



Notice of Meeting and Meeting Agenda Maliview Local Services Commission

Wednesday, October 14, 2026

10:00 AM

SIMS Boardroom
124 Rainbow Road
Salt Spring Island BC

Budget

[MS Team Meeting Streaming Link](#)

G. Holman (Director), G. Schroeder, P. Smith, L. Travelbea (Chair),

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgment

2. Approval of Agenda

3. Adoption of Minutes

3.1. [26-1068](#) Minutes of November 07, 2025 Maliview Local Service Commission

Recommendation: That the minutes of the November 07, 2025 meeting be adopted as circulated.

Attachments: [Minutes: November 7, 2025](#)

4. Presentations/ Delegations

Delegations will have the option to participate electronically. Please complete the online application for "Addressing the Maliview Sewer Local Service Commission" on our website and staff will respond with details. Requests must be received no later than 4:30 p.m. two calendar days prior to the meeting.

5. Commission Business

5.1. [26-1069](#) Ratepayer Communication Regarding Annual Billing Rates

Recommendation: That the Maliview Local Sewer Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Attachments: [Staff Report: Ratepayer Communication Regarding Annual Billing Rates](#)
[Appendix A: 2026 Maliview Local Sewer Rates](#)

5.2. [26-1070](#) Financial Reporting Requirements

Recommendation: There is no recommendation, this report is for information only.

Attachments: [Staff Report: Financial Reporting Requirements](#)

5.3. [26-1071](#) 2027 Operating and Capital Budget

Recommendation: That the Maliview Sewer Local Services Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Maliview Sewer Local Service as presented.

Attachments: [Staff Report: 2027 Operating and Capital Budget](#)
[Appendix A: 2027 Maliview Sewer Utility](#)

5.4. [26-1118](#) Maliview Treatment Plant Project Update- Fall 2026

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: Maliview Treatment Plant Project Update- Fall 2026](#)

6. Adjournment

Next Meeting:

-TBD

Meeting Minutes - Draft

Maliview Local Services Commission

Friday, November 7, 2025

12:00 PM

Salt Spring Island

Budget

PRESENT:

COMMISSION MEMBERS: G. Holman, L. Tavelbea (EP), J. Miller (EP)

STAFF: S. Henderson, General Manager, Electoral Area Services (EP); D. Ovington, Senior Manager, SSI Administration; J. Bilodeau, Manager, Local Services Water and Wastewater Ops.; C. Hopp, Manager SSI Engineering, SSI Administration; L. Xu, Manager, Local Area Services, Finance Services; K. Vincent, Senior Financial Advisor, Finance Services (EP); and M. Williamson, Committee Clerk, (Recorder)

ABSENT:

COMMISSION MEMBERS: B. Travelbea

Electronic Participation- (EP)

These minutes follow the order of the agenda although the sequence may have varied.

The meeting was called to order at 12:13 pm.

**MOVED By Commissioner Miller, SECONDED by Director Holman,
That Director Holman be appointed Acting Chair for the November 7, 2025.
CARRIED**

1. Territorial Acknowledgment

D. Ovington provided a Territorial Acknowledgement.

2. Approval of Agenda

**MOVED By Commissioner Miller, SECONDED by Director Holman,
That agenda for the November 07, 2025, Budget Meeting of the Fernwood and
Highland Water Services Commission be approved as presented.
CARRIED**

3. Adoption of Minutes

3.1. Minutes of November 04, 2024 Maliview Local Service Commission

**MOVED By Commissioner Miller, SECONDED by Commissioner L. Travelbea,
That the minutes of the November 04, 2024 meeting be adopted as circulated.
CARRIED**

4. New Business

2026 Operating and Capital Budget

MOVED by Director Holman, **SECONDED** by Commissioner Miller,
That the rules of the Capital Regional District Board Procedures Bylaw be
suspended to allow members of the public present to speak regarding agenda
item 4.1.

CARRIED

MOVED by Commissioner Miller, **SECONDED** by Commissioner L. Travelbea
That the Maliview Sewer Local Services Commission recommend that the
Electoral Areas Committee recommend that the CRD Board approve the 2026
Operating and Capital Budget and the Five-Year Financial Plan for the Maliview
Estates Sewerage Local Service as presented.

CARRIED

5. Adjournment

MOVED by Commissioner L. Travelbea, **SECONDED** by Commissioner Miller,
That the meeting of the Maliview Local Sewer Service Commission be adjourned
at 12:54pm.

CARRIED

CHAIR

SENIOR MANAGER

**REPORT TO MALIVIEW LOCAL SEWER SERVICE COMMISSION
MEETING OF WEDNESDAY, OCTOBER 14, 2026**

SUBJECT Ratepayer Communication Regarding Annual Billing Rates

ISSUE SUMMARY

This report responds to the request for ways to improve communication of annual rates with ratepayers of the Maliview Local Sewer Service.

BACKGROUND

At the June 23, 2026 meeting of the Maliview Local Sewer Service Commission, the following motion was passed.

“That staff report back on ways to improve communication with ratepayers”.

The Maliview Local Sewer Service currently communicates with ratepayers through quarterly billing notices, annual rate notices, public Commission meetings, annual reports, service alerts, and information posted on the Capital Regional District (CRD) website. Financial information is also provided through the annual budget process, annual reporting, and project-specific reports presented at public Commission meetings. These communication practices are consistent with the level of reporting provided across other Salt Spring Island CRD utility services.

