



# Budget Workshop#2

## 2026-2030 Proposed

### Capital Expenditures for

### Water & Sewer Services

Proposed 2026-2030  
Rates

# Agenda

- Borrowing Questions
- Impact of Borrowing for Rockcliffe Irrigation System
- Irrigation Local Rate Comparison
- 2026-2030 Capital Budget - Sewer
- 2026-2030 Operating Budget - Sewer
- Proposed Rate Increase - Sewer
- 2026-2030 Capital Budget – Water
- 2026-2030 Operating Budget – Water
- Proposed Rate Increase – Water
- Rate Comparisons
- Timeline



# Borrowing Questions

## 1. What is our present debt load?

At end of December the Town had:

- \$432,700 in general capital debt
- \$7,004,846 in water system capital debt

In 2025, the 2010 water projects borrowing of \$2.5M and 2004 water projects of \$163K will be paid off.

In 2026, the 2014 water projects borrowing of \$842,250 will be paid off.

## 2. What is our approval-free borrowing limit today?

Our approval-free borrowing limit is \$435,572

## 3. What amount of debt could be borrowed and stay within the limit?

\$5,626,000 at 4.58% over 20-year amortization.



# Impact of Borrowing for #134 Rockcliffe Project

- Town would participate in the MFA fall 2026 borrowing for \$1.1M.
- Indicative rate is 4.48% over a 20-year term
- Funds would be received in late October, principal and interest payments would start in 2027
- No impact to proposed rate increase for 2026



## Current Irrigation Rate Comparisons

| Municipality    | Fixed Rate<br>(based on 10 acre<br>parcel) | Variable Rate | Total Annual Cost |
|-----------------|--|---------------|-------------------|
| Oliver          | \$3,175.40                                 | \$0           | \$3,175.40        |
| Osoyoos (1) (2) | \$5,260.92                                 | \$0           | \$5,260.92        |
| Keremeos        | \$2,097.00                                 | \$0           | \$2,097.00        |
| Peachland (1)   | \$536.00                                   | \$1,335.60    | \$1,871.86        |
| Summerland      | \$2,450.80                                 | \$0           | \$2,450.80        |
| Penticton (1)   | \$ 2,188.08                                | \$1,179.86    | \$3,367.94        |

(1) Assumes 2" pipe

(2) Variable rate of 1.08/M3, not being charged.

# 2026-2030 Sewer Projects

| FUND  | Sewer   | Priority | FUNDING | 2026  | 2027  | 2028 | 2029 | 2030 | Grand Total |
|---|---|----------|---------|-------|-------|------|------|------|-------------|
| <b>Sum of 26-35</b>   |   |          |         |       |       |      |      |      |             |
| <b>Row Labels</b> <input type="checkbox"/> <b>PROJECT NAME</b> <input type="checkbox"/> <b>Column Labels</b> <input type="checkbox"/> |   |          |         |       |       |      |      |      |             |
| 49  | <b>Fairview &amp; Station Intersection Improvements Design</b>          | P3       | SC      |       |       |      | 10   |      | 10          |
| 68  | <b>50 kW Photovoltaic System - Equalization Ponds</b>                   | P5       | Grant   |       |       |      | 380  |      | 380         |
| 98  | <b>S3-Similkameen Avenue</b>  | P1       | Grant   | 447   |       |      |      |      | 447         |
| 99  | <b>W8-Main Street Veterans to School</b>                                | P1       | Grant   | 170   |       |      |      |      | 170         |
| 100   | <b>S7-River Crossing Park Dr and Fairview Rd</b>                        | P1       | SC      |       |       |      | 275  |      | 275         |
|   | <b>S7-River Crossing Park Dr and Fairview Rd Design</b>                 | P1       | SC      |       |       | 15   |      |      | 15          |
| 114   | <b>S2-Sanitary Main Hillside to Veterans</b>                            | P1       | Grant   | 350   |       |      |      |      | 350         |
|   | <b>S2-Sanitary Main Hillside to Veterans Design</b>                     | P1       | SC      | 40    |       |      |      |      | 40          |
| 115   | <b>S9-Sanitary Main Fir to Lift station</b>                             | P2       | SC      |       | 300   |      |      |      | 300         |
|   | <b>S9-Sanitary Main Fir to Lift station Design</b>                      | P2       | SC      | 15    |       |      |      |      | 15          |
| 117   | <b>Wastewater Treatment System Upgrades</b>                             | P3       | SC      |       |       | 125  |      |      | 125         |
| 125   | <b>Reclaim Watermain investigation/testing</b>                          | P2       | SC      | 150   |       |      |      |      | 150         |
|   | <b>Reclaim Watermain Design</b>   | P2       | SC      | 75    |       |      |      |      | 75          |
| 130   | <b>New Scada &amp; PLC's for entire system</b>                          | P1       | SC      | 100   | 100   |      |      |      | 200         |
| 136   | <b>Station St. - Fairview to Co-op and Sawmill</b>                      | P2       | Grant   |       |       | 300  |      |      | 300         |
| 137   | <b>Okanagan St - Co-op to Haven</b>                                     | P3       | Grant   |       |       |      | 200  |      | 200         |
|   | <b>Okanagan St - Co-op to Haven Design</b>                              | P3       | SC      |       |       | 35   |      |      | 35          |
| 142   | <b>New Scada Computers</b>  | P3       | SC      |       |       | 10   |      |      | 10          |
| 151   | <b>Influent Lifstation Elec. Upgrades</b>                               | P1       | SC      | 250   |       |      |      |      | 250         |
| 152   | <b>Scott Rd Lifstation Upgrades/w new boots and bypass</b>              | P1       | SC      | 265   |       |      |      |      | 265         |
| 154   | <b>Bing to Hillside SIPP/CIPP Sewer Main in Rear Yards Design</b>       | P1       | SC      | 35    |       |      |      |      | 35          |
|   | <b>Bing to Hillside SIPP/CIPP Sewer Main in Rear Yards</b>              | P1       | SC      |       | 350   |      |      |      | 350         |
| 167   | <b>S1 - Fairview to Sawmill Rd. Sanitary Main Replacement Design</b>    | P1       | SC      | 40    |       |      |      |      | 40          |
|   | <b>S1 - Fairview to Sawmill Rd. Sanitary Main Replacement</b>           | P1       | Grant   | 900   |       |      |      |      | 900         |
| 193   | <b>Upgrade Compactor Room and Compactor Replacement New MCC and PLC</b> | P1       | SC      | 408   |       |      |      |      | 408         |
| 194   | <b>Highlift Upgrades</b>  | P1       | SC      | 715   |       |      |      |      | 715         |
| <b>Grand Total</b>  |   |          |         | 1,741 | 2,070 | 900  | 495  | 855  | 6,061       |

