

**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF OCTOBER 15, 2025**

SUBJECT **Core Area Wastewater Service 2026 Capital and Operating Budget**

ISSUE SUMMARY

To provide an overview of the draft 2026 Core Area Wastewater Service budget, highlighting the changes from the 2025 budget and the proposed 2026 budget. The report generally follows the information provided in the attached draft budget document (Appendix A).

BACKGROUND

The 2026 Core Area Wastewater Service budget has been prepared for the Core Area Liquid Waste Management Committee's (Committee) consideration. The Core Area Wastewater Service Budget is comprised of two budgets: 3.798 Debt – Core Area Wastewater Capital (Appendix B) and 3.717 Core Area Wastewater Operations (Appendix C). These two budgets are aggregated into a combined view, which is presented in Appendix A. The combined view provides the overall service impacts.

The Committee will make budget recommendations to the Capital Regional District (CRD) Board through the Committee of the Whole in October. The draft 2026 budget has been prepared considering the CRD Board's 2026 service and financial planning guidelines, which include identifying opportunities to realign or reallocate resources and seek potential efficiencies between departments and services, reviewing of service levels and adjustments related to regulatory compliance, and undertaking infrastructure improvements to maintain service levels across the service area. The following sets out the key components of the budget.

2025 Year-End Financial Projections

A budget amendment of \$1.6 million (M) was approved on July 9, 2025, to address higher-than-expected biosolids disposal costs. The amendment was funded through a transfer from the Operating Reserve. Following this adjustment, the 2025 total operating budget increased to \$38.8M, with projected year end expenditure of \$38.16M, resulting in a \$0.635M surplus that will be transferred back to the operating reserve at year end. The table below summarizes the estimated variances.

Operating Budget Variance Drivers	Impact \$
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 Variance	-\$635,770
Transfer to Reserve Fund	\$635,770

Staff are projecting overage in Electricity & Utility cost because of higher spending on potable water after the repair and calibration of the potable water meter at the McLoughlin Point Wastewater Treatment Plant.

The most notable projected savings are related to chemical costs; these savings are a result of the first phase of a process optimization trial focusing on reducing the consumption of Ferric Chloride and PolyFloc while still achieving high quality effluent targets.

The Operating Reserve Fund is projected to have a balance of \$4.0M after the surplus transfer.

2026 Operating Budget

Conveyance and Treatment Operations

The 2026 conveyance and treatment operations budget is \$39.15M which represents a 3.02% increase over the 2025 budget of \$38.00M.

The most notable operating budget changes are as follows:

- **Allocation Infrastructure and Water Services (IWS) Operations:** Increase of \$0.532M, driven by higher labour charge-out rates increases in line with the projected collective agreement.
- **Allocation Standard Overhead:** Increase of \$0.232M.
- **Allocation EPRO, Engineering:** Net increase of \$0.252M, related to the establishment of the new Environmental Innovation division (\$0.081M), along with inflationary increases across Environmental Monitoring, Marine Protection, Infrastructure Engineering, and Facilities Management (\$0.171M). This allocation includes support related to engineering planning and capital delivery, as well as support for the following programs: Environmental Innovation, **Marine Monitoring / Assessment Program and Inflow and Infiltration Enhancement Program.**
- **Residuals Treatment Facility (RTF) Operations and Biotreatment and Disposal:** Increase of \$0.158M over the 2025 amended budget. The increase is to account for inflationary adjustments to the Hartland Resource Management Group (HRMG) contract.
- **Operating Other:** Net reduction of \$0.135M, including a \$0.25M decrease from one-time backwash tank cleaning in 2025, partially offset by inflationary increases for ongoing services.
- **Repairs and Maintenance:** Reduction of \$0.399M, reflecting lower cyclical maintenance needs, including inspections, repairs, and equipment replacements.
- **Electricity & Utilities:** Increase of \$0.346M, due to higher potable water use in alignment with 2025 actuals and inflationary costs.
- **Supplies - Chemical and Other:** Increase of \$0.164M, reflecting inflationary pressures and uncertainty related to chemical contract renewal in 2026.

Service Realignment - Biosolids Thermal Process

This five-year budget also includes the cost of constructing a new permanent Biosolids Advanced Thermal Plant. The project was originally considered as a demonstration/concept facility under the Service Liquid Waste Management Planning – Core and West Shore; however, since short-lived demonstration facilities are not eligible for debt financing, and the procurement process yielded a fully commercially operational facility with a 20-year service life, the CRD Board directed staff to proceed with a permanent asset. Accordingly, it is appropriate to move this project into the Core Area Wastewater Service operating and capital budgets.

There are no budget impacts to the Core Area Wastewater Service in 2026, with capital costs beginning in 2027 and operating costs commencing in 2029 and continuing thereafter. It is estimated that in 2029 there will be an added \$1.5M in operating cost, with a related \$2M reduction in Biosolids Disposal costs.

Environmental Services Programs Operations

As part of the requirements to achieving CRD's regulatory commitments under the Core Area Liquid Waste Management Plan (LWMP), the CRD supports several programs.

The following two programs are included within the Core Area Wastewater Service budget and funded under the Allocation EPRO, Engineering line item:

- **Marine Monitoring / Assessment Program:** The program provides for the marine environment sampling and testing and regulatory reporting related to the effluent discharges from CRD wastewater facilities. The program budget is funded through the conveyance and treatment budget.
- **Inflow and Infiltration Enhancement Program:** The program is co-managed with IWS Engineering and provides for the CRD to engage with the participants to identify and reduce the amount of rain and ground water that enters the sanitary sewer systems. The program budget is funded through the conveyance and treatment budget.

In addition, many of the Core Area participants also participate in additional services related to our regulatory commitments under the Core Area LWMP. These additional services are requisitioned separately from the Core Area Wastewater Service but are listed here for information. The total requisition change for these services in 2026 is zero.

- **Onsite Sewage System Management Program:** The program manages septic system maintenance through bylaw compliance monitoring and educational materials to reduce the impacts of failing septic systems on human health and the environment. The District of North Saanich has been added to the service for 2025.
- **Core Area Liquid Waste Management Plan Administration:** The program manages the LWMP and oversees implementation of the commitments. The program also conducts all reporting and plan amendment preparation for the service.
- **Harbours Studies Program** – The program provides for the CRD to work in partnership with other stakeholders, including communities, local governments, and senior governments, to protect and improve the environmental quality of Victoria and Esquimalt harbours.
- **Regional Source Control Program:** The program is aimed at reducing contaminants that industries, institutions, and households discharge into sanitary sewers. The program will be more important than ever in point-of-discharge contaminant reduction to protect the sewage collection and treatment systems, the quality of the treatment plant sludge and biosolids, the marine receiving environment, and public and worker health and safety.
- **Core Area Stormwater Quality Management Program:** Using an integrated watershed management approach, the program coordinates the management of stormwater quality, including investigations to assess shoreline discharges and contaminant sources, to protect the marine environment.
- **Septage Disposal Program:** This program is funded by service fees and provides oversight for the contract between the CRD and SPL Wastewater Recovery Ltd., which provides septage receiving and processing services for the CRD.

2026 Capital Budget

Capital Plan

A five-year capital plan is presented for information (Appendix B). The plan includes projects that will replace infrastructure at end-of-service life to ensure the system continues to operate reliably without service interruptions or risk to property, public health or the environment. The plan also includes projects that add conveyance capacity 'just in time' to convey flows to 2045 and utilize the ultimate design capacity of existing conveyance facilities, such as pump stations, and the McLoughlin Point Wastewater Treatment Plant (MPWWTP).

The capital budget for 2026 is \$22.59M and the total 2026-2030 capital budget is \$100.05M. There are projects planned in each of the major asset categories including wastewater treatment plant upgrades, pump station upgrades, biosolids advanced thermal plant, gravity sewer and manhole upgrades and replacements, pressure pipe upgrades, replacements, system control and communications upgrades and outfall/overflow improvements.

The budget assumes capital financing will be required in 2026 depending on the progress of projects. Based on Capital Reserve Guidelines, debt will be required. The loan authorization approval process is planned to start in Q4, 2025, to authorize \$50.425 million to fund the 2026 to 2030 capital plan in part, including the \$9M required for the Biosolids Advanced Thermal Demonstration Plant.

Reserve Funding

There are currently four reserve funds established for this service. Reserves serve several specified purposes, including stabilizing revenue requirements and funding capital renewal and replacement. The service has the following reserve funds (**2025 estimated year-end balances**):

- **Operating Maintenance (O&M) Reserve (\$4.0M):** Used to cover significant O&M expenses that do not occur on an annual basis, including the overages related to the biosolids disposal and cyclical maintenance cost. According to the CRD Operating Reserve Guidelines, the target balance for this reserve is \$4.5M–\$18M, and the fund is currently underfunded. As part of the Operating Budget Amendment for Biosolids Disposal that went to the Board on June 6, 2025, staff noted this reserve was under funded and proposed a \$600,000 increase to the annual contribution beginning in 2026 in order address the gap, staff recommend deferring this increase until 2027 to minimize the increase to requisition.
- **Equipment Replacement Reserve (\$6M):** Used to pay for 'minor' equipment replacement that typically has a service life of less than five years and/or a value of less than \$25,000. To reduce the impact on the 2026 requisition, the contribution will remain at \$100,000 (the same as in 2025), with the intent to increase to \$400,000 in 2027.
- **Core Area Wastewater Treatment Plant (CAWWTP) Debt Retirement Reserve (\$25.4M):** Used to accumulate funds sufficient to pay down the treatment program debt issuances, in full, as they reach their 10-year renewal option. The establishment of this fund aligns with the financing strategy approved by the CRD Board in 2019, which was designed to deliver the most cost-effective financing structure, with the lowest overall cost to the participants. The combined annual contribution to the Debt Retirement Reserve and the debt servicing costs for the CAWWTP financing totals \$12M. Contribution to the Debt Retirement Reserve will continue to increase as debt on the CAWWTP is paid down. This strategy is aimed at achieving full repayment of the CAWWTP project debts at their first renewal in 10 years. After repayment, capacity will be used to reach capital reserve targets

for the capital long range plan.

- **Capital Replacement Reserve (\$18.5M):** Used to pay for 'major' equipment and infrastructure replacement that has a service life of five to 25 years or more. The replacement and funding of other components of the wastewater system that have a service life of up to 75 years, such as gravity trunk sewers and forcemains, large pumps, electrical distribution systems, concrete tanks and superstructures and major building components, will be part of the long-term capital plan and largely funded through a combination of reserves and long-term financing. To minimize the impact on requisition in 2025, reserve contributions were reduced by \$1M. In 2026, contributions will be reinstated to \$3.1M. The reserve will also fund \$2.3M of the 2026 capital plan, including \$0.08M in carry-forward projects from 2025.

