Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Notice of Meeting and Meeting Agenda
Regional Water Supply Commission

Wednesday, March 19, 2025 | **1:30 PM** | **6th Floor Boardroom, 625 Fisgard St., Victoria, BC V8W 1R7**

G. Baird (Chair); K. Harper (Vice Chair); J. Caradonna; N. Chambers; C. Coleman; Z. de Vries; S. Duncan; C. Graham; S. Gray; C. Green; K. Guiry; S. Hammond; K. Jordison; S. Kim; T. Morrison; K. Pearson; T. Phelps Bondaroff; J. Rogers; C. Stock; M. Wagner; M. Westhaver; A. Wickheim

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 ACKNOWLEDGEMENT

2. APPROVAL OF THE AGENDA

3. ADOPTION OF MINUTES

3.1. 25-0298 Minutes of the Regional Water Supply Commission Meeting of January 15, 2025

Recommendation: That the minutes of the Regional Water Supply Commission meeting of January 15, 2025 be adopted as circulated.

Attachments: Minutes - January 15, 2025

4. CHAIR'S REMARKS

5. PRESENTATIONS/DELEGATIONS

The public are welcome to attend CRD meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the Regional Water Supply Commission at legserv@crd.bc.ca.

6. CONSENT AGENDA

6.1. 25-0299 Summary of Recommendations from Other Water Commissions and Committees

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

Attachments: Summary: JdFWC - February 4, 2025

Summary: SPWC - January 16, 2025

6.2. 25-0300 Water Watch Report

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

Attachments: Water Watch Report - March 10, 2025

7. COMMISSION BUSINESS

7.1. 25-0324 General Manager's Verbal Update

Recommendation: There is no recommendation. This verbal update is for information only.

7.2. 25-0225 Water Quality Summary Report for Greater Victoria Drinking Water System - September to December 2024

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

Attachments: Staff Report: Water Quality Summary Report for GVDWS (Sept-Dec 2024)

Appendix A: Water Quality Summary Report for GVDWS (Sept-Dec 2024)

7.3. 24-1320 Canada Housing Infrastructure Fund

Recommendation: [At the February 12, 2025 CRD Board meeting, the following motion was passed:
That the Capital Regional District Board direct staff to implement a Development Cost Charge rate freeze for Capital Regional District services from April 4, 2024 until April 4, 2027 to allow member municipalities to pursue funding opportunities under the Canadian Housing Infrastructure Fund.]
There is no recommendation. This report is for information only.

Attachments: Staff Report: Canadian Housing Infrastructure Fund

Appendix A: CHIF-Before you apply-Applicant Guide

Appendix B: CHIF Frequently Asked Questions

8. NOTICE(S) OF MOTION

9. NEW BUSINESS

10. ADJOURNMENT

The next meeting is April 16, 2025.

To ensure quorum, please advise Megan MacDonald (mmmacdonald@crd.bc.ca) if you or your alternate cannot attend.

Votinq Key:
NWA - Non-weighted vote of all Directors
NWP - Non-weighted vote of participants (as listed)
WA - Weighted vote of all Directors
WP - Weighted vote of participants (as listed)

Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Meeting Minutes

Regional Water Supply Commission

Wednesday, January 15, 2025 **1:30 PM** **6th Floor Boardroom**
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT: G. Baird (Chair), K. Harper (Vice Chair), J. Caradonna, C. Coleman, Z. de Vries, S. Duncan (EP), C. Graham (EP), C. Green, K. Guiry, S. Hammond (EP), K. Jordison (EP), S. Kim (EP), T. Morrison (EP), K. Pearson (1:46 pm), T. Phelps Bondaroff (EP), J. Rogers, C. Stock, M. Wagner, M. Westhaver (1:34 pm) (EP), A. Wickheim (EP)

STAFF: A. Fraser, General Manager, Infrastructure and Water Services; D. Dionne, Manager, IWS Business Support Services; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

Regrets: N. Chambers, S. Gray

EP – Electronic Participation

The meeting was called to order at 1:31 pm.

1. Territorial Acknowledgement

GM Fraser provided a Territorial Acknowledgement.

2. Election of Chair

The General Manager called for nominations for the position of Chair of the Regional Water Supply Commission for 2025.

Commissioner Stock nominated Commissioner Baird, Commissioner Baird accepted the nomination.

The General Manager called for nominations a second and third time.

Hearing no further nominations, the General Manager declared Commissioner Baird Chair of the Regional Water Supply Commission for 2025 by acclamation.

Commissioner Westhaver joined the meeting electronically at 1:34 pm.

3. Election of Vice Chair

Chair Baird called for nominations for the position of Vice Chair of the Regional Water Supply Commission for 2025.

Commissioner Wagner nominated Commissioner Harper. Commissioner Harper accepted the nomination.

Chair Baird called for nominations a second and third time.

Hearing no further nominations, Chair Baird declared Commissioner Harper Vice Chair of the Regional Water Supply Commission for 2025 by acclamation.

4. Approval of Agenda

MOVED by Commissioner Guiry, SECONDED by Commissioner Stock,
That the agenda for the January 15, 2025 Session of the Regional Water Supply Commission be approved as amended with the addition of General Managers Report as Item 8.1.
CARRIED

5. Adoption of Minutes

5.1. 25-0005 Minutes of the November 20, 2024 and the minutes of the November 22, 2024 Regional Water Supply Commission Meeting

MOVED by Commissioner Wagner, SECONDED by Commissioner Coleman,
That the minutes of the Regional Water Supply Commission meetings of November 20, 2024 and November 22, 2024 be adopted as circulated.
CARRIED

6. Chair's Remarks

The Chair stated that the 2025 meeting schedule will be emailed out to the Commission and meetings have a new start time of 1:30 pm to allow time for more discussion. He thanked the Commission for their confidence and re-electing him to the position of Chair for 2025.

7. Presentations/Delegations

There were no presentations or delegations.

8. Commission Business

8.1. 25-0073 General Managers Report

A. Fraser presented Item 8.1. for information and provided the following updates:

- division name change to "Infrastructure and Water Services"
- Legislative Services will be supporting IWS meetings going forward
- development cost charges report on federal funding program going forward to the CRD Board in February

Discussion ensued regarding future public engagement related to the strategic plan.

Commissioner Pearson joined the meeting in person at 1:46 pm.

8.2. 25-0003 Summary of Recommendations from Other Water Commissions and Committees

Vice Chair Harper spoke to Item 8.2.

Motion Arising
MOVED by Commissioner Green, SECONDED by Director Wagner,
That the Regional Water Supply Commission recommends to the Capital Regional District Board:
To request that staff prepare correspondence to the Province to encourage a review of the conditions required for farm status by BC Assessment.
CARRIED

8.3. 25-0004 Water Watch Report

GM Fraser presented Item 8.3. for information.

9. Notice(s) of Motion

There were no notice(s) of motion.

10. New Business

There was no new business.

11. Motion to Close the Meeting

11.1. 25-0025 Motion to Close the Meeting

MOVED by Commissioner Stock, SECONDED by Commissioner Coleman,
That the meeting be closed for Appointments in accordance with Section 90(1)(a) of the Community Charter.
CARRIED

The Regional Water Supply Commission moved to the closed session at 1:56 pm.

The Regional Water Supply Commission rose from the closed session at 2:02 pm without report.

12. Adjournment

MOVED by Commissioner Graham, SECONDED by Commissioner Stock,
That the January 15, 2025 Regional Water Supply Commission meeting be adjourned at 2:03 pm.
CARRIED

_____
CHAIR

_____
RECORDER

Capital Regional District

HOTSHEET AND ACTION LIST

Juan de Fuca Water Distribution Commission

Tuesday, February 4, 2025 **1:30 PM** **Goldstream Meeting Room**
479 Island Highway
Victoria, BC

The following is a quick snapshot of the FINAL Juan de Fuca Water Distribution Commission decisions made at the meeting. The minutes will represent the official record of the meeting. A name has been identified beside each item for further action and follow-up.

2. ELECTION OF CHAIR

Commissioner Baird was acclaimed as Chair.

3. ELECTION OF VICE CHAIR

Commissioner Rogers was elected Vice Chair.

5. ADOPTION OF MINUTES

The minutes of the December 3, 2024 meeting were adopted as circulated.

8. COMMISSION BUSINESS

8.2 Juan de Fuca Water Distribution Commission Appointment to Water Advisory Committee

Recommendation: That the Vice Chair of the Juan de Fuca Water Distribution Commission be appointed as the Commission's representative on the Water Advisory Committee for a one-year term ending December 31, 2025.

CARRIED

8.3 CRD Board Renumeration Policy Review – Juan de Fuca Water Distribution Commission Inclusion

Recommendation: The Juan de Fuca Water Distribution Commission recommends to the Capital Regional District Board:
That remuneration for Commissioners of the Juan de Fuca Water Distribution Commission be considered in the next comprehensive review of the Capital

Regional District (CRD) Board Remuneration and Travel Expenses Reimbursement Policy.

CARRIED

The following reports were received for information

8.1 2025 Juan de Fuca Water Distribution Work Plan (General Manager's Verbal Update)
8.4 Summary of Recommendations from Other Water Commissions
8.5 Water Watch Report

Capital Regional District

HOTSHEET AND ACTION LIST

Saanich Peninsula Water Commission

Thursday, January 16, 2025 **9:30 AM** **Meeting Room 2**
Sidney Community Safety Building
2245 Oakville Avenue, Sidney, BC

The following is a quick snapshot of the FINAL Saanich Peninsula Water Commission decisions made at the meeting. The minutes will represent the official record of the meeting. A name has been identified beside each item for further action and follow-up.

2. ELECTION OF CHAIR

Commissioner Kelbert was acclaimed as Chair.

3. ELECTION OF VICE CHAIR

Commissioner Doehnel was elected Vice Chair.

5. ADOPTION OF MINUTES

The minutes of the October 17, 2024 meeting were not adopted. These minutes will be adopted at the next commission meeting.

9. COMMISSION BUSINESS

9.1 Saanich Peninsula Water Commission Representation – Water Advisory Committee

Recommendation: That the Vice Chair of the Saanich Peninsula Water Commission be appointed as the Commission's representative on the Water Advisory Committee for a one-year term ending December 31, 2025.

CARRIED

The following was received for information:

9.2 Summary of Recommendations from Other Water Commissions

9.3 Water Watch Report

CAPITAL REGIONAL DISTRICT - INTEGRATED WATER SERVICES

Water Watch

Issued March 10, 2025

Water Supply System Summary:

1. Useable Volume in Storage:

Reservoir	March 31 5 Year Ave		March 31/24		March 9/25		% Existing Full Storage
	ML	MIG	ML	MIG	ML	MIG	
Sooke	92,658	20,385	92,727	20,400	92,727	20,400	100.0%
Goldstream	9,311	2,049	9,825	2,162	9,906	2,179	99.9%
Total	101,970	22,433	102,552	22,561	102,633	22,579	100.0%

2. Average Daily Demand:

For the month of March	105.5 MLD	23.21 MIGD
For week ending March 09, 2025	106.0 MLD	23.32 MIGD
Max. day March 2025, to date:	111.3 MLD	24.48 MIGD

3. Average 5 Year Daily Demand for March

Average (2020 - 2024) 104.6 MLD [1] 23.01 MIGD [2]

[1]MLD = Million Litres Per Day [2]MIGD = Million Imperial Gallons Per Day

4. Rainfall March:

Average (1914 - 2024): 159.0 mm

Actual Rainfall to Date 43.1 mm (27% of monthly average)

5. Rainfall: Sep 1- Mar 9

Average (1914 - 2024): 1,299.4 mm

2024/2025 1,102.5 mm (85% of average)

6. Water Conservation Action Required:

To avoid possible leaks this spring, now is the time to winterize your sprinkler system.
Visit our website at www.crd.bc.ca/water for more information.

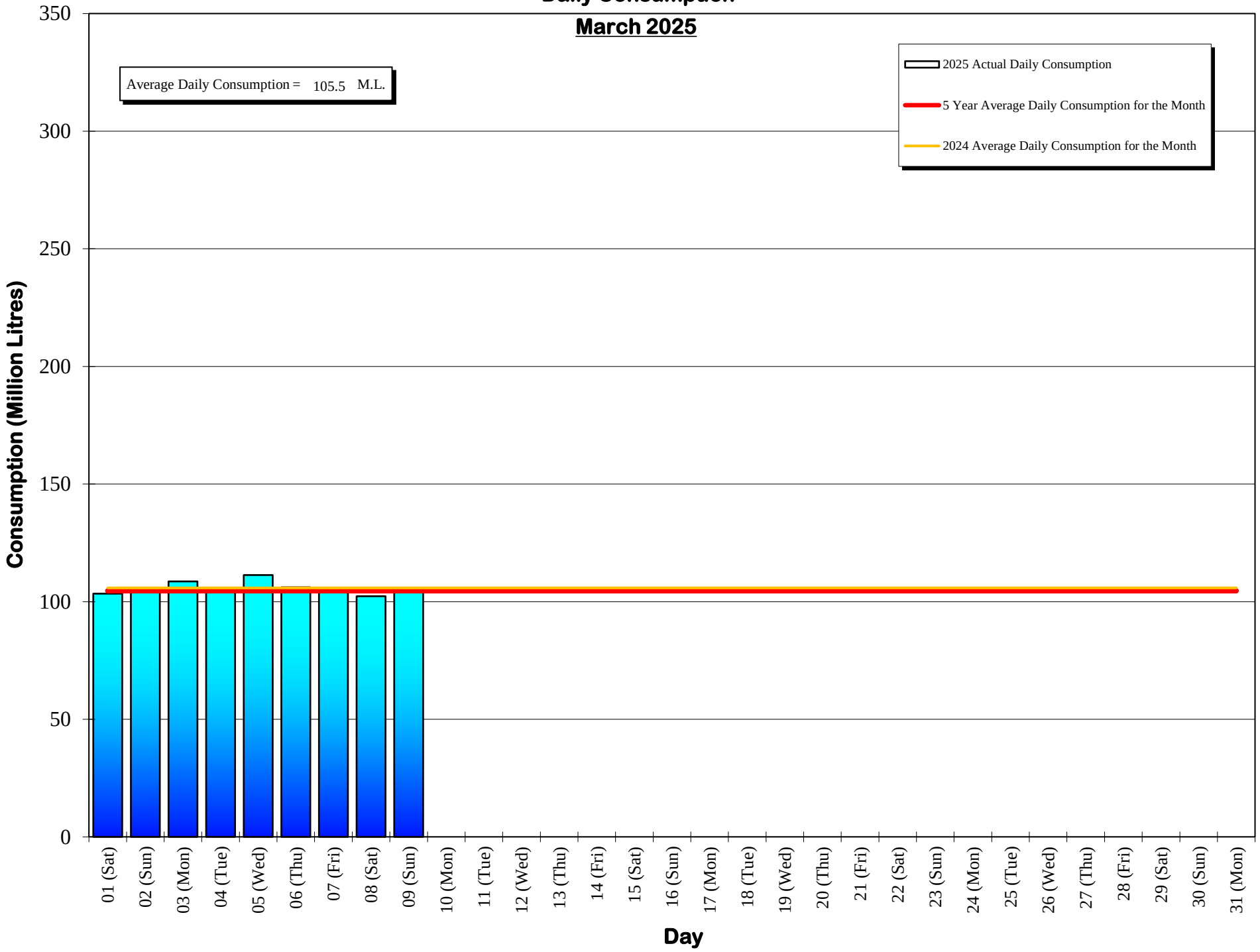
If you require further information, please contact:

Alicia Fraser, P. Eng.
General Manager, CRD - Integrated Water Services
or
Glenn Harris, Ph D., RPBio
Senior Manager - Environmental Protection

Capital Regional District Integrated Water Services
479 Island Highway
Victoria, BC V9B 1H7
(250) 474-9600

Daily Consumption

March 2025



\\v17filprd01.crd.bc.ca\WD-Group\WaterEng\WATERENG\HYDROLGY\AMRIT\MONTHEND.25\H2o watch 2025Cons. Chart

Daily Consumptions: - March 2025

Date	Total Consumption (ML) [1.]		(MIG) [2.]	Air Temperature @ Japan Gulch High (°C)	Low (°C)	Weather Conditions	Precipitation @ Sooke Res.: 12:00am to 12:00am Rainfall (mm)	Snowfall [2.] (mm)	Total Precip.
01 (Sat)	103.4		22.8	12	4	Cloudy / P. Sunny	0.0	0.0	0.0
02 (Sun)	104.3		22.9	12	6	Cloudy / Showers	0.2	0.0	0.2
03 (Mon)	108.6		23.9	11	5	Cloudy / P. Sunny	0.0	0.0	0.0
04 (Tue)	104.6		23.0	8	4	Cloudy / Showers	7.4	0.0	7.4
05 (Wed)	111.3	<=Max	24.5	9	2	Cloudy / P. Sunny / Showers	0.4	0.0	0.4
06 (Thu)	106.1		23.4	11	1	Sunny / P. Cloudy	0.0	0.0	0.0
07 (Fri)	104.2		22.9	10	1	Cloudy / P. Sunny / Showers	0.2	0.0	0.2
08 (Sat)	102.3	<=Min	22.5	9	5	Cloudy / Rain	27.0	0.0	27.0
09 (Sun)	104.8		23.1	8	1	Cloudy / Showers	7.9	0.0	7.9
10 (Mon)									
11 (Tue)									
12 (Wed)									
13 (Thu)									
14 (Fri)									
15 (Sat)									
16 (Sun)									
17 (Mon)									
18 (Tue)									
19 (Wed)									
20 (Thu)									
21 (Fri)									
22 (Sat)									
23 (Sun)									
24 (Mon)									
25 (Tue)									
26 (Wed)									
27 (Thu)									
28 (Fri)									
29 (Sat)									
30 (Sun)									
31 (Mon)									
TOTAL	949.6 ML		208.91 MIG				43.1	0	43.1
MAX	111.3		24.48	12	6		27.0	0	27.0
AVG	**105.5**		23.21	10.0	3.2		4.8	0	4.8
MIN	102.3		22.50	8	1		0.0	0	0.0