#125- moved  
from 2027 to  
2028



# 26-30 Sewer Operating Budget -Revenue

| GL Description                        | 2025 Budget       | 2026 Draft Budget | % of Total Revenue | 2027 Plan         | % of Total Revenue | 2028 Plan         | % of Total Revenue | 2029 Plan         | % of Total Revenue | 2030 Plan         | % of Total Revenue |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| SEWER USER CHARGE - PER UNIT          | -1,397,430        | -1,516,718        | 75.10%             | -1,622,854        | 74.89%             | -1,671,501        | 74.92%             | -1,721,633        | 74.94%             | -1,773,275        | 74.97%             |
| SEWER USER CHARGE - METERED           | -25,257           | -27,025           | 1.34%              | -28,916           | 1.33%              | -29,784           | 1.33%              | -30,677           | 1.34%              | -31,598           | 1.34%              |
| SANI DUMP FEES                        | -6,451            | -6,624            | 0.33%              | -6,624            | 0.31%              | -6,624            | 0.30%              | -6,624            | 0.29%              | -6,624            | 0.28%              |
| SEWER -MISC REVENUES                  | 0                 | -92               | 0.00%              | -200              | 0.01%              | -200              | 0.01%              | -200              | 0.01%              | -200              | 0.01%              |
| CONNECTION                            | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| EFFLUENT IRRIGATION REVENUES          | -15,846           | -17,560           | 0.87%              | -26,769           | 1.24%              | -27,572           | 1.24%              | -28,400           | 1.24%              | -29,252           | 1.24%              |
| <b>Total Sale of Service</b>          | <b>-1,444,984</b> | <b>-1,568,019</b> | 77.64%             | <b>-1,685,363</b> | 77.77%             | <b>-1,735,681</b> | 77.79%             | <b>-1,787,534</b> | 77.81%             | <b>-1,840,949</b> | 77.83%             |
| RETURN ON INVESTMENTS - SEWER         | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| PENALTIES ON UNPAID SEWER             | -12,427           | -13,526           | 0.67%              | -13,526           | 0.62%              | -13,526           | 0.61%              | -13,526           | 0.59%              | -13,526           | 0.57%              |
| LEASES - GOLF COURSE & AIRPORT FORAGE | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| OIB EMERGENCY SEWER RETAINER FEE      | -7,369            | -7,369            | 0.36%              | -7,369            | 0.34%              | -7,369            | 0.33%              | -7,369            | 0.32%              | -7,369            | 0.31%              |
| O.B.W.B. GRANT - ROCKCLIFFE           | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| O.B.W.B. GRANT - AERATION LAGOON      | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| <b>Total Other Revenue</b>            | <b>-19,796</b>    | <b>-20,895</b>    | 1.03%              | <b>-20,895</b>    | 0.96%              | <b>-20,895</b>    | 0.94%              | <b>-20,895</b>    | 0.91%              | <b>-20,895</b>    | 0.88%              |
| SEWER PARCEL TAX                      | -402,223          | -430,619          | 21.32%             | -460,756          | 21.26%             | -474,568          | 21.27%             | -488,803          | 21.28%             | -503,461          | 21.29%             |
| <b>Total Parcel Taxes</b>             | <b>-402,223</b>   | <b>-430,619</b>   | 21.32%             | <b>-460,756</b>   | 21.26%             | <b>-474,568</b>   | 21.27%             | <b>-488,803</b>   | 21.28%             | <b>-503,461</b>   | 21.29%             |
| <b>TOTAL REVENUE</b>                  | <b>-1,867,003</b> | <b>-2,019,533</b> | 100.00%            | <b>-2,167,014</b> | 100.00%            | <b>-2,231,144</b> | 100.00%            | <b>-2,297,232</b> | 100.00%            | <b>-2,365,305</b> | 100.00%            |

