

CAPITAL REGIONAL DISTRICT

2025 BUDGET

Core Area Wastewater Operations

COMMITTEE REVIEW

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

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COST SHARING ALLOCATION - ANNUAL WASTEWATER FLOWS

	2021	2022	2023	2024	2025
Colwood	3.72%	3.38%	3.30%	3.74%	
Esquimalt	6.64%	6.75%	6.71%	6.36%	
Langford	8.65%	9.61%	10.10%	11.63%	
Oak Bay	9.24%	8.83%	9.91%	8.30%	
Saanich	29.11%	29.57%	28.06%	28.62%	
Victoria	38.88%	38.39%	38.40%	37.50%	
View Royal	2.61%	2.36%	2.30%	2.61%	
Esquimalt Nation	0.08%	0.08%	0.08%	0.08%	
Songhees Nation	0.67%	0.70%	0.74%	0.74%	
D.N.D.	0.40%	0.33%	0.40%	0.42%	
	100%	100%	100%	100%	0%

Change in Budget 2024 to 2025

Service: 3.717 Core Area Wastewater Operations

	Total Expenditure	Comments
2024 Budget	34,192,131	
Operating Changes:		
	335,974	Labour charge-out rate increased, primarily due to salary benefits increases resulting from a collective agreement
Allocation - IWS Operations	145,262	Asset Management allocation transferred from Corporate to IWS
	82,478	2025 IBC 2b-2.3 Systems Maintenance Technologist
	5,406	SharePoint transition
Allocation - Standard Overhead	238,249	Allocation based on the percentage of the prior year's budget and the budgeted cost for 2025
Allocation - Other	202,000	2025 IBC 1b-4.2 Innovative Work Unit to support Biosolids Management Strategy
	183,157	Inflationary increases for Enviro Monitoring & Marine Protection, Infrastructure Engineering, Facilities Management
	300,000	Additional legal cost
RTF Operations and Biotreatment and Disposal	(640,759)	A significant reduction due to align with the biosolids strategy commitment
	174,150	Inflation increase
	500,000	One-time and ongoing cleaning backwash tank
Operating - Other	305,310	Recognize growing insurance premiums
	70,000	Annual host community impact to the Township of Esquimalt
	48,385	Inflationary increases for equipment contract services and other ongoing expenses
Repairs & Maintenance	439,127	Increase in cyclical maintenance cost due to inspection, maintenance and replacement of equipment
Electricity & Utilities	37,637	Inflationary increases
Supplies - Chemical & Other	478,120	A 15% increase on chemical increase
Reserve Transfers	100,000	Gradually increasing ERF contribution amount
Total Other Changes	3,004,496	
2025 Budget	37,196,627	
Summary of % Expense Increase		
2025 IBC Expense	0.8%	
Increase reserve transfers	0.3%	
Support services	0.7%	
Operational expense	8.8%	
Balance of increase	0.0%	
% expense increase from 2023:	8.8%	
% Requisition increase from 2024 (if applicable):	7.8%	Requisition funding is 95.6% of service revenue

Overall 2024 Budget Performance

(expected variance to budget and surplus treatment)

A deficit of \$800,000 (2.29%) is forecasted due to overspending on wasteludge disposal. The variance will be covered by Operating Reserve Fund

