

# REPORT



## Council

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|                      |                                                            |
|----------------------|------------------------------------------------------------|
| <b>MEETING DATE:</b> | November 12, 2025                                          |
| <b>TO:</b>           | Mayor and Council                                          |
| <b>CC:</b>           | Rod Risling, CAO                                           |
| <b>FROM:</b>         | Nicolette Keith, Interim Director of Financial Services    |
| <b>SUBJECT:</b>      | <b>Highlights for the 2026-2030 Sewer Operating Budget</b> |

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## BACKGROUND

Budget presentation for the 2026-2030 Sewer Operating Budget, highlighted changes in the budget.

## OVERVIEW

Sewer user fees are budgeted with an increase of \$2.71 per month for the average family home. In 2026, the increase represents a \$200,900 increase in revenues to the Town's sewer budget.

General operating expenses increased by CPI, except for maintenance and supplies. This budget line was underfunded in past years requiring a substantial increase to maintain maintenance service levels. The total operating expenses are proposed at \$2,520,936 compared to 2,320,900 in 2025.

The overall funding allocated to capital expenditures is remaining the same at \$2,100,000 to ensure infrastructure replacement and upgrades for the coming years. We have transitioned from funding capital projects from current year operating revenues, prior year's surpluses, and reserves to solely funding from reserves. The current outlook allows us to fund capital from reserves, while preserving capital for unplanned or emergency projects.

The reserve funding is allocated as follows:

- Sewer Sustainability Fund for Future Capital Projects \$1,870,000
- Capital Contingency Fund \$100,000
- PSAB 3280 Fund \$100,000
- Fleet \$30,000

TRUE Engineering completed the Towns Sewer Asset Management Plan which is guiding annual infrastructure decisions. Staff vacancies have delayed many projects but administration plans to keep in the spirit of the plan adjusting individual project timelines based on urgency. For 2026, the focus will be on working on projects approved in 2025 and preparing for those planned for 2027. This will enable projects to be completed more in line with the budgeted expenditure in the year allocated.

For 2026, the only new planned capital expenditure is the purchase of backup pumps in the amount of \$250,000. Having an inventory of pumps will streamline preventive maintenance activities at the Town's 21 sanitary lift stations and expedite repairs when equipment fails. In essence, this purchase

is not increasing overall long-term expenditures it is simply up-fronting the cost of an inevitable future repair.

All other sewer capital project budget amounts have been changed for inflation or revised to projected actual costing based on full scope of work.

#### Forward Looking Outlook and Potential Risks:

The sewer utility rate adjustment implemented two years ago has positioned the long-term financial outlook favorably, as sufficient funding is now available to address most of the infrastructure deficit.

Grant funding will also play a critical role in achieving the proposed capital plan. However, since grant approvals are not guaranteed, delays may occur. In cases where infrastructure conditions necessitate immediate action, the Town may need to proceed with borrowing, which would result in higher user fees. According to the financing model developed by TRUE Engineering, the projected increase without grant support would range from approximately \$20 to \$31 per month.

Given the anticipated borrowing requirements across the Town over the coming years—primarily related to the water treatment plant—the legislated debt limit is expected to present a significant constraint. The longer-term outlook for the sewer fund indicates that existing reserve contributions should generally sustain infrastructure replacement needs, with the exception of additional costs associated with lagoon repairs. Administration is in the early stages of updating the Town's Liquid Waste Management Plan, which involves significant consultation with stakeholders, for provincial submission and approval. Once approved, detailed designs for the lagoon upgrades will be presented to Council. The current five-year financial plan includes a \$500,000 placeholder in 2030 for design work and an estimated \$7.5 million for construction in 2031–2032.

Another component requiring further review is the funding model for the sewer utility fleet. Administration is exploring a centralized fleet management approach, consolidating all fleet-related funding into a single corporate reserve. Under this model, departments—such as the sewer utility—would contribute consistent annual payments to the centralized account. This approach aims to stabilize departmental expenditures by avoiding large fluctuations associated with equipment purchases. Although still under review, this adjustment would likely increase the sewer budget while providing an offsetting reduction in the Town's general operations budget.

Historically, while a five-year financial plan has been approved annually, limited discussion or work has been undertaken on projects beyond the first year. Moving forward, Administration's goal is to establish a more proactive planning cycle, ensuring that infrastructure projects slated for years two and three receive early analysis and Council consideration. This shift will allow project tenders (requests for proposals) to be issued as early as November, enabling completion of certain works prior to the tourist season. Past experience indicates that the Town's favorable climate and the general slowdown in provincial construction activity during the last quarter often result in more competitive bids when tenders are released late in the year.

Staff vacancies are a risk. It will be critical to attract and retain key positions to ensure projects can proceed.

This financial plan forecast projects fees to remain in line with inflation with the exception of pending adjustments as indicated above.

## Budget Summary:

|                                    |                        |                        |                      | Change \$ per<br>Month per<br>Residential<br>Household |
|------------------------------------|------------------------|------------------------|----------------------|--------------------------------------------------------|
| Operating Budget Summary           | Approved 2025          | Proposed 2026          | Change \$            |                                                        |
| <b>Revenues</b>                    |                        |                        |                      |                                                        |
| Sewer Utility Revenue              | 4,285,500.00           | 4,486,400.00           | 200,900.00           | 2.71                                                   |
| Parcel Tax                         | 326,790.00             | 326,790.00             | -                    | -                                                      |
| Grants                             | 16,401.00              | 16,401.00              | -                    | -                                                      |
|                                    |                        |                        |                      |                                                        |
| <b>Revenues Total</b>              | <b>\$ 4,628,691.00</b> | <b>\$ 4,829,591.00</b> | <b>\$ 200,900.00</b> | <b>\$ 2.71</b>                                         |
| <b>Expenses:</b>                   |                        |                        |                      |                                                        |
| Wages & Benefits                   | 1,406,500.00           | 1,461,398.75           | 54,898.75            | 0.74                                                   |
| Maintenance & Supplies             | 384,300.00             | 523,174.65             | 138,874.65           | 1.87                                                   |
| Contract Services                  | 10,000.00              | 10,000.00              | -                    | -                                                      |
| Utilities                          | 170,000.00             | 174,420.00             | 4,420.00             | 0.06                                                   |
| Other                              | 212,600.00             | 210,867.60             | (1,732.40)           | (0.02)                                                 |
| Administration                     | 137,500.00             | 141,075.00             | 3,575.00             | 0.05                                                   |
| <b>General Operating Expenses</b>  | <b>2,320,900.00</b>    | <b>2,520,936.00</b>    | <b>200,036.00</b>    | <b>2.70</b>                                            |
| Debt Charges                       | 208,655.00             | 208,655.00             | -                    | -                                                      |
| Transfer to Capital Reserves       | 1,624,400.00           | 2,100,000.00           | 475,600.00           | 6.41                                                   |
| Transfer to Capital from Operating | 474,736.00             | -                      | (474,736.00)         | (6.40)                                                 |
| <b>Expenditure &amp; Transfers</b> | <b>\$ 4,628,691.00</b> | <b>\$ 4,829,591.00</b> | <b>\$ 200,900.00</b> | <b>\$ 2.71</b>                                         |

|                                                     |                        |                         |
|-----------------------------------------------------|------------------------|-------------------------|
| <b>Sewer Capital Projects:</b>                      |                        |                         |
| <b>2025 Capital Project Carry Forward</b>           | <b>Capital Request</b> | <b>Funding Method</b>   |
| Piazza Lift Station Replacement                     | \$ 716,000             | Reserves                |
| Marina Lift Station Scada Upgrades                  | \$ 47,000              | Reserves                |
| Quail Place Sanitary Sewer Reconstruction           | \$ 151,000             | Reserves                |
| WWTP Emergency Generator                            | \$ 300,000             | DCCs                    |
| WWTP Upgrade Preliminary Design & Planning          | \$ 210,000             | DCCs                    |
| 89th St Relining - 74th Street to Main Lift Station | \$ 992,000             | Reserves                |
| Lift Station SCADA Upgrades                         | \$ 374,000             | Reserves                |
| <b>total</b>                                        | <b>\$ 2,790,000</b>    |                         |
| <b>2026 Capital Request Projects List:</b>          |                        |                         |
| Backup Pumps for Lift Stations                      | \$ 250,000             | Reserves                |
| Ponderosa Dr. Sanitary Sewer Upgrades               | \$ 15,000              | Reserves                |
| <b>total</b>                                        | <b>\$ 265,000</b>      |                         |
| <b>2027 Capital Request Projects List:</b>          |                        |                         |
| Backup Pumps for Lift Stations                      | \$ 250,000             | Reserves                |
| *Ponderosa Dr. Sanitary Sewer Upgrades              | \$ 506,000             | Reserves                |
| Harbour Key CIPP Sanitary Sewer Lining              | \$ 582,000             | Reserves                |
| 62nd Avenue Relining                                | \$ 474,000             | Reserves                |
| Chlorine Contact Tank Recirculation                 | \$ 382,000             | Reserves                |
| Gala Lift Station Replacement                       | \$ 577,000             | Reserves                |
| Starlite Lift Station Pump Capacity Increase        | \$ 309,000             | DCCs                    |
| 44th Ave WWPS                                       | \$ 309,000             | Reserves                |
| <b>total</b>                                        | <b>\$ 3,389,000</b>    |                         |
| <b>2028 Capital Request Project List:</b>           |                        |                         |
| Cottonwood Drive Trunk Main Upsizing                | \$ 980,000             | Reserves & Grants       |
| 89th St south of Kingfisher                         | \$ 386,000             | Reserves                |
| Maple Trunk Main Upsize                             | \$ 833,000             | Reserves & Grants       |
| Reclaimed Wastewater Storage and Irrigation Study   | \$ 113,000             | Reserves                |
| Master Plan Review                                  | \$ 50,000              | Reserves                |
| WWTP Desludging                                     | \$ 824,000             | Reserves                |
| <b>total</b>                                        | <b>\$ 3,186,000</b>    |                         |
| <b>2029 Capital Request Project List:</b>           |                        |                         |
| 89th St Foreshore Relining                          | \$ 412,000             | Reserves                |
| Oleander Dr Foreshore Relining                      | \$ 927,000             | Reserves & Grants       |
| Forcemain Odour Reduction                           | \$ 382,000             | Reserves                |
| Border & Cottonwood WWPS                            | \$ 222,000             | Reserves                |
| Main Wastewater Pumping Station Forcemain Upgrades  | \$ 309,000             | DCCs                    |
| Air Piping Upgrades - WWTP                          | \$ 1,545,000           | Reserves & Grants       |
| <b>total</b>                                        | <b>\$ 3,797,000</b>    |                         |
| <b>2030 Capital Request Project List:</b>           |                        |                         |
| Kingfisher Foreshore Relining                       | \$ 1,133,000           | Reserves & Grants       |
| Onsite Chlorine Generation - WWTL                   | \$ 2,266,000           | Reserves, Grants & DDCs |
| *MBBR Conversion - Cell1                            | \$ 500,000             | Borrowing               |
| <b>total</b>                                        | <b>\$ 3,899,000</b>    |                         |
| <b>Five Year Capital Plan - Total</b>               |                        |                         |
|                                                     | <b>\$ 17,326,000</b>   |                         |

