CAO

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 1: 2026-2035 Utility Forecasted Revenue Requirement Increases

	2026		2027		2028		2029		2030		2031		2032		2033		2034		2035	
	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase	Total	% Increase
Water Fees																				
Revenue Requirement	6,719,943	4.7%	7,037,219	4.7%	7,369,726	4.7%	7,718,193	4.7%	7,969,857	3.3%	8,284,250	3.9%	8,537,914	3.1%	8,802,996	3.1%	9,080,793	3.2%	9,371,925	3.2%
Increase per AMRFS	115,510	1.8%	120,959	1.8%	126,670	1.8%	132,655	1.8%	138,927	1.8%	78,599	1.0%	81,743	1.0%	84,279	1.0%	86,930	1.0%	89,708	1.0%
Additional Rate/Customer Increase	191,209	2.9%	196,318	2.9%	205,836	2.9%	215,812	2.9%	112,735	1.5%	235,794	2.9%	171,921	2.1%	180,803	2.1%	190,867	2.2%	201,424	2.2%
Waste Water Fees																				
Revenue Requirement	9,363,644	10.3%	10,418,296	11.3%	11,204,961	7.6%	11,875,976	6.0%	12,432,065	4.7%	13,048,928	5.0%	13,763,335	5.5%	14,188,365	3.1%	14,521,679	2.3%	15,056,403	3.7%
Increase per AMRFS	288,529	3.4%	318,364	3.4%	354,222	3.4%	380,969	3.4%	403,783	3.4%	422,690	3.4%	443,664	3.4%	138,938	1.0%	141,897	1.0%	145,217	1.0%
Additional Rate/Customer Increase	588,970	6.9%	736,288	7.9%	432,443	4.2%	290,046	2.6%	152,306	1.3%	194,173	1.6%	270,743	2.1%	286,092	2.1%	191,417	1.3%	389,507	2.7%
Solid Waste																				
Landfill Revenue Requirement	4,202,266	2.6%	4,328,334	3.0%	4,458,184	3.0%	4,591,930	3.0%	4,729,688	3.0%	4,871,579	3.0%	5,017,725	3.0%	5,168,257	3.0%	5,323,305	3.0%	5,483,004	3.0%
Curbside Collection Revenue Requirement	2,939,378	6.2%	3,121,619	6.2%	3,315,160	6.2%	3,520,699	6.2%	3,738,983	6.2%	3,970,800	6.2%	4,216,989	6.2%	4,394,103	4.2%	4,578,655	4.2%	4,770,959	4.2%
Increase per AMRFS (0.2% of curbside)	5,536	0.2%	5,879	0.2%	6,243	0.2%	6,630	0.2%	7,041	0.2%	7,478	0.2%	7,942	0.2%	8,434	0.2%	8,788	0.2%	9,157	0.2%
Increase for Debt Servicing (5% of curbside)	138,389	5.0%	146,969	5.0%	156,081	5.0%	165,758	5.0%	176,035	5.0%	186,949	5.0%	198,540	5.0%	84,340	2.0%	87,882	2.0%	91,573	2.0%
Additional Rate/Customer Increase	27,678	1.0%	29,393	1.0%	31,217	1.0%	33,151	1.0%	35,208	1.0%	37,390	1.0%	39,707	1.0%	84,340	2.0%	87,882	2.0%	91,574	2.0%

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 2: 2026 Utility Rates and Landfill Tipping Fees

2026 Utility Rates- Flat (Proposed)	2025 Rates	Increase	2026 Rates	Increase (%)
Water	509	9	518	1.8%
Waste Water (Sewer)	671	48	719	7.2%
Garbage (Medium)	426	22	448	5.2%
	1,606	79	1,685	4.9%
Garbage (Small)	231	12	243	5.2%
Garbage (Large)	642	33	675	5.2%

Other Fees	2025 Rates	Increase	2026 Rates	Increase (%)
Curbside Collection Tote Exchange Fee (per tote)	50	10	60	20.0%
Additional Organics Tote	150	-	150	0.0%

