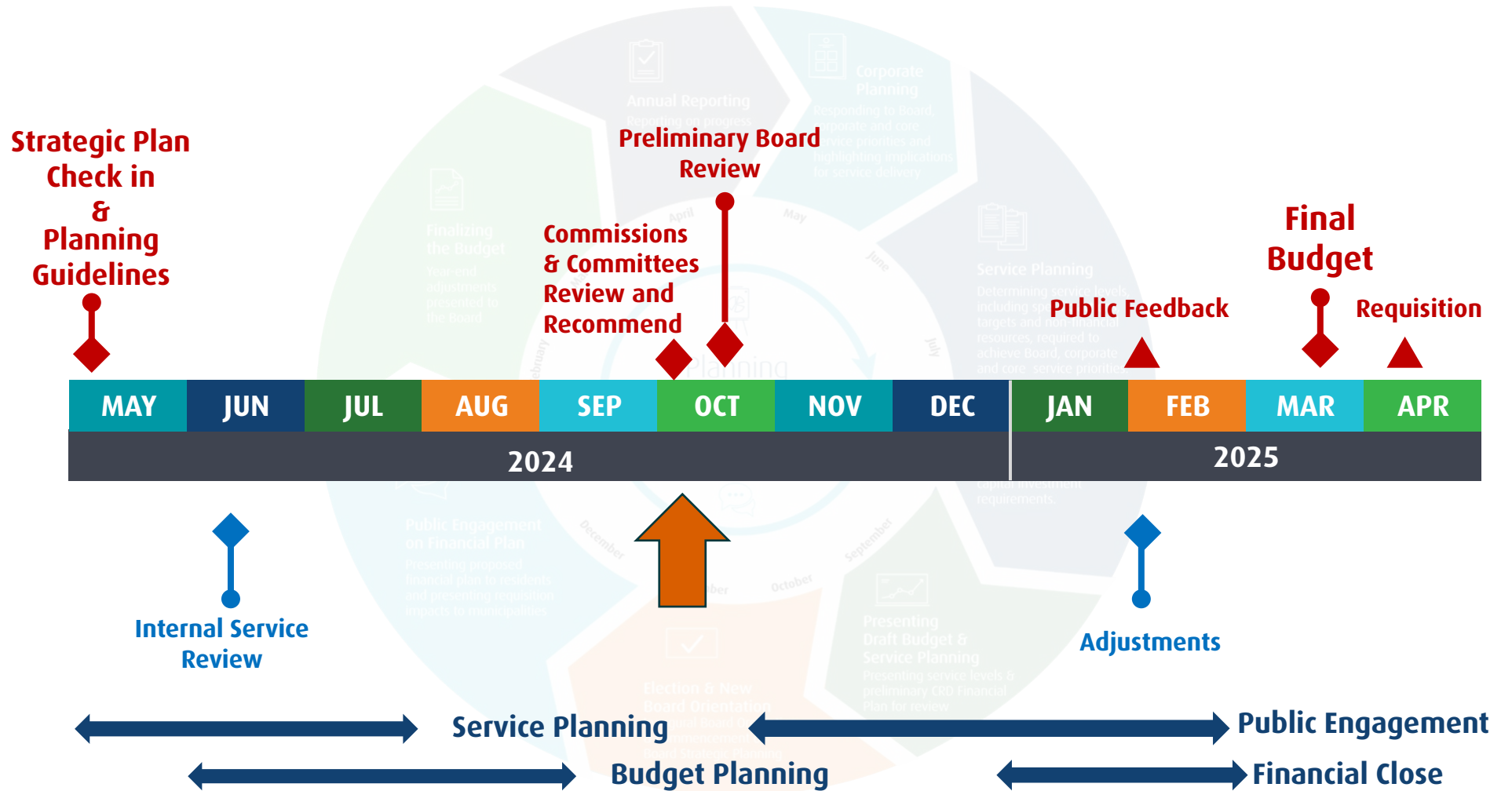


# Core Area Liquid Waste Management 2025 Budget Overview

Core Area Liquid Waste Management Committee  
October 9, 2024

# 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





# 2025 Budget Considerations

- 2024 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

# 2024 Year End Projections

Budget Item	Variance (\$)
RTF Operations and Biotreatment and Disposal	\$987,805
Repairs & Maintenance	-\$129,873
Supplies - Chemicals & Other	\$87,000
Electricity & Utilities	-\$115,000