Staff have heard from a number of Salt Spring Island CRD water commissions that there is interest in increased communication regarding utility rate increases and the factors driving those increases. While the current reporting framework provides information through budgets, annual reports, public meetings and the Maliview Estate Sewer service webpage, there may be opportunities to improve ratepayer understanding through enhanced communication materials that explain major cost drivers, capital investment requirements, and financial planning considerations associated with annual rate adjustments.

Billing rates are typically presented to the Commission in the fall and approved by the CRD Board in December with new rates coming into effect January 1 of the following year. Parcel tax, which is subject to change, receives final approval by the CRD Board in March and is billed through the annual property tax. These updated rates are posted on the CRD website (Appendix A) but do not include an explanation of the cost drivers or capital investment requirements.

ALTERNATIVES

Alternative 1

That the Maliview Local Sewer Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Alternative 2

That the Maliview Local Sewer Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers and advertise the annual budget meeting online and through notices mailed to each household in the service area and increase future advertising of budgets accordingly.

Alternative 3

That the Maliview Local Sewer Service Commission refer the report back to staff for additional consideration.

IMPLICATIONS

Financial Implications

Current communication tools provide ratepayers with access to service, financial and governance information through a variety of established channels. Opportunities to expand awareness of annual budget discussions and improve understanding of utility rates and parcel taxes are available, although may result in additional costs to the service.

Potential enhancements include:

- Advertising annual budget meetings on the Salt Spring Exchange, similar to the current practice for the Annual General Meeting (AGM).
- Providing mailed notices to ratepayers advising them of upcoming budget meetings and opportunities for public participation, similar to the current practice for the AGM.
- Including an explanation of annual costs per resident and major budget drivers with first-quarter paper billing notices.
- Including the same information as an attachment or link within the electronic billing.

The cost to advertise annual budget meetings is estimated at approximately \$50 per notice in the Salt Spring Exchange. Direct mail notifications would cost approximately \$3 per household for printing and postage and would result in an additional operating expense to the service each year.

There would be no significant additional cost associated with including an “explanation” of annual costs including rate increases and major budget drivers with first-quarter paper or electronic billing notices as staff already prepare an explanation of annual costs that is then posted on the website.

Advertising AGM meeting dates by written notice at least 30 days prior to the date of the AGM is a requirement of the Committees Bylaw #3693. Advertising budget meetings is not a requirement.

CONCLUSION

The Maliview Local Sewer Water Service currently provides ratepayers with information through a variety of established communication channels. Opportunities exist to improve awareness of annual rate changes and budget drivers through enhanced communication materials and promotion of budget meetings. Several options could be implemented through existing billing processes with minimal additional cost, while others would require additional funding to support an increased level of service.

RECOMMENDATION

That the Maliview Local Sewer Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Submitted by:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services

ATTACHMENT

Appendix A: 2026 Maliview Local Sewer Rates

2026 Sewer Rates

Maliview Sewer Service Area

Appendix A



Capital Regional District | Effective January 1, 2026

The following information is for properties which are within the Maliview Sewer Service Area Only.

Explanation of annual costs per resident

- The Capital Regional District bills Salt Spring Island residents on a quarterly cycle.
- The total annual Fixed Use Charge is divided into quarterly payments and is based on a single-family dwelling unit or equivalent.
- The Consumption Charge is based on the metered amount of water delivered to the property through the connection to the Highland/Fernwood Water System. Each cubic m3 of water metered to the property will be charged an additional \$1.75 to cover the costs associated with the connection to the sewer system.

	2025	2026
FIXED USE CHARGE		
	\$522.77/ quarter (\$2,091.08 total annual)	\$604.68/ quarter (\$2418.70 total annual)
SEWER CONSUMPTION CHARGE		
Per cubic m3 of metered water consumed	\$ 1.75	\$1.75
PARCEL TAX		
(appears on property tax bill)	\$ 58.45	\$677.63

Note: 1 cubic metre (1 m³) = 1,000 litres = 220 imperial gallons

Additional information

- 2026 Parcel Tax, which is subject to change, is based on the CRD's Financial Plan. The Financial Plan, with possible revisions, will receive final approval by the CRD Board in March of 2026.
- Payment is due within 30 days of issuing the water bill. A late payment charge of 1.5% will be added after the billing due date.

For more information on your water service, including water conservation tips, visit www.crd.ca/highfern-ws.

Report water emergencies toll free at 1.855.822.4426. Billing questions toll free at 1.800.663.4425 (ask for utility billing).

**REPORT TO MALIVIEW SEWER LOCAL SERVICE COMMISSION
MEETING OF WEDNESDAY, OCTOBER 14, 2026**

SUBJECT **Financial Reporting Requirements**

ISSUE SUMMARY

The purpose of this report is to review implications of higher-level financial reporting for the Maliview Sewer Local Service.

BACKGROUND

At the June 23, 2026 meeting of the Maliview Sewer Local Service Commission the following motion was passed.

“That staff report back on the implications of financial statements providing the additional requested information listed below with quarterly billing:

- *Depreciated value of equipment and assets*
 - *Cash flow statement including projected costs and expected annual and monthly expenses and payments by ratepayers*
- Financial and progress quarterly updates on major capital projects.

The Maliview Sewer Local Service currently receives financial information through the annual budget process, project-specific reporting, and reports presented at public Commission meetings. These reporting practices are supported through existing CRD financial and operational resources and are consistent with the current level of service provided to other CRD committees and commissions.