2026 Landfill Tipping Fees (Proposed)	Unit	2025 Rates	2026 Rates	Increase (%)
Garbage				
Asbestos	TN	432	500	15.9%
Banned Materials Surcharge	TN	305	308	1.1%
Commercial Waste	TN	244	245	0.6%
Demolition & Construction Waste	TN	244	245	0.6%
Invasive Plants	TN	91	91	0.0%
Invasive Plants (from certified company)	TN	43	43	0.0%
Mixed Waste	TN	548	553	0.9%
Residential Waste	TN	244	245	0.6%
RV, Boats & trailers Must be dismantled into 1 metre (four feet) sections or less, with all liquid and recyclables removed	TN	300	300	0.0%
Sewage Sludge	TN	244	300	23.2%
Waste from o/s Squamish	TN	244	245	0.6%
Recycling / Diversion (Roads & Cover)				
Appliances with Ammonia	Item	80	80	0.0%
Cardboard	TN	250	250	0.0%
Deceased Animals	TN	244	300	23.0%
Food Waste (up to 5 tonnes per load)	TN	150	150	0.0%
Glass: >100kg	TN	80	81	1.3%
Concrete (up to 110kg)	TN	183	185	1.3%
Gypsum	TN	421	425	0.9%
Mattress	Item	25	30	20.0%
Tire	Item	15	20	33.3%
Tire w Rim	Item	30	30	0.0%
Tire - Commercial Size	Item	116	118	1.7%
Wood Waste - Clean	TN	128	145	13.3%
Wood Waste -Dirty	TN	185	194	4.9%
Yard Waste	TN	128	145	13.3%
Other				
Minmum Landfill Charge	per load	10	10	0.0%
Minimum Recyclable Charge	per load		10	
Surcharge if Concrete load is >110 kg	per time	87	90	3.3%
Surcharge if Wood Load (clean or dirty) is contaminated over 5%, by weight or volume	TN	144	144	0.0%
Weigh Service	per time	48	48	0.0%

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 3: 2026 Utility Fund Revenue Increases

WATER FUND				
	2025	2026	\$ Increase	% Increase
Pre-Committed Increases				
Salaries and Benefits	1,255,665	1,286,089	30,425	0.5% Labour Contract Increases (less SLC)
Utilities	180,339	195,191	14,852	0.2% Cost escalation on Hydro (\$15K)
Other (Excluding SLC)	1,345,496	1,350,266	4,770	0.1% Inflationary increases on fuel and pump station supplies (less SLC)
Total Pre-Committed	2,781,500	2,831,546	50,046	0.8%
Service Level Changes				
AUTO - 414 - Water Meter Maintenance & Replacement	-	49,000	49,000	0.8% See Attachment 4 for Service Level Change Details
AUTO - 425 - IT / SCADA Systems Specialist	-	6,266	6,266	0.1% See Attachment 4 for Service Level Change Details
AUTO - 427 - Finch Drive Pump Station - Water Services	-	5,500	5,500	0.1% See Attachment 4 for Service Level Change Details
AUTO - 401 - Utility Operator 1 - Water - Growth	-	60,873	60,873	0.9% See Attachment 4 for Service Level Change Details
Total Service Level Changes	-	121,639	121,639	1.9%
Inter-Fund Allocation (from General Fund)	936,634	954,166	17,532	0.3% Support department operating budgets
Asset Management Reserve Funding Strategy	2,214,434	2,327,964	113,530	1.8%
Total Increase	5,932,568	6,235,315	302,747	4.7%
2025 Water Fee Revenue Requirement			6,417,197	
2026 Water Fee Revenue Requirement			6,719,944	