Other Costs	-\$46,392
<b>Total Operating Expenditures</b>	<b>\$783,540</b>
<b>Total Revenue</b>	<b>\$0</b>
<b>Reserve Fund Transfers</b>	<b>-\$783,540</b>

\* The above noted deficit, resulting from the additional landfill tipping fees for biosolids and loss of revenue from the Residuals Treatment Facility (RTF), will be drawn from the Operating Reserve Fund at the end of 2024.

# 2025 Budget Overview – Conveyance & Treatment Operating Costs

## Overview:

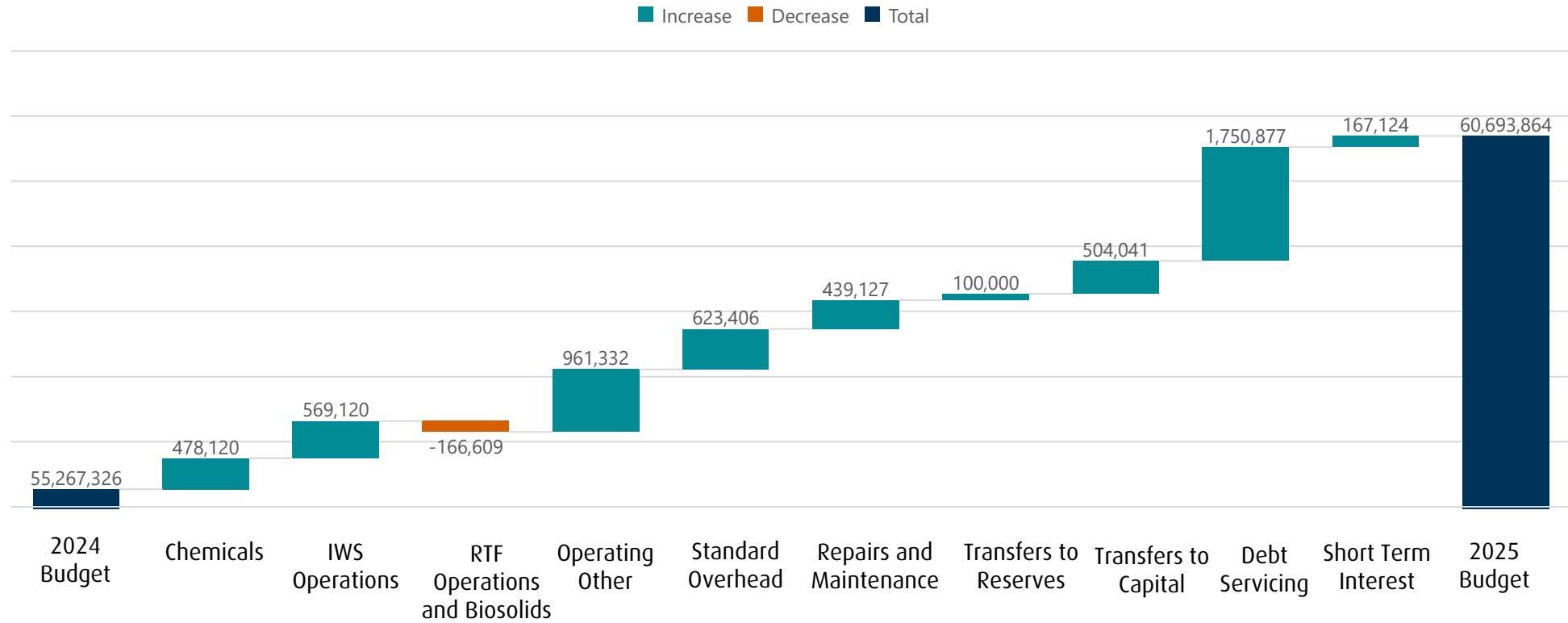
Operations Costs: \$36,396,627 (+8.67%)