1. ML = Million Litres

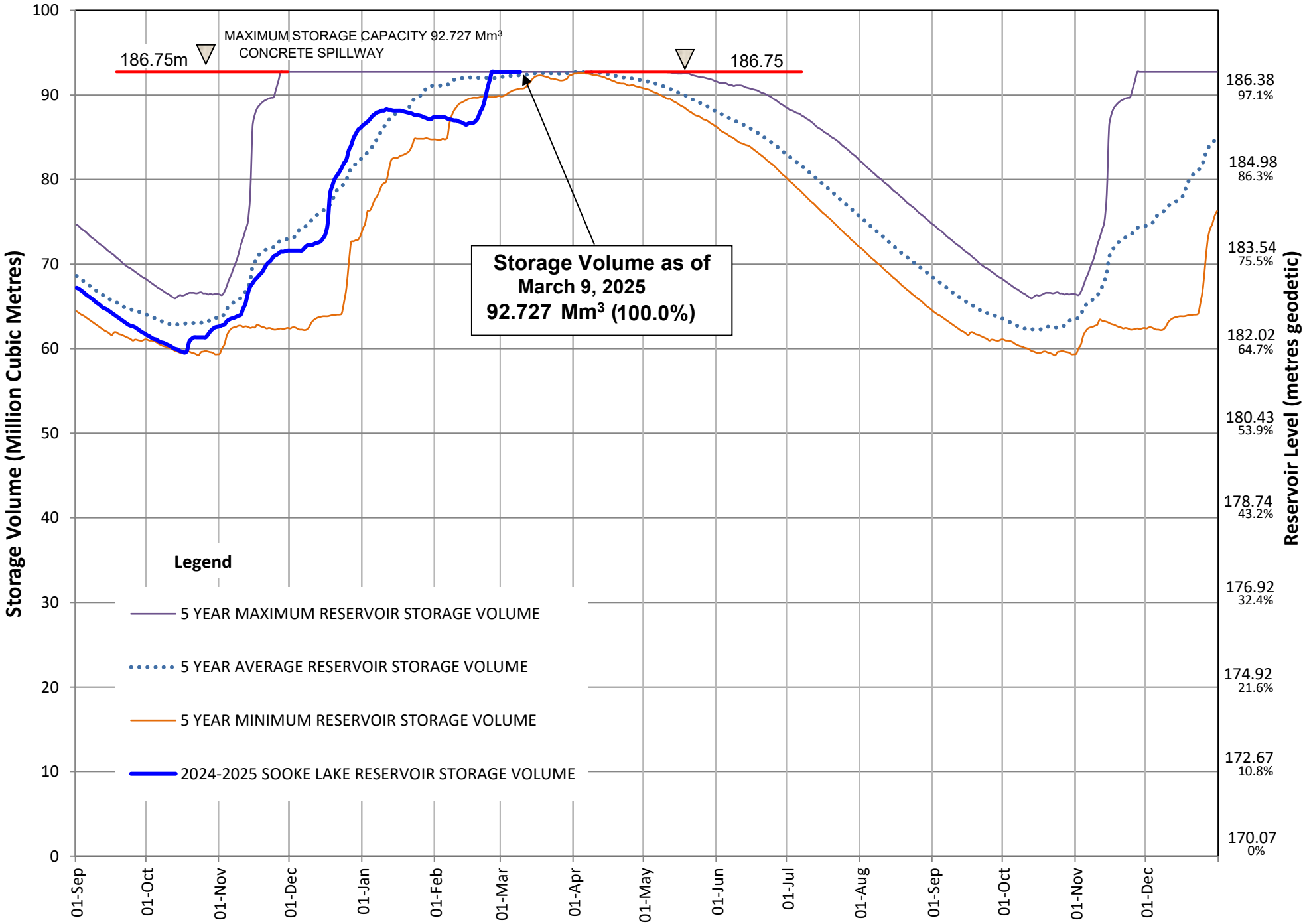
2. 10% of snow depth applied to rainfall figures for snow to water equivalent.

Average Rainfall for March (1914-2024)	159.0 mm
Actual Rainfall: March	43.1 mm
% of Average	27%
Average Rainfall (1914-2024): Sept 01 - Mar 09	1,299.4 mm
Actual Rainfall (2023/24): Sept 01 - Mar 09	1,102.5 mm
% of Average	85%

Number days with precip. 0.2 or more
6

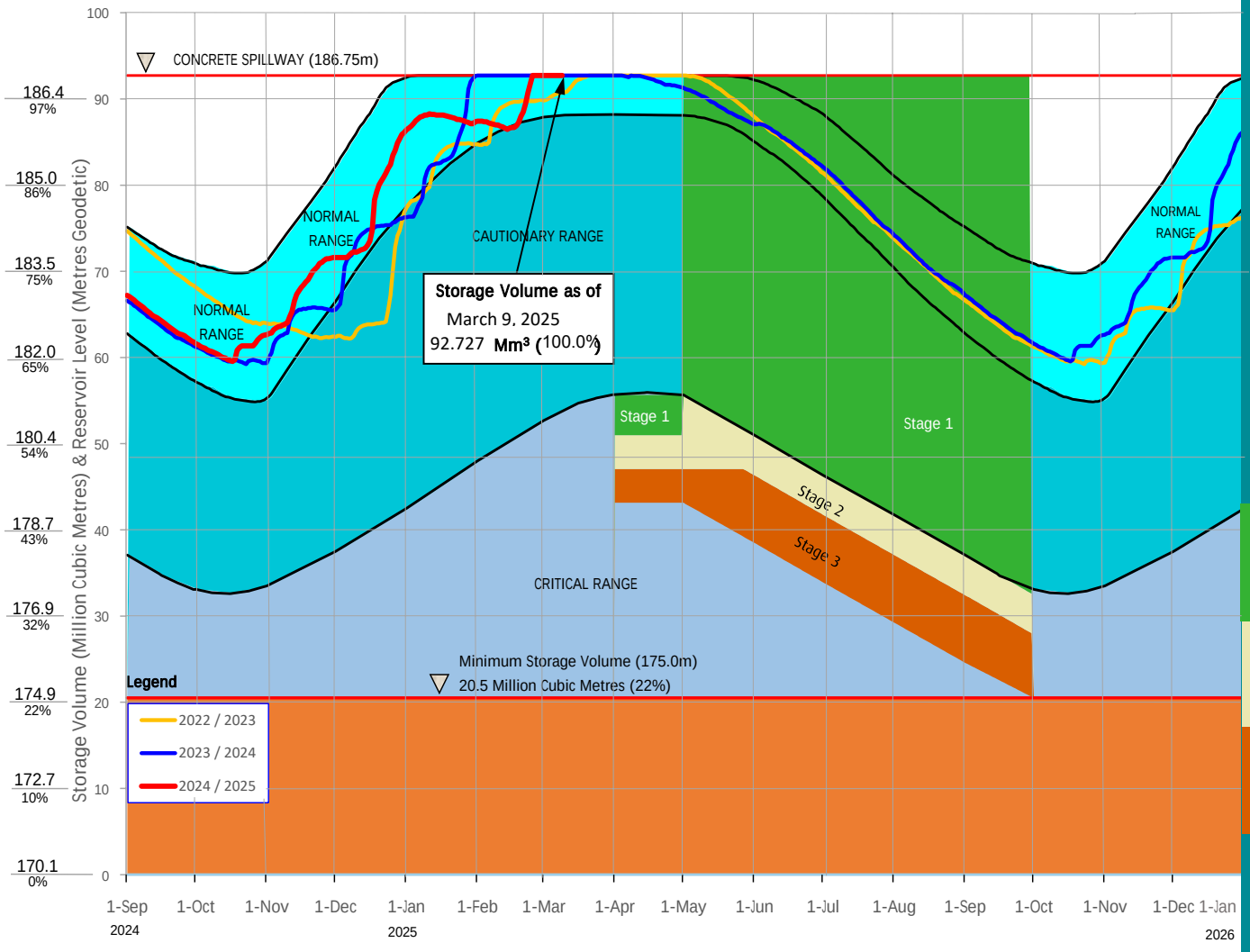
Water spilled at Sooke Reservoir to date (since Sept. 1) = 0.44 Billion Imperial Gallons / 2.00 Billion Litres

SOOKE LAKE RESERVOIR STORAGE SUMMARY
2024 / 2025



Sooke Lake Reservoir Storage Level

Water Supply Management Plan



FAQs

How are water restriction stages determined?

Several factors are considered when determining water use restriction stages, including,

1. Time of year and typical seasonal water demand trends;
2. Precipitation and temperature conditions and forecasts;
3. Storage levels and storage volumes of water reservoirs (Sooke Lake Reservoir and the Goldstream Reservoirs) and draw down rates;
4. Stream flows and inflows into Sooke Lake Reservoir;
5. Water usage, recent consumption and trends; and customer compliance with restriction;
6. Water supply system performance.

The Regional Water Supply Commission will consider the above factors in making a determination to implement stage 2 or 3 restrictions, under the Water Conservation Bylaw.

At any time of the year and regardless of the water use restriction storage, customers are encouraged to limit discretionary water use in order to maximize the amount of water in the Regional Water Supply System Reservoirs available for nondiscretionary potable water use.

Stage 1 is normally initiated every year from May 1 to September 30 to manage outdoor use during the summer months. During this time, lawn watering is permitted twice a week at different times for even and odd numbered addresses.

Stage 2 Is initiated when it is determined that there is an acute water supply shortage. During this time, lawn water is permitted once a week at different times for even and odd numbered addresses.

Stage 3 Is initiated when it is determined that there is a severe water supply shortage. During this time, lawn watering is not permitted. Other outdoor water use activities are restricted as well.

For more information, visit www.crd.bc.ca/drinkingwater

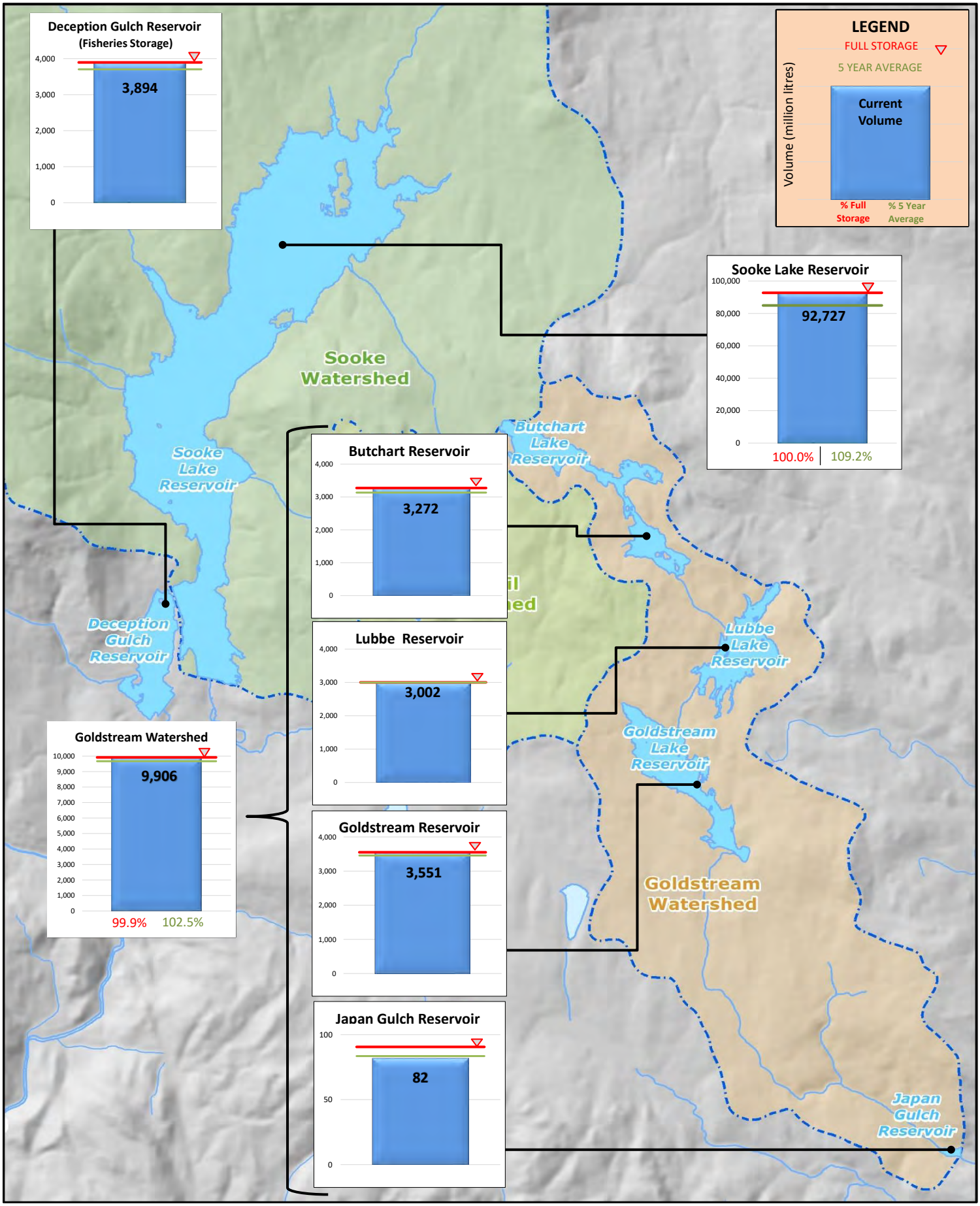
CRD

Making a difference...together

Capital Regional District Integrated Water Services

Making a difference...together

Useable Reservoir Volumes in Storage for March 09, 2025



Making a difference...together

EEP 25-08

REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, MARCH 19, 2025

SUBJECT **Water Quality Summary Report for Greater Victoria Drinking Water System – September to December 2024**

ISSUE SUMMARY

Staff provide regular updates on the monitoring results for water quality conditions observed in the Greater Victoria Drinking Water System in between annual reporting to the regulator.

BACKGROUND

The Capital Regional District (CRD) supplies drinking water to the water distribution systems across Greater Victoria via the Regional Water Supply System. As a requirement under the *BC Drinking Water Protection Act*, the CRD monitors and reports on water quality to ensure the region's drinking water supply is safe and potable. The results are presented on a regular basis directly to the Commission and Island Health, and to the general public through the CRD website.

All public drinking water systems in BC must comply with the *BC Drinking Water Protection Act* and the *BC Drinking Water Protection Regulation*. In addition, the CRD relies upon water quality parameters in the Guidelines for Canadian Drinking Water Quality and guidelines developed by the US Environmental Protection Agency to inform the CRD's water quality monitoring program.

Water quality monitoring is one of the cornerstones of the multi-barrier approach to providing safe potable drinking water to the region's residents. The monitoring program ensures proper integration of source water information, treatment processes, distribution infrastructure and delivery of water to customers. The program also ensures that potential risks are effectively managed to ensure a safe drinking water supply.

Appendix A summarizes the monitoring results for raw water in Sooke Lake Reservoir, the treated water at the two water treatment plants, and for the treated water in various parts of the supply and distribution systems for the fall/winter period from September to December 2024.

IMPLICATIONS

Environmental Implications

The system is monitored for physical, chemical and biological water quality parameters. Monitoring results indicate that the CRD continues to meet guidelines for maintaining an unfiltered source water supply. Data from within the distribution systems also indicate a good balance between managing bacterial growth and ensuring good water quality with low concentrations of disinfection byproducts. Metal concentrations, including lead, are very low within the distribution systems, and physiochemical parameters indicate a low metal corrosion potential of the drinking water.

A fallen dead tree in the wake of the Old Man Lake wildfire near Sooke caused a major break of the raw water main supplying the Sooke treatment plant on September 27. Due to increasing turbidity levels in the raw water, the treatment plant had to be shut down and the entire Sooke system had to be supplied by treated water stored in distribution reservoirs until repair works were completed. The availability of sufficient water storage facilities prevented a major water quality event in the Sooke system.

Intergovernmental Implications

The CRD provides compliance monitoring and reporting of the municipal systems, in addition to its regional commitments, to deliver effective and efficient oversight of water quality within the overall water system. Any issues that may arise within the municipal system remain the responsibility of the municipalities.

Social Implications

The full disclosure of water quality monitoring data maintains public confidence in the CRD to effectively manage the regional drinking water supply. The data and reports are available online through the CRD public website. Staff respond to direct customer concerns and questions, and work with CRD operational staff, municipal staff, small system operators and Island Health officials to ensure good communication and support for the overall system.

CONCLUSION

The water quality monitoring program remains an essential component in the delivery of a safe and abundant drinking water supply to the region. Monitoring results for fall/winter 2024 indicate excellent water quality in the source water and treated drinking water, and all critical parameters indicate stable conditions. Staff are providing this report to share the latest water quality monitoring results with the Commission.

RECOMMENDATION

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

Submitted by:	Glenn Harris, Ph.D., R.P.Bio., Acting General Manager, Parks, Recreation & Environmental Services
Concurrence:	Alicia Fraser, P. Eng., General Manager, Integrated Water Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Water Quality Summary Report for the Greater Victoria Drinking Water System – September to December 2024

WATER QUALITY SUMMARY REPORT
FOR THE GREATER VICTORIA DRINKING WATER SYSTEM
SEPTEMBER TO DECEMBER 2024

March 2025

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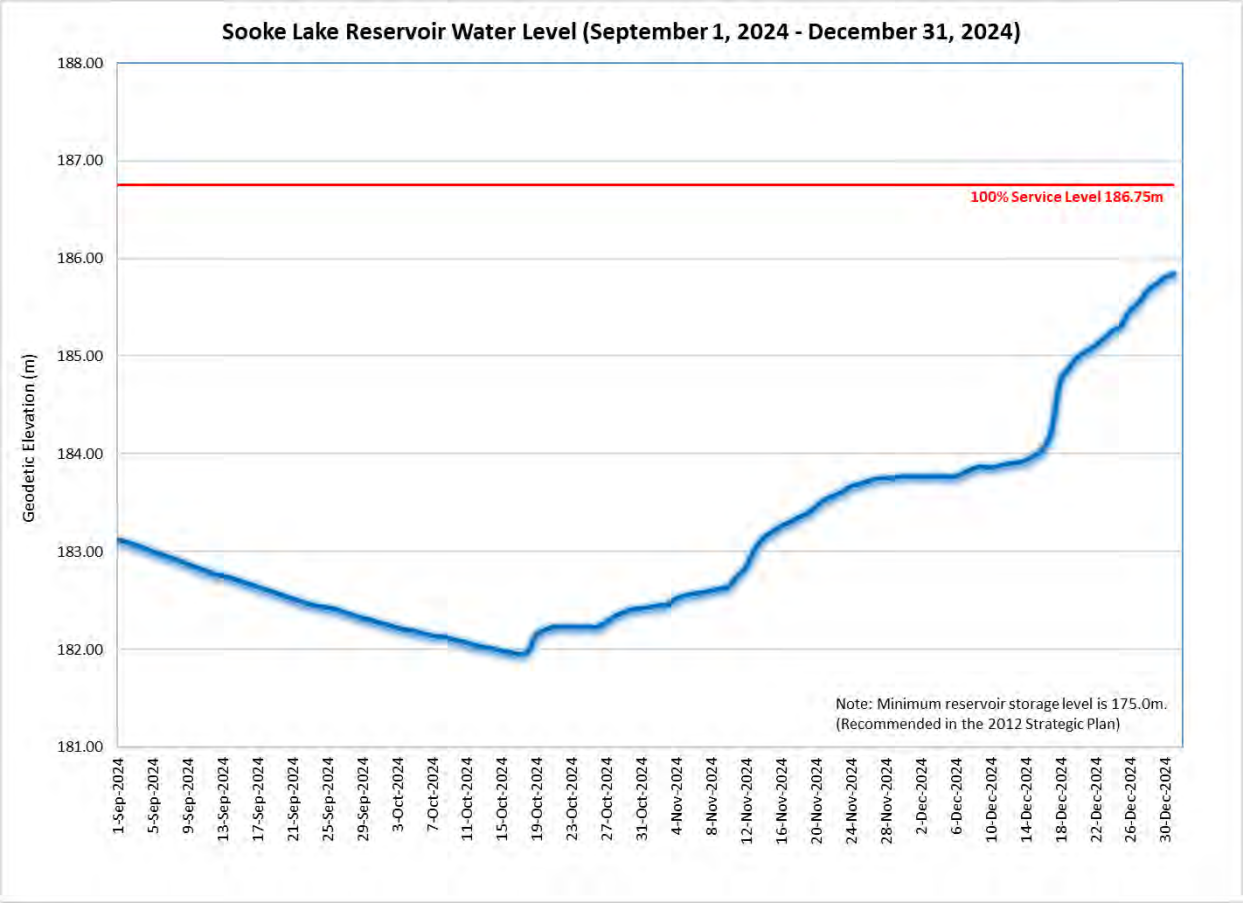
1. SOURCE WATER – SOOKE LAKE RESERVOIR

(a) Physical Parameters

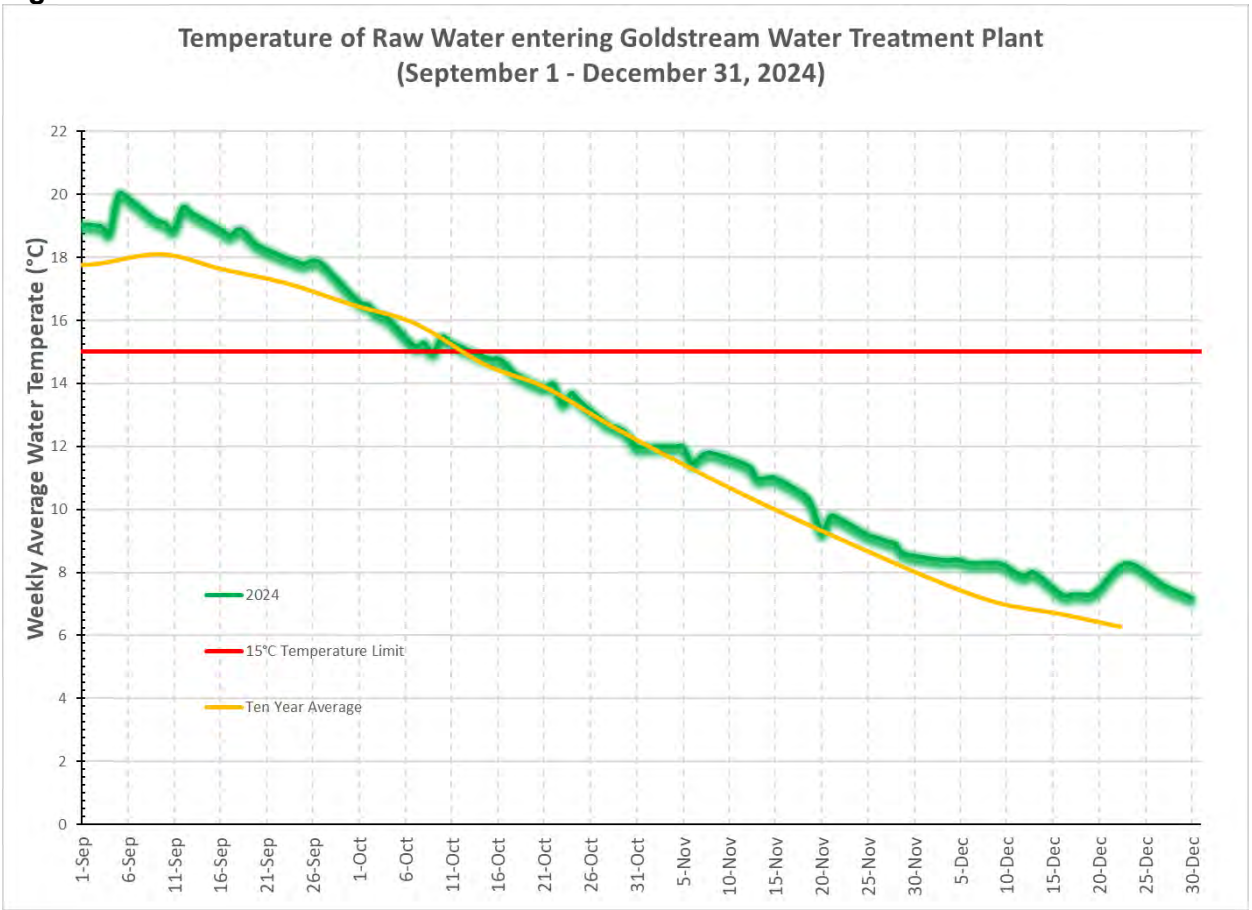
Water Levels. Sooke Lake Reservoir was at 72% storage capacity at the start of this reporting period on September 1, 2024 and reservoir levels continued to recede until the middle of October (see Figure 1). On October 17, the reservoir reached its lowest level of the year at 64.2% of its full storage capacity. This is within the historical average range since the raising of the dam in 2004. Moderate but consistent fall precipitation provided for a continuous reservoir recharge through to the end of the year. By the end of the reporting period on December 31, the reservoir had filled to 92.9%, which is higher than the previous two years and, overall, very typical for the last two decades.

Figure 1



Water Temperature. The raw water temperature measured at the Goldstream Water Treatment Plant tracked slightly above the long-term average trend for most of the reporting period (see Figure 2). The beginning of September still featured peak water temperatures of >20°C, which has been a common short-term occurrence over the last few years.

Figure 2



Turbidity. Turbidity in the lake near the intake tower remained well below the 1.0 Nephelometric Turbidity Unit (NTU) limit and was very consistent for the entire reporting period (Table 1). There were no major algal events with significant impact on the raw water turbidity. Also, fall rainfall and runoff events, as well as the lake turnover (Oct 25 in South Basin, early Dec in North Basin), did not significantly affect the turbidity. The low turbidity of the raw water allows the ultraviolet disinfection stage to remain effective at inactivating parasites and bacteria.

Table 1

Sooke Reservoir, South Basin (1m) - SOL-00-01					
	Samples Collected	**Unit of Measure**	**Minimum**	**Maximum**	**Mean**
Turbidity	8	NTU	0.22	0.46	0.29

Water Transparency. The transparency of the lake water measured with the Secci Disc in the lake was high (between 6 and 9 m) and consistent with the long-term average. Higher algal abundance and lake turnover effects accounted for the slightly lower transparency around 6 m in November, but with no measurable impact on the treatability of the water. The average Secci Disc depth during this reporting period was around 7.9 m.

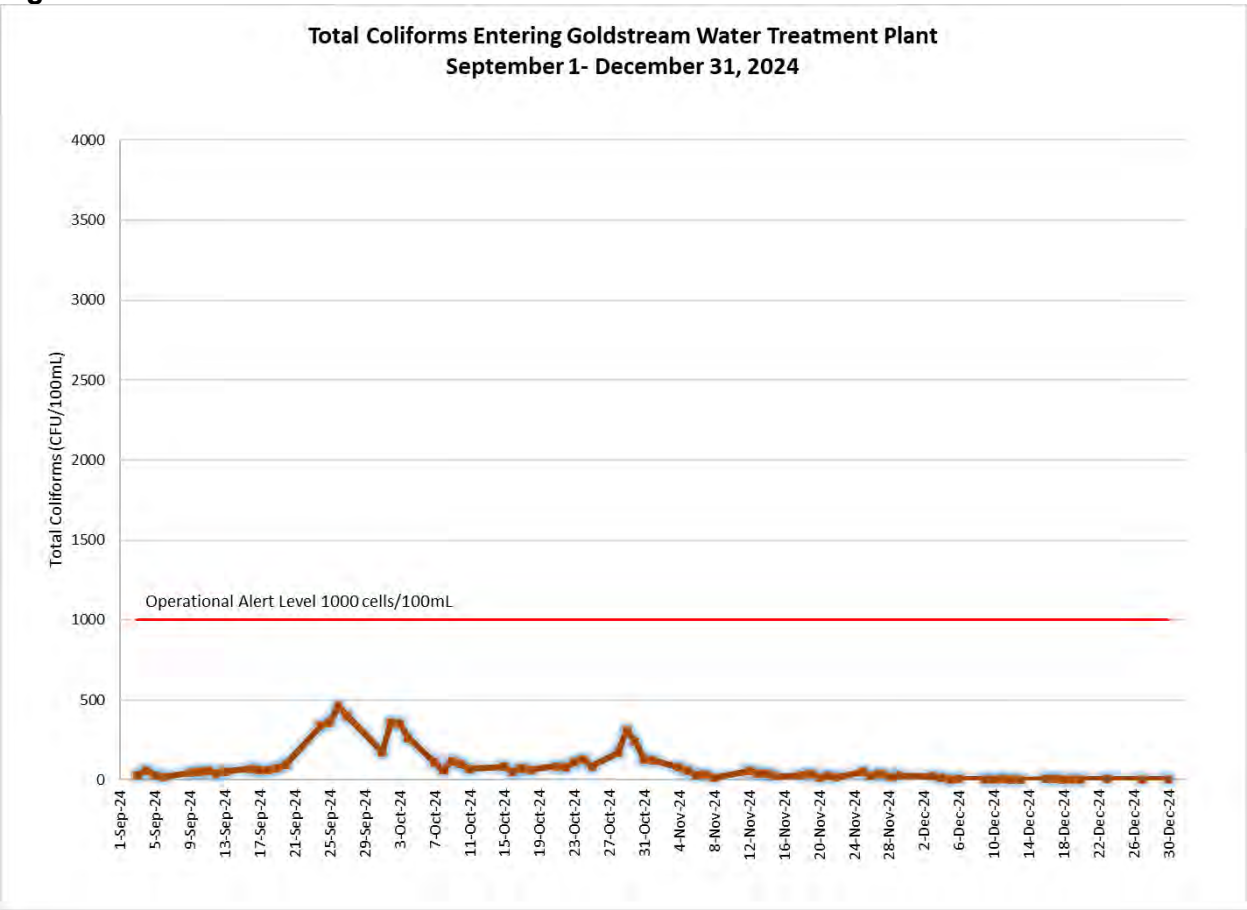
Dissolved Oxygen. Lake profiler sensor technology allowed staff to generate detailed dissolved oxygen depth profiles in three parts of Sooke Lake. The data shows that Sooke Lake remained well oxygenated throughout the summer in all depths. Even the deep part of the North Basin exhibited dissolved oxygen concentration close to 7 mg/L throughout the stratified lake season. The lowest dissolved oxygen concentrations were measured in the upper water column of the North Basin in early September at 6.2 mg/L. This state prevents internal nutrient loading or metal releases in anoxic zones and is another indicator of the oligotrophic status of Sooke Lake.

(b) Bacteria

Total Coliform Bacteria and E. coli. The total coliform concentrations in the raw source water entering the Goldstream Water Treatment Plant were low throughout this reporting period except for two distinct periods: two weeks from end of September to early October, and a few days at the end of October (see Figure 3). During these two periods, the total coliform concentrations were elevated with peaks to just below 500 CFU/100 mL. Such elevated total coliform occurrences are typical in Sooke Lake during the summer and early fall season and are addressed by the downstream disinfection. Extreme total coliform concentrations like in July and August 2024 are rare and were absent during this reporting period. Typically, the total coliform concentrations increase during the summer period from July to September when warm water temperatures increase bioactivity in the lake and the breakdown of the stratification in the South Basin causes a mixing effect. CRD staff use a total coliform threshold of 1,000 CFU/100 mL to alert treatment operations of a potentially critical bacteriological load in the raw water.

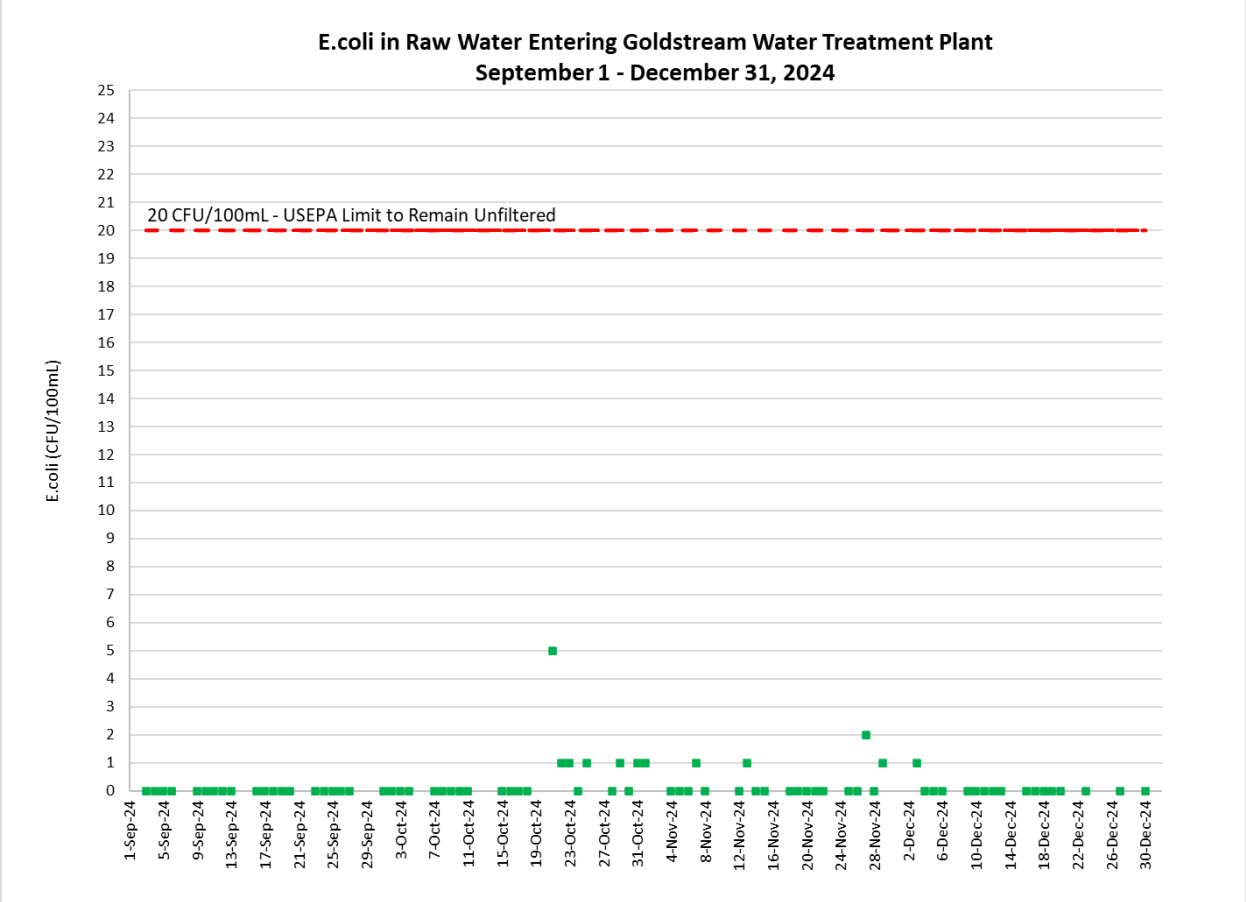
The United States Environmental Protection Agency (USEPA) Surface Water Treatment Rule for avoiding filtration has a non-critical total coliform criterion of maximum 100 CFU/100 mL at the 90th percentile of a six-month sample set. The 90th percentile of total coliform concentrations in the raw water between July and December 2024 was 1,600 CFU/100 mL and was therefore not compliant with this non-critical USEPA filtration exemption criterion.

