



## Notice of Meeting and Meeting Agenda Saanich Peninsula Water Commission

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Thursday, July 17, 2025

9:30 AM

Sidney Community Safety Building  
2245 Oakville Ave., Sidney, BC

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Members of the public can view the live meeting via MS Teams link: [Click here](#)

D. Kelbert (Chair), M. Doehnel (Vice Chair), E. Diller, D. Halldorson, P. Jones, Z. King,  
C. McNeil-Smith, R. Novek, S. Shrivastava, R. Windsor

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 Agenda

### 3. Adoption of Minutes

- 3.1. [25-0848](#) Minutes of the Saanich Peninsula Water Commission Meeting of May 15, 2025

**Recommendation:** That the minutes of the Saanich Peninsula Water Commission meeting of May 15, 2025 be adopted as circulated.

**Attachments:** [Minutes - May 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](http://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 Commission at [legserv@crd.bc.ca](mailto:legserv@crd.bc.ca).*

### 6. Commission Business

- 6.1. [25-0787](#) General Manager's Verbal Update - July

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

**6.2.**      [25-0796](#)      Saanich Peninsula Water Service 2025 Mid-Year Capital Projects and Operations Update

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

**Attachments:**      [Staff Report: 2025 Mid-Year Capital Projects and Operations Update](#)  
[Appendix A: SPWS Capital Program – Current Status of Active Projects](#)  
[Appendix B: SPWS Significant Project Locations](#)

**6.3.**      [25-0791](#)      Saanich Peninsula Water Commission Amalgamation Study Update

**Recommendation:**      That staff be directed to:  
1. Proceed with further analysis of both Scenario 1 (Complete Amalgamation) and Scenario 2 (Partial Amalgamation).  
2. Undertake consultation and engagement with Municipal partners.  
3. Include the necessary resources to support this work within the 2026 Capital Plan.

**Attachments:**      [Staff Report: SPWC Amalgamation Study Update](#)  
[Appendix A: Amalgamation Study Draft Report](#)  
[Appendix B: Presentation to SPWC - October 17, 2024](#)  
[Appendix C: Staff Report to SPWC - January 18, 2024](#)  
[Appendix D: Saanich Peninsula Water Supply Infrastructure Map](#)  
[Presentation: SPWC Amalgamation Study](#)

**6.4.**      [25-0844](#)      Summary of Recommendations from Other Water Commissions

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

**Attachments:**      [Summary: JWDC - June 3, 2025](#)  
[Summary: JWDC - July 8, 2025](#)  
[Summary: RWSC - May 21, 2025](#)  
[Summary: RWSC - June 18, 2025](#)

**6.5.**      [25-0846](#)      Water Watch Report

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

**Attachments:**      [Water Watch Report - July 7, 2025](#)

**7. Notice(s) of Motion**

**8. New Business**

**9. Adjournment**

The next meeting is Tuesday, October 21, 2025 (Special).

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

## Meeting Minutes

### Saanich Peninsula Water Commission

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Thursday, May 15, 2025

9:30 AM

Sidney Community Safety Building  
2245 Oakville Ave., Sidney, BC

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**PRESENT:**

Commissioners: D. Kelbert (Chair), M. Doehnel (Vice Chair), E. Diller, D. Halldorson (9:44 am),  
Z. King (9:46 am) (EP), R. Novek, S. Shrivastava, R. Windsor (EP)

STAFF: A. Fraser, General Manager, Infrastructure and Water Services (IWS); L. Jones, General  
Manager, Parks, Recreation and Environmental Services (EP); J. Dales, Senior Manager,  
Wastewater Infrastructure Operations; R. Tooke, Senior Manager, Environmental Innovation (EP); P.  
Kickham, Manager, Environmental Regulations; A. Wardle, Project Engineer, IWS Capital Projects;  
M. Lagoa, Deputy Corporate Officer; M. MacDonald, Legislative Services Coordinator (Recorder)

EP - Electronic Participation

Regrets: Commissioners C. McNeil-Smith, P. Jones

The meeting was called to order at 9:42 am.

#### 1. Territorial Acknowledgement

Chair Kelbert provided a Territorial Acknowledgement.

#### 2. Approval of Agenda

**MOVED by Commissioner Novek, SECONDED by Commissioner Diller,  
That the agenda for the Saanich Peninsula Water Commission meeting of May  
15, 2025 be approved.  
CARRIED**

Commissioner Halldorson joined the meeting in person at 9:44 am.

#### 3. Adoption of Minutes

- 3.1. [25-0512](#) Minutes of the Saanich Peninsula Water Commission Meeting of March  
20, 2025

**MOVED by Commissioner Shrivastava, SECONDED by Commissioner Diller,  
That the minutes of the Saanich Peninsula Water Commission meeting of March  
20, 2025 be adopted as circulated.  
CARRIED**

#### 4. Chair's Remarks

There were no Chair's remarks.

#### 5. Presentations/Delegations

There were no presentations or delegations.

#### 6. Commission Business

- 6.1. [25-0453](#) General Manager's Verbal Update - May
- A. Fraser presented Item 6.1. and provided information on the effects of the dry spring on the reservoir and the recent water symposium.
- Discussion ensued regarding:
- factors that influence the implementation of water restrictions
- 6.2. [25-0513](#) Main No. 4 Upgrade and Bear Hill Trunk Extension - Tariffs Update
- A. Fraser presented Item 6.2. for information.
- Discussion ensued regarding:
- alternative sources for materials
  - quality standards and specifications
- 6.3. [25-0514](#) Summary of Recommendations from Other Water Commissions
- A. Fraser presented Item 6.3. for information.
- 6.4. [25-0515](#) Water Watch Report
- A. Fraser presented Item 6.4. for information.

#### 7. Notice(s) of Motion

There were no notice(s) of motion.

#### 8. New Business



**8.1. Vacant First Nations Committee Membership Position**

Chair Kelbert advised that the First Nations representative position on the committee has been vacant for an extended period.

Motion arising:

**MOVED by Commissioner Kelbert, SECONDED by Commissioner Halldorson, That the Saanich Peninsula Water Commission direct staff to approach Saanich Peninsula Nations (Tsawout and Tsartlip) and request that a First Nations representative be appointed to the Saanich Peninsula Water Commission.**

Discussion ensued regarding:

- bulk water conveyance for First Nations
- importance of involvement and representation
- one vacant position currently available

The question was called:

**That the Saanich Peninsula Water Commission direct staff to approach Saanich Peninsula Nations (Tsawout and Tsartlip) and request that a First Nations representative be appointed to the Saanich Peninsula Water Commission.**  
**CARRIED**

**8.2. Update on Water Advisory Committee Business**

Commissioner Doehnel provided a brief update on the Water Advisory Committee meeting business, including follow up from the water master plan and wildfire preparation in the water catchment area.

**9. Adjournment**

**MOVED by Commissioner Doehnel, SECONDED by Commissioner Shrivastava, That the Saanich Peninsula Water Commission meeting of May 15, 2025 be adjourned at 10:04 am.**  
**CARRIED**

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Chair

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Recorder

**REPORT TO SAANICH PENINSULA WATER COMMISSION  
MEETING OF THURSDAY, JULY 17, 2025**

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**SUBJECT**     **Saanich Peninsula Water Service 2025 Mid-Year Capital Projects and Operations Update**

**ISSUE SUMMARY**

To provide a mid-year update on the Saanich Peninsula Water capital program and operations.

**BACKGROUND**

**Capital Program**

The Saanich Peninsula Water (SPW) capital program reflects the planned capital spending for the next five years and forms part of the annual service budget that is approved in March each year by the Capital Regional District (CRD) Board. In 2025, there were 19 capital projects identified, some of which are programs containing several sub-projects. The approved 2025 budget is \$16.8 million. The status of the major projects progressing in 2025 is detailed in Appendix A and locations are shown in Appendix B. Additional smaller projects will also progress based on criticality and resourcing.

**Operations Update**

The Saanich Peninsula and Gulf Islands Operations team operates and maintains the Saanich Peninsula Water System which includes a routine operational and preventative maintenance program and corrective (unplanned) maintenance program. The 2025 annual operating budget is \$1.88 million and is on target for a marginal surplus at year-end.

**Reservoir Maintenance Program**

There are seven water reservoirs in the Saanich Peninsula Water System. Reservoirs are drained, cleaned and inspected typically on a five-year cycle. No reservoirs are scheduled for significant maintenance in 2025.

**Bulk Water Meter Reading**

There are 15 bulk water meters that service the Saanich Peninsula Water System that are used for water billing for Sidney, Central Saanich, North Saanich and Agriculture Canada. Meters are read monthly by operational staff and analyzed for anomalies.

**Pressure Control Stations**

There are 15 pressure regulating stations that control water system pressures on the Saanich Peninsula Water System. Ongoing routine maintenance is performed annually on the control valves that can include a complete teardown and rebuild of the valve annually depending on the criticality of the station. It is projected that all maintenance will be completed by year-end.

**Operational Annual Provisional Items**

The annual provisional accounts are in the service's five-year capital plan and were established to provide funding for unplanned repairs/replacements that are outside of the operating budget

contingencies. Unplanned repairs and replacements at mid-year are identified in the table below.

Project Title	Project Budget	Status
Pump station, metering station and control valve repairs and replacements	\$200,000	Project 1: Deep Cove PS pump no. 1 replacement (\$27,000) Project 2: Deep Cove PS pump no. 3 replacement (\$30,000)

### **CONCLUSION**

This report provides the Saanich Peninsula Water Commission with operational and capital program updates for the Saanich Peninsula Water Service

### **RECOMMENDATION**

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

Submitted by:	Joseph Marr, P. Eng., Senior Manager, Infrastructure Engineering
Submitted by:	Jason Dales, B. SC., WD IV, Senior Manager, Wastewater Infrastructure Operations
Concurrence:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

### **ATTACHMENT(S)**

Appendix A: SPWS Capital Program – Current Status of Active Projects

Appendix B: SPWS Significant Project Locations

### Saanich Peninsula Water Service Capital Program – Current Status of Active Projects

Project Number	Project Title	Total Budget	Status
19-02	Strategic Asset Management Plan Update	\$300,000	<p>This project will consolidate a variety of previous studies and produce a comprehensive Asset Management Plan for the Saanich Peninsula Water Service.</p> <p>A consultant (AECOM) has been hired, and the project has kicked off. Final delivery will be in early 2026.</p>
21-01	SPW Level of Service (LoS) Agreements	\$75,000	<p>Once the asset management planning is completed and related system capacity is confirmed then the LoS agreements will be negotiated with each bulk customer. The proposed RWS LoS agreements take priority and will inform the SPW agreements.</p>
21-05	SPW System Upgrade and Expansion	\$14,700,000	<p>This program consists of various projects to improve SPWS resiliency and redundancy.</p> <p>The most critical project is the Bear Hill Trunk extension, which is out for construction bid and set to close on July 16.</p> <p>Preliminary design services for the Peninsula Trunk Main Upgrade (McTavish Tank to Mills Road) and Dean Park watermain replacement (Dean Park Lower to Dean Park Middle) were also completed to support alignment selection and future budgeting.</p>
22-01	SPW Strategic Plan Update	\$150,000	<p>A comprehensive update of the SPWS strategic plan is needed to provide a basis for future capital planning and DCC updates for the SPW system and the interconnected regional and municipal systems.</p> <p>This project is proposed to be bundled with the SPW DCC Update (#23-01) and initiated in early 2026.</p>

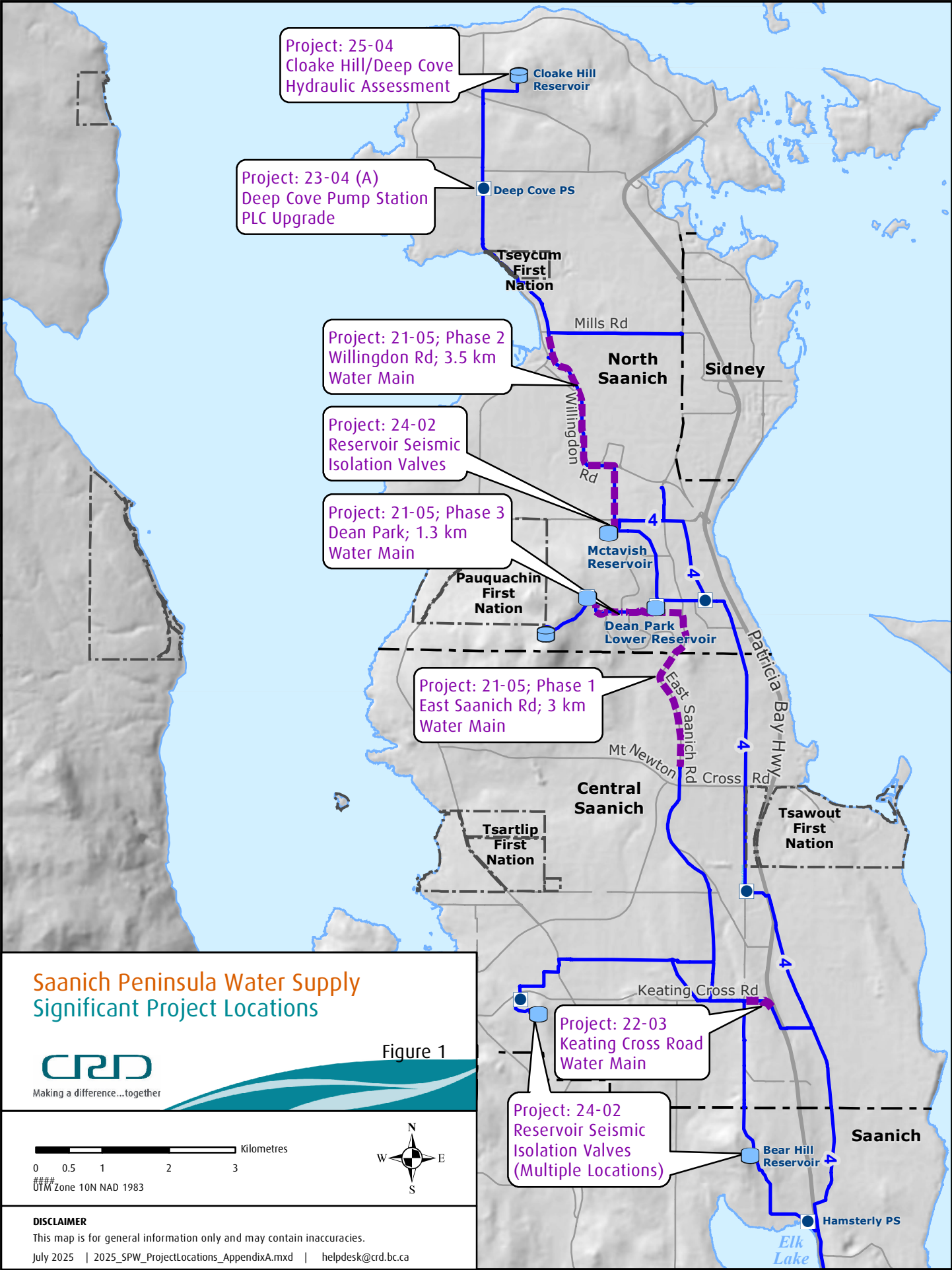
## APPENDIX A

Project Number	Project Title	Total Budget	Status
22-03	Keating Cross Road Watermain	\$1,000,000	<p>This watermain replacement of approximately 500m of 500mm diameter ductile iron pipe was completed in Q1 2025.</p> <p>The transfer of works will not officially take place until one year from substantial completion of the Ministry's Keating Cross Flyover project.</p>
23-01	SPW Development Cost Charges Program	\$50,000	<p>The purpose of the DCC update would be to recalculate DCCs based on the eligible projects identified in the Strategic Plan, conduct the required consultation with the public and member municipalities and coordinate the review by the Inspector of Municipalities and the SPW Commission.</p> <p>This project is proposed to be bundled with the SPW Strategic Plan Update (#22-01) and initiated in early 2026.</p>
23-04	RTU & PLC Upgrade and Replacement	\$140,000	<p>Programmable Logic Controller (PLC) replacement and programming at Deep Cove pump station is now complete.</p> <p>Some additional work for telecommunications improvements from Hamsterly Pumpstation continue into the second half of 2025.</p>
24-02	Reservoir Seismic Isolation Valves	\$800,000	<p>Designs are complete for Cloake Hill, Bear Hill, Dawson and McTavish Reservoir.</p> <p>Construction of Bear Hill, Dawson and McTavish Reservoir planned for winter 2025/26, in low demand period. Cloake Hill is being deferred until after project 25-04 is complete.</p>
25-03	SPW Operational Optimization Review	\$100,000	<p>This project will provide a high-level functionality review of the Operations of the Saanich Peninsula Water System.</p> <p>Staff along with potential consultants will review the current operations across the system, as well as the design and current status of infrastructure. This will allow for an optimized operational plan/philosophy to be developed.</p> <p>It is proposed to initiate this project in late 2025 along with #25-04.</p>

## APPENDIX A

Project Number	Project Title	Total Budget	Status
25-04	Cloake Hill/Deep Cove Hydraulic Assessment	\$100,000	It is proposed to initiate this project with #25-03 and in doing so conduct a detailed analysis of the Cloake Hill zone and obtain initial results in Q2 2026.

