

CAPITAL REGIONAL DISTRICT

2022 Budget

SSI Liquid Waste Disposal

Commission Review

OCTOBER 2021

Service: **3.705 SSI Liquid Waste Disposal**

Committee: Electoral Area

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 on actual assessments for land and improvements. To a maximum of \$470,854.

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:	\$0.445 per imperial gallon (Bylaw No. 4395, December 9, 2020)
Connection Charge:	N/A

RESERVE FUND:

Bylaw No. 2274 (Feb 22, 1995)

3.705 - SSI Liquid Waste Disposal

	2021		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2023	2024	2025	2026
<u>OPERATING COSTS</u>										
Sludge Hauling Contract	477,400	629,960	558,000	-	-	558,000	569,160	580,540	592,150	603,990
Grit & Waste Sludge Disposal	6,000	3,500	3,600	-	-	3,600	3,670	3,740	3,810	3,890
Repairs & Maintenance	12,490	10,000	7,750	-	-	7,750	16,910	8,070	8,230	8,390
Allocations	29,030	29,030	37,626	-	-	37,626	38,333	39,054	39,789	40,539
Electricity	7,800	4,200	6,500	-	-	6,500	6,630	6,760	6,900	7,040
Supplies	7,530	9,500	7,680	-	-	7,680	7,830	7,990	8,150	8,310
Labour Charges	154,073	162,982	157,236	-	-	157,236	160,522	163,646	167,036	170,266
Other Operating Expenses	11,970	10,120	13,500	-	-	13,500	13,830	14,170	14,530	14,891
TOTAL OPERATING COSTS	706,293	859,292	791,892	-	-	791,892	816,885	823,970	840,595	857,316
*Percentage Increase over prior year						12.1%	3.2%	0.9%	2.0%	2.0%
<u>DEBT / RESERVES</u>										
MFA Debt Reserve	620	620	560	-	-	560	560	20,560	560	560
MFA Debt Principal	107,308	107,308	107,308	-	-	107,308	107,308	107,308	186,926	152,033
MFA Debt Interest	53,265	53,265	53,265	-	-	53,265	53,265	64,615	91,805	87,645
Transfer to Operating Reserve Fund	3,720	3,720	4,000	-	-	4,000	4,000	4,000	4,000	4,000
Transfer to Capital Reserve Fund	26,070	34,541	34,500	-	-	34,500	79,500	90,633	-	35,800
TOTAL DEBT / RESERVES	190,983	199,454	199,633	-	-	199,633	244,633	287,116	283,291	280,038
TOTAL COSTS	897,276	1,058,746	991,525	-	-	991,525	1,061,518	1,111,086	1,123,886	1,137,354
<u>FUNDING SOURCES (REVENUE)</u>										
Transfer from Operating Reserve Fund	(5,000)	(5,000)	-	-	-	-	(9,000)	-	-	-
Sale - Septage Sludge	(356,000)	(440,550)	(409,500)	-	-	(409,500)	(417,690)	(426,040)	(434,560)	(443,250)
Sale - Sewage Sludge	(178,000)	(255,430)	(204,750)	-	-	(204,750)	(208,850)	(213,030)	(217,290)	(221,640)
Grants in Lieu of Taxes	(450)	(450)	(460)	-	-	(460)	(470)	(480)	(490)	(500)
Recoveries	-	-	-	-	-	-	-	-	-	-
Other Revenue	(1,130)	(620)	(1,070)	-	-	(1,070)	(1,080)	(1,090)	(1,100)	(1,110)
TOTAL REVENUE	(540,580)	(702,050)	(615,780)	-	-	(615,780)	(637,090)	(640,640)	(653,440)	(666,500)
REQUISITION - PARCEL TAX	(356,696)	(356,696)	(375,745)	-	-	(375,745)	(424,428)	(470,446)	(470,446)	(470,854)
*Percentage increase over prior year Requisition						5.3%	13.0%	10.8%	0.0%	0.1%

