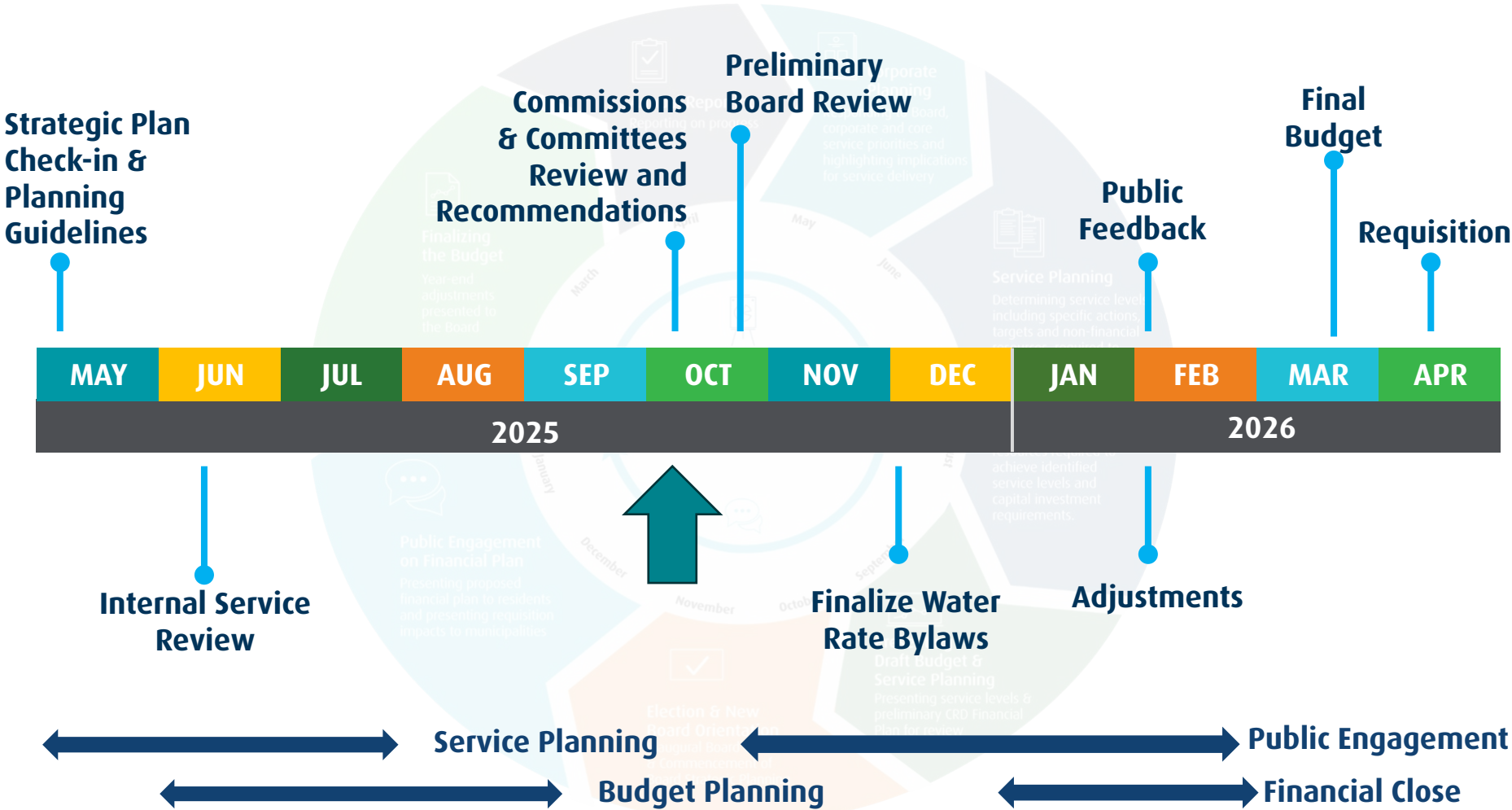




Core Area Wastewater Service 2026 Budget Overview

Core Area Liquid Waste Management Committee
October 15, 2025

Budget Process Overview



Current System Overview

Wastewater Treatment Conveyance and Biosolids Management

McLoughlin Treatment Plant



92 km Conveyance System



18 Pumping Stations



LWMP Programs



Residual Treatment Facility



Arbutus Attenuation Tank



2026 Budget Considerations

- 2025 Budget – year end budget projections
- Community Needs Summary
- Existing Asset Condition, Infrastructure Growth and Resiliency Needs
- Operating budget adjustments
- Capital funding & debt servicing
- Biosolids disposal alternatives and Board direction