\*The Ponderosa Dr. Sanitary Sewer Upgrade was previously approved in the 2025-2029 Financial Plan Bylaw

\*The MBBR conversion project is planned for 2031 at a cost of \$7,500,000, \$500,000 is planned in 2030 for planning and design.

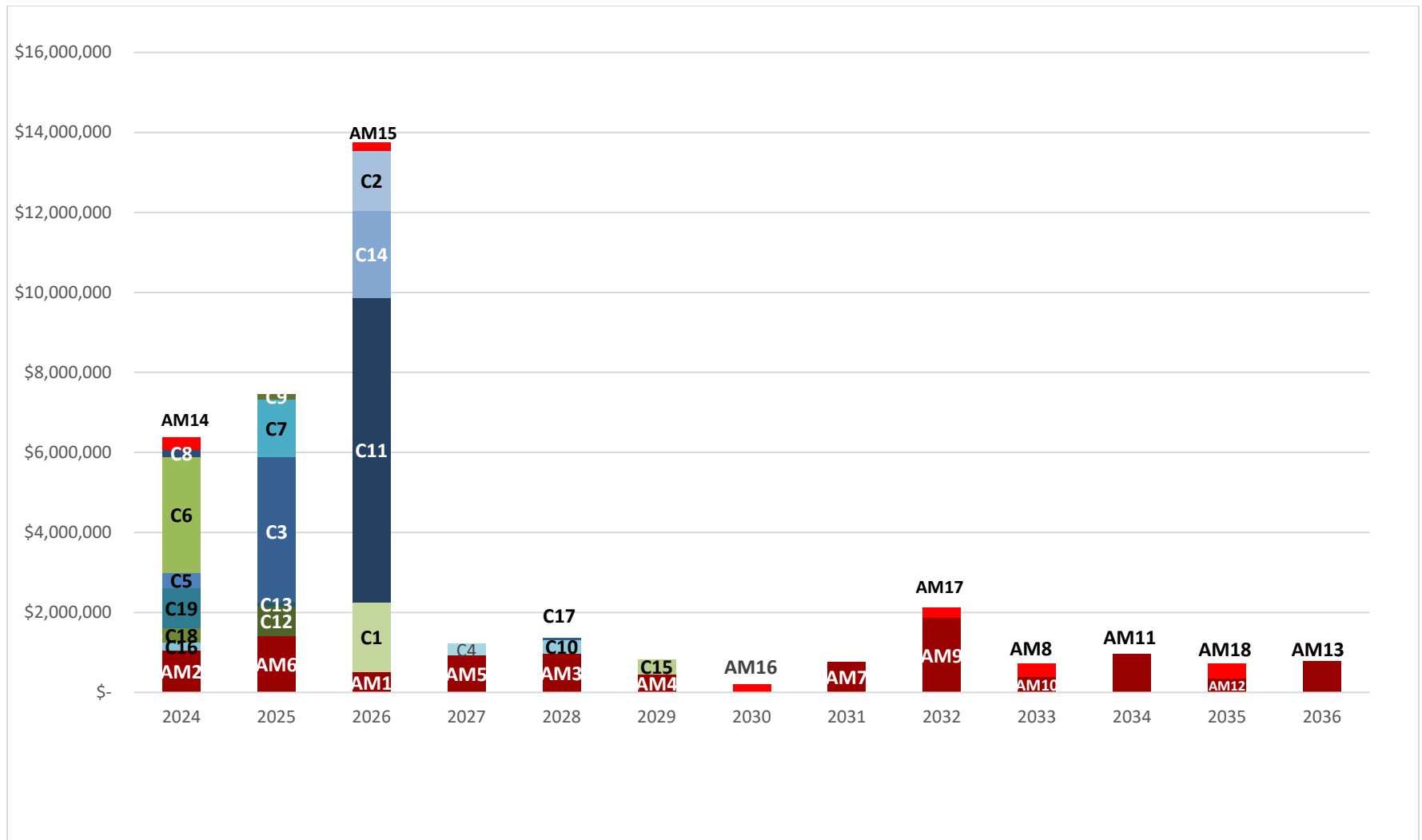


FIGURE 4-1: 12-YEAR HORIZON WORKLOAD.