Figure 3



E. coli concentrations during the reporting period, including during elevated total coliform events, were mostly non-detected or very low, and therefore, consistently well under the limit for meeting the critical USEPA filtration exemption criteria for surface water used for drinking water supply (Figure 4). Meeting this criterion means compliance with the USEPA Surface Water Treatment Rule for avoiding filtration. The E. coli concentrations were also well below the benchmark used in the *2020 BC Source Drinking Water Quality Guidelines* (90th percentile E. coli ≤10 CFU/100 mL). These results are typical for Sooke Lake Reservoir during the fall season and also demonstrate that typical summer/fall patterns of total coliform concentrations in Sooke Lake are not caused by fecal contaminations of the source water.

Figure 4



(c) Nutrients

In general, the nutrient concentrations during the reporting period confirmed the ultra-oligotrophic status of Sooke Lake Reservoir, which is indicative of very low productivity in an upland lake with a virtually undisturbed catchment. This lake status is demonstrated by very low overall nutrient concentrations with a high nitrogen/phosphorus ratio and dissolved organic nitrogen being the dominant constituent of the total nitrogen. These conditions allow only limited biological activity in the lake, thus ensuring a good quality source for unfiltered drinking water. Slight temporary upticks in the total phosphorus concentrations, particularly in the North Basin, occurred after the first significant rainfall and runoff events in October. These added nutrients were then quickly consumed by aquatic organisms. This natural cycle is an indication of a healthy and functioning food chain in the lake's ecosystem (Tables 2 and 3).

Table 2

Sooke Reservoir, South Basin (1m) - SOL-00-01					
	Samples Collected	**Unit of Measure**	**Minimum**	**Maximum**	**Mean**
Total Nitrogen	4	ug/L	62	109	91.3
Total Phosphorus	4	ug/L	1.70	3.30	2.48

Table 3

Sooke Reservoir, North Basin (1m) - SOL-04-01					
	Samples Collected	Unit of Measure	Minimum	Maximum	Mean
Total Nitrogen	4	ug/L	84	242	127
Total Phosphorus	4	ug/L	1.70	4.00	2.63

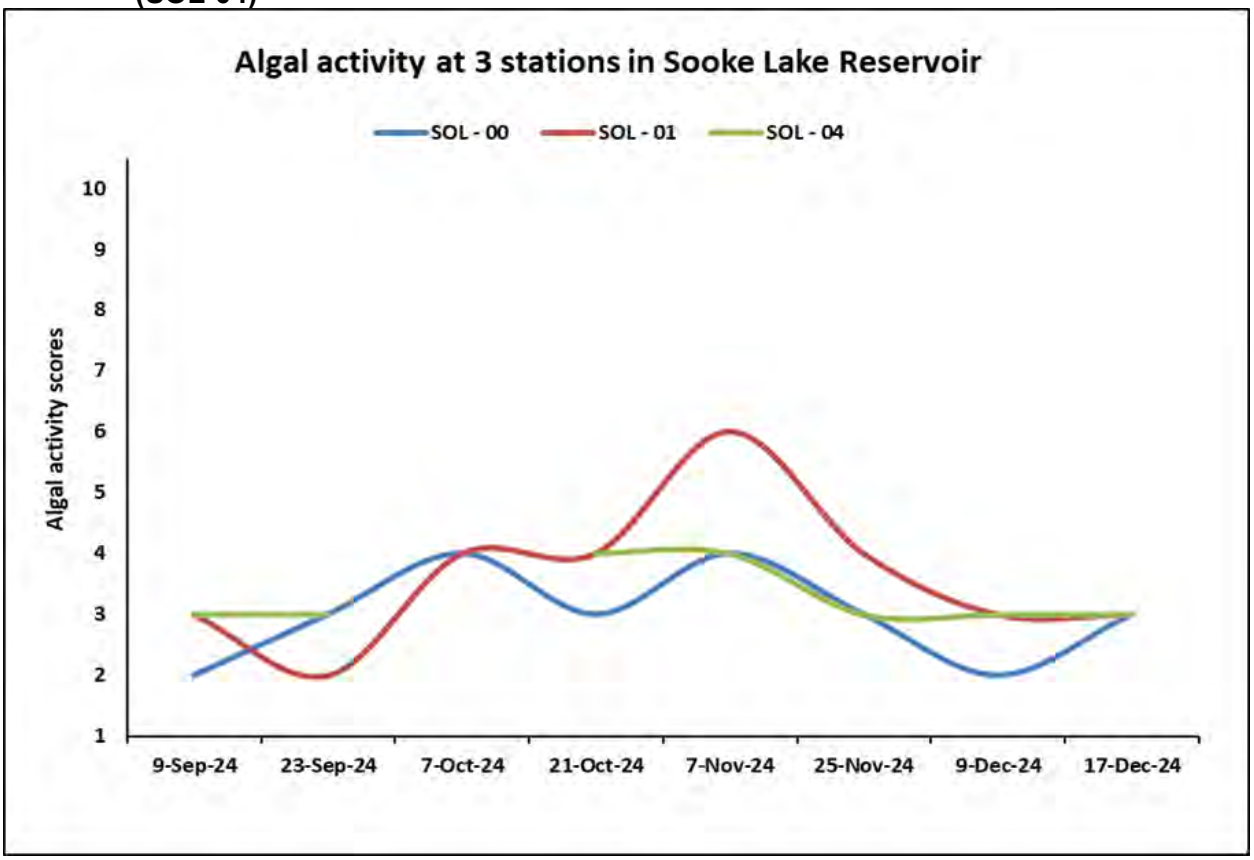
(d) Protozoan Parasites

In three test sets during this reporting period on the raw water entering the Goldstream Water Treatment Plant and on lake water in the South Basin directly, no *Cryptosporidium* oocysts and no *Giardia* cysts were found.

(e) Algae

To assess the algal activity and dynamics in Sooke Lake Reservoir, an algal activity index (AA Index) was applied, ranging from 1-10. This AA Index is derived from analyzing towed samples collected biweekly at three stations focusing on relatively large algal taxa. This tow-sample methodology utilizes a 64-micron mesh-size net and aims to capture and quickly identify any algal taxa with immediate adverse potential. The AA Index fluctuated only slightly across the different parts of the reservoir around the low average value of 3.3, except for higher values of up to 6 registered in the South Basin in November (Figure 5). This temporary increase in algal activity was caused by runoff-added nutrients after a series of fall rainstorms. The algal composition during this period was dominated by common taxa such as the colonial diatom, *Asterionella formosa*, which normally contains eight cells per colony, or the colonial golden algae, e.g. *Dinobryon* spp., with each colony containing dozens of cells. Both species are common in Sooke Lake and can cause taste, odour and/or clogging issues when they are in bloom, but as demonstrated by the low AA Index during the reporting period, their population never reached a bloom level. The low nutrient concentrations did not allow for proliferated growth.

Figure 5: Algal Activity Index (AA Index) from September to December 2024, Sooke Lake Reservoir, Intake Location (SOL-00), South Basin (SOL-01) and North Basin (SOL-04)



2. WATER TREATMENT PLANTS

(a) Goldstream Water Treatment Plant

Turbidity. The raw water entering the Goldstream Water Treatment Plant was consistently well below 1 Nephelometric Turbidity Unit (NTU) during the reporting period (Table 4).

Table 4

Goldstream Water Treatment Plant Turbidity - Raw Water	
Samples Collected	75
Minimum	0.20 NTU
Maximum	0.7 NTU
Mean	0.32 NTU

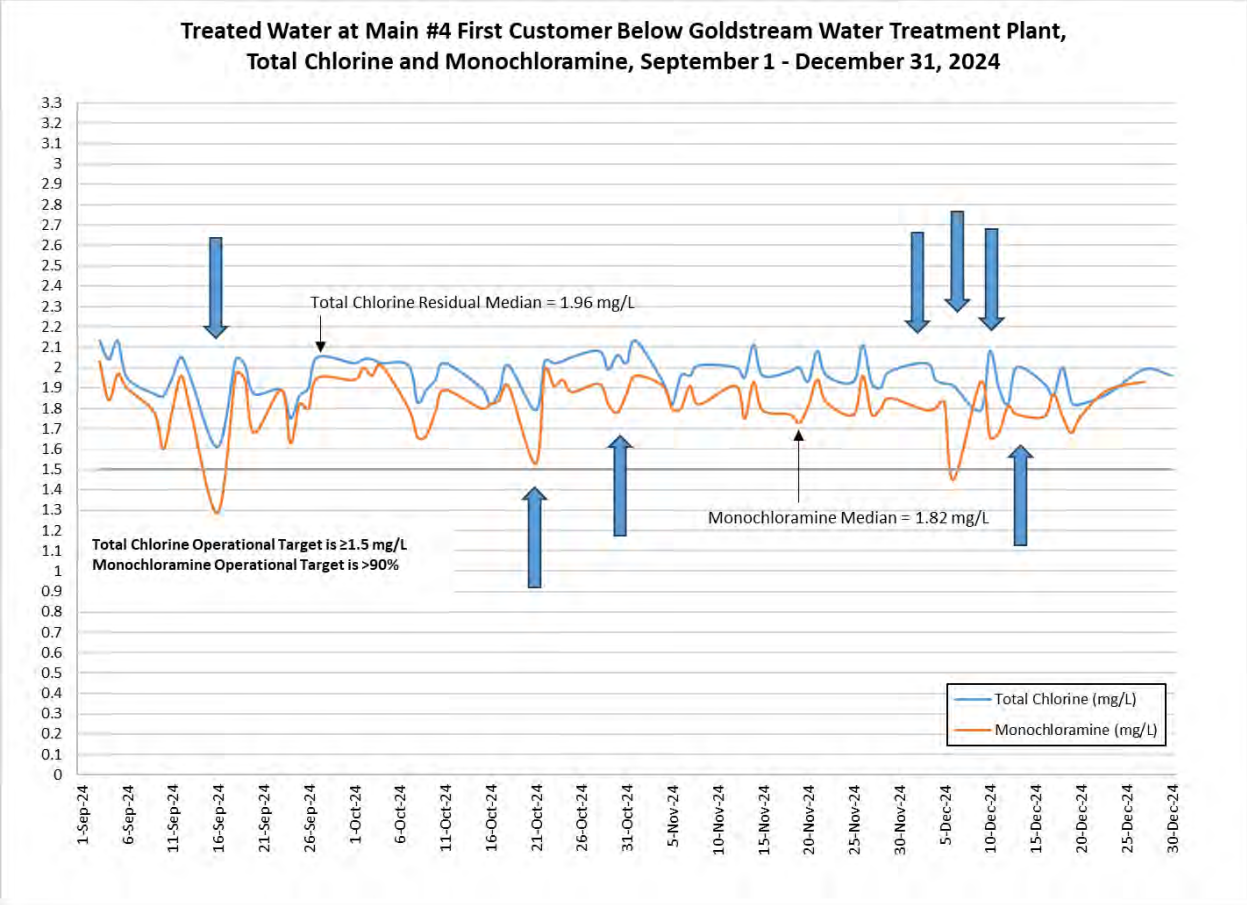
Main #4 First Customer Sampling Station Total Coliform Bacteria and E.coli. The Main #4 First Customer Sampling Station immediately downstream of the Goldstream Water Treatment Plant is sampled daily to monitor the efficacy of the disinfection treatment process. Within this reporting period, no sample tested positive for total coliform bacteria or E.coli bacteria at this critical sampling station.

Main #5 First Customer Sampling Station Total Coliform Bacteria and E.coli. The Main #5 First Customer Sampling Station immediately downstream of the Goldstream Water Treatment Plant is also sampled daily to monitor the efficacy of the disinfection treatment process. Within this reporting period, no sample tested positive for total coliform bacteria or E.coli bacteria at this critical sampling station.

The results indicate the effectiveness of the disinfection process in conditions encountered during the reporting period.

Secondary Disinfection. Figure 6 shows the total chlorine and monochloramine concentrations at the Main #4 First Customer Sampling Station. The target concentration of 1.5 mg/L for total chlorine was consistently achieved. The target ratio of 90% monochloramine was mostly achieved, however there were at least seven short-term periods when the ratio was below 90% (indicated by blue arrows in Figure 6). On at least four of these occasions, the ammonia injection was intentionally interrupted for a short period of time due to upgrades to the electrical and UV disinfection systems. Missing this target ratio leads to faster chloramine decay rates and therefore less effective chloramine residuals in the distribution systems, in particular in areas with higher water age. The ammonia interruptions were monitored and the duration minimized to ensure adequate and effective secondary disinfection was provided across the entire system throughout the reporting period..

Figure 6



(b) Sooke River Road Water Treatment Plant

Turbidity. The raw water entering the Sooke River Road Water Treatment Plant was consistently well under 1 NTU (Table 5) except for one occasion. During the night of September 27-28, 2024, the turbidity of the water entering the Sooke Water Treatment Plant suddenly rose to over 3 NTU. The plant was locked out and the system was supplied through treated water stored mainly in Helgesen Reservoir. An investigation revealed that a fallen tree from the dead-stand caused by the Old Man Lake Fire had ruptured the 600 mm diameter raw water main supplying Sooke Lake water to the Sooke Water Treatment Plant. High flows in the pipe section upstream of the break site mobilized pipe sediments that led to the increase of turbidity entering the treatment plant. CRD staff were able to repair the main break while the system was supplied from storage and flush out any remaining pipe sediments. The raw water turbidity levels post repair were back to below 1 NTU.

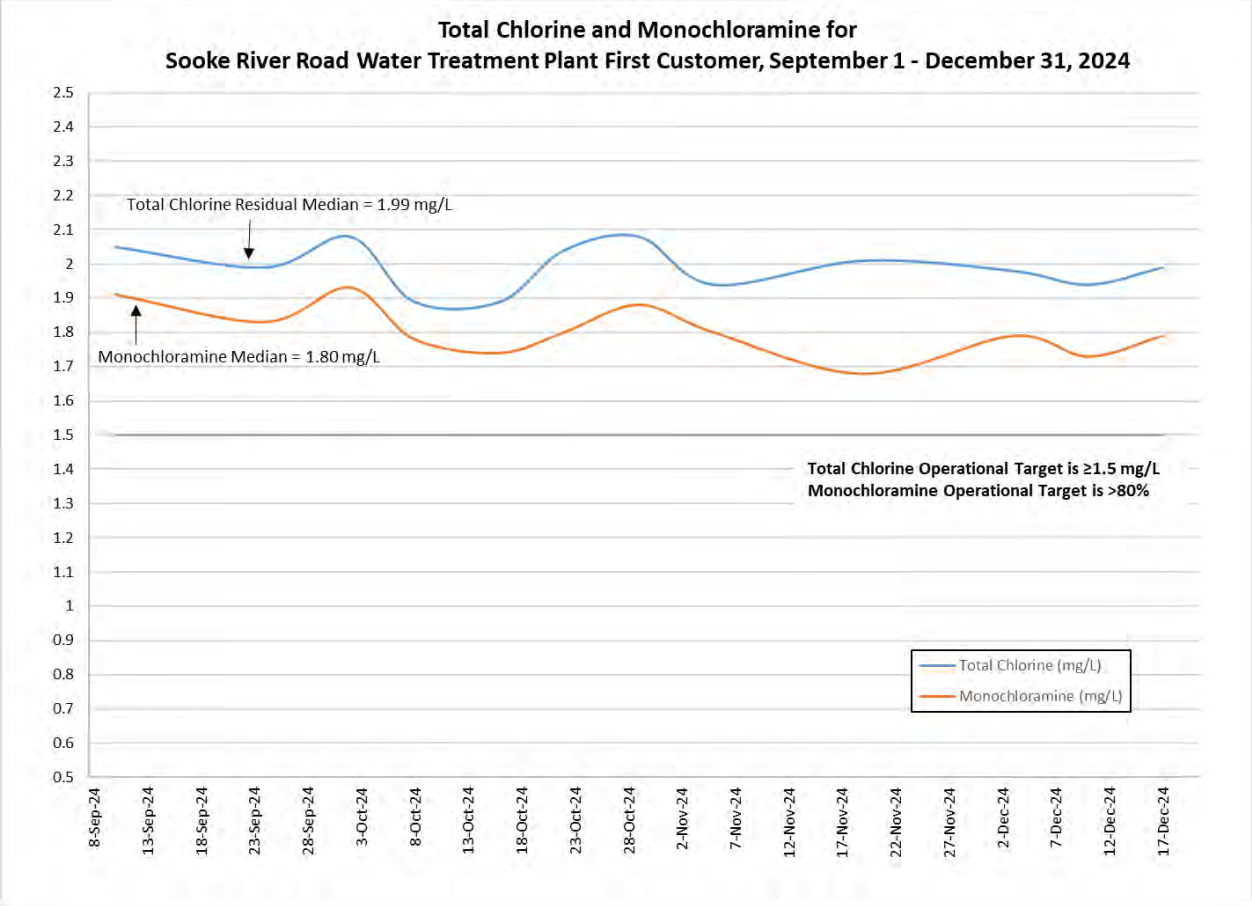
Table 5

Sooke River Road Water Treatment Plant Turbidity - Raw Water	
Samples Collected	11
Minimum	0.20 NTU
Maximum	0.37 NTU
Mean	0.28 NTU

Sooke First Customer Sampling Station Total Coliform Bacteria and E.coli. The Sooke First Customer Sampling Station, immediately downstream of the Sooke Water Treatment Plant, is sampled weekly to monitor the efficacy of the disinfection treatment process. No total coliform or *E.coli* bacteria were found in any sample collected from this site.