**SSI Liquid Waste Disposal
Reserve Summary Schedule
2022 - 2026 Financial Plan**

Reserve/Fund Summary

	Estimated	Budget				
	2021	2022	2023	2024	2025	2026
Operating Reserve Fund	13,710	17,710	12,710	16,710	20,710	24,710
Capital Reserve Fund	169,309	126,309	25,809	116,442	106,442	142,242
Total	183,019	144,019	38,519	133,152	127,152	166,952

Reserve Schedule

Reserve Fund: 3.705 SSI Septage - Operating Reserve Fund - Bylaw 4144

Reserve fund used for the purposes of unforeseen operational repairs and maintenance; infrequent maintenance activities such as access road maintenance, power line maintenance and septage holding tank maintenance etc. Optimum minimum balance of \$50,000 (approximately 10%) of the annual operating budget.

Reserve Cash Flow

Fund: Fund Centre:	1500 105209	Estimated	Budget				
		2021	2022	2023	2024	2025	2026
Beginning Balance		14,850	13,710	17,710	12,710	16,710	20,710
Transfer from Ops Budget		3,720	4,000	4,000	4,000	4,000	4,000
Expenditures		(5,000)	-	(9,000)	-	-	-
Planned Maintenance Activity		Access Road Maintenance		Power Line Maintenance			
Interest Income*		140					
Ending Balance \$		13,710	17,710	12,710	16,710	20,710	24,710

Assumptions/Background:

* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

Reserve Schedule

Reserve Fund: 3.705 SSI Septage - Capital Reserve Fund - Bylaw 2274

Reserve fund used for the purposes of capital expenditures including planning, engineering and legal costs for providing, accessing, altering or expanding liquid waste disposal and co-composting facilities related directly or indirectly to the Saltspring Island Liquid Waste Disposal Facilities.

Reserve Cash Flow

Fund: 1087 Fund Centre: 102146	Estimated	Budget				
	2021	2022	2023	2024	2025	2026
Beginning Balance	143,416	169,309	126,309	25,809	116,442	106,442
Transfer from Ops Budget	34,541	34,500	79,500	90,633	-	35,800
Transfer to Cap Fund	(10,000)	(77,500)	(180,000)	-	(10,000)	-
Interest Income*	1,352					
Ending Balance \$	169,309	126,309	25,809	116,442	106,442	142,242

Assumptions/Background:

* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2022 to 2026

Service No.	3.705	Carry Forward from 2021	2022	2023	2024	2025	2026	TOTAL
	SSI Septage / Composting							

EXPENDITURE

Buildings	B	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land	L	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	S	\$155,000	\$152,500	\$180,000	\$2,000,000	\$50,000	\$0	\$2,382,500
Vehicles	V	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$155,000	\$152,500	\$180,000	\$2,000,000	\$50,000	\$0	\$2,382,500

SOURCE OF FUNDS

Capital Funds on Hand	Cap	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	Debt	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
Equipment Replacement Fund	ERF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	Grant	\$75,000	\$75,000	\$0	\$0	\$40,000	\$0	\$115,000
Donations / Third Party Funding	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	Res	\$80,000	\$77,500	\$180,000	\$0	\$10,000	\$0	\$267,500
		\$155,000	\$152,500	\$180,000	\$2,000,000	\$50,000	\$0	\$2,382,500