WASTE WATER FUND				
	2025	2026	\$ Increase	% Increase
Pre-Committed Changes:				
Salaries and Benefits	1,470,284	1,519,546	49,262	0.6% Labour Contract Increases (less SLC)
Contracting	1,700,550	1,831,248	130,698	1.5% Biosolids Disposal Costs; Sani-Flushing; Contract Inflation
Supplies	523,170	599,078	75,908	0.9% Lift Station Supplies (Queensway and Small Vacuum); Tools and Chemicals
Other	514,510	535,818	21,308	0.3% Property Insurance (less SLC)
Total Pre-Committed	4,208,514	4,485,690	277,176	3.3%
Total Service Level Changes	-	53,481	53,481	0.6%
Inter-Fund Allocation (from General Fund)	1,146,947	1,401,994	255,047	3.0% Support department operating budgets
Asset Management Reserve Funding Strategy	3,164,420	3,456,215	291,795	3.4%
Total Increase	8,519,881	9,397,380	877,499	10.3%
2025 Waste Water User Fee Revenue Requirement			8,486,145	
2026 Waste Water User Fee Revenue Requirement			9,363,644	

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 3: 2026 Utility Fund Revenue Increases

SOLID WASTE FUND					
Pre-Committed Changes:					
Salaries and Benefits	366,249	365,555	-	693	0.0% Revised position details
Contracting - Curbside Collection	1,941,800	2,094,937		153,137	2.2% GFL contract including organics transportation and processing
					GFL contract budget previously based on pandemic levels of landfill usage, revised in 2026 to more
Contracting - Landfill	2,879,494	2,337,122	-	542,372	-7.9% accurately reflect prior and current year actuals
Other	508,055	457,646	-	50,408	-0.7% Reduced professional fees
Total Pre-Committed Changes	5,695,597	5,255,261	-	440,337	-6.4%
Debt Servicing	1,203,506	203,116	-	1,000,389	-14.6% Debt for landfill vertical wall ends in 2025
Inter-Fund Allocation (from General Fund)	226,544	301,028		74,484	1.1% Support department operating budgets
Asset Management Reserve Funding Strategy	47,378	52,914		5,536	0.1% 0.2% of Curbside collection fees
					Decrease in debt servicing costs (debt for landfill vertical wall debt ends), however, as noted in RTC, to
Increased Reserve Contribution	-	1,638,966		1,638,966	prepare for landfill expansion debt, user fee rate increase will remain to increase reserve funding
Total Increase	7,173,025	7,451,285		278,260	4.1%
2025 Total Solid Waste Utility Fee Revenue Required			6,863,385		
2026 Solid Waste Utility Fee Revenue Required					
2026 Curbside Collection Revenue Required			2,939,379		
2026 Landfill Fee Revenue Required			4,202,266		
2026 Solid Waste User Fee Revenue Requirement			7,141,645		

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 4: Utility Fund Service Level Changes

Description	New FTE										
	Count	2026 Increase	2027 Impact	2028 Impact	2029 Impact	2030 Impact	2031 Impact	2032 Impact	2033 Impact	2034 Impact	2035 Impact
Water Fund:											
AUTO - 414 - Water Meter Maintenance & Replacement		49,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
AUTO - 425 - IT / SCADA Systems Specialist	0.1	6,266	221	226	236	243	251	261	270	279	288
AUTO - 427 - Finch Drive Pump Station - Water Services		5,500	275	289	303	318	334	351	369	387	406
AUTO - 401 - Utility Operator 1 - Water - Growth	1.0	60,873	47,112	3,789	3,920	4,052	4,184	4,341	4,473	4,657	4,815
Total Water Fund	1.1	121,639	48,607	5,304	5,459	5,613	5,769	5,953	6,112	6,323	6,510
Waste Water Fund:											
AUTO - 402 - Utility Operator 1 - Wastewater - Growth	1.0	43,481	64,504	3,789	3,920	4,052	4,184	4,341	4,473	4,657	4,815
AUTO - 415 - Change Room Space for WW Staff		10,000	-	-	-	-	-	-	-	-	-
Total Wastewater Fund	1.0	53,481	64,504	3,789	3,920	4,052	4,184	4,341	4,473	4,657	4,815
Sub-Total Utility Fund Service Level Changes	2.1	175,119	113,111	9,093	9,380	9,665	9,952	10,295	10,585	10,980	11,325