Secondary Disinfection. Figure 7 shows the total chlorine and monochloramine concentrations at the Sooke First Customer Sampling Station. The target concentration of 1.5 mg/L for total chlorine was consistently achieved during the reporting period. The target ratio of 80% monochloramine (older treatment plant, therefore not as precisely controllable) was consistently achieved. Adequate and effective secondary disinfection was provided across this much smaller distribution system.

Figure 7



3. DISTRIBUTION SYSTEMS

(a) Goldstream Service Area

Table 6

Goldstream Water Treatment Plant Service Area										
Month/Year	Samples Collected	Total Coliforms (CFU/mL)				E.coli (CFU/100mL)	Turbidity		Chlorine Residual	Water Temp.
		Samples TC > 0	Percent TC > 0	Resamples TC > 0	Samples TC > 10	Samples > 0	Samples Collected	Adverse > 1 NTU	Median mg/L as CL2	Median °C
Sep-24	367	0	0	0	0	0	29	0	1.56	19
Oct-24	427	1	0.2	0	0	0	35	1	1.53	15.2
Nov-24	362	1	0.3	0	0	0	37	2	1.57	11.8
Dec-24	380	1	0.3	0	0	0	27	0	1.62	9.2
Total:	1536	3	0.2	0	0	0	128	3	1.57	13.5

Total Coliform Bacteria and E.coli. Three out of the 1,536 bacteriological distribution system samples tested positive for total coliform bacteria during the entire reporting period (Table 6). In all three cases the recorded total coliform concentration was very low (1 CFU/100 mL) and all resamples from the same location were clean. No sample tested positive for *E.coli* bacteria (Table 6).

Turbidity. Three of the 128 turbidity samples registered higher than 1 NTU (Table 6), likely as a result of water main flushing activities in the fall. Overall, these results are an indication of good drinking water quality.
Total Chlorine Residual. A median total chlorine residual concentration of 1.57 mg/L across the system indicates an effective secondary disinfection protecting the potability of the treated drinking water as it flows throughout the system (Table 6).

Water Temperature. During this reporting period, the temperature of the drinking water in the system was consistently above the aesthetic objective in the *Canadian Drinking Water Quality Guidelines* (15º C) from September through October. In November and December, the water temperature was below the objective.

Water Chemistry. The average pH of the drinking water in the Goldstream Service Area was 7.7 during the reporting period. The pH ranged from 6.4 to 8.8, which is typical when operating the hypochlorite chlorination equipment. The average alkalinity was 18.6 mg/L. Both pH and alkalinity have increased since the commissioning of the hypochlorite chlorination equipment.

Disinfection Byproducts. The three typically monitored disinfection byproducts in a drinking water system have all been well below the Health Canada established health limits in the Goldstream Service Area (Table 7).

Table 7

Disinfection Byproducts - Goldstream WTP Service Area						
Parameter	**Samples Collected**	**Unit of Measure**	**Minimum**	**Maximum**	**Mean**	**MAC (Maximum Acceptable Concentration)**
Haloacetic Acids (HAAs)	8	ug/L	<5	16.0	9.6	80
Trihalomethanes (THMs)	8	ug/L	14.0	27.0	20.3	100
NDMA	8	ng/L	<1.9	<1.9	<1.9	40

Metals. A comprehensive metals analysis was conducted every second month at four different locations in the Goldstream Service Area: (1) where treated water enters the Victoria/Esquimalt System, (2) the Oak Bay System, (3) one in Langford and (4) one in North Saanich. Out of the 32 tested metals, five are monitored particularly closely: iron, manganese, lead, aluminum and copper. All metal concentrations were below the respective Health Canada maximum acceptable concentration or the aesthetic objective (Table 8).

Table 8

Metals - Goldstream WTP Service Area								
Parameter	**Samples Collected**	**Unit of Measure**	**Minimum**	**Maximum**	**Mean**	**AO (Aestetic Objective)**	**OG (Operational Guideline)**	**MAC (Maximum Acceptable Concentration)**
Aluminum	8	ug/L	5.7	12.8	8.3		100	2900
Copper	8	ug/L	2.3	18.9	8.5	1000		2000
Iron	8	ug/L	21.1	42.6	29.6	100		
Lead	8	ug/L	<0.2	0.28	0.23			5
Manganese	8	ug/L	4.4	8.5	6.2	20		120

(b) Sooke Service Area

Table 9

Sooke River Road Water Treatment Plant Service Area										
Month/Year	Samples Collected	Total Coliforms (CFU/mL)				E.coli (CFU/100mL)	Turbidity		Chlorine Residual	Water Temp.
		Samples TC > 0	Percent TC > 0	Resamples TC > 0	Samples TC > 10	Samples > 0	Samples Collected	Adverse > 1 NTU	Median mg/L as CL2	Median °C
Sep-24	24	0	0	0	0	0	6	0	0.54	16.8
Oct-24	33	1	3	0	1	0	7	0	1.21	13.5
Nov-24	24	0	0	0	0	0	6	0	1.27	11
Dec-24	31	0	0	0	0	0	7	0	1.15	8.7
Total:	112	1	0.9	0	1	0	26	0	1.18	12.3

Total Coliform Bacteria and E.coli. One bacteriological sample from the Sooke Service Area (October 22) tested positive for total coliform bacteria with a relatively high concentration of 40 CFU/100 mL. The location of this result was the Silverspray Storage Reservoir in East Sooke. An investigation did not find any evidence of an actual drinking water contamination, and the resample was free of any indicator bacteria. It was concluded that the initial result was likely due to a sampling error. No sample tested positive for E.coli bacteria during the entire reporting period (Table 9).

Turbidity. None of the 26 turbidity samples registered above 1 NTU (Table 9). This is an indication of good drinking water quality.

Total Chlorine Residual. A median total chlorine residual concentration of 1.18 mg/L across the system indicates an effective secondary disinfection protecting the potability of the treated drinking water as it flows throughout the system (Table 9).

Water Temperature. The temperature of the drinking water in the system during this reporting period was below the aesthetic objective in the *Canadian Drinking Water Quality Guidelines* (15º C) except for the month of September

Water Chemistry. The average pH of the drinking water in the Sooke Service Area was 7.6 during the reporting period. The pH ranged from 7.0 to 8.0 and is typically very stable and consistent across this system. The average alkalinity was 18.2 mg/L.

Disinfection Byproducts. The three typically monitored disinfection byproducts in a drinking water system have all been well below the Health Canada established health limits in the Sooke Service Area (Table 10).

Table 10

Disinfection Byproducts - Sooke River Road WTP Service Area						
Parameter	Samples Collected	Unit of Measure	Minimum	Maximum	Mean	MAC (Maximum Acceptable Concentration)
Haloacetic Acids (HAAs)	2	ug/L	19.0	21.0	20.0	80
Trihalomethanes (THMs)	2	ug/L	28.0	35.0	31.5	
NDMA	2	ng/L	<1.9	<1.9	<1.9	40

Metals. A comprehensive metals analysis was conducted every second month in one location in the Sooke Service Area: at the end of the distribution system near Whiffen Spit. Out of the 32 tested metals, five are monitored particularly closely: iron, manganese, lead, aluminum and copper. All metal concentrations were well below the respective Health Canada maximum acceptable concentration or the aesthetic objective (Table 11).

Table 11

Metals - Sooke River Road WTP Service Area								
Parameter	**Samples Collected**	**Unit of Measure**	**Minimum**	**Maximum**	**Mean**	**AO (Aestetic Objective)**	**OG (Operational Guideline)**	**MAC (Maximum Acceptable Concentration)**
Aluminum	2	ug/L	4.7	8.2	6.5		100	2900
Copper	2	ug/L	6.5	8.1	7.3	1000		2000
Iron	2	ug/L	34.1	35.6	34.9	100		
Lead	2	ug/L	<0.2	0.24	0.22			5
Manganese	2	ug/L	3.4	6.2	4.8	20		120

CONCLUSION

During this fall/winter reporting period (September to December 2024), all parameters from source water to treated water indicate stable conditions and good water quality. All trends are in line with historic data and confirm the adequacy of existing water treatment and performance of all major infrastructure components.

In the wake of the Old Man Lake wildfire near Sooke, a fallen dead tree ruptured the 600 mm diameter raw water main supplying the Sooke Water Treatment Plant. This event caused a major turbidity event that necessitated the plant to be shut down and the system to be supplied by treated water stored in distribution reservoirs in the Sooke System until the pipe break was repaired. This incident emphasized two things: 1) wildfires can have unexpected consequences to adjacent drinking water infrastructure, and 2) transmission and distribution system storage facilities are very important to avoid or mitigate major water quality events.

The multi-barrier approach applied to the Greater Victoria Drinking Water System ensures the otherwise excellent drinking water quality achieved during the reporting period.

Making a difference...together

REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, FEBRUARY 12, 2025

SUBJECT **Canada Housing Infrastructure Fund**

ISSUE SUMMARY

This report summarizes the Canada Housing Infrastructure Fund (CHIF) and potential impacts to the Capital Regional District (CRD) and municipalities in the Region.

BACKGROUND

In April 2024, Canada announced an investment of $6 billion into the new CHIF. The purpose of this fund is to accelerate the construction and upgrading of critical housing infrastructure, with the stated goal of constructing more homes. The program is being administered by Housing, Infrastructure and Communities Canada (HICC). Funding is split into two streams:

1. Direct Delivery Stream
   - $1 billion funding over eight years, with $100 million for indigenous applicants
   - Direct funding from Canada for eligible projects
   - Applications open November 7, 2024, closing March 31, 2025

   The Program Guide and Frequently Asked Questions are included in Appendix A and B.

2. Provincial and Territorial Agreement Steam
   - $5 billion over ten years, with $591 million designated for British Columbia (BC)
   - Provinces will administer and deliver the funding based on bilateral agreements
   - Provinces are required to contribute at least 33% of the total eligible project costs
   - Out of the $591 million allocated for BC, a minimum of $118 million (20%) must be directed towards northern, rural or indigenous applicants

   At this point, only preliminary information on the Provincial and Territorial Agreement (PTA) Stream has been shared. It is understood this stream will have similar eligibility in projects and expenses as the direct delivery stream. HICC also indicated the PTA stream will be subject to the housing conditions detailed later in this report.

Eligible Applicants

Municipal and regional governments can apply. Additionally, public sector bodies, incorporated not-for-profits and Indigenous applicants are eligible. For-profit organizations can also apply if partnered with a public sector or Indigenous applicant. Multiple applications from the same applicant are permitted.

Eligible Projects

To be eligible for CHIF funding, proposed projects must enable an increase in housing supply. Applicants must demonstrate a housing need or anticipate growth in the community where the

project is to be implemented. Furthermore, eligible projects must support the enhancement of local government infrastructure capacity. There are two main categories of projects under CHIF;

1. Capital Infrastructure Projects

   New construction, rehabilitation or expansion projects that result in tangible infrastructure, including hybrid and natural infrastructure for the following systems:

   - Drinking Water Systems - Water treatment, storage, pump station, transmission pipes, natural infrastructure
   - Wastewater Systems - Storage and treatment facilities, lagoon systems, pump /lift stations, sewer pipes and mains, combined sewer pipes, natural infrastructure
   - Stormwater Systems - Pump stations, management facilities, pipes
   - Solid Waste Management Systems - Landfills, organic waste processing, waste sorting, thermal treatment, natural infrastructure

   Examples of natural infrastructure include stormwater retention ponds, vegetated swales, urban parks and wetlands that manage stormwater and improve water quality.

2. Planning Projects

   Studies, plans or design work to support a future capital project that qualifies as an eligible capital infrastructure project. Immediate impact projects are included under the direct delivery stream. Planning-only projects can apply to the PTA Stream.

Cost Sharing

Eligible project costs must range from $1M to $100M, with exceptions considered individually for larger projects. Municipalities and regional governments with populations over 30,000 can receive up to 40% cost-sharing from CHIF. Those with populations under 30,000 are eligible for up to 50% cost-sharing. CHIF allows up to 100% contribution stacking of all government programs, but other programs may have lower limits, and the lowest limit applies.

Eligible and Ineligible Expenses

Project costs become eligible for reimbursement after approval by HICC. Most costs associated with an eligible project can be reimbursed, including capital expenditures, construction-related expenses such as design and planning and consulting fees. Costs related to Environmental Assessment and Indigenous Consultation may be retroactively eligible up to two years before project approval, but not earlier than September 10, 2024.

Land acquisition is an eligible expense only if it is a necessary part of the project aimed at natural infrastructure and not the sole component. The land must remain protected for 40 years after the project's substantial completion.

Ineligible expenses include:

- Costs incurred before approval
- Costs for cancelled projects
- Employee and overhead costs (with limited exceptions)
- Financing costs

- Rebated taxes
- Furnishing costs
- Capital costs lacking environmental assessments or unmet consultation obligations
- Costs after September 30, 2031

Housing Conditions

CHIF outlines two main housing conditions for both the direct delivery stream and the provincial and territorial agreement stream that must be met or committed to before applying;

1. Zoning for four (4) units as-of-right (4AOR)

   Municipalities with populations over 30,000 must have either implemented or be in the process of implementing zoning for 4AOR by spring 2025. Projects will only receive funding once the applicable zoning is established. HICC may consider limited exceptions. Municipalities with populations under 30,000 are not required to implement 4AOR but are encouraged to do so. BC applicants adhering to the Provincial Housing Statutes (Residential Development) Amendment Act are considered in compliance with this requirement.

2. Development Costs Charge Freeze

   Municipalities and regional governments with populations of 300,000 or more must freeze development cost charges (DCC) at rates effective on or before April 2, 2024. This freeze lasts from April 2, 2024 to April 2, 2027 and includes all levies related to new construction infrastructure or amenities. No alternative charges can be imposed to offset the freeze.

   Municipalities with fewer than 300,000 residents in regions of 300,000 or more must follow the regional freeze but are not required to freeze local DCCs. **If a required region doesn't implement the freeze, its municipalities cannot apply for funding under the direct delivery stream.** There are five local governments in BC that fall into this category: CRD, Metro Vancouver Regional District, Fraser Valley Regional District, City of Vancouver and City of Surrey (noting that Vancouver and Surrey have populations greater than 300,000 and therefore must also freeze the municipal DCCs).

   The province has indicated that they have lobbied HICC to ensure that regional districts are not obligated to freeze their own DCCs in order for member municipalities to be eligible to apply to the PTA stream. The result of these negotiations remains uncertain at this time.

ALTERNATIVES

Alternative 1
That the Capital Regional District Board direct staff to implement a Development Cost Charge rate freeze for Capital Regional District services from April 4, 2024 until April 4, 2027 to allow member municipalities to pursue funding opportunities under the Canadian Housing Infrastructure Fund.

Alternative 2
That staff be directed to continue planned Development Cost Charge rates changes for Capital Regional District services.

IMPLICATIONS

Intergovernmental Implications

There are no municipalities in the CRD with a population over 300,000. As such municipalities are not required to freeze their development charges to apply for funding. However, as a region population exceeds 300,000. As a result, the CRD must freeze any increase to its DCC rates for CRD services to allow member municipalities to apply for CHIF funding.

Financial Implications

CHIF requires the CRD to freeze DCC rates and not increase the rates as of April 4, 2024 until April 4, 2027 in order to be eligible for funding. CRD has two existing DCC programs and one new program under development.

