



**REPORT TO SAANICH PENINSULA WASTEWATER COMMISSION
MEETING OF THURSDAY, NOVEMBER 15, 2012**

SUBJECT 2013 OPERATING AND CAPITAL BUDGET

ISSUE

This report provides a synopsis of the 2013 operating and capital budget, highlighting the proposed significant changes. The report generally follows the sequence of information provided in the draft budget document.

BACKGROUND

2012 Operating Expense

The actual 2012 overall operating expense is estimated to be under budget by \$205,059 primarily due to lower expenditures on equipment and structure repairs and chemical supplies. The 2012 reserve fund transfer was increased by \$205,465 to balance the projected year end budget.

2013 Operating Expense

A 1.88% increase in the 2013 core operating expense in the amount of \$58,043 is planned primarily due to labour cost increases and higher than anticipated operating costs related to the heat recovery plant, including electricity costs and maintenance contract costs.

2013 Capital Budget

The planned capital expenditures for 2013 total \$345,000 funded from capital reserves. The 2013 capital program consists of four projects, mostly related to upgrades to treatment plant equipment that is at the end of the service life or is in need of significant repair, beyond normal maintenance.

The planned transfer to the capital reserve and equipment replacement fund in 2013 is \$233,135.

Saanich Peninsula Wastewater Debt

The Saanich Peninsula Wastewater Capital Debt expenditures decrease by \$672,799 in 2013. The remaining debt will mature in 2016.

Saanich Peninsula Environmental Programs

The programs and service levels for the Saanich Peninsula Liquid Waste Management Plan administration and Stormwater Quality Management and Source Control are intended to remain unchanged for 2013 and are projected to be on budget for 2012.

2011 Operating Revenue

With the exception of the revenue from the sale of energy to the Panorama Recreation Centre, operating revenue is recovered by requisition to all participating members based on percentage of total sewage input. 2013 cost sharing percentages based on prior year flows are being finalized, and are not expected to change significantly from the 2012 cost sharing figures.

RECOMMENDATIONS

That the Saanich Peninsula Wastewater Commission recommend that the CRD Board:

1. Approve the 2013 Operating and Capital Budget;
2. Approve the 2013 debt budget;
3. Approve the Environmental Sustainability program budgets that are incorporated in the Saanich Peninsula Wastewater budget, including Liquid Waste Management Plan Implementation, Saanich Peninsula Stormwater Quality Management, and Saanich Peninsula Source Control Stormwater; and
4. Balance the 2012 actual revenue and expense on the transfer to reserve fund.



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