

Wastewater Utility Update & 2025 Utility Rates & Budget

October 28, 2024



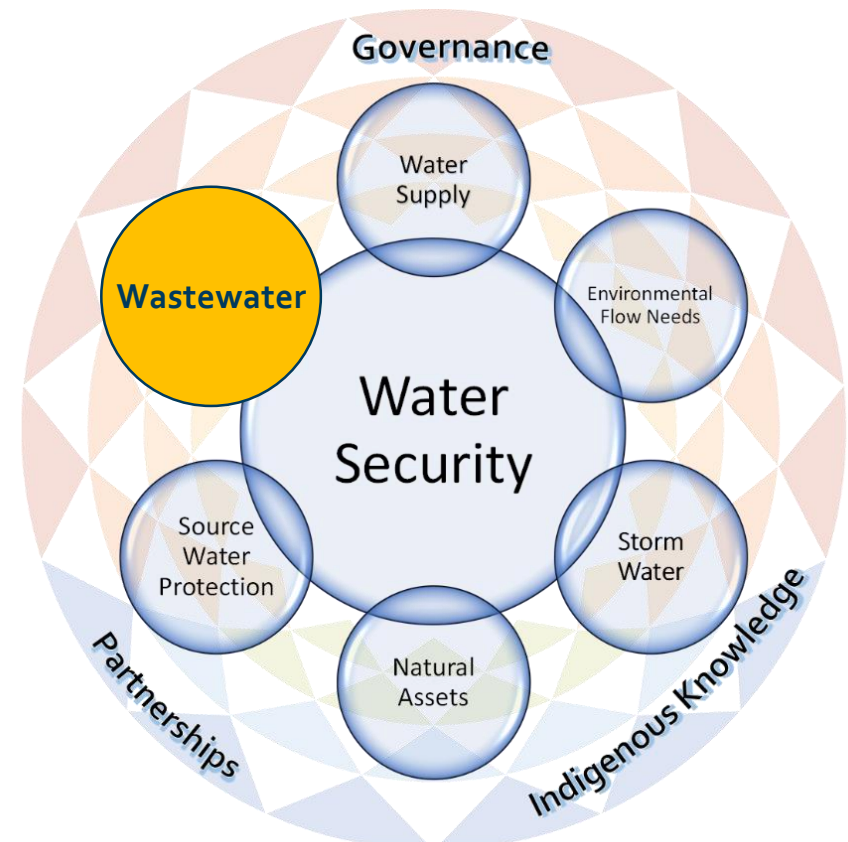
Utility services

- ▶ Provide essential services
- ▶ Protect public health
- ▶ Protect Okanagan Lake and our environment

A clean Okanagan Lake is essential for our public health and our economy

Water Security

- ▶ On Feb 6, 2023, Council adopted nine (9) principles to guide the development of a Water Security Plan.
- ▶ **Principle 2:** “Protect Okanagan Lake, human health and our environment through efficient collection and effective treatment of wastewater.”



The six water sectors outlined in the City's Water Security Planning Process

Wastewater Services

- 2 wastewater treatment facilities,
- 44 lift stations,
- Over 600 kilometers of wastewater mains
- Assets valued at over \$1.5 billion



Wastewater services



Key accomplishments

- Completed 31 new sewer connections for residences previously on septic treatment in the Rio Drive/Terrace Drive area
- Completed the Burtch transmission relining project of 2,700m of failing concrete sewer main from Enterprise to Byrns Road
- Accommodated discharge of treated effluent from the District of Lake Country in the Jim Bailey Industrial Area
- Negotiated a temporary disposal option for tree fruit cleaning

Continuous improvements

- Utility staff are continually increasing levels of knowledge and using outreach opportunities to help keep them in tune with the latest treatment, collection and disposal of wastewater liquid and solids
- We are future focused and closely monitor the impacts of climate change and how those can affect the utility
- Increased nutrient loading at the treatment facility is still under review, this situation is being experienced at many other locations. Further investigation of this issue is planned for 2025

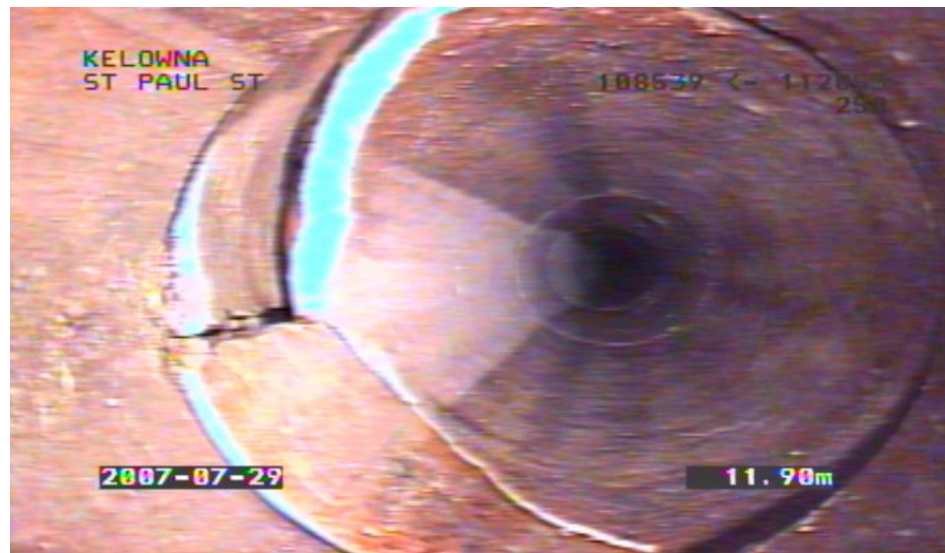
Drivers and Influencers

- Solids management
- Infrastructure renewal
- Managing growth
- Efficient use of water
 - Influent concentration

Solids Management

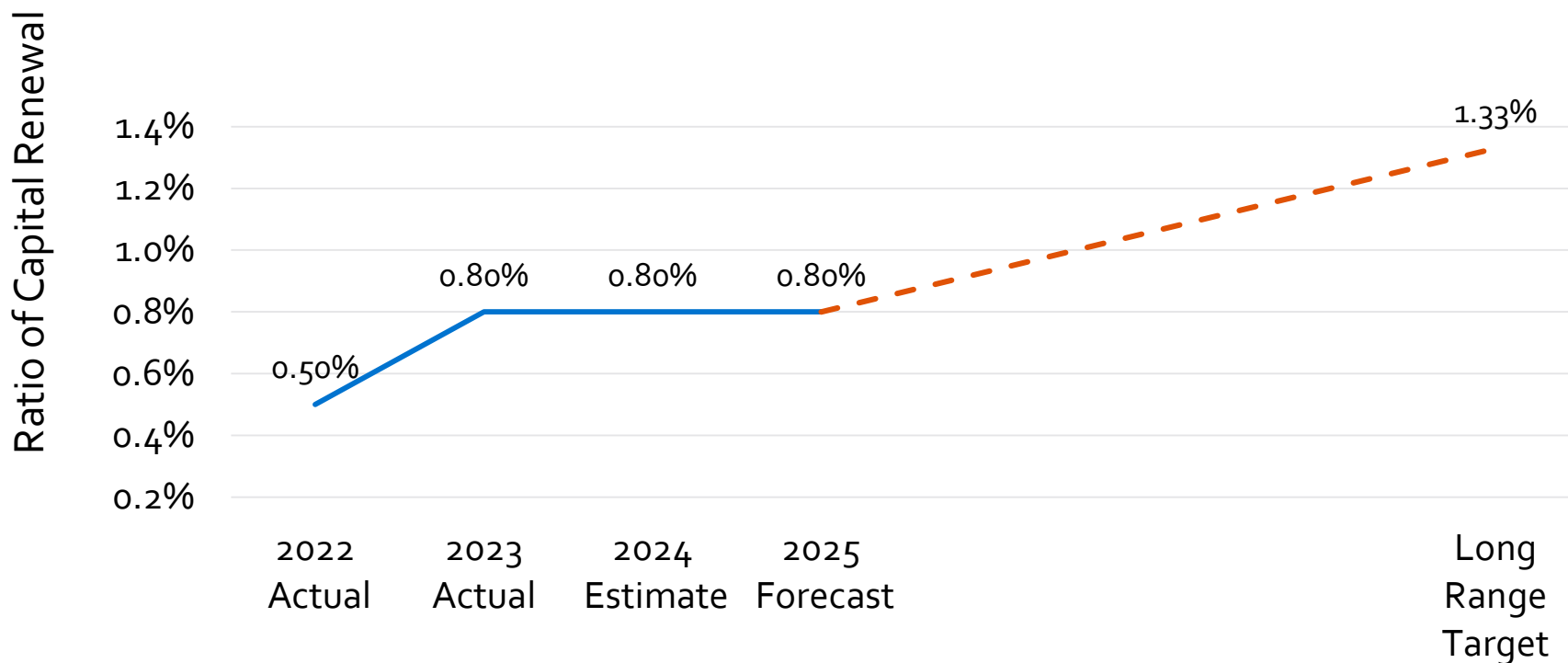


Aging System - renewal



Performance Measures

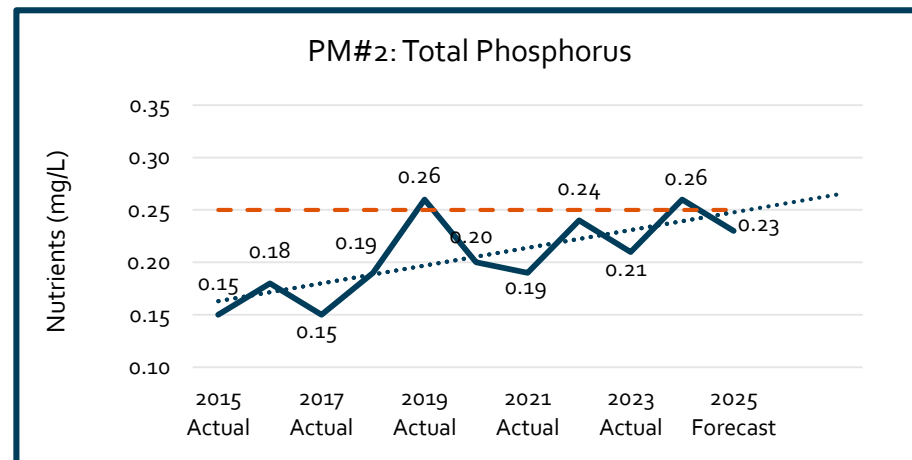
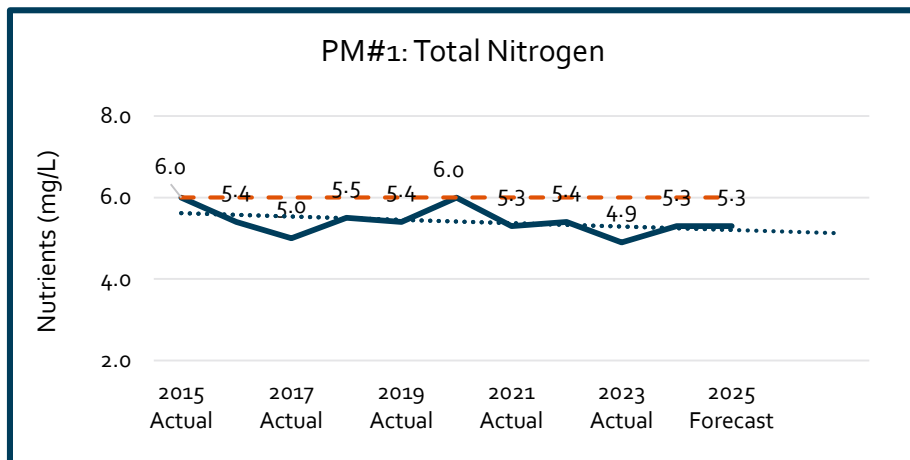
PM#3: Annual Renewal as a Percent of Replacement Value



MANAGING GROWTH



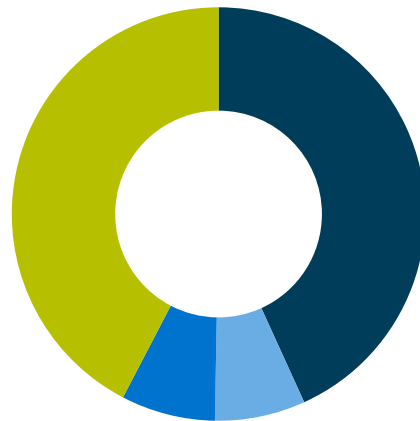
Performance Measures



Wastewater Utility

Budget overview

Funding strategy



■ Fees and charges \$24.6M

■ Grants \$4.0M

■ Other revenue \$4.2M

■ Transfers from reserve
\$24.1M

Total \$56.9M

Note: Totals may not add due to rounding

Wastewater Utility

Expenditure budget overview

Annualization of previously approved budget requests

| | |
|-------------------------|--------------|
| 2024 Revised budget | \$64.108 M |
| 2023 & 2024 Adjustments | (\$47.442) M |
| 2025 Starting budget | \$16.666 M |