Reserve/Capital Costs: \$24,297,237 (+11.58%)

## Highlights:

- Incorporates cost escalations in debt servicing as some debt-funded capital projects transition from the planning stage to the construction phase, as well as operating expenses including clearing backwash tanks and increasing insurance premiums.
- Innovative Work unit to support Biosolids MGT Strategy.

Consolidated Core Area Wastewater Changes In Budget 2024-2025



# 2025 Budget Overview

## Wastewater Community Need Initiatives

### Overview:

- Community Need Summary includes three new Initiative Business Cases
- The new positions result in ongoing additional budget request of \$284,478 and a one-time expenditure of \$5,406.

Initiative Reference	Program Area	Business Driver - Rational	Staff impacts (2025)	Funding source	Funding Allocation
1b-4.2	Innovative Projects Work Unit	Form a new team dedicated to planning and implementing innovative projects related to biosolids management, solid waste diversion, and the reduction of greenhouse gas emissions and carbon displacement.	2 New ongoing (Q1 start)	Requisition & Fee-for-service	50% Core Area 50% Solid Waste
2b-2.3	Systems Maintenance Electronics Technologist	To support the growing preventative maintenance and capital programs within the system, as well as support cyber security improvements	1 New ongoing (Q2 start)	Requisition, Reserves & Fee-for-service	50% Core Area 25% JdF, 25% RWS
2a-8.3	Laboratory Assistant	As the population grows, the demand for water and wastewater treatment increases, requiring additional capacity in the CRD's accredited internal laboratory to handle expanded testing	1 New ongoing (Q2 start)	Requisition & Fee-for-service	40% Core Area and 50% RWS



# 2025 Budget Overview – Environmental Services Programs Operations

Core Area Wastewater Service supports CRD's commitments under the Liquid Waste Management Plan (LWMP) through participation in the following programs:

- Onsite Sewage System Management Program
- Core Area Liquid Waste Management Plan (LWMP) Administration
- Harbours Studies Program
- Regional Source Control Program
- Marine Monitoring Program
- Core Area Stormwater Quality Management Program
- Inflow and Infiltration Enhancement Program
- Septage Disposal Program



