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**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 13, 2013**

SUBJECT CORE AREA WASTEWATER TREATMENT PROGRAM & BUDGET UPDATE

ISSUE

The Commission must report in writing, at least once every 30 days, on the progress of the Seaterra Program. During budget discussions, the Committee requested interim financial reporting on the Program.

BACKGROUND

Attached is an interim 2013 financial update for the Seaterra Program (Schedule A) year-to-date to September 30, 2013, as well as the original Seaterra Financial Plan which was distributed in March 2013 (Schedule B). Also attached is the Seaterra monthly program progress report, No. 5.

The 2013 projection continues to track below the 2013 approved budget; the unexpended 2013 budget items will be carried forward into the 2014-2018 budget. It is important to note that the monthly report total forecasts are based on pre-tender estimates as identified in funding agreements and are subject to change once the final tenders come in.

Additionally the Seaterra Program office has advised us of various scenarios that could unfold as a result of the responses to the Request for Qualifications (RFQ) and the Request for Proposals (RFP). The cost implications to these scenarios will be discussed in a closed meeting as this includes information that might affect the RFP process. Due to the overall financial implications of these scenarios any forthcoming decisions may result in adjustment of the budget.

Taking into account the Capital Regional Districts (CRD) fiduciary responsibilities towards the program, it is important to ensure appropriate CRD staff costs are included in the budget. CRD staff are responsible to negotiate and administer contribution agreements with senior levels of government. In addition, staff will also play an important role through membership in the "Agreement Management Committee" as required by federal agreements. This committee will be tasked with administration responsibilities including establishing, overseeing, managing and implementing a detailed audit plan.

The 2014 budget will be adjusted to include costs related to CRD's administrative responsibilities. These costs are excluded from the Commission costs and will not affect the overall requisitions in the current three year plan.

The CRD is also responsible to cover all non-shareable program costs such as land acquisition, legal expenses, freedom of information requests, etc. The restructuring of 2014 budget will provide an opportunity for the CRD to effectively fund these non-shareable costs. The budget restructuring will also include costs to ensure there is consistency of systems so that the new Program infrastructure integrates with existing CRD utilities infrastructure.

ALTERNATIVES

1. That the Core Area Liquid Waste Management Committee receive this report for information.
2. That the Core Area Liquid Waste Management Committee request additional financial information.

FINANCIAL IMPLICATIONS

The 2013 project expenditures are projected to be under budget, unexpended items will move forward to the 2014-2018 budget. This update is based on the 2013 budget only and does not include previous costs incurred on the project. The 2014 budget will also require restructuring to account for CRD administration costs, non-shareable program costs and forthcoming decisions on the potential RFP process.

This budget adjustment will not affect the overall requisitions in the current three year plan. CRD staff will present the revised program budget along with the full CRD budget at the Committee of Whole meeting on December 4.

CONCLUSION

The costs to date are below the 2013 approved budget. The budget will, however, have to be revised to account for CRD administration responsibilities and non-shareable program costs. The Committee will continue to receive additional information in future updates.

RECOMMENDATION

That the Core Area Liquid Waste Management Committee receive this report for information.

Rajat Sharma, B.Eng., MBA, CMA
Senior Manager, Financial Services

Diana E. Lokken, CPA, CMA
General Manager, Corporate Services

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

Attachments: Schedules A and B

**2013 Program Summary Report
Year to Date 30-September-2013**

SCHEDULE A-1

	2013 Budget	Year to Date Actuals	Commitments Unpaid (CU)	Total YTD Actuals + CU	Forecast Actuals 2013	Variance Budget - Forecast	Projected CU Dec 31 2013
CAWTP - WW Treatment							
CAWTP - WW Treatment, Outfall, Harb Wastewater Treatment - McLoughlin	16,097,000	8,497,776	1,764,834	10,262,610	11,000,000	5,097,000	1,000,000
CAWTP - Conveyancing							
Conveyancing-Pump Stns, Pipes, Tank	16,921,000	453,237	10,693,401	11,146,638	4,000,000	12,921,000	11,000,000
CAWTP - Biosolids & Energy Facility							
CAWTP - Biosolids Energy Biosolids Plant/Energy Ct-Hartland	27,090,000	2,293,745	5,599,466	7,893,211	5,000,000	22,090,000	2,000,000
COMMON COSTS *	5,307,000	2,570,451	2,148,909	4,719,360	5,000,000	307,000	500,000
TOTAL	65,415,000	13,815,209	20,206,610	34,021,819	25,000,000	40,415,000	14,500,000

* Note: In the approved plan, common costs were distributed amongst the three components. These will be allocated as the project progresses.

**Core Area Wastewater Treatment Program
Program Management Expenditure Report
Year to Date 30-September-2013**

SCHEDULE A-2

	<u>2013 Budget</u>	<u>Year to Date Actuals</u>	<u>Commitments</u>	<u>Actuals + Commitments</u>	<u>Budget Remaining</u>
CAPITALIZED COSTS					
Salaries and Wages	1,034,000	643,160		643,160	390,840
Consultants	3,370,000	1,268,521	2,083,420	3,351,941	18,059
Allocations - Finance	22,000	16,425		16,425	5,575
Allocations - IT	44,000	34,136		34,136	9,864
Allocations - Human Resources	57,000	42,480		42,480	14,520
Allocations - Other (OutReach, Admin)	70,000	48,012		48,012	21,988
Rentals and Leases	227,000	165,690	57,966	223,656	3,344
Operating - Other Costs	199,000	164,167	6,974	171,141	27,859
	<u>5,023,000</u>	<u>2,382,591</u>	<u>2,148,360</u>	<u>4,530,951</u>	<u>492,049</u>

Note 1: In the approved plan, common costs were distributed amongst the three components. These will be allocated as the project progresses.