**PROPOSED NEW SEWER  
CAPITAL PROJECT SHEETS  
2026**

# REPORT



## Capital Budget Project

|                    |                                                |                          |    |                                     |         |                             |
|--------------------|------------------------------------------------|--------------------------|----|-------------------------------------|---------|-----------------------------|
| PROJECT YEAR:      | 2026 & 2027                                    |                          |    |                                     |         |                             |
| PROJECT CARRY-OVER | Yes                                            | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |         |                             |
| PROJECT NAME:      | Backup Pumps for Lift Stations                 |                          |    |                                     |         |                             |
| GRANT FUNDED:      | Yes                                            | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | Pending | <input type="checkbox"/> \$ |
| PROJECT COSTS:     | \$250,000 each year                            |                          |    |                                     |         |                             |
| BUSINESS PLAN NO.: |                                                |                          |    |                                     |         |                             |
| TO:                | Mayor and Council                              |                          |    |                                     |         |                             |
| CC:                | Rod Risling, CAO                               |                          |    |                                     |         |                             |
| FROM:              | Tyler Madsen, Director of Operational Services |                          |    |                                     |         |                             |

### PROJECT DESCRIPTION (What is to be completed)

Purchase of backup pumps for the Town's 21 lift stations.

### PURPOSE/GOALS (Why do we need this project)

The Town's 21 lift stations do not currently have backup pumps to ensure that preventative maintenance is conducted efficiently and reliably. When a pump is pulled for maintenance or when it fails, it is sent away and the lift station relies on a single pump. To ensure the reliability of the lift station, typically municipalities have a spare pump ready to be put in service for the lift station to continue operating normally and without interruption.

### ESTIMATED TIME FRAME FOR COMPLETION

Purchases will occur in 2026 and 2027 following budget approvals.

### PROJECT IMPLEMENTATION (How will it be completed – Internally/Consultant/Contractor. | Identify known funding impacts/status report if carry-over project.)

Pumps will be purchased through current suppliers utilized by Town staff.

### PUBLIC CONSULTATION (Will this be required)

Not applicable.

### POTENTIAL IMPACTS IF PROJECT NOT APPROVED

Adding the additional pumps will improve the reliability of the lift stations when pumps are sent away for servicing or emergency situations.

# IN-PROGRESS CAPITAL PROJECTS FROM PREVIOUS YEARS

(ALREADY APPROVED)



## Project: S5 – Piazza (Maple) Lift Station Replacement

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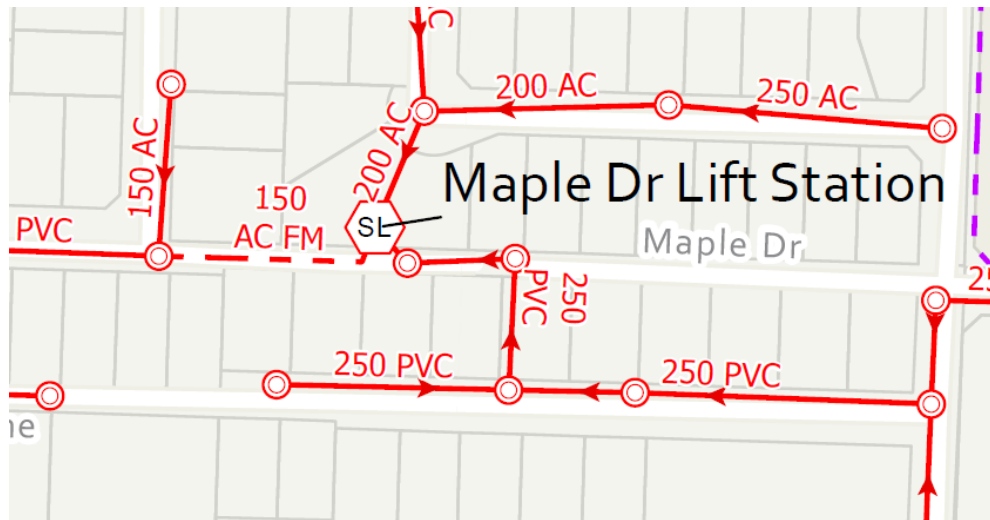
**Priority:** Medium

**Type:** Asset Replacement

**Trigger:** Aging Infrastructure

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### Location



### Issue

The town has indicated that they would like to proceed with the replacement of the Piazza Lift Station.

### Scope

This project includes a full replacement of the lift station. No predesign has been completed.

