

# 2023 Regional Septage Facility Agreement

Regular Board Meeting

May 18, 2023

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1450 K.L.O. Road  
Kelowna, BC, V1W 3Z4  
rdco.com







# Overview



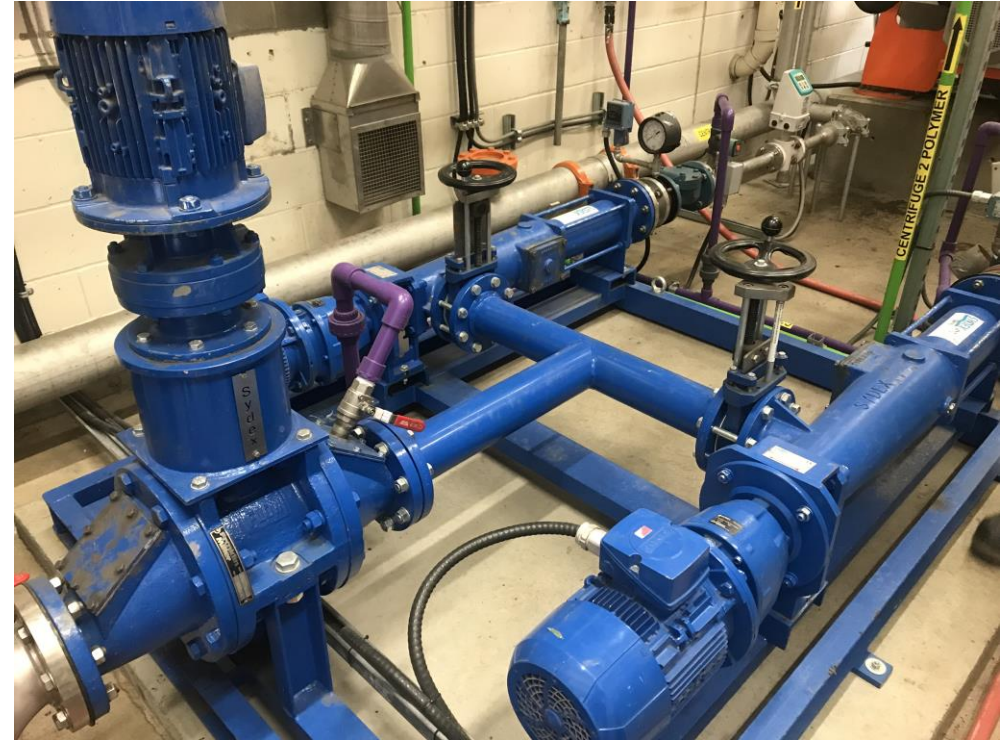
# Background

- Regional Septage Facility accepts septage for the region
  - Estimated to service around 15,000 residences with septic systems
  - Receives ~13,000 M<sup>3</sup> septage annually
- RDCO and DLC MOU
  - DLC – operation, maintenance, repair
  - RDCO – collects fees, biosolids solution
  - 20-year term expired in 2020
- Service is fully funded by tipping fees



# Background

- Septage and DLC wastewater treatment plant assets and process intertwined
- 3<sup>rd</sup> party assessment and review of service to form basis of new agreement
- Improve DLC's operational independence







# Proposed Agreement

# Proposed Agreement

- 20-year term, fees reviewed every 5 years
- Fees based on jointly-agreed financial model
- DLC responsible for operation, maintenance, renewal, and improvements
- Septage assets will transfer to DLC

# Proposed Agreement

- Service Fees to DLC
  - O&M Base Fees
  - O&M Variable Fees
  - Capital Renewal Fees
  - Capital Improvement Fees
  - One-time capital reserve transfer (\$300,000)
- Annual adjustments based on inflation



# Proposed Agreement

- RDCO to set, manage, and communicate Septage Tipping Fees to users
- RDCO to provide biosolids processing solutions
- RDCO / DLC to partner in grant applications





# Septage Tipping Fees

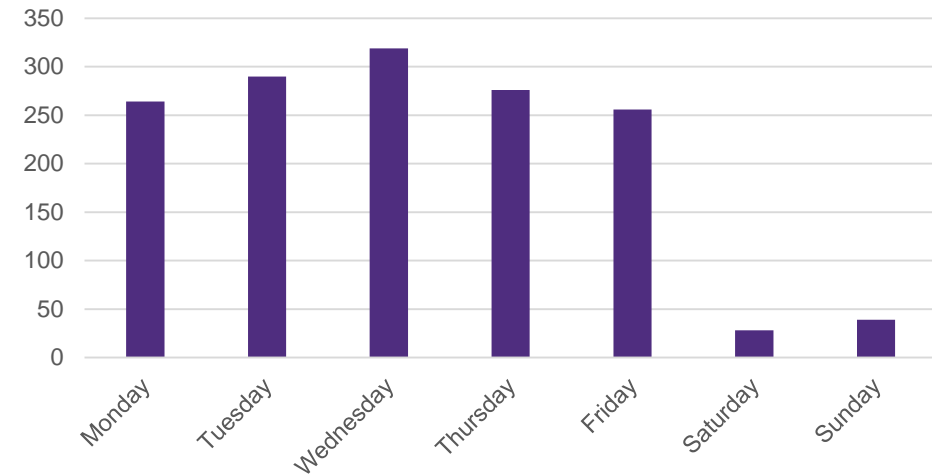
- Current:               \$52 / M<sup>3</sup>
- Proposed:           \$85 / M<sup>3</sup>
- Large % increase, moderate \$ increase
  - 63% fee increase
  - \$20 - \$40 per year increase per household
- Tipping Fees intended to fully fund the service
  - No tax requisition
  - Included in 2023-2027 Five-Year Financial Plan
- Fees set for 5-year term with annual adjustments