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 5: Utility Fund Service Level Changes - Descriptions and Justifications

Reference	Name	2026 Increase	Description	Justification
AUTO - 414	Water Meter Maintenance & Replacement	49,000	Funding for ongoing operational water meter repair and replacement.	Water meter life span is 20 - 25 years. Water meter e-register life span is 10 - 15 years. Ongoing repair and replacement is required to ensure meters read accurately for water billing purposes. We anticipate needing to replace meters each year, especially some of the older meters that are showing compatibility issues with current technology. By having budget on hand for quick replacements we will save ourselves admin costs as billing won't need to shift back and forth between metered and flat rates.
AUTO - 425	IT / SCADA Systems Specialist	6,266	Funding to incrementally re-class existing IT personnel when working in Systems Specialist role while maintaining and upgrading the Districts SCADA communication network.	Recognizing when existing IT staff work over and above their job description.
AUTO - 427	Finch Drive Pump Station - Water Services	5,500	Operating budget for newly constructed / handed off water pump station.	Finch Drive Pump station ownership was transferred to the District in spring of 2025. It is a new water pump station that does not currently have budget allocated.
AUTO - 401	Utility Operator 1 - Water - Growth	60,873	Adding 0.5 FTE in 2026 to hire a FT temporary Operator-in-training. An additional 0.5 FTE is needed in 2027 to allow creation of 1.0 FTE permanent Utility Operator 1.	Water system growth (Finch Drive pump station, new lower university reservoirs, new dry-hydrants up Paradise Valley, University, Oceanfront, ongoing development integration, capital project and master infrastructure planning backfill / support)
AUTO - 402	Utility Operator 1 - Sewer - Growth	43,481	Adding 0.5 FTE in 2026 to hire a FT temporary Operator-in-training. An additional 0.5 FTE is needed in 2027 to allow creation of 1.0 FTE permanent Utility Operator 1.	Required due to sewer system and wastewater treatment plant growth (Finch Drive, University, Oceanfront, upgraded / expanded WWTP ongoing development integration, capital project and master infrastructure planning backfill)
AUTO - 415	Additional Change Room Space for Wastewater Collections and Treatment Staff	10,000	Temporary building (trailer) with lockers and benches for wastewater collections and treatment staff.	Wastewater Collections & Treatment staff compliment has outgrown the existing locker room facilities at the wastewater treatment plant. Several current staff do not have access to adequate locker room space or lockers to house their clean / dirty clothes and workwear, creating an OH&S concern due to the biological hazards associated with their working environment.
Total		175,119		

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 6: 2026 - 2035 Reserve Continuity Schedules