# 26-30 Sewer Operating Budget – Expense

| GL Description   | 2025 Budget      | 2026 Draft Budget | % of Total Revenue | 2027 Plan        | % of Total Revenue | 2028 Plan        | % of Total Revenue | 2029 Plan        | % of Total Revenue | 2030 Plan        | % of Total Revenue |
|--|------------------|-------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| <b>Expenses</b>  |                  |                   |                    |                  |                    |                  |                    |                  |                    |                  |                    |
| Total Administration   | 423,601          | 433,352           | 34.50%             | 442,019          | 34.50%             | 450,859          | 34.50%             | 459,876          | 34.50%             | 469,074          | 34.50%             |
| Total Operations   | 65,674           | 68,808            | 5.48%              | 70,184           | 5.48%              | 71,588           | 5.48%              | 73,020           | 5.48%              | 74,480           | 5.48%              |
| Total Collection   | 307,267          | 290,192           | 23.11%             | 295,996          | 23.11%             | 301,916          | 23.11%             | 307,954          | 23.11%             | 314,113          | 23.11%             |
| Total Treatment Disposal                                     | 457,103          | 463,578           | 36.91%             | 472,850          | 36.91%             | 482,307          | 36.91%             | 491,953          | 36.91%             | 501,792          | 36.91%             |
| <b>Subtotal</b>  | <b>1,253,645</b> | <b>1,255,930</b>  | 100.00%            | <b>1,281,049</b> | 100.00%            | <b>1,306,670</b> | 100.00%            | <b>1,332,803</b> | 100.00%            | <b>1,359,459</b> | 100.00%            |
| <b>Amortization</b>  |                  |                   |                    |                  |                    |                  |                    |                  |                    |                  |                    |
| Total Amortization   | 230,294          | 238,684           |                    | 238,684          |                    | 238,684          |                    | 238,684          |                    | 238,684          |                    |
| Amortization Non-Cash  | -230,294         | -238,684          |                    | -238,684         |                    | -238,684         |                    | -238,684         |                    | -238,684         |                    |
| <b>Subtotal</b>  | <b>0</b>         | <b>0</b>          |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    |
| <b>TRANSFER TO SEWER RESERVE</b>                             | <b>613,358</b>   | <b>763,603</b>    |                    | <b>885,965</b>   |                    | <b>924,474</b>   |                    | <b>964,429</b>   |                    | <b>1,005,846</b> |                    |
| <b>Financial Plan Balance</b>                                | <b>0</b>         | <b>-</b>          |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    |
| <b>Projected Sewer Capital Reserve Balance</b>               | <b>356,266</b>   | <b>2,166</b>      |                    | <b>69,185</b>    |                    | <b>96,102</b>    |                    | <b>879,955</b>   |                    | <b>1,648,162</b> |                    |
| <b>Funds Available for Transfer to Sewer Capital Reserve</b> | <b>613,358</b>   | <b>763,603</b>    |                    | <b>885,965</b>   |                    | <b>924,474</b>   |                    | <b>964,429</b>   |                    | <b>1,005,846</b> |                    |