The reporting requested by the Commission would introduce additional analysis, forecasting, and communication requirements beyond those currently funded within the service.

IMPLICATIONS

Financial Implications

The three reporting requests represent a higher level of service than is currently funded through the M Service budget.

Implementing these reporting requirements would require additional staff resources and/or the retention of external consultants to provide asset management analysis, financial forecasting, project reporting, and communications support. Should the Commission wish to proceed, staff would return with a detailed scope of work, resource requirements, and cost estimates for consideration through a future budget process. Any associated costs would need to be funded by the Maliview Sewer Local Service through increased allocations to CRD support services or consultant expenditures charged to the service.

Depreciated Value of Equipment and Assets

The depreciated (net book) value of utility assets is primarily an accounting measure used for financial reporting purposes. It does not directly affect a customer's quarterly bill, service levels, or current utility operations. In addition, under current practices, capital assets are capitalized and amortized annually, meaning the information is only updated once per year. Including annual accounting information in quarterly customer billing materials would provide limited value while increasing reporting complexity.

Cash Flow Forecasting

Cash flow is managed at the corporate level and can fluctuate significantly throughout the year due to capital spending, debt repayments, timing of grants, reserve transfers, and seasonal operating activities. Presenting detailed cash flow information with quarterly bills would require extensive forecasting and analysis and could be difficult for customers to interpret. Cash flow information is also not a primary driver of utility rates, which are established through the budget and financial planning process. Details in the format requested are not easily available from the system and may create confusion and more questions rather than improve transparency.

Quarterly Capital Project Updates

While financial information for capital projects is available within the accounting system, meaningful project updates require context regarding scope, schedule, risks, milestones, and operational impacts. This information is typically best communicated through dedicated project reporting, commission reports, annual reports, websites, or project-specific communications rather than through utility bills. Including project updates with quarterly billing would also require ongoing staff resources to prepare, validate, and present information in a format suitable for public distribution.

Overall assessment

Quarterly utility bills are intended to communicate billing information clearly and concisely. Including detailed accounting information, cash flow forecasts, and capital project reporting would significantly increase the volume and complexity of information provided to customers, while offering limited value in helping them understand their bill. The requested information is generally better suited to annual financial statements, budgets, annual reports, commission reports, and dedicated project reporting where sufficient context can be provided. In addition, producing and maintaining this information on a quarterly basis would require additional staff resources for analysis, forecasting, report preparation, review, and ongoing communication where there are already capacity constraints.

CONCLUSION

The requested reporting enhancements would provide a level of financial and project information beyond the current service and reporting framework established for the Maliview Local Sewer Service. While this information could be produced, it would require additional staff resources or external consultant support and would result in increased costs to the service. Staff have determined that the requested information is more appropriately communicated through annual financial statements, budget documents, commission reports, and project-specific reporting where sufficient context can be provided. Maintaining this level of reporting would increase administrative requirements while providing limited benefit to customers in understanding their utility bills.

RECOMMENDATION

There is no recommendation, this report is for information only.

Submitted by:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services

**REPORT TO MALIVIEW LOCAL AREA SERVICES COMMISSION
MEETING OF WEDNESDAY, OCTOBER 14, 2026**

SUBJECT 2027 OPERATING AND CAPITAL BUDGET

ISSUE SUMMARY

To present the 2027 operating and capital budget for Commission review and recommendation for the approval of the Capital Regional District (CRD) Board and for inclusion in the CRD Five-Year Financial Plan, in accordance with Bylaw No 3693, "Salt Spring Island Water, Sewer and Liquid Waste Disposal Commissions Bylaw No. 1, 2010"

BACKGROUND

The Capital Regional District (CRD) is required by legislation under the *Local Government Act* (LGA) to prepare an annual Operating and Capital budget and a five-year Financial Plan. CRD staff have therefore, prepared the financial plan shown in Appendix A.

The Operating Budget includes the regular annual costs to operate the service. The Capital Expenditure Plan shows the anticipated expenditures for capital additions. These may include purchases of new assets or infrastructure, upgrades or improvements to existing assets or asset review and study work potentially leading to future capital improvements.

In preparing the Operating Budget, CRD staff considered:

1. Actual expenditures incurred between 2024 and 2026
2. Anticipated changes in level of service (if any)
3. Maximum allowable tax requisition
4. Annual cost per taxpayer and per SFE

Factors taken into consideration in the preparation of the Capital Expenditure Plan included:

1. Available funds on hand
2. Projects already in progress
3. Condition of existing assets and infrastructure
4. Regulatory, environmental, and health and safety factors.

Adjustments for surpluses or deficits from 2026 may be made in January 2027. The CRD Board will give final approval to the budget and financial plan in March 2027.

The Financial Plan for the years 2028 – 2031 is forecasted and can be updated in future years.

BUDGET OVERVIEW

Operating Budget

It is projected that operating expenses in 2026 will be approximately \$47,448 under budget primarily due to delays with construction of the new WWTP resulting in less operational labour, supplies, as well as less waste sludge and hauling services than budgeted.

The debt servicing cost will be \$13,647 below the budget due to delays in planned borrowing in 2026.

It is projected that the 2026 operating revenue will be on budget with a \$200 surplus.

As a result, there is an overall estimated operating surplus of approximately \$61,295 (\$47,448+ \$13,647 + \$200). To balance the operating budget at the end of year, the actual surplus or deficit will be balanced with 2026 reserve fund transfers, namely the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF). In the event that the service ends the year with a deficit and the deficit cannot be fully recovered by reserve transfers in 2026, the deficit must immediately be included as expenditure to be recovered from revenue in 2027 financial plan as required by *Local Government Act* (LGA) Section 374(11).

