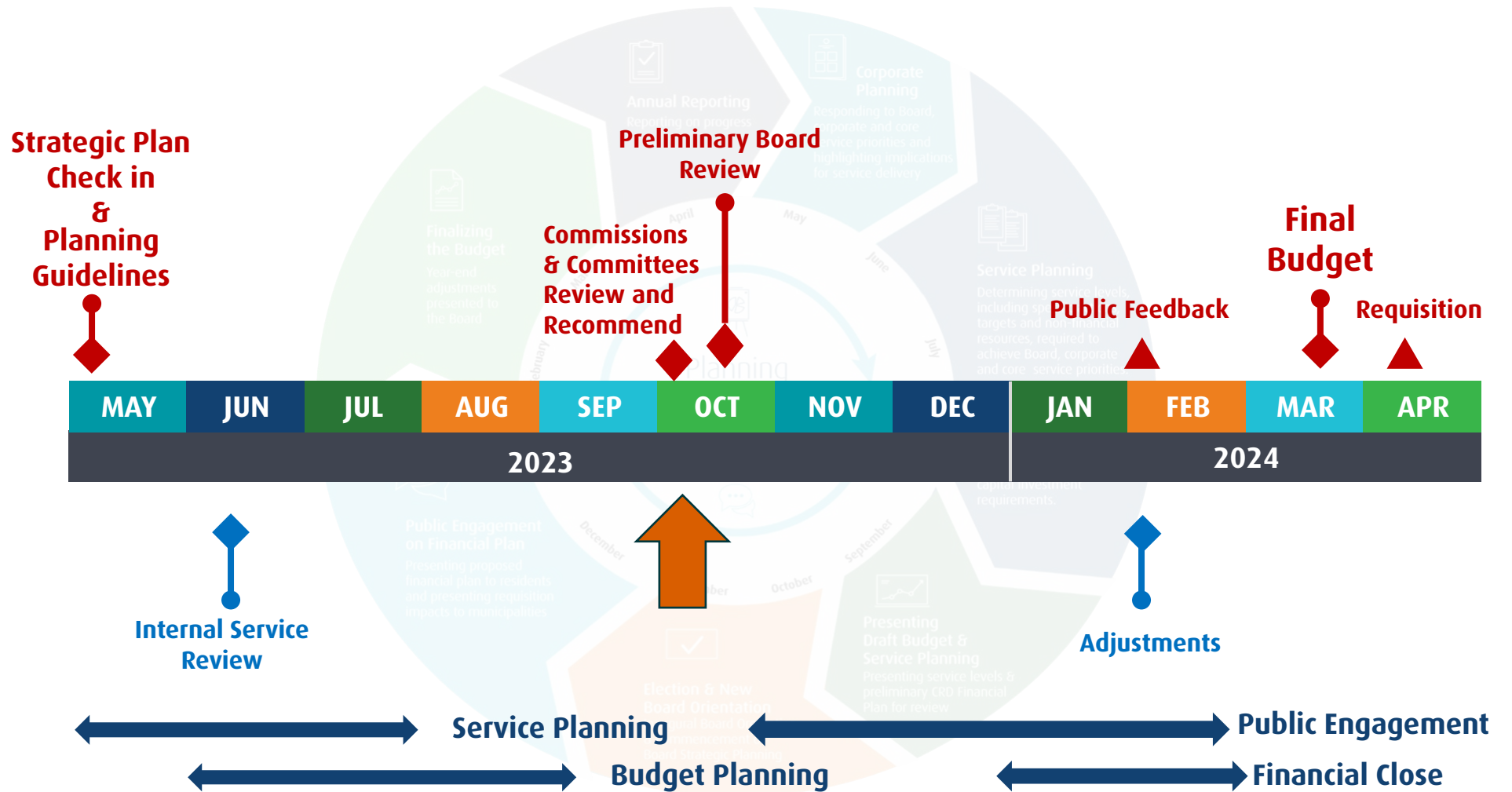


# Core Area Liquid Waste Management Budget Overview

Core Area Liquid Waste Management Committee  
October 11, 2023

# Budget Process Overview



Current System Overview  
Wastewater Treatment  
Conveyance  
and Biosolids  
Management