### Cost Estimate (Class B)

\$695,000 - Budget from Town



## Project: S6 – Marina Lift Station Scada Upgrades

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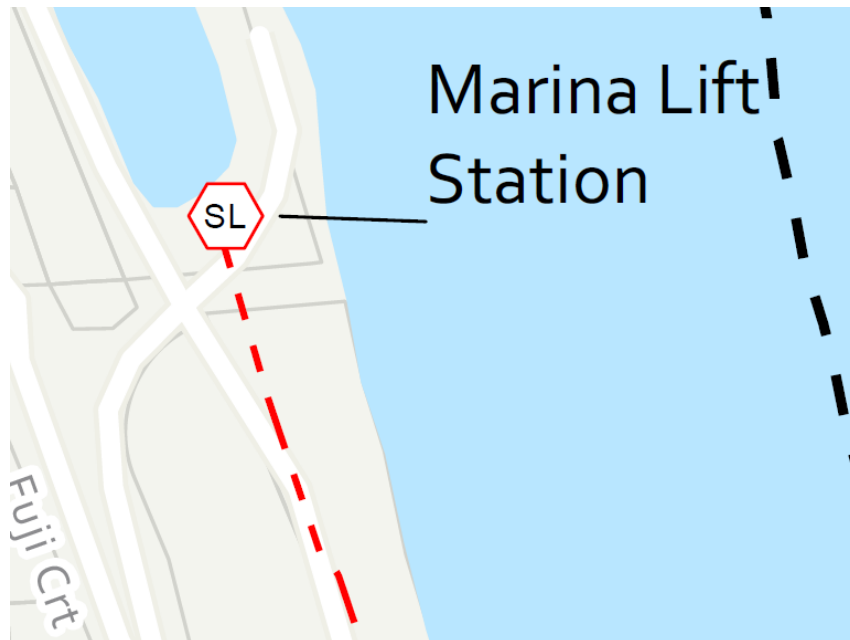
**Priority:** Medium

**Type:** Asset Replacement

**Trigger:** Aging Infrastructure

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### Location



### Issue

The pumps at the existing lift station are required to be replaced.

### Scope

This project involves replacing the pumps. Capacity will be reviewed at the time of replacement.

### Cost Estimate (Class B)

\$45,000

## 2025 Capital Plan

### Project W13, S7 and R7: Quail Place Reconstruction to existing 6.5m width

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Quail Place provides access to 20 residential lots and is 200m in length and has an average pavement width is 6.5m. The existing sanitary sewers and watermain are aging AC with the latter being undersized. Localized storm sewers exist yet the underground drywells are not performing as intended due to their age.

The conceptual project scope is illustrated on drawing 302-658-SK6 and outlined following:

- Replacement of gravel road structure
- 6.5m paved road surface c/w asphalt curb on east side
- Water system upsizing / replacements of aging AC pipe
- Sanitary sewer replacement of aging AC (pending CCTV results)
- Localized storm sewers consisting of catch basins and drywells

Capital cost estimate:

\$398,593 (Roads)

\$231,452 (Water)

\$146,328 (Sanitary)

\$776,373



## Project: S10 – WWTP Emergency Generator

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**Priority:** Medium

**Type:** Growth

**Trigger:** Emergency Preparedness

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### Location



### Issue

There is currently no backup power at the WWTP. In the event of a power outage, the treatment is inoperable and may result in treatment complications.

### Scope

Install a sufficiently large generator to provide adequate power to the WWTP in the event of a power outage.

### Cost Estimate (Class B)

\$ 300,000 (adjusted for additional scope work required)



## Project: S12 – WWTP Preliminary Design and Planning

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**Priority:** Medium

**Type:** Study

**Trigger:** Expansion

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### Location



### Issue

Treatment upgrades will be required at the WWTP as growth proceeds. Permitting and treatment upgrades will be required, therefore the purpose of this project is to start the upgrading process.

### Scope

Prior to detailed design and process selection, it is recommended that a full study and design options analysis be completed. This will include options for air piping, process upgrades, and any required cell upgrades.

### Cost Estimate (Class B)

\$250,000



## Project: S13 – 89<sup>th</sup> Street Relining 74<sup>th</sup> Street to 70<sup>th</sup> Street

**Priority:** Medium

**Type:** Rehabilitation

**Trigger:** Aging Infrastructure

### Location



### Issue

The collector trunk on 89<sup>th</sup> street is near the end of its service life and should be lined to prevent a complete failure.

### Scope

The existing sanitary main on 89<sup>th</sup> street from 74<sup>th</sup> Avenue to the Main Wastewater Pumping Station should be relined. The first section of this project will be to 70<sup>th</sup> Street. This project is split to coincide with roadworks and waterworks projects.

### Cost Estimate (Class B)

\$258,000



## Project: S14 – 89<sup>th</sup> Street Relining 70<sup>th</sup> Street to Main Lift Station

**Priority:** Medium

**Type:** Rehabilitation

**Trigger:** Aging Infrastructure

### Location



### Issue

The collector trunk on 89<sup>th</sup> street is near the end of its service life and should be lined to prevent a complete failure.