Operating costs for 2027 (excluding one-time cyclical program funded by ORF in 2027 for Outfall Inspection for \$10,000) will increase by \$36,820 (17.5%) compared to 2026. The increase is primarily to account for the higher operating costs associated with the wastewater plant upgrade expected to be commissioned in early 2027. The new treatment plant will require chemical dosing, increased labour allocation, higher energy demand, and more equipment to maintain.

Municipal Finance Authority (MFA) Debt

After a successful petition obtaining public assent in 2025, ***Loan Authorization Bylaw 4370*** to borrow up to \$2,510,000 was approved and adopted to upgrade the Wastewater Treatment Plant in Maliview Sewer Service.

The MFA issues long-term debt twice a year, in the spring and in the fall. To provide timely access to funding for the cashflow requirements of project delivery, short-term borrowing will be utilized and later be converted to the long-term debt issues.

The debt costs of \$158,222 budgeted in 2027 are only an estimate based on many variable assumptions including, but not limited to, cashflow projection, the timing of the temporary loan and its conversion to long-term debt, variable interest rates on the temporary loan, and indicative interest rates for the long-term issues. Actual debt costs are expected to stabilize over the next two or three years once the long-term issues are locked down with the actual interest rates and terms. The actual debt costs associated with the long-term issues will be presented in future reports once the information becomes available.

Operating Reserve Fund

Operating Reserve Fund (ORF) is used to fund cyclical maintenance activities, equipment and supplies purchases that typically do not occur on an annual basis to mitigate the swings in expense and revenue requirement year over year. Typical maintenance activities include sewer flushing and inspections, tank cleaning and inspections, and outfall inspections. Additionally, the ORF is also used to respond to unforeseen events and operating emergencies.

The ORF transfers planned in the budget are evaluated and guided by the CRD Operating Reserve Guidelines endorsed by the CRD Board. The target balance for the service ranges from \$35,000 to \$80,000.

It is proposed that 2027 transfer to the Operating Reserve Fund be set at \$5,000. The Operating Reserve Fund balance at the end of 2026 is projected to be approximately \$90,082. There is

\$10,000 of planned maintenance to be funded by the Operating Reserve Fund over the next five years.

Capital Reserve Fund

The Capital Reserve Fund (CRF) is to be used to pay for capital expenditures that are not funded by other sources such as grants, operating budget, or debt.

The CRF transfers planned in the budget are evaluated and influenced by the funding required to support the five-year capital expenditure plan and the emergency response to infrastructure failures, also guided by the CRD Capital Reserve Funding Guidelines endorsed by the CRD Board. The target balance for the service to be maintained is approximately \$102,000.

It is proposed that the transfer to Capital Reserve Fund be set at \$21,000 in 2027. A total of \$210,000 will be required from the capital reserves over the next five years to support the capital expenditure plan. The balance at the end of 2026 is projected to be approximately \$140,627.

Capital Expenditure Plan

The 5-year Capital Plan includes \$1,217,000 of new expenditures to be funded by a combination of Capital funds on hand, Capital Reserve Fund, debt, and grants.

Current capital projects that are already in progress and funded include WWTP Upgrades (21-03) with additional funding planned in 2027, Inflow and Infiltration (I&I) Program (23-02), I&I Repairs (22-02), Public Education Programs (24-01), and Safe Work Procedures (19-01).

There are no new capital projects scheduled for 2027. Projects planned in 2028-2031 include continuation of I&I repairs over multiple years, and the Asset Management Plan update in 2028.

Please refer to the 2027 – 2031 Five Year Capital Plan in Appendix A for details on all the capital projects.

Capital Project Fund

As specific capital projects are approved, the funding revenues are transferred into the Capital Project Fund from multiple funding sources, including Capital Reserve Funds (CRF), grant funding, external contribution, and debt. Any funds remaining upon completion of a project will be transferred back to its original funding source(s).

User Charge and Parcel Tax

The service is funded by Parcel Tax, fixed user charge and sewer use consumption charge. The sewer variable use charge of \$1.75/m³ is unchanged from 2026. Table 2 below summarizes 2027 over 2026 changes for parcel tax and user charge.

Table 2 – Parcel Tax and User Charge Summary

<i>Budget Year</i>	<i>Parcel Tax</i>	<i>Taxable Folios Numbers</i>	<i>Parcel Tax per Folio*</i>	<i>User Charge</i>	<i>SFE** Numbers</i>	<i>User Charge per Residential Customer</i>	<i>Parcel Tax & User Charge</i>
2026	\$60,520	94	\$677.63	\$241,870	100	\$2,418.70	\$3,096.33
2027	\$158,222	94	\$1,771.58	\$247,020	100	\$2,470.20	\$4,241.78
Change (\$)	\$97,702	0	\$1,093.95	\$5,150	0	\$51.50	\$1,145.45
Change (%)	161.44%	0.00%	161.44%	2.13%	0.00%	2.13%	36.99%

*Includes 5.25% admin fee charged by the Ministry of Finance (not CRD revenue)

** Single Family Equivalent

The 2027 fixed user charge per SFE and sewer consumption rate based on the budget will be included in the fees and charges bylaw to be approved by the CRD Board, effective as of January 2027.