# 2025 Budget Overview Capital Budget

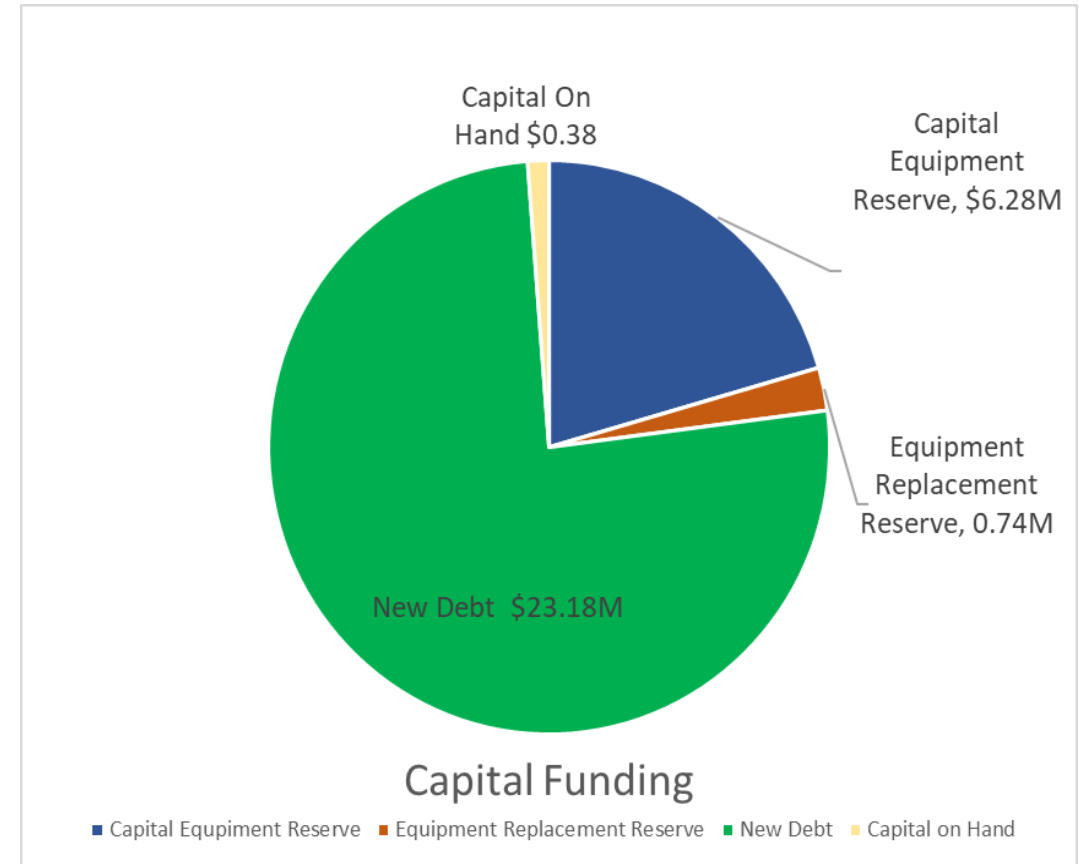
Overview	Core Capital (millions)
Projects in Progress	\$10.40
2025 Capital Budget	\$30.56
5-Year Capital Budget	\$78.29

## 2025 Key Projects:

- Secondary Odour Collection System Upgrade
- Marigold/Currie/Lang Cove Pump Stations - Electrical Upgrades
- Harling Pump Station Replacement
- Gorge Siphon Inlet Chamber Upgrade
- On going Manhole Repairs and Replacement
- Optimization of Residual Treatment Facility Operations

## Future Years

- Western/Shoreline Trunk Sewer Twinning and Craigflower Forcemain



# 2025 Budget Overview

## RTF Capital and Reserve Funding

### Overview:

Capital & Reserve: \$13,869,024 (+5.1%)

