



Making a difference...together

Agenda Item #4

**REPORT TO SAANICH PENINSULA WATER 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 Expenditures and Revenue**

The actual 2012 operating expense is estimated to be under budget by \$45,419 primarily due to the lack of need for contingency funding. The actual bulk water purchase expense is estimated to be under budget by \$28,556 due to the projected lower than budget demand volume in 2012. This corresponds with water sales revenue that is estimated to be \$40,350 lower than budget. The net surplus, estimated to be \$33,625, will be added to the capital reserve fund at year end.

**2013 Operating Expense**

A 1.16% increase in the 2013 operating expense in the amount of \$15,960 is planned and results primarily from labour and electricity cost increases. The operating contingency has been maintained at \$44,240.

**2011 Capital Budget**

The projected capital expenditures for 2013 total \$2.0 million funded from capital reserves. The capital projects include Phase 3 of the air valve replacement project, replacement of the 300mm diameter fiberglass (Permastrand) Sidney supply main along McTavish and East Saanich Roads, and a mechanical upgrade of the Mt. Newton Pumpstation.

The planned transfer to the capital reserve fund in 2013 is \$111,243.

**Saanich Peninsula Water Debt**

The Saanich Peninsula Water Capital Debt expenditures decrease by \$207,701 in 2013. 2013 will be the final year of debt expenditures, after which the current debt will be retired and the municipal requisitions will end.

**2013 Budget Demand Volume**

The 2013 budget demand volume has been set at 6,544,156 cubic metres. This volume is approximately 1% lower than the projected 2012 actual demand and approximately 2% lower than the 2012 budget demand volume of 6,677,710 cubic metres.

Wholesale Water Rates

The 2013 CRD supply wholesale water rate of \$0.5888 per cubic metre has been approved by the Regional Water Supply Commission, an increase of \$0.0189 (3.32%), as has a 2013 agricultural rate of \$0.2105 per cubic metre. The Saanich Peninsula Bulk Rate has been set at \$0.8315 per cubic metre, an increase of \$0.0262 (3.25%). The Agricultural Research Station Rate has been set at \$0.8667 per cubic metre.

**RECOMMENDATIONS**

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

1. Approve the 2013 Operating and Capital Budget;
2. Approve the 2013 Saanich Peninsula Bulk Rate of \$0.8315 per cubic metre, and the Agricultural Research Station Rate of \$0.8667 per cubic metre, adjusted if necessary by any changes in the proposed CRD supply wholesale water rate;
3. Balance the 2012 actual revenue and expense on the transfer to reserve fund; and
4. Approve Bylaw No. 3871, "Bulk Water Rates Bylaw, 1977, Amendment Bylaw No. 32, 2012" to increase the Saanich Peninsula water rates accordingly.

  
\_\_\_\_\_  
Ted Robbins, BSc, CTech  
Acting General Manager, Integrated Water Services

TR:ls  
Attachment: 1

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 3871**

\*\*\*\*\*

**A BYLAW TO AMEND BYLAW NO. 376, BULK WATER RATES BYLAW, 1977  
(SAANICH PENINSULA WATER)**

\*\*\*\*\*

The Board of the Capital Regional District in open meeting assembled, enacts as follows:

1. Bylaw No. 376, being "Bulk Water Rates Bylaw, 1977" is further amended as follows:

By deleting Schedule "A" and substituting therefore the following:

"SCHEDULE "A"

For each cubic metre of water supplied to member municipalities, the rate of \$0.8315 effective January 1, 2013.

For each cubic meter of water supplied to the Department of Agriculture Research Station, located at 8801 East Saanich Road, Sidney, BC, the rate of \$0.8667 effective January 1, 2013.

This bylaw shall come into force and effect on January 1, 2013 and shall apply to all water billings calculated thereafter.

2. This bylaw may be cited as "Bulk Water Rates Bylaw, 1977, Amendment Bylaw No. 32, 2012".

READ A FIRST TIME THIS	day of	2012
READ A SECOND TIME THIS	day of	2012
READ A THIRD TIME THIS	day of	2012
ADOPTED THIS	day of	2012

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY