

**REPORT TO SAANICH PENINSULA WASTEWATER COMMISSION
MEETING OF FEBRUARY 5, 2026**

SUBJECT **Saanich Peninsula Wastewater Service Capital Plan Update**

ISSUE SUMMARY

To recommend an amendment to the Saanich Peninsula Wastewater Service 2026-2030 Capital Plan.

BACKGROUND

On October 21, 2025, the Saanich Peninsula Wastewater Commission (Commission) recommended approval of the 2026 Operating and Capital Budget and the Five-Year Capital Plan to the Capital Regional District (CRD) Board. The CRD Board subsequently approved the provisional budget on October 29, 2025.

The 2026-2030 Capital Plan presented on October 21, 2025, included a total capital budget of \$27,997,028 divided between twenty-two (22) capital plan line items. Of the projects on the capital plan, the projects listed below have a commonality in that they were identified to address structural degradation and health and safety concerns stemming from foul air impacts at the Saanich Peninsula Wastewater Treatment Plant (SPWWTP).

Table 1: Capital Projects Addressing SPWWTP Foul Air Impacts

Capital Plan Project #	Project Title	Total Budget previously proposed
23-03	Odour Control Upgrade Construction	\$4,500,000
26-01	Replace Covers on Primary Clarifier	\$200,000
24-01	Sludge Tank, Process Sump Cleaning and Primary Clarifier 2 Repairs	\$3,000,000
Total =		\$7,700,000

In October 2025, CRD staff undertook a tender evaluation for “Invitation to Tender (ITT) Infrastructure and Water Services (IWS) 2025-026 – Saanich Peninsula Wastewater Treatment Plant Odour Control Upgrades” to address Capital Project #23-03. Of the four (4) bids received, only one (1) bid was within the available project budget and this bidder was deemed to have an insufficient safety record and demonstrated experience to be awarded the project. Based on this, the tender was cancelled with the intent to undertake value engineering assessment to review the scope included within the tender package. In the meantime, this also afforded staff the opportunity to undertake a project priority sequencing assessment for multiple identified projects addressing foul air impacts at the SPWWTP.

The priority sequencing assessment reviewed four improvement projects, as shown in Table 2,

which have some commonality in that foul air impacts are the main contributor driving the need for the projects. The assessment concluded that the primary clarifier cover replacement needed to be actioned as top priority, given significant health and safety concerns. Rehabilitation efforts for primary clarifier 2, sludge tanks and process sump were placed as a second priority, given that this will rehabilitate existing degradation and provide a protective coating to slow further deterioration, methods that have been implemented successfully already on Primary Clarifier 1. Priority 3 & 4 were previously combined in the ITT noted earlier and will undergo value engineering, but not proceed until after these earlier initiatives are advanced and the success of the remedial measures assessed. For a more detailed assessment of the priority sequencing, please refer to the internal staff memo (Appendix A).

Table 2: Priority Sequencing Assessment

Description	Consequence of Failure (CoF)	Probability of Failure (PoF)	Overall Rating	Priority Ranking
Primary Clarifier 2 Cover Replacement	5	5	25	1
Primary Clarifier 2, Sludge Tanks and Process Sump Rehabilitations	5	4	20	2
Process Building HVAC Upgrades ¹	4	3	12	3
Primary Clarifier and Sludge Tank Headspace Odour Control Upgrades ¹	4	3	12	4

1. The scope of both of these items were originally proposed to be addressed under Capital Project #23-03.

This Capital Plan update is required to reflect the priority sequencing and is being presented to combine all four of the above noted projects into a single program level budget, replacing projects “23-03 Odour Control Upgrade Construction”, “26-01 Replace Covers on Primary Clarifiers” and “24-01 Sludge Tanks and Process Sump Cleaning and Repairs” with a new and combined program titled “26-01 WWTP Corrosion and Air Management Improvements Program”, which would continue to address the overall intent of the previously separated projects.

This approach is used often in capital project delivery and will allow staff to progress the higher priority projects to construction in the short term, while undertaking value engineering to reassess scope, timelines and future year budget requirements for the two lower priority scored items.

The revised Capital Plan is attached for reference (Appendix B). The updates have been completed such that the total budget and funding source allocations for 2026 are consistent with the previously approved 2026 Capital Plan and the total debt funding within the plan does not exceed the current loan authorization bylaw. Future year budgets may be adjusted to reflect work completed and revised estimates that become available.

ALTERNATIVES

Alternative 1

The Saanich Peninsula Wastewater Commission recommends to the Capital Regional District Board:

That the 2026 Saanich Peninsula Wastewater Service Capital Plan be updated to reflect the changes outlined in Appendix B.

Alternative 2

That the 2026 Saanich Peninsula Wastewater Service Capital Plan not be updated and work be deferred to future years.

IMPLICATIONS

Financial Implications

This Capital Plan update only reflects a change in delivery sequencing. The total 2026 budget and funding allocations remain consistent with the previously approved Capital Plan and thus there are no changes to rates from what was originally presented on October 21, 2025. Approving this update will allow CRD staff to progress critical upgrades in 2026 without needing to defer work to a subsequent calendar year.

Service Delivery Implications

The priority adjustment outlined is required to address worker health and safety concerns and to rehabilitate concrete deterioration in the SPWWTP primary clarifier 2, sludge tanks and process sump. The concrete rehabilitation methods being proposed have been successfully implemented already on primary clarifier 1 and continuing these improvements will help slow the rate of more substantial structural damage occurring in these spaces, extending the service life of the asset and delaying the need for larger structural repair investments in the future.

CONCLUSION

To reflect recent priority sequencing assessment for projects driven by foul air implications, the Capital Plan update included in Appendix B is proposed to address multiple projects within a single program budget titled “26-01 WWTP Corrosion and Air Management Improvements”.

RECOMMENDATION

The Saanich Peninsula Wastewater Commission recommends to the Capital Regional District Board:

That the 2026 Saanich Peninsula Wastewater Service Capital Plan be updated to reflect the changes outlined in Appendix B.

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ATTACHMENTS

Appendix A: SPWWTP - Priority Sequencing of Identified Works - Memo
Appendix B: Updated 2026-2030 SPWWS Five-Year Capital Plan