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

Transfer to Reserves: \$8,339,279

### Highlights:

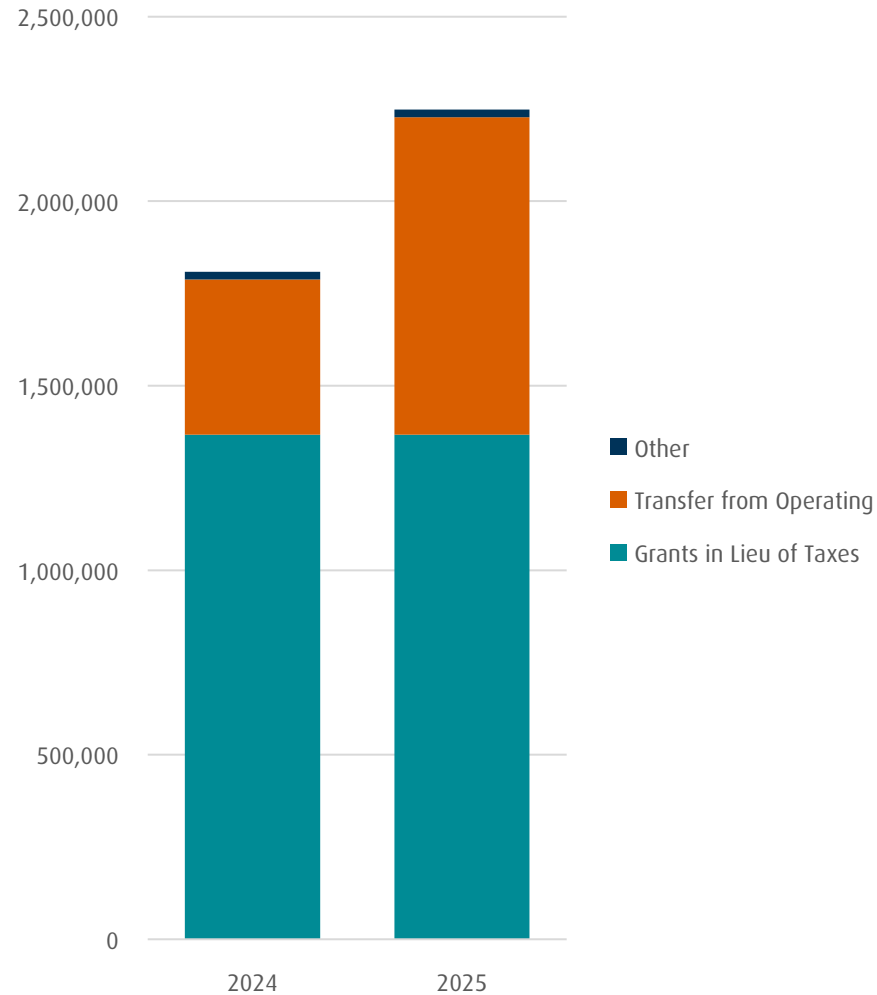
- Operating Maintenance Reserve is under funded\* following the 2023 draw with a potential further drawdown in 2024
- Contributions to Capital Replacement and Equipment Reserves were reduced for both 2024 and 2025 to manage recent cost escalations and resulting requisitions

Reserve	2024 Estimated Year-End Balance	2025 Contribution	2025 Draw	Projected 2025 Year End
Operating Maintenance*	\$3.34M**	\$0.70M	\$0.79M	\$3.25M
Equipment Replacement	\$6.02M	\$0.10M	\$0.50M	\$5.62M
CAWTP Debt Retirement	\$18.58M	\$12.00M	\$6.58M	\$24.00M
Capital Replacement	\$17.05M	\$2.12M	\$4.65M	\$14.52M

\* Based on the CRD Operating Reserve Guidelines target fund level is \$4.0M

\*\*This year end estimate considers the projected deficit.

# 2025 Budget Overview Revenue



**Non-Requisition Revenue: 2,248,293 (+24.3%)**

- 2025 operating reserve transfer required to fund cyclical repairs and maintenance, clean backwash tank, and cover the annual host community impact

**Requisition: \$58,229,091 (9.36%)**

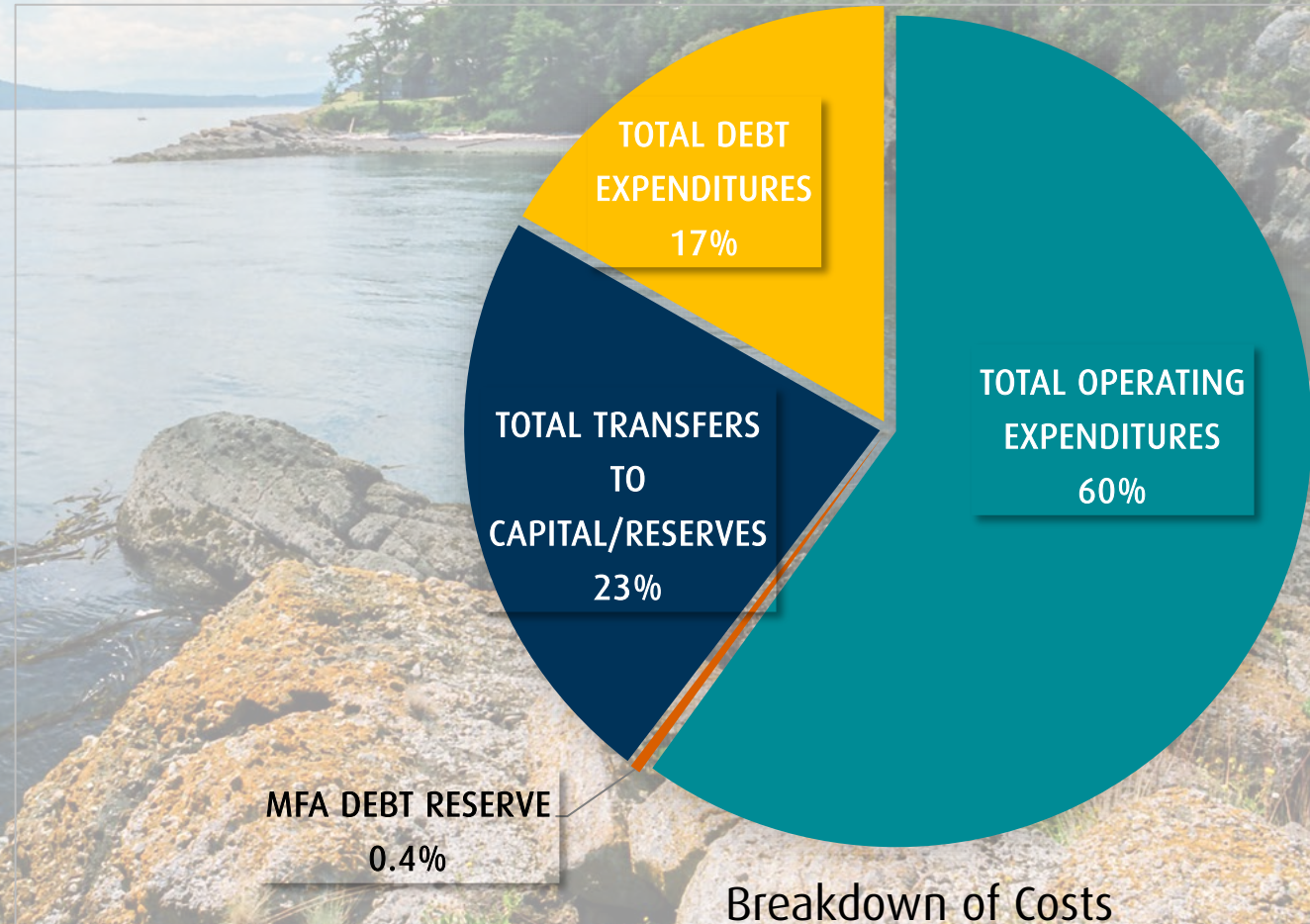


# 2025 Budget Overview

Total Costs: \$60,693,864 (9.82% increase)

Total Non-Requisition Revenue: \$2,248,293 (24% increase)

Total 2025 Requisition: \$58,229,091 (9.36% increase)