CAPITAL REGIONAL DISTRICT
5 YEAR CAPITAL PLAN
2022 - 2026

Project Number Project number format is "yy-##" "yy" is the last two digits of the year the project is planned to start. "##" is a numerical value. For example, 22-01 is a project planned to start in 2022. For projects in previous capital plans, use the same project numbers previously assigned.	Capital Project Description Briefly describe project scope and service benefits. For example: <i>"Full Roof Replacement of a 40 year old roof above the swimming pool area; The new roofing system is built current energy standards, designed to minimize maintenance and have an expected service life of 35 years".</i>	Carryforward from 2021 Input the carryforward amount from the 2021 capital plan that is remaining to be spent. Forecast this spending in 2022 to 2026.	Project Drivers Maintain Level of Service = Project maintains existing or improved level of service. Advance Board or Corporate Priority = Project is a Board or Corporate priority. Emergency = Project is required for health or safety reasons. Cost Benefit = Economic benefit to the organization. Other = Project is not driven by one of the other options provided.
Capital Expenditure Type Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset	Total Project Budget Provide the total project budget, even if it extends beyond the 5 years of this capital plan.	Funding Source Codes Debt = Debenture Debt (new debt only) ERF = Equipment Replacement Fund Grant = Grants (Federal, Provincial) Cap = Capital Funds on Hand Other = Donations / Third Party Funding Res = Reserve Fund STLoan = Short Term Loans WU = Water Utility If there is more than one funding source, use additional rows for the project.	Long-term Planning Master Plan / Servicing Plan = Plan that identifies new assets required to meet future needs. Asset Management Plan / Sustainable Service Delivery Plan = Integrated plan that identifies asset replacements based on level of service, criticality, condition, risk, replacement costs as well as external impacts. Replacement Plan = Plan that identifies asset replacements based primarily on asset age or asset material/type. Condition Assessment = Assessment that identifies asset replacements based on asset condition.
Capital Project Title Input title of project. For example "Asset Name - Roof Replacement", "Main Water Pipe Replacement".	Asset Class L - Land S - Engineering Structure B - Buildings V - Vehicles	Cost Estimate Class Class A (±10-15%) = Estimate based on final drawings and specifications; used to evaluate tenders. Class B (±15-25%) = Estimate based on investigations, studies or preliminary design; used for budget planning. Class C (±25-40%) = Estimate based on limited site information; used for program planning. Class D (±50%) = Estimate based on little/no site information; used for long-term planning.	

Service #: 3.705

Service Name: SSI Septage / Composting

Project List and Budget													
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2021	2022	2023	2024	2025	2026	5 - Year Total
16-03	Study	Options Analysis	Options for treatment and disposal.	\$70,000	S	Res	\$65,000	\$70,000	\$0	\$0	\$0	\$0	\$70,000
17-01	Study	Public Engagement for Treatment Capital Project	Inform and engage public within service area on upcoming works that will require borrowing to fund.	\$10,000	S	Res	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000
17-02	Study	Referendum or Alternative Approval Process - Funding for Future Projects	Undertake a referendum or AAP to borrow funds to carry out the project.	\$60,000	S	Res	\$15,000	\$0	\$60,000	\$0	\$0	\$0	\$60,000
18-01	Replacement	Treatment and Disposal	Engineering design of treatment and disposal	\$110,000	S	Res	\$0	\$0	\$110,000	\$0	\$0	\$0	\$110,000
18-01	Replacement	Treatment and Disposal	Construction of treatment and disposal	\$2,000,000	S	Debt	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
20-01	Replacement	Lagoon Closure	Lagoon Closure	\$82,500	S	Grant	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$75,000
20-01					S	Res	\$0	\$7,500	\$0	\$0	\$0	\$0	\$7,500
21-01	Study	Strategic Asset management plan	Develop an asset management plan to develop asset inventory, asset conditions and develop strategies for near, medium, and long term capital/maintenance projects.	\$40,000	S	Grant	\$0	\$0	\$0	\$0	\$40,000	\$0	\$40,000
21-01	Study	Strategic Asset management plan	Develop an asset management plan to develop asset inventory, asset conditions and develop strategies for near, medium, and long term capital/maintenance projects.	\$10,000	S	Res	\$0	\$0	\$0	\$0	\$10,000	\$0	\$10,000
			GRAND TOTAL	\$2,382,500			\$155,000	\$152,500	\$180,000	\$2,000,000	\$50,000	\$0	\$2,382,500

Service: 3.705 SSI Septage / Composting

Project Number	16-03	Capital Project Title	Options Analysis	Capital Project Description	Options for treatment and disposal.
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Project Rationale Review options for the treatment and disposal of the septage sludge. Do complete life cycle analysis. Public engagement and referendum to borrow. Estimates to date indicate it will not be possible to construct the treatment and disposal facilities without additional money. While this may change once the septage receiving and storage phase is complete and preferred treatment and disposal option selected, it is prudent to assume a referendum and significant public engagement will be required.