McLoughlin Treatment Plant  
with treatment capacity of 108 ML/day



92 km Conveyance System



18 Pumping Stations







# 2024 Budget Considerations

- 2023 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

# 2023 Year End Projections

Budget Item	Variance (\$) from June 2023 Amended Budget*
Supplies - Chemicals & Other	\$203,460
Electricity & Utilities	-\$365,962
Others	-\$22,163
Total Revenue	No variance
Reserve Fund Transfers	\$184,665

\* The Committee received a staff report June 28, 2023 which addressed the need for \$3 million additional funding resulting from additional landfill tipping fees for biosolids and loss of revenue from the Residuals Treatment Facility (RTF) acceptance and processing of third-party liquid waste (sludge). This budget overage was covered with the service's operational reserves.

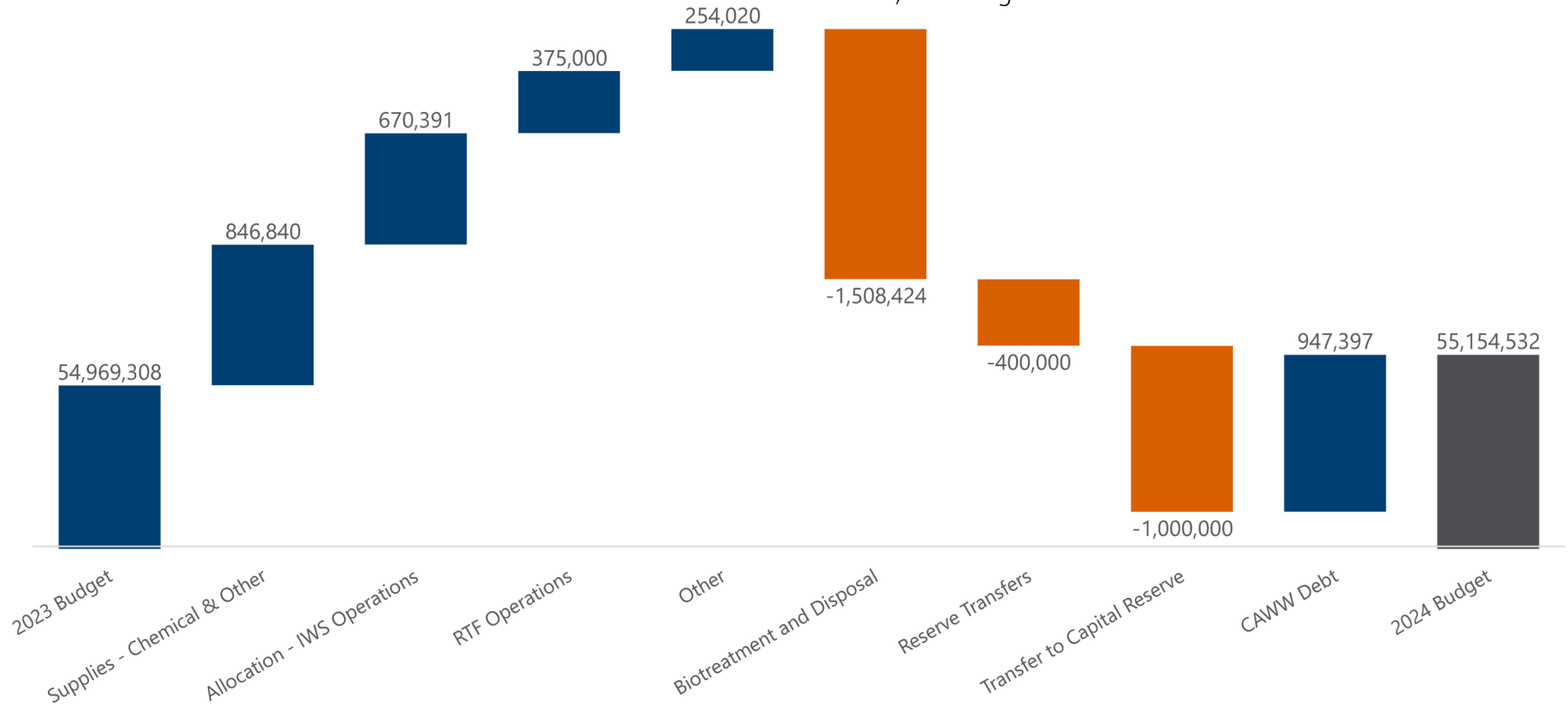
# 2024 Budget Overview – Conveyance & Treatment Operating Costs