	PY Approved 2025	CY Proposed 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
Reserve											
Capital Rehab - Solid Waste											
Opening Balance	1,345,404	(174,451)	1,097,679	2,158,002	3,323,335	4,157,662	4,859,902	6,507,645	6,393,705	1,420,601	1,653,935
Revenues	47,738	1,691,880	1,853,083	1,943,693	2,073,687	2,391,600	2,674,703	2,878,094	2,968,930	3,175,368	3,348,561
Expenses	(1,567,593)	(419,750)	(792,760)	(778,360)	(1,239,360)	(1,689,360)	(1,026,960)	(2,992,034)	(7,942,034)	(2,942,034)	(2,892,034)
Closing Balance	(174,451)	1,097,679	2,158,002	3,323,335	4,157,662	4,859,902	6,507,645	6,393,705	1,420,601	1,653,935	2,110,462
Capital Rehab - Waste Water											
Opening Balance	10,916,919	1,817,648	1,162,895	2,072,776	1,846,359	2,350,214	1,845,411	3,347,449	4,094,182	2,526,548	2,827,600
Revenues	3,164,420	3,456,215	3,779,881	4,133,583	4,514,738	4,918,297	5,348,238	5,805,439	5,946,072	5,964,758	6,119,280
Expenses	(12,263,691)	(4,110,968)	(2,870,000)	(4,360,000)	(4,010,883)	(5,423,100)	(3,846,200)	(5,058,706)	(7,513,706)	(5,663,706)	(5,263,706)
Closing Balance	1,817,648	1,162,895	2,072,776	1,846,359	2,350,214	1,845,411	3,347,449	4,094,182	2,526,548	2,827,600	3,683,174
Capital Rehab - Water											
Opening Balance	10,306,712	8,067,941	8,115,396	6,401,400	5,246,512	4,408,128	3,811,275	3,331,527	2,899,799	2,575,261	2,287,433
Revenues	2,411,711	2,405,937	2,503,849	2,701,957	2,969,961	3,309,992	3,527,097	3,675,117	3,882,307	4,020,767	4,219,713
Expenses	(4,650,481)	(2,358,482)	(4,217,845)	(3,856,845)	(3,808,345)	(3,906,845)	(4,006,845)	(4,106,845)	(4,206,845)	(4,308,595)	(4,406,845)
Closing Balance	8,067,941	8,115,396	6,401,400	5,246,512	4,408,128	3,811,275	3,331,527	2,899,799	2,575,261	2,287,433	2,100,301

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 6: 2026 - 2035 Reserve Continuity Schedules