▶ Drivers for change:

- Removal of 2024 one-time capital and operating budgets
- Removal of 2024 carryover capital and operating budgets
- Annualization of 2023 & 2024 operating requests

Wastewater Utility

Expenditure budget overview

2025 Recommended budget

| | |
|-----------------------------------|------------|
| 2025 Starting budget | \$16.666 M |
| Maintaining current service level | \$5.517 M |
| | \$22.183 M |
| Enhancing service level | \$34.738 M |
| | \$56.921 M |

▶ Drivers for change:

- Wastewater System Upgrades
- Sewer Connection Areas



Wastewater Utility

Operating requests (\$thousands)

Priority 1

| Description | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|------------|------------|------------|------------|------------|
| Wastewater Collection Operations - Growth | 26 | 26 | 26 | 26 | 26 |
| Wastewater Treatment Planning | 325 | — | — | — | — |
| Operating and Maintenance Impacts from Capital Requests | 99 | 189 | 189 | 189 | 189 |
| Operating Requests Priority 1 Total | 449 | 215 | 215 | 215 | 215 |

Wastewater Utility

Capital requests (\$thousands)

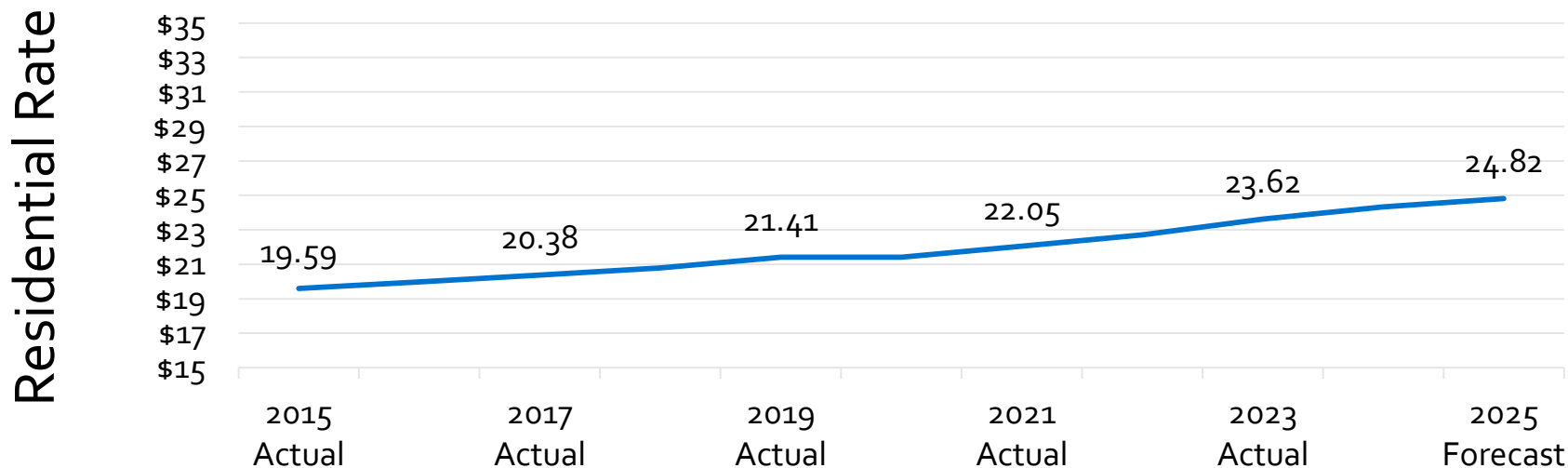
Priority 1

| Description | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---------------|---------------|---------------|---------------|---------------|
| Programs | | | | | |
| Wastewater Network & Facilities | 4,637 | 5,488 | 9,950 | 8,707 | 8,086 |
| Wastewater Treatment | 4,500 | 4,250 | 3,000 | 2,000 | 2,000 |
| Projects | | | | | |
| Frost Rd Upgrades (w/utilities) | 100 | — | — | — | — |
| Hydro-Vac Disposal Facility | 250 | 1,000 | 1,250 | — | — |
| KLO Bridge Replacement (w/utilities) | 800 | 200 | — | — | — |
| Sewer Connection Areas | 6,958 | 2,981 | 380 | — | — |
| Wastewater System Upgrades | 19,794 | 11,764 | 1,600 | — | 300 |
| WWTF Expansion | 500 | 500 | 1,000 | 10,000 | 10,000 |
| * Wastewater Vacuum Truck and Building | 1,250 | — | — | — | — |
| Capital Request Priority 1 Total | 38,789 | 26,183 | 17,180 | 20,707 | 20,386 |