Current CRD Development Cost Charge Programs

- Juan de Fuca Water Distribution Service

  The Juan de Fuca Water Distribution DCC program was last updated in 2018. The proposed 2025 rates have decreased due to a significant increase in projected population growth and the number of housing units over the 20-year program duration. The freeze on DCC rate increases will not affect this program.

- Saanich Peninsula Water and Wastewater Services

  The Saanich Peninsula Water and Wastewater DCC programs are scheduled for a review in the coming years for potential updates, however those changes would likely not be ready for implementation until after April 2027. At this time there is no expected financial impact related to freezing DCC rate increases.

Proposed CRD Development Cost Charge Program under Development

- Regional Water Supply Service

  The CRD is progressing towards the implementation of a new DCC program for Regional Water Supply. Preliminary estimates indicate total recoverable costs will be approximately $500 million over the next 30 years.

  Regardless of the freeze, staff intend to move forward with development of the new DCC program in 2025. If approved by the Regional Water Supply Commission, the new bylaw is anticipated to be adopted by the fourth quarter of 2025, subject to the approval of the DCC Bylaw by the Inspector of Municipalities and its adoption by the Board in the third quarter of 2025. Due to a provincially mandated 12-month instream project protection period for DCC collection following adoption of the bylaw, full scale DCC collection would not be realised until the fourth quarter of 2026. Including the addition of a grace period until April 2027 will be necessary if DCC rates are frozen. At this point, a freeze is expected to have minimal impact on the current 30-year forecast. However, without a DCC program and bylaw, the existing users of the service will continue to be burdened with the infrastructure costs related to growth and as growth occurs, remaining system capacity will be depleted.

Service Delivery Implications

The CHIF can contribute over $100M, greatly enhancing vital services. Water and wastewater projects require large capital investments, and CHIF funding can help reduce long-term borrowing and fees for ratepayers.

Freezing the DCC rates would have little short-term impact on water and wastewater service delivery.

Environmental Implications

Eligible projects must report on greenhouse gas mitigation. Projects that meet low-carbon material thresholds must use low-carbon concrete. Some applicants may need an environmental assessment to meet federal requirements.

All projects must meet climate resilience standards, including a Climate Hazard Identification and Hazard Treatment Attestation. Successful applicants must also complete hazard treatment reporting.

First Nations Implications

The HICC application process includes a questionnaire to determine if Indigenous consultation is required by the program and HICC will notify applicants if required. Construction and funding are on hold until consultation requirements are fulfilled.

Although DCC Bylaws do not apply on First Nations Reserves, through consultation with First Nations, the CRD is obtaining additional information to inform the development of the CRD Regional Water Supply DCC program and future DCC program updates.

CONCLUSION

The CHIF is a $6 billion program intended to support the planning, construction and upgrading of critical housing infrastructure with the intended goal of increasing the supply of housing and densifying existing communities.

To receive funding, applicants must comply with program requirements. For the CRD and member municipalities, this includes the regional district freezing DCC rate increases. The regional freeze will enable municipal applications to advance while having a minimal impact to CRD services.

RECOMMENDATION

That the Capital Regional District Board direct staff to implement a Development Cost Charge rate freeze for Capital Regional District services from April 4, 2024 until April 4, 2027 to allow member municipalities to pursue funding opportunities under the Canadian Housing Infrastructure Fund.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
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ATTACHMENTS

Appendix A: Canada Housing Infrastructure Fund – Before you Apply (Applicant guide for the direct delivery stream – Fall 2024 intake)
Appendix B: Canadian Housing Infrastructure Fund – Direct Delivery Steam Frequently Asked Questions

Housing, Infrastructure and Communities Canada | Logement, Infrastructures et Collectivités Canada

Canada Housing Infrastructure Fund

Before You Apply - Guide for Indigenous Applicants

Direct delivery stream

Fall 2024 intake

Canada

Aussi disponible en français sous le titre : *Fonds canadien pour les infrastructures liées au logement – Avant de présenter une demande – Guide pour les demandeurs autochtones*

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Version 1.1 – New in this version (December 2024)
The followings sections have been added or updated in this version: - Section 2.2 has been updated to clarify eligible projects under solid waste management systems. - Section 4.1 has been updated to include information about the Canada Infrastructure Bank.

-Preamble -

The Canada Housing Infrastructure Fund (CHIF) direct delivery stream provides funding to invest in drinking water, wastewater, stormwater and solid waste infrastructure that are needed to provide reliable essential services and support increased housing supply.

The purpose of this Guide is to provide information on the CHIF direct delivery stream and explain the program features that are available to support Indigenous applicants, including First Nations, Inuit and Métis. This guide can help potential applicants decide if their project is a good fit for the direct delivery stream before proceeding with a full application.

In recognition of the unique infrastructure and housing needs that are present in Indigenous communities and guided by feedback and recommendations provided by Indigenous partners, CHIF strives to improve accessibility for Indigenous applicants by offering several customized program features.

This Guide will explain the program features available to Indigenous applicants for projects under the CHIF direct delivery stream, including but not limited to:

- a minimum of 10% of the direct delivery stream funding envelope designated for Indigenous recipients;
- an expanded list of eligible project objectives, including projects that aim to preserve existing capacity, or increase reliability and access to drinking water, wastewater, stormwater, or solid waste infrastructure to improve services for current and/or future populations;
- adapted eligibility requirements to reduce barriers to accessing funding (for example, housing conditions do not apply to Indigenous-led projects);
- an adapted list of eligible assets (including decentralized water and wastewater systems);
- no minimum project cost;
- potential to access advance payments, non-competitive contracts, or own force labour upon prior approval from HICC; and
- expanded eligible costs with up to 100% in program cost share.

HICC is committed to working collaboratively with Indigenous partners to help advance infrastructure priorities in their communities.

Table of Contents

Who is this Guide intended for?

The purpose of this *Before you Apply – Guide for Indigenous Applicants* is to provide information on the Canada Housing Infrastructure Fund (CHIF) direct delivery stream and its Indigenous-specific features. This Guide can help potential Indigenous applicants better understand the program parameters that apply to them and to decide if their projects are a good fit for the direct delivery stream before preparing an application.

This Guide is intended for eligible Indigenous applicants as described in section 2.0.

CHIF has a general **Applicant Guide** for projects that are not led by Indigenous applicants. Municipalities, regional governments, or other eligible organizations should refer to the general Applicant Guide.

1.0 About the Canada Housing Infrastructure Fund

1.1 Purpose of the Canada Housing Infrastructure Fund

Announced in Budget 2024, CHIF is a $6 billion fund that aims to accelerate new construction, rehabilitation and expansion of housing-enabling drinking water, wastewater, stormwater, and solid waste infrastructure, directly supporting the creation of new housing supply and improved densification.

Under the CHIF direct delivery stream, eligibility requirements and project objectives have been adjusted for Indigenous applicants to reflect the unique infrastructure and housing needs and realities in Indigenous communities.

Applicants who have a need to build more housing in their community are encouraged to submit projects that increase infrastructure capacity to directly enable increased housing supply. However, eligible projects for Indigenous applicants could also preserve existing capacity, or increase reliability and access to drinking water, wastewater, stormwater, solid waste infrastructure to improve the level of service for current and/or future populations.

For example, eligible projects for Indigenous applicants could include projects that aim to increase access to safe solid waste disposal; resolve or reduce drinking water advisories; increase the level of wastewater treatment; develop stormwater management systems; or provide other capital investments to ensure an adequate level of infrastructure service available to current and/or future community residents.

1.2 CHIF funding streams

CHIF is delivered through two funding streams:

- **Direct delivery stream:** $1 billion over eight years to be delivered by Housing, Infrastructure and Communities Canada (HICC). Funding is available directly to eligible applicants, including Indigenous applicants such as First Nations, Inuit and Métis communities, to address pressing infrastructure needs.
    - A minimum of 10% of funding is designated to support Indigenous-led projects under the direct delivery stream.
    - There are tailored eligibility requirements and features available to Indigenous applicants (see textbox Program features for Indigenous applicants).

- **Provincial and territorial agreement stream**: $5 billion over 10 years to be delivered by the provinces and territories to support long-term priorities.
    - To ensure funding reaches communities of all sizes, provinces must dedicate a minimum of 20% of their CHIF provincial agreement funding envelope to rural, northern and Indigenous communities. For more information, visit the CHIF webpage section CHIF in the provinces and territories.

This Guide is intended to support Indigenous applicants under the **CHIF direct delivery stream**.

Applying to the direct delivery stream versus the provincial and territorial agreement stream

Indigenous applicants are eligible to apply under either the CHIF direct delivery stream or the provincial and territorial agreement stream. The following considerations may help applicants determine which stream suits their projects better:

Direct delivery stream:

- Indigenous applicants seeking to work directly with HICC;
- Organizations that have pressing infrastructure or housing needs and are ready to apply (see CHIF Webpage for most up to date information on program intake dates);
- Projects that can be substantially completed by September 2031.

Provincial and territorial agreement stream:

- Indigenous applicants who wish to work directly with their province or territory;
- Projects that exceed $100M in total eligible costs are encouraged to apply through the provincial and territorial agreement stream;
- Projects that can be substantially completed by September 2033.

Note: While applicants are eligible to apply for funding under either stream, they cannot receive funding under both streams for the same project (see information on stacking limits in the Project finances section of this Guide).

1.3 How does the CHIF Direct Delivery Stream Work?

The CHIF direct delivery stream provides **merit-based contribution funding.** The selection of projects is based on eligibility criteria and the achievement of a minimum merit score, as well as availability of funding (see sections 2 and 3 of this Guide for more details on eligibility and merit criteria).

CHIF uses a **continuous intake,** whereby project applications may be submitted at any time while the intake remains open. Project applications received before the final closing date may be reviewed and approved during the application intake period; therefore, applicants who have a high level of project readiness are encouraged to apply early. Please consult the CHIF Webpage for program updates and intake information.

Program features for Indigenous applicants

- Eligibility of pressing infrastructure projects that support a community's existing population;
- No minimum project cost required;
- Up to 100% cost sharing of total eligible costs;
- Eligibility of certain legal costs;
- Consideration for advanced payments (requires prior approval from HICC); and
- A minimum of 10% of the CHIF direct delivery stream funding envelope reserved for Indigenous-led projects.

2.0 Eligibility requirements under the direct delivery stream

This section provides an overview of eligibility requirements under the CHIF direct delivery stream for Indigenous applicants. Before applying, please read this section carefully and ensure that the applicant and project meet all the required criteria to be eligible under the program.

2.1 Who can apply to the direct delivery stream?

The following Indigenous applicants are eligible under the CHIF direct delivery stream:

- An **Indigenous governing body*,** including, but not limited to:
  - a **band council** within the meaning of Section 2 of the *Indian Act*;
  - a **First Nation, Inuit or Métis government or authority** established pursuant to a self-government agreement or a comprehensive Land Claim Agreement between His Majesty the King in Right of Canada and an Indigenous people of Canada, that has been approved, given effect and declared valid by federal legislation;
  - a **First Nation, Inuit or Métis government** established by or under legislation—whether federal, provincial or territorial—and incorporates a governance structure;
- A **not-for-profit organization** whose central mandate is to improve Indigenous outcomes;
- An **Indigenous development corporation****.

* "Indigenous governing body" means a council, government or other entity that is authorized to act on behalf of an Indigenous group, community or people that holds rights recognized and affirmed by section 35 of the *Constitution Act, 1982*. "Indigenous peoples of Canada" has the meaning assigned by the definition Aboriginal peoples of Canada in subsection 35(2) of the *Constitution Act, 1982*.

** Indigenous development corporations are normally set up by an Indigenous community, organization or government. These corporations constitute the business or economic arm of Indigenous communities and governments and typically count the members of the community as their shareholders. Their primary role is to develop the economic activity of the Indigenous community that established them. Indigenous development corporations generally fall under two categories: for-profit and not-for profit. The for-profit corporation, however, is unique in that profits are then re-invested in the community.

Other applicants, such as municipal or regional governments, are also eligible for funding under the CHIF direct delivery stream (for more information, please see the list of eligible applicants in the general Applicant Guide).

When submitting a project for funding via the HICC Funding Portal, it is important to note that the person registering for the account becomes the **primary contact.** This person - and the person submitting the application - **must** be employees or officers of the applicant Indigenous governing body, who are duly authorized to:

- Complete the attestation contained in the application form; and
- Verify that the application is complete, accurate, true, and reliable, and that it complies with the CHIF criteria.

A **secondary contact** may be a third party engaged to support in the completion of the application. This person must be given permission from the primary contact to be able to fill an application in the Funding Portal. For more information on account management please consult 'Managing permissions – Account Administrator'.

Partnerships

In situations where multiple eligible recipients are working together, one lead applicant must be identified. The lead applicant will enter into the funding agreement with HICC and will be responsible for implementation of the project.

For projects involving a partnership with an Indigenous community or organization, the project is considered Indigenous-led if the lead applicant is an Indigenous governing body, not-for-profit organization whose central mandate is to improve Indigenous outcomes, or an Indigenous development corporation.

Note: Only projects led by an Indigenous applicant are eligible for the Indigenous-specific program parameters outlined in this Guide.

2.2 What types of projects are eligible for funding?

Eligible infrastructure projects must meet all applicable program requirements and support CHIF's objectives and expected outcomes.

Under the CHIF direct delivery stream, project eligibility and objectives have been adjusted for Indigenous applicants to reflect the unique infrastructure and housing needs and realities in Indigenous communities. Funding is available for Indigenous-led projects that meet one of the following objectives:

- The applicant demonstrates a **housing need,** and the project aims to increase capacity of drinking water, wastewater, stormwater or solid waste infrastructure, to enable increased housing supply,

  and/or

- The applicant demonstrates an **infrastructure need** to service current housing stock and support the community's existing population. In this case, the project may aim to preserve existing capacity, or increase reliability and access to drinking water, wastewater, stormwater, or solid waste infrastructure to improve the level of services for current and/or future populations.

Given the role that drinking water, wastewater, stormwater and solid waste infrastructure play in supporting housing, applicants who have both a housing need and an infrastructure need are encouraged to demonstrate how the project will address both needs.

Overview of eligible projects for Indigenous applicants

Types of Eligible Projects	Eligibility Step 1: Applicant demonstrates need	Eligibility Step 2: Applicant demonstrates how the project will address the need
Applicant demonstrates a housing need	Applicant demonstrates that there is a housing need, or that growth is expected in the community where the project will take place.	Applicant must demonstrate that the project aims to increase the capacity of drinking water, wastewater, stormwater, or solid waste infrastructure to enable increased housing supply.
Applicant demonstrates a need to improve levels of infrastructure service for current and/or future populations	Applicant demonstrates that there is an infrastructure need related to providing adequate drinking water, wastewater, stormwater, or solid waste infrastructure services to support current and/or future populations.	Applicant must demonstrate that the project will preserve existing capacity, or increase reliability and access to drinking water, wastewater, stormwater, or solid waste infrastructure to improve the level of services for current and/or future populations.

Both **capital and planning projects**[1] are eligible under CHIF.

- **Capital infrastructure projects** include new construction, rehabilitation, retrofit, upgrade or expansion projects that result in tangible infrastructure, including hybrid and natural infrastructure.
- **Planning projects** primarily consist of studies, plans or design work. For a planning project to be eligible for funding, it must support a future capital project that would be considered eligible under CHIF and align with program objectives. Indigenous applicants interested in submitting a planning project should contact the CHIF team at chif-fcil@infc.gc.ca before submitting an application.

Examples of eligible projects

This list provides **examples of eligible assets and projects:**

- **Drinking water systems,** including drinking water treatment facilities, storage assets, pump stations, local piped distribution systems, transmission mains, utilidors, cisterns, water trucks, service connections, and natural infrastructure.
    - Examples:
        - A project that increases the capacity of a water treatment plant to accommodate existing population or future growth.

[1] Capital infrastructure projects may include planning components, however "stand-alone" planning projects cannot include capital components.

        - Constructing a new water treatment plant in a community to ensure clean, safe and reliable drinking water.
        - Expansion of water pipes to connect housing units to a drinking water source.
        - Rehabilitation or upgrades to resolve or reduce drinking water advisories or other public-health risks.
        - A project that reduces water losses (e.g., leakage) in a drinking water network through the replacement of ageing, leaking or otherwise inefficient pipes.

- **Wastewater systems,** including wastewater storage and treatment facilities, lagoon systems, pumping or lift stations, sanitary force mains and sewer pipes, combined sewer pipes, septic pumping trucks, utilidors (e.g., above-ground insulated conduits), and natural infrastructure.

    - Examples:
        - A project that expands the capacity of a sanitary sewer system by expanding its wastewater treatment plant or sewage lagoons—or by adding linear infrastructure in the form of sewer pipes—to accommodate the existing population or future growth.
        - Building a wastewater treatment plant to support a new housing development.
        - Upgrading existing infrastructure systems to ensure regulatory compliance or to increase the level of wastewater treatment.
        - Development of a utilidor for sewer mains needed to remove wastewater from new or underserviced housing in areas with permafrost.
        - Rehabilitation or upgrades to address inadequate infrastructure and to mitigate environmental and public health risks.

