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SALT SPRING ISLAND LIQUID WASTE LOCAL SERVICE COMMISSION

Notice of Meeting on **THURSDAY, October 23, 2014 at 1:00 PM**

Community Gospel Church, Upstairs RM, 147 Vesuvius Bay Road, Salt Spring Island, BC

Wayne McIntyre

Wayne Lee

Maxine Leichter

Peter Lake

Rod Scotvold

Sharon Bywater

(amended) AGENDA

1. Approval of Agenda

2. Adoption of Minutes of May 22, 2014 (previously distributed)

3. Reports

3.1 2015 Operating and Capital Budget Report

That the Salt Spring Island Liquid Waste Disposal Local Service Commission recommend that the Capital Regional District Board:

1. Approve the 2015 operating and capital budget for the Salt Spring Island Liquid Waste Disposal Local Service as presented; and
2. Approve the 2015 Parcel Tax of \$50.32 and the tipping fee of \$0.40 per lGal for both septage and sewage sludge; and
3. Balance the 2014 actual revenue and expense on the 2015 transfer to capital reserve fund.

3.2 2015 Budget SSI Septage/Composting (previously distributed)

4. New Business

5. Outstanding Business

6. Adjournment

To ensure quorum, advise Tracey Shaver 250 537 4448 if you cannot attend.



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Minutes of the Regular Meeting of the Salt Spring Island Liquid Waste Disposal Local Services Commission

Held May 22, 2014, 145 Vesuvius Bay Road, Salt Spring Island, BC

DRAFT

Present: **Director:** Wayne McIntyre (2:00 pm)
Commission Members: Peter Lake (Chair); Maxine Leichter (Vice Chair); Sharon Bywater; Wayne Lee
Staff: Karla Campbell, Senior Manager; Keith Wahlstrom, Contract Engineer; Michele Akerman, Recording Secretary
Marty Ventoit, Technologies Supervisor; CRD, Denis Perreault, Wastewater Operations Supervisor

Chair Lake called the meeting to order at 1:00 pm.

1. Approval of Agenda

MOVED by Commissioner Bywater, **SECONDED** Commissioner Lake,
That the agenda be approved with the following amendment:
Add as 4.8: Septage Brochure

CARRIED

2. Adoption of Minutes

MOVED by Commissioner Leichter, **SECONDED** by Commissioner Bywater,
That the November 29, 2013 Regular meeting minutes be adopted.

CARRIED

3. Reports – Verbal

3.1 Chair Report

- Suggested doing another Driftwood article, good idea to keep people informed.

4. New Business

4.1 Burgoyne Bay Septage Receiving Facility Basis of Design: Liquid Waste Receiving and Storage – staff reviewed the basis of design with the Commission.

Director McIntyre Joined the meeting at 2:00 pm.

CRD Director Report

- Minister Yamamoto, Minister of Small Business and Tourism, will be coming to SSI on June 20th. Visit will be co-sponsored by the Salt Spring Island Community Economic Development Commission and the SSI Chamber of Commerce and will include formal events and a tour.
- Experience the Gulf Islands that will basically expand the trail network between the Gulf Islands and also introduce a series of bicycling and pedestrian ferries between the islands.
- Met with the Lady Minto Hospital Foundation Board and will be talking to the CRD regarding the discrepancy between what the CRD Hospital Board has in

its budget for Lady Minto Hospital and what Lady Minto Hospital Foundation Board were told by Island Health.

4.2 Updated Burgoyne Bay Receiving Station and Storage Tank Project Plan

Discussion regarding decommissioning and removing storage tanks as soon as possible as there is significant concern that they are not safe; doing an options analysis; rain water collection; and a proper flow measuring/metering device that is a card swipe for calculating for the truck operators.

Worley Parsons will visit the site to confirm the various locations of the site components.

MOVED by Commissioner Bywater, **SECONDED** by Commissioner Lake, That the Salt Spring Island Liquid Waste Commission recommends the acceptance of Alternative 1: The updated cost estimate of \$781,900 for the engineering and construction of Phase 1 (Receiving Station and Storage) be accepted with the understanding that staff will review the additional cost to undertake the decommissioning of the existing storage tanks and may require an amendment to project plan costs, but delay proceeding with Phase 2 (Options Analysis) and Phase 3 (Ground Water Monitoring) of the current program until Phase 1 (Receiving Station and Storage) actual costs are known. Actual costs for Phase 1 (Receiving Station and Storage) are to be presented to the Commission prior to undertaking any work on Phase 2 (Options Analysis) or 3 (Ground Water Monitoring). Phase 3 (Ground Water Monitoring) may not be required should the Closure Plan as presented be accepted.

CARRIED

4.3 Road Upgrade – Verbal Report

The upgrade maybe between that is between \$50,000-\$100,000, to meet the minimum requirements. Discussion regarding possible solutions for the road upgrade, including looking at the gas tax fund. May consider adding an annual road maintenance item to the budget.

4.4 Lagoon Closure Plan

Investigating whether permit can be transferred to the CRD.

4.5 Application for Non-farm Use of Land in the Agricultural Land Reserve

The Agricultural Land Commission approved using +/- 3 ha for the purpose of a waste treatment wetland.

4.6 SPL Contract Update – Verbal Report

There is a 3.4% increase over the next 3 years.

4.7 Rate Discussion – Peter Lake

MOVED by Commissioner Leichter, **SECONDED** by Commissioner Bywater, That the Salt Spring Island Liquid Waste Commission recommends that the tipping fee be increased 1 cent per gallon.

CARRIED

4.8 Brochure

Gulf Islands Septic used to give out information brochures to newcomers and now they want to charge for them.

Commissioners to obtain the current brochure and then work on a new black and white brochure. Commissioner Leichter will work on brochure.

5. Motion to proceed to Closed meeting

MOVED by Commissioner Lake, **SECONDED** by Commissioner Bywater, Motion to Close Meeting in Accordance with the *Community Charter* Part 4, Division 3, Section 90 (1) (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public

CARRIED

The Commission closed the meeting at 2:45 pm and rose without report at 3:20 pm

6. Adjournment

MOVED by Commissioner Bywater, **SECONDED** by Commissioner Leichter, That the meeting be adjourned at 3:20 pm.

CARRIED

CHAIR

SENIOR MANAGER



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**REPORT TO SALT SPRING ISLAND LIQUID WASTE DISPOSAL
LOCAL SERVICE COMMISSION
MEETING OF THURSDAY OCTOBER 23, 2014**

SUBJECT 2015 OPERATING AND CAPITAL BUDGET

ISSUE

This report provides a synopsis of the 2015 operating and capital budget, highlighting significant proposed changes related to operational expenditures, debt charges, any capital expenditures and revenue for the SSI Liquid Waste Disposal Service.

BACKGROUND

2014 Estimated Actual Operation Revenue and Expense

The estimated actual 2014 operating cost is projected to be **\$50,050** under budget primarily the result of:

1. lower than budgeted expenditures for:
 - a. grit and waster sludge disposal (\$20,000)
 - b. repairs and maintenance (\$560)
 - c. allocations (\$600)
 - d. electricity (\$1,400)
 - e. labour charges (\$10,190)
 - f. contingency (\$27,790)
 - g. other operating expenses (\$9,040)
2. higher than budgeted expenditures for:
 - a. sludge hauling contract (\$19,530)

The estimated actual operating revenue is projected to be approximately **\$19,900** above budget due to higher fees collected for septage sludge (\$7,000) and sewage sludge (\$12,400) and interest (\$500).

This results in a projected year-end surplus of **\$69,950**.

It is proposed that the projected year-end surplus be carried forward as revenue in 2015.

2015 Operating Expense

An increase in the 2015 operating expense of **\$17,240** (3.6%) is proposed.

This is result of:

1. increase expenditure for:
 - a. sludge hauling contract (\$33,420) ^(a)
 - b. repairs and maintenance (\$9,050) ^(b)
 - c. electricity (\$200)
 - d. supplies (\$90)

- e. labour charges (\$2,450)
 - f. other operating expenses (\$160)
 - 2. decrease expenditure for:
 - a. grit and waster sludge disposal (\$20,000) ^(c)
 - b. allocations (\$340)
 - c. contingency (\$7,790)
- (a) The volume of septage and sewer sludge for 2015 is projected to be 960,000 IGal and the hauling contract will increase from \$0.30 to \$0.31 per IGal in 2015. As a result the budget for sludge hauling will increase from \$264,180 to \$297,600 (\$33,420 difference).
- (b) Repairs and maintenance includes additional annual effort for access road maintenance as well as general site maintenance.
- (c) The decrease in the grit and waste removal reflects the current practice of this operating as a transfer station.

2015 Reserves/Debt

2015 Capital Reserve Fund:

It is proposed that the transfer to the capital reserve be reduced from \$67,390 to \$25,430 in order to balance the budget. The decrease in the transfer is primarily a result of the reduction in projected 2015 surplus carry forward of \$69,950 in comparison to the surplus carry forward of \$129,020 in 2014.

The capital reserve fund balance at the end of 2014 is projected to be \$67,390.

2015 MFA Debt

The debt servicing costs of \$195,160 remain at 2014 level.