ALTERNATIVES

Alternative 1

That the Maliview Sewer Local Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Maliview Sewer Local Service as presented.

Alternative 2

That the Maliview Sewer Local Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Maliview Sewer Local Service as amended with specific direction on amendments.

RECOMMENDATION

That the Maliview Sewer Local Services Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Maliview Sewer Local Service as presented.

Submitted by:	Dan Ovington, BBA , Senior Manager, Salt Spring Island Electoral Area
Concurrence:	Jason Dales, B.Sc, WD IV, Senior Manager, Infrastructure Operations
Concurrence:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

Appendix A : 2027 Maliview Sewer Utility

CAPITAL REGIONAL DISTRICT

2027 Budget

Maliview Sewer Utility (SSI)

Commission Review

OCTOBER 2026

Service: **3.820 Maliview Sewer Utility (SSI)**

Committee: Electoral Areas

DEFINITION:

To operate and maintain a sewage collection and disposal system for the Maliview Estates Sewage Collection and disposal System Specified Area on Salt Spring Island (Local Service Establishment Bylaw No. 1938, October 23, 1991)

PARTICIPATION:

Maliview Estates - G(764) LSA#12

MAXIMUM LEVY:

Greater of \$20,000 or \$2.50 / \$1,000 on actual assessed value of land and improvements.

COMMISSION:

Maliview Sewer Local Service Commission - Bylaw 4371 (Dec 09, 2020)

FUNDING:

Any deficiencies after user charge and/or frontage tax or parcel tax to be levied on taxable school assessments, excluding property that is taxable for school purposes on by Special Act.

User Charge: Annual Fixed Fee per water service connection

Parcel Tax: Annual, levied only on properties capable of being connected to the system.

Consumption Charge: \$1.75 per cubic meter of total water provided or delivered to the building served by the sewer connection to the CRD Highland Water System

Connection Charge: Actual cost to connect

RESERVE FUND:

Maliview Estates Sewerage System Capital Reserve Fund, Bylaw No. 1499 (Dec. 17, 1986)

3.820 - Maliview Estates Sewer System	2026		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2028	2029	2030	2031
<u>OPERATING COSTS</u>										
Sludge Hauling Contracts	26,220	22,000	26,220	-	-	26,220	26,740	27,270	27,820	28,380
Screenings, Grit & Waste Sludge Disposal	41,890	34,000	43,310	-	-	43,310	44,180	45,060	45,960	46,880
Repairs & Maintenance	10,730	6,800	10,730	-	10,000	20,730	10,940	11,150	11,360	11,570
Allocations	28,012	28,012	30,930	-	-	30,930	31,654	32,390	33,139	33,902
Electricity	6,000	4,000	12,000	-	-	12,000	18,000	18,360	18,730	19,100
Water	1,540	1,540	1,540	-	-	1,540	1,570	1,600	1,630	1,660
Supplies	10,610	2,630	25,610	-	-	25,610	33,110	33,770	34,440	35,130
Labour Charges	75,000	54,000	86,643	-	-	86,643	88,370	90,140	91,940	93,770
Other Operating Expenses	10,128	9,700	9,967	-	-	9,967	10,206	10,450	10,701	10,973
TOTAL OPERATING COSTS	210,130	162,682	246,950	-	10,000	256,950	264,770	270,190	275,720	281,365
*Percentage Increase over prior year			17.5%		4.8%	22.3%	3.0%	2.0%	2.0%	2.0%
<u>DEBT / RESERVES</u>										
Transfer to Capital Reserve Fund	44,140	105,435	21,000	-	-	21,000	28,390	45,230	50,500	56,025
Transfer to Operating Reserve Fund	13,000	13,000	5,000	-	-	5,000	5,000	5,000	5,000	5,000
Debt Reserve Fund - Planned	17,800	17,800	7,300	-	-	7,300	-	-	-	-
MFA Principal Payment - Planned	-	-	34,198	-	-	34,198	48,223	48,223	48,223	48,223
MFA Interest Payment - Planned	42,720	29,073	116,724	-	-	116,724	122,625	122,625	122,625	122,625
TOTAL DEBT / RESERVES	117,660	165,308	184,222	-	-	184,222	204,238	221,078	226,348	231,873
TOTAL COSTS	327,790	327,990	431,172	-	10,000	441,172	469,008	491,268	502,068	513,238
*Percentage Increase over prior year			31.5%		3.1%	34.6%	6.3%	4.7%	2.2%	2.2%
<u>FUNDING SOURCES (REVENUE)</u>										
Transfer from Operating Reserve Fund	-	-	-	-	(10,000)	(10,000)	-	-	-	-
Sales - Sewer Use	(25,000)	(25,000)	(25,530)	-	-	(25,530)	(26,040)	(26,560)	(27,090)	(27,630)
User Charges	(241,870)	(241,870)	(247,020)	-	-	(247,020)	(271,720)	(293,460)	(303,730)	(314,360)
Other Revenue	(400)	(600)	(400)	-	-	(400)	(400)	(400)	(400)	(400)
TOTAL REVENUE	(267,270)	(267,470)	(272,950)	-	(10,000)	(282,950)	(298,160)	(320,420)	(331,220)	(342,390)
REQUISITION - PARCEL TAX	(60,520)	(60,520)	(158,222)	-	-	(158,222)	(170,848)	(170,848)	(170,848)	(170,848)
*Percentage increase over prior year										
Sales			2.1%			2.1%	2.0%	2.0%	2.0%	2.0%
User Fees			2.1%			2.1%	10.0%	8.0%	3.5%	3.5%
Requisition			161.4%			161.4%	8.0%	0.0%	0.0%	0.0%
Combined			31.6%			31.6%	8.8%	4.8%	2.2%	2.2%

