



Making a difference...together

**SALT SPRING ISLAND LIQUID WASTE DISPOSAL SERVICE
ANNUAL REPORT
TUESDAY 29 NOVEMBER 2011**

Operations

The Salt Spring Island Liquid Waste Disposal Service is provided through a septage and sludge receiving and processing facility located near Burgoyne Bay. The facility has evolved through several years of construction and modification of equipment that was originally purchased and operated under contract as a pilot system between 1997 and 2002. In recent years, the equipment has suffered several operating problems and breakdowns, resulting in unbudgeted expenses for repairs and service interruptions. Significant events and activities in the past year include:

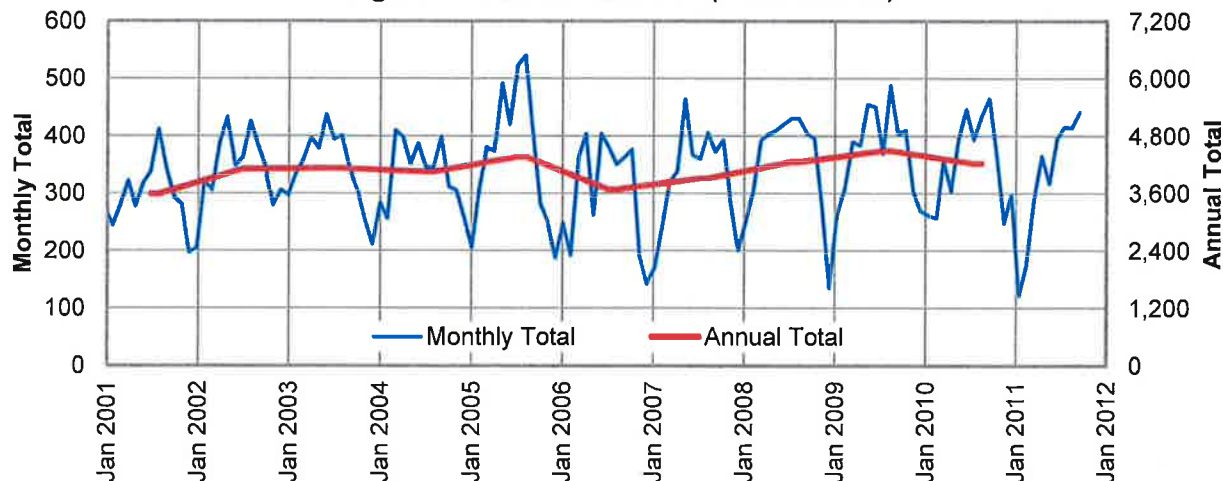
- Electrical failures, and replacement of press drives and associated electrical components
- Failure and replacement of septic field forcemain piping
- Investigation and assessment of existing septic field condition
- Access road maintenance
- Installation of above-ground piping from sludge tanks to press building due to frequent blockages in the existing underground piping
- Hydro line tree trimming completed

While repairs were being completed, unprocessed liquid waste was hauled to Langford for processing at the Victoria area regional facility. The unplanned maintenance and hauling costs have resulted in large operating deficits in 2010 and 2011.

The volume of waste received at the Burgoyne facility increased by 18% between 2001 and 2010, but the 2010 volume was 6% less than the all-time maximum in 2009 (Figure 1). Volume continues to decline in 2011, but is largely due to the off-island diversion of Ganges Wastewater Treatment Plant sludge during plant repairs. Based on the actual volumes to September, 2011 volume will be roughly 9% less than 2010 volume.

The volume received also varies seasonally. Seasonal variation has increased since 2001, posing challenges for staffing and equipment capacity.