- **Stormwater systems,** including stormwater drainage pump stations, management facilities, pipes and natural infrastructure.
    - Examples:
        - A project that increases linear stormwater capacity (e.g., sewer separation, culverts, ditching and natural infrastructure) that would result in less stormwater entering the wastewater network.
        - A project that increases non-linear stormwater capacity, such as the use of dry ponds, or naturalized stormwater ponds in proximity of housing. This would result in less stormwater entering the wastewater network, extending the system's capacity to support existing housing and accommodate community growth.

- **Solid waste management systems,** including landfills, organic waste processing, waste sorting, waste transfer vehicles, thermal treatment, and landfill decontamination, decommissioning, and rehabilitation.
    - Examples:
        - Construction of waste processing and sorting systems to ensure community members have access to safe solid waste disposal.
        - A project that diverts construction and demolition waste from a community's landfill.
        - Development of a regional landfill and the local transfer stations required to move waste from smaller communities to a centralized location.
        - Removal or relocation of derelict waste to increase the landfill capacity and improve safety.

- A waste diversion project that diverts organic waste (e.g., food or yard waste) away from a landfill. This would increase the lifespan of the landfill to process waste from the growing communities it services.

2.3 Eligibility checklist

Before starting an application, applicants should ensure that they have the authority to create an application on behalf of their organization. Applicants should also confirm that their project meets **each** of the **minimum eligibility** requirements listed below[2].

- The applicant is an eligible recipient for CHIF;
- The applicant owns or will own the asset or assets, **or** the applicant has or will have secured all necessary rights and interest in the asset or assets;
- The project is for **planning, new construction**, **rehabilitation** or **expansion** of drinking water, wastewater, stormwater or solid waste infrastructure that is primarily for public use or benefit;
- The project will increase system capacity or efficiency to enable increased housing supply, and/or improve water, wastewater, storm water or solid waste infrastructure services for current and/or future populations;
- The total eligible cost for the project is less than $100 million*;
- All requested eligible costs and expenditures will be in accordance with CHIF program guidance and are direct and necessary for the successful implementation of an eligible project (see Project Finances in section 4 of this Guide for an explanation of eligible and ineligible costs); and,
- The project will be substantially completed (see Glossary for definition) no later than September 30, 2031.

* Projects above $100M in total eligible costs will be considered on a case-by-case basis. Please contact the CHIF team at chif-fcil@infc.gc.ca to discuss your project before submitting an application above $100M in total eligible costs.

Projects not meeting the above criteria will be deemed **ineligible**.

Need more help determining if your project is eligible?

If, after consulting this Guide, you are still unsure if your proposed project is eligible under the CHIF direct delivery stream, please send an email to the CHIF team at chif-fcil@infc.gc.ca .

2.4 Federal requirements and reporting

In order to be considered eligible, and as a condition of funding, applicants must attest to their intention to meet applicable federal requirements for their projects. Measures taken to comply with requirements will be validated prior to signing an agreement with HICC or through project reporting (as applicable). The requirements that may apply to projects are outlined below. Additional information on these requirements is provided in the Application Form and the Step-by-Step Application Instructions, which are available via HICC's Funding Portal.

[2] Please note that this is not a confirmation of eligibility and that HICC reserves the right to determine eligibility based on the information provided in the application form.

Greenhouse gas mitigation

CHIF's greenhouse gas (GHG) mitigation approach focuses on areas where the most significant GHG emissions reductions are possible by addressing operational emissions from wastewater treatment infrastructure; supporting solid waste projects with reduced methane emissions; supporting the use of low-carbon construction materials; and reporting on GHG emissions mitigation actions and reductions.

If project assets include mechanical wastewater treatment plants, applicable solid waste projects (including landfills, organic waste processing or thermal treatment) or anaerobic lagoons, the project may be subject to GHG mitigation reporting requirements.

Climate resilience

Climate resilience requirements support federal commitments, including those in the National Adaptation Strategy, to build climate-resilient communities by investing in low-carbon, resilient infrastructure and by reducing risks to the asset and community. Meeting resilience requirements is a two-phased process:

> **Phase 1 - Climate Hazard Identification and Hazard Treatment Attestation:** Completed during the application process, this requires the identification of climate hazards that could have an impact on the asset (based on best available climate data, which can include Indigenous knowledge) and an attestation to commit to implementing climate adaptation measures, also referred to as treatment measures, to lessen the effects of the identified risks; and,
>
> **Phase 2 - Hazard Treatment Reporting**: This requirement only applies to projects that receive funding and includes reporting details on treatment measures identified during project planning and design for implementation during construction. It also requires the identification of climate design data used to determine appropriate treatment and adaptation measures.

If climate hazards are identified as having the potential to have an impact on a project, applicants are required to attest that they will implement appropriate treatment measures to lessen the impact of these climate risks **and** use future climate design data (or the best available data) to inform their approach. Committing to these measures is a requirement for projects to be considered for funding.

HICC s Climate Toolkit Helpdesk for infrastructure and housing projects

Applicants can access support and guidance on CHIF's climate requirements through the Climate Toolkit Helpdesk. The Climate Toolkit Helpdesk is a dedicated service where communities can access guidance, valuable resources, and information on sector best practices for incorporating low-carbon and climate resilience measures in infrastructure and housing projects. The Climate Toolkit Helpdesk will also provide applicants with clear and comprehensive responses to questions related to CHIF's climate requirements.

Contact the HICC Climate Toolkit Helpdesk by: i) webform: HelpDesk; ii) email: Climate-Infra-Climat@infc.gc.ca ; or iii) toll-free telephone: 1-833-834-0243.

Environmental assessment

Applicants may be required to complete a questionnaire at a later stage of project review to help HICC determine whether the project has federal environmental or impact assessment requirements under the *Impact Assessment Act* (IAA), modern treaties, or northern regulatory regimes. Under the IAA, designated projects may be subject to a federal impact assessment (Section 8) and projects on federal lands may be subject to an environmental effects determination (Section 82). HICC will inform funding recipients of any such requirements. **No construction can start, and no funding can flow, until environmental assessment requirements are met.**

The provinces and territories may also have environmental assessment requirements. More information is available on HICC's website: Environmental Impact Assessment.

Projects located on federal lands

HICC will review the applications of proposed projects located on federal lands (including First Nations reserve lands) to determine if Section 82 of the IAA applies and if an environmental effects determination is required. HICC will work with the funding recipients and other federal government departments to determine whether the project is likely to cause significant adverse environmental effects and to develop appropriate mitigation measures.

Indigenous consultation

Applicants may be required to complete a questionnaire at a later stage of a proposed project's review to help HICC determine whether the project requires consultation with Indigenous peoples. The Government of Canada has a duty to consult and, where appropriate, accommodate Indigenous peoples when it contemplates a decision or activity that might have an adverse impact on Aboriginal or treaty rights. HICC will inform funding recipients of any such requirement. **No construction can start, and no funding can flow, until Indigenous consultation requirements are met.**

While the duty to consult rests with the Crown, HICC asks selected applicants to carry out certain procedural aspects of consultation, where appropriate. If the recipient cannot carry out consultation activities with other Indigenous communities, other options will be discussed after the project is approved for funding. More information is available on HICC's website: Consultation with Indigenous Peoples.

Engagement with Indigenous communities prior to applying

HICC encourages applicants to start a dialogue with all other Indigenous communities potentially impacted by the project as early as possible, ideally during project planning and before applying for funding. When a project triggers a duty to consult, early discussions may mitigate potential impacts to rights and streamline consultation requirements at later stages. This can help ensure timely project implementation, as HICC cannot process claims until consultation requirements have been met. Review the Project Activities List and Guidance for Engagement with Indigenous Peoples, which can be found in the Step-by-Step Application Instructions (available via the HICC Funding Portal) for examples of projects that may invoke a consultation requirement and other guidance.

Project reporting

Applicants may be required to complete a questionnaire at a later stage of project review to help HICC determine appropriate oversight and monitoring activities.

For successful projects, all funding recipients must report to HICC on the various commitments for data and information throughout the life of the project. The terms of reporting requirements will be set out in project funding agreements. These may include progress reports and a final report that include information on project status, updated financial and risk information and validation of results data.

3.0 How will my application be assessed?

Under the CHIF direct delivery stream, projects that meet all mandatory eligibility criteria will be further assessed and scored against merit criteria in the following areas:

- **Project rationale:** Applications that clearly demonstrate how the project aligns with CHIF program objectives and is the most appropriate solution to address the community's housing and infrastructure needs will receive a higher score.
- **Housing needs addressed**: Applications will be assessed against the following sub-criteria, in accordance with the type of eligible project submitted. Not all criteria may apply.
    - **Housing need:** the extent to which a project would support communities with a housing need. This may be demonstrated by the proportion of the community living in core housing need (lack of affordable, adequate and suitable housing supply), the availability of housing supply versus demand, and the number of additional housing units required to support near-term population growth.
    - **Number of housing units enabled:** the proportion of additional housing units enabled as part of the project. While not required for Indigenous-led projects to be eligible, projects that address a community's housing need by enabling increased housing supply may receive a higher score.
    - **Number of existing units benefitting from the project:** the proportion of existing housing units benefitting from improved infrastructure services as a result of the project.
- **Infrastructure needs addressed:** Applicants are expected to demonstrate that projects will address the community's infrastructure needs and provide infrastructure services to the community. Applications will be assessed against the following criteria:
- **Infrastructure access and capacity:** the extent to which access to, or capacity of, drinking water, wastewater, stormwater, or solid waste infrastructure is a barrier to supporting the existing community and/or enabling increased housing supply;
- **Improved levels of infrastructure services:** the extent to which a project improves levels of drinking water, wastewater, stormwater, and solid waste infrastructure services to support the current or future population;
    - **Infrastructure benefits:** the extent to which a project provides an improvement in drinking water, wastewater, stormwater, or solid waste infrastructure services. This includes improvements in the

asset's physical condition, increase in the asset's useful life, and impacts on health and safety, such as increasing the level of wastewater treatment or resolving frequent or active drinking water advisories.

- **Benefits to environment and community**: Projects that support the advancement of federal priorities may receive a higher score. Assessors will consider benefits such as mitigation of GHG emissions, natural infrastructure integration, and addressing the needs of underserved and equity-deserving groups.

See the application form and Step-by-Step Application Instructions available through the HICC Funding Portal for detailed information and explanations to support applicants in completing each section of the application form, including considerations for Indigenous-led applications.

Assessment of Indigenous led projects under CHIF direct delivery stream

While all applicants complete the same application form, HICC will reflect on the unique circumstances, jurisdictional considerations, and differing priorities and realities of many Indigenous communities while assessing Indigenous-led applications. As such, Indigenous applicants should not be concerned if they have to answer 'not applicable' to some questions. However, HICC encourages applicants to attempt to answer all questions and provide as much information as possible in order to ensure that HICC has all the information needed for assessment purposes.

4.0 Project finances

4.1 Program and federal contributions

Program contribution

The maximum level of program funding (federal cost share) that CHIF may contribute toward a project is based on recipient type. For Indigenous recipients, CHIF will fund up to **100% of total eligible costs.**

Note: This cost-share could be less, depending on the project and other sources of funding.

Federal contribution

The maximum level of total federal government funding from all Government of Canada sources for a project will not exceed **100% of total eligible expenditures**. As such, if a project is financed under two different Government of Canada programs, the total of the reimbursed eligible expenses cannot exceed 100% of eligible costs under those respective programs.

Cost shares

Cost shares only apply to eligible project costs. Any project costs that are not eligible (refer to section 4.2 below), including cost overruns, will not be reimbursed by HICC and the recipient will be responsible for those costs.

Contribution stacking limits

Total funding from all levels of government (including municipal, provincial, territorial and federal) cannot exceed **100% of total project costs.** If actual total Government of Canada funding for a project exceeds the stacking limit, HICC may adjust its allocation of funds or will seek reimbursement, so the stacking limit is not exceeded.

Applicants are responsible for considering HICC funding program eligibility criteria and funding limits, as project costs cannot be duplicated across multiple programs and the lowest stacking limits of other programs may apply to the project.

Canada Infrastructure Bank

The Canada Infrastructure Bank (CIB) is an impact investor advancing infrastructure projects to benefit Canadians. The CIB works in partnership with governments, the private sector and Indigenous groups, addressing gaps in financing that can otherwise prevent projects getting built. The CIB can complement funding options available under CHIF. If an Indigenous group continues to face a financing gap after CHIF funding is known, CIB financing may be used to address or reduce this gap and will not restrict or reduce access to funding under this program.

The CIB's Infrastructure for Housing Initiative aims to address constraints which are limiting new housing construction, by enabling municipalities and Indigenous communities to build infrastructure ahead of population growth. Learn more about the CIB's Infrastructure for Housing Initiative.

4.2 Budgeting for project expenses (eligible and ineligible costs)

The total eligible costs for a project under the direct delivery stream should not exceed $100 million. Projects above $100 million in total eligible costs will be considered on a case-by-case basis. If applicants intend to apply for a project with total eligible costs above $100 million, please email the CHIF team at chif-fcil@infc.gc.ca before submitting an application.

What costs are eligible?

Eligible costs are those considered by HICC to be **direct and necessary** for the successful implementation of an eligible project. Eligible expenditures for contribution funding under CHIF's direct delivery stream are as follows:

- Costs that are incurred **after** project approval and **before** September 30, 2031;
- Capital costs, construction costs, design and planning costs, cost for professionals, technical personnel, consultants, and contractors specifically engaged for the purpose of the project;
- For natural infrastructure only, land acquisition (see the Step-by-Step Application Instructions in the Funding Portal for more information);
- Costs of environmental assessments, monitoring and follow-up activities, as required by the *Impact Assessment Act* or equivalent legislation;
- Legal fees incurred by Indigenous recipients, excluding those related to litigation or to the purchase of real property (land or building);
- Costs associated with a public announcement and official ceremony or required temporary or permanent signage that includes the cost of creating and posting signage;

- Costs for the purpose of Indigenous consultation or engagement activities; and,
- Other costs that are considered direct and necessary for the successful implementation of the project and that are approved in advance by the government of Canada.

What costs are ineligible?

The following costs are not eligible under CHIF:

- Project costs incurred prior to project approval—except for expenditures associated with meeting federal requirements related to environmental assessments and Indigenous consultation—and, where appropriate, accommodation (see section on Environmental assessment and Indigenous engagement and consultation costs below);
- Costs incurred for cancelled projects;
- Costs for leasing land, buildings and other facilities;
- Costs for leasing equipment other than equipment directly related to the construction of the project;
- Real estate fees and related costs;
- Recipient employee and overhead costs, except:
    - those for the purpose of Indigenous consultation and engagement activities; and
    - incremental costs related to the recipient's employees, if approved in writing by Canada (see textbox on Own Force Labour below)
- Costs associated with on-going operating expenses and regularly scheduled maintenance work, unless otherwise noted;
- Financing charges, legal fees, mediation or alternative dispute resolution fees, collateral on mortgage financing, and loan interest payments, including those related to easements (e.g., surveys), except for:
    - legal fees incurred by Indigenous recipients, excluding those related to litigation or to the purchase of real property (land or building);
    - legal fees incurred by Indigenous peoples whose rights may be impacted by project activities funded by the program and that are reasonable, as determined by Canada;
    - construction finance costs incurred for public-private partnership projects.
- Any goods and services costs which are received through donations or in kind;
- Provincial sales tax, goods and services tax, and harmonized sales tax for which the recipient is eligible for a rebate, and any other costs eligible for rebates;
- Cost related to furnishings and non-fixed assets, unless approved by Canada;
- All capital costs, including site preparation and construction costs, until HICC has confirmed that environmental assessment, other applicable federal environmental legislation, and Indigenous consultation and accommodation obligations have been met and continue to be met;
- Land acquisition costs not directly linked to the development of natural infrastructure.

Cost overruns

Eligible costs are costs outlined in the project budget that may be reimbursed under the CHIF program. Please note that HICC will not reimburse ineligible costs or cover cost overruns, even under an agreement with 100% cost-sharing. Cost overruns refer to a situation in which actual costs exceed the approved project budget. Therefore, it is strongly recommended that applicants prepare a detailed budget with contingencies. For more information on preparing a budget with contingencies (e.g., incidental expenses), please see the Step-by-Step Application Instructions in the HICC Funding Portal.

Environmental assessment and Indigenous engagement and consultation costs

If the applicant expects the project to have environmental assessment or Indigenous consultation requirements, or plans to engage with Indigenous peoples or communities, potential related costs must be included in the project budget. Subject to project approval, these costs may be **retroactively eligible up to two years prior to project approval, but no earlier than September 10, 2024**.

- **Environmental assessment costs:** Include costs for environmental assessment, monitoring, and follow-up activities as required by the IAA, modern treaties, or northern regulatory regimes. For projects on federal lands, applicants should plan for a potential environmental effects determination (Section 82 of the IAA) and include forecasted costs in their project budget.
- **Indigenous engagement and consultation costs:** Costs may include providing ceremonial offerings, organizing meetings, and distributing project information to Indigenous community members. Costs may also cover funding for Indigenous peoples to participate in activities that involve a review of the project (e.g., costs associated with attending meetings, providing feedback on documents, and conducting separate studies on archaeological, health or socioeconomic interests). The total costs will depend on the number of consultation activities required based on the nature of the project and the number of communities or organizations that need to be consulted. Costs may vary from one region to another.