**Maliview Estates Sewer System
Summary Schedule
2027 - 2031 Financial Plan**

Reserve/Fund Summary

	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Operating Reserve Fund	90,082	85,082	90,082	95,082	100,082	105,082
Capital Reserve Fund	140,627	111,627	130,017	125,247	125,747	131,772
Total	230,709	196,709	220,099	220,329	225,829	236,854

Reserve Schedule

Reserve Fund: 3.820 Maliview Sewer Utility (SSI) - Operating Reserve Fund - Bylaw 4144

Reserve fund used for: unforeseen operational repairs and maintenance; infrequent maintenance activities such as treatment facility tankage cleaning and inspection, collection system flushing and inspection, outfall inspection etc.

Reserve Cash Flow

Fund: 1500 Fund Centre: 105211	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Beginning Balance	74,682	90,082	85,082	90,082	95,082	100,082
Transfer from Ops Budget	13,000	5,000	5,000	5,000	5,000	5,000
Expenditures	-	(10,000)	-	-	-	-
Planned Maintenance Activity		Outfall Inspection				
Interest Income*	2,400					
Ending Balance \$	90,082	85,082	90,082	95,082	100,082	105,082

Assumptions/Background:

* Interest in planning years nets against inflation which is not included.

Reserve Schedule

Reserve Fund: 3.820 Maliview Sewer Utility (SSI) - Capital Reserve Fund - Bylaw 1499

Surplus money from the operation of the sewerage system may be paid from time to time into the reserve fund.

Reserve Cash Flow

Fund: 1041 Fund Centre: 101385	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Beginning Balance	93,487	140,627	111,627	130,017	125,247	125,747
Transfer from Ops Budget	44,140	21,000	28,390	45,230	50,500	56,025
Transfer from Cap Fund	-					
Transfer to Cap Fund	-	(50,000)	(10,000)	(50,000)	(50,000)	(50,000)
Interest Income*	3,000					
Ending Balance \$	140,627	111,627	130,017	125,247	125,747	131,772

Assumptions/Background:

* Interest in planning years nets against inflation which is not included.

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2027 to 2031

Service No.	3.820	Carry Forward from 2026	2027	2028	2029	2030	2031	TOTAL
	Maliview Sewer Utility (SSI)							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$247,000	\$1,027,000	\$40,000	\$50,000	\$50,000	\$50,000	\$50,000	\$1,217,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$247,000	\$1,027,000	\$40,000	\$50,000	\$50,000	\$50,000	\$50,000	\$1,217,000

SOURCE OF FUNDS

Capital Funds on Hand	\$147,000	\$147,000	\$0	\$0	\$0	\$0	\$0	\$147,000
Debenture Debt (New Debt Only)	\$0	\$730,000	\$0	\$0	\$0	\$0	\$0	\$730,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$100,000	\$100,000	\$30,000	\$0	\$0	\$0	\$0	\$130,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$50,000	\$10,000	\$50,000	\$50,000	\$50,000	\$50,000	\$210,000
	\$247,000	\$1,027,000	\$40,000	\$50,000	\$50,000	\$50,000	\$50,000	\$1,217,000

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. 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
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	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 WU - Water Utility If there is more than one funding source, additional rows are shown for the project.

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2027 - 2031

Service #: 3.820

Service Name: Maliview Sewer Utility (SSI)

				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2027	2028	2029	2030	2031	5 - Year Total
21-01	Study	Approval for Borrowing	Petition, Referendum or Alternative Approval Process - Funding WWTP Upgrade, I&I	\$ 35,000	S	Cap	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
21-03	Replacement	Wastewater Treatment Plant Upgrade	Upgrading current RBC process WWTP to MBBR process to meet regulatory requirements	\$ 4,618,041	S	Grant	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
21-03	Replacement	Wastewater Treatment Plant Upgrade	Debt approved in 2026		S	Debt	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000
21-03	Replacement	Wastewater Treatment Plant Upgrade			S	Res	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
23-02	Study	I&I program (MOE Requirement)	I&I Program -Debt approved in 2026	\$ 120,000	S	Debt	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
23-02	Study	I&I program (MOE Requirement)	CRD Project Management		S	Cap	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
22-02	Renewal	Collection system repairs and/or renewal	I&I Repairs and replacement-Debt approved in 2026	\$ 610,000	S	Debt	\$ -	\$ 230,000	\$ -	\$ -	\$ -	\$ -	\$ 230,000
22-02	Renewal				S	Cap	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
22-02	Renewal				S	Res	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
23-01	New	SAMP Development	Develop an asset management plan for the facility.	\$ 40,000	S	Grant	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
23-01	New	SAMP Development			S	Res	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
24-01	New	Public Education Program Sewers	Public Education Program Sewers	\$ 15,000	S	Cap	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
19-01	Study	Safe Work Procedures - Review and Development	Review and develop safe work procedures for operational and maintenance tasks.	\$ 12,000	S	Cap	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -		\$ 7,000
													\$ -
			Grand Total	\$ 5,450,041			\$ 247,000	\$ 1,027,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,217,000

Service: 3.820 Maliview Sewer Utility (SSI)

Project Number 21-03

Capital Project Title Wastewater Treatment Plant Upgrade

Capital Project Description

Upgrading current RBC process WWTP to MBBR process to meet regulatory requirements

Project Rationale Current RBC system can not consistently meet regulatory requirement and have been warned by both federal and provincial regulators in 2019 regarding effluent noncompliance. Process upgrades including installation of new equipment and controls.