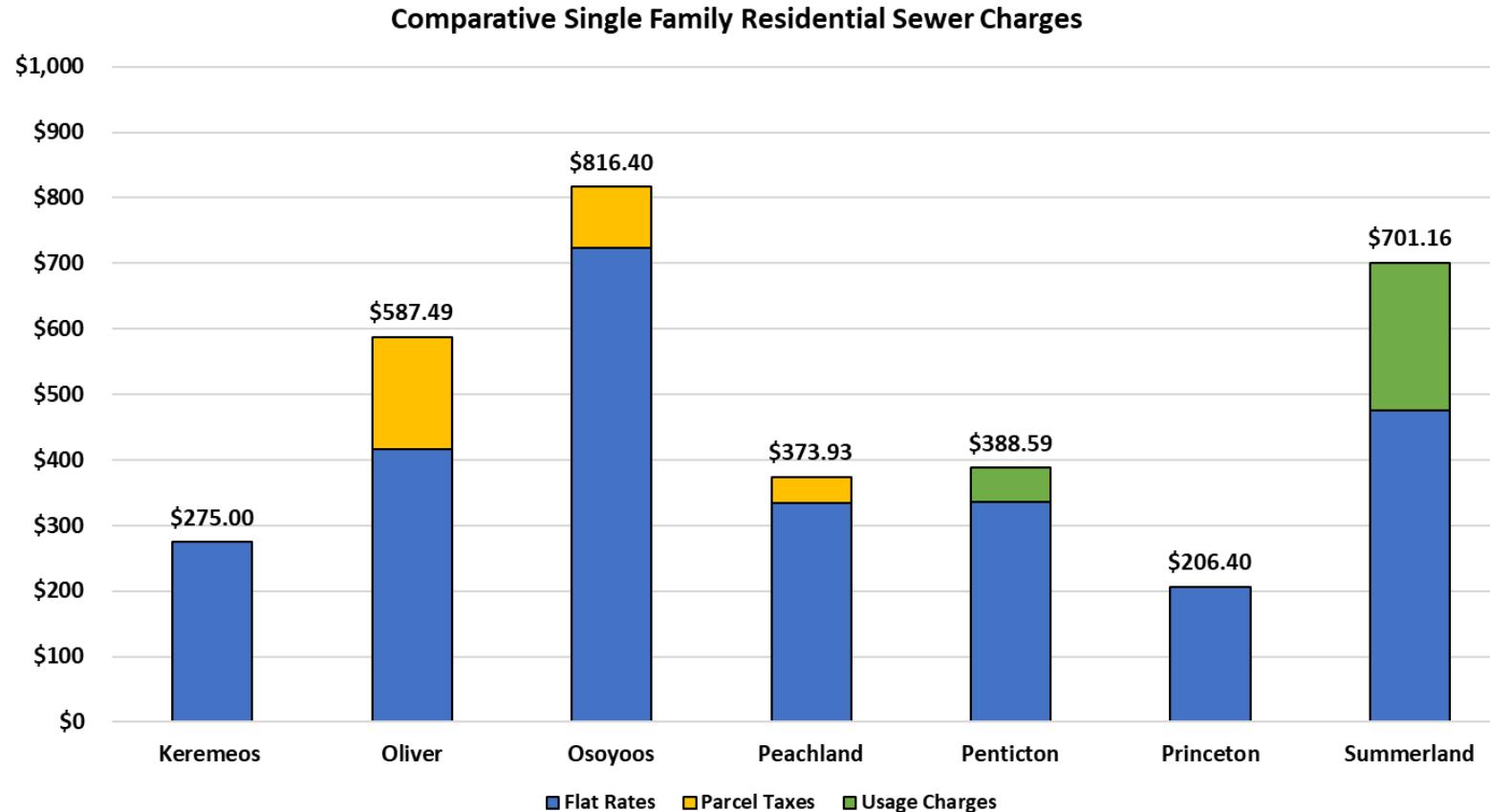


# Proposed Sewer Rate Increases

|   | <u>Scenario Increases Sewer</u> |         |         |         |           |
|---|---------------------------------|---------|---------|---------|-----------|
|   | 2026                            | 2027    | 2028    | 2029    | 2030      |
| <b>Scenario A - Base (Fixed &amp; Usage)</b>  | 7%                              | 7%      | 3%      | 3%      | 3%        |
| <b>Scenario A - Base (Parcel Taxes)</b>       | 7%                              | 7%      | 3%      | 3%      | 3%        |
| <b>Transfers to Sewer Capital Reserve</b>     | 763,603                         | 885,965 | 924,474 | 964,429 | 1,005,846 |
| <b>Sewer Capital Reserve Balances</b>         | 2,166                           | 69,185  | 96,102  | 879,955 | 1,648,162 |
| <b>Sewer Capital Reserve Budgeted Spendng</b> | 1,123,000                       | 820,000 | 900,000 | 195,000 | 275,000   |

Reserve balances in 2029 and 2030 overstated due to reliance on grant funding for capital projects in those years. Critical P1 projects in 2027 & 2028 cannot move forward without grant/debt funding.

# Current Sewer Rate Comparisons





## Sewer Rate Increase Impact

- Proposed 7% increase for 2026 would increase the average annual cost for homeowners from \$587 to \$629 or \$42 per year,
- This equates to \$3.50 per month
- Our 2026 rates would remain lower than Osoyoos and Summerland 2025 rates.