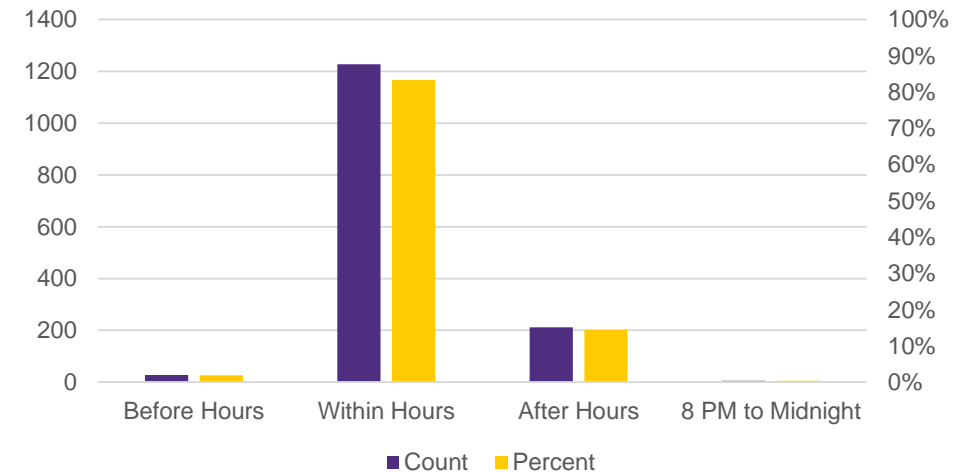
# Operating Hours

- Current: 24/7 access
- Safety and risk concerns
  - Snow removal
  - Septage spills
- Proposed: When plant staffed
  - 80% loads already during operating hours
  - Minimal impact to haulers

Septage Loads by Day of Week



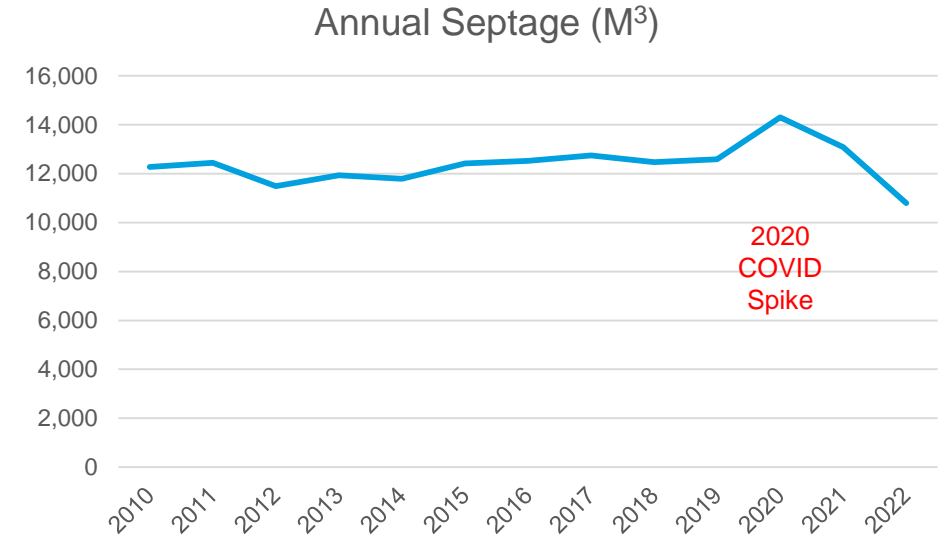
Septage Loads by Time





# Risks

- **Fixed Base Fees**
  - 75% fees fixed
  - Tipping fee revenue variable
  - Septage variability impacts revenue
  - Mitigated using Operating Reserve (\$260,000)
- **Service Withdrawal**
  - End of MOU opportunity for service withdrawal
  - Review of service clearly outlines terms and conditions



# Recommendation

**THAT** the Board receives the 2023 District of Lake Country Septage Agreement report from the Director of Engineering Services dated May 18, 2023 for information;

**AND THAT** the Regional Board authorizes the Chair and Corporate Officer to execute the Septage Service agreement with the District of Lake Country inclusive of the principles provided to the Board on May 18, 2023, subject to a satisfactory legal review;

**AND THAT** Regional District of Central Okanagan Septic Tank Effluent Regulation Amendment Bylaw No. 1530, 2023 be given first, second, and third readings;

**AND FURTHER THAT** Regional District of Central Okanagan Septic Tank Effluent Regulation Amendment Bylaw No. 1530, 2023 be adopted.





End of Presentation