Project Number 22-02

Capital Project Title Collection system repairs and/or renewal

Capital Project Description

I&I Repairs and replacement-Debt approved in 2026

Project Rationale Inflow and Infiltration Repairs to the current collection systems that are aged and failing need to be replaced.

Project Number 23-01

Capital Project Title SAMP Development

Capital Project Description

Develop an asset management plan for the facility.

Project Rationale Asset management plan including new equipment

Project Number 23-02

Capital Project Title I&I program (MOE Requirement)

Capital Project Description

I&I Program -Debt approved in 2026

Project Rationale The MoE has stipulated that there shall be an I & I Program. The first stage is investigative and will include cleaning, CCTV inspection and smoke testing to locate the leaks and develop a strategy for their repair.

Service: 3.820 Maliview Sewer Utility (SSI)

Project Number 21-01

Capital Project Title Approval for Borrowing

Capital Project Description Petition, Referendum or Alternative Approval Process - Funding WWTP Upgrade, I&I

Project Rationale To obtain approval from residents for projects requiring borrowing.

Project Number 24-01

Capital Project Title Public Education Program Sewers

Capital Project Description Public Education Program Sewers

Project Rationale To inform and educate residents about proper sewer system operation to prevent facility upsets and reduce maintenance costs.

Project Number 19-01

Capital Project Title Safe Work Procedures - Review and Development

Capital Project Description Review and develop safe work procedures for operational and maintenance tasks.

Project Rationale This was included in response to safety and operational concerns. Will need to develop additional SWPs for the upgraded facility and its new equipment.

3.820 - Maliview Estates Sewer System

Capital Projects

Updated @ Sep 10, 2026

Year	Project WBS	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2017	CE.582.4501	21-03	Open	Maliview Sewer WWTP Upgrade	4,368,041	1,239,833	3,128,208	1,202,617
2019	CE.699.4508	19-01	Open	Safe Work Procedures	12,000	6,330	5,670	12,000
2021	CE.793.4501	21-01	Open	Maliview Alternate Approval Process/Referendum	35,000	31,847	3,153	35,000
2024	CE.582.8301	24-02	Open	Critical Spares-Maliview WWTP	20,000	19,133	867	20,000
2025	CE.901.7501	23-02	Open	I&I Program Maliview WW	120,000	9,307	110,693	70,000
2025	CE.793.4502	24-01	Open	Maliview Public Education Program	15,000	-	15,000	15,000
					4,570,041	1,306,450	3,263,591	1,354,617

Service:

3.820

Maliview Sewer Utility (SSI)

Committee: Electoral Areas

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax Per Folio</u>	<u>Connections</u>	<u>User Charge Per Connection</u>	<u>Total Tax & Charges</u>	<u>Bylaw</u>
2023	94	\$54.86	100	\$1,888.61	\$1,943.47	4525
2024	94	\$56.77	100	\$1,983.06	\$2,039.83	4586
2025	94	\$58.45	100	\$2,091.08	\$2,149.53	4648
2026	94	\$677.63	100	\$2,418.70	\$3,096.33	4735
2027	94	\$1,771.58	100	\$2,470.20	\$4,241.78	