Requisition

The 2026 requisition is \$62.04M after incorporating the requisition for capital, which includes debt servicing of the new and existing conveyance and treatment system works, and system operations. The 2026 requisition represents a 6.7% increase over the 2025 requisition. This increase is due to the additional cost of chemical increases, cyclical maintenance, higher insurance premiums, increased labour charges, and issuance of new long-term debt.

ALTERNATIVES

Alternative 1

The Core Area Liquid Waste Management Committee recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Core Area Wastewater Service operating and capital budgets as presented;
2. Direct staff to balance the 2025 actual revenue and expenses on the transfer to the operating reserve; and
3. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end.

Alternative 2

The Core Area Liquid Waste Management Committee recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Core Area Wastewater Service operating and capital budgets as amended;
2. Direct staff to balance the 2025 actual revenue and expenses on the transfer to the operating reserve; and
3. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end.

IMPLICATIONS

Financial Implications

The operating budget reflects costs by type required to support the wastewater treatment service level. The capital budget includes a five-year infrastructure investment to maintain the current system and requires replacement of the aging conveyance lines. Together, with reserve contributions, the five-year plan sustains the service at the level required to ensure community

needs are met. If the proposed budget is amended, the implications could vary depending on how the budget is amended and the impact on specific programs and initiatives, on-going operations, or the capital work program. While in the past, reserves may have been used to ease the short-term burden on the requisition, given the current balance, this approach would create higher long-term costs and potential delays in critical infrastructure projects, which could compromise service reliability and increase future financial pressures.

CONCLUSION

This 2026 Core Area Wastewater Service budget is presented for the Core Area Liquid Waste Management Committee's (Committee) consideration. The Committee will make budget recommendations to the Capital Regional District (CRD) Board through the Committee of the Whole in October. The 2026 budget reflects the operating costs of the Core Area Wastewater System, as well as the existing and new capital costs and reserve fund contributions. The operating budget will continue to be refined as operational efficiencies are realized. The financial implications of the 2026 operating and capital budget vary by participant, depending on the operating and capital cost apportionments associated with annual flow and allocated treatment capacity.

RECOMMENDATION

The Core Area Liquid Waste Management Committee recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Core Area Wastewater Service operating and capital budgets as presented;
2. Direct staff to balance the 2025 actual revenue and expenses on the transfer to the operating reserve; and
3. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end.

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ATTACHMENTS

Appendix A: Core Area Wastewater - Combined View

Appendix B: Debt – Core Area Wastewater Capital

Appendix C: Core Area Wastewater Operations

Presentation: Core Area Wastewater Service 2026 Budget Review

CAPITAL REGIONAL DISTRICT 2026

BUDGET

Core Area Wastewater - Combined View

CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE

Change in Budget 2025 to 2026

Service: 3.717 & 3.798C Core Area Wastewater

Total Expenditure

Comments

2025 Budget

62,293,864

Operation 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	80,789 170,954	Establishment of a new division — <i>Environmental Innovation</i> 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) 114,330	Reduction in overall contract services due to a one-time backwash tank cleaning expense that occurred in 2025 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 97,609	Increase in water charges is due to accurate meter readings and higher consumption Increase consumption and Inflationary cost adjustments
Supplies - Chemical & Other	163,530	Inflation-driven cost increases for supplies and chemicals
Total Other Changes	<u>1,148,867</u>	

Capital/ Debt Changes:

Transfer to Capital Reserve	1,000,000	Increasing annual capital reserve to restore to original plan
CAWW Debt	(613,955)	No additional principal repayment is anticipated in 2026
Other	69,181	Interest expense and debt reserve contribution increase
Total Other Changes	<u>455,226</u>	

2026 Budget

63,897,956

% expense increase from 2025:

2.6%

Requisition funding is 97.1% of combined service revenue

% Requisition increase from 2025 (if applicable):

6.7%

Overall 2025 Budget Performance

(expected variance to budget and surplus treatment)

3.717 - Core Area Wastewater Operations

"A surplus of \$635,000 is forecasted and will be transferred to the Operating Reserve.

3.798C - Debt - Core Area Wastewater Capital

"There is a one-time favorable variance forecasted at \$1,500,000, primarily due to savings from delaying a portion of the loan. This amount will be split between the Capital Reserve Fund and Debt Reserve Fund, \$1,000,000 and \$500,000 allocated to each respectively.

3.717 - OPERATING COSTS:

Allocation - IWS Operations	7,917,767	8,043,253	8,449,933	-	-	8,449,933	8,742,168	8,921,040	9,101,274	9,285,156
Allocation - Overhead	2,679,370	2,679,370	2,911,730	-	-	2,911,730	2,964,141	3,023,424	3,083,893	3,145,570
Allocation - EPRO, Engineering	5,096,658	5,021,122	5,348,401	-	-	5,348,401	5,491,132	5,638,203	5,788,924	5,943,804
RTF Operations and Biotreatment and Disposal	9,079,767	9,026,617	9,237,800	-	-	9,237,800	9,116,600	9,298,800	7,209,300	7,353,500
Operating - Other	3,307,970	3,409,000	3,172,300	-	-	3,172,300	3,261,915	3,354,620	3,450,534	4,149,852
Repairs & Maintenance	1,704,000	1,555,000	1,304,600	-	-	1,304,600	1,594,690	1,360,070	1,970,790	2,571,790
Electricity & Utilities	3,373,895	3,594,690	3,720,000	-	-	3,720,000	3,794,400	3,870,326	3,947,712	4,026,683
Supplies - Chemical & Other	4,837,200	4,031,805	5,000,730	-	-	5,000,730	5,100,750	5,307,358	5,413,510	5,521,760
Thermal Process	-	-	-	-	-	-	-	-	1,500,000	1,530,000
TOTAL OPERATING COSTS	37,996,627	37,360,857	39,145,493	-	-	39,145,493	40,065,796	40,773,841	41,465,937	43,528,115
*Percentage Increase over prior year		-1.67%	3.02%	0.00%	0.00%	3.02%	2.35%	1.77%	1.70%	4.97%
3.717 - RESERVE:										
Transfer to Operating Reserve	700,000	1,335,770	700,000	-	-	700,000	1,300,000	1,400,000	1,400,000	1,500,000
Transfer to Equipment Replacement Fund	100,000	100,000	100,000	-	-	100,000	400,000	600,000	600,000	600,000
3.798C - CAPITAL OBLIGATION										
Transfer to RTF Capital	5,529,745	5,529,745	5,529,745	-	-	5,529,745	5,529,745	5,529,745	5,529,745	5,529,745
3.798C - RESERVE:										
Transfer to Capital Replacement Reserve	2,121,119	3,121,119	3,121,119	-	-	3,121,119	3,121,119	3,371,119	4,771,119	13,531,369
Transfer to WTP Debt Retirement Reserve	5,418,160	5,924,762	5,489,960	-	-	5,489,960	5,561,760	5,633,560	5,994,778	-
TOTAL CAPITAL / RESERVES	13,869,024	16,011,396	14,940,824	-	-	14,940,824	15,912,624	16,534,424	18,295,642	21,161,114
CAWTP Debt	6,737,879	6,737,879	6,661,460	-	-	6,663,460	6,558,240	6,496,440	4,735,222	2,219,750
CAWW Debt	3,457,939	2,083,732	2,994,579	-	-	2,994,579	4,771,205	6,330,391	8,578,079	10,194,990
3.798C - Total Debt Expenditures	10,195,818	8,821,611	9,656,039	-	-	9,658,039	11,329,445	12,826,831	13,313,301	12,414,740
MFA Debt Reserve	232,395	100,000	153,600	-	-	153,600	163,710	252,110	185,760	136,760
Debt Repayment								10,283,553	41,134,212	
TOTAL COSTS	62,293,864	62,293,864	63,895,956	-	-	63,897,956	67,471,575	80,670,759	114,394,852	77,240,729
*Percentage Increase over prior year		0.00%	2.57%	0.00%	0.00%	2.58%	5.59%	19.56%	41.80%	-32.48%
Internal Recoveries	(216,480)	(216,480)	(216,480)	-	-	(216,480)	(220,810)	(225,226)	(229,731)	(234,326)
TOTAL COSTS LESS INTERNAL RECOVERIES	62,077,384	62,077,384	63,679,476	-	-	63,681,476	67,250,765	80,445,533	114,165,121	77,006,403
*Percentage Increase over prior year		0.00%								
FUNDING SOURCES (REVENUE)										
Surplus Balance carry forward	-	-	-	-	-	-	-	-	-	-
Transfer from Own funds	-	-	-	-	-	-	-	(10,283,553)	(41,134,212)	-
Grants in Lieu of Taxes	(1,454,245)	(1,454,245)	(1,454,245)	-	-	(1,454,245)	(1,454,245)	(1,454,245)	(1,454,245)	(1,454,245)
Transfer from Operating Reserve	(2,460,406)	(2,460,406)	(170,000)	-	-	(170,000)	(395,000)	(95,000)	(640,000)	(1,225,000)
Revenue - Other	(20,870)	(20,870)	(20,870)	-	-	(20,870)	(20,870)	(20,870)	(20,870)	(20,870)
TOTAL REVENUE	(3,935,521)	(3,935,521)	(1,645,115)	-	-	(1,645,115)	(1,870,115)	(11,853,668)	(43,249,327)	(2,700,115)
REQUISITION	(58,141,863)	(58,141,863)	(62,034,361)	-	-	(62,036,361)	(65,380,650)	(68,591,865)	(70,915,794)	(74,306,288)
*Percentage increase over prior year		0.00%	6.69%	0.00%	0.00%	6.70%	5.39%	4.91%	3.39%	4.78%
PARTICIPANTS: Victoria, Oak Bay, Esquimalt, Saanich, View Royal, Colwood, Langford										

CAPITAL REGIONAL DISTRICT 2026

BUDGET

Debt - Core Area Wastewater Capital

CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE

Service: 3.798C Debt - Core Area Wastewater Capital

Committee: Core Area Liquid Waste Management

DEFINITION:

Infrastructure improvements and capital work to all wastewater functions of the Capital Regional District.

PARTICIPATION:

Cost apportionment is based on capacity allocated to each participant.