# 2026-2030 Water Projects

| FUND                                    | Water   | Priority | FUNDING | Column L | 2026  | 2027  | 2028  | 2029  | 2030 | Grand Total |
|---|---|----------|---------|----------|-------|-------|-------|-------|------|-------------|
| <b>Sum of 26-35</b>                     |   |          |         |          |       |       |       |       |      |             |
| <b>Row Labels</b> ▾ <b>PROJECT NAME</b> |   |          |         |          |       |       |       |       |      |             |
| 51                                      | Booster station SCADA (6A)                                    | P1       | WC      |          | 150   |       |       |       |      | 150         |
| 58                                      | Water Meter Replacements                                      | P1       | WC      | 150      | 300   | 300   | 300   | 40    |      | 1,090       |
| 63                                      | Canal - Upgrade trash racks                                   | P3       | WC      |          |       |       |       | 75    |      | 75          |
| 98                                      | S3-Similkameen Avenue   | P1       | Grant   | 520      |       |       |       |       |      | 520         |
| 99                                      | W8-Main Street Veterans to School                             | P1       | Grant   | 335      |       |       |       |       |      | 335         |
| 100                                     | W9—River Crossing Park Dr and Fairview Rd                     | P1       | WC      |          |       |       |       |       | 350  | 350         |
|   | W9—River Crossing Park Dr and Fairview Rd Design              | P1       | WC      |          |       |       | 20    |       |      | 20          |
| 104                                     | W6-Water reservoir feed line 2 Testing                        | P1       | WC      |          |       | 150   |       |       |      | 150         |
|   | W6-Water reservoir feed line 2                                | P1       | Grant   |          |       |       |       | 950   |      | 950         |
| 105                                     | Pacific Silica River Crossing                                 | P2       | WC      |          |       |       |       |       | 450  | 450         |
|   | Pacific Silica River Crossing Design                          | P2       | WC      |          |       |       |       | 50    |      | 50          |
| 118                                     | Mud Lake Irrigation VFD/Soft Starts electrical Upgrade/H      | P2       | WC      |          |       |       |       | 500   |      | 500         |
| 122                                     | 2- New 12" Isolation Valve at Park Rill System #1             | P1       | WC      |          | 40    |       |       |       |      | 40          |
| 130                                     | New Scada & PLC's for entire system                           | P1       | WC      |          | 125   | 125   | 125   |       |      | 375         |
| 134                                     | Rockcliffe Irrigation Irrigation VFD/Soft Starts electrical U | P1       | WC      | 1,100    |       |       |       |       |      | 1,100       |
| 136                                     | Station St. - Fairview to Co-op and Sawmill                   | P2       | Grant   |          |       |       |       | 400   |      | 400         |
| 137                                     | Okanagan St - Co-op to Haven                                  | P3       | Grant   |          |       |       |       |       | 350  | 350         |
|   | Okanagan St - Co-op to Haven Design                           | P3       | WC      |          |       |       |       | 35    |      | 35          |
| 141                                     | Gate Valve Replacements each year                             | P1       | WC      |          | 20    | 20    | 20    | 20    |      | 80          |
| 142                                     | New Scada Computers   | P3       | WC      |          |       |       |       | 40    |      | 40          |
| 160                                     | Diversion Control Gates and Motors Design/Investigation       | P1       | WC      |          | 50    |       |       |       |      | 50          |
|   | Diversion Control Gates and Motors                            | P1       | WC      |          |       |       | 500   |       |      | 500         |
| 162                                     | Black Sage 2B River Intake Gate                               | P1       | Grant   |          |       |       |       | 350   |      | 350         |
| 164                                     | Well Decommissioning Tucelnuit                                | P1       | WC      |          | 100   |       |       |       |      | 100         |
| 165                                     | Well Decommissioning CPR                                      | P1       | WC      |          |       |       | 100   |       |      | 100         |
| 166                                     | Well Decommissioning Blacksage                                | P1       | WC      |          |       |       | 100   |       |      | 100         |
| 168                                     | W2-Park Drive Water Looping Design                            | P3       | WC      |          |       |       |       |       | 20   | 20          |
| 169                                     | W12-Fairview Okanagan to Kootney Design                       | P3       | WC      |          |       |       |       |       | 5    | 5           |
| 191                                     | Fencing for source protection Tucelnuit pumphouse             | P1       | WC      |          |       | 30    |       |       |      | 30          |
| 192                                     | Hester Creek Pipng and Flow Meter                             | P1       | WC      | 250      |       |       |       |       |      | 250         |
| 197                                     | Tucelnuit Pumphouse Upgrade Elect. Service, MCC's, Pur        | P1       | WC      |          |       |       | 400   |       |      | 400         |
| 199                                     | Hester Pumphouse Upgrade Elect. Service, MCC's, Pump          | P1       | WC      |          |       |       |       |       | 400  | 400         |
| 211                                     | Black Sage Well Rehab for 3 wells                             | P1       | WC      |          |       |       |       | 200   |      | 200         |
| 212                                     | Well Decommissioning Plan                                     | P1       | WC      | 30       |       |       |       |       |      | 30          |
| <b>Grand Total</b>                      |   |          |         | 2,385    | 1,365 | 1,495 | 2,715 | 1,635 |      | 9,595       |