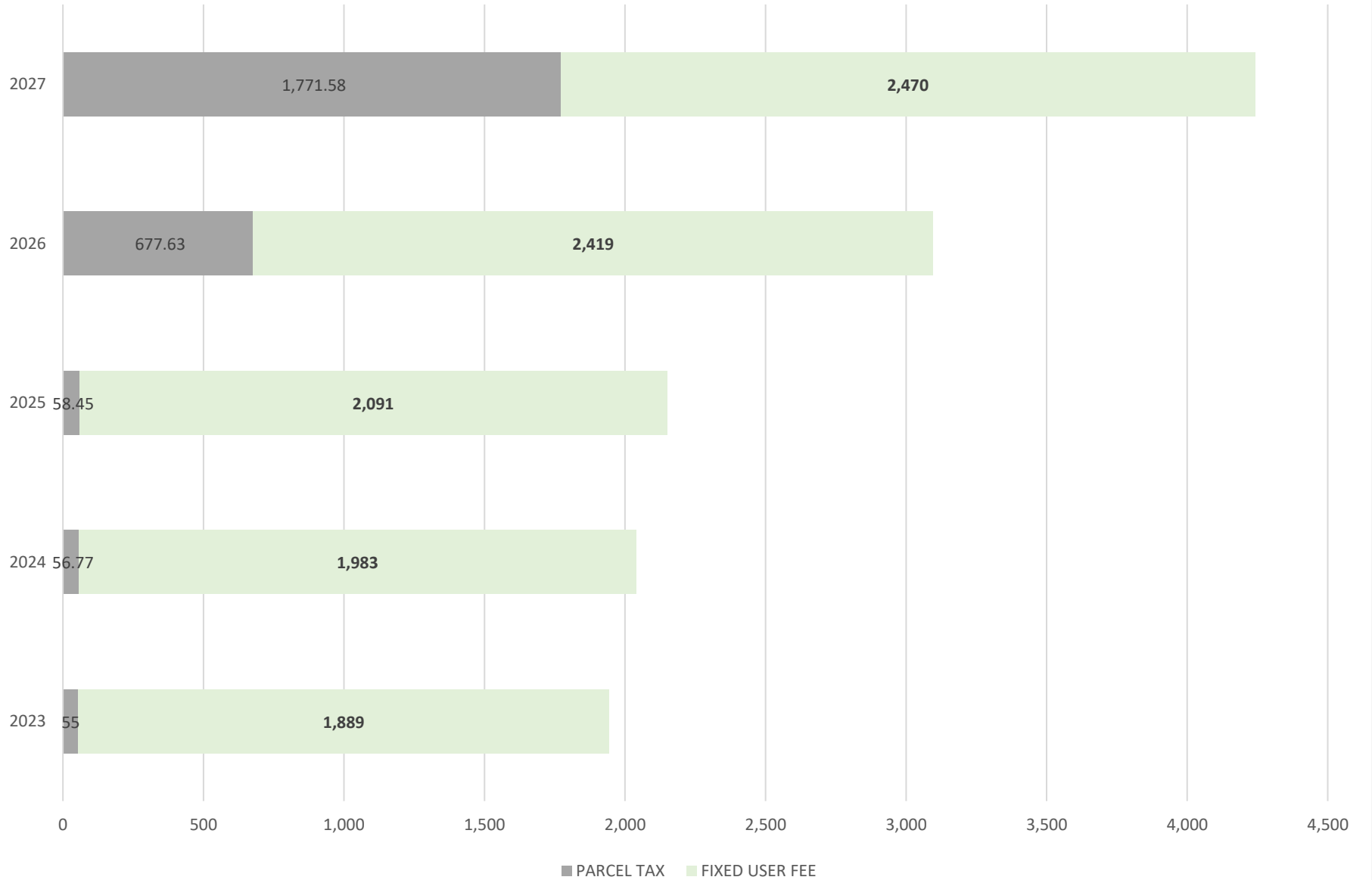
Change from 2026 to 2027

\$1,093.95
161.44%

\$51.50
2.13%

\$1,145.45
36.99%

Maliview Sewer Funding Analysis 2023-2027



**REPORT TO MALIVIEW SEWER LOCAL SERVICES COMMISSION
MEETING OF THURSDAY, NOVEMBER 19, 2026**

SUBJECT **Maliview Treatment Plant Project Update- Fall 2026**

ISSUE SUMMARY

The purpose of this report is to provide an update of the Maliview Wastewater Treatment Plant Upgrades Project.

BACKGROUND

The Capital Regional District (CRD) received a letter from the B.C. Ministry of Environment mandating upgrades to the Maliview Wastewater Treatment Plant in 2019 based on continued compliance failures of the effluent.

The CRD Contracted an engineering firm to undertake a technology screening specific to the existing Rotating Biological Contactor (RBC) process. Once the technology was determined, a preliminary design for the upgraded plant was developed in 2020.

The detail design was initiated in 2021 beginning with a Preliminary Detail Design & Ammonia Modelling Report to ensure compliance with the proposed process effluent. A geotechnical report was completed in 2022. Procurement of the major equipment for the process upgrades began in 2023. The final process revision and design review occurred in 2025.

The Ministry of Environment Permit amendment process was restarted following the final design review in June 2025. Response from the application was received in March 2026. The application was resubmitted in April 2026. The application remains under review with Ministry of Environment.

Updates to the total flow were required for the permit application and were incorporated into the design documents. Following the revisions, the issue for tender drawings were completed in 2026. The contract documents were prepared and the tender was posted and one bid has been received.

IMPLICATIONS

Environmental Implications

The CRD has been mandated to upgrade the system. failure to do so will result in further warnings and possible fines.

Financial Implications

Tender

The construction contract cannot be awarded unless the available project budget is sufficient to accommodate the tendered price. The tender closing resulted in the receipt of a single bid that was deemed complete and technically compliant; however, the bid exceeded the approved project budget.

The project team is currently engaged in negotiations with the contractor to reduce project costs. In addition, staff are working with the project engineer to identify potential scope modifications that could be implemented without compromising key project objectives. The revised scope options will be used to support ongoing discussions with the contractor in an effort to align project costs with the available budget.

Should negotiations be successful and the contract price be reduced to within the approved budget, staff will proceed with awarding the construction contract. If an acceptable agreement cannot be reached, staff will need to either re-tender the project based on a revised scope or seek additional funding to address the budget shortfall.

Grant Application

Staff have submitted an application to the Building Canada Strong Fund, a funding opportunity that became available following completion of the tender process. The application requests up to \$815,000 in additional funding that, if approved, could be applied to the project budget and assist in addressing the funding gap identified through the tender process.

At this time, no decision has been received regarding the grant application. Approval of grant funding would improve the project's financial viability and may reduce the need for scope reductions or other budget adjustments. However, the project should proceed on the assumption that grant funding is not secured until confirmation is received.

CONCLUSION

This report provides an update on the Maliview Wastewater Treatment Plant Upgrades Project, which is required to address regulatory compliance requirements established by the Ministry of Environment. The project has advanced through detailed design, permit amendment submissions, equipment procurement, and the tendering process. Staff are currently negotiating with the lowest compliant bidder and evaluating potential scope adjustments to align project costs with the available budget while pursuing additional funding opportunities.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Carolyn Hopp, P.Eng., Manager Engineering, Salt Spring Electoral Area
Concurrence:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services