* denotes capital request has operating & maintenance impacts included in the request

Performance Measures

PM#4: Monthly Residential Rate for Wastewater Servicing



2025 Rate Adjustment

- Proposing 2% increase for 2025
- Increase of \$0.49 per month/dwelling
 - From \$24.33 to \$24.82 per month
- Anticipate 3% in 2026
- Anticipate 3% in 2027

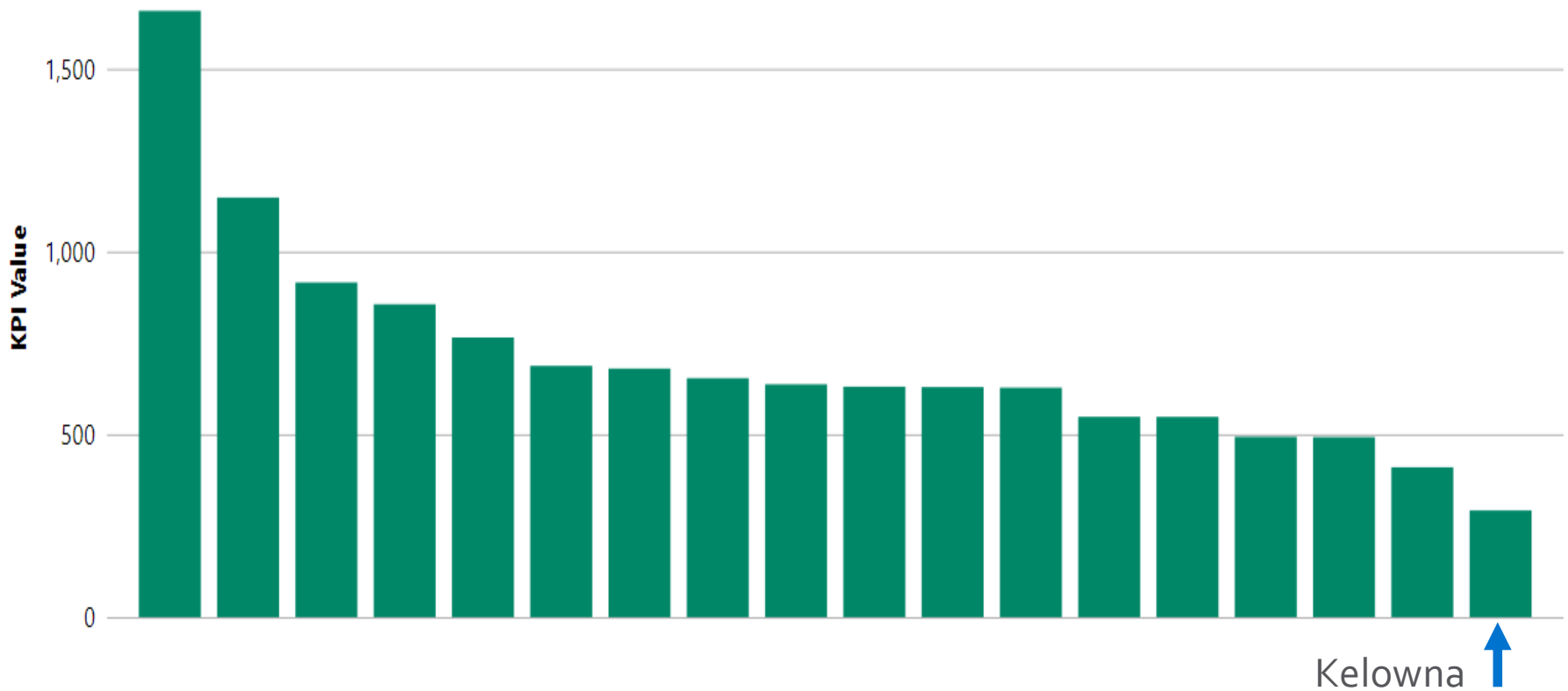
2024 Single Family Dwelling Monthly Sewer Rates



Canada Benchmark Comparison

Single Family Dwelling Cost

● Wastewater Charge for an Average Residence Using Local Consumption Rate ■ Related KPI



Questions?

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