MAXIMUM LEVY:

N/A

MAXIMUM CAPITAL DEBT:

	<u>Authorized</u>	<u>Borrowed</u>	<u>Remaining</u>
Authorized:			
LA Bylaw 4204	665,000,000	95,000,000	570,000,000
LA Bylaw 4374	22,700,000	10,470,000.00	12,230,000
LA Bylaw 4375	34,300,000	-	34,300,000
Remaining:	\$ 722,000,000	\$ 105,470,000	\$ 616,530,000

**CORE AREA WASTEWATER TREATMENT PLANT
COST SHARING ALLOCATION-DESIGN CAPACITY BENEFIT:**

<u>Location</u>	<u>Allocation of Debt Servicing Costs</u>
Colwood	4.24%
Esquimalt	6.54%
Langford	12.63%
Oak Bay	6.39%
Saanich	30.34%
Victoria	35.95%
View Royal	3.18%
Esquimalt Nation	0.60%
Songhees Nation	0.13%
Total	100.00%

Bylaw 4304

FUNDING:

Requisition

Change in Budget 2025 to 2026
Service: 3.798C Debt-Core Area Wastewater Capital Total Expenditure Comments

2025 Budget 23,497,237

Changes:

Transfer to Capital Reserve	1,000,000	Increasing annual capital reserve to restore to original plan
CAWW Debt	(613,955)	No additional principal repayment is anticipated in 2026
Other	69,181	Interest expense and debt reserve contribution increase
Total Other Changes	455,226	

2026 Budget 23,952,463

Summary of % Expense Increase		
Capital Reserve Transfer	4.3%	
CAWW Debt	-2.6%	
Other	0.3%	
% expense increase from 2024:	1.9%	
% Requisition increase from 2024 (if applicable):	1.99%	Requisition funding is 97.2% of service revenue

Note: A new loan authorization of approximately \$50,425,000 will be required in 2026 to support the 2026–2030 capital plan.

Overall 2025 Budget Performance
(expected variance to budget and surplus treatment)

There is a one-time favorable variance forecasted at \$1,500,000, primarily due to savings from delaying a portion of the loan. This amount will be split between the Capital Reserve Fund and Debt Reserve Fund, \$1,000,000 and \$500,000 allocated to each respectively. .

CAPITAL / RESERVE

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

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	3.798C	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
	Debt - Core Area Wastewater Treatr							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$50,000	\$50,000	\$250,000	\$1,000,000	\$1,000,000	\$0	\$2,300,000	
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$11,425,000	\$22,535,000	\$16,960,000	\$24,675,000	\$17,740,000	\$15,840,000	\$97,750,000	
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$11,475,000	\$22,585,000	\$17,210,000	\$25,675,000	\$18,740,000	\$15,840,000	\$100,050,000	

SOURCE OF FUNDS

Capital Funds on Hand	\$600,000	\$600,000	\$0	\$0	\$0	\$0	\$600,000	
Debenture Debt (New Debt Only)	\$10,445,000	\$18,930,000	\$14,735,000	\$23,575,000	\$16,940,000	\$12,040,000	\$86,220,000	
Equipment Replacement Fund	\$350,000	\$550,000	\$500,000	\$600,000	\$300,000	\$300,000	\$2,250,000	
Grants (Federal, Provincial)	\$0	\$200,000	\$75,000	\$0	\$0	\$0	\$275,000	
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$80,000	\$2,305,000	\$1,900,000	\$1,500,000	\$1,500,000	\$3,500,000	\$10,705,000	
	\$11,475,000	\$22,585,000	\$17,210,000	\$25,675,000	\$18,740,000	\$15,840,000	\$100,050,000	

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	Debt - Debenture Debt (new debt only) ERF - Equipment Replacement Fund Grant - Grants (Federal, Provincial) Cap - Capital Funds on Hand Other - Donations / Third Party Funding Res - Reserve Fund WU - Water Utility If there is more than one funding source, additional rows are shown for the project.

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #:	3.798C
Service Name:	Debt - Core Area Wastewater Treatment Program

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	Year 1	Year 2	Year 3	Year 4	Year 5	- Year Totalauto-populate
MCLOUGHLIN WASTEWATER TREATMENT PLANT													\$ -
25-01	New	Secondary Odour Collection System Upgrade - pre-filter	Replacement of existing pre-filter to further optimize odour treatment and extend the life of carbon treatment.	\$ 750,000	S	Debt	\$ 170,000	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ 170,000
26-03	New	Electric Vehicle Charging	Electrical and civil work for electric vehicle charger infrastructure.	\$ 1,370,000	S	Debt	\$ -	\$ 715,000	\$ -	\$ 25,000	\$ 40,000	\$ 390,000	\$ 1,170,000
						Grant		\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
26-04	New	McLoughlin Discharge Energy Reclamation	Feasibility study to look at the cost benefit of pursuing this.	\$ 75,000	S	Grant		\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
PUMP STATIONS													\$ -
21-01	Renewal	Lang Cove Electrical and Building Upgrades	Renewals based upon Delcan's condition assessment and EIC inspections. Work includes electrical (replace PLC, SCADA pack, communications), and building upgrades.	\$ 1,200,000	S	Res	\$ 50,000	\$ 150,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 550,000
21-02	Renewal	Marigold Electrical and Building Upgrades	Renewals are based upon Delcan's condition assessment and EIC inspections. Work includes electrical (replace MCC, PLC, VFD's, 480v to 600v upgrade, etc), and building upgrades.	\$ 5,850,000	S	Debt	\$ 1,400,000	\$ 2,145,000	\$ 2,420,000	\$ -	\$ -	\$ -	\$ 4,565,000
21-03	Renewal	Currie Major Electrical and Seismic Upgrades	Renewals based upon Delcan's condition assessment and EIC inspections. Work includes electrical (replace VFDs, PLC, SCADA pack, communications), seismic upgrades and driveway repairs.	\$ 2,350,000	S	Debt	\$ 10,000	\$ 210,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,610,000
21-05	Replacement	Harling PS - Complete Replacement	Based on Delcan's condition assessment and the age of this facility, replacement of Harling Point PS is required.	\$ 2,500,000	S	Debt	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
25-04	Renewal	Pump Station Renewal Program	Small to mid-scale upgrades to multiple pump stations based on previous condition assessments, EIC inspections and building structure improvements.	\$ 5,500,000	S	Debt	\$ 150,000	\$ 500,000	\$ 1,150,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,650,000
26-02	Study	Concrete Condition Assessments	Detailed concrete condition assessments for wet wells and other degraded concrete at pump stations in the core area. Project will evolve following initial assessments being completed.	\$ 650,000	S	Debt	\$ -	\$ 450,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 650,000
26-05	Renewal	Concrete Improvements	Concrete Improvement works following Condition Assessments. This is a placeholder budget that will be updated following condition assessment work and remediation plan.	\$ 5,000,000	S	Debt			\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ 500,000	\$ 5,000,000
GRAVITY SEWERS AND MANHOLES													
21-06	Renewal	Shoreline Trunk Sewer Upgrade	The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Shoreline Trunk must be twinned to prevent overflows into Portage Inlet during peak storm events.	\$ 4,000,000	S	Debt	\$ 2,400,000	\$ 2,400,000	\$ 1,040,000	\$ -	\$ -	\$ -	\$ 3,440,000
21-07	New	Western Trunk Sewer Twinning	The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Western Trunk Sewer must be twinned from Aldeane to Craigflower PS to prevent overflows upstream of Parson's siphon during peak storm events.	\$ 25,000,000	S	Debt	\$ 300,000	\$ 300,000	\$ 200,000	\$ 300,000	\$ -	\$ -	\$ 800,000
24-17	Renewal	Sewer Cleaning and Inspection	Core Area sewers should be cleaned and inspected on a 5-year cycle. This program will support that continued cycle.	\$ 1,025,000	S	Debt	\$ 25,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
21-11	Renewal	Manhole Repairs and Replacement	Based upon CCTV and staff inspections on manholes, there are a number of deteriorated MH's that require repair or replacement.	\$ 5,800,000	S	Debt	\$ 1,400,000	\$ 2,650,000	\$ -	\$ 300,000	\$ 1,000,000	\$ 500,000	\$ 4,450,000
23-01	Renewal	Cecelia Ravine Pipe Protection	Based on geotechnical review, a section of the exposed NWT in Cecelia Ravine should be covered & protected from falling rocks upslope from the pipe.	\$ 500,000	S	Debt	\$ 30,000	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ 480,000
24-11	Renewal	Western Trunk Grit Chamber Repairs	The Western Trunk (Island Highway) Grit Chamber is badly corroded and requires repairs before extensive structural damage occurs.	\$ 3,000,000	S	Debt	\$ 1,100,000	\$ 1,100,000	\$ 1,750,000	\$ -	\$ -	\$ -	\$ 2,850,000
26-01	Renewal	NWT Sewer Replacement at Alpha-Terrace	A 5m long section of old concrete pipe downstream of Boundary Transition Chamber is badly corroded and needs to be replaced with new PVC pipe.	\$ 1,000,000	S	Debt	\$ -	\$ -	\$ 100,000	\$ 900,000	\$ -	\$ -	\$ 1,000,000
PRESSURE PIPES AND APPURTENANCES													\$ -
21-13	New	Craigflower Forcemain Twinning	The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Craigflower Forcemain must be twinned to prevent overflows into Portage Inlet during peak storm events.	\$ 20,800,000	S	Debt	\$ 10,000	\$ 210,000	\$ -	\$ 5,000,000	\$ 7,500,000	\$ 7,500,000	\$ 20,210,000
24-14	Renewal	Parsons Siphon/Bridge Connection Repairs	The siphon pipe support connections to the Parsons Brdige require repairs.	\$ 500,000	S	Res	\$ 30,000	\$ 480,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,480,000
25-03	Renewal	Harriet Siphon Inlet Chamber Upgrade	Assess concrete corrosion and replace seized control gates.	\$ 3,000,000	S	Debt	\$ 970,000	\$ 2,970,000	\$ -	\$ -	\$ -		\$ 2,970,000
27-01	Study	Forcemain and Siphon Pipe Assessment Study	There are several forcemain pipes downstream from each pump station that have never been assessed. A study is proposed to investigate various technologies to evaluate the condition of the pipes.	\$ 2,250,000	S	Debt	\$ -	\$ -	\$ 250,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 2,250,000
FLOW METERS													\$ -
GENERAL													\$ -
21-22	Study	Asset Management Plan Update	Previous condition assessment studies will be updated and incorporated into a long-term asset management plan to meet expected level-of-service requirements.	\$ 450,000	S	Debt	\$ 250,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000
21-23	Study	DCC Program Development	With the completion of CAWTP and amendment of the Service Establishment Bylaw, it was noted that a DCC Program would be established to fund future wastewater projects related to growth. This project is to create the program, consult with stakeholders and prepare a new DCC bylaw.	\$ 300,000	S	Debt	\$ 140,000	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ 140,000