- Project Numbers refer to project numbers from the 2025 Capital Plan.
- The projects listed above are not inclusive of all capital projects currently underway. Smaller scale projects have been omitted from this list for clarity.



**REPORT TO SAANICH PENINSULA WATER COMMISSION  
MEETING OF THURSDAY, JULY 17, 2025**

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**SUBJECT**     **Saanich Peninsula Water Commission Amalgamation Study Update**

**ISSUE SUMMARY**

To provide an update on the Saanich Peninsula Water Commission Amalgamation Study and to seek direction on the next steps.

**BACKGROUND**

Within the Saanich Peninsula, water supply is provided through a sub-regional service established by the Capital Regional District (CRD) in the late 1970s. This sub-regional service provides potable water to three municipal partners: District of North Saanich, District of Central Saanich and Town of Sidney.

In 1997, the CRD established a Regional Water Supply service for the majority of the region. This system is interconnected to the Saanich Peninsula water system and includes the broad coordination of operations and maintenance staff at Infrastructure and Water Services (IWS). However, as these are legally two unique services established by bylaw, there remains the statutory requirement to separate operations, finances and governance.

In November 2023, the District of Central Saanich approved the following referral motion:

*That the Saanich Peninsula Water Commission investigate the possibility of amalgamation with the Regional Water Supply Commission.*

Subsequently, at its March 20, 2024 meeting, the Saanich Peninsula Water Commission approved the following motion:

*That staff be directed to undertake a feasibility study to explore the implications of amalgamating the Saanich Peninsula Water Commission with the Regional Water Supply Commission;*

CRD then commissioned Connections Planning Associates Ltd. (CPAL) to undertake this feasibility study. Several inter-related operational, financial, administrative and political factors of the existing service were reviewed and included in the report, attached as Appendix A.

In addition to governance, operations and financial considerations, an overarching consideration was given to the guiding principle of “benefiter pay”. That is, if the benefits of the service are realized at a more local level (as opposed to regional) and more specifically for a single municipality only, then the ownership, operations and funding should rest with that individual jurisdiction.

Based on this principal, three scenarios were developed and considered in relation to the impacts of governance, operations and financial components of the Saanich Peninsula Water service:



- Scenario 1 (Complete Amalgamation) – transfer all existing Saanich Peninsula water assets and liabilities (water supply and distribution infrastructure) to the Regional Water service.
- Scenario 2 (Partial Amalgamation) – transfer the existing water supply assets that service multiple municipalities from Saanich Peninsula to Regional Water Supply Service, and existing water distribution infrastructure, which serve only a single municipality, to that respective municipality (District of North Saanich, District of Central Saanich, Town of Sidney) as appropriate. Refer to Appendix D for a Figure showing the proposed transfer.
- Scenario 3 (Status Quo) – maintain ownership and governance of water assets within the current services, with some recommended improvements.

Proceeding any further with either Scenario 1 or 2 would require approval from the Regional Water Supply Commission. Following approval, consultation and engagement with the three municipal partners (Central Saanich, North Saanich and Sidney), must be conducted as part of this study.

The following are potential next steps to further this study:

- Seek direction from Saanich Peninsula Water Commission on whether to further investigate Scenario 1 or 2 and proceed with consultation or move forward with Scenario 3 and not undertake any further work on this project.
- If Scenario 1 or 2 is considered, then the Amalgamation Study Draft Report would need to be presented to the Regional Water Supply Commission to gauge their initial response on potential amalgamation scenarios.
- CRD to complete the Asset Management Plan for the Saanich Peninsula Water Service to better understand the age and condition of the infrastructure, replacement value and long-term strategies to manage the water assets. This is currently in progress and should be completed within 12 to 18 months.
- CRD to complete the Asset Retirement Obligation (ARO) review for the Saanich Peninsula Water Service to determine the potential financial impact of the disposal of select infrastructure components (i.e., Asbestos Cement watermain) at the end of their useful lives.
- Complete the consultation with municipal partners and reporting back to the Saanich Peninsula Water Commission to consider options moving forward.

## **ALTERNATIVES**

### *Alternative 1*

That staff be directed to:

1. Proceed with further analysis of both Scenario 1 (Complete Amalgamation) and Scenario 2 (Partial Amalgamation).
2. Undertake consultation and engagement with Municipal partners.
3. Include the necessary resources to support this work within the 2026 Capital Plan.

### *Alternative 2*

The Saanich Peninsula Water Commission recommends that the Capital Regional District Board proceed with Scenario 3 (Status Quo) and not undertake any further work on analysis.

*Alternative 3*

That this report be referred back to staff for additional information.

**IMPLICATIONS**

The estimates presented are theoretical and based on broad assumptions, and would require additional detailed analysis and calculations to further refine the potential financial impacts

**Scenario 1 – Complete Amalgamation**

Scenario 1 would have all assets and liabilities of the Saanich Peninsula Water system transferred to the Regional Water Supply system, and the service would be dissolved once the debt has been retired and DCC funds drawn down. The three municipalities on the Saanich Peninsula would purchase bulk water directly from the Regional Water Supply service, for distribution to residents and ratepayers.

***Governance Impacts***

Aside from the administrative requirements, there may be a real or perceived sense of loss of sub-regional decision-making currently taking place at the Saanich Peninsula Water Commission (SPWC). Since representation from each of the three Saanich Peninsula municipalities currently exists on the Regional Water Supply Commission (RWSC), at a high-level it may appear that the SPWC is an extra layer of governance amongst the many CRD commissions and committees.

Another important consideration is the loss of non-elected members currently serving on the SPWC, because the RWSC is comprised only of elected officials. There is community representation on the Water Advisory Committee which includes a dedicated seat for a SPWC representative, as well as representation from First Nations.

***Operations Impacts***

In recent years, CRD staff have been working to align common programs between both the Regional and Saanich Peninsula Water Services, such as the maintenance management and emergency response programs, to ensure a consistent service level of asset care. As coordination between the two services has been on going, amalgamation will not have a substantial change, though combining these services would pose several potential operational efficiencies in the management of the service and the response to non-routine incidents.

By combining the two teams, there are opportunities for optimizing the management structure over time. It is recommended that a team continue to work from the Saanich Peninsula Wastewater Treatment Plant and ongoing management oversight be present at this location. As both systems grow, amalgamating these teams will increase the economies of scale and potentially reduce or defer future Full-Time Equivalent (FTE) needs in both services.

During major projects and non-routine activities, such as major watermain breaks, staff continue to have a duplication of effort as support and expertise are required from the Regional Operations Team, while the local Saanich Peninsula resources are also required given their familiarity with the system. Amalgamation of these teams would result in increased cross training and elimination of that duplication. There would also be savings by combining call or stand-by operations requirements for the two services.

There will be some time savings for administration, finance and technical staff who currently support the SPWC and associated meetings, but this is relatively nominal given the number of committees and commissions that staff support throughout the CRD.

These efficiencies would improve the overall management and efficiency of operations; however, they are difficult to quantify and would not result in a substantial reduction in the combined operating budgets.

### ***Financial Impacts***

The financial impacts reflect information provided either in the 2024 Board presentation or the Connections Planning Associates 2025 draft report, as outlined in the attached appendices. These figures are theoretical, based on broad assumptions, and will require further analysis and updated calculations to be refined.

Adding the additional Saanich Peninsula costs to the Regional Water Service budget results in a total combined budget of \$47.761 million, or an increase of approximately 6.2%. If this increase was applied directly to the current bulk water rate of \$0.8631 per cubic meter (m<sup>3</sup>), this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.9166 per m<sup>3</sup>. Conversely, the Saanich Peninsula retail water rate (for 2025) is \$1.2575 per m<sup>3</sup>. Based on the assumptions in this scenario, theoretically that rate would drop to \$0.9166 per m<sup>3</sup>, or a potential savings for each of the three Saanich Peninsula municipalities of \$0.3409 per m<sup>3</sup>.

There is approximately \$7.5 million in capital reserve funds which would transfer from the Saanich Peninsula Water Service to the Regional Water Service. Of that amount, approximately \$2.1 million would be placed in a statutory Development Cost Charge (DCC) Reserve fund to be used only on capital projects outlined in the Saanich Peninsula Water DCC program. The remaining funds would be folded into the Regional Water capital reserve and equipment reserve funds respectively.

### ***Timing of Transition***

Considering the upcoming review with the Commissions, planned consultation and engagement with interested parties, and legislative requirement, the anticipated timing for transition could potentially be on January 1, 2027.

### **Scenario 2 – Partial Amalgamation**

Because the Saanich Peninsula Water Service was created from the dissolution of three water improvement districts, it has elements of both water supply and water distribution. Some infrastructure provides trunk water supply throughout the Saanich Peninsula, while other infrastructure provides water distribution benefits to a single jurisdiction. The Figure included in Appendix D identifies infrastructure within the Saanich Peninsula Water Service that functions as water distribution infrastructure to a single municipality and therefore could be transferred to that respective municipality prior to dissolution of the SPWC. As such, Scenario 2 contemplates that only the regional supply infrastructure components would be transferred to the Regional Water Supply Service, with the remaining distribution infrastructure divided amongst each municipality. This is a high-level infrastructure assessment at this time; further analysis and more detailed review would be required to confirm potential ownership transfer of water distribution infrastructure.

### ***Governance Impacts***

All the preceding governance impacts outlined in Scenario 1 are pertinent to this scenario. The main difference is that any language in the Letters Patent or bylaws regarding the transfer of assets and liabilities would need to be more precise. This is because four jurisdictions – District of North Saanich, District of Central Saanich, Town of Sidney and CRD (through the Regional Water Supply service) – would be assuming the ownership and responsibility of the various water assets.

### ***Operations Impacts***

Due to the integrated working relationship within IWS amongst the various water supply and distribution services, there is currently staff coordination and efficiencies established. That said, under this scenario, water distribution infrastructure is being transferred to the three Saanich Peninsula municipalities and therefore would lessen operational responsibilities. Given this factor, and the need to maintain operations for the Saanich Peninsula water supply infrastructure (as well as continue to support Gulf Island water operations), we have estimated a potential reduction of 2 FTEs for water operations (i.e. from 5 FTE to 3 FTE, or a 40% reduction).

Given the magnitude of some of the water distribution assets being potentially transferred to each municipality, some may have concerns about the capacity of their current operations staff to take on additional infrastructure. Further discussions and consultation with each municipality should take place, and the CRD would be open to an option of taking on distribution system operations as a backstop (either as a transition measure or potentially under contractual agreement).

### ***Financial Impacts***

The financial impacts reflect information provided either in the 2024 Board presentation or the Connections Planning Associates 2025 draft report, as outlined in the attached appendices. These figures are theoretical, based on broad assumptions, and will require further analysis and updated calculations to be refined.

Like Scenario 1, all bulk water expenditures would no longer be required as part of amalgamation. Under this scenario, we have accounted for 40% savings to operating expenditures and 50% savings to capital expenditures due to the potential ownership transfer of distribution infrastructure from Saanich Peninsula Water services to their respective municipalities.

Based on these assumptions, the overall impact on the Regional Water Supply Service budget is approximately \$1.48 million, or approximately 4.1% increase from the current budget. If this applied directly to the current bulk water rate of \$0.8631 per m<sup>3</sup>, this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.8916 per m<sup>3</sup>. Based on the assumptions in this scenario, the Saanich Peninsula retail rate would drop from \$1.2575 per m<sup>3</sup> to \$0.8916 per m<sup>3</sup>, or potential savings for each of the three Saanich Peninsula municipalities of \$0.3659 per m<sup>3</sup>.

The \$2.1 million in DCC reserves would remain in a statutory DCC Reserve fund to be used only on capital projects outlined in the Saanich Peninsula Water DCC program. The remaining funds in the capital reserve and equipment reserve funds would be divided amongst the four participants – CRD (Regional Water Supply service), District of North Saanich, District of Central Saanich, and Town of Sidney. In fairness, this could be divided based on the proportional value of the infrastructure assets being transferred to each jurisdiction, to be determined.

### **Timing of Transition**

The timing of transition for this scenario is the same as Scenario 1.

### **Scenario 3 – Status Quo**

This scenario maintains both Saanich Peninsula Water and Regional Water Supply as two distinct services within the Capital Regional District. All assets and liabilities, revenues and expenditures, and capital reserves remain with the Saanich Peninsula Water service, and there is no transition period required.

#### *First Nations Reconciliation*

Currently, the Capital Regional District (CRD) provides water service to the four First Nations on the Saanich Peninsula through the District of Central Saanich (Tsartlip and Tsawout First Nations) and the District of North Saanich (Pauquachin and Tseycum First Nations) municipal water systems. The four First Nations currently pay the respective retail water rates charged by the distributors.

In 2022, the RWSC endorsed an alternate operating arrangement whereby First Nations could sign a Bulk Water Services Agreement with the Regional Water Supply and receive the bulk water rate. The proposed Bulk Water Supply Services Agreements strongly supports the government-to-government approach by providing First Nation governments with the opportunity to purchase bulk water at the same rate as the local governments served by the Regional Water Supply Service. This work is ongoing, but all agreements, once signed, will be retroactive to January 2023.