	PY Approved 2025	CY Proposed 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
Reserve											
Capital Rehab - Waste Water											
Opening Balance	10,916,919	1,817,648	1,162,895	2,072,776	1,846,359	2,350,214	1,845,411	3,347,449	4,094,182	2,526,548	2,827,600
Revenues	3,164,420	3,456,215	3,779,881	4,133,583	4,514,738	4,918,297	5,348,238	5,805,439	5,946,072	5,964,758	6,119,280
Expenses	(12,263,691)	(4,110,968)	(2,870,000)	(4,360,000)	(4,010,883)	(5,423,100)	(3,846,200)	(5,058,706)	(7,513,706)	(5,663,706)	(5,263,706)
Closing Balance	1,817,648	1,162,895	2,072,776	1,846,359	2,350,214	1,845,411	3,347,449	4,094,182	2,526,548	2,827,600	3,683,174
Sub Project# Project Details											
50300126 Asset Management Plan Update	-	-	(\$125,000)	-	-	-	-	(\$145,000)	-	-	-
50300129 Sewer Use and Storm Sewer Bylaw Update	-	-	(\$25,000)	-	-	-	-	-	-	-	-
60514113 Loggers East Drainage Diversion Pipe Construction	(\$79,000)	-	-	-	-	-	-	-	-	-	-
60514116 Mobile Storm / Sewer Bypass Pumps	(\$45,000)	-	-	-	-	-	-	-	-	-	-
96300102 Sewer Master Plan Update	(\$75,699)	-	-	-	-	(\$1,500)	-	-	-	-	-
96300103 Wastewater Treatment Plant Master Plan	-	(\$300,000)	-	-	-	-	-	-	-	-	-
96490900 Fiscal Services - Waste Water Services	(\$218,968)	(\$218,968)	-	-	(\$393,600)	(\$621,600)	(\$466,200)	(\$1,463,706)	(\$1,463,706)	(\$1,463,706)	(\$1,463,706)
96501106 Fleet Wastewater New Ford F150 Lightning EV	-	-	(\$90,000)	-	-	-	-	-	-	-	-
96510302 Chiefview & Tantalus Sanitary Sewer Upgrade	-	-	-	(\$25,000)	-	-	-	-	-	-	-
96510307 Mamquam Road Sanitary Sewer Phase 3 - Upgrade Under Highway 99	-	-	-	(\$50,000)	-	(\$2,000,000)	-	-	-	-	-
96511300 Sanitary Sewer - Annual Repair and Replacement	(\$2,236,263)	(\$955,000)	(\$1,155,000)	(\$1,375,000)	(\$1,750,000)	(\$2,000,000)	(\$2,500,000)	(\$2,600,000)	(\$2,700,000)	(\$2,800,000)	(\$2,900,000)
96520307 Wastewater Treatment Plant - Repair and Replacement	(\$200,000)	(\$350,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
96520311 Wastewater Treatment Plant - Electrical Service Upgrade	(\$1,050,568)	-	-	-	-	-	-	-	-	-	-
96520312 Wastewater Treatment Plant - Radio Antenna Tower	(\$50,000)	-	-	-	-	-	-	-	-	-	-
96520313 Wastewater Treatment Plant - Back-up Generator Replacement	-	(\$750,000)	-	-	-	-	-	-	-	-	-
96530300 Pia Lift Station Reconstruction	(\$1,500,000)	-	-	-	-	-	-	-	-	-	-
96530301 Lift Stations Refurbishment and Replacement	(\$2,000,000)	(\$500,000)	(\$975,000)	(\$975,000)	(\$975,000)	(\$500,000)	(\$500,000)	(\$550,000)	(\$550,000)	(\$600,000)	(\$600,000)
96530306 Scott Crescent Lift Station Replacement	(\$643,128)	-	-	-	-	-	-	-	-	-	-
96530307 Central Lift Station - Genset and MCC replacement-Waste Water	(\$307,000)	-	-	-	-	-	-	-	-	-	-
96530308 Central Lift Station H2S Injection System	(\$275,000)	-	-	-	-	-	-	-	-	-	-
96530309 Sewer Lift Station Transformers Upgrade	(\$172,800)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	-	-	-	-	-	-
96530310 Queensway LS MCC/VFD Upgrade for Pumps No. 1 & No. 2	(\$101,226)	-	-	-	-	-	-	-	-	-	-
96530312 Westway Lift Station Back-up Generator Replacement	-	(\$65,000)	-	(\$500,000)	-	-	-	-	-	-	-
96550105 Wastewater Treatment Plant Outfall Extension	(\$2,544,659)	(\$500,000)	-	-	-	-	-	-	-	-	-
96550108 Wastewater Treatment Plant Ventilation Upgrades - Grit, Solids and RAS	(\$754,880)	(\$267,000)	-	-	-	-	-	-	-	-	-
96550110 Wastewater Treatment Plant Headworks Building Replacement	-	-	-	-	(\$241,783)	-	-	-	-	-	-
96600102 Wastewater Treatment Plant Upgrade	(\$9,500)	-	-	-	-	-	-	-	-	-	-
C9650201 Wastewater Treatment Plant Centrifuge Replacement	-	-	-	-	-	-	(\$75,000)	-	(\$2,500,000)	-	-
C9650202 Gantry Crane for Central Lift Station	-	-	(\$50,000)	-	-	-	-	-	-	-	-
C9650401 Equipment Dry Storage Structure for Queensway Lift Station	-	-	(\$50,000)	-	(\$250,000)	-	-	-	-	-	-
C9651001 Smartcover Sewer Maintenance Hole Real-Time Data Loggers	-	(\$35,000)	-	-	-	-	-	-	-	-	-
C9651103 Centennial Lift Station Upgrade	-	-	-	-	-	-	-	-	-	(\$500,000)	-
C9651104 Mamquam Lift Station Upgrade (DCC S-9)	-	-	-	-	(\$500)	-	(\$5,000)	-	-	-	-
C9652004 WWTP CTU No. 1 Clarifier Mechanism End-of-Life Replacement	-	(\$50,000)	-	(\$1,000,000)	-	-	-	-	-	-	-
S9630103 Wastewater Collection System Operational Safety Improvements	-	(\$20,000)	-	-	-	-	-	-	-	-	-
S9630104 Smart Maintenance Hole Covers	-	-	-	(\$35,000)	-	-	-	-	-	-	-
	(\$12,263,691)	(\$4,110,968)	(\$2,870,000)	(\$4,360,000)	(\$4,010,883)	(\$5,423,100)	(\$3,846,200)	(\$5,058,706)	(\$7,513,706)	(\$5,663,706)	(\$5,263,706)