# 26-30 Water Operating Fund - Revenue

| GL Description                       | 2025 Budget       | 2026 Draft Budget | % of Total Revenue | 2027 Plan         | % of Total Revenue | 2028 Plan         | % of Total Revenue | 2029 Plan         | % of Total Revenue | 2030 Plan         | % of Total Revenue |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| METERED WATER - CONSUMPTION          | -1,337,098        | -1,292,050        | 30.51%             | -1,356,013        | 30.54%             | -1,419,976        | 30.51%             | -1,496,731        | 30.62%             | -1,573,487        | 30.68%             |
| METERED WATER - BASE RATE            | -777,622          | -820,086          | 19.37%             | -861,052          | 19.39%             | -904,142          | 19.43%             | -949,379          | 19.42%             | -996,898          | 19.44%             |
| METERED WATER - FLAT RATE            | 0                 | -105              | 0.00%              | -110              | 0.00%              | -116              | 0.00%              | -122              | 0.00%              | -128              | 0.00%              |
| WATER MISCELLANEOUS REVENUES         | -6,465            | -13,001           | 0.31%              | -13,001           | 0.29%              | -13,001           | 0.28%              | -13,001           | 0.27%              | -13,001           | 0.25%              |
| 7D DRAINAGE TAX                      | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| CONNECTION CHARGES                   | -20,012           | -19,371           | 0.46%              | -19,371           | 0.44%              | -19,371           | 0.42%              | -19,371           | 0.40%              | -19,371           | 0.38%              |
| TUCELNUIT CONNECTION FEES            | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| WATER METER SALES                    | -16,538           | -21,681           | 0.51%              | -21,681           | 0.49%              | -21,681           | 0.47%              | -21,681           | 0.44%              | -21,681           | 0.42%              |
| RURAL WATER INSPECTION FEES          | -750              | -550              | 0.01%              | -550              | 0.01%              | -550              | 0.01%              | -550              | 0.01%              | -550              | 0.01%              |
| RETURN ON INVESTMENTS - WATER        | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| PENALTIES ON UNPAID WATER            | -43,693           | -43,329           | 1.02%              | -43,329           | 0.98%              | -43,329           | 0.93%              | -43,329           | 0.89%              | -43,329           | 0.84%              |
| INSURANCE PROCEEDS                   | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| OPERATIONAL GRANTS                   | 0                 | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| PARCEL TAX-TUCENUIT WATER SPEC. AREA | -13,107           | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| PARCEL TAX-SAWMILL ROAD SPEC. AREA   | -1,196            | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              | 0                 | 0.00%              |
| WATER PARCEL TAX                     | -762,178          | -649,038          | 15.33%             | -681,489          | 15.35%             | -715,551          | 15.37%             | -751,318          | 15.37%             | -788,876          | 15.38%             |
| <b>Total Sale of Service</b>         | <b>-2,978,659</b> | <b>-2,859,211</b> | 67.52%             | <b>-2,996,596</b> | 67.48%             | <b>-3,137,717</b> | 67.42%             | <b>-3,295,482</b> | 67.43%             | <b>-3,457,321</b> | 67.41%             |
| AGRICULTURAL IRRIGATION              | -1,095,445        | -1,163,682        | 27.48%             | -1,221,862        | 27.51%             | -1,282,941        | 27.57%             | -1,347,091        | 27.56%             | -1,414,451        | 27.58%             |
| NON AGRICULTURAL IRRIGATION          | -256,924          | -211,679          | 5.00%              | -222,264          | 5.01%              | -233,377          | 5.01%              | -245,045          | 5.01%              | -257,296          | 5.02%              |
| <b>Total Irrigation</b>              | <b>-1,352,369</b> | <b>-1,375,361</b> | 32.48%             | <b>-1,444,126</b> | 32.52%             | <b>-1,516,318</b> | 32.58%             | <b>-1,592,136</b> | 32.57%             | <b>-1,671,747</b> | 32.59%             |
| <b>TOTAL REVENUE</b>                 | <b>-4,331,028</b> | <b>-4,234,572</b> | 100.00%            | <b>-4,440,722</b> | 100.00%            | <b>-4,654,035</b> | 100.00%            | <b>-4,887,618</b> | 100.00%            | <b>-5,129,068</b> | 100.00%            |