## Overview:

Operations Costs: \$33,422,131 (+2.32%\*)

## Highlights:

- Incorporates cost escalations in chemical and biosolids disposal identified in 2023
- Increases resulting from inflationary pressures and collective agreement obligations retroactive from 2023
- Includes four increased service level initiatives continuing from 2023, no budget variance



\* Variance from 2023 amended budget, however a 12.8% increase from the original 2023 budget.



# 2024 Budget Overview – Environmental Services Programs Operations

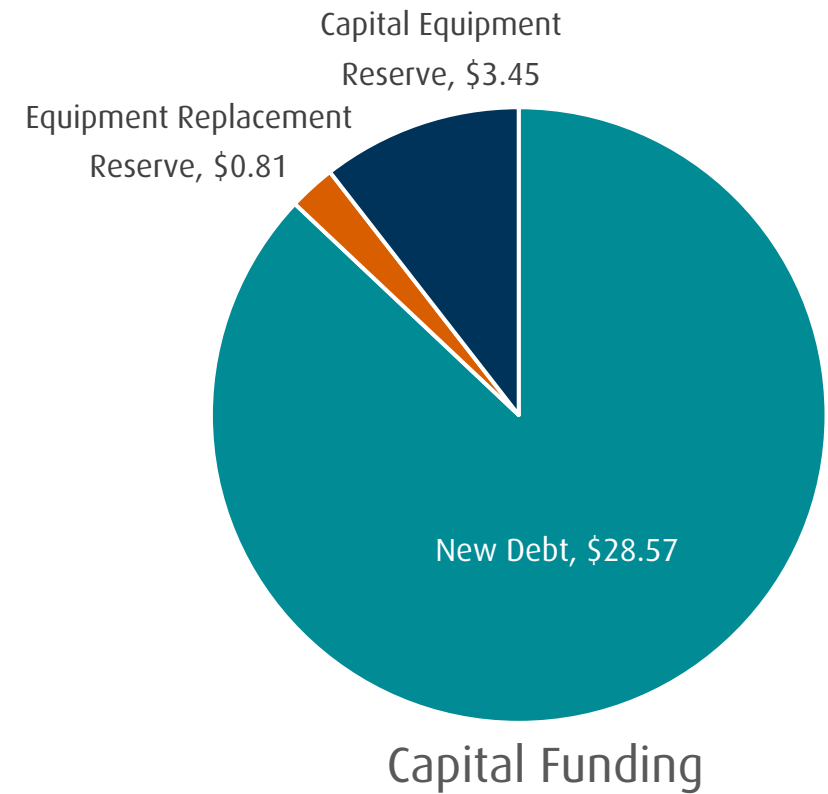
Core Area Wastewater Service supports CRD's commitments under the Liquid Waste Management Plan (LWMP) through participation in the following programs:

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



# 2024 Budget Overview Capital Budget

Overview	Core Capital (millions)
Projects in Progress	\$6.77
2024 Capital Budget	\$32.82
5-Year Capital Budget	\$80.77





# 2024 Budget Overview

## RTF Capital and Reserve Funding

### Overview:

Capital & Reserve: \$13,697,224 (-7.38%)