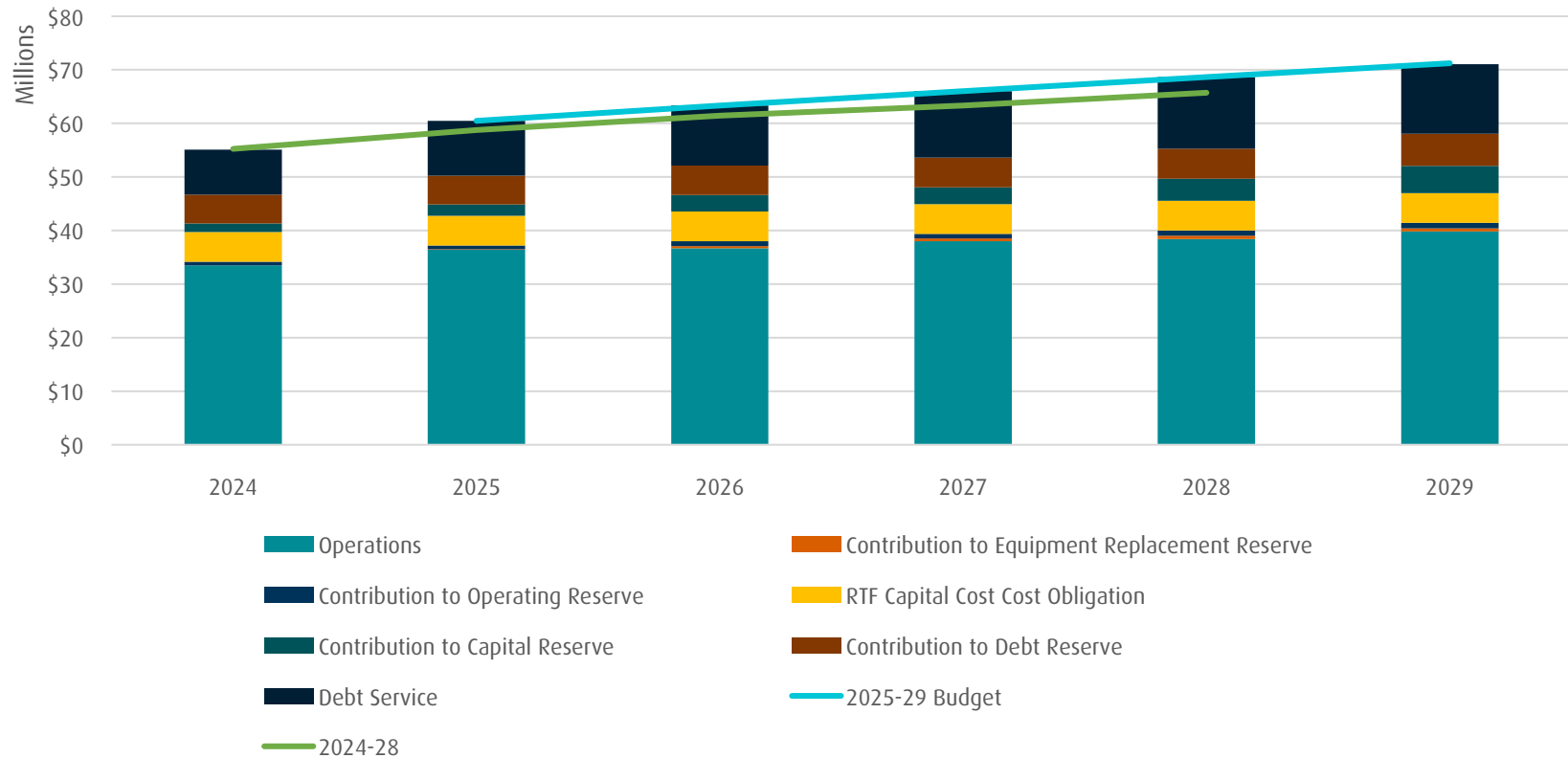


# 5 Year Budget Projection

## Highlights:

- Average annual increase of 4.43%, range between 3.00% and 6.21%
- 2025 projected costs are higher than 2024 due to increases sustained in chemical costs, maintenance activities and biosolids disposal costs
- Look to mitigate future year projection by improving resiliency of biosolids disposal
- Operating Maintenance Reserve is projected to be aligned with guidelines by 2027

