

# **CAPITAL REGIONAL DISTRICT 2026**

## **BUDGET**

### **Core Area Wastewater Operations**

#### **CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE**

**Service:** 3.717 Core Area Wastewater Operations

**Committee:** Core Area Liquid Waste Management

**DEFINITION:**

Provision of sewage treatment and disposal through treatment plant facilities and outfalls for member participants.

**SERVICE DESCRIPTION:**

This program is for the provision of sub-regional wastewater collection and treatment in the Core Area and Western Communities. Although the largest component of the program budget is for the operation and maintenance of the McLoughlin Point Wastewater Treatment and Residuals Treatment Plants and conveyance systems, many other key programs are funded through and support these budgets including engineering (capital projects), odour control, and marine monitoring and protection.

**PARTICIPATION:**

Operating costs to be recovered by requisition to all participating members based on measured flow from previous year.

**MAXIMUM LEVY:**

N/A

**MAXIMUM CAPITAL DEBT:**

See Debt Budget 3.798C

**FUNDING:**

Requisition

**RESERVE FUND:**

Operating Reserve Fund  
Equipment Replacement Reserve Fund

**Service: 3.717 Core Area Wastewater Operations**

**Committee: Core Area Liquid Waste Management**

**COST SHARING ALLOCATION - ANNUAL WASTEWATER FLOWS**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Colwood	3.72%	3.38%	3.30%	3.74%	3.65%
Esquimalt	6.64%	6.75%	6.71%	6.36%	6.47%
Langford	8.65%	9.61%	10.10%	11.63%	12.02%
Oak Bay	9.24%	8.83%	9.91%	8.30%	8.48%
Saanich	29.11%	29.57%	28.06%	28.62%	28.19%
Victoria	38.88%	38.39%	38.40%	37.50%	37.43%
View Royal	2.61%	2.36%	2.30%	2.61%	2.55%
Songhees Nation	0.67%	0.70%	0.74%	0.74%	0.71%
Esquimalt Nation	0.08%	0.08%	0.08%	0.08%	0.08%
D.N.D.	0.40%	0.33%	0.40%	0.42%	0.40%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Bylaw 4304**

Change in Budget 2025 to 2026			
Service:	3.717 Core Area Wastewater Operations	Total Expenditure	Comments
2025 Budget		38,796,627	
Operating Changes:			
Allocation - IWS Operations	532,166	Labour charge-out rate increased by an average of 6.1%, primarily due to salary benefits increases resulting from a collective agreement	
Allocation - Standard Overhead	232,360	Allocation based on the percentage of the prior year's budget and the budgeted cost for 2026	
Allocation - EPRO, Engineering	80,789	Establishment of a new division — <i>Environmental Innovation</i>	
	170,954	Inflationary increases for Enviro Monitoring & Marine Protection, Infrastructure Engineering, Facilities Management	
RTF Operations and Biotreatment and Disposal	158,033	Inflationary increases on the HRMG contract and others, with the disposal budget aligned to 2025 actuals	
Operating - Other	(250,000)	Reduction in overall contract services due to a one-time backwash tank cleaning expense that occurred in 2025	
	114,330	Inflationary increases for equipment and other ongoing expenses	
Repairs & Maintenance	(399,400)	Decrease in cyclical maintenance costs following recent inspections, maintenance, and equipment replacement	
Electricity & Utilities	248,496	Increase in water charges is due to accurate meter readings and higher consumption	
	97,609	Increase consumption and Inflationary cost adjustments	
Supplies - Chemical & Other	163,530	Inflation-driven cost increases for supplies and chemicals	
Total Other Changes	1,148,867		
2026 Budget		39,945,493	
Summary of % Expense Increase			
2026 IBC Expense	0.2%		
Increase reserve transfers	0.0%		
Support services	0.6%		
Operational expense	1.9%		
Balance of increase	0.0%		
% expense increase from 2026:	3.0%		
% Requisition increase from 2026 (if applicable):	9.7%	Requisition funding is 97% of service revenue	
Overall 2025 Budget Performance			
(expected variance to budget and surplus treatment)			
A surplus of \$635,000 is forecasted and will be transferred to the Operating Reserve.			