2015 Revenue (User Charge and Parcel Tax)

In order to meet operating expenses and debt servicing costs it is proposed that:

- septage sludge sales increase from \$181,400 to \$198,900; this amount is based on a projected volume of 510,000 IGal at \$0.39/IGal ⁽ⁱ⁾
- sewage sludge sales increase from \$158,600 to \$175,500; this amount is based on a projected volume of 450,000 IGal at \$0.39/IGal. ⁽ⁱ⁾
- Grants in lieu decrease from \$410 to \$270.
- the parcel tax increase from \$275,560 to \$275,650; the increase is a result of the addition of 2 taxable parcels for the service area; based on 5,765 taxable folios and including the 5.25% surveyors tax fee this equates to \$50.32, unchanged from the previous year.

- ⁽ⁱ⁾ The tipping fee for septage sludge and sewage sludge was increased \$0.01 per IGal in late 2014, and consideration should be given to a further increase in 2015 another \$0.01 per IGal. This additional \$0.01 increase to \$0.40 per IGal would generate approximately \$9,000 in additional annual revenue and would help offset the increased hauling contract costs. The budget as presented does not include an increase in the tipping fee to \$0.40 per IGal.

Capital Plan 2015

The 2015 capital expenditures are set at a total of \$1,215,000, which includes construction of the septage receiving and transfer station, construction of additional on-site works which will be determined during the 2015 year, up to \$50,000 for closure work on the old lagoons (again, the scope of work for this expenditure is being reviewed and monitored in an effort to substantially reduce the costs) and \$50,000 for access road improvements.

Forecast 2016-2019

A five-year capital and operating budget forecast is provided for information.

The operating budget for the five-year plan is forecast to increase slightly over the time period, however, there may be several changes required once the capital improvement program is completed. Once a final decision is made on how to process the septage and sludge on-island, additional funds may be required to implement the final capital improvements.

RECOMMENDATION

That the Salt Spring Island Liquid Waste Disposal Local Service Commission recommend that the Capital Regional District Board:

1. Approve the 2015 operating and capital budget for the Salt Spring Island Liquid Waste Disposal Local Service as presented; and
2. Approve the 2015 Parcel Tax of \$50.32 and the tipping fee of \$0.40 per IGal for both septage and sewage sludge; and
3. Balance the 2014 actual revenue and expense on the 2015 transfer to capital reserve fund.

Dan Robson, A.Sc.T
Manager, Saanich Peninsula and Gulf
Islands Operations
Infrastructure Engineering & Operations

Karla Campbell
Senior Manager, Salt Spring Island Electoral
Area

Peter Sparanese, P.Eng.
Senior Manager, Infrastructure
Engineering and Operations
Concurrence

Ted Robbins, BSc., C Tech.
General Manager, Integrated Water Services
Concurrence

KW:ts/lis
Attachment: 1

CAPITAL REGIONAL DISTRICT

2015 Budget

SSI Septage / Composting

Committee Review

Compiled and Presented by CRD Finance

October 2014

Service: 3.705 SSI Septage / Composting

Committee: Electoral Area Services

DEFINITION:

To provide, operate, collect, treat and dispose of septage and sewage sludge and co-compost septage and sewage sludge with wood waste for the local service area on Salt Spring Island under Bylaw No. 2118 (April 1993).

PARTICIPATION:

The additional local service area is co-terminus with the boundaries of the electoral area of Salt Spring Island.
The electoral area of Salt Spring Island is the only participating area for this additional local service.

MAXIMUM LEVY:

Greater of \$126,650 or \$0.10 / \$1,000 to a maximum of \$294,297 on actual assessments for land and improvements.

MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3564 (Dec 10, 2008)	\$2,100,000 Expires Dec 10, 2013
BORROWED:	SI 3594 (Feb 11, 2009)	\$(280,000)
	SI 3634	\$(400,000)
	SI 3677 (Feb 10, 2010)	\$(650,000)
	SI 3910 (July, 2013)	\$(770,000)

REMAINING:

\$0

5 year short term borrowing (to July 2012):

\$210,000

COMMITTEE:

Salt Spring Island Liquid Waste Disposal Local Services Committee established by Bylaw No. 2119 (May, 1993).

FUNDING:

Parcel Tax:	Annual, levied on all properties in the Electoral Area
Tipping Fee:	\$0.38 per imperial gallon (Bylaw No. 3563, Sept 10, 2008) amended
Connection Charge:	N/A

RESERVE FUND:

Bylaw No. 2274 (Feb 22, 1995)