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 6: 2026 - 2035 Reserve Continuity Schedules

		PY Approved 2025	CY Proposed 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
Reserve												
Capital Rehab - Water												
Opening Balance		10,306,712	8,067,941	8,115,396	6,401,400	5,246,512	4,408,128	3,811,275	3,331,527	2,899,799	2,575,261	2,287,433
Revenues		2,411,711	2,405,937	2,503,849	2,701,957	2,969,961	3,309,992	3,527,097	3,675,117	3,882,307	4,020,767	4,219,713
Expenses		(4,650,481)	(2,358,482)	(4,217,845)	(3,856,845)	(3,808,345)	(3,906,845)	(4,006,845)	(4,106,845)	(4,206,845)	(4,308,595)	(4,406,845)
Closing Balance		8,067,941	8,115,396	6,401,400	5,246,512	4,408,128	3,811,275	3,331,527	2,899,799	2,575,261	2,287,433	2,100,301
Sub Project# Project Details												
60514117	Stormwater Pipe Capacity Upsizing	(\$57,000)	-	-	-	-	-	-	-	-	-	-
94300104	Plateau/Thunderbird Reservoir Condition Assessments	-	(\$250,000)	(\$250,000)	-	-	-	-	-	-	-	-
94300106	Water Master Plan Update/Water Rate Study	-	-	-	-	(\$1,500)	-	-	-	-	(\$1,750)	-
94300110	Water Loss Management Study	-	-	(\$100,000)	-	-	-	-	-	-	-	-
94300111	Stawamus & Mashiter Water Supply - Inspection and Maintenance	(\$339,695)	(\$150,000)	-	-	-	-	-	-	-	-	-
94490900	Fiscal Services - Water Services	(\$5,945)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)	(\$6,845)
94501102	Fleet Water Services Additional Pick-up Truck (F150)	(\$68,500)	-	-	-	-	-	-	-	-	-	-
94516309	Powerhouse Springs Chlorination Injection Chamber - Design and Construction	(\$1,036,400)	-	-	-	-	-	-	-	-	-	-
94516310	Powerhouse Springs Production Well - Design and Construction	(\$500)	(\$3,000)	(\$11,000)	-	-	-	-	-	-	-	-
94516311	Powerhouse Springs Backup Diesel Generator for Water Supply	(\$449,607)	(\$300,000)	-	-	-	-	-	-	-	-	-
94516312	Powerline Re-Closer for Powerhouse Springs	-	-	(\$100,000)	-	-	-	-	-	-	-	-
94522304	University Reservoir SCADA Fiber Communications Conduit Repair	(\$142,834)	-	-	-	-	-	-	-	-	-	-
94523300	Water System - Annual Repairs and Replacements	(\$2,550,000)	(\$1,570,000)	(\$3,600,000)	(\$3,700,000)	(\$3,800,000)	(\$3,900,000)	(\$4,000,000)	(\$4,100,000)	(\$4,200,000)	(\$4,300,000)	(\$4,400,000)
C9450004	Redbridge Watermain Contribution	-	(\$78,637)	-	-	-	-	-	-	-	-	-
S9432002	Water Supply Trunk Main Assessment/Inspection	-	-	(\$150,000)	-	-	-	-	-	-	-	-
S9432003	Stawamus Surface Water Supply Feasibility Assessment and Permitting	-	-	-	(\$150,000)	-	-	-	-	-	-	-
		(\$4,650,481)	(\$2,358,482)	(\$4,217,845)	(\$3,856,845)	(\$3,808,345)	(\$3,906,845)	(\$4,006,845)	(\$4,106,845)	(\$4,206,845)	(\$4,308,595)	(\$4,406,845)