3.717 - Core Area Wastewater Operations

OPERATING COSTS:

Allocation - IWS Operations	7,917,767	8,043,253
Allocation - Standard Overhead	2,679,370	2,679,370
Allocation - EPRO, Engineering	5,096,658	5,021,122
RTF Operations and Biotreatment and Disposal	9,079,767	9,026,617
Operating - Other	3,307,970	3,409,000
Repairs & Maintenance	1,704,000	1,555,000
Electricity & Utilities	3,373,895	3,594,690
Supplies - Chemical & Other	4,837,200	4,031,805
Thermal Process		

TOTAL OPERATING COSTS

\*Percentage Increase over prior year

RESERVE:

Transfer to Operating Reserve	700,000	1,335,770
Transfer to Equipment Replacement Fund	100,000	100,000

TOTAL RESERVES

TOTAL COSTS

\*Percentage Increase over prior year

Internal Recoveries

OPERATING COSTS LESS INTERNAL RECOVERIES

\*Percentage Increase over prior year

REVENUE;

Balance C/F from 2023 to 2024	-	-
Estimated Balance C/F from 2024 to 2025	(0)	0
Grants in Lieu of Taxes	(805,503)	(805,503)
Transfer from Operating Reserve	(2,460,406)	(2,460,406)

TOTAL REVENUE

REQUISITION

\*Percentage increase over prior year

PARTICIPANTS: Victoria, Oak Bay, Esquimalt, Saanich, View Royal, Colwood, Langford

BUDGET REQUEST

2026

CORE BUDGET	ONGOING	ONE-TIME	TOTAL
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8,449,933	-	-	8,449,933
2,911,730	-	-	2,911,730
5,348,401	-	-	5,348,401
9,237,800	-	-	9,237,800
3,172,300	-	-	3,172,300
1,304,600	-	-	1,304,600
3,720,000	-	-	3,720,000
5,000,730	-	-	5,000,730

TOTAL OPERATING COSTS

3.02% 0.00% 0.00% 3.02%

700,000	-	-	700,000
100,000	-	-	100,000

TOTAL RESERVES

TOTAL COSTS

2.96% 0.00% 0.00% 2.96%

(216,480) - - (216,480)

OPERATING COSTS LESS INTERNAL RECOVERIES

2.98% 0.00% 0.00% 2.98%

-	-	-	-
0	-	-	0
(805,503)	-	-	(805,503)
(170,000)	-	-	(170,000)

TOTAL REVENUE

REQUISITION

9.74% 0.00% 0.00% 9.74%

FUTURE PROJECTIONS

2027	2028	2029	2030
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8,742,168	8,921,040	9,101,274	9,285,156
2,964,141	3,023,424	3,083,893	3,145,570
5,491,132	5,638,203	5,788,924	5,943,804
9,116,600	9,298,800	7,209,300	7,353,500
3,261,915	3,354,620	3,450,534	4,149,852
1,594,690	1,360,070	1,970,790	2,571,790
3,794,400	3,870,326	3,947,712	4,026,683
5,100,750	5,307,358	5,413,510	5,521,760
		1,500,000	1,530,000

TOTAL OPERATING COSTS

2.35% 1.77% 1.70% 4.97%

1,300,000	1,400,000	1,400,000	1,500,000
400,000	600,000	600,000	600,000

TOTAL RESERVES

TOTAL COSTS

4.56% 2.41% 1.62% 4.97%

(220,810) (225,226) (229,731) (234,326)

OPERATING COSTS LESS INTERNAL RECOVERIES

4.57% 2.42% 1.62% 4.99%

-	-	-	-
0	-	0	(0)
(805,503)	(805,503)	(805,503)	(805,503)
(395,000)	(95,000)	(640,000)	(1,225,000)

TOTAL REVENUE

REQUISITION

4.11% 3.23% 0.34% 3.76%

**3.717 Core Area Wastewater Operations Asset and Reserve Summary**  
**Summary Schedule**  
**2026 - 2030 Financial Plan**