Note 2: September budget transfer of \$12,000 from Salaries and Wages to Allocations - IT

**Core Area Wastewater Treatment Program
Commission Expenditure Report
Year to Date 30-September-2013**

SCHEDULE A-3

	<u>2013 Budget</u>	<u>Year to Date Actuals</u>	<u>Commitments</u>	<u>Actuals + Commitments</u>	<u>Budget Remaining</u>
CAPITALIZED COSTS					
Salaries and Wages	174,000	97,909	0	97,909	76,091
Travel	27,000	14,059	0	14,059	12,941
Operating - Other Costs	83,000	75,893	549	76,442	6,558
	<u>284,000</u>	<u>187,861</u>	<u>549</u>	<u>188,410</u>	<u>95,590</u>
TOTAL	<u>284,000</u>	<u>187,861</u>	<u>549</u>	<u>188,410</u>	<u>95,590</u>

Note 1: in the approved plan, common costs were distributed amongst the three components. These will be allocated as the project progresses.

**Core Area Wastewater Treatment Program
Financial Plan**

	Preliminary Project to Date (Note 1) Dec 31 2012	Budget 2013	2014	2015	2016	2017	2018	Total
CAWTP WW Treatment,								
CAWTP- WW Treatment, Outfall, Harb								
Wastewater Treatment - McLoughlin	399,000	16,097,000	39,704,450	77,562,632	142,765,944	58,239,390	1,188,889	335,957,305
Commission and Project Mgt allocation	337,448	2,441,220	3,959,554	3,847,715	5,220,403	5,091,244	7,811,111	28,708,695
Total - CAWTP- WW Treatment	736,448	18,538,220	43,664,004	81,410,347	147,986,347	63,330,634	9,000,000	364,666,000
CAWTP-Conveyancing								
Conveyancing-Pump Stns, Pipes,Tank	3,153,000	16,921,000	25,027,634	53,502,633	18,569,335			117,173,601
Commission and Project Mgt allocation	337,448	849,120	2,495,898	2,654,150	642,782	0	0	6,979,398
Total Conveyancing	3,490,448	17,770,120	27,523,532	56,156,783	19,212,117	-	-	124,153,000
CAWTP - Biosolids & Energy Facility								
Biosolids Energy - CAWTP								
Biosolids Plant/Energy Ct-Hartland	2,143,000	27,090,000	12,930,950	66,101,126	116,299,818	52,479,924	141,381	277,186,199
Commission and Project Mgt allocation	337,448	2,016,660	1,289,548	3,279,134	4,241,815	4,587,756	928,889	16,681,250
Total Biosolids	2,480,000	29,106,660	14,220,498	69,380,260	120,541,633	57,067,680	1,070,270	293,867,001
CAWTP - PM Project Management								
Project Management & Commission								
Common costs								
Commission	124,161	284,000	329,000	338,000	347,000	337,000	337,000	2,096,161
Project Management	888,181	5,023,000	7,416,000	9,443,000	9,758,000	9,342,000	8,403,000	50,273,181
Subtotal	1,012,343	5,307,000	7,745,000	9,781,000	10,105,000	9,679,000	8,740,000	52,369,343
Allocation	-1,012,343	-5,307,000	-7,745,000	-9,781,000	-10,105,000	-9,679,000	-8,740,000	(52,369,343)
Total Project Management & Commission	(0)	-	-	-	-	-	-	(0)
Total	6,706,895	65,415,000	85,408,034	206,947,390	287,740,097	120,398,314	10,070,270	782,686,000

Sources of funding

Government of Canada		10,000,000	35,923,000	47,959,000	76,118,000		83,400,000	253,400,000
Province of BC							248,000,000	248,000,000
CRD Capital funds	6,707,000	9,000,000						15,707,000
Requisition (Note 3)		5,000,000	10,000,000	15,000,000	20,000,000	25,000,000	30,000,000	105,000,000
Debt		41,415,000	39,485,000	143,988,000	191,622,000	95,398,000	(351,329,000)	160,579,000
	6,707,000	65,415,000	85,408,000	206,947,000	287,740,000	120,398,000	10,071,000	782,686,000

Note 1: Preliminary project to date includes land purchases from prior years and implementation phase costs starting August, 2012.

Note 2: Proponents may finance a portion of the Debt.

Note 3: Property tax or user fees as determined by participating Municipality.



**REPORT TO SEATERRA PROGRAM COMMISSION
MEETING OF FRIDAY, OCTOBER 25, 2013**

SUBJECT **CORE AREA WASTEWATER TREATMENT PROGRAM MONTHLY PROGRAM PROGRESS REPORT NO. 5**

ISSUE

Click the above boxed title to go to the Progress Report in the Seaterra Commission document library.

A monthly report is required to comply with funding agreements, project controls and to provide current information to the Core Area Liquid Waste Management Committee (CALWMC), the Capital Regional District (CRD) Board, and the public.

BACKGROUND

At the Commission meeting of May 30, 2013 a proposed format for the Monthly Program Progress Report was submitted and approved by the Commission. The report complies with the requirements of the funding agencies and with keeping the CAWLMC and the CRD Board as well as the general public informed on progress on the Program. The report will be posted on the website.

RECOMMENDATION

That the Seaterra Program Commission:

1. Approve the Monthly Program Progress Report No. 5 for September 2013.
2. Forward the Core Area Wastewater Treatment Program Progress Report No. 5 to the Core Area Liquid Waste Management Committee and Capital Regional District Board.

David N. Walker
Project Controls Manager
Seaterra Program

Albert Sweetnam, P. Eng
Program Director
Seaterra Program

DNW:mh:hr

Attachment: Appendix A: Monthly Program Progress Report No. 5