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**REPORT TO SALT SPRING ISLAND LIQUID WASTE DISPOSAL LOCAL SERVICE COMMISSION  
MEETING OF TUESDAY 29 NOVEMBER 2011**

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**SUBJECT      SALT SPRING ISLAND SEPTAGE DISPOSAL BUSINESS CASE ANALYSIS**

**ISSUE**

A service review and business case analysis was conducted by Stantec Consulting Ltd. related to the Salt Spring Island Liquid Waste Disposal Service and the report has been received by the Capital Regional District (CRD).

**BACKGROUND**

In November 2008, the Capital Regional District (CRD) received approval of the electors of Salt Spring Island to borrow up to \$2.1 million to conduct capital improvements to the existing septage facility and to create a solids composting facility. In 2009, Opus DaytonKnight Consultants Ltd. (Opus) was engaged by the CRD to design the improvements and their pre-tender cost estimate was \$3.35 million, excluding the composting facility work. Recognizing the funding shortfall, and prior to moving forward with a referendum to raise additional funds to complete the proposed work, the Salt Spring Island Liquid Waste Local Service Commission (Commission) directed CRD staff to conduct a service review and business case analysis.

In January 2011, \$30,000 was reallocated from the capital project budget to hire a consultant (CRD Request for Proposal 2011-489) with the general scope of work to review the proposed improvements, identify and analysis alternatives for service delivery, including ownership and estimate life-cycle costs (capital financing, operating and maintenance, and other expenses). Stantec's final report (Attachment 1 entitled Salt Spring Island Septage Disposal Business Analysis, dated July 7, 2011) identifies and evaluates six alternatives for septage disposal and they are summarized as follows:

Option	Description of Service Option	Life cycle cost (25 year)
Option A	Upgrade the existing facility / implement the Opus design	\$15,740,000
Option B	Conduct Option A upgrades in phases and haul solids off SSI for a 5 year duration while work is completed	\$16,904,000
Option C	Option A plus a sludge composting facility	\$18,326,000
Option D	Option A less sludge handling from Ganges and Maliview wastewater plants	\$17,613,000
Option E	Privatize entire service and close existing facility	\$16,826,000
Option F	Install a receiving station without treatment works	\$17,625,000

In summary, Stantec recommended Option A because of the lowest life-cycle cost, which would require additional funding to complete work and further, not to carry out composting because of the high capital and operating costs, high risk of odours and risk of limited end-user market. Additional detail is contained in the report.

**ALTERNATIVES**

Alternative 1 - That the Salt Spring Island Liquid Waste Disposal Local Service Commission receive the Stantec Consulting Ltd. report entitled Salt Spring Island Septage Disposal Business Analysis, dated July 7, 2011, for information.

**IMPLICATIONS**

Alternative 1 - The implications will be identified and discussed in a subsequent report prepared by the CRD staff for consideration by the Commission.


**CONCLUSION**


A service review and business case analysis was conducted by Stantec Consulting Ltd. related to the Salt Spring Island Septage Disposal Service and the report has been received by the CRD.

In general, Stantec recommended that the CRD continue to provide septage receiving, treatment and disposal at the existing facility and conduct the proposed upgrades. Further, it is not recommended to include the composting process at the facility because of high capital and operating costs, high risk of odours and unknown end-user market.

**RECOMMENDATION**

That the Salt Spring Island Liquid Waste Disposal Local Service Commission receive the Stantec Consulting Ltd. report entitled Salt Spring Island Septage Disposal Business Analysis, dated July 7, 2011, for information.

  
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Concurrence

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Attachments: 1 (Stantec Consulting Ltd. report entitled Salt Spring Island Septage Disposal Business Analysis, dated July 7, 2011)