Service #:	3.798C
Service Name:	Debt - Core Area Wastewater Treatment Program

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	Year 1	Year 2	Year 3	Year 4	Year 5	- Year Totalauto-populate
21-24	Renewal	Record Drawing and Wastewater Agreement Updates	The old as-built drawings, connection points and wastewater agreements with the contributing municipalities has not been updated in many years. Updates are required to reflect changes in the system, identify clear demarcation points, and reflect updates in the LWMP.	\$ 1,100,000	S	Debt	\$ 160,000	\$ 210,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 510,000
21-25	Renewal	SCADA and Radio Assessment	Majority of the radio and SCADA equipment are nearing end of life, technological advances do not allow for straight replacements, funding is required for assessments of existing equipment and site requirements.	\$ 5,500,000	S	Debt	\$ 750,000	\$ 750,000	\$ 2,000,000	\$ 750,000	\$ 400,000	\$ -	\$ 3,900,000
22-03	Renewal	Acquisition of Outstanding Right-of-Ways	Some of the infrastructure is located on privately owned land that do not have rights-of-way. A plan is being developed to acquire SRW's for all infrastructure over time. Initial spending requires a study and plan prior to acquisition.	\$ 700,000	S	Debt	\$ 130,000	\$ 130,000	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	\$ 630,000
22-04	New	Microwave Radio Upgrades	To provide a high bandwidth communications backbone to the CAWWT system, a microwave communications system will be installed.	\$ 650,000	S	ERF	\$ 150,000	\$ 250,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 450,000
23-07	New	Enterprise Data Historian Management System	A data historian is required to store large amounts of data that is required for compliance reporting to regulators, operational performance reports, cost allocation, and engineering analysis.	\$ 300,000	E	Debt	\$ 50,000	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 300,000
28-01	Decommission	Marigold Surge Tank Deconstruction	The old Mariogld Surge Tank has been abandond for many years, is becoming a safety concern for youth, a needs to be removed.	\$ 1,660,000	S	Debt		\$ -	\$ -	\$ 160,000	\$ 1,500,000		\$ 1,660,000
24-15	Replacement	IT Core Infrastructure Replacement	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life	\$ 455,000	S	ERF	\$ 200,000	\$ -	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ 300,000
27-03	Study	Master Plan and Future Wastewater Treatment Plant Assessment	Create a current Master Plan for the future requirements of Core Area Wastewater System.	\$ 1,140,000	S	Debt	\$ -	\$ 240,000	\$ 500,000	\$ 400,000	\$ -	\$ -	\$ 1,140,000
26-07	Study	Wastewater Strategic Planning	Create a strategic plan for wastewater within the CRD to guide decision making and long-term planning	\$ 200,000	S	Debt	\$ -	\$ 200,000					\$ 200,000.00
26-06	New	Office Densification at McLoughlin Point WWTP	Budget to further densify and provide additional work stations at McLoughlin Point WWTP.	\$ 175,000	S	Res	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000.00
28-03	New	Enterprise Asset Management System	Development of EAM system, including software and process implementation, for services to maintain assets and report on asset performance.	\$ 4,600,000	E	Debt	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000.00	\$ -	\$ 2,000,000.00
ANNUAL PROVISIONAL													\$ -
21-26	Replacement	Annual Provisional Emergency Repairs	Unforeseen and unplanned emergency repairs can occur which require immediate attention.	\$ 7,500,000	S	Res		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,500,000
23-06	Replacement	Annual Provisional Equipment Replacement	Replacement of at end of service life, including valves, variable frequency drives, capacitors.	\$ 1,500,000	S	ERF		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
23-08	New	Process & Mechanical Upgrades	Upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure in order to optimize operations	\$ 4,250,000	S	Debt		\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 4,250,000
23-09	New	Safety & Security Upgrades	Upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure to improve worker health and safety	\$ 2,400,000	S	Debt		\$ 600,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,200,000
													\$ -
OUTFALLS / OVERFLOWS													\$ -
24-08	Renewal	Clover Point Outfall Retrofit	The existing Clover outfall is no longer operated on a regular basis since wastewater is now conveyed to McLoughlin WWTP, but it must be ready for operation during peak storm events. As a result, the existing outfall will need to be assessed for best operational and maintenance practices based on limited use.	\$ 500,000	S	Debt	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
25-02	Renewal	Macaulay Point Outfall Retrofit	A section of coating on the emergency short outfall has failed and the pipe is corroding, and the long outfall needs to be modified to suit reduced usage. This project is to repair the coating, provide shoreline protection, and prepare a plan to maintain the deep outfall based on limited use.	\$ 750,000	S	Debt	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ 750,000
27-02	Renewal	Broom Overflow Pipe Rehabilitation	Overflow pipe is cracked and severed in multiple locations and H2S gases and odours are present.	\$ 575,000	S	Debt		\$ -	\$ 75,000	\$ 500,000	\$ -	\$ -	\$ 575,000
RESIDUAL SOLIDS													\$ -
26-08	New	Biosolids Advanced Thermal Plant	Biosolids Advanced Thermal Plant. Integration of technology at the Residuals Treatment Facility to process biosolids into biochar. The project has been directed by the Board and a preferred proponent has been identified. The project is anticipated to reduce operating expenses following completion in 2030.	\$ 10,000,000	S	Cap	\$600,000	\$600,000					\$600,000
26-08	New	Biosolids Advanced Thermal Plant	Biosolids Advanced Thermal Plant. Integration of technology at the Residuals Treatment Facility to process biosolids into biochar. The project has been directed by the Board and a preferred proponent has been identified. The project is anticipated to reduce operating expenses following completion in 2030.		S	Debt			\$ 1,000,000	\$ 7,250,000	\$ -	\$ 750,000	\$9,000,000
DCC PROJECTS													\$ -
													\$ -
			Grand Total	\$ 136,825,000			\$ 11,475,000	\$ 22,585,000	\$ 17,210,000	\$ 25,675,000	\$ 18,740,000	\$ 15,840,000	\$ 100,050,000

Service:

3.798C

Debt - Core Area Wastewater Treatment Program

Project Number

25-01

Capital Project Title

Secondary Odour Collection System
Upgrade - pre-filter

Capital Project Description

Replacement of existing pre-filter to further
optimize odour treatment and extend the life
of carbon treatment.

Project Rationale

This work will progress the intent to further optimize odour control for poitential benefits to public impacts and life cycle costs.

Project Number

26-03

Capital Project Title

Electric Vehicle Charging

Capital Project Description

Electrical and civil work for electric vehicle
charger infrastructure.

Project Rationale

Renewals based upon Delcan's 2013 condition assessments and revised inspections. Work includes electrical (replace PLC, SCADA pack, communications), and building upgrades.

Project Number

26-04

Capital Project Title

McLoughlin Discharge Energy Reclamation

Capital Project Description

Feasibility study to look at the cost benefit of
pursuing this.

Project Rationale

ADD RATIONALE

Project Number

21-01

Capital Project Title

Lang Cove Electrical and Building Upgrades

Capital Project Description

Renewals based upon Delcan's condition
assessment and EIC inspections. Work
includes electrical (replace PLC, SCADA pack,
communications), and building upgrades.

Project Rationale

Renewals based upon Delcan's 2013 condition assessments and revised inspections. Work includes electrical (replace PLC, SCADA pack, communications), and building upgrades.

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number 21-02

Capital Project Title Marigold Electrical and Building Upgrades

Capital Project Description

Renewals are based upon Delcan's condition assessment and EIC inspections. Work includes electrical (replace MCC, PLC, VFD's, 480v to 600v upgrade, etc), and building upgrades.

Project Rationale Renewals are based upon Delcan's 2013 condition assessments and revised inspections. Work includes electrical (replace MCC, PLC, VFD's, 480v to 600v upgrade, etc), and building upgrades. Tendering was conducted in 2023, combined with Currie Major PS (21-03) works but the Marigold portion of the scope far exceeded available budget. Re-tendering will be conducted in 2024 with additional budget added.

Project Number

21-03

Capital Project Title

Currie Major Electrical and Seismic Upgrades

Capital Project Description

Renewals based upon Delcan's condition assessment and EIC inspections. Work includes electrical (replace VFDs, PLC, SCADA pack, communications), seismic upgrades and driveway repairs.

Project Rationale Renewals based upon Delcan's 2013 condition assessments and revised inspections. Work includes electrical (replace VFDs, PLC, SCADA pack, communications), seismic upgrades and driveway repairs. A tender was conducted in 2023, combined with Marigold PS (21-02) works but the Marigold component came in well over budget. Re-tendering will be conducted in 2024 with additional budget added for Marigold.

Project Number 21-05

Capital Project Title Harling PS - Complete Replacement

Capital Project Description

Based on Delcan's condition assessment and the age of this facility, replacement of Harling Point PS is required.

Project Rationale Replacement of Harling Point PS is based on Delcan's 2013 condition assessment. The preliminary design was completed in 2018. CRD has progressed a scope of work for a Consultant to provide detailed design and construction support services. Detailed design scope was awarded and initiated in 2024 with Construction expected to commence in 2025.

Project Number

25-04

Capital Project Title

Pump Station Renewal Program

Capital Project Description

Small to mid-scale upgrades to multiple pump stations based on previous condition assessments, EIC inspections and building structure improvements.

Project Rationale Electrical, Mechanical and other ancillary upgrades are required at multiple facilities. Due to similarities in work, there is benefit in managing this work within a single program budget. Pump stations requiring this work include Trent, Hood, Currie Minor, Humber, Rutland and Penrhyn.

Service:

3.798C

Debt - Core Area Wastewater Treatment Program

Project Number 26-02

Capital Project Title Concrete Condition Assessments

Capital Project Description

Detailed concrete condition assessments for wet wells and other degraded concrete at pump stations in the core area. Project will evolve following initial assessments being completed.

Project Rationale It has been identified that the condition of the concrete in many of the wet wells and pump stations throughout the Core Areas had degraded, and as a result, condition assessment studies need to take place to quantify the magnitude of damage. Project will evolve following initial assessments being completed.