# 26-30 Water Operating Fund - Expense

| GL Description                                 | 2025 Budget      | 2026 Draft Budget | % of Total Revenue | 2027 Plan        | % of Total Revenue | 2028 Plan        | % of Total Revenue | 2029 Plan        | % of Total Revenue | 2030 Plan        | % of Total Revenue |
|--|------------------|-------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| <b>Expenses</b>                                |                  |                   |                    |                  |                    |                  |                    |                  |                    |                  |                    |
| Total Administration                           | 1,091,702        | 1,133,311         | 39.58%             | 1,155,977        | 39.58%             | 1,179,097        | 39.58%             | 1,202,679        | 39.58%             | 1,226,733        | 39.58%             |
| Total Other Water Supply                       | 107,430          | 109,410           | 3.82%              | 111,598          | 3.82%              | 113,830          | 3.82%              | 116,107          | 3.82%              | 118,429          | 3.82%              |
| Total Purification & Treatment                 | 164,009          | 165,250           | 5.77%              | 168,555          | 5.77%              | 171,926          | 5.77%              | 175,365          | 5.77%              | 178,872          | 5.77%              |
| Total Service of Supply                        | 41,137           | 27,336            | 0.95%              | 27,883           | 0.95%              | 28,441           | 0.95%              | 29,010           | 0.95%              | 29,590           | 0.95%              |
| Total Transmission & Distribution              | 832,263          | 880,800           | 30.76%             | 898,416          | 30.76%             | 916,384          | 30.76%             | 934,712          | 30.76%             | 953,406          | 30.76%             |
| Total Pumping Power                            | 346,590          | 357,414           | 12.48%             | 364,562          | 12.48%             | 371,853          | 12.48%             | 379,290          | 12.48%             | 386,876          | 12.48%             |
| Total Pump Maintenance                         | 214,698          | 154,095           | 5.38%              | 157,177          | 5.38%              | 160,321          | 5.38%              | 163,527          | 5.38%              | 166,798          | 5.38%              |
| Total Customer Billing & Collections           | 33,484           | 35,600            | 1.24%              | 36,312           | 1.24%              | 37,038           | 1.24%              | 37,779           | 1.24%              | 38,535           | 1.24%              |
| <b>Subtotal</b>                                | <b>2,831,313</b> | <b>2,863,216</b>  | 100.00%            | <b>2,920,480</b> | 100.00%            | <b>2,978,890</b> | 100.00%            | <b>3,038,469</b> | 100.00%            | <b>3,099,239</b> | 100.00%            |
| <b>Debt Servicing</b>                          |                  |                   |                    |                  |                    |                  |                    |                  |                    |                  |                    |
| Total Interest Payments                        | 324,530          | 316,088           |                    | 348,781          |                    | 348,781          |                    | 268,108          |                    | 268,108          |                    |
| Total Principal Payments                       | 540,607          | 326,181           |                    | 290,619          |                    | 290,619          |                    | 227,616          |                    | 227,616          |                    |
| <b>Subtotal</b>                                | <b>865,137</b>   | <b>642,269</b>    |                    | <b>639,400</b>   |                    | <b>639,400</b>   |                    | <b>495,724</b>   |                    | <b>495,724</b>   |                    |
| Actuarial Adjustment                           | -88,752          | -96,699           |                    | -84,324          |                    | -94,665          |                    | -30,295          |                    | -35,795          |                    |
| Actuarial Adjustment (Non-Cash)                | 88,752           | 96,699            |                    | 84,324           |                    | 94,665           |                    | 30,295           |                    | 35,795           |                    |
| Total Amortization                             | 754,253          | 772,457           |                    | 772,457          |                    | 772,457          |                    | 772,457          |                    | 772,457          |                    |
| Amortization (Non-Cash)                        | -754,253         | -772,457          |                    | -772,457         |                    | -772,457         |                    | -772,457         |                    | -772,457         |                    |
| <b>Subtotal</b>                                | <b>0</b>         | <b>0</b>          |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    |
| <b>Transfer to Reserves</b>                    |                  |                   |                    |                  |                    |                  |                    |                  |                    |                  |                    |
| TRANS TO WATER CAPITAL RESERVE FUND            | 630,918          | 729,087           |                    | 880,842          |                    | 1,035,745        |                    | 1,353,425        |                    | 1,534,105        |                    |
| TRANS TO TUC WATER TRUST FUND                  | 3,023            | 0                 |                    | 0                |                    | 0                |                    | 0                |                    | 0                |                    |
| TRANS TO SAWMILL RD TRUST FUND                 | 637              | 0                 |                    | 0                |                    | 0                |                    | 0                |                    | 0                |                    |
| <b>Subtotal</b>                                | <b>634,578</b>   | <b>729,087</b>    |                    | <b>880,842</b>   |                    | <b>1,035,745</b> |                    | <b>1,353,425</b> |                    | <b>1,534,105</b> |                    |
| <b>Financial Plan Balance</b>                  | <b>0</b>         | <b>0</b>          |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    | <b>0</b>         |                    |
| <b>Projected Water Capital Reserve Balance</b> | <b>304,373</b>   | <b>617,077</b>    |                    | <b>499,419</b>   |                    | <b>48,258</b>    |                    | <b>37,957</b>    |                    | <b>291,937</b>   |                    |