### Scope

The existing sanitary main on 89<sup>th</sup> street from 74<sup>th</sup> Avenue to the Main Wastewater Pumping Station should be relined. The second part of this project will be from 70<sup>th</sup> Street to the Main Lift Station.

### Cost Estimate (Class B)

\$705,000



## Project: S16 – SCADA System Upgrades

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**Priority:** Medium

**Type:** Information Collection

**Trigger:** Operations and Maintenance

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### **Location**

All Lift Stations

### **Issue**

Various lift stations throughout the sanitary collection network are not currently connected to the SCADA system and logging relevant data. It is recommended to review all lift stations and connect any instrumentation that should be connected. These include: pump on/off, pump run times, flow meters, and level sensors.

### **Scope**

It is recommended to review all lift stations and upgrade/connect any instrumentation that should be connected and providing relevant information. Such information includes pump on/off status, pump run times, flow meters, and level sensors. A full scope can be provided if the Town wishes to reach out to its electrical consultant.

### **Cost Estimate (Class B)**

\$363,000



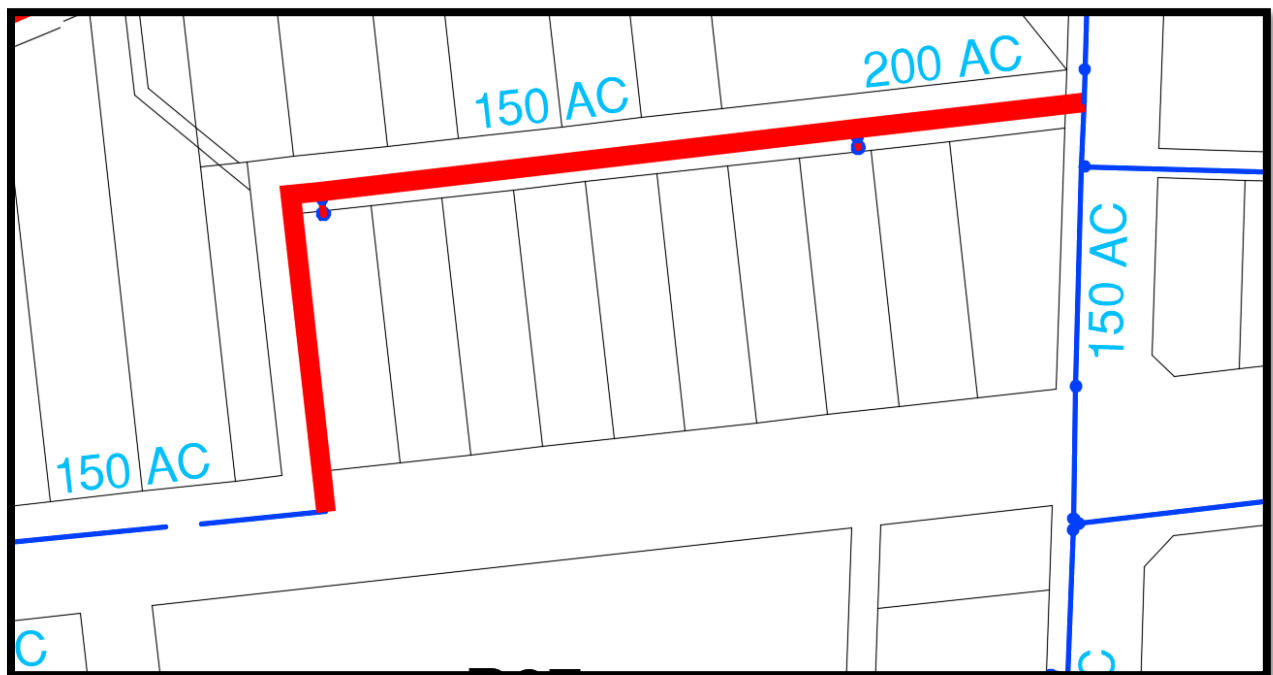
## Project W7 and S8: Ponderosa Dr. Sanitary Upgrades and Watermain Replacement

**Priority:** High

**Type:** Replacement

**Trigger:** Asset Management

### Location Map



Ponderosa drive is a low volume local road that runs between Highway No.3 and Cottonwood drive to service 17 properties. This segment is 235m in length and averages 5.5m in width.

Sanitary sewers in this section have been a location that required frequent maintenance. Through field investigation, it has been discovered that the sanitary sewer has been constructed with reverse slope for the majority of the segment. It is recommended that this sewer segment be replaced as soon as practical. Surface replacements for this are being done as trench repair (i.e. not full road asphalt surface).

In the best interest of construction practice, the water system should be replaced concurrently followed by full road base gravels and asphalt replacement. The attached capital estimate considers cost beyond the replacements for the sanitary sewer.