Project Number 26-05

Capital Project Title Concrete Improvements

Capital Project Description

Concrete Improvement works following Condition Assessments. This is a placeholder budget that will be updated following condition assessment work and remediation plan.

Project Rationale ADD RATIONALE

Project Number 21-06

Capital Project Title Shoreline Trunk Sewer Upgrade

Capital Project Description

The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Shoreline Trunk must be twinned to prevent overflows into Portage Inlet during peak storm events.

Project Rationale The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Shoreline Trunk must be twinned to prevent overflows into Portage Inlet.

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number	21-07	Capital Project Title	Western Trunk Sewer Twinning	Capital Project Description	The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Western Trunk Sewer must be twinned from Aldeane to Craigflower PS to prevent overflows upstream of Parson's siphon during peak storm events.
Project Rationale	The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Western Trunk Sewer must be twinned from Aldeane to Craigflower PS to prevent overflows upstream of Parson's siphon. For 2025, approximately \$400k will be allocated to twin a section of this main at the new Galloping Goose pedestrian overpass in partnership with the City of Colwood.				

Project Number	24-17	Capital Project Title	Sewer Cleaning and Inspection	Capital Project Description	Core Area sewers should be cleaned and inspected on a 5-year cycle. This program will support that continued cycle.
Project Rationale	Core Area sewers should be cleaned and inspected on a 5-year cycle. This program will support that continued cycle.				

Project Number	21-11	Capital Project Title	Manhole Repairs and Replacement	Capital Project Description	Based upon CCTV and staff inspections on manholes, there are a number of deteriorated MH's that require repair or replacement.
Project Rationale	Based upon CCTV and staff inspections on manholes, high priority repairs and replacement of deteriorated MH's.				

Project Number	23-01	Capital Project Title	Cecelia Ravine Pipe Protection	Capital Project Description	Based on geotechnical review, a section of the exposed NWT in Cecelia Ravine should be covered & protected from falling rocks upslope from the pipe.
Project Rationale	Based on geotechnical review, a section of the exposed NWT in Cecelia Ravine should be covered & protected from falling rocks upslope from the pipe. This project is currently being delayed for future coordination with works that CRD Parks is expected to be doing on the Galloping Goose Trail.				

Service:

3.798C

Debt - Core Area Wastewater Treatment Program

Project Number

24-11

Capital Project Title

Western Trunk Grit Chamber Repairs

Capital Project Description

The Western Trunk (Island Highway) Grit Chamber is badly corroded and requires repairs before extensive structural damage occurs.

Project Rationale Repairs to Western Trunk Grit Chamber at Island Highway. Chamber is badly corroded and requires repair.

Project Number

26-01

Capital Project Title

NWT Sewer Replacement at Alpha-Terrace

Capital Project Description

A 5m long section of old concrete pipe downstream of Boundary Transition Chamber is badly corroded and needs to be replaced with new PVC pipe.

Project Rationale Pipe segment replacement required prior to failure.

Project Number

21-13

Capital Project Title

Craigflower Forcemain Twinning

Capital Project Description

The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Craigflower Forcemain must be twinned to prevent overflows into Portage Inlet during peak storm events.

Project Rationale The hydraulic model and capacity assessment of the system by KWL in 2018-19, has identified that the Craigflower Forcemain must be twinned to prevent overflows into Portage Inlet.

Project Number

24-14

Capital Project Title

Parsons Siphon/Bridge Connection Repairs

Capital Project Description

The siphon pipe support connections to the Parsons Bridge require repairs.

Project Rationale The siphon pipe support connections to the Parsons Bridge require repairs.

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number	25-03	Capital Project Title	Harriet Siphon Inlet Chamber Upgrade	Capital Project Description	Assess concrete corrosion and replace seized control gates.
Project Rationale	The concrete chamber is badly corroded and the control gates are seized on this chamber and they need to be replaced so that the individual siphons can be isolated or activated.				

Project Number	27-01	Capital Project Title	Forcemain and Siphon Pipe Assessment Study	Capital Project Description	There are several forcemain pipes downstream from each pump station that have never been assessed. A study is proposed to investigate various technologies to evaluate the condition of the pipes.
Project Rationale	Repairs to Western Trunk Grit Chamber at Island Highway. Chamber is badly corroded and requires repair.				

Project Number	21-22	Capital Project Title	Asset Management Plan Update	Capital Project Description	Previous condition assessment studies will be updated and incorporated into a long-term asset management plan to meet expected level-of-service requirements.
Project Rationale	Previous condition assessment studies will be updated and incorporated into a long-term asset management plan to meet expected level-of-service requirements.				

Project Number	21-23	Capital Project Title	DCC Program Development	Capital Project Description	With the completion of CAWTP and amendment of the Service Establishment Bylaw, it was noted that a DCC Program would be established to fund future wastewater projects related to growth. This project is to create the program, consult with stakeholders and prepare a new DCC bylaw.
Project Rationale	With the completion of CAWTP and amendment of the Service Establishment Bylaw, it was noted that a DCC Program would be established to fund future wastewater projects related to growth. This project is to create the program, consult with stakeholders and prepare a new DCC bylaw.				

Service:

3.798C

Debt - Core Area Wastewater Treatment Program

Project Number

21-24

Capital Project Title

Record Drawing and Wastewater Agreement Updates

Capital Project Description

The old as-built drawings, connection points and wastewater agreements with the contributing municipalities has not been updated in many years. Updates are required to reflect changes in the system, identify clear demarcation points, and reflect updates in the LWMP.

Project Rationale The old as-built drawings, connection points and wastewater agreements with the contributing municipalities has not been updated in many years. Updates are required to reflect changes in the system, identify clear demarcation points, and reflect updates in the LWMP.

Project Number

21-25

Capital Project Title

SCADA and Radio Assessment

Capital Project Description

Majority of the radio and SCADA equipment are nearing end of life, technological advances do not allow for straight replacements, funding is required for assessments of existing equipment and site requirements.

Project Rationale Majority of the radio and SCADA equipment are nearing end of life, technological advances do not allow for straight replacements, funding is required for assessments of existing equipment and site requirements.

Project Number

22-03

Capital Project Title

Acquisition of Outstanding Right-of-Ways

Capital Project Description

Some of the infrastructure is located on privately owned land that do not have rights-of-way. A plan is being developed to acquire SRW's for all infrastructure over time. Initial spending requires a study and plan prior to acquisition.

Project Rationale Some of the infrastructure is located on privately owned land that do not have right-of-ways. A plan is being developed to acquire SRW's for all infrastructure over time. Initial spending requires a study and plan prior to acquisition.

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number	22-04	Capital Project Title	Microwave Radio Upgrades	Capital Project Description	To provide a high bandwidth communications backbone to the CAWWT system, a microwave communications system will be installed.
Project Rationale	Multiple facilities throughout the CRD RWS system require additional bandwidth to allow for proper monitoring and control. This project will enable the initial design and preliminary installation of a high bandwidth microwave backbone that will be able to be leveraged by multiple CRD operational groups. The installation of this backbone will be coordinated with the other IWS service areas.				

Project Number	23-07	Capital Project Title	Enterprise Data Historian Management System	Capital Project Description	A data historian is required to store large amounts of data that is required for compliance reporting to regulators, operational performance reports, cost allocation, and engineering analysis.
Project Rationale	A data historian is required to store large amounts of data that is required for compliance reporting to regulators, operational performance reports, cost allocation, and engineering analysis.				

Project Number	28-01	Capital Project Title	Marigold Surge Tank Deconstruction	Capital Project Description	The old Mariogld Surge Tank has been abandond for many years, is becoming a safety concern for youth, a needs to be removed.
Project Rationale	Future assessment and decommissioning.				

Project Number	24-15	Capital Project Title	IT Core Infrastructure Replacement	Capital Project Description	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life
Project Rationale	CAWW portion of Core IT Infrastructure. Program to be managed by CRD IT.				

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number	27-03	Capital Project Title	Master Plan and Future Wastewater Treatment Plant Assessment	Capital Project Description	Create a current Master Plan for the future requirements of Core Area Wastewater System.
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Project Rationale Capacity needs, technology review, siting requirements, conceptual layout, Environmental Impact Assessment and other planning efforts.

Project Number	26-06	Capital Project Title	Office Densification at McLoughlin Point WWTP	Capital Project Description	Budget to further densify and provide additional work stations at McLoughlin Point WWTP.
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Project Rationale ADD RATIONALE

Project Number	28-03	Capital Project Title	Enterprise Asset Management System	Capital Project Description	Development of EAM system, including software and process implementation, for services to maintain assets and report on asset performance.
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Project Rationale To advance action 3.8 in Corporate Asset Management Strategy to implement an EAM system and approved as part of the 2025 IBC 13b.2-1 for Enterprise Asset Management System

Project Number	21-26	Capital Project Title	Annual Provisional Emergency Repairs	Capital Project Description	Unforeseen and unplanned emergency repairs can occur which require immediate attention.
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Project Rationale Funds are required for unforeseen and unplanned emergency repairs can occur which require immediate attention.

Project Number	23-06	Capital Project Title	Annual Provisional Equipment Replacement	Capital Project Description	Replacement of at end of service life, including valves, variable frequency drives, capacitors.
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Project Rationale Replacement of equipment at end of service life, including valves, variable frequency drives, capacitors.

Service: 3.798C Debt - Core Area Wastewater Treatment Program

Project Number	23-08	Capital Project Title	Process & Mechanical Upgrades	Capital Project Description	Upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure in order to optimize operations
Project Rationale	Annual Provisional account for upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure in order to optimize operations in order to improve compliance with regulatory requirements, improve equipment and process efficiency, and reduce risk of pre-mature equipment failure.				

Project Number	23-09	Capital Project Title	Safety & Security Upgrades	Capital Project Description	Upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure to improve worker health and safety
Project Rationale	Annual Provisional Account for upgrades to the Core Area Wastewater Treatment and Conveyance infrastructure to improve worker health and safety. This includes constructing safe access platforms to complete maintenance at equipment that present a fall from heights risk and other items that are flagged as health and safety concerns.				

Project Number	24-08	Capital Project Title	Clover Point Outfall Retrofit	Capital Project Description	The existing Clover outfall is no longer operated on a regular basis since wastewater is now conveyed to McLoughlin WWTP, but it must be ready for operation during peak storm events. As a result, the existing outfall will need to be assessed for best operational and maintenance practices based on limited use.
Project Rationale	The existing outfall will see a significant reduction in usage once the Clover Point Pump Station is commissioned and wastewater flows up to 3 times ADWF are redirected to the McLoughlin WWTP. As a result, the existing outfall will need to be assessed for best operational and maintenance practices based on expected limited use instead of current continuous use.				