# Proposed Water Rate Increases

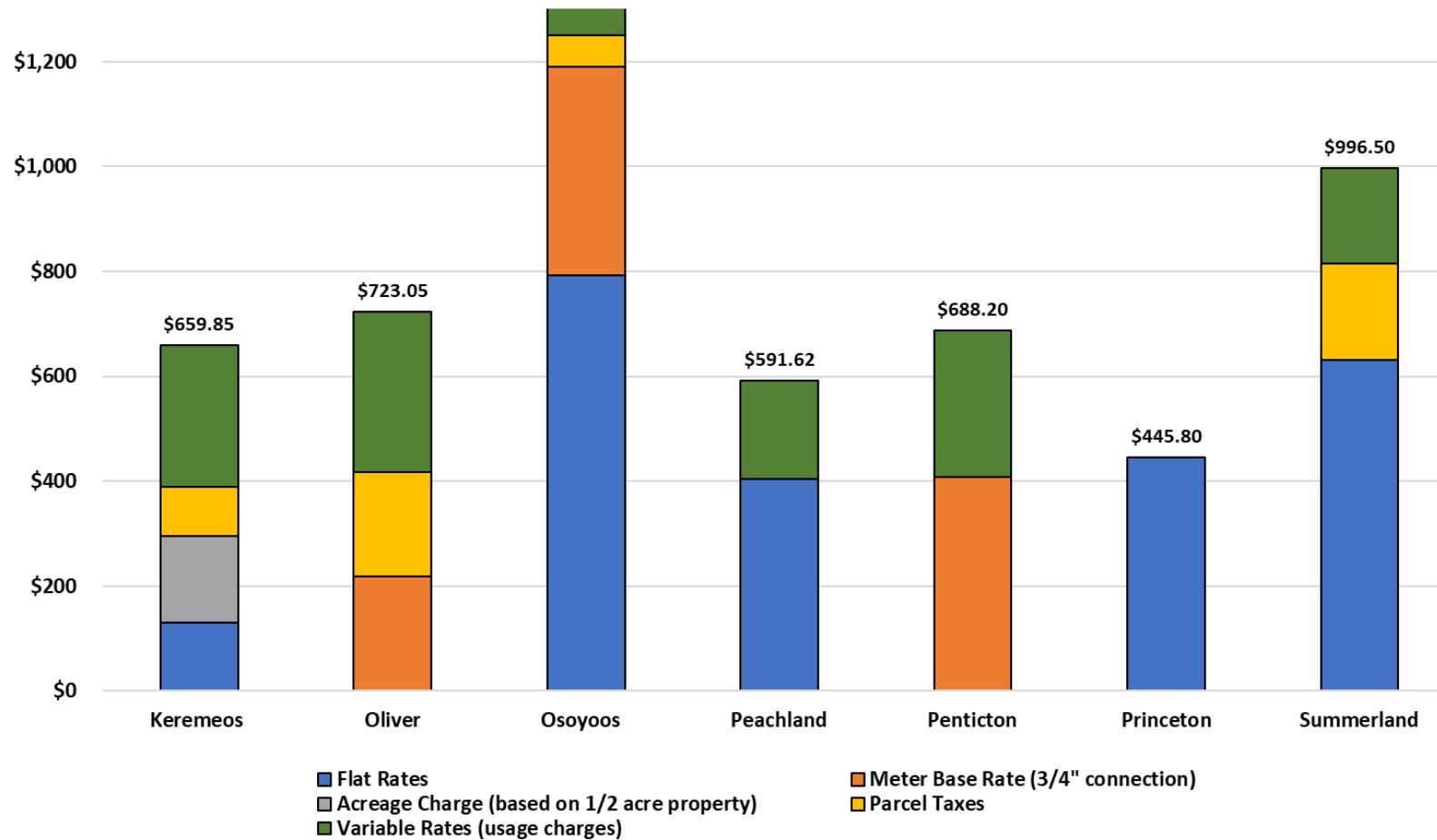
|  | <u>Scenario Increases Water</u> |           |           |           |           |
|--|---------------------------------|-----------|-----------|-----------|-----------|
|  | 2026                            | 2027      | 2028      | 2029      | 2030      |
| <b>Scenario A - Base (Consumption)</b>         | 5%                              | 5%        | 5%        | 5%        | 5%        |
| <b>Scenario A - Base (Fixed)</b>               | 5%                              | 5%        | 5%        | 5%        | 5%        |
| <b>Scenario A - Base (Parcel Taxes)</b>        | 5%                              | 5%        | 5%        | 5%        | 5%        |
| <b>Transfers to Water Capital Reserve</b>      | 729,087                         | 880,842   | 1,035,745 | 1,353,425 | 1,534,105 |
| <b>Water Capital Reserve Balances</b>          | 617,077                         | 499,419   | 48,258    | 37,957    | 291,937   |
| <b>Water Capital Reserve Budgeted Spending</b> | 430,000                         | 1,015,000 | 1,495,000 | 1,365,000 | 1,285,000 |

Reserve balances revised in 27 & 28 due to new debt for #134 – Rockcliffe less debt retired in 2026 and 2027.

Lowering the proposed 2026 rate would create reserve deficit in 2028 and 2029.

# Current Residential Comparisons

Comparative Single Family Residential Water Charges



## Water Rate Increase Impact

- Proposed 5% increase for 2026 would increase the average annual cost for homeowners from \$723 to \$759 or \$36 per year,
- This equates to \$3.00 per month
- Our 2026 rates would remain lower than Osoyoos and Summerland 2025 rates.



# Proposed Irrigation Rate Increases

# Farm Irrigation Rate Increase Impact

- Proposed 5% increase for 2026 would increase the average annual cost for 10 acre farms from \$3,175 to \$3,334 or \$159 per year,
- This equates to \$13.25 per month
- Our 2026 rates would remain lower than Penticton and Osoyoos 2025 rates.

# Recommendations

- That Council approve a 7% increase in sewer rates and associated parcel taxes for 2026
- The Council approve a 5% increase in water rates and associated parcel taxes for 2026

## Next Steps/Timeline

- Bring 2026 Water, Sewer and Parcel Tax Bylaws to Council for 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> reading to November 17<sup>th</sup>, 2025 Regular Council
- Bring 2026 Water, Sewer and Parcel Tax Bylaws to Council for adoption at the December 8<sup>th</sup>, 2025 Council meeting

Thank you!

PLANNED BUDGET TIMELINE  
**2026-2030 FINANCIAL PLAN**