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

Transfer to Reserves: \$8,167,479

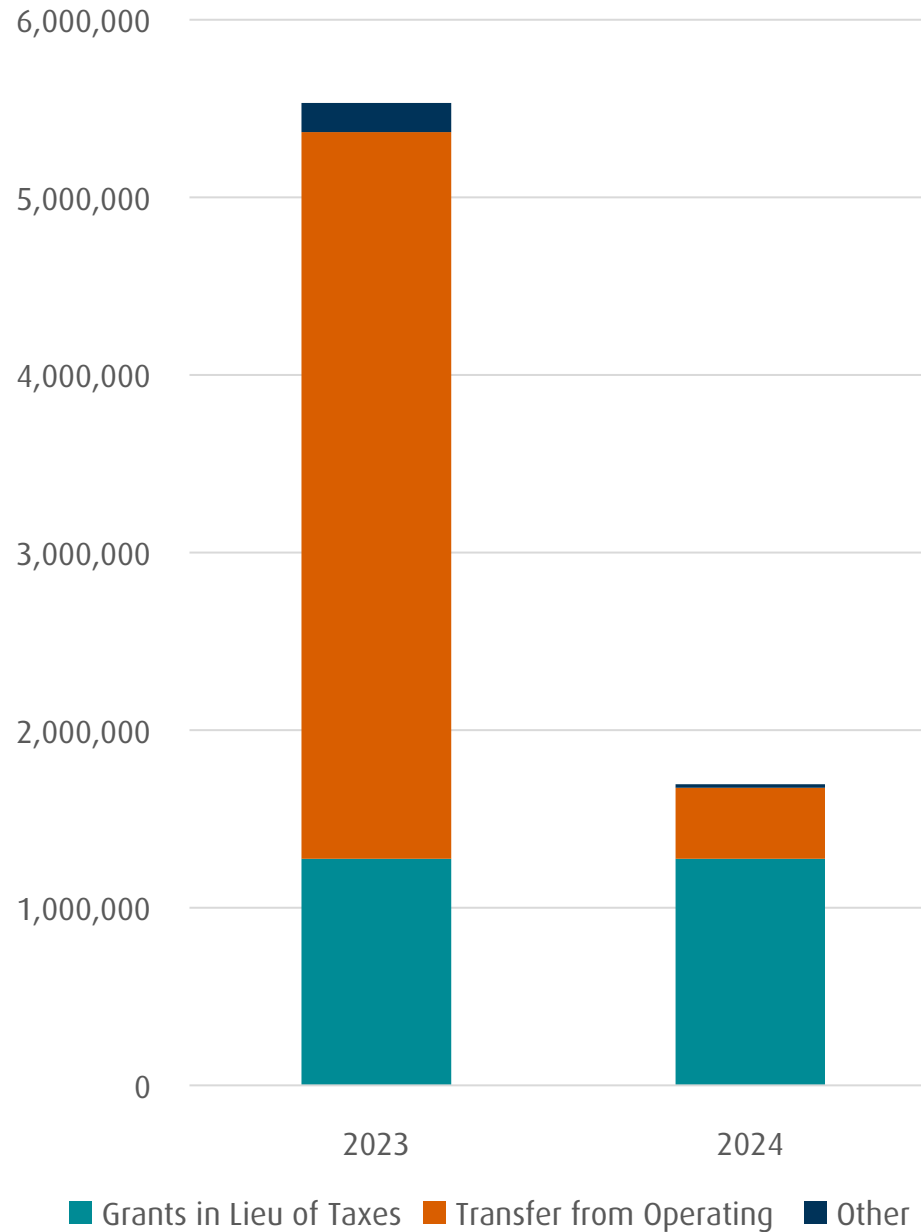
### Highlights:

- Operating Maintenance Reserve is under funded\* after 2023 draw
- Contributions to Capital Replacement and Equipment Reserves were reduced for 2024 to manage recent cost escalations and resulting requisitions

Reserve	2023 Estimated Year-End Balance	2024 Contribution	2024 Draw	Projected 2024 Year End
Operating Maintenance	\$1.96M	\$0.70M	\$0.40M	\$2.28M
Equipment Replacement	\$6.24M	\$0M	\$0.81M	\$5.44M
CAWTP Debt Retirement	\$17.82M	\$12.00M	\$6.66M	\$23.65M
Capital Replacement	\$14.64M	\$2.12M	\$2.75M	\$14.01M

\* Based on the CRD Operating Reserve Guidelines target fund level is \$3.5M

# 2024 Budget Overview Revenue



**Non-Requisition Revenue: 1,696,030 (-69%)**

2023 operating reserve transfer required to fund chemical cost increases, the additional landfill tipping fees for biosolids, loss of revenue from the RTF acceptance and processing of third-party liquid waste (sludge)