Service:

3.798C

Debt - Core Area Wastewater Treatment Program

Project Number	25-02	Capital Project Title	Macaulay Point Outfall Retrofit	Capital Project Description	A section of coating on the emergency short outfall has failed and the pipe is corroding, and the long outfall needs to be modified to suit reduced usage. This project is to repair the coating, provide shoreline protection, and prepare a plan to maintain the deep outfall based on limited use.
	Project Rationale A section of coating the emergency short outfall has failed, the pipe is corroding, and the long outfall needs to be assessed/modified to suit reduced usage. This project is to repair the coating, provide shoreline protection, and modify the deep outfall.				

Project Number	27-02	Capital Project Title	Broom Overflow Pipe Rehabilitation	Capital Project Description	Overflow pipe is cracked and severed in multiple locations and H2S gases and odours are present.
	Project Rationale A section of coating the emergency short outfall has failed and the pipe is corroding, and the long outfall needs to be modified to suit reduced usage. This project is to repair the coating, provide shoreline protection, and modify the deep outfall.				

Project Number	26-08	Capital Project Title	Biosolids Advanced Thermal Plant	Capital Project Description	Biosolids Advanced Thermal Plant. Integration of technology at the Residuals Treatment Facility to process biosolids into biochar. The project has been directed by the Board and a preferred proponent has been
	Project Rationale Under direction from the board, the CRD is pursuing a thermal pilot demonstration plant to beneficially utilize biosolids generated from the Residual Treatment Facility (RTF). Early phases of the project include staff time and consultants required to conduct preliminary design, permitting and detail design to create a tender package. Subsequent phase will involve construction of a thermal pilot demonstration plant.				

Project Number	26-07	Capital Project Title	Wastewater Strategic Planning	Capital Project Description	Create a strategic plan for wastewater within the CRD to guide decision making and long-term planning
	Project Rationale High level framework of strategic priorities and commitments for liquid waste within the CRD. The strategic plan will guide decision making and long term planning required for executing the CRD Wastewater Master Plan.				

3.798C Debt - Core Area Wastewater Capital Asset and Reserve Summary
Summary Schedule
2025 - 2029 Financial Plan

Reserve Schedule Summary

Core Area Wastewater

The Wastewater Treatment Project (WTP) provides tertiary treatment for wastewater from the core area municipalities of Victoria, Esquimalt, Saanich, Oak Bay, View Royal, Langford and Colwood, and the Esquimalt and Songhees Nations. The WTP is built to meet the provincial and federal regulations for treatment at December 31, 2020. The Project consists of three main elements: McLoughlin Point Wastewater Treatment Plant, Residuals Treatment Facility, and the Conveyance System

Reserve/Fund Summary

	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
Capital Reserve Fund	18,521,494	19,417,613	20,638,732	22,509,851	25,780,970	35,812,339
Capital Reserve Fund-Western Community	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Debt Reserve Fund	25,370,911	31,621,998	38,132,418	34,626,398	179,492	179,492
Total	45,892,405	53,039,611	60,771,150	59,136,249	27,960,462	37,991,831

See attached reserve schedules for projected annual cash flows.

Capital Reserve Fund Schedule Core Area Wastewater

Bylaw 4378 - The capital reserve fund was established to provide funding for capital expenditures in respect of capital projects including but not limited to, land, machinery or equipment necessary for the replacement, extension or renewal of existing capital works and related debt servicing payments

Capital Reserve Schedule

Capital Reserve Fund

Fund: 1092

Fund Centre: 102227

	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	18,780,375	18,521,494	19,417,613	20,638,732	22,509,851	25,780,970
Planned Purchase (Based on Capital Plan)	(4,180,000)	(2,225,000)	(1,900,000)	(1,500,000)	(1,500,000)	(3,500,000)
Transfer IN (from Ops Budget)	2,121,119	3,121,119	3,121,119	3,371,119	4,771,119	13,531,369
Transfer IN (North East Trunk CRF)						
Surplus/Deficit	1,000,000					
Interest Income*	800,000					
Ending Balance \$	18,521,494	19,417,613	20,638,732	22,509,851	25,780,970	35,812,339

Assumptions/Background:

The funding strategy for the capital reserve fund is based upon the 25 year replacement plan as by Stantec during the construction of the Core Area Wastewater Treatment Project

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

* 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.

Bylaw 4378 - The capital reserve fund was established to serve both the Core Area and Western Communities. The reserve schedule below is committed to advancing studies for a wastewater treatment proposal in Colwood.

Colwood Treatment Project -Capital Reserve Schedule

Capital Reserve Fund

Fund: 1092

Fund Centre: 102277

	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Interest Income*						
Ending Balance \$	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

Assumptions/Background:

Based on the Colwood news release, on December 15, 2016, CAWTP project board approved the transfer of \$2 millions once the project is closed. The funds are to be set aside in a separate reserve fund center.

* 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. which is not included.

Debt Reserve Fund Schedule Core Area Wastewater

Bylaw 4377 - The debt reserve fund was established for the specified purpose of funding future debt servicing payments or debt retirements. Monies in the debt repayment reserve will fund debt servicing and early repayment of debts issued to fund the Core Area Wastewater Treatment Project

Debt Reserve Schedule

Debt Reserve Fund

Fund: 1093

Fund Center: 102228

	Estimate	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	18,702,751	25,370,911	31,621,998	38,132,418	34,626,398	179,492
Debt Payment		-	-	(10,283,553)	(41,134,212)	
Transfer from Ops Budget	5,418,160	5,489,960	5,561,760	5,633,560	5,994,778	-
Surplus/Deficit	500,000					
Interest Income*	750,000	761,127	948,660	1,143,973	692,528	
Ending Balance \$	25,370,911	31,621,998	38,132,418	34,626,398	179,492	179,492

Assumptions/Background:

The funding strategy for the debt reserve fund is based upon the project's financing plan as approved during the construction of the Core Area Wastewater Treatment Project. Repayment anticipated by 2031.

* 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.

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

	2021	2022	2023	2024	2025
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%
	100%	100%	100%	100%	100%

Bylaw 4304

Change in Budget 2025 to 2026		Total Expenditure	Comments
Service:	3.717 Core Area Wastewater Operations		
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
------	------	------	------

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		Estimate	Budget				
Projected year end balance		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
Core Area Beginning Balance	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					
Year End Balance	3,961,559	4,561,559	5,536,559	6,911,559	7,741,559	8,086,559
Transfer of Host Community Impact Fee until Decommissioning	1,393,175	1,323,175	1,253,175	1,183,175	1,113,175	1,043,175
RTF & EPRO Beginning Balance	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
Year End Balance	6,086,353	6,115,430	6,144,507	6,173,583	6,202,660	6,231,737
Total projected year end balance	11,441,087	12,000,163	12,934,240	14,268,317	15,057,394	15,361,471

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.

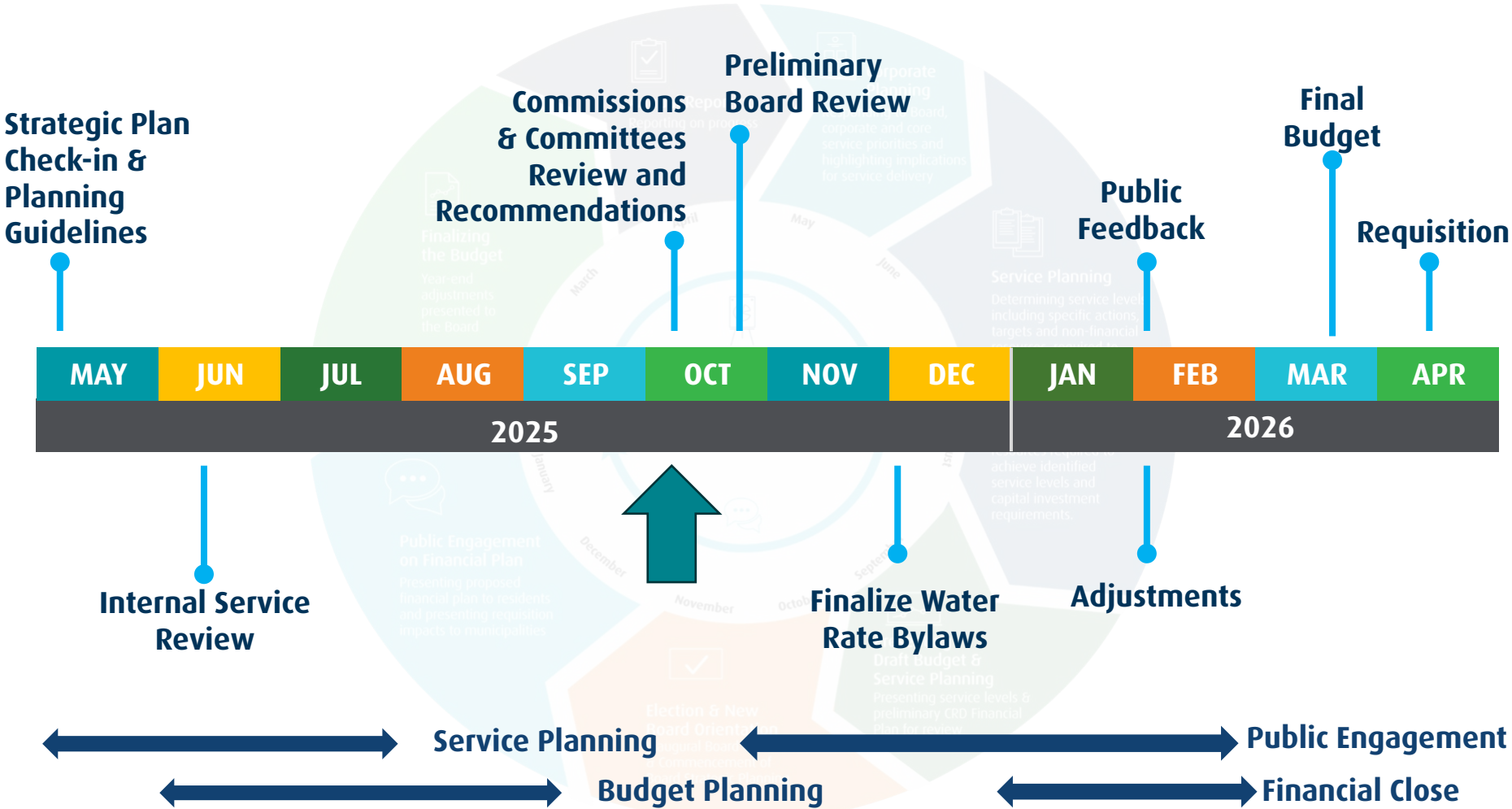
* Interest in planning years nets against inflation which is not included.