2025 Year End Projections

Budget Item	Variance (\$)
Allocation - IWS Operations	\$125,486
Electricity & Utilities	\$220,795
Operating - Other	\$101,030
Allocation - EPRO, Engineer	-\$75,536
Repairs & Maintenance	-\$149,000
Supplies - Chemicals & Other	-\$805,395
RTF Operations and Biotreatment and Disposal	-\$53,150
TOTAL OPERATING EXPENDITURES	-\$635,770
TOTAL REVENUE	\$0
TRANSFER TO RESERVE FUND	\$635,770

*The surplus noted above, following the budget amendment that transferred \$1.6M from the Operating Reserve Fund to cover additional landfill tipping fees for biosolids, will be returned to the Operating Reserve Fund at the end of 2025.

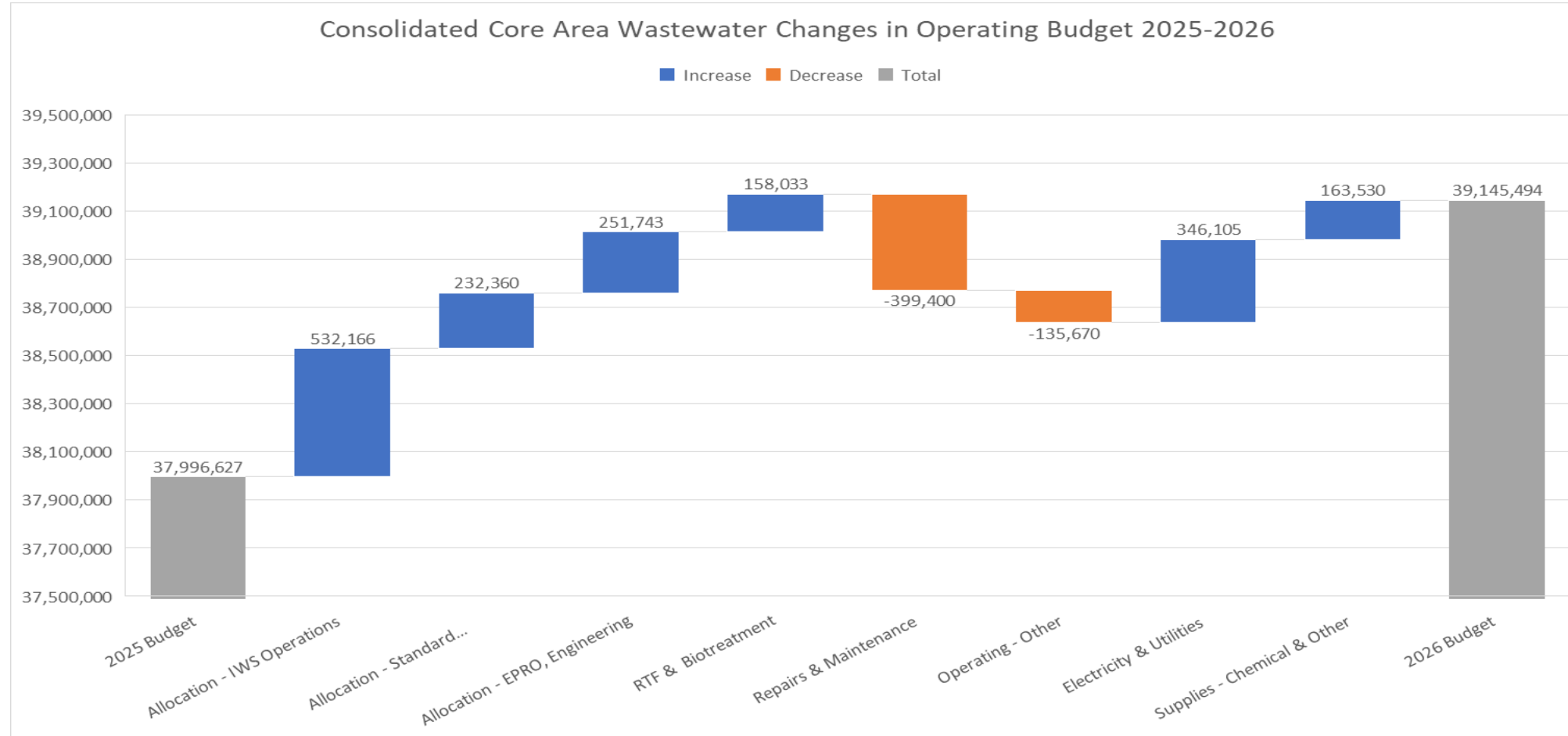
2026 Budget Overview – Conveyance & Treatment Operating Costs