	2014		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	2015 CORE BUDGET	2015 SUPPLEMENTARY	2015 TOTAL		2016	2017	2018	2019
SSI Septage / Composting										
<u>OPERATING COSTS:</u>										
Sludge Hauling Contract	264,180	283,710	297,600	-	297,600		303,550	309,620	315,810	322,130
Grit & Waste Sludge Disposal	25,000	5,000	5,000	-	5,000		5,100	5,200	5,300	5,410
Repairs & Maintenance	4,860	4,300	13,910	-	13,910		14,180	14,460	14,740	15,030
Allocations	18,320	17,720	17,980	-	17,980		18,340	18,720	19,110	19,500
Electricity	5,000	3,600	5,200	-	5,200		5,300	5,410	5,520	5,630
Supplies	4,500	4,500	4,590	-	4,590		4,680	4,770	4,860	4,950
Labour Charges	118,290	108,100	120,740	-	120,740		123,160	125,630	128,140	130,700
Contingency	27,790	-	20,000	-	20,000		19,960	20,350	20,750	21,150
Other Operating Expenses	14,500	5,460	14,660	-	14,660		14,940	15,220	15,510	15,810
TOTAL OPERATING COSTS	482,440	432,390	499,680	-	499,680		509,210	519,380	529,740	540,310
*Percentage Increase over prior year					3.6%		1.9%	2.0%	2.0%	2.0%
<u>DEBT/RESERVES</u>										
MFA Debt Principal	104,870	104,870	104,870	-	104,870		104,870	104,870	104,870	104,870
MFA Debt Interest	90,290	90,290	90,290	-	90,290		90,290	90,290	90,290	90,290
Transfer to Reserve Fund	67,390	67,390	25,430	-	25,430		-	-	-	-
TOTAL DEBT / RESERVES	262,550	262,550	220,590	-	220,590		195,160	195,160	195,160	195,160
TOTAL COSTS	744,990	694,940	720,270	-	720,270		704,370	714,540	724,900	735,470
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated balance C/F from 2014 to 2015	-	69,950	(69,950)	-	(69,950)		-	-	-	-
Balance C/F from 2013 to 2014	(129,020)	(129,020)	-	-	-		-	-	-	-
Sale - Septage Sludge	(181,400)	(188,400)	(198,900)	-	(198,900)		(211,960)	(212,260)	(212,550)	(212,930)
Sale - Sewage Sludge	(158,600)	(171,000)	(175,500)	-	(175,500)		(189,160)	(189,460)	(189,760)	(190,120)
Grants in Lieu	(410)	(410)	(270)	-	(270)		(270)	(270)	(270)	(270)
Other Revenue	-	(500)	-	-	-		-	-	-	-
TOTAL REVENUE	(469,430)	(489,330)	(374,670)	-	(374,670)		(401,390)	(401,990)	(402,580)	(403,320)
REQUISITION	(275,560)	(275,560)	(275,650)	-	(275,650)		(302,980)	(312,550)	(322,320)	(332,150)
*Percentage increase over prior year requisition					0.0%		9.9%	3.2%	3.1%	3.0%
Capital Reserve Fund Balance		67,390			42,820		42,820	42,820	42,820	42,820

Service:	3.705	SSI Septage / Composting	Committee: Electoral Area Services
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<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax</u>	<u>Rate/Gallon*</u>	<u>Sludge (Gallons)</u>	<u>Sewer (Gallons)</u>	<u>Septage (Gallons)</u>
2010	5,649	\$42.10	\$0.38		357,207	558,295
2011	5,705	\$42.10	\$0.38		350,092	501,437
2012	5,735	\$50.29	\$0.38		406,206	544,042
2013	5,763	\$50.29	\$0.38		433,400	537,500
2014	5,763	\$50.33	\$0.38		450,000	477,368
2015 Budget	5,765	\$50.32	\$0.39		450,000	510,000

* Bylaw No. 3563, Sept 10, 2008

2015 & Forecast 2016 to 2019

Service Name: SSI Septage / Composting

L = Land
S = Engineering Structures
B = Buildings
V = Vehicles
E = Equipment

<div> <div>Service:</div> <div>3.705 SSI Septage / Composting</div> </div>		Committee: Electoral Area Services
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#1	<div>Septage Facility Upgrade – Phase 1 (carryforward)</div> <div>Construction of Transfer Station (receiving and storage) and installation of 3 ground water monitoring wells.</div>	\$800,000
#2	<div>Access Road Improvements (2015)</div> <div>The existing access road has poor drainage and requires frequent maintenance to be passable. Drainage and base improvements are proposed to reduce the level of maintenance.</div>	\$50,000
#3	<div>Septage Facility Upgrade – Phase 2 (\$315,000, 2015)</div> <div>Construction phase 2 of septage treatment and disposal facilities.</div>	\$315,000
#4	<div>Gulf Islands Septic Lagoon Closure (2015)</div> <div>Gulf Islands Septic, a private company on Salt Spring Island, holds permits on two unused septage lagoons on the CRD Burgoyne Road processing property. The lagoons require restoration in order to abandon the permits. The CRD has submitted a closure plan to MOE. The costs provided in the capital plan are conceptual only. It is expected that Gulf Islands Septic will share the cost to close the lagoons (represented by a \$25,000 contribution in the capital plan); however, a cost sharing arrangement has not yet been agreed between the parties.</div>	\$50,000