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.

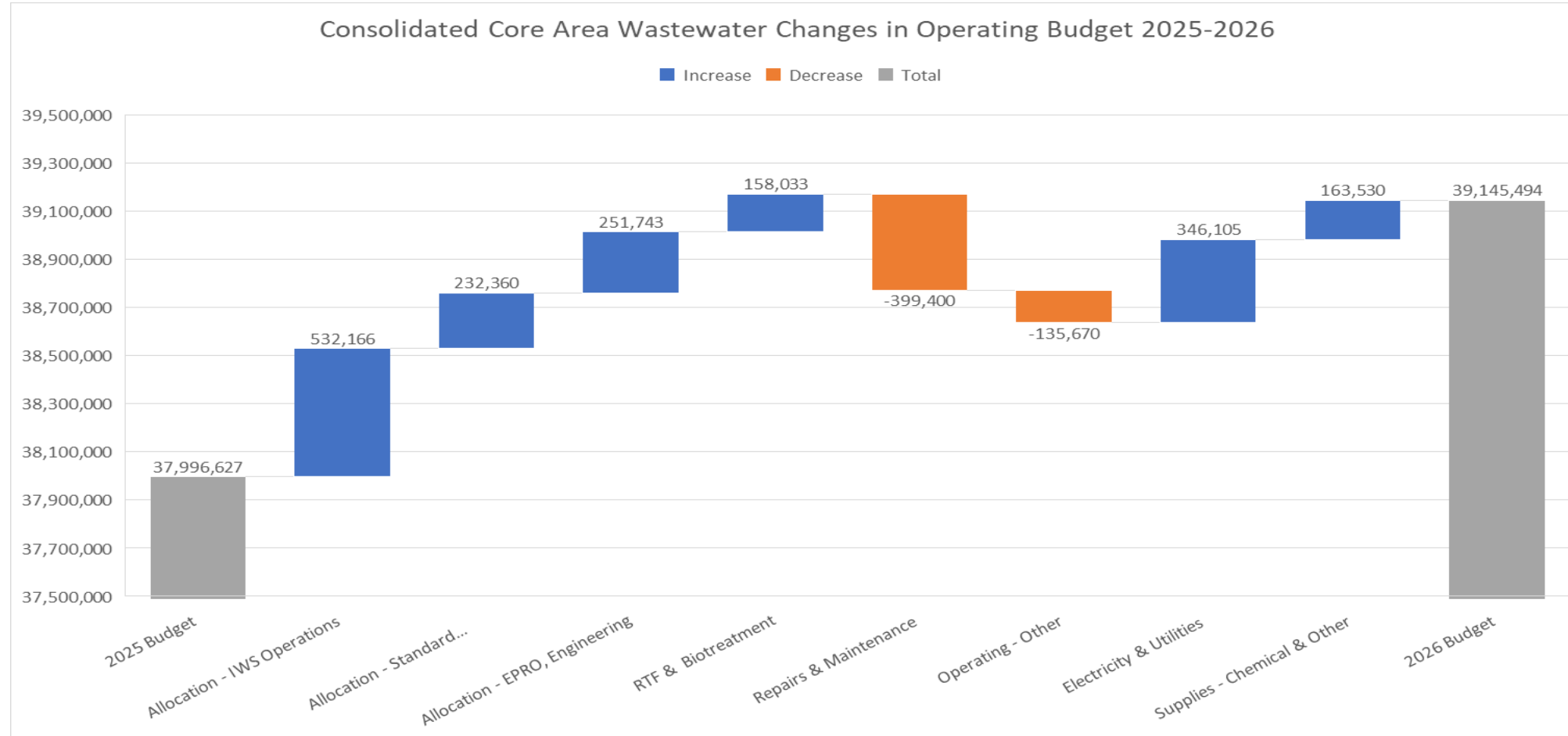
2026 Budget Overview – Conveyance & Treatment Operating Costs

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

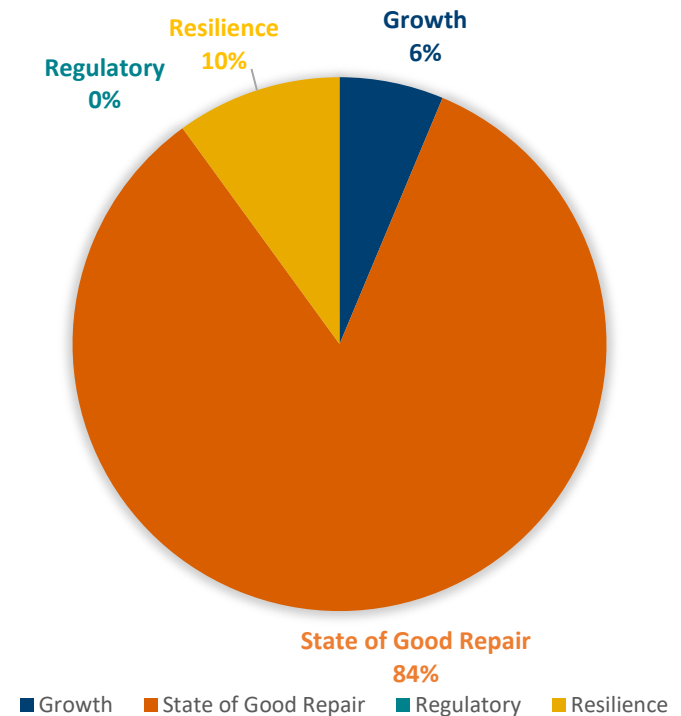
2026 Key Projects:

- 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

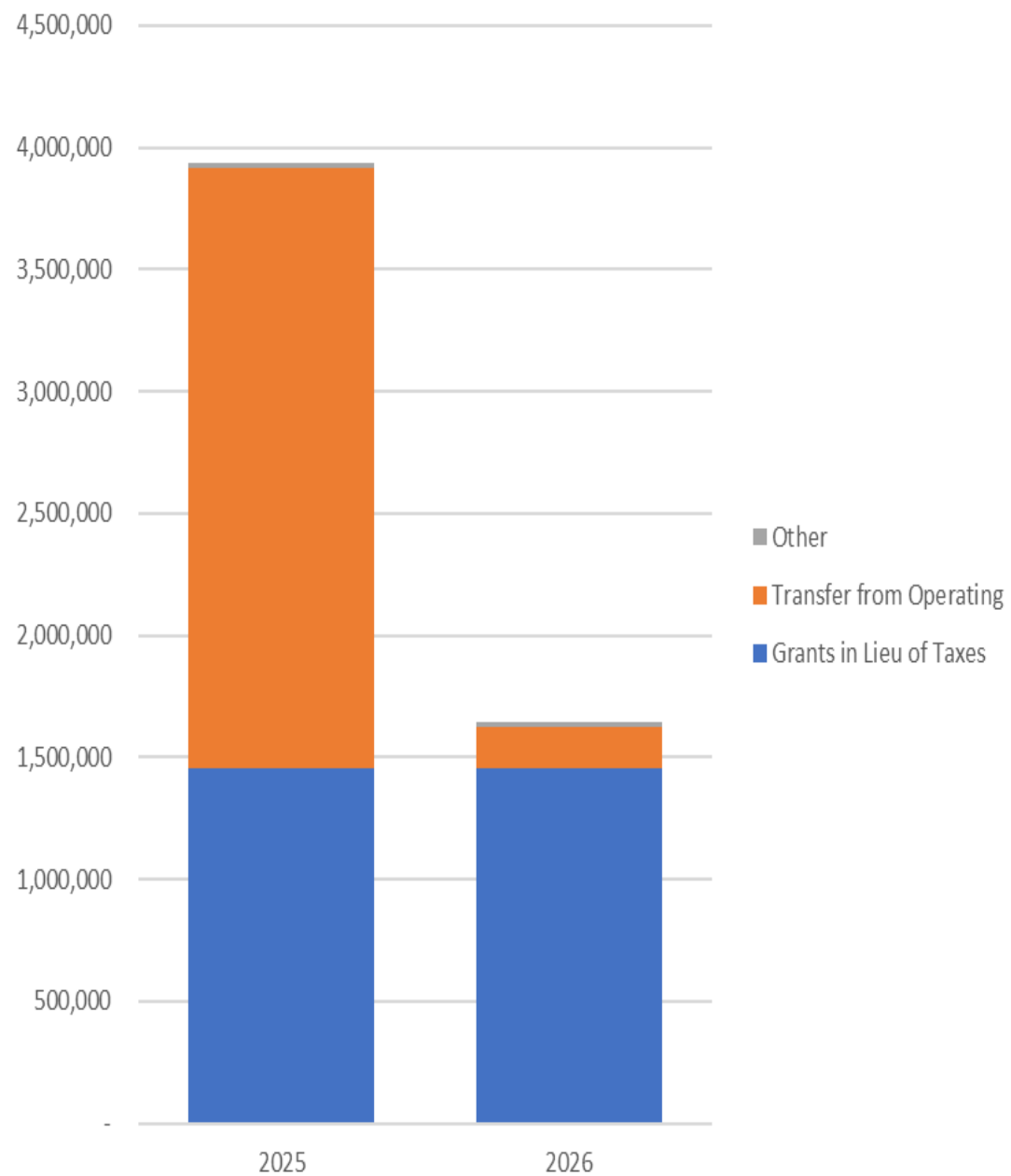
Highlights:

- 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.

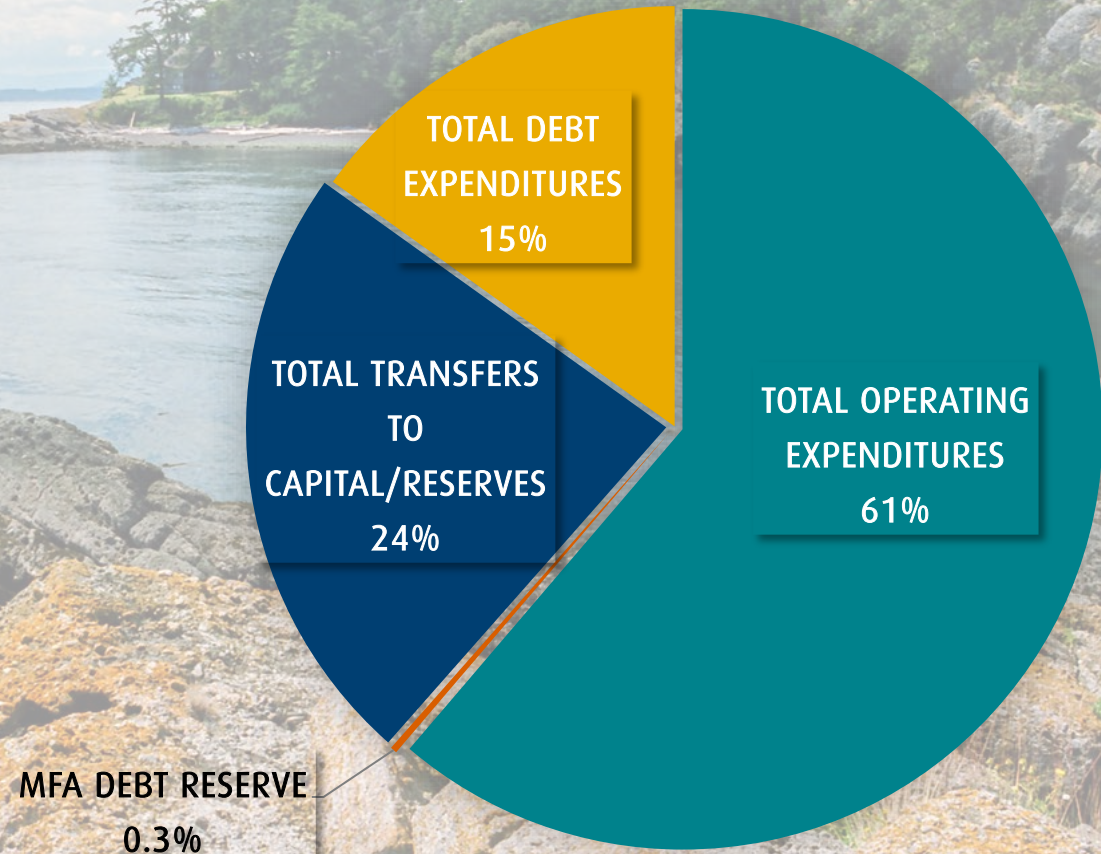
Requisition: \$62,036,361 (6.70%)

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)

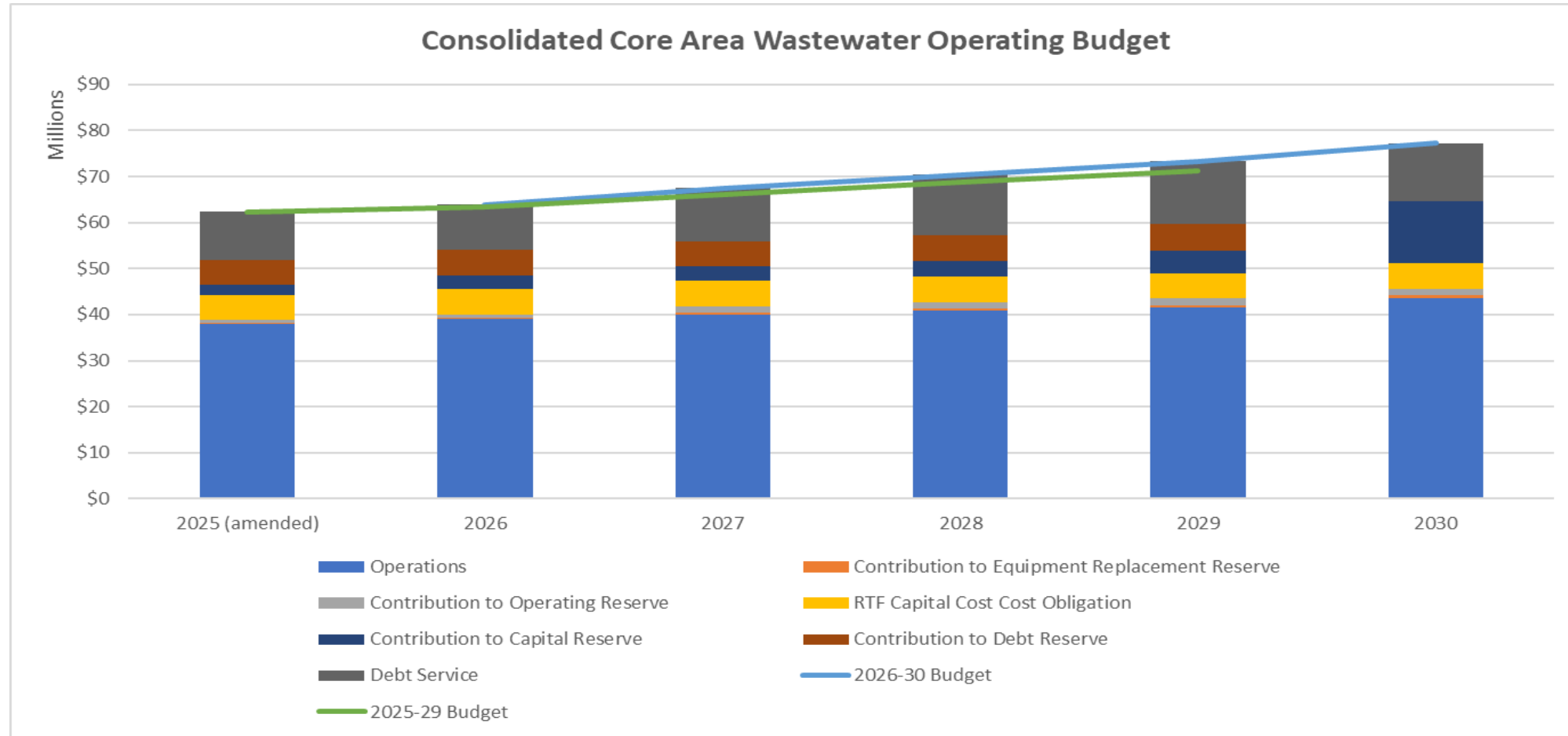


Breakdown of Costs

5 Year Budget Projection

Highlights:

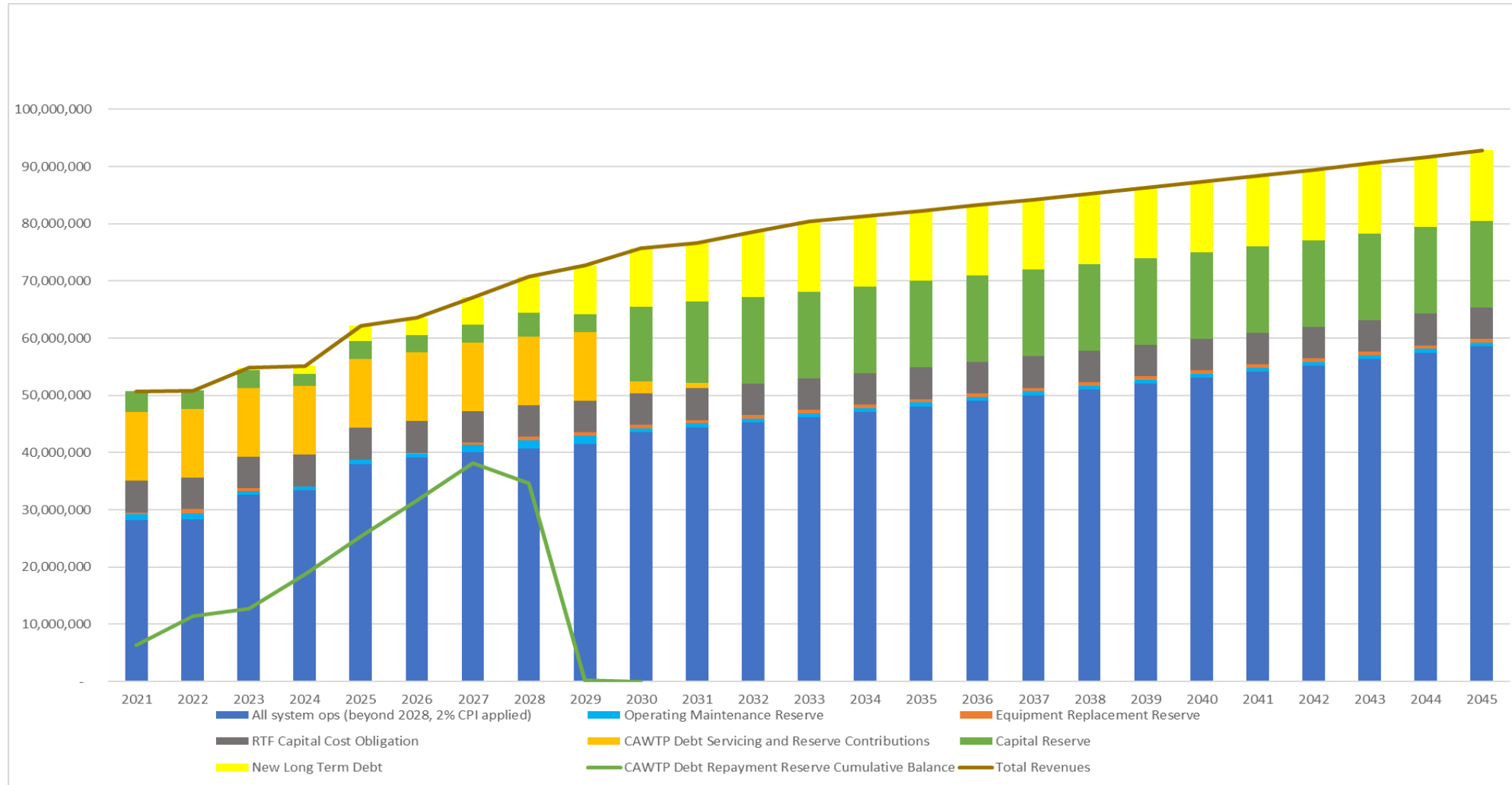
- Average annual increase of 4.4%, ranging from 2.58% to 5.59%.
- Look to mitigate future year projection by improving resiliency of biosolids disposal and optimizing chemical usage and potable water consumption.
- The Operating Maintenance Reserve is expected to meet minimum guideline levels by the 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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