Our File: 302-2041  
October 1, 2024

## 2025 Capital Plan

# Project W19, S9, and R8 Harbour Key Drive Reconstruction and Sanitary Sewer CIPP Lining

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This section of Harbour Key Drive represents a length of 560m, has an average pavement width of 7.2m and is subject to flooding. The existing pavement surface has extensive cracking and failures of all types suggesting base gravels are deficient. The complete lack of any storm sewer collection is a large contributing factor. CCTV inspections of the existing sanitary sewer system, completed in the fall of 2022, indicate the AC mainlines installed in the late 1960's are beyond their life expectancy. All existing sanitary sewers were found to be sagging, have extreme surface spalling, and contain tension/compression cracking, and be leaking through joints.

Detailed design was completed to 90% during the winter of 2022 which entailed:

- Replacement of gravel road structure and asphalt surface to 7m width
- Water system upsizing / replacements of aging AC pipe
- Localized sanitary sewer repairs followed by CIPP lining of 690m of mainline
- Localized storm sewer catch basins and drywells
- Erosion protection at the eastern end consisting of filter fabric and angular rip-rap

Capital cost estimate:

\$1,200,072 (Roads)

\$564,519 (Sanitary)

\$477,490 (Water)

\$2,242,081



## Project: S15 – 62<sup>nd</sup> Avenue Relining

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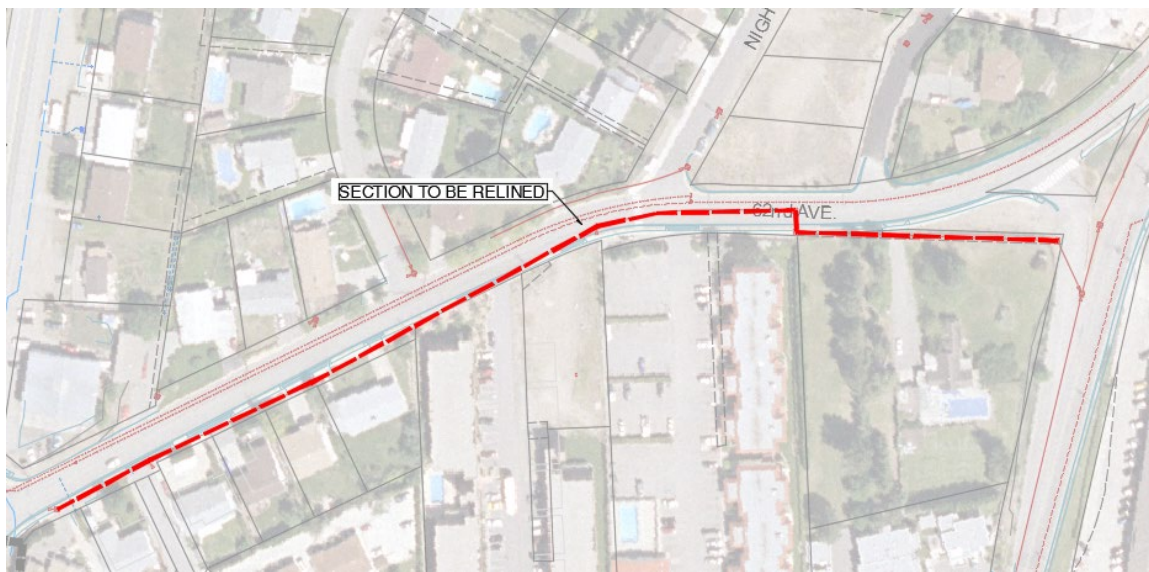
**Priority:** Medium

**Type:** Rehabilitation

**Trigger:** Aging Infrastructure

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### Location



### Issue

The collector trunk on 62<sup>nd</sup> Avenue is beyond the end of its service life and should be lined to prevent a complete failure.

### Scope

This project includes relining the existing sanitary main that follows 62<sup>nd</sup> Avenue from Highway 97 along Osprey place.

### Cost Estimate (Class B)

\$460,000



## Project: S17 – Chlorine Contact Tank Recirculation

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**Priority:** Medium

**Type:** Upgrade

**Trigger:** Process Improvements

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### Location



### Issue

As reclaimed WW flows increase, there is insufficient CT in the current contact chamber prior to flowing to the storage basins.

### Scope

Expansion and/or recirculation will be needed on the reclaimed WW contact chamber to ensure that the proper CT is being achieved.

### Cost Estimate (Class B)

\$370,000



## Project: S18 – Gala Lift Station Replacement

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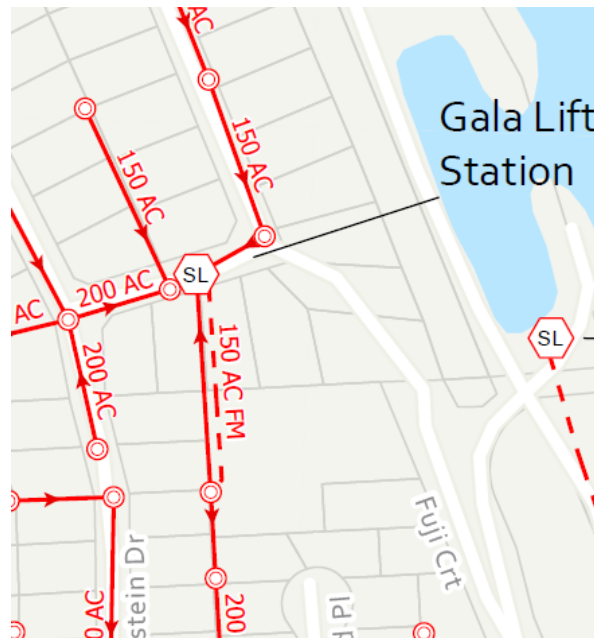
**Priority:** Medium

**Type:** Asset Replacement

**Trigger:** Aging Infrastructure

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### Location



### Issue

The existing lift station at this location is due for replacement.