3.717 - Core Area Wastewater Operations

	2024		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2026	2027	2028	2029
OPERATING COSTS:										
Allocation - IWS Operations	7,348,647	7,348,647	7,829,883	82,478	5,406	7,917,767	8,104,893	8,262,326	8,428,431	8,597,878
Allocation - Standard Overhead	2,441,121	2,441,121	2,679,370	-	-	2,679,370	2,759,752	2,814,947	2,871,246	2,928,670
Allocation - Other	4,711,501	4,711,501	4,894,658	202,000	-	5,096,658	5,204,906	5,314,665	5,426,692	5,541,052
RTF Operations and Biotreatment and Disposal	7,646,376	8,634,181	7,479,767	-	-	7,479,767	7,323,363	7,469,829	7,619,226	7,771,611
Operating - Other	2,284,275	2,237,883	2,637,970	220,000	350,000	3,207,970	3,340,459	3,482,429	3,634,712	3,798,347
Repairs & Maintenance	1,264,873	1,135,000	1,269,000	-	435,000	1,704,000	1,493,980	2,004,250	1,602,920	2,192,972
Electricity & Utilities	3,436,258	3,321,258	3,473,895	-	-	3,473,895	3,543,373	3,614,238	3,686,516	3,760,243
Supplies - Chemical & Other	4,359,080	4,446,080	4,837,200	-	-	4,837,200	4,933,940	5,032,620	5,133,280	5,235,940
TOTAL OPERATING COSTS	33,492,131	34,275,671	35,101,743	504,478	790,406	36,396,627	36,704,666	37,995,304	38,403,024	39,826,713
*Percentage Increase over prior year		2.34%	4.81%	1.51%	2.36%	8.67%	0.85%	3.52%	1.07%	3.71%
RESERVE:										
Transfer to Operating Reserve	700,000	700,000	700,000	-	-	700,000	900,000	900,000	1,000,000	1,000,000
Transfer to Equipment Replacement Fund	-	-	100,000	-	-	100,000	400,000	500,000	600,000	600,000
TOTAL RESERVES	700,000	700,000	800,000	-	-	800,000	1,300,000	1,400,000	1,600,000	1,600,000
TOTAL COSTS	34,192,131	34,975,671	35,901,743	504,478	790,406	37,196,627	38,004,666	39,395,304	40,003,024	41,426,713
*Percentage Increase over prior year		2.29%	5.00%	1.48%	2.31%	8.79%	2.17%	3.66%	1.54%	3.56%
Internal Recoveries	(212,240)	(212,240)	(216,480)	-	-	(216,480)	(216,480)	(220,810)	(225,226)	(229,731)
OPERATING COSTS LESS INTERNAL RECOVERIES	33,979,891	34,763,431	35,685,263	504,478	790,406	36,980,147	37,788,186	39,174,494	39,777,798	41,196,982
*Percentage Increase over prior year		2.31%	5.02%	1.48%	2.33%	8.83%	2.19%	3.67%	1.54%	3.57%
REVENUE:										
Balance C/F from 2023 to 2024	-	-	-	-	-	-	-	-	-	-
Estimated Balance C/F from 2024 to 2025	-	(783,540)	(0)	-	-	(0)	(0)	0	(0)	0
Grants in Lieu of Taxes	(750,046)	(750,046)	(750,046)	-	-	(750,046)	(700,895)	(700,895)	(700,895)	(700,895)
Transfer from Operating Reserve	(420,849)	(420,849)	-	(70,000)	(790,406)	(860,406)	(150,000)	(365,000)	(95,000)	(640,000)
TOTAL REVENUE	(1,170,895)	(1,954,435)	(750,046)	(70,000)	(790,406)	(1,610,452)	(850,895)	(1,065,895)	(795,895)	(1,340,895)
REQUISITION	(32,808,996)	(32,808,996)	(34,935,216)	(434,478)	-	(35,369,694)	(36,937,291)	(38,108,600)	(38,981,902)	(39,856,087)
*Percentage increase over prior year		0.00%	6.48%	1.32%	0.00%	7.80%	4.43%	3.17%	2.29%	2.24%
PARTICIPANTS: Victoria, Oak Bay, Esquimalt, Saanich, View Royal, Colwood, Langford										

**3.717 Core Area Wastewater Operations Asset and Reserve Summary
Summary Schedule
2025 - 2029 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				
	2024	2025	2026	2027	2028	2029
Core Area Operating Reserve Fund	3,336,624	3,246,218	3,996,218	4,531,218	5,436,218	5,796,218
RTF & EPRO Operating Reserve Fund	5,833,571	5,871,880	5,910,188	5,948,497	5,986,806	6,025,115
Host Community Impact Fee till 2045 -Closing CAWTP project	1,463,175	1,393,175	1,323,175	1,253,175	1,183,175	1,113,175
Equipment Replacement Fund	6,019,311	5,619,311	5,619,311	5,619,311	5,619,311	5,919,311
Total	16,652,681	16,130,584	16,848,893	17,352,202	18,225,510	18,853,819

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				
	2024	2025	2026	2027	2028	2029
Core Area Beginning Balance	3,667,473	3,336,624	3,246,218	3,996,218	4,531,218	5,436,218
Planned Purchase	(350,849)	(790,406)	(150,000)	(365,000)	(95,000)	(640,000)
Transfer from Ops Budget	700,000	700,000	900,000	900,000	1,000,000	1,000,000
Interest Income	120,000					
Deficit/surplus YE	(800,000)					
Year End Balance	3,336,624	3,246,218	3,996,218	4,531,218	5,436,218	5,796,218
Host Community Impact Fee till 2045 -transfer YE 2023	1,463,175	1,393,175	1,323,175	1,253,175	1,183,175	1,113,175
RTF & EPRO Beginning Balance	5,633,571	5,833,571	5,871,880	5,910,188	5,948,497	5,986,806
Planned Purchase	-	-	-	-	-	-
Interest Income	200,000	38,309	38,309	38,309	38,309	38,309
Year End Balance	5,833,571	5,871,880	5,910,188	5,948,497	5,986,806	6,025,115
Total projected year end balance	10,633,370	10,511,273	11,229,581	11,732,890	12,606,199	12,934,508

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				
	2024	2025	2026	2027	2028	2029
Beginning Balance	6,674,311	6,019,311	5,619,311	5,619,311	5,619,311	5,619,311
Planned Purchase (Based on Capital Plan)	(705,000)	(500,000)	(400,000)	(500,000)	(600,000)	(300,000)
Transfer IN (from Ops Budget)	-	100,000	400,000	500,000	600,000	600,000
Interest Income*	50,000					
Ending Balance \$	6,019,311	5,619,311	5,619,311	5,619,311	5,619,311	5,919,311

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.