Once these agreements have been finalized, the First Nations will be direct customers of the Regional Water Supply and service would be independent of the Saanich Peninsula Water Commission.

### **CONCLUSION**

The amalgamation study provides an overview of the governance, operations and finance components of the Saanich Peninsula Water Service, as well as consideration of potential amalgamation scenarios, as follows:

- Scenario 1 (Complete Amalgamation) – transfers all existing Saanich Peninsula water assets and liabilities (water supply and distribution infrastructure) to the Regional Water Service.
- Scenario 2 (Partial Amalgamation) – transfers the existing water supply assets from Saanich Peninsula to Regional Water Supply Service, and existing water distribution infrastructure to their respective municipalities (District of North Saanich, District of Central Saanich, Town of Sidney) as appropriate.
- Scenario 3 (Status Quo) – maintains ownership and governance of water assets within the current services, with some recommended improvements for more strategic planning.

Additional analysis and Regional Water Supply Commission agreement is required to further refine Scenario 1 and 2.

**RECOMMENDATION**

That staff be directed to:

1. Proceed with further analysis of both Scenario 1 (Complete Amalgamation) and Scenario 2 (Partial Amalgamation).
2. Undertake consultation and engagement with Municipal partners.
3. Include the necessary resources to support this work within the 2026 Capital Plan.

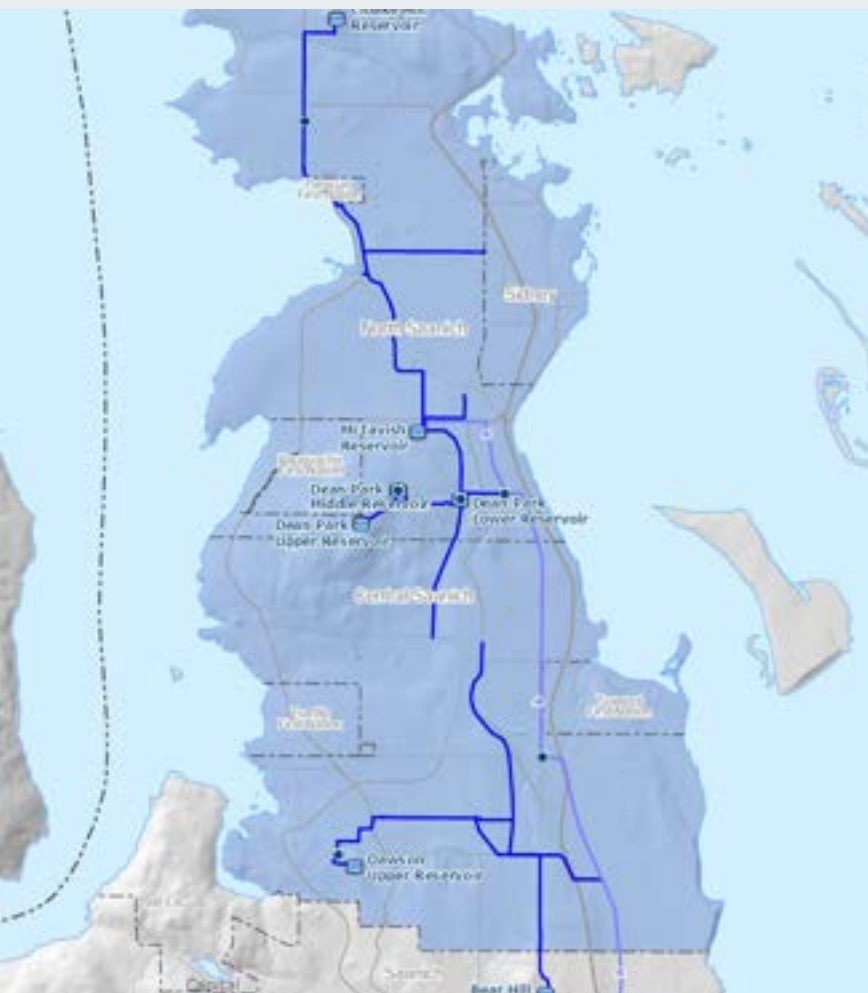
Submitted by:	Joseph Marr, P. Eng., Senior Manager, Infrastructure Engineering
Concurrence:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: SPWC Amalgamation Study – Draft Report  
Appendix B: Presentation to SPWC – October 17, 2024  
Appendix C: Staff Report to SPWC – January 18, 2024  
Appendix D: Saanich Peninsula Water Supply Infrastructure Map  
Presentation: SPWC Amalgamation Study



# CAPITAL REGIONAL DISTRICT Saanich Peninsula Water Commission Amalgamation Study



DRAFT REPORT  
July 2025



This report is prepared for the use of the Capital Regional District. No representations of any kind are made by Connections Planning Associates Ltd. or its employees to any party with whom Connections Planning Associates Ltd. does not have a contract.



## Capital Regional District

Saanich Peninsula Water Commission  
Amalgamation Study

### DRAFT REPORT


July 2025

**Contact:**

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*Connecting communities every day, from the traditional territories of the Lək'wəḡən people.*



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**APPENDICES**

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*Appendix E – Saanich Peninsula Water Service – Supply vs. Distribution Infrastructure*

## **EXECUTIVE SUMMARY**

To be completed following initial review by the Saanich Peninsula Water Commission.

## 1. INTRODUCTION

Throughout Greater Victoria and the Southern Gulf Islands, the Capital Regional District (CRD) is responsible for the supply, treatment and distribution of potable drinking water to over 430,000 residents and property owners. This is managed by the CRD through a number of established services at the regional, sub-regional, and local level; each with its own operational, financial, and governance structures.

Within the Saanich Peninsula, water supply is provided through a sub-regional service established by the CRD in the late 1970s, which in turn provides potable water to three municipal partners – District of North Saanich, District of Central Saanich and Town of Sidney. Two decades later, the CRD established a regional water supply service for the majority of the region, which is interconnected to the Saanich Peninsula Water system and includes the broad coordination of operations and maintenance staff at Infrastructure and Water Services (IWS). However, as these are legally two unique services established by bylaw, there remains the statutory requirement to separate operations, finances and governance.

In November 2023, the District of Central Saanich approved the following referral motion:

*That the Saanich Peninsula Water Commission investigate the possibility of amalgamation with the Regional Water Supply Commission.*

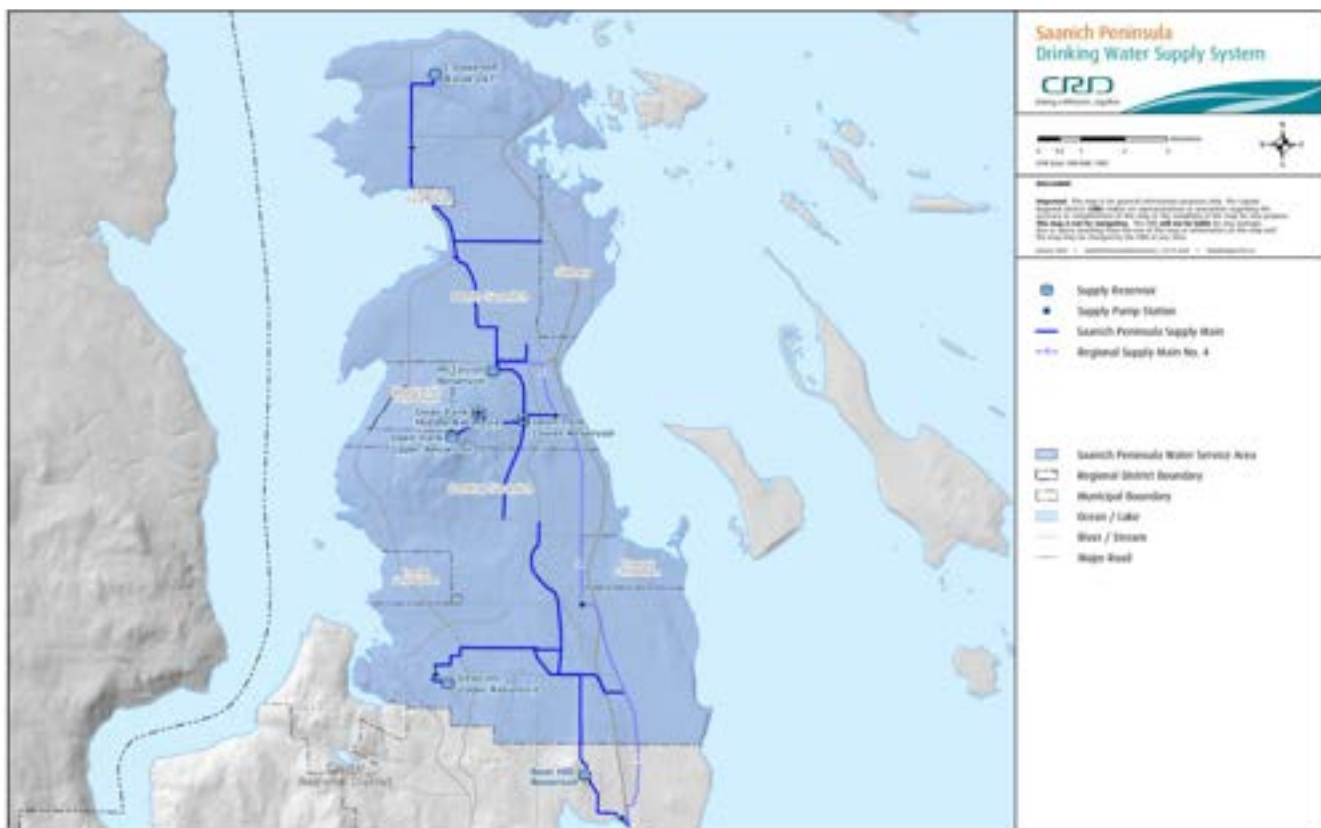
Upon initial review, CRD staff noted in its report to the commissions that “there may be an unnecessary layer of governance which was required in 1976, prior to the creation of the Regional Water service that could be eliminated with potentially no impact to the level of services and with improved efficiencies for the users.” Staff recommended undertaking a feasibility study which considers both the service delivery and intergovernmental implications of potential amalgamation, including a review and analysis of the following:

- The conversion of the Saanich Peninsula Water letters patent;
- How the existing infrastructure and liabilities would be valued and transferred;
- Membership, representation and voting on the Regional Water Supply Commission, as well as implications to the membership at the Water Advisory Commission;
- Potential limitations on First Nations membership, representation and voting rights at the Regional Water Supply Commission;
- Review of operational efficiencies related to staffing, technology systems and procedures;
- The role of First Nations and how they would like to be involved in decision-making;
- Streamlining of Water Rate structure and Development Cost Charge programs; and
- Recommendations on steps and timing of transition to minimize impacts.

In 2024, the CRD commissioned Connections Planning Associates Ltd. (CPAL) to undertake this feasibility study. As outlined above, there are a number of inter-related operational, financial, administrative and political factors which need to be carefully reviewed and considered as part of this project. Additionally, consultation and engagement with the three municipal partners, both water commissions and others will need to be taken into consideration as part of this study.

## 1.1 History and Background

In 1976, the Capital Regional District (CRD) established the Saanich Peninsula Water Commission through letters patent (see Appendix A), as part of the dissolution of three improvement districts into their respective municipalities – Brentwood Waterworks District (to the District of Central Saanich), Deep Cove Waterworks District (to the District of North Saanich) and Sidney Waterworks District (to the Town of Sidney). As a newly formed sub-regional service, its purpose was (and continues to this day) to provide potable water supply to the three municipal partners, including the ownership of land, rights-of-way and infrastructure required to provide the service. The Saanich Peninsula Water system currently consists of approximately 35 kilometres of watermains, 6 storage reservoirs, 6 pumping stations, and 13 pressure control stations. See Figure 1 below for the water service area and refer to Appendix B for a more detailed map of the system.



In 1997, a regional water system was established for the capital region through provincial legislation, which transferred the assets, liabilities and overall management of the watershed and lands to the CRD. As part of this transfer, two new commissions were established to help the regional board with the new service, including the Regional Water Supply Commission (for the overall regional water system) and the Juan de Fuca Water Distribution Commission (for the supply and distribution of potable water to the Western Communities). In addition, a Water Advisory Committee was also established to provide community advice and technical input to the Regional Water Supply Commission.

Currently, the Saanich Peninsula Water system is interconnected to the Regional Water Supply system, although they are operated and governed as two separate CRD services. Essentially, the Saanich Peninsula Water system purchases bulk water from the Regional Water Supply system, and in turn sells potable drinking water to the three municipal partners (Central Saanich, Sidney and North Saanich). From there, each municipality operates its own local distribution system to provide potable water to individual residents and ratepayers as a municipal service. From this basis, it appears that the Saanich Peninsula Water service provides an identical function just to a smaller subset of regional water participants, and as such could potentially be amalgamated with the Regional Water Supply service.

## 2. GOVERNANCE OVERVIEW

Within the Capital Regional District, elected officials sit on the 24-member Board of Directors as the overall governing body. In order to assist in the decision-making process, regional districts may establish committees and/or commissions to provide advice or undertake work on behalf of the board. These may be advisory in nature, or in some cases may be delegated the responsibility for the operation and administration of services.<sup>1</sup> There are currently more than 75 committees and commission supporting the CRD Board of Directors.

The following commissions and committees are related to the Saanich Peninsula Water Commission Amalgamation Study, with details of their history and structure described below:

### 2.1 Saanich Peninsula Water Commission

Established by letters patent in 1976, the Saanich Peninsula Water Commission (SPWC) was formed to take over from three dissolved improvement districts (Deep Cove Waterworks, Brentwood Waterworks and Sidney Waterworks), and supply water to the municipalities of North Saanich, Central Saanich and Sidney for distribution. The commission consists of up to 11 appointed members, including each participant's Mayor, an additional council representative from each of the three partner municipalities, a public representative from each community, a First Nations representative and an agricultural organization representative. Currently there are 10 members of the SPWC (as of January 2025), with the First Nations representative being vacant. Since its inception, the letters patent has been amended a number of times to include the appointment of alternate members (1978), apportionment of annual debt charges (1984) and the supply of water to Agriculture Canada (1986). The commission meets bi-monthly on the third Thursday of the month. Each of the members of the Saanich Peninsula Water Commission has one unweighted vote on all matters. In reviewing previous agendas and minutes, the SPWC deals primarily with operations and maintenance issues, capital planning for its assets within the service, and approval of water rates.

### 2.2 Regional Water Supply Commission

In 1997, the province enacted the *Capital Region Water Supply and Sooke Hills Protection Act (the "Act")*, which required the CRD to establish a regional water supply service with the following participants – City of Victoria, District of Oak Bay, District of Saanich, Township of Esquimalt, District of Central Saanich, Town of Sidney, District of North Saanich, District of Metchosin, City of Colwood, Town of View Royal, District of Langford and Sooke (now Juan de Fuca) Electoral Area. It is interesting to note that the three municipalities on the Saanich Peninsula

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<sup>1</sup> Regional District Committees and Commission, Province of British Columbia, December 2022.