**Requisition: \$53,246,262 (8.16%)**

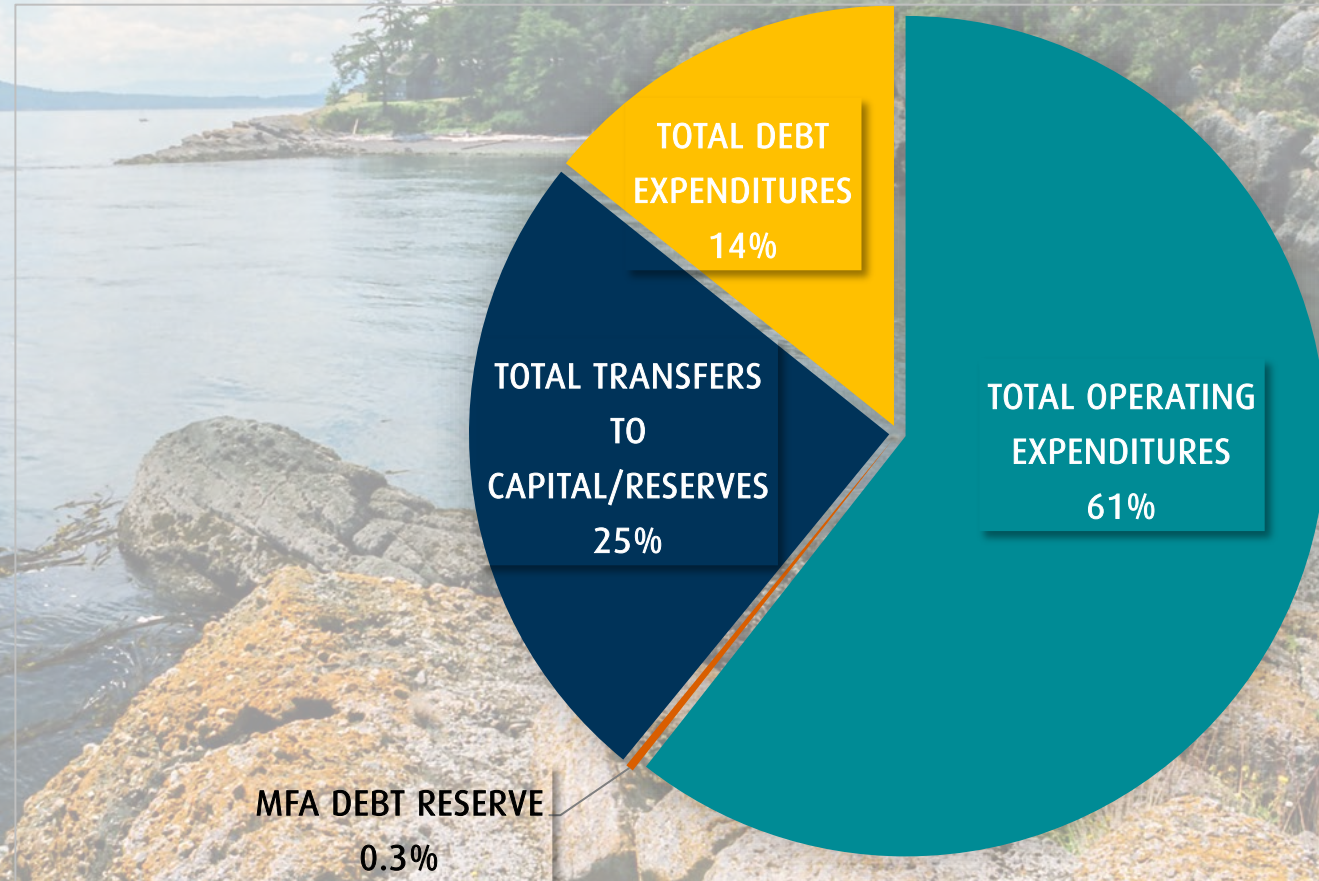


# 2024 Budget Overview

Total Costs: \$55,154,532 (0.34% increase)

Total Non-Requisition Revenue: \$1,696,030 (69% decrease)

Total 2024 Requisition: \$53,246,262 (8.16% increase)