DISTRICT OF SQUAMISH 2026-2035 FINANCIAL PLAN

Attachment 6: 2026 - 2035 Reserve Continuity Schedules

	PY Approved 2025	CY Proposed 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
Reserve											
Capital Rehab - Solid Waste											
Opening Balance	1,345,404	(174,451)	1,097,679	2,158,002	3,323,335	4,157,662	4,859,902	6,507,645	6,393,705	1,420,601	1,653,935
Revenues	47,738	1,691,880	1,853,083	1,943,693	2,073,687	2,391,600	2,674,703	2,878,094	2,968,930	3,175,368	3,348,561
Expenses	(1,567,593)	(419,750)	(792,760)	(778,360)	(1,239,360)	(1,689,360)	(1,026,960)	(2,992,034)	(7,942,034)	(2,942,034)	(2,892,034)
Closing Balance	(174,451)	1,097,679	2,158,002	3,323,335	4,157,662	4,859,902	6,507,645	6,393,705	1,420,601	1,653,935	2,110,462
Sub Project# Project Details											
92300105 Curbside Collection Analysis-Solid Waste	(\$34,976)	-	-	-	-	-	-	-	-	-	-
92300107 SP-Zero Waste Strategy Review	-	-	-	(\$45,000)	-	-	-	(\$50,000)	-	-	-
92300108 Disaster Debris Management Plan	(\$40,000)	-	-	-	-	-	-	-	-	-	-
92301106 Residual Waste Management long term planning - Pre-design and Permitting	(\$534,799)	(\$66,190)	(\$56,200)	(\$36,200)	(\$36,200)	(\$36,200)	(\$86,200)	(\$50,000)	(\$50,000)	(\$50,000)	-
92490900 Fiscal Services - Solid Waste Management	(\$324,103)	(\$303,560)	(\$303,560)	(\$697,160)	(\$1,153,160)	(\$1,153,160)	(\$940,760)	(\$2,892,034)	(\$2,892,034)	(\$2,892,034)	(\$2,892,034)
92500104 Landfill Gas Flare Horizontal Pipe Expansion	(\$250,000)	(\$50,000)	(\$433,000)	-	(\$50,000)	(\$500,000)	-	-	-	-	-
92510102 Residual Waste Long Term Planning - Design and Construction	(\$383,715)	-	-	-	-	-	-	-	-	-	-
92510102 Residual Waste Long Term Planning - Reduction of Borrowing	-	-	-	-	-	-	-	-	(\$5,000,000)	-	-
	(\$1,567,593)	(\$419,750)	(\$792,760)	(\$778,360)	(\$1,239,360)	(\$1,689,360)	(\$1,026,960)	(\$2,992,034)	(\$7,942,034)	(\$2,942,034)	(\$2,892,034)

Budget Package Guide 2026-2035

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 2026-2035 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.

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:

- **2025-2029 Financial Plan Special Operating Projects:** Special Operating Projects that were endorsed in the 2025-2029 Financial Plan and have continued in the 2026-2035 Financial Plan.

- **2025-2029 Financial Plan – Critical:** These SOP were endorsed by Council in the 2025-2029 Financial Plan and are deemed to be critical.
- **New Special Operating Projects:** These are projects that are new to the 2026-2035 Financial Plan.
 - **New SOP – Critical:** These are projects that are new in the 2026-2035 Financial Plan and deemed to be critical.

Critical is defined as projects and services to alleviate or mitigate areas that contain legislative impact, health and safety concerns or a high degree of financial risk (safety, legislative and risk) or critical to maintain current service levels.

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): A reserve is money set aside and legislated by Bylaw to fund expenditures for a specific purpose. Reserves are held in the appropriated accumulated surplus and are categorized as statutory. 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.

Community Amenity Contribution (CAC) Reserves: Local Governments may require developers to pay additional amounts in the event of land subdivision or rezoning. These levies are often referred to as community amenity contributions and are placed in an appropriate Reserve for specific purposes or to fund Capital projects. CACs are often used to compliment DCC's to provide developer funding for project types that do not qualify for DCC funding, such as protective services, parks, recreation, or cultural assets.

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.