<https://www2.gov.bc.ca/gov/content/governments/local-governments/governance-powers/powers-services/regional-district-powers-services/committees-commissions>



Water Commission are also members of the Regional Water Supply Commission, but are there to consider regional (as opposed to sub-regional) water supply issues.

The Act required the CRD to establish a Regional Water Supply Commission (RWSC), with the following purpose:

- a) to foster the provision of high-quality water for current and future users of the water supply service, and
- b) to encourage effective conservation of the water supply and stewardship over the water supply catchment area in cooperation with local governments, First Nations, the provincial government and the public.

Appointment to the Regional Water Supply Commission follows the CRD regional director appointments, with a total of 22 elected officials on the commission, with provision for alternate members. Based on population, some municipalities have more than one seat on the commission including Saanich (5), Victoria (4) and Langford (2), whereas the three Saanich Peninsula municipalities (North Saanich, Central Saanich and Sidney) have one seat each. In addition, the commission utilizes a weighted vote structure for certain votes, with total assigned votes of 87. Under this legislated structure, North Saanich (3 votes), Central Saanich (4 votes) and Sidney (3 votes) have a combined assigned voting strength of 10 of the total 87 assigned votes.

The RWSC has a much broader mandate than the SPWC, which includes but is not limited to: watershed protection, water quality, disaster planning and post-disaster mitigation, and regional levels of service. In February 2025, the CRD released a Draft Regional Water Supply Strategic Plan, which set commitments and strategic priorities to help guide the Regional Water Supply service for the next 30 years.

### 2.3 Water Advisory Committee

At the same time as the RWSC was created, a Water Advisory Committee (WAC) was also established, which is a public advisory committee comprised of representatives from First Nations, environmental and scientific organizations, residents and ratepayers, and other groups. The purpose of the advisory committee is to review options for water supply, water quality and water conservation; take into consideration the social and environmental impacts of the options; and make recommendations to be forwarded to the Regional Water Supply Commission.

The Water Advisory Committee is structured to consist of 10 to 15 members with a diversity of background, interests and geography. Committee members serve a two-year term to a maximum participation of three terms (i.e. six years), and the committee meets every 3 to 5 times a year as required (minimum of 2 meetings). Currently there are 14 members on the WAC, which includes one member from the Saanich Peninsula Water Commission (currently the Vice-Chair of the SPWC). In November 2024, the Terms of Reference of the WAC was amended to expand First Nations representation to include one representative from each First Nation in the CRD, who may participate at their pleasure as ex officio members.

## 2.4 Juan de Fuca Water Distribution Commission

Also in 1997, the Act required the CRD to establish a water distribution local service area for the District of Metchosin, City of Colwood, Town of View Royal, District of Langford and Juan de Fuca Electoral Area, as well as the District of Highlands and Town of Sooke. A standing committee of the board known as the Juan de Fuca Water Distribution Commission (JdFWDC) was established by bylaw, consisting of the 8 elected officials representing their respective jurisdictions based on CRD voting strength. As the boundaries of the JdFWDC are not adjacent to the Saanich Peninsula Water system, and that service addresses water distribution (rather than water supply) within its respective local service area, it is not directly affected by the potential amalgamation of the Saanich Peninsula Water Commission with the Regional Water Supply Commission.

## 2.5 Governance Summary and Observations

The Saanich Peninsula Water Commission and Regional Water Supply Commission both have similar functions which is “to foster the provision of high-quality water for current and future users of the water supply service”, as noted in the legislation which created the RWSC. From a governance perspective, a number of initial observations are presented below, which will be important factors when considering potential options with respect to amalgamation:

- The Saanich Peninsula Water Commission currently consists of 10 appointed members (1 available seat) including both elected officials and community members (including First Nations), each with an equal and unweighted vote.
- The Regional Water Supply Commission consists only of elected officials comprising 22 members from their respective communities, with representation and weighted voting strength based on the CRD formula (1 per 25,000 population).
- The Regional Water Supply Commission receives advice from the Water Advisory Committee, a public advisory committee comprised of commission, technical and community representatives. One representative from each First Nation in the CRD may participate as an ex officio member at their pleasure.
- The peninsula communities (North Saanich, Central Saanich, and Sidney) already have one commissioner each on the Regional Water Supply Commission, meaning that there is currently some general overlap in water supply governance between the Saanich Peninsula Water Commission and Regional Water Supply Commission, notwithstanding the legislative difference in commission makeup and voting strength.
- The Regional Water Supply Commission addresses strategic regional issues related to watershed protection, water quality, water conservation and levels of service, whilst the Saanich Peninsula Water Commission historically has been limited to operations and maintenance, capital planning with respect to its assets, and setting of rates.
- A potential amalgamation would see the Saanich Peninsula Water Commission letters patent dissolved, with its functions and decision-making authority transferred to the Regional Water Supply Commission. This would require consent from two-thirds of the participants (i.e. 2 of the 3 municipalities) as well as

approval from the Inspector of Municipalities. It would also require two-thirds consent from the Regional Water Supply Commission to accept the transfer of assets and liabilities.

- Based on the current CRD voting strength formula, there would likely be no change to the makeup of the 22-member Regional Water Supply Commission, as there is currently one commissioner each from the District of North Saanich, District of Central Saanich and Town of Sidney.
- Non-elected representation currently on the Saanich Peninsula Water Commission would be lost, but this could be supplemented by the Water Advisory Committee, which currently has representation from the SPWC Vice-Chair. Note that the Water Advisory Committee is advisory in nature.
- Future decision-making regarding water supply in the Saanich Peninsula could potentially be addressed more holistically and comprehensively by the Regional Water Supply Commission, based on one water supply for the entire region that it serves. This needs to be balanced against the potential loss of local control and representation from the Saanich Peninsula Water Commission, whether actual or perceived.

### 3. OPERATIONS OVERVIEW

This section provides an overview of operations and maintenance for the Saanich Peninsula Water system, which is managed by staff within the CRD's Infrastructure and Water Services (IWS) Department, operating from its satellite facility located at the Saanich Peninsula Wastewater Treatment Plant.

#### 3.1 Water System Overview

CRD staff maintains an asset inventory of the Saanich Peninsula Water system, which can be summarized in the following categories:

- 35 kilometres of watermains
- 3 kilometres of intakes and drains
- 5 kilometres of abandoned mains
- 6 storage reservoirs
- 6 pumping stations
- 13 pressure control stations
- 20 meter stations
- 1 rechlorination station
- 10 hydrants
- 305 valves

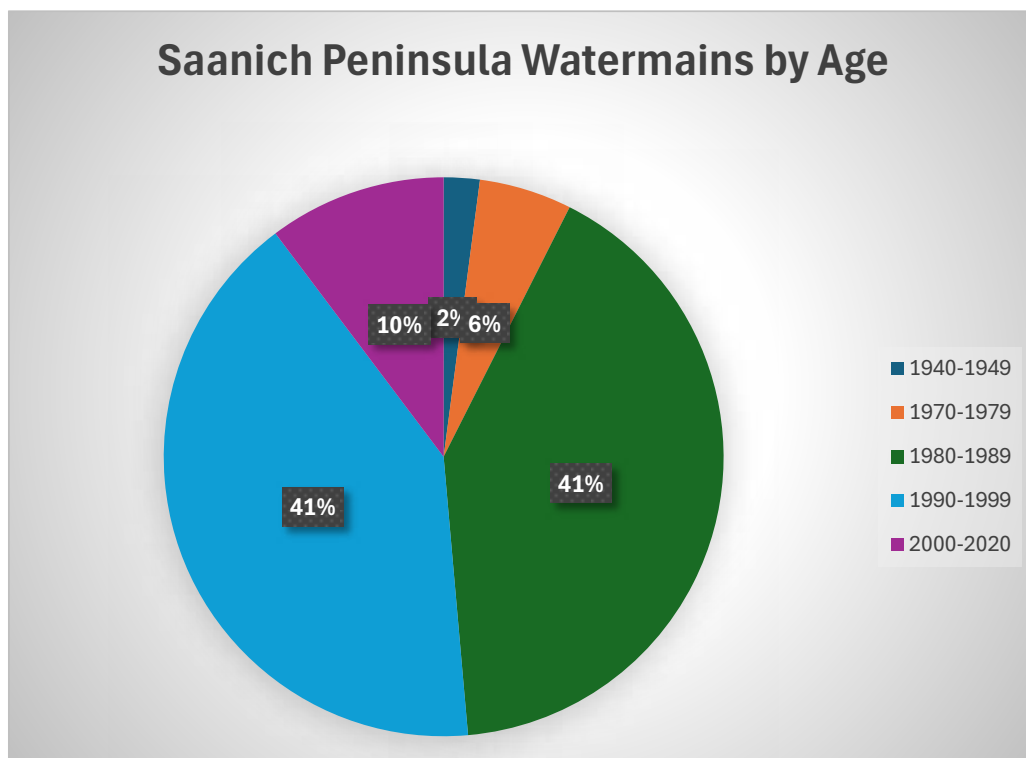
A more detailed breakdown of the 35km of active watermains by age and type is provided in the following tables and figures:

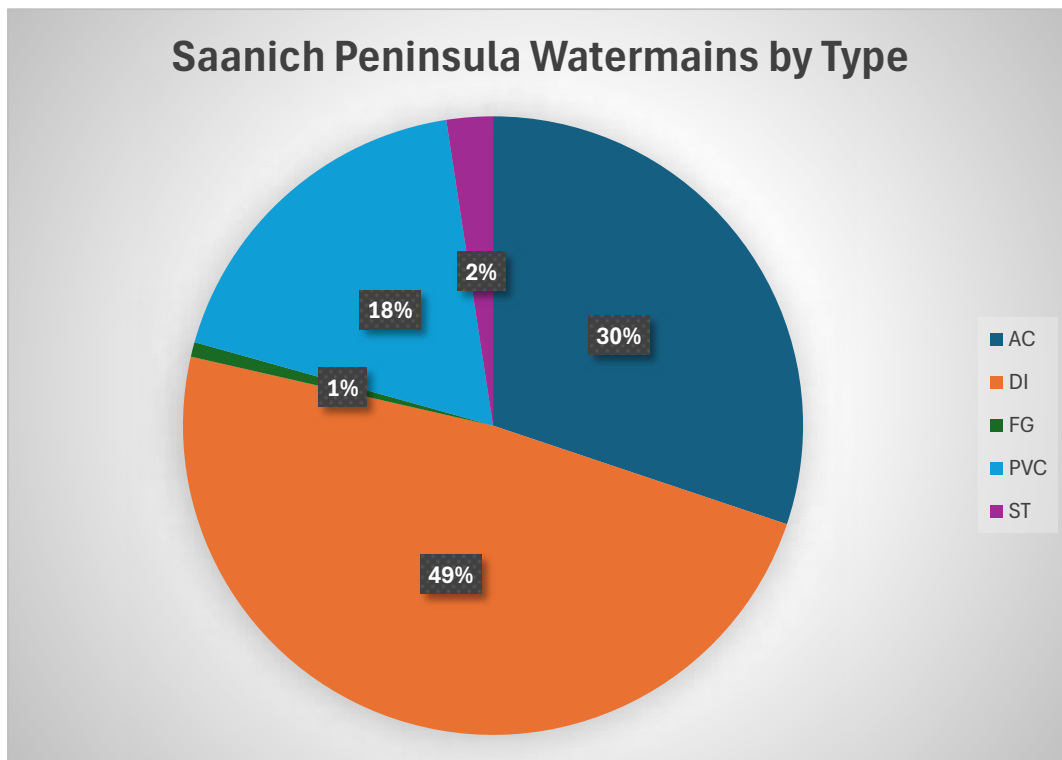
**Table 1: Saanich Peninsula Water System – Watermains by Age**

Age	# of Segments	Length (m)	% of Total
1940-1949	4	720	2%
1970-1979	21	1,860	5%
1980-1989	99	14,292	41%
1980-1989	154	14,276	41%
1980-1989	30	3,562	10%
<b>TOTAL</b>	<b>308</b>	<b>34,710</b>	<b>100%</b>

**Table 2: Saanich Peninsula Water System – Watermains by Material Type**

Material Type	# of Segments	Length (m)	% of Total
AC - Asbestos Cement	56	10,471	30%
DI - Ductile Iron	137	16,806	48%
FG – Permastrand	2	265	1%
PVC – Polyvinyl Chloride	82	6,331	18%
ST – Steel	31	838	2%
<b>TOTAL</b>	<b>308</b>	<b>34,711</b>	<b>100%</b>

**Figure 2 - Saanich Peninsula Watermains by Age**

**Figure 3 - Saanich Peninsula Watermains by Type**

The average lifespan of water assets will vary depending on the type of asset (e.g. building, reservoir, pump station, watermain, etc.), material, soil conditions, and other factors. With respect to watermain type, the majority are Ductile Iron (49%), followed by Asbestos Cement (30%) and then PVC (18%).

The majority (82%) of the Saanich Peninsula watermains were installed in the 1980s and 1990s, and as such are between 25 and 45 years old. Only 10% of the system was installed in the last 25 years, while 2% (720 metres) of the watermains were installed in the 1940s.

### 3.2 Asset Valuation

Since 2009, all local governments in British Columbia are required to account for and report their tangible capital assets as per the Public Sector Accounting Board (PSAB) 3150. This includes the acquisition/original construction cost, depreciation/amortization, and current book value. Based on these parameters, the estimated book value of infrastructure and assets for the Saanich Peninsula Water system is \$22.05 million, based on an acquisition value of \$40.63 million and accumulated depreciation of \$18.58 million. See Table 3 for more detailed information.

**Table 3: Cost and Accumulated Depreciation Values for Assets (Dec. 31, 2023)**

Asset Class	Description	Acquisition Value	Accumulated Depreciation	Book Value
1000	Land	\$1,100,045	(\$0)	\$1,100,045
2000	Buildings	\$27,448	(\$15,371)	\$12,077
3050	Equipment	\$1,733,620	(\$1,500,105)	\$233,516
4000	Work in Progress	\$1,716,347	(\$0)	\$1,716,347
5000	Engineering Structures	\$35,950,994	(\$16,971,202)	\$18,979,792
6000	Other Assets	\$97,191	(\$97,191)	\$0
	<b>TOTAL</b>	<b>\$40,625,646</b>	<b>(\$18,583,869)</b>	<b>\$22,051,777</b>

While PSAB 3150 requirements are suitable for accounting purposes within a local government's financial statements, they are less helpful in planning for the long-term management and eventual replacement of the water system infrastructure components. For this, an asset management plan is a common tool used by local governments to determine infrastructure condition, replacement value and timing, and developing a long-term financial strategy for sustainable service delivery. It is our understanding that the CRD has begun undertaking an Asset Management Plan for the Saanich Peninsula Water system with deliverables over the next 12 to 18 months.

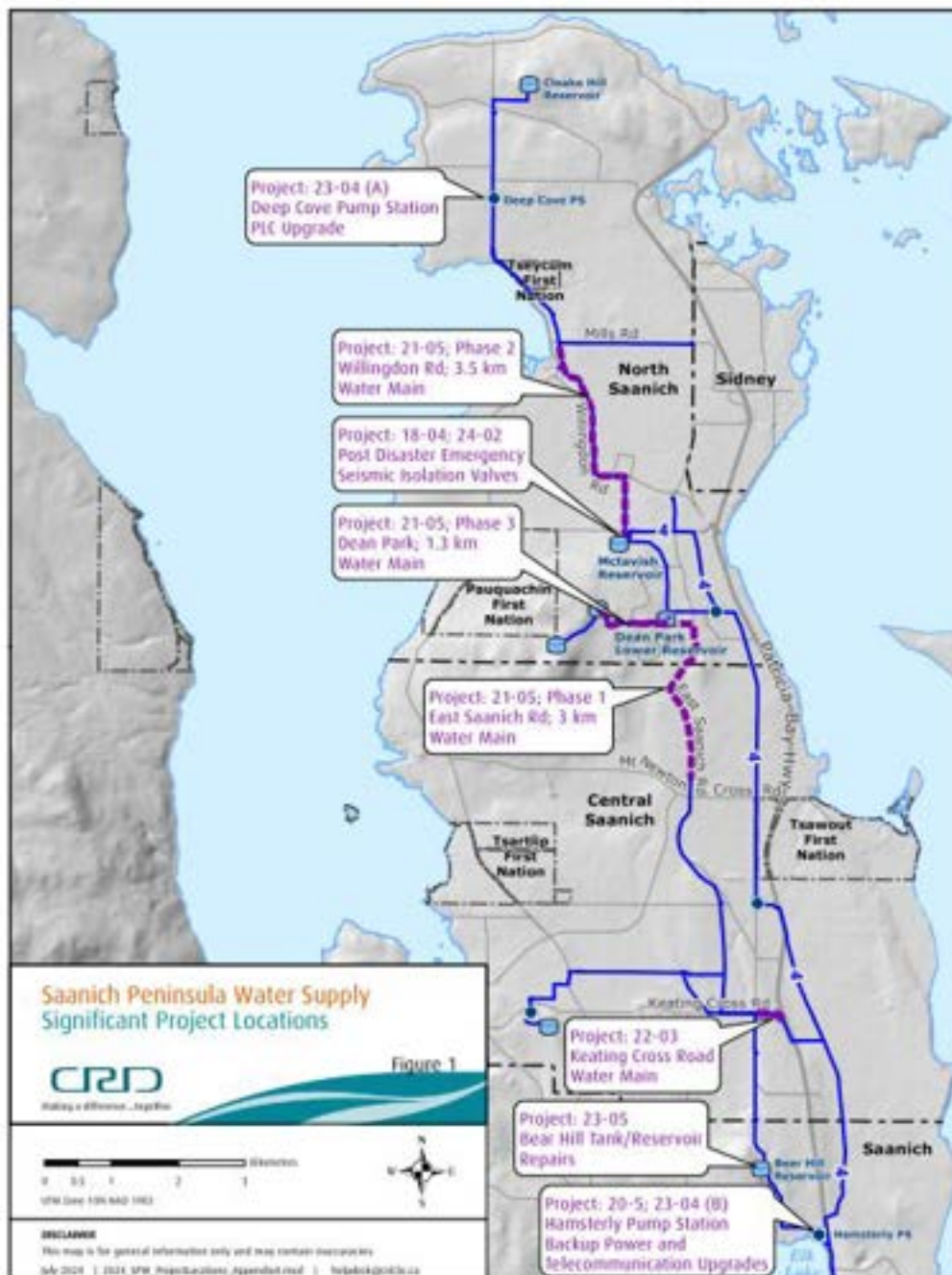
For 2025 budgeting purposes, the estimated Total Expenditures for the Saanich Peninsula Water service is \$8.325 million which is broken down as follows: \$1.882 million for Operating (23%), \$5.524 million for Bulk Water (66%), \$700,000 for Transfer to Capital and Other Reserves (8%), and \$219,300 for Debt Servicing (3%). See Appendix C for more detailed information and the next section for further discussion and analysis.

Based on discussions with IWS staff, there are an estimated 5 Full Time Equivalents (FTEs) dedicated to Saanich Peninsula Water operations, who also provide some support to water operations on the Southern Gulf Islands. Additional operations and management support is provided by Regional Water Supply and Juan de Fuca Water staff, as well as core support from the CRD for administrative, corporate, financial, legal, and other services (an overhead allocation of approximately \$206,000 has been accounted for in the Total Operating Expenditures).

Centralized capital delivery services amongst all the water services are provided and paid for on a project-by-project basis, with engineering and planning functions shared within Regional Water Supply services.

### 3.3 Capital Works Program

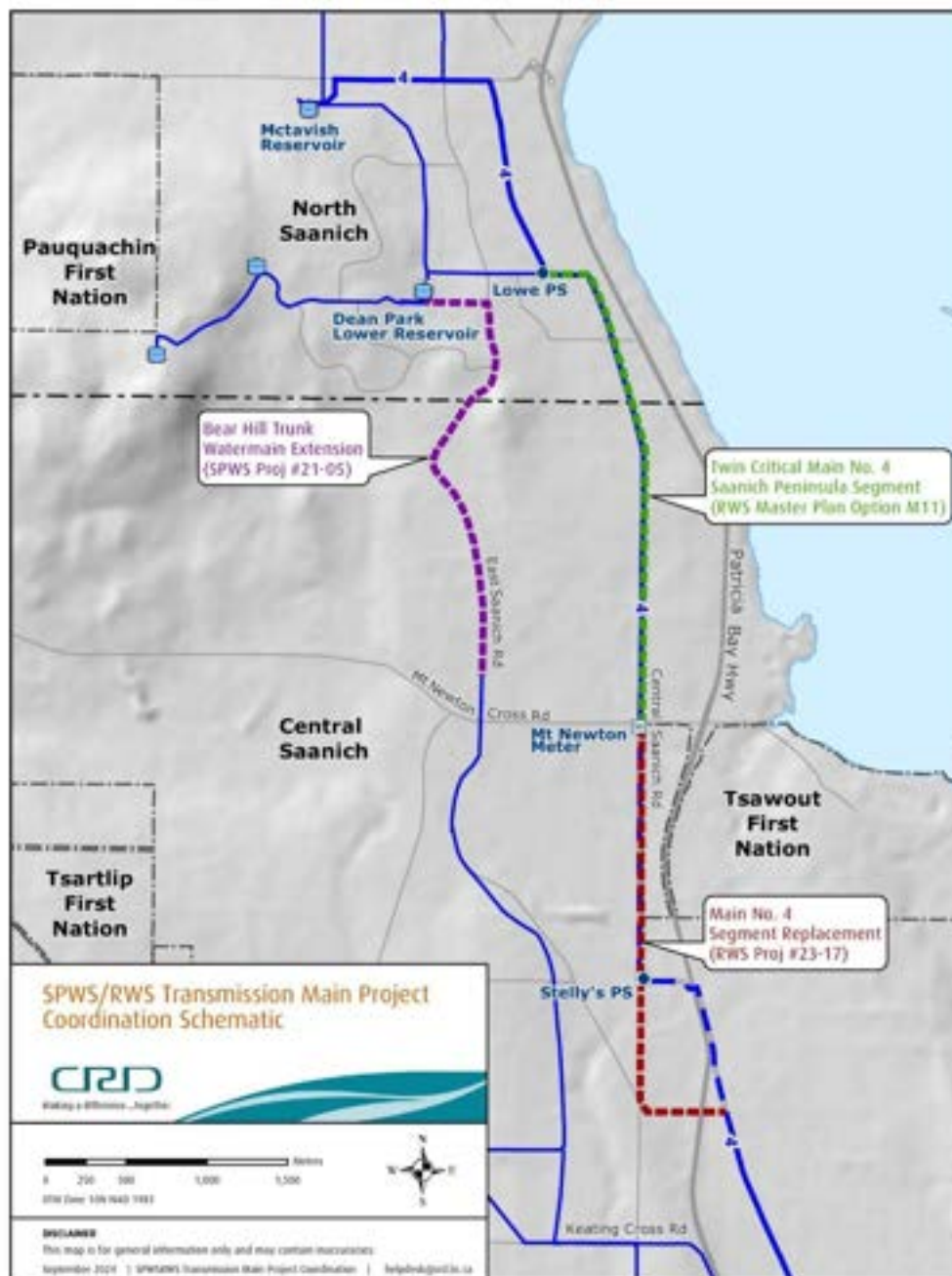
The budget in Appendix C also provides details on the proposed five-year capital expenditure plan for the Saanich Peninsula Water Commission, which totals approximately \$20.65 million and is shown graphically on Figure 4.





One of the more unique capital water projects is a coordinated effort between the Saanich Peninsula Water service and Regional Water Supply service for the Bear Hill Trunk Extension (see Figure 5). This is a new ~3-kilometre section of trunk watermain which will provide benefits to the Regional Water Supply system by improving redundancy and overall resilience of the network. As such, up to 50% of the estimated \$20.5 million (+/- 20%) capital cost is being funded by the Regional Water Supply service, with the other half to be funded by the Saanich Peninsula Water service through a previously approved loan authorization bylaw. The Bear Hill Trunk Extension is being bundled with the Main No. 4 Segment Replacement as one project, and is currently going through a Request for Proposal (RFP) process which closes on July 16, 2025.

**Figure 5 – Bear Hill Trunk Extension and Main No. 4 Replacement**



### 3.4 Water Supply versus Distribution

There are numerous components of the Saanich Peninsula Water system (e.g. large diameter transmission mains) which, in essence, operate as an extension of the Regional Water Supply system, by providing wholesale water to the boundary of the three Saanich Peninsula municipalities (North Saanich, Central Saanich, and Sidney), for them to distribute to ratepayers via their respective municipal water systems. However, based on review and discussions with IWS staff, there are also infrastructure components which are more aligned with water distribution, such as reservoir storage and smaller diameter water mains which only service one municipality. This may become an important factor to distinguish between regional water supply and local water distribution, when considering potential scenarios for the amalgamation of the Saanich Peninsula Water service with the Regional Water Supply service.

### 3.5 Operations Summary and Observations

From an operations perspective, a number of observations are presented which will be important factors when considering potential options:

- Although they are separate CRD services currently governed by two separate commissions, in many ways the Saanich Peninsula Water system operates as an extension of the Regional Water Supply system, as it provides the transmission of bulk water to its 3 partner communities for local distribution by each municipality.
- There are currently assets within the Saanich Peninsula Water system that solely benefit a single municipality, rather than strictly provide water supply for the sub-regional service.
- Approximately 5 FTEs are directly assigned to Saanich Peninsula Water service operations, who also provide support for Gulf Island water operations, whilst receiving additional operational support from Regional Water Supply and/or Juan de Fuca Water from time to time. This includes both water supply mains as well as more operationally complex reservoirs.
- Amalgamation may provide some efficiencies and operational savings, but these will likely be broad estimates due to the current inter-relationship between the water systems.
- Regional Water Supply service is currently providing up to 50% funding for the Bear Hill Trunk Extension, as it will provide long-term benefits to the regional water system, by providing redundancy and resiliency in the mains due to the interconnectedness of the water supply network. It is currently being tendered along with Main No. 4 Segment Replacement to promote construction efficiency and economies of scale.
- Historically, the focus of the Saanich Peninsula Water Commission was on operations and maintenance, with strategic planning being undertaken at the regional level. Depending on the amalgamation scenario chosen, this may be leading to different levels of services related to asset replacement and resiliency and emergency preparedness.
- The CRD maintains an inventory of water system components and has accounted for the amortization and book value of the assets. Undertaking an Asset Management Plan for the Saanich Peninsula Water system will help to further identify the condition, replacement cost, and long-term financial strategy to support sustainable service delivery.

## 4. FINANCIAL OVERVIEW

This section provides an overview of the financial components of the Saanich Peninsula Water service, including current expenditures, water rates, reserve funds, and debt servicing.

### 4.1 2025 Expenditures Budget

The following table provides a summary of the approved 2025 Expenditures Budget for the Saanich Peninsula Water service. Further details and a breakdown of the category expenditures can be found in Appendix C.

**Table 4: Saanich Peninsula Water 2025 Expenditures Budget**

Category	Amount	% of Total
Operating Expenditures	\$1,882,221	23%
Bulk Water Expenditures	\$5,523,840	66%
Capital Expenditures and Transfers	\$700,000	8%
Debt Servicing	\$219,300	3%
<b>TOTAL EXPENDITURES</b>	<b>\$8,325,361</b>	<b>100%</b>

As noted in Table 4, Operating Expenditures makes up a relatively small portion (23%) of Total Expenditures for the Saanich Peninsula Water Commission. Within that amount for operating expenditures, approximately \$1.224 million of the \$1.882 million goes towards operations staff, with an additional \$206,000 being allocated to standard overhead for other support staff from the CRD (e.g. administration, corporate services, finance, legal, communications, etc.).

Roughly two-thirds (66%) of the Total Expenditures for the Saanich Peninsula Water services goes towards the purchase of bulk water from the Regional Water Supply service. This is essentially a flow-through expense, as it is added to the amount required to be recovered from the municipal partners, as reflected in the water rates in the next section.

## 4.2 Water Rates

Table 5 below shows the approved water rates for 2025 applicable to the Saanich Peninsula Water service area. The water rates generate approximately 97% of the total revenue used to fund annual expenditures.

**Table 5: Water Rates Summary (2025)**

Category	Rate (per m <sup>3</sup> )
CRD bulk water purchase rate (charged to Saanich Peninsula Water Commission)	\$0.8631
Saanich Peninsula retail water rate (charged to individual municipalities – North Saanich, Central Saanich, Sidney)	\$1.2575
Agricultural Research Station rate	\$1.2927
Agricultural water rate	\$0.2105

The SPWC purchases bulk water from the CRD (Regional Water Supply service) at a rate of \$0.8631 per cubic metre, which represents the Bulk Water Expenditure line item of \$5.5 million shown in Table 4. It then sells it to each individual municipality in the Saanich Peninsula at \$1.2575 per cubic metre. The difference between the two (\$0.3944 per m<sup>3</sup>) represents the remaining annual expenditures of approximately \$2.8 million. This differential will be important when reviewing the various scenarios with respect to potential amalgamation.

There are two additional water rates related to agricultural users, including a specific rate for the Agricultural Research Station (Centre for Plant Health), and a reduced rate for all bona fide agricultural water users. For the latter, the CRD (through the Regional Water Supply service) subsidizes the difference between the agricultural water rate and the retail rate, which is accounted for as an expenditure on the RWSC budget (see Appendix D).

## 4.3 Reserve Funds

The SPWC maintains three separate reserve funds for various capital replacement purposes. As of December 31, 2024 the funds and their balances are shown in the following table:

**Table 6: Saanich Peninsula Water Reserve Fund Balances (as of Dec 31, 2024)**

Description	Reserve Balance
SPWS DCC Capital Reserve Fund	\$2,145,815
SPWS Capital Reserve Fund	\$3,664,382
SPWS Equipment Replacement Reserve Fund	\$1,670,050

The DCC (Development Cost Charges) Capital Reserve Fund is a statutory reserve which can only be used to fund projects outlined in the Saanich Peninsula Water DCC Bylaw program. The Bylaw was last updated in 2018, and at that time the cost of the projects identified was less than the amount in the DCC Reserve Fund. As such, the Saanich Peninsula Water DCC rates were set to \$0, and the DCC reserves will be applied against the DCC project costs when they are constructed, in order to draw down the DCC reserve balance accordingly. The other two reserve funds are less strict in their application, and are used to fund general capital expenditures and equipment replacement respectively, in accordance with the approved budget.

#### 4.4 Debt Servicing

At present, there is no long-term debt that is active within the Saanich Peninsula Water service area. As previously noted in Section 3.2, SPWC will be funding half of the Bear Hill Trunk extension (RWSC will fund the other half), with construction estimated to begin in late 2025 / early 2026. In preparation for this capital expenditure, the CRD (with appropriate municipal consent) authorized the *Saanich Peninsula Water Works Facilities Loan Authorization Bylaw No. 1*, which was adopted on October 13, 2021. This bylaw authorizes the CRD to borrow up to \$12.9 million dollars through the Municipal Finance Authority (MFA) for a term not exceeding 15 years. Once the debenture is activated (anticipated to start in 2026), then the estimated annual payment of \$1,210,343 will be applied within the Saanich Peninsula Water service area. Revenues to offset the additional debt payment will come from proposed increases to the retail water rate (see Appendix C), with the projected 2026 water rate at \$1.4919 per m<sup>3</sup>, or an 18.6% increase over the 2025 rate.

#### 4.5 Asset Retirement Obligation

In April 2022, a new requirement came into effect as part of PSAB 3280 to address Asset Retirement Obligations (ARO) in order to account for the legal obligations associated with the retirement of tangible capital assets. This is especially important for items that could be potentially hazardous or require special treatment at time of their disposal. For the Saanich Peninsula Water service, the long-term disposal (or discontinued use) of approximately 10.5 km of Asbestos Cement (AC) watermains will need to be factored into the ARO calculations. If the

decommissioned AC watermains require removal and disposal (rather than abandonment in place), then this will have additional cost implications over the disposal of other watermain types (e.g. PVC). As part of the Asset Management Plan currently underway for the Saanich Peninsula Water system, it would be helpful to incorporate the consideration of the future replacement and disposal of the AC watermains, as well as other potential Asset Retirement Obligations. This could be undertaken simultaneously with the Asset Management Plan, or as part of the next phase in the plan.

#### 4.6 Finance Summary and Observations

From a finance perspective, a number of observations are presented which will be important factors when considering potential options with respect to amalgamation:

- Both the Saanich Peninsula Water service and Regional Water Supply service utilize water rates (based on per m<sup>3</sup> usage) as its main form of revenue, as opposed to parcel taxes or flat user rates.
- In 2025, total expenditures for Saanich Peninsula Water service are budgeted at approximately \$8.325 million, with nearly two-thirds of that amount (\$5.524 million) allocated to Bulk Water Expenditures to the Regional Water Supply service.
- The Saanich Peninsula Water service purchases bulk water from the Regional Water Supply service at \$0.8631 per m<sup>3</sup> and then re-sells it to the municipalities within the Saanich Peninsula at \$1.2575 per m<sup>3</sup>. Bulk water is a “flow through” expenditure and would not be a specific line item under an amalgamation scenario. The difference in the two rates (\$0.3944 per m<sup>3</sup>) represents the amount required to fund the rest of the Saanich Peninsula Water operations, and this difference is one of the main financial considerations for the 3 municipal partners to consider amalgamation.
- As part of the construction of the Bear Hill Trunk extension in late 2025 / early 2026, 50% of the estimated \$20.5 million (+/- 20%) capital cost is being funded by Regional Water Supply service, with the other half funded by Saanich Peninsula Water service through an approved loan authorization bylaw of up to \$12.9 million. This would require an annual payment of up to \$1,210,343 over the next 15 years (depends on the actual amount of the debenture), with revenues to offset the debt payment coming from proposed increases to the retail water rate.
- In 2022, a new accounting standard (PSAB 3280) requires all local governments to consider its Asset Retirement Obligations (ARO) for all tangible capital assets. For the Saanich Peninsula Water system, there are approximately 10.5 km of Asbestos Cement watermain which will need to be factored into the ARO calculations, depending on how they will be disposed of at the end of their useful lives.
- At the end of 2024, the Saanich Peninsula Water service had approximately \$7.5 million in capital reserves, of which \$2.1 million was in a statutory Development Cost Charges (DCC) reserve fund and can only be used on future DCC projects. The remaining reserves are able to be utilized on various capital and equipment expenditures based on approved budgets.
- Any consideration of amalgamation options will need to factor in all sources of revenues and expenditures, capital reserves, and current and future financial obligations.

## 5. OPTIONS REVIEW

Previous sections of this report have provided an overview of governance, operations and finance as well as the set of initial project considerations identified in the introduction. Based on this background analysis, the following section outlines the potential impacts of amalgamation of the Saanich Peninsula Water service into the Regional Water Supply service based on those same three lenses. While there are a number of potential options to consider, this report provides two amalgamation scenarios for further deliberation by the CRD, commission members and interested parties, as well as a review and potential considerations for the status quo.

In addition to the three categories above (governance, operations and finance), an overarching consideration should be given to the guiding principle of “benefiter pay”. That is, if the benefits to the service are realized at a more local level (as opposed to regional) and more specifically for a single municipality only, then the ownership, operations and funding should ideally rest with that individual jurisdiction.

### 5.1 Scenario 1 – Complete Amalgamation

In this scenario, all assets and liabilities of the Saanich Peninsula Water system would be transferred to the Regional Water Supply system, and the service would be dissolved. The three municipalities on the Saanich Peninsula would purchase bulk water directly from the Regional Water Supply service, for distribution to their respective local residents and ratepayers.

#### 5.1.1 Governance Impacts

As part of the amalgamation process, the letters patent of the Saanich Peninsula Water Commission would be dissolved, with all assets and liabilities being transferred from the Saanich Peninsula Water service to the Regional Water Supply service. This would require a vote from at least two-thirds of the participants (i.e. two of the three municipal Councils), as well as approval from the provincial Inspector of Municipalities.

With respect to the Regional Water Supply service, amalgamation would also require approval by the Regional Water Supply Commission to accept the assets and liabilities, with at least a two-thirds vote from its participants. Both the provincial legislation (*Capital Region Water Supply and Sooke Hills Protection Act*), corresponding CRD bylaws that created both the regional service (Bylaw No. 2537), and the Regional Water Supply Commission (Bylaw No. 2539) already incorporate the three Saanich Peninsula municipalities as participants in the service. As such, it does not appear that any legislative amendments are anticipated with regard to the governance structure of the Regional Water Supply service or the Regional Water Supply Commission.

Any previous water purchase agreements between each of the three municipalities and the Saanich Peninsula Water service would be transferred to the Regional Water Supply service. This may require approval from the Regional Water Supply Commission and CRD Regional Board, to be consistent with current practices with the other municipalities.



Aside from the administrative requirements, the more significant impact to governance is the potential loss of sub-regional decision-making currently taking place at the Saanich Peninsula Water Commission. Depending on one's viewpoint, amalgamation can be seen either as a loss of local representation or the elimination of a layer of bureaucracy and process. Given that representation from each of the three Saanich Peninsula municipalities currently exists on the Regional Water Supply Commission, at a high-level it may appear that the Saanich Peninsula Water Commission is currently an extra layer of governance amongst the many CRD commissions and committees.

That said, a few important considerations that were previously highlighted bear repeating in this section. First, the structure and impact to the voting strength of the three Saanich Peninsula municipalities would be different at the regional level, with only 3 of 22 Regional Water Supply Commission seats/unweighted votes, and 10 of 87 assigned votes for items which required weighted voting. This may come into effect during the consideration of capital projects which may impact residents of the Saanich Peninsula, but it would be no different than a Commissioner from the City of Victoria considering the regional water benefits to a project in the District of Sooke, for example.

The other important consideration due to potential amalgamation is the loss of non-elected members currently on the Saanich Peninsula Water Commission, as the Regional Water Supply Commission is comprised only of elected officials. As previously noted, there is community representation on the Water Advisory Committee, which currently includes a dedicated seat for a representative from the Saanich Peninsula Water Commission. We would recommend that if amalgamation were to occur that the Saanich Peninsula Water Commission seat on the Water Advisory Committee remain, if not permanently then at least for a transition period (e.g. five years).

Finally, amalgamation would change how First Nations representation is addressed, from one voting seat on the Saanich Peninsula Water Commission to a number of ex officio (i.e. non-voting) seats on the Water Advisory Committee, with one potential seat for each First Nation in the Capital Regional District.

#### 5.1.2 Operations Impacts

As previously mentioned, all operations staff currently servicing the Saanich Peninsula Water system are CRD employees, working alongside Regional and Juan de Fuca water employees at Infrastructure and Water Services. Any transition of operations due to amalgamation would be relatively seamless, with any additional support from CRD administration, planning, finance, etc. also continuing as part of the overhead allocation provision in the budget. Given the current coordination amongst CRD staff for water supply and distribution services, and given that all existing Saanich Peninsula water infrastructure would be transferred, there is not anticipated to be any operational efficiencies as part of this amalgamation scenario. There will be some time savings for administration, finance and technical staff who currently support the Saanich Peninsula Water Commission meetings, but this is relatively nominal given the number of committees and commissions that staff support throughout the CRD.



One potential operational advantage to amalgamation is the opportunity to have a consistent level of service between the two water systems that provide similar function. For example, the Regional Water Supply Master Plan only considers the strategic long-term growth and resiliency planning for the regional system. Amalgamating the two systems would ensure that long-term planning extended to and across the Saanich Peninsula Water system, with services and infrastructure investments being prioritized holistically across the combined system.

### 5.1.3 Financial Impacts

As previously shown in Section 4.1, the Saanich Peninsula Water service operates on a budget of approximately \$8.325 million (2025) of which \$5.523 million is a “flow through” expense for bulk water expenditures, which would no longer apply under an amalgamated service. Under this scenario, and for simplicity purposes, the remaining \$2.802 million in annual operating expenses would be added to the Regional Water Supply budget, which is approximately \$44.959 million (2025) as detailed in Table 7 below. Adding the additional Saanich Peninsula Water costs to the Regional Water Supply budget (see Table 8) results in a total combined budget of \$47.761 million, or an increase of approximately 6.2%. If this increase was applied directly to the current bulk water rate of \$0.8631 per m<sup>3</sup>, this would theoretically raise the bulk water rate for all Regional Water Supply service users to \$0.9166 per m<sup>3</sup>.

**Table 7: Regional Water Supply 2025 Expenditures Budget**

Category	Amount	% of Total
Operating Expenditures	\$19,777,854	44%
Conveyance Fee for Service to First Nations	\$480,000	1%
Agricultural Water Rate Funding	\$1,850,000	4%
Capital Expenditures and Transfers	\$20,263,914	45%
Debt Servicing	\$2,587,255	6%
<b>TOTAL EXPENDITURES</b>	<b>\$44,959,023</b>	<b>100%</b>

**Table 8: Regional Water Supply and Saanich Peninsula Water Budget Combined**

Category	Regional Budget	Combined Budget	\$ Change (%)
Operating Expenditures	\$19,777,854	\$21,660,075	\$1,882,221 (9.5%)
Conveyance Fee for Service to First Nations	\$480,000	\$480,000	No Change
Agricultural Water Rate Funding	\$1,850,000	\$1,850,000	No Change
Capital Expenditures and Transfers	\$20,263,914	\$20,963,914	\$700,000 (3.5%)
Debt Servicing	\$2,587,255	\$2,806,555	\$219,300 (8.5%)
<b>TOTAL EXPENDITURES</b>	<b>\$44,959,023</b>	<b>\$47,760,544</b>	<b>\$2,801,521 (6.2%)</b>

Currently, the Saanich Peninsula retail water rate for 2025 is \$1.2575 per m<sup>3</sup>. Based on the assumptions in this scenario, theoretically that rate could drop to \$0.9166 per m<sup>3</sup>, or a potential savings for each of the three Saanich Peninsula municipalities of \$0.3409 per m<sup>3</sup>. With the 2025 demand estimate for the Saanich Peninsula Water system at 6,400,000 cubic metres, this results in a potential combined savings of \$2,181,760. This is a theoretical estimate based on broad assumptions, and would require additional detailed analysis and calculations to further refine the potential financial impacts.

Finally, it was previously noted that the CRD will likely be activating its previously approved \$12.9 million debenture for the Bear Hill Trunk Extension in 2026, to be paid for by the Saanich Peninsula Water service. Under this amalgamation scenario, as all infrastructure is being transferred to the Regional Water Supply service, it is assumed that this long-term debenture would go with it. This would increase the financial impact for all Regional Water Supply service participants by approximately \$1.21 million (approximately 2.7% of current Total Expenditures), annually for the next 15 years.

#### 5.1.4 Reserve Funds

As shown in Table 6, there is approximately \$7.5 million in capital reserve funds which would transfer from the Saanich Peninsula Water service to the Regional Water Supply service. Of that amount, approximately \$2.1 million would be placed in a statutory DCC Reserve fund to be used only on capital

projects outlined in the Saanich Peninsula Water DCC program. The remaining funds would be folded into the Regional Water Supply capital reserve and equipment reserve funds respectively.

#### 5.1.5 Timing of Transition

It is our understanding that a typical municipal consent process would take approximately 2 to 3 months, with another 2 to 3 months for Provincial review and approval once a bylaw has been passed (i.e. total of 4 to 6 months). Given that water rates are set annually at the beginning of the calendar year, the ideal transition time would be January 1<sup>st</sup>. It may be possible to initiate the transition mid-year, but it would require further discussion with CRD Finance. Given the upcoming review and discussion with the Commissions, consultation and engagement with interested parties, and legislative requirement, the anticipated timing for transition could potentially be on January 1, 2027.

### 5.2 Scenario 2 – Partial Amalgamation

By the nature of how they were created, the Regional Water Supply service consists of infrastructure related to water supply, whereas the Juan de Fuca Water Distribution service consists of infrastructure related to water distribution. Because the Saanich Peninsula Water service was created from the dissolution of three water improvement districts, it has elements of both water supply and water distribution. Some infrastructure provides trunk water supply throughout the Saanich Peninsula, whilst other infrastructure provides water distribution services to a single jurisdiction. Working with CRD staff, the following table identifies infrastructure within the Saanich Peninsula Water service that functions as water distribution infrastructure to a single municipality, and as such could be transferred to that respective municipality prior to dissolution of the Saanich Peninsula Water Commission. As such, only the regional supply infrastructure components would be transferred to the Regional Water Supply service, with the remaining water infrastructure considered part of the local jurisdictions' distribution system could be divided amongst each municipality, as per Table 9 and Appendix E. This is a high-level infrastructure assessment for the purpose of this report; further analysis, review and discussions with each of the three municipalities will be required to confirm potential ownership transfer of water distribution infrastructure under this scenario.

**Table 9: Potential Transfer of Infrastructure Ownership**

Transfer Ownership from Saanich Peninsula Water Commission to:	Infrastructure Description
District of North Saanich	<ul style="list-style-type: none"> <li>• Cloake Hill Reservoir</li> <li>• Dean Park Lower PS and Reservoir</li> <li>• Dean Park Middle PCS, PS and Reservoir</li> </ul>

Transfer Ownership from Saanich Peninsula Water Commission to:	Infrastructure Description
	<ul style="list-style-type: none"> <li>• Dean Park Upper Reservoir</li> <li>• Deep Cove PS</li> <li>• Amity PCS</li> <li>• Bazen Bay PCS</li> <li>• Towner PCS</li> <li>• Trunk Main from Towner PCS to Cloake Hill Reservoir</li> <li>• Trunk Main from Dean Park Lower Reservoir to Dean Park Upper Reservoir</li> </ul>
District of Central Saanich	<ul style="list-style-type: none"> <li>• Dawson Upper Reservoir</li> <li>• Dawson Upper PS</li> <li>• East Saanich PCS</li> <li>• Martindale PCS</li> <li>• Meadowbank PCS</li> <li>• Slugget PCS</li> <li>• Stelly's PCS</li> <li>• Trunk Main from Martindale PCS to Dawson Upper Reservoir</li> <li>• Keating Trunk Main</li> </ul>
Town of Sidney	<ul style="list-style-type: none"> <li>• McDonald Park PCS</li> </ul>
Capital Regional District – Regional Water Supply Commission	<ul style="list-style-type: none"> <li>• All remaining water supply infrastructure</li> <li>• Future Bear Hill Trunk Extension (construction starting in late 2025 / 2026)</li> <li>• Centre for Plant Health water service</li> </ul>

### 5.2.1 Governance Impacts

All of the preceding governance impacts outline in Scenario 1 are pertinent to this scenario. The main difference is that any language in the letters patent and/or bylaws which speaks to the transfer of assets and liabilities would need to be more precise, as there are four jurisdictions – District of North Saanich, District of Central Saanich, Town of Sidney and CRD (through the Regional Water Supply service) – who would be taking on the ownership and responsibility of the various water assets.

### 5.2.2 Operations Impacts

As noted in the previous section, due to the integrated working relationship within IWS amongst the various water supply and distribution services, there is currently staff coordination and efficiencies that have been established. Under this scenario, all local water distribution infrastructure would be transferred to the three Saanich Peninsula municipalities, and as such would lessen operational responsibilities at the CRD staffing level. Given the need for CRD staff to maintain operations for the remaining Saanich Peninsula Water supply infrastructure, as well as continue to support Gulf Island water operations, we have estimated a potential reduction of 2 FTEs for current CRD water operations, i.e. from 5 FTE to 3 FTE, or a 40% reduction.

Given the magnitude of some of the water distribution assets being potentially transferred to each municipality, some jurisdictions may have concerns about the capacity of their current water operations staff to take on these additional assets. Further discussion and consultation with each municipality would need to take place. An option that could be further explored is to have the CRD take on distribution system operations as a backstop, either as a temporary transition measure or potentially under a longer-term contractual arrangement.

### 5.2.3 Financial Impacts

Similar to Scenario 1, all bulk water expenditures would no longer be required as part of amalgamation. Under this scenario, we have accounted for a 40% savings to operating expenditures (based on 2 FTE reduction), and a 50% savings to capital expenditures due to the potential ownership transfer of distribution infrastructure from the Saanich Peninsula Water service to their respective municipalities. Also, we have not included any existing debt servicing for 2025, as it assumes that the Bear Hill debenture projected to start in 2026 would be borne by the Regional Water Supply service, given its overall benefits to regional supply. See Table 10 below for more information.

**Table 10: Potential Cost Efficiencies and Allocation to Regional Water Supply**

Category	Current SPWC	Potential Transfer to Regional	% Allocation
Operating Expenditures	\$1,882,221	\$1,129,333	60% (2 FTE savings)
Bulk Water Expenditures	\$5,523,840	\$0	0%
Capital Expenditures	\$700,000	\$350,000	50%

Category	Current SPWC	Potential Transfer to Regional	% Allocation
Debt Servicing	\$219,300	\$0	0% (Bear Hill debenture projected to start in 2026)
<b>TOTAL EXPENDITURES</b>	<b>\$8,325,361</b>	<b>\$1,479,333</b>	<b>18%</b>

Based on these assumptions, Table 11 shows the potential impact to the Regional Water Supply service budget when combined with the reduced Saanich Peninsula Water service operation costs. The overall impact to the Regional Water Supply service budget is approximately \$1.48 million, or approximately 3.3% increase from the current budget.

**Table 11: Regional Water Supply and Revised Saanich Peninsula Water Budget Combined**

Category	Regional Budget	Combined Budget	\$ Change (%)
Operating Expenditures	\$19,777,854	\$20,907,187	\$1,129,333 (5.7%)
Conveyance Fee for Service to First Nations	\$480,000	\$480,000	No Change
Agricultural Water Rate Funding	\$1,850,000	\$1,850,000	No Change
Capital Expenditures and Transfers	\$20,263,914	\$20,613,914	\$350,000 (1.7%)
Debt Servicing	\$2,587,255	\$2,587,255	No Change
<b>TOTAL EXPENDITURES</b>	<b>\$44,959,023</b>	<b>\$46,438,356</b>	<b>\$1,479,333 (3.3%)</b>

If this applied directly to the current bulk water rate of \$0.8631 per m<sup>3</sup>, this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.8916 per m<sup>3</sup>. Based on the assumptions in this scenario, the Saanich Peninsula Water retail rate would drop from \$1.2575 per m<sup>3</sup> to \$0.8916 per m<sup>3</sup>, or

a potential savings for each of the three Saanich Peninsula municipalities of \$0.3659 per m<sup>3</sup>. With the 2025 demand estimate for the Saanich Peninsula Water service at 6,400,000 cubic metres, this results in a potential combined savings of \$2,341,760. This savings in bulk water could be used to offset potential increases in municipal operations expenditures required to manage the additional assets. Similar to Scenario 1, the Regional Water Supply service would also take on the Bear Hill debenture starting in 2026, at approximately \$1.21 million for 15 years.

The biggest difference with this scenario versus Scenario 1 is that a significant amount of existing water distribution infrastructure is being transferred directly to the municipalities which directly benefit from those assets. This transfers the annual operations and maintenance and long-term capital refurbishment and replacement of the water distribution infrastructure. At this time, without a detailed asset inventory and Asset Management Plan in place, it is difficult to quantify the exact value of infrastructure being transferred to each of the Saanich Peninsula municipalities. This would need to be further refined once the Asset Management Plan is completed.

#### 5.2.4 Reserve Funds

With reference to Table 6, the \$2.1 million in DCC reserves would remain in a statutory DCC Reserve fund to be used only on capital projects outlined in the Saanich Peninsula Water DCC program. The remaining funds in the capital reserve and equipment reserve funds would be divided amongst the four participants – CRD Regional Water Supply service, District of North Saanich, District of Central Saanich, and Town of Sidney. In fairness, this could be divided based on the proportional value of the infrastructure assets being transferred to each jurisdiction, to be developed as part of the Asset Management Plan.

#### 5.2.5 Timing of Transition

The timing of transition for this scenario is the same as Scenario 1. Given the upcoming review and discussion with the Commissions, consultation and engagement with interested parties, and legislative requirement, the anticipated timing for transition could potentially be on January 1, 2027.

### 5.3 Scenario 3 – Status Quo

This option maintains both the Saanich Peninsula Water system and Regional Water Supply system as two separate and distinct services within the Capital Regional District. All assets and liabilities, revenues and expenditures, and capital reserves remain with the Saanich Peninsula Water service, and there is no transition period required.

Even though it remains status quo, there are a few opportunities for potential improvement as noted below:

- Complete the Asset Management Plan for the Saanich Peninsula Water service (currently in progress) in order to create a better asset inventory, condition assessment, capital refurbishment and replacement program, and long-term financial plan for sustainable service delivery.
- Undertake an Asset Retirement Obligation (ARO) review for the Saanich Peninsula Water service to determine the potential financial impact of the disposal of select infrastructure components (i.e. Asbestos Cement watermains) at the end of their useful lives.
- Continue dialogue between the Saanich Peninsula Water Commission and Regional Water Supply Commission, in order to identify areas of common interest and opportunities for collaboration on capital projects that are mutually beneficial.



## 6. CONSULTATION AND ENGAGEMENT

Although the Saanich Peninsula Water system does not provide direct water service to individual customers but rather to the three communities within the sub-regional service, there will likely be a broader interest in this study that goes beyond the 3 municipal partners, should there be interest from the Saanich Peninsula Water Commission in exploring options other than the status quo.

Once the Draft Report has been reviewed by the Saanich Peninsula Water Commission, there are a number of interested parties to be consulted with, including the following:

- Regional Water Supply Commission – review Draft Report in order to gauge initial response to potential amalgamation scenarios.
- Saanich Peninsula municipalities (District of North Saanich, District of Central Saanich, Town of Sidney) – review Draft Report and scenarios and discuss the potential impacts (operational, financial, administrative, etc.) for each participant.
- Centre for Plant Health – review water infrastructure servicing the property to confirm ownership and responsibility.

## 7. SUMMARY AND NEXT STEPS

The Capital Regional District is responsible for providing potable drinking water to over 430,000 residents and property owners within its jurisdiction. Within the mainland portion of Greater Victoria, this is managed by the CRD through a number of established services, each with its own operational, financial, and governance structures, including the following:

- Regional Water Supply service – watershed and source protection, regional water supply of treated water to all municipalities and one electoral area. Supported by the Regional Water Supply Commission and Water Advisory Committee.
- Juan de Fuca Water Distribution service – local water distribution to 6 municipalities and 1 electoral area within the Western Communities. Supported by the Juan de Fuca Water Distribution Commission.
- Saanich Peninsula Water service – combination of water supply and some components of water distribution to 3 municipalities within the Saanich Peninsula. Supported by the Saanich Peninsula Water Commission.

Given that the Saanich Peninsula Water service pre-dated the Regional Water Supply service by two decades, and the subsequent overlap of some infrastructure being related to water supply, it is prudent at this time to consider the potential amalgamation of the Saanich Peninsula Water service into the Regional Water Supply service to create a more comprehensive and cohesive water supply system for the CRD.

This report provides an overview of the governance, operations and finance components of the Saanich Peninsula Water service and considers a number of potential amalgamation scenarios, as follows:

- Scenario 1 (Complete Amalgamation) – transfers all existing Saanich Peninsula Water assets and liabilities (for both water supply and distribution infrastructure) to the Regional Water Supply service.
- Scenario 2 (Partial Amalgamation) – transfers the existing water supply assets from Saanich Peninsula to Regional, and existing water distribution infrastructure to their respective municipalities (District of North Saanich, District of Central Saanich, Town of Sidney) as appropriate.
- Scenario 3 (Status Quo) – maintains ownership and governance of water assets within the current service delivery structure.

The following are potential next steps within the scope of this study:

- Review the Draft Report with Saanich Peninsula Water Commission and seek their direction on whether to further investigate Scenario 1 or 2 and proceed with consultation, or move forward with Scenario 3 and not undertake any further work on this project.
- If Scenario 1 or 2 is under consideration, then present the Draft Report to the Regional Water Supply Commission to gauge their initial response on potential amalgamation scenarios.

- Continue work on the Asset Management Plan for the Saanich Peninsula Water system to better understand the age/condition of the infrastructure, replacement value, and long-term strategies to manage the water assets.
- Consider adding an Asset Retirement Obligation (ARO) review for the Saanich Peninsula Water service to the Asset Management Plan work, in order to determine the potential financial impact of the disposal of select infrastructure components (i.e. Asbestos Cement watermains) at the end of their useful lives.
- Once the Asset Management Plan has produced estimated replacement values for the water infrastructure, then begin consultation with the District of North Saanich, District of Central Saanich and Town of Sidney to review the amalgamation scenarios and further analyze the potential service delivery, operational and financial implications of each scenario on the individual municipalities (update and finalize Draft Report accordingly).
- Complete the consultation and engagement program before finalizing the document and reporting back to the Saanich Peninsula Water Commission to consider options moving forward.

# **APPENDIX A**

## **Saanich Peninsula Water Commission Letters Patent (consolidated version)**

**SAANICH PENINSULA WATER COMMISSION  
LETTERS PATENT**

(Scanned consolidated version)

CANADA

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United Kingdom, Canada, and Her Other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

To all to whom these presents shall come -

GREETING	(WHEREAS pursuant to the provisions
	(
	(of section 766 of the Municipal Act,
Minister of	(
Municipal Affairs	(the Capital Regional District was
And Housing	(
	(incorporated by Letters Patent issued
	(
	(on the 1 <sup>st</sup> day of February, 1966:

AND WHEREAS pursuant to the provisions of section 29A of the Municipal Act it has been deemed to be desirable and in the public interest that the Brentwood Waterworks District, the Deep Cove Waterworks District and the Sidney Waterworks District, being improvement districts incorporated under the Water Act be dissolved and all of the assets, rights, claims, obligations, liabilities, contracts, agreements, and bylaws of the said Brentwood Waterworks District be transferred to The Corporation of the District of Central Saanich and further that all of the assets, rights, claims, obligations, liabilities, contracts, agreements, and bylaws of the said Deep Cove Waterworks District be transferred to the District of North Saanich and further that all of the assets, rights, claims, obligations, liabilities, contracts, agreements and bylaws of the said Sidney Waterworks District be transferred to the Town of Sidney:

AND WHEREAS it is deemed to be desirable and expedient that the Capital Regional District be granted the function of water supply for the area comprised of the lands within the boundaries of The Corporation of the District of Central Saanich, the District of North Saanich and the Town of Sidney:

NOW KNOW YE THAT, by these presents, We do order and proclaim that the following be added to the objects, powers, obligations, duties, limitations, and conditions of the Capital Regional District:

DIVISION XVII - WATER SUPPLY (SAANICH PENINSULA).

1. Only the member municipalities of The Corporation of the District of Central Saanich, the District of North Saanich and the Town of Sidney participate in this function and share in the cost thereof:
2. The regional district is empowered to purchase water and to acquire, design, construct, reconstruct, purchase, maintain and operate facilities and to acquire all such real property, easements, rights-of-way, licences, rights, or authorities for the purpose of supplying water to The Corporation of the District of Central Saanich, the District of North Saanich, and the Town of Sidney for distribution by those municipalities in conformity with the planning policies contained in the Official Community Plans and Official Regional Plans adopted under the provisions of the Municipal Act and for the purpose of supplying water to the Department of Agriculture of the Government of Canada for distribution within its system and for its use only and not for resale.

**[Section 2 amended March 19, 1986.)**

3. The regional district is empowered by by-law to fix rates and charges for the supply of water to The Corporation of the District of Central Saanich, the District of North Saanich, and the Town of Sidney for distribution only within municipal boundaries except with the consent of the Regional Board, and for the supply of water to the Department of Agriculture of the Government of Canada for distribution within its system and for its use only and not for resale, and the provisions of section 640 of the Municipal Act, mutatis mutandis, apply to the regional district.

**[Section 3 amended March 19, 1986.)**

4. For the purpose of this function all assets, rights, claims, obligations, liabilities, contracts and agreements of the participating member municipalities with respect to water supply only, including those formerly held by the Brentwood Waterworks District, the Deep Cove Waterworks District and the Sidney Waterworks District, are hereby transferred to the regional district in trust for the use and enjoyment and fulfillment by the participating member municipalities, provided, however, that the transfer of real property together with any improvements thereon may at the discretion of the municipality be by lease to the regional district for water supply purposes. Any initial lease entered into in accordance with the provisions of this paragraph shall be at a nominal rental of \$1.00 (one dollar) per annum and the term shall not exceed ten years and it shall be renewable upon such terms agreeable to the owner municipality and the regional district, provided however in the event of a dispute between the two parties relative to cite renewal of the lease any issue in dispute shall be referred to the Comptroller of Water Rights whose decision shall be binding upon both parties.

5. For the purpose of this function bylaws of the participating member municipalities, including those of the former Brentwood Waterworks District, the Deep Cove Waterworks District and the Sidney Waterworks District, shall be deemed to be bylaws of the regional district where such bylaws or parts thereof relate to water supply, and the said bylaws or applicable parts thereof, as the case may be, shall be administered by the regional district and be amended or repealed by the Regional Board on the advice of the Saanich Peninsula Water Commission herein provided for.
6. For the year 1977 only, that part of the annual budget of the regional district which includes provision for the function granted by this Division shall, before coming into force and effect, be approved by the Inspector of Municipalities.
7. The annual net cost attributable to the function granted by this division, including annual debt charges, shall be apportioned among the member municipalities liable to share such costs on the following basis:
  - (a) Annual debt charges forming part of the annual net cost shall be reduced by subtracting therefrom the amount to the credit of a reserve fund created pursuant to Capital Regional District Bylaw No. 512 cited as the "Saanich Peninsula Water Supply Debt Reserve Fund Bylaw No. 1, 1978" as of December 31<sup>st</sup> of the immediately preceding year.
  - (b) The annual net cost as adjusted pursuant to (a) above shall be apportioned:
    - (i) by an amount equal to 0.115 dollars per thousand dollars on the total hospital assessment for the current year for all member municipalities and apportioned on that basis.
    - (ii) the balance of the net cost as follows:
 

1/3 on school assessments for the immediately preceding year within the benefiting specified areas as established by member municipalities for the purpose of water supply;

1/3 on the census population of the member municipalities as certified by the Inspector of Municipalities;

1/3 on the number of water connections in each member municipality as of 31<sup>st</sup> December of the immediately preceding year.

**[Section 7 amended September 27, 1984.]**

8. For the purposes of subsection (7) of section 786 of the Municipal Act, the Inspector of Municipalities may establish the amount of debt that may be incurred for this function.

9. There is hereby established a Saanich Peninsula Water Commission which shall consist of eleven members as follows:
- (1) (a) three members, one each appointed annually from and by the Council of The Corporation of the District of Central Saanich, the District of North Saanich and the Town of Sidney, respectively;
  - (b) three members, one each appointed on or before the 31<sup>st</sup> day of December, 1976, from and by the Board of Trustees of the Brentwood Waterworks District, the Deep Cove Waterworks District, and the Sidney Waterworks District respectively, each of whom shall hold office for a period of three years; and thereafter their successors, respectively, shall be appointed annually by the Councils of the Corporation of the District of Central Saanich, the District of North Saanich and the Town of Sidney.
  - (c) those members of the Council of The Corporation of the District of Central Saanich, the District of North Saanich and the Town of Sidney, who are Directors of the Regional Board of the Capital Regional District;
  - (d) two members appointed annually by the Regional Board of the Capital Regional District, each of whom shall be a resident of one of the participating municipalities but a person other than a member of the Board or of the Councils of The Corporation of the District of Central Saanich, the District of North Saanich or the Town of Sidney.
- (2) the Saanich Peninsula Water Commission shall, at its first meeting in each year, appoint a Chairman and a Vice-Chairman from and by the members thereof to hold office for that year or until a successor is appointed;
  - (3) should a member of the Commission appointed under sub-paragraph (1)(b) hereof resign, or for some other reason vacate or cease to hold office, the Minister of Municipal Affairs and Housing shall appoint a successor, provided however, that this provision shall cease to operate beyond the year 1979.
  - (4) There shall also be appointed annually from and by the Councils of The Corporation of the District of Central Saanich, the District of North Saanich, and the Town of Sidney respectively an alternate member who shall take the place of and have the vote of a specified member appointed pursuant to the provisions of clause (a) of sub-paragraph (1) of paragraph 9 in the case of any necessary absence from a meeting of the commission, and notice of appointment shall be given to the secretary of the commission appointed pursuant to paragraph number 13 before the alternate member may vote on any matter before the commission.

[Subsection (4) added in amendment of April 27, 1978.]



10. It shall be the duty of the Saanich Peninsula Water Commission to:
  - (1) advise the Regional Board on water supply matters on its own initiative or where such matters are referred to it be the Regional Board or the Council of a participating member municipality.
  - (2) act as liaison between the Regional Board and the member municipalities.
11. The Regional Board may, by bylaw, delegate such administrative powers to the Saanich Peninsula Water Commission as may be deemed expedient.
12. All matters concerned with the function or water supply granted by this Division, requiring legislative action by the Regional Board shall be referred to the Saanich Peninsula Water Commission at least thirty days before being acted upon by the Regional Board.
13. The Regional Board shall appoint a Secretary who shall be responsible for the preparation, maintenance and safe preservation of the minute books and other records of the transactions and other business of the Commission.
14. The Minutes and reports of the Saanich Peninsula Water Commission shall be submitted to the Regional Board and to the participating member municipalities.

AND THAT the Letters Patent of the Capital Regional District be deemed to be amended so as to conform to the premises as and from the date, of these supplementary Letters Patent.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent and the Great Seal of Our said Province to be hereunto affixed.

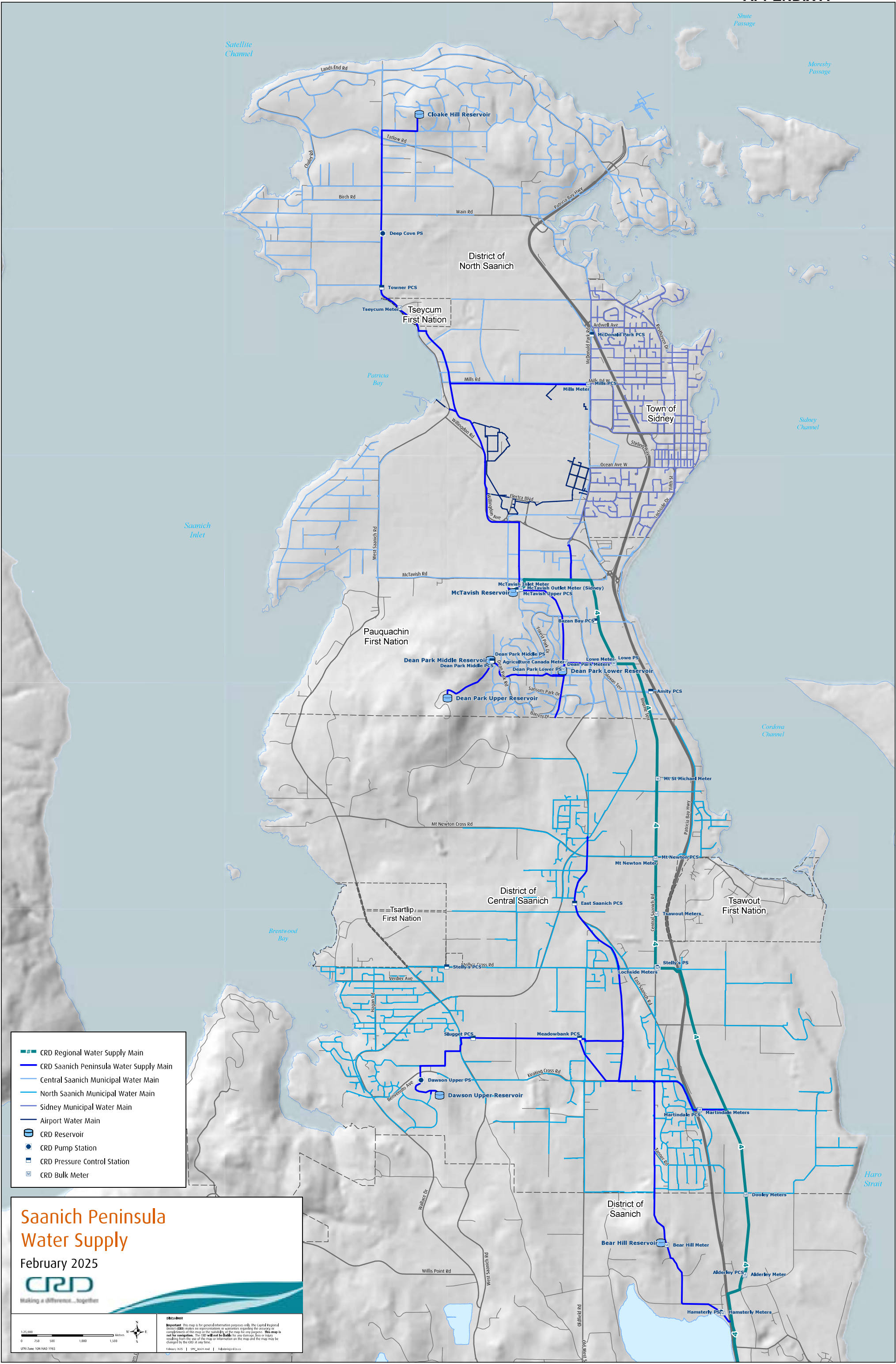
WITNESS, Colonel, the Honourable Walter S. Owen, Q.C., LL.D., Lieutenant- Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 22<sup>nd</sup> day of December in the year of Our Lord one thousand nine hundred and seventy-six and in the twenty-fifth year of Our Reign.

By Command.

D. Phillips  
Acting Provincial Secretary and  
Minister of Travel Industry.

# **APPENDIX B**

## **Saanich Peninsula Water Service Map**



# **APPENDIX C**

## **Saanich Peninsula Water Service 2025 Budget Summary**

# APPENDIX A

CAPITAL REGIONAL DISTRICT

Program Group: CRD-Saanich Peninsula Water Supply	2025 BUDGET REQUEST						FUTURE PROJECTIONS			
	2024 BOARD BUDGET 2	2024 ESTIMATED ACTUAL 3	2025 CORE BUDGET 4	2025 ONGOING 5	2025 ONE-TIME 6	TOTAL (COL 4, 5 & 6) 7	2026 8	2027 9	2028 10	2029 11
<b>SUMMARY</b>										
1										
<b><u>OPERATING EXPENDITURES:</u></b>										
ALLOCATION - OPERATIONS	1,171,082	1,045,952	1,224,190	-	-	1,224,190	1,248,690	1,273,685	1,299,173	1,325,173
UTILITIES	231,205	224,100	238,150	-	-	238,150	242,191	247,035	251,976	257,016
OPERATING - OTHER COSTS	189,748	191,370	213,660	-	-	213,660	220,841	230,725	241,353	252,793
ALLOCATION - STANDARD OVERHEAD	168,071	168,071	206,221	-	-	206,221	212,287	216,656	221,117	225,670
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,760,106</b>	<b>1,629,493</b>	<b>1,882,221</b>	<b>-</b>	<b>-</b>	<b>1,882,221</b>	<b>1,924,009</b>	<b>1,968,101</b>	<b>2,013,619</b>	<b>2,060,652</b>
*Percentage increase over prior year board budget			6.94%			6.94%	2.22%	2.29%	2.31%	2.34%
<b>TOTAL BULK WATER EXPENDITURES</b>	<b>5,180,160</b>	<b>5,261,100</b>	<b>5,523,840</b>	<b>-</b>	<b>-</b>	<b>5,523,840</b>	<b>6,089,445</b>	<b>6,998,550</b>	<b>7,885,545</b>	<b>8,853,240</b>
<b><u>CAPITAL EXPENDITURES &amp; TRANSFERS</u></b>										
TRANSFER TO CAPITAL RESERVE FUND	800,000	983,625	600,000	-	-	600,000	400,000	400,000	400,000	400,000
TRANSFER TO EQUIPMENT REPLACEMENT FUND	50,000	50,000	100,000	-	-	100,000	150,000	150,000	200,000	200,000
<b>TOTAL CAPITAL EXPENDITURES &amp; TRANSFERS</b>	<b>850,000</b>	<b>1,033,625</b>	<b>700,000</b>	<b>-</b>	<b>-</b>	<b>700,000</b>	<b>550,000</b>	<b>550,000</b>	<b>600,000</b>	<b>600,000</b>
<b><u>DEBT SERVICING</u></b>										
DEBT-INTEREST & PRINCIPAL	102,000	-	219,300	-	-	219,300	1,210,343	1,210,343	1,210,343	1,210,343
<b>TOTAL DEBT EXPENDITURES</b>	<b>102,000</b>	<b>-</b>	<b>219,300</b>	<b>-</b>	<b>-</b>	<b>219,300</b>	<b>1,210,343</b>	<b>1,210,343</b>	<b>1,210,343</b>	<b>1,210,343</b>
<b>TOTAL EXPENDITURES</b>	<b>7,892,266</b>	<b>7,924,218</b>	<b>8,325,361</b>	<b>-</b>	<b>-</b>	<b>8,325,361</b>	<b>9,773,797</b>	<b>10,726,994</b>	<b>11,709,507</b>	<b>12,724,235</b>
<b><u>SOURCES OF FUNDING-OPERATIONS</u></b>										
REVENUE -WATER SALES	(7,665,966)	(7,785,700)	(8,048,251)	-	-	(8,048,251)	(9,622,841)	(10,573,135)	(11,552,686)	(12,564,394)
REVENUE -OTHER	(226,300)	(138,518)	(277,110)	-	-	(277,110)	(150,956)	(153,859)	(156,821)	(159,841)
<b>TOTAL SOURCES OF FUNDING FROM OPERATIONS</b>	<b>(7,892,266)</b>	<b>(7,924,218)</b>	<b>(8,325,361)</b>	<b>-</b>	<b>-</b>	<b>(8,325,361)</b>	<b>(9,773,797)</b>	<b>(10,726,994)</b>	<b>(11,709,507)</b>	<b>(12,724,235)</b>
<b><u>SOURCES OF FUNDING-REQUISITION</u></b>										
PROPERTY TAX REQUISITION FOR DEBT	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REQUISITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
TRANSFER FROM PRIOR YEAR	-	-	-	-	-	-	-	-	-	-
TRANSFER TO FOLLOWING YEAR										
<b>TOTAL CARRY FORWARD (SURPLUS)/