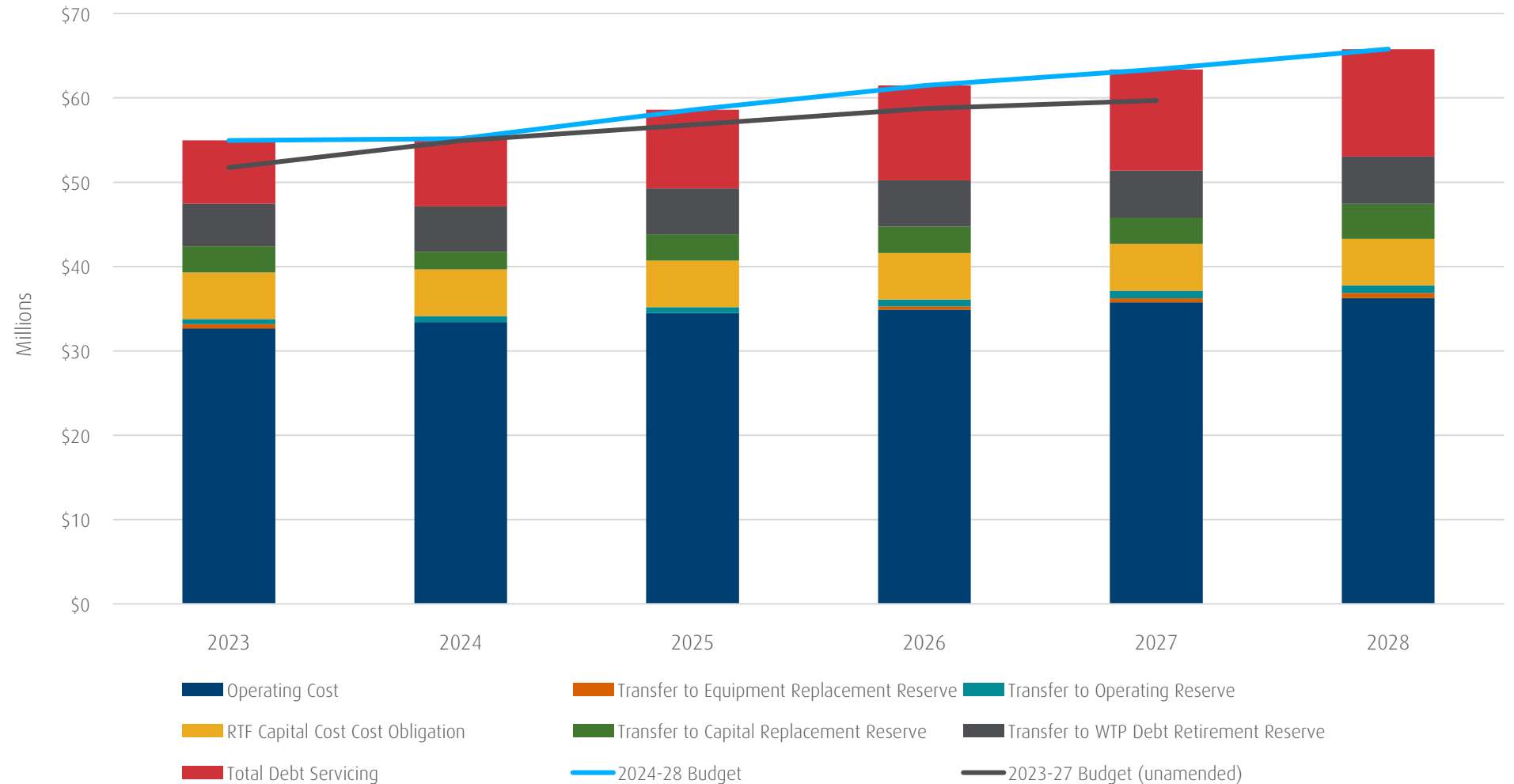


Breakdown of Costs

# 5 Year Budget Projection

## Highlights:

- Average annual increase of 3.68%, range between 3.1% and 6.25%
- 2024 projected costs are higher than 2023 due to increases sustained in chemical costs 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