### Scope

This project involves a full replacement of the existing lift station with a fiberglass reinforced lift station.

### Cost Estimate (Class B)

\$560,000



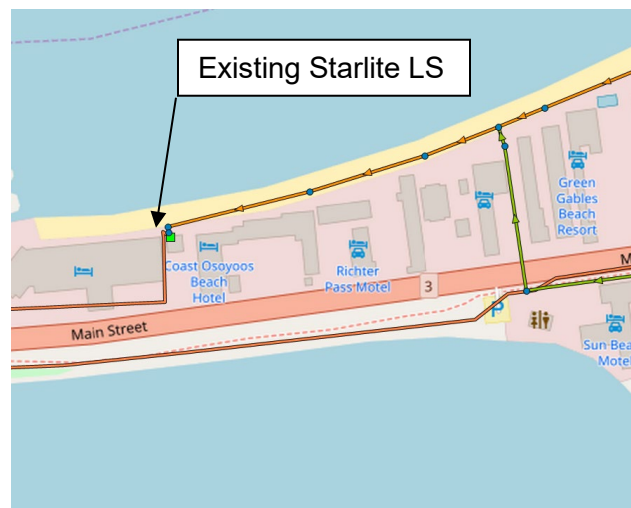
## Project: S20 - Starlite Lift Station Pump Capacity Increase

**Priority:** Medium

**Type:** Upgrade

**Trigger:** Development

### Location Map



### Issue

The existing Starlite Lift station is undersized for future conditions. Additionally, the current location is proving to be an ongoing operational issue. TRUE has recently completed an options analysis for the relocation of the lift station, and it is anticipated that one of the options discussed will be chosen. For additional information as well as a more detailed cost estimate please refer to the *2023 Starlite Relocation Assessment*.

### Scope

The exact scope of this project will depend on the option chosen as per the *2023 Starlite Relocation Assessment*; however it is anticipated that it will include pump upgrades, and wetwell relocation.

### Cost Estimate (Class B)

\$300,000



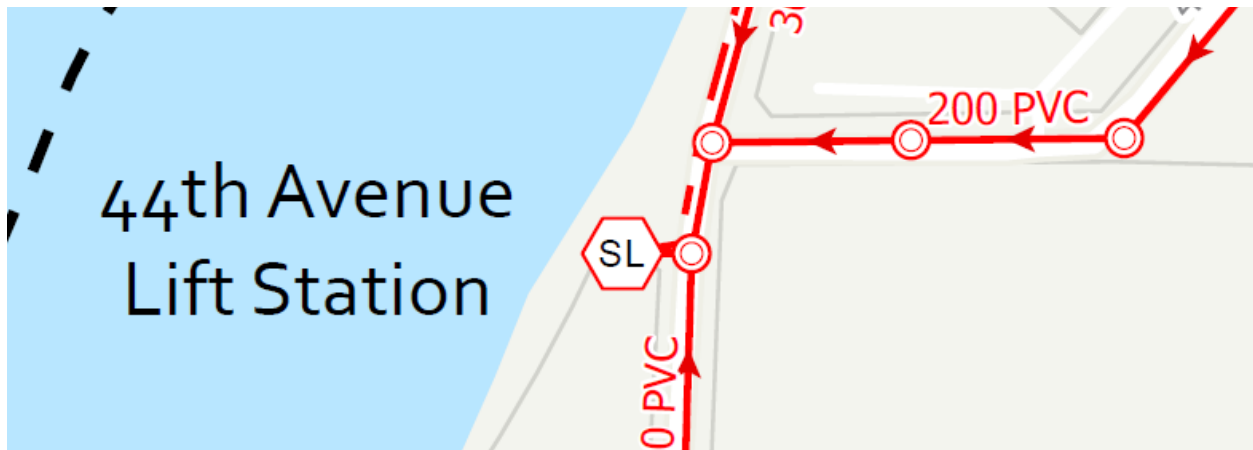
## Project: S21 – 44<sup>th</sup> Ave WWPS Upgrades

**Priority:** Medium

**Type:** Asset Replacement

**Trigger:** Aging Infrastructure

### Location



### Issue

As development occurs and the existing pumps near the end of their service life, the pumps will need to be replaced. It is recommended that the pump capacity is increased upon replacement.

### Scope

This includes a replacement of the existing pumps in the 44<sup>th</sup> Avenue lift station.

### Cost Estimate (Class B)

\$300,000