Overview:

Operations Costs: \$39,145,493 (+3.02%)

Highlights:

- Inflationary pressures on existing operations
- Cyclical maintenance costs are expected to decrease in 2026 following inspections, maintenance, and equipment replacement.



2026 Budget Overview Capital Budget

Overview	Core Capital (millions)
Projects in Progress	\$15.24
2026 Capital Budget	\$22.59
5-Year Capital Budget	\$100.05

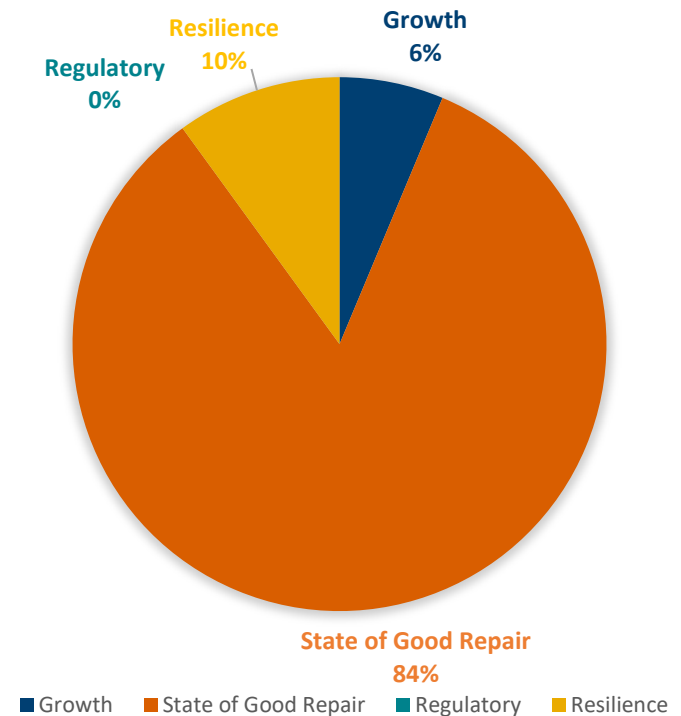
2026 Key Projects:

- Secondary Odour Collection System Upgrade
- Marigold/Currie/Lang Cove Pump Stations - Electrical Upgrades
- Harling Pump Station Replacement
- On-going Manhole Repairs and Replacement
- Optimization of Residual Treatment Facility Operations
- Shoreline Trunk Sewer Upgrade
- Harriet Siphon Inlet Chamber Upgrade
- Regional Liquid Waste Management Strategic Plan (Growth)

Future Years

- Western Trunk Sewer Twinning and Craigflower Forcemain (Growth)
- SCADA and Radio Assessment
- Biosolids Thermal Processing Plant

CAWTP 2026 TOTAL \$22,585,000



2026 Budget Overview

RTF Capital and Reserve Funding

Overview:

Capital & Reserve: \$14,940,824 (+7.7%)

RTF Capital: \$5,529,745 (0%, contractual obligation)