Non-competitive procurement

All contracts must be awarded in a way that is **fair, transparent, competitive, and consistent with value-for-money principles**. In addition, when applicable, contracts must be awarded in accordance with the Canadian Free Trade Agreement and international trade agreements (see Glossary for the definition of competitive contract).

When non-competitive contracts are necessary for the implementation of a project, and they are **above the specified thresholds,** HICC's approval of the contract as an eligible expenditure is required for the expense to be considered eligible under the CHIF program. No additional approval is required for non-competitive contracts that have an estimated value below $40,000 for construction or goods contracts, or $100,000 for service contracts.

HICC may approve funding for CHIF projects involving non-competitive contracts that:

- are for less than $500,000;
- are with a public-sector entity;
- can only be performed by one person or entity;
- **are with an Indigenous recipient;**

- **are with an Indigenous organization or governing body and there is a benefit to an Indigenous community;** or,
- addresses a state of emergency that has been declared.

For applicants seeking a non-competitive procurement process outside of these parameters, HICC will need to seek approval from the Treasury Board of Canada. Obtaining Treasury Board approval may take several months and will require a strong rationale for the non-competitive procurement process, as well as more complex and in-depth information requirements.

Eligibility of own-force labour

In certain instances, provisions may be made for Indigenous recipients for the use of own-force labour (e.g., costs related to work undertaken by the applicant's employees or hiring of additional staff related to construction of the project). In order for these costs to be eligible, the recipient will need to receive prior approval from HICC.

Non competitive procurement and own force labour

In order for expenses related to non-competitive procurement or own-force labour to be eligible, applicants must receive prior approval from HICC. Applicants that are unsure whether they will be able to use non-competitive procurement or own-force labour can contact the CHIF team at chif-fcil@infc.gc.ca for guidance.

5.0 Additional information

5.1 Supporting documents

Applicants may be required to submit additional documents to support their application:

- A Keyhole Markup Language (KML) file showing the location of proposed project activities is required with every application. Instructions on how to create a KML file are included in the Step-by-Step Application Instructions available in the HICC Funding Portal.
- Letters of support may also be required under certain circumstances, such as to confirm an eligible partner's role in the project.
- While not required, other documents may be included to support an application. Examples include a housing needs assessment to substantiate a community's housing need or an engineering report that confirms the project as the best option to meet the infrastructure need.

Note: HICC reserves the right to contact applicants to request additional documents and information that are required to support assessment of the application.

5.2 For more information

The Step-by-Step Application Instructions is a companion guide intended to support applicants with navigating the HICC Funding Portal and completing and submitting an application. It provides section-by-section guidance for answering questions in the application form. This Guide is available to applicants on the HICC Funding Portal.

Applicants are encouraged to consult the CHIF webpage for up-to-date information, including Frequently Asked Questions and information on how to register to attend an upcoming webinar.

If applicants still have questions about the program after consulting these resources, please send an email to the CHIF team at chif-fcil@infc.gc.ca.

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Annex A: Glossary of terms

A.1 Acronyms

ATRIS - Aboriginal and Treaty Rights Information System

CHIF – Canada Housing Infrastructure Fund

GHG – Greenhouse Gases

HICC – Housing, Infrastructure and Communities Canada

IAA – *Impact Assessment Act*

KML – Keyhole Markup Language

A.2 Definitions

Affordable housing: For the purposes of CHIF, affordable housing refers to a dwelling unit where the cost of shelter, including rent and utilities, is a maximum of 30% of before-tax household income; where the household income is defined as 80% or less of the Area Median Household Income (AMHI) for the metropolitan area or rural region of the Recipient.

Asset: Physical infrastructure that is necessary to support and deliver public services. This may also include natural infrastructure.

Competitive contract: A contract awarded in connection with the solicitation of bids, that is, a) giving public notice of a call for bids on a contract, or b) inviting bids on a proposed contract from specific suppliers (two or more) on a supplier's list. If a solicitation of bids results in a single bid and the contract is with the lone bidder, then it is deemed to be a competitive contract. Inversely, if there was no solicitation of bids, it is considered a non-competitive contract.

Pre-existing, multi-year contracts or standing offers may be considered competitive if all apply:

- The original contract was tendered through the solicitation of bids
- The contract contains an option to increase the length or expand the scope of the project, and
- The contract option was signed after federal project funding approval was confirmed in writing

Core housing need: A household is considered to be in core housing need if it meets two criteria:

- A household is below one or more of the adequacy, suitability and affordability standards; and,
- The household would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards.
    - **Adequacy** – Housing is considered adequate when it isn't in need of major repairs. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.
    - **Suitability** – Housing is considered suitable when there are enough bedrooms for the size and make-up of resident households. This is according to National Occupancy Standard (NOS) requirements.
    - **Housing Affordability** – Housing is considered to be affordable when housing costs less than 30% of before-tax household income.

Equity-deserving group: A group of people who, because of historical or systemic discrimination, face barriers that prevent them from having the same access to resources and opportunities that are available to other members of society, and that are necessary for them to attain just socioeconomic outcomes. In Canada, this is generally considered to include women, Indigenous people, people with disabilities, people who are part of 2SLGBTQI+ communities, religious minority groups and racialized people. The types of equity-deserving groups may vary based on factors such as geography, sociocultural context or the presence of specific subpopulations.

Expansion: The process of increasing the capacity, size, scope, or reach of an existing infrastructure project, system, or network to accommodate growing demands, population growth, or evolving needs. It encompasses activities such as building new infrastructure components, extending existing networks, and implementing scalable solutions to meet the evolving provincial and federal requirements.

Housing Needs Assessment: A report informed by data and research that describes the current and future housing needs of a municipality or community (see the Housing Needs Assessments website for more information). It includes both:

- Quantitative research, such as analysis of economic data, population and household forecast
- Qualitative research, such as interviews, policy analysis, and stakeholder engagement

Indigenous-led project: Projects are considered Indigenous-led if the lead applicant is 1) an Indigenous governing body, 2) not-for-profit organization whose central mandate is to improve Indigenous outcomes, or 3) an Indigenous development corporation.

Natural infrastructure: An interconnected set of natural and constructed ecological systems, green spaces, and other landscape features that deliver ecosystem services, as well as hybrid (grey-green) infrastructure which combines engineered and natural features to mimic ecosystem services. For example, naturalized stormwater management ponds; wetlands; restored flood plains; rain gardens; permeable land cover; infiltration basins; etc.

New construction: Construction of entirely new capital assets.

Rehabilitation: Any work undertaken on an existing asset that will encourage its continued use. The work on the existing asset ultimately must extend the life or improve the quality, functionality or safety of the asset.

Rural: For the purposes of CHIF, the definition of a "rural" community is a community with a population of 30,000 or less, regardless of its geographic location.

Substantially complete: Substantially complete means that the project infrastructure can be used for its intended purpose (as described in the agreement between HICC and the funding recipient).

Underserved communities: Refers to communities that received subpar services in many aspects, including in infrastructure and the built environment. They face barriers to and challenges in accessing and using resources due to geographic location, religion, sexual orientation, gender identity, race and ethnicity. Underserved populations usually encounter unique challenges (such as language, geographical and cultural barriers, physical or cognitive ability, etc.).

Waste: refers to any material, non-hazardous or hazardous, that has no further use, and is managed at recycling, processing, or disposal sites.

Annex B: Privacy and confidentiality

The information provided by applicants in their applications or in any other form will be used by the Government of Canada for 1) review, evaluation and selection of applications under the Canada Housing Infrastructure Fund (which is administered and managed by Housing, Infrastructure and Communities Canada) or 2) for confirming past federal funding sought by applicants.

Federal government institutions are bound by the requirements of the *Access to Information Act* and the *Privacy Act*, as well as the *Library and Archives Canada Act*. These laws apply to the use, disclosure and retention of information (such as personal, confidential or other) under the control of federal government institutions.

Applicants should note that Housing, Infrastructure and Communities Canada may consult and share the information provided in applications with other federal government institutions or other organizations for the purpose of assisting the department with project reviews and evaluations, determining eligibility under other federal government programs, and confirming past federal funding sought by an applicant. Housing, Infrastructure and Communities Canada may also use and disclose the information to external experts (e.g., scientific, technical, financial, marketing, or commercialization), hired by the Government of Canada under contract with confidentiality obligations, for the purpose of assisting the department with project reviews and evaluations or determining eligibility under other federal government programs.

In submitting an application, applicants are consenting to such uses, sharing and disclosures of the information for the purposes described above. Applicants are invited to clearly identify in their application the provision of any information that contains trade secrets, is confidential or that if disclosed, could reasonably be expected to result in material financial loss or gain to, or to prejudice the competitive position of, a third party, or, to interfere with contractual or other negotiations of a third party, as outlined in section 20 of the *Access to Information Act*. Once a funding agreement is signed, the name of the successful applicant, location, date of approval, the funding amount, and the project description may be proactively disclosed to the public.

Canadian Housing Infrastructure Fund – Direct Delivery Stream

Frequently Asked Questions (FAQs)

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Application Process

What is the difference between the two Canada Housing Infrastructure Fund (CHIF) funding streams?

Budget 2024 created the Canada Housing Infrastructure Fund (CHIF) to invest in effective and reliable drinking water, wastewater, stormwater, and solid waste infrastructure to unlock more housing, faster.

The direct delivery stream has an envelope of $1 billion administered by Housing, Infrastructure and Communities Canada (HICC). This funding is available directly to municipalities, Indigenous communities, and other eligible recipients to support pressing infrastructure needs that will directly enable housing supply.

The provincial and territorial agreement stream has an envelope of $5 billion, which will be provided to the provinces and territories via agreements to support long-term priorities. The respective allocations under this envelope will be administered by the provinces and territories themselves. Under the provincial and territorial agreement stream, the provinces and territories will be responsible for identifying, prioritizing and submitting projects to HICC for consideration.

Projects receiving funding under one stream are not eligible to receive funding from the other stream.

How does an organization apply for CHIF Direct Delivery stream funding?

Applications to the direct delivery stream are made on the HICC Funding Portal. Eligible applicants wanting to submit a project should read the Applicant Guide to ensure that their project is eligible. It is the responsibility of applicants to demonstrate how their projects meet the CHIF's project eligibility and merit criteria.

Is there a limit to the number of applications that an organization can submit?

No. There is no limit to the number of applications that an applicant can submit. However, to be eligible, a project needs to be able to achieve its intended outcomes on its own, independently of any other project.

What types of information or data must be included in an application?

Applications must include data that support project eligibility and merit criteria, including, but not limited to, number of housing units enabled by the project, pressing nature of the need for housing and its enabling infrastructure, densification, and ability to advance other national priorities (e.g., climate-change mitigation, resilience, etc.). For more information, please consult the Applicant Guide.

Does an organization have to apply using HICC Funding Portal or can it submit a proposal using another method (e.g., Canada Post, email, etc.)?

HICC will only accept applications submitted via its HICC Funding Portal. For any applicants facing a challenge with that approach, please contact the CHIF team at chif-fcil@infc.gc.ca to discuss options.

Project Eligibility

What types of projects does CHIF fund?

CHIF will fund either capital or planning projects aimed at building new, or expanding or rehabilitating existing, drinking water, wastewater, stormwater or solid waste infrastructure in order to enable more housing.

Are projects that use natural infrastructure eligible under CHIF?

Yes. Natural infrastructure projects that increase capacity of drinking water, wastewater, stormwater, or solid waste systems could also be eligible for funding. For example, the following components would be eligible: naturalized stormwater retention ponds, vegetated swales, or urban parks and wetlands that can manage stormwater and improve water quality by filtering harmful pollutants.

Does CHIF support projects whose focus is on operating and maintaining existing water-related infrastructure?

No. Costs associated with ongoing operating expenses and regularly scheduled maintenance are not eligible under CHIF.

Will funding recipients be required to implement environmental requirements related to climate change?

Yes. CHIF has environmental requirements related to climate change, namely with respect to climate resilience and the mitigation of greenhouse gas emissions. For more information on climate-related requirements, please consult the 'Federal requirements and reporting' section of the Applicant Guide.

For additional guidance and advice on the climate-related requirements of the CHIF program, please contact HICC's new Climate Toolkit Helpdesk.

Are "Community Employment Benefits" a requirement under CHIF?

No. Community employment benefits are not a requirement under CHIF.

Are "planning projects" eligible under the Program?

Yes. Planning projects are eligible if the planning is for a capital project that would otherwise be eligible under CHIF. Planning costs for eligible planning projects may include feasibility studies, housing needs assessments, risk assessments, climate assessments, engineering reports, environmental impact assessments, as well as other planning work needed to advance a future capital project that would align with CHIF objectives.

Is the acquisition of land eligible under CHIF?

Land acquisition can be an eligible expense under CHIF, but only if it is for the development of natural infrastructure.

For land acquisition expenses to be eligible, the land must be privately owned and not the sole component of the project. Applicants must also demonstrate the need to acquire the land as an integral part of the project for the purposes of natural infrastructure.

Note: Funding recipients will have to demonstrate 1) that the land will remain protected for 40 years after the project is substantially completed, and 2) that the purchase price is at or below fair market value.

When is the deadline for projects to be completed?

Under the direct delivery stream, projects must be substantially completed by September 2031, while under the provincial and territorial agreement stream, projects must be substantially completed by September 2033. “Substantially completed” means that the project infrastructure can be used for its intended purpose (i.e., as described in the contribution agreement between the Government of Canada and the funding recipient).

Housing Conditions

What is meant by “enabling housing”?

Under CHIF, "enabling housing" refers to increasing the capacity of communities to build more housing—by investing in the infrastructure needed to provide reliable drinking water, as well as to treat wastewater, stormwater and solid waste.

For example, if development in an area of a city is currently limited to 200 units because of capacity constraints of the existing wastewater system, upgrading that wastewater system, with CHIF funds to a system that can process wastewater for 500 units, then that project would “enable” the development of an additional 300 units.

Are projects required to build new houses?

No. Projects are not required to build new houses, but they must demonstrate that they will enable more housing to be built. CHIF has been created to accelerate the construction and upgrading of essential infrastructure to support housing development, but it will not provide funding for the construction of housing units.

How many housing units need to be enabled to be able to apply for CHIF funding?

There is no set number of new housing units that must be enabled by a CHIF-funded project. However, applications are expected to demonstrate that projects will directly enable increased housing supply and projects will be assessed on how well they support answering the housing needs of the community. For more information on how housing criteria factor in the assessment, please consult the ‘How will my application be assessed' section of the Applicant Guide.

Do the housing conditions apply under the direct delivery stream?

Yes. There are two housing conditions that must be implemented for a community to receive funding under the direct delivery stream. Communities with a population of 30,000 or more and situated in one of the provinces, must implement zoning changes to allow for four units as-of-right. Municipalities and regions with a population of 300,000 or more, must also freeze Development Charges at the rates that were in place on or before April 2, 2024. See the ‘Housing conditions' section of the Applicant Guide for more information.

Funding

How much CHIF funding can a recipient receive?

Under the direct delivery stream, maximum total eligible cost for a given project should not exceed $100 million. However, there is no limit to the number of projects that can be submitted by an applicant. Projects above $100 million in total eligible costs will only be considered on a case-by-case basis, so please contact the CHIF team at chif-fcil@infc.gc.ca to discuss the project before submitting an application. For more information on federal cost sharing, please consult the 'Project finances' section of the Applicant Guide.

Under the provincial and territorial agreement stream, there is no maximum to the total eligible cost for a project; subject to the remaining available funds.

Is there a minimum total eligible cost for projects under CHIF?

Under both streams, the minimum total eligible cost for the project is at least $1 million. To provide more flexibility for Indigenous communities, the $1 million threshold does not apply to Indigenous-led projects. For more information on eligible costs, please consult the 'Budgeting for project expenses' section of the Applicant Guide.

How is the project's federal contribution determined?

Funding amounts for projects will be determined through an assessment of the information submitted in the application and related project budget. Funding amounts are subject to cost sharing and stacking limits, as well as other sources of funding available to the recipient. See the 'Federal contribution' section of the Applicant Guide for more information.

Is CHIF funding stackable with other funding sources (e.g., federal, provincial and municipal)?

Yes. CHIF funding is stackable with other funding sources, including federal, provincial and municipal ones. However, total funding from all levels of government (including municipal, provincial, territorial and federal) cannot exceed 100% of total project costs, and total federal government funding cannot exceed 100% of total eligible project costs under this program.

Applicants are responsible for considering the eligibility criteria and funding limits from all HICC (and other) funding programs, as project costs cannot be duplicated across multiple programs and the lowest stacking limits of other programs may apply to the project.

Project Selection and Approval

When can applicants expect to find out if their projects have been chosen to receive funding?

Once funding decisions are available, all applicants will be informed of the results of their respective applications. The CHIF team will be available to provide feedback should an applicant request it. HICC cannot provide precise timelines as to when applicants will be informed of funding decisions.

When can successful applicants begin incurring costs?

Eligible project expenditures will only be reimbursed if they are incurred after the project has been approved. There are some exceptions, please consult the 'Budgeting for project expenses' section of the Applicant Guide to learn more.

Will successful applicants receive funding as soon as their project is approved?

Successful applicants will begin to receive funding once funding agreements (i.e., contribution agreements) are in place (i.e., signed by both parties) and, where applicable, once environmental assessment requirements and Indigenous consultation obligations have been met and continue to be met.