Asset Profile							
Core Area Wastewater Operations							
Construction of the Core Area Wastewater Treatment Plant, Residuals Treatment Plant, pump stations and conveyance systems will be completed in 2021. The treatment plants, pump stations and conveyance systems provide tertiary wastewater treatment to the Core Area and Westshore Communities.							
Summary							
CAWW Reserve/Fund Summary Projected year end balance	Estimate	Budget					
	2025	2026	2027	2028	2029	2030	
	Core Area Operating Reserve Fund	3,961,559	4,561,559	5,536,559	6,911,559	7,741,559	8,086,559
	RTF & EPRO Operating Reserve Fund	6,086,353	6,115,430	6,144,507	6,173,583	6,202,660	6,231,737
	Host Community Impact Fee till 2045 -Closing CAWTP project	1,393,175	1,323,175	1,253,175	1,183,175	1,113,175	1,043,175
	Equipment Replacement Fund	6,043,483	5,743,483	5,250,483	4,940,483	4,828,483	4,750,483
Total	17,484,570	17,743,646	18,184,723	19,208,800	19,885,877	20,111,954	

See attached reserve schedules for projected annual cash flows.

## Profile

### Core Area Wastewater Operations

Bylaw 4144 - Starting in 2021, the operating reserve account is established for operating and maintenance activities that typically do not occur annually. These maintenance activities are large expenses and to avoid large swings in the operating budget, funds are set aside annually to undertake this maintenance.

## Operating Reserve Schedule

### Operating Reserve Schedule

Fund: 1500 Fund Center: 105543

	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
<b>Core Area Beginning Balance</b>	4,866,965	3,961,559	4,561,559	5,536,559	6,911,559	7,741,559
Planned Purchase	(2,390,406)	(100,000)	(325,000)	(25,000)	(570,000)	(1,155,000)
Transfer from Ops Budget	700,000	700,000	1,300,000	1,400,000	1,400,000	1,500,000
Interest Income	150,000					
Deficit/surplus YE	635,000					
<b>Year End Balance</b>	<b>3,961,559</b>	<b>4,561,559</b>	<b>5,536,559</b>	<b>6,911,559</b>	<b>7,741,559</b>	<b>8,086,559</b>
<b>Transfer of Host Community Impact Fee until Decommissioning</b>	<b>1,393,175</b>	1,323,175	1,253,175	1,183,175	1,113,175	1,043,175
<b>RTF &amp; EPRO Beginning Balance</b>	5,886,353	6,086,353	6,115,430	6,144,507	6,173,583	6,202,660
Planned Purchase	-	-	-	-	-	-
Interest Income	200,000	29,077	29,077	29,077	29,077	29,077
<b>Year End Balance</b>	<b>6,086,353</b>	<b>6,115,430</b>	<b>6,144,507</b>	<b>6,173,583</b>	<b>6,202,660</b>	<b>6,231,737</b>
<b>Total projected year end balance</b>	<b>11,441,087</b>	<b>12,000,163</b>	<b>12,934,240</b>	<b>14,268,317</b>	<b>15,057,394</b>	<b>15,361,471</b>

### Assumptions/Background:

Cyclical maintenance reserve account with funding for Outfall Inspection, Heat Recovery Exchange System Cleaning, other major non-annual maintenance expenditures. The Operating Reserve fund also includes contributions from Environmental Services and the Residual Treatment Facility

\* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

# ERF Reserve Fund Schedule

## ERF: CAWW Fund for Equipment Replacement

In 2021, all remaining funds from old legacy trunk budgets were transferred into the amalgamated Core Area Wastewater service equipment reserve fund.

Equipment Replacement Fund Fund: 1022 Fund Center: 102229	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	6,413,483	6,043,483	5,743,483	5,250,483	4,940,483	4,828,483
Planned Purchase (Based on Capital Plan)	(500,000)	(400,000)	(893,000)	(910,000)	(712,000)	(678,000)
Transfer IN (from Ops Budget)	100,000	100,000	400,000	600,000	600,000	600,000
Interest Income*	30,000					
Ending Balance \$	6,043,483	5,743,483	5,250,483	4,940,483	4,828,483	4,750,483

### Assumptions/Background:

ERF Reserve to fund replacement of equipment that lasts less than 15 years in the CAWW System. Example motors, pumps etc.

\* The planned purchase amount may differ from the five-year capital plan summary due to carryover from the previous year.

\* Interest in planning years nets against inflation which is not included.