Transfer to Reserves: \$9,411,079

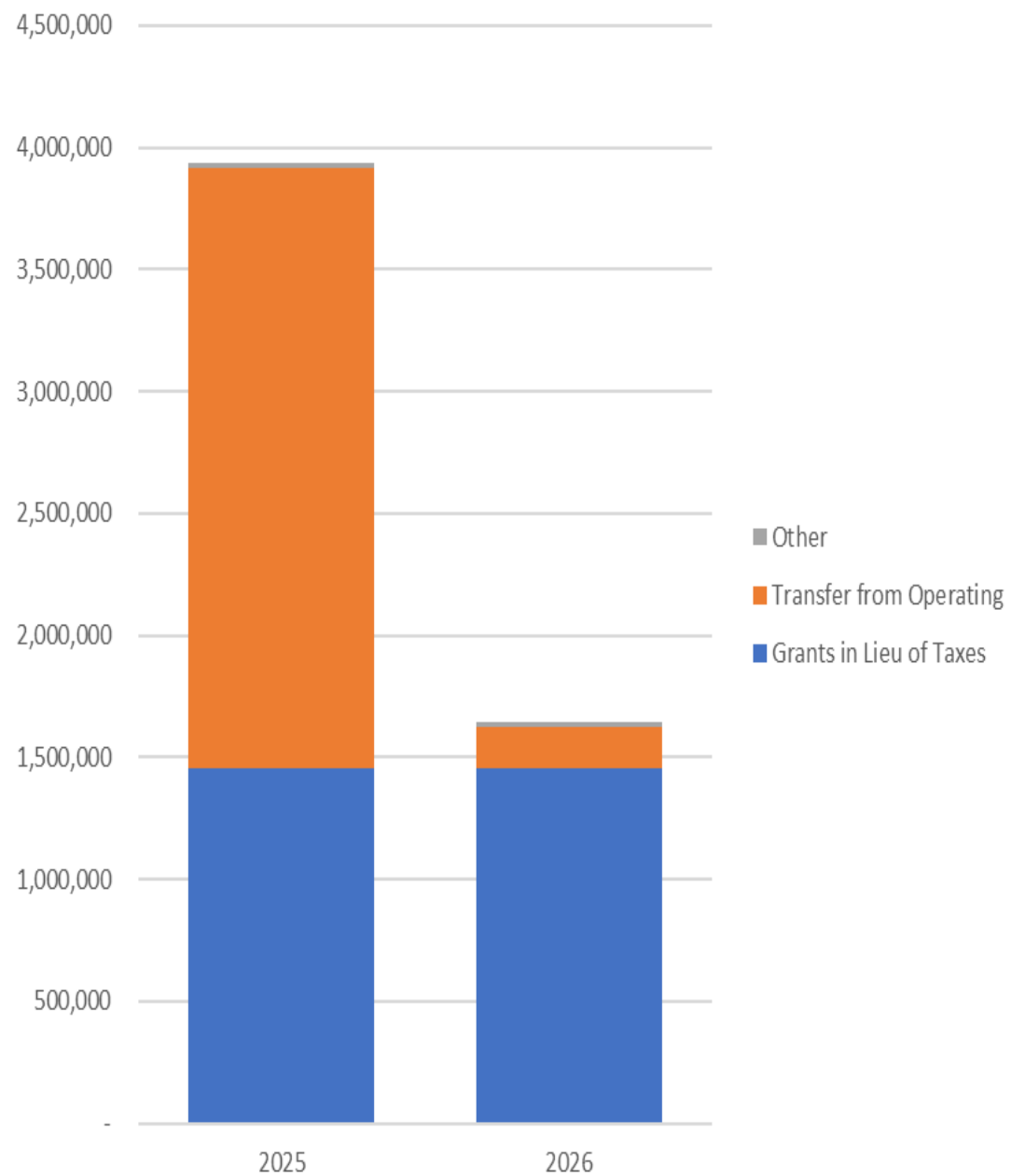
Highlights:

- The Operating Maintenance Reserve is underfunded after the 2025 draw, and efforts to keep requisition increases low make it challenging to rebuild.
- Contributions to the Capital Replacement Reserve will return to their original level after a temporary reduction to manage cost escalations and requisition impacts.