Project Number	17-01	Capital Project Title	Public Engagement for Treatment Capital Project	Capital Project Description	Inform and engage public within service area on upcoming works that will require borrowing to fund.
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Project Rationale Need to inform and engage public within service area on upcoming works that will require borrowing to fund.

Project Number	17-02	Capital Project Title	Referendum or Alternative Approval Process - Funding for Future Projects	Capital Project Description	Undertake a referendum or AAP to borrow funds to carry out the project.
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Project Rationale Need to undertake a referendum or AAP to borrow funds to carry out the project.

Project Number	18-01	Capital Project Title	Treatment and Disposal	Capital Project Description	Engineering design of treatment and disposal
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Project Rationale This is the design and construction of the preferred treatment and disposal chosen through the options analysis.

Project Number	20-01	Capital Project Title	Lagoon Closure	Capital Project Description	Lagoon Closure
Project Rationale	Old lagoons have not been officially closed.				

Project Number	21-01	Capital Project Title	Strategic Asset management plan	Capital Project Description	Develop an asset management plan to develop asset inventory, asset conditions and develop strategies for near, medium, and long term capital/maintenance projects.
Project Rationale	Need to develop an asset management plan to develop asset inventory, asset conditions and develop strategies for near, medium, and long term capital/maintenance projects.				

3.705 - SSI Liquid Waste Disposal

Capital Projects

Updated @ Sep 8th, 2021

Year	Project#	Status	Capital Project Description	Total Project Budget	Expenditure Actuals	Remaining Funds
2009	CE.225	OPEN	Septage Facility Upgrade	2,316,940	2,283,915	33,025
2020	CE.699.4506	OPEN	Safe Work Procedures	9,000	3,622	5,378
2020	CE.704	CLOSE	Burgoyne Bay Site Investigation	47,700	33,036	14,664
			Total	2,373,640	2,320,574	53,066

Service:

3.705

SSI Liquid Waste Disposal

Committee: Electoral Area

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax</u>	<u>Rate/Gallon*</u>	<u>Sewer Sludge (Gallons)</u>	<u>Septage (Gallons)</u>	<u>Total (Gallons)</u>
2010	5,649	\$42.10	\$0.38	357,207	558,295	915,502
2011	5,705	\$42.10	\$0.380	350,092 ¹	501,437 ¹	851,529
2012	5,735	\$50.29	\$0.380	406,206 ¹	544,042 ¹	950,248
2013	5,763	\$50.30	\$0.380	433,400 ¹	537,500 ¹	970,900
2014	5,763	\$50.31	\$0.380	436,823 ¹	541,439 ¹	978,262
2015	5,765	\$51.22	\$0.390	365,886 ¹	586,101 ¹	951,987
2016	5,821	\$52.49	\$0.400	373,676 ¹	697,858 ¹	1,071,534
2017	5,821	\$54.92	\$0.405	390,538 ¹	684,005 ¹	1,074,543
2018	5,821	\$55.13	\$0.415	392,596 ¹	739,624 ¹	1,132,220
2019	5,821	\$56.07	\$0.415	452,708 ¹	767,668 ¹	1,220,376
2020	5,836	\$62.91	\$0.440	475,082 ¹	911,138 ¹	1,386,220
2021	5,842	\$64.26	\$0.445	574,000 ²	990,000 ²	1,564,000
2022	5,853	\$67.57	\$0.455	450,000 ²	900,000 ²	1,350,000

Change from 2021 to 2022

\$3.31

5.15%

¹ Actual Volume

² Estimated Volume

SSI Septage
Funding Analysis 2018 - 2022