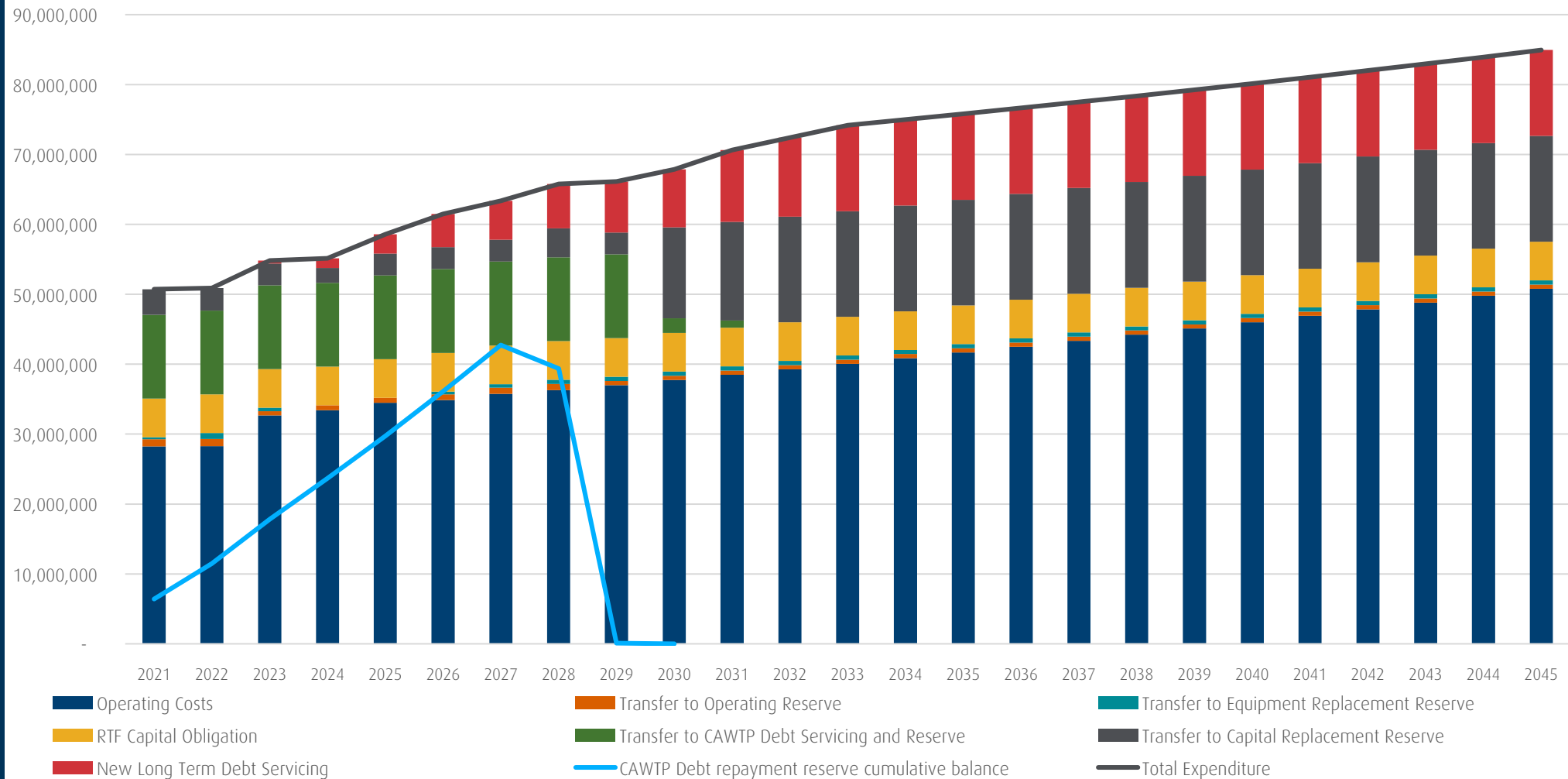
### Consolidated Core Area Wastewater Operating Budget



# 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 2025 Core Area Liquid Waste Management Service operating and capital budgets as presented; and
2. Direct staff to balance the 2024 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 2025 Capital Budget for changes after year end.





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# Thank you

 @crdvictoria

 Capital Regional District

 CRDVictoria

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