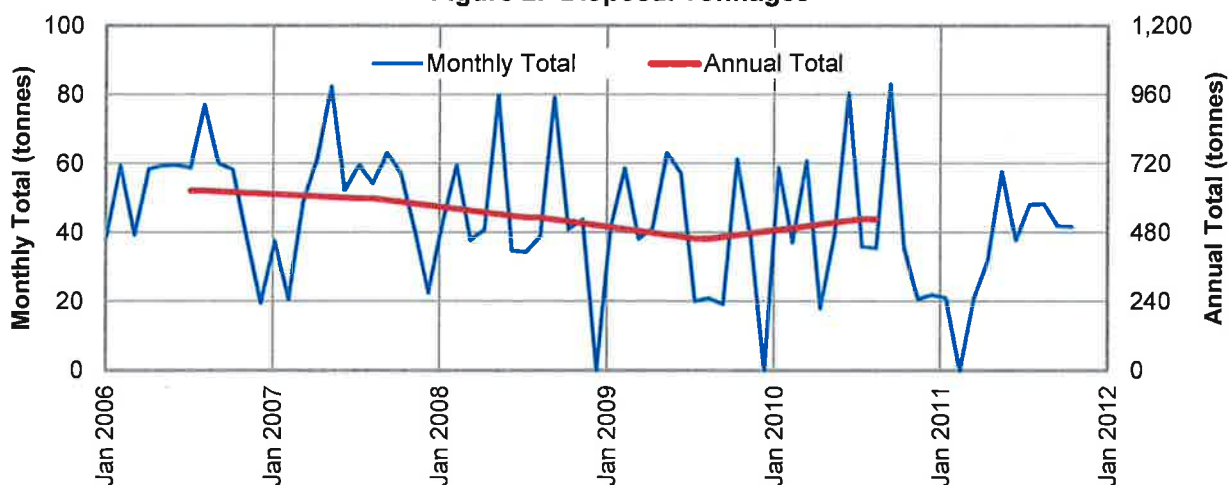
Figure 1. Volume Received (cubic metres)



The tonnage of dewatered waste hauled off Salt Spring Island for disposal has been recorded since 2005, when the CRD Hartland Landfill near Victoria began receiving the material (Figure 2). Although the volume received at Burgoyne increased by 15% between 2006 and 2010, the tonnage of solids hauled away for disposal decreased in the same period by 6%.

This resulted partly from improvements in the efficiency of the dewatering process: By adjusting and optimizing the process, more water was separated from the solids, reducing hauling and disposal costs. However, operating problems in 2009 also required diversion of some liquid waste from the dewatering process, resulting in a decrease in disposal tonnage for dewatered solids as some unprocessed liquid waste was hauled directly to a dewatering plant in Greater Victoria. As a result of similar problems in 2011, a 26% decrease from 2010 disposal tonnage is projected for 2011.

Figure 2. Disposal Tonnages



Capital Plan

In November 2008, the Salt Spring Island electors voted to authorize borrowing of up to \$2.1 million to upgrade the Burgoyne liquid waste processing facility. Design of the first phase of the project, dewatering upgrades, was awarded to Dayton and Knight Ltd. (since acquired by Opus International Inc. and renamed Opus DaytonKnight). As design work progressed through 2009 and 2010, it became apparent that the full scope of upgrading could not be achieved with the available budget. Despite significant effort to reduce costs through design and procurement approaches, it was estimated in January 2011 that the full scope of upgrades would require an increase in the project budget of at least \$1 million.

Before proceeding with the project, a business case analysis was commissioned to consider alternative service delivery approaches. This work was awarded to Stantec Consultants Ltd., and was completed in July 2011. The commission will be considering the recommendations in the report and alternatives to undertaking the full scale facility upgrade, at it's November budget meeting.