Reserve	2025 Estimated Year-End Balance	2026 Contribution	2026 Draw	Projected 2026 Year End
Operating Maintenance*	\$3.96M**	\$0.70M	(\$0.10M)	\$4.56M
Equipment Replacement	\$6.04M	\$0.10M	(\$0.40M)	\$5.74M
CAWTP Debt Retirement	\$25.37M	\$12.00M	(\$5.75M)	\$31.62M
Capital Replacement	\$18.52M	\$3.12M	(\$2.23M)	\$19.42M

** Based on the CRD Operating Reserve Guidelines target minimum fund level is \$4.5M

2026 Budget Overview Revenue



Non-Requisition Revenue:
1,645,115 (-58.20%)

- 2025 operating reserve transfer required to fund overspending on biosolids disposal, cyclical repairs and maintenance, clean backwash tank, and cover the annual host community impact. In 2026, there will be a reduced draw from reserves.

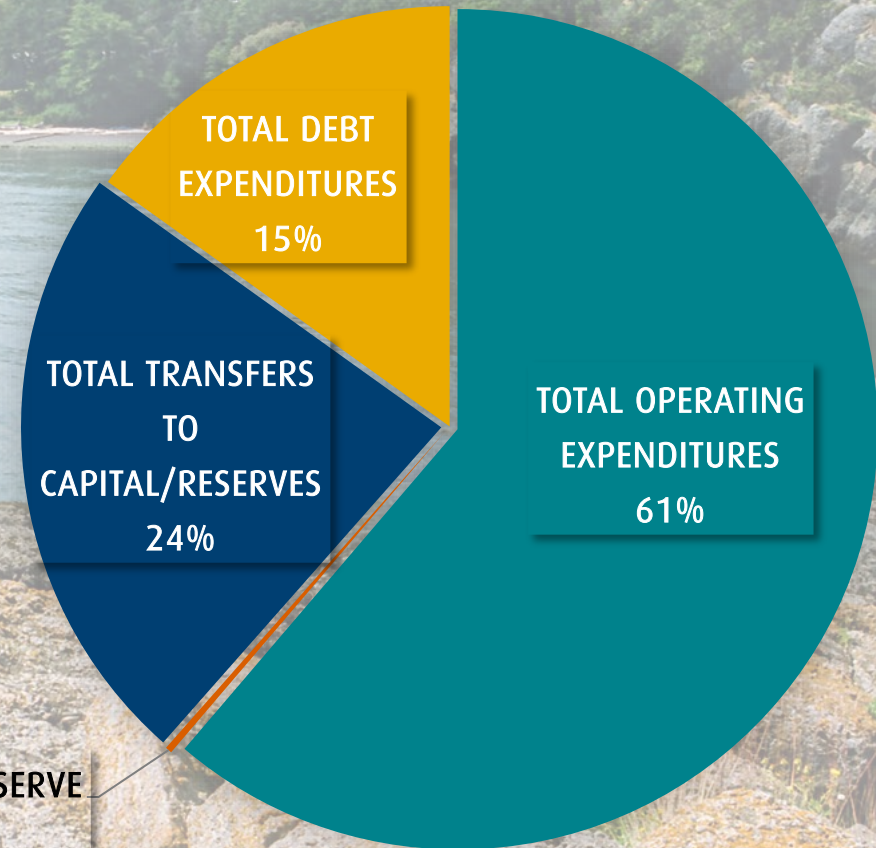
Requisition: \$62,036,361 (6.70%)

2026 Budget Overview

Total Costs: \$63,897,956 (2.6% increase)

Total Non-Requisition Revenue: \$1,645,115 (58.2% decrease)

Total 2026 Requisition: \$62,036,361 (6.7% increase)

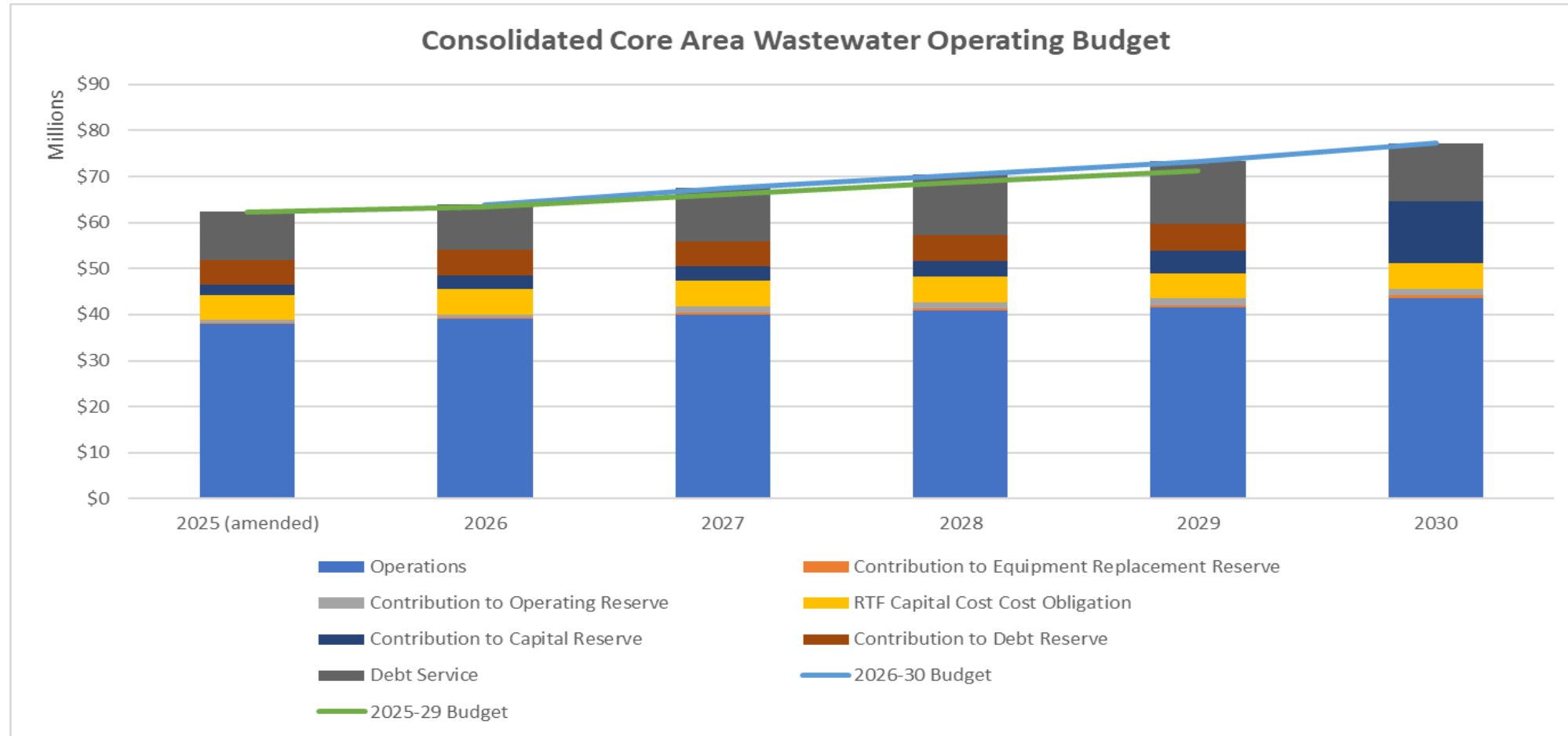


Breakdown of Costs

5 Year Budget Projection

Highlights:

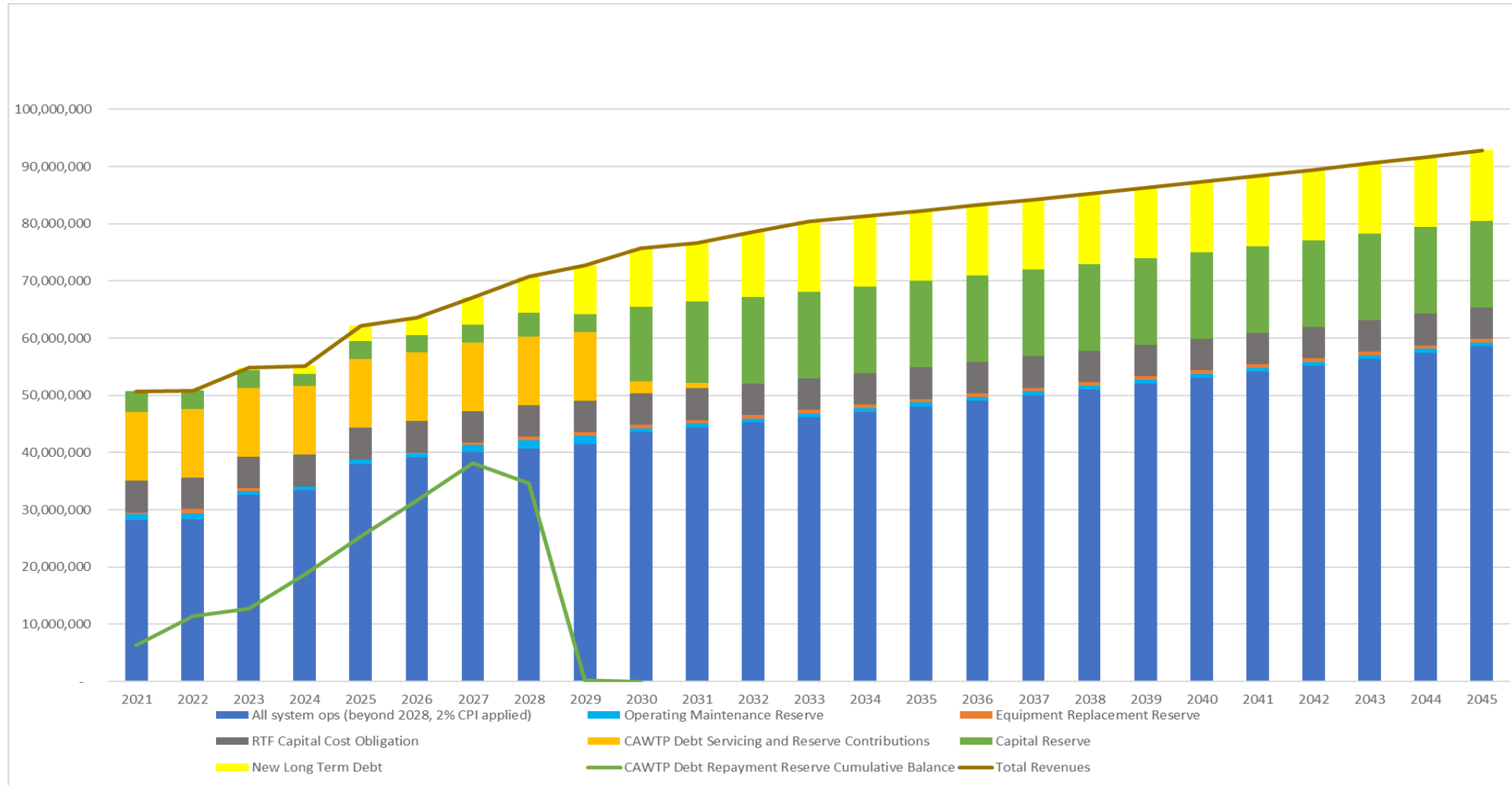
- Average annual increase of 4.4%, ranging from 2.58% to 5.59%.
- Look to mitigate future year projection by improving resiliency of biosolids disposal and optimizing chemical usage and potable water consumption.
- The Operating Maintenance Reserve is expected to meet minimum guideline levels by the end of 2026, assuming expenditures that would require funds to be drawn in 2026.



Long Term Budget Overview

Highlights:

- CAWTP Debt will be repaid in 2031
- In 2030 contributions will be diverted to the Capital Replacement Reserve



Budget

Recommendations



1. Review and approve the 2026 Core Area Liquid Waste Management Service operating and capital budgets as presented; and
2. Direct staff to balance the 2025 actual revenue and expenses on the transfer to the operating, equipment, and capital replacement reserves; and
3. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end.



Thank You

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