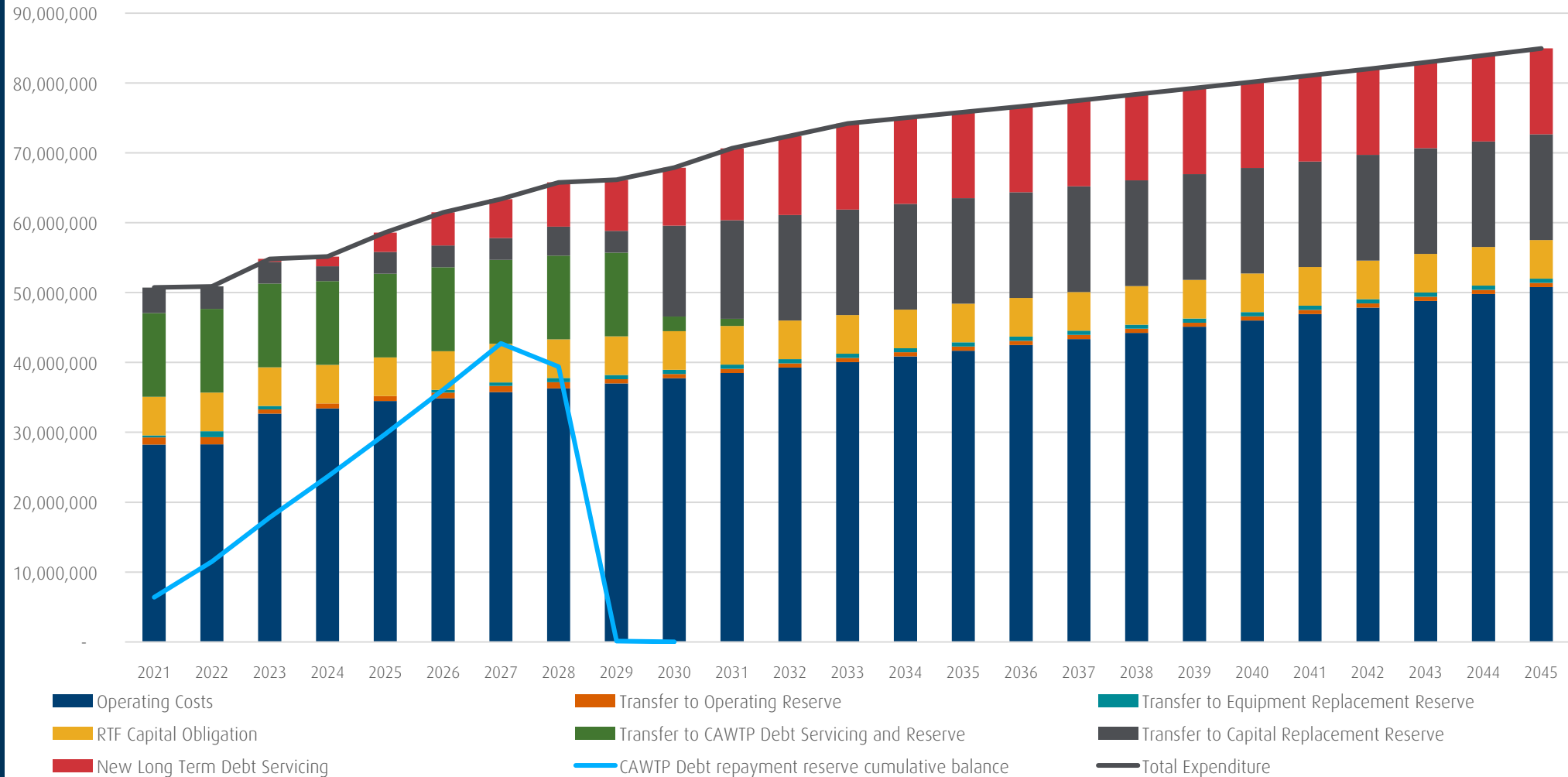




# Long Term Budget Overview

## 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 2024 Core Area Liquid Waste Management Service operating and capital budgets as presented; and
2. Direct staff to balance the 2023 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 2024 Capital Budget for changes after year end.





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# Thank you

 @crdvictoria

 Capital Regional District

 CRDVictoria

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