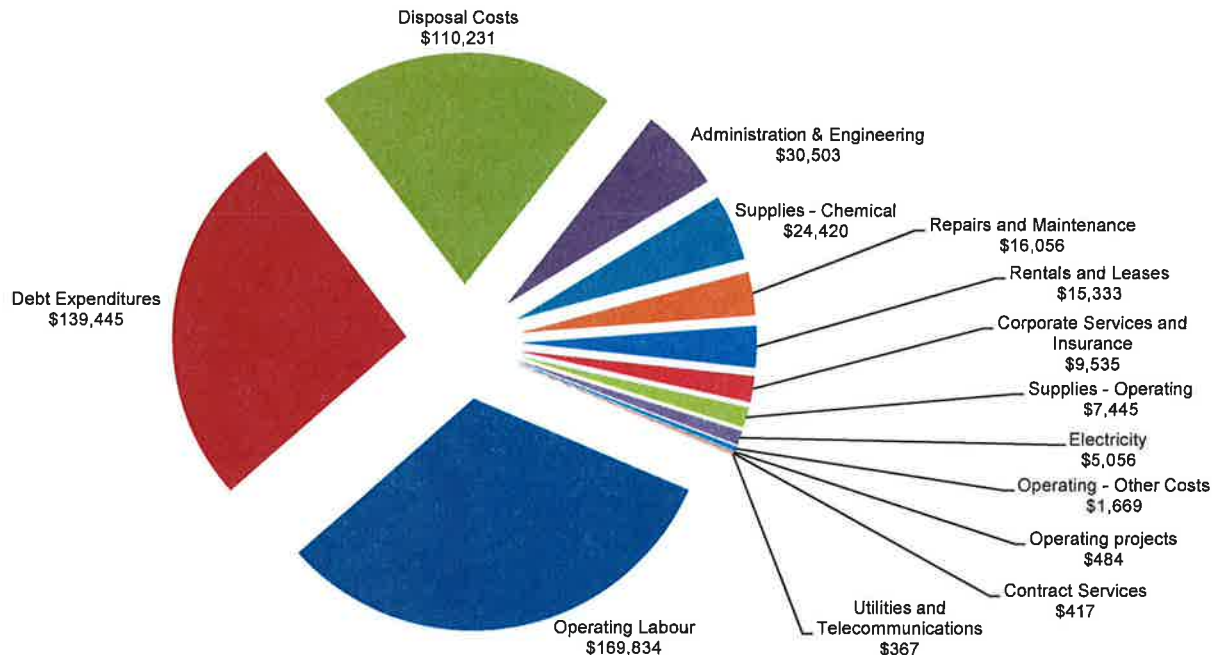
2010 Financial Report

The Salt Spring Island Liquid Waste 2010 revenue of \$572,721 includes \$343,909 from tipping fees and \$225,960 in parcel taxes. The tipping fee revenue was \$20,891 below budget due to lower than expected volumes received at the Burgoyne plant.

The total expenditure for 2010 was \$530,796 (Figure 3). Disposal costs exceeded budget by \$40,231 in 2010 due to the facility shutdown and the resulting need to haul unprocessed liquid waste to Greater Victoria for processing. Repairs, chemicals and rentals also exceeded budget by a total of \$30,208 as a result of the operational problems. These unplanned costs were partially mitigated by the \$10,473

contingency, and contract services expense \$29,582 below budget and operating labour expense \$13,532 below budget.

Figure 3. 2010 Actual Operating Expense \$530,796




The difference between revenue and expenditures in 2010 amounted to a net revenue of \$41,925 at year end; however, net revenue of \$75,637 was required and budgeted to recover the \$75,637 deficit carried forward from 2009. As a result of lower than budgeted revenue and higher than budgeted operating expense, a balance of \$33,712 of the 2009 deficit could not be recovered and was carried forward to 2011. The Salt Spring Island Liquid Waste Service holds no funds in reserve.

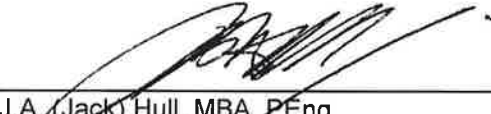
Salt Spring Island Liquid Waste Problems - Who to Call:

To report any event or to leave a message regarding the Salt Spring Island Liquid Waste Facility, call:

CRD local operator (Ganges Wastewater Treatment Plant): 250-537-4314
CRD emergency call centre: 1-250-474-9630
CRD general enquiries (toll free): 1-800-663-4425


Ted Robbins, B.Sc., CTEch
Senior Manager, Water Management

TR:CS:ls
Attachment: 1


J.A. (Jack) Hull, MBA, PEng
General Manager, Integrated Water Services
Concurrence

CAPITAL REGIONAL DISTRICT

Sewer Revenue Fund
Statement of Financial Activities
For the Year Ended December 31, 2010

		SSI Septage Disposal
Revenue		
Transfers from government	\$	225,960
Sale of services		343,909
Other revenue from own sources:		
Permits		-
Interest earnings		52
Other revenue		2,621
Grants in lieu of taxes		179
		<u>572,721</u>
Expenditure		
General government services		7,660
Other		508,861
Salaries and wages		-
Other fiscal services		14,275
Recovery		-
		<u>530,796</u>
Net revenue (expenditure)		41,925
Transfers to own funds:		
Sewer Capital Fund		-
Reserve Funds		-
Equipment Replacement Fund		-
Transfers from own funds:		
Sewer Capital Fund		-
Revenue Funds		-
Reserve Funds		-
Change in fund balance		41,925
Opening balance		(75,637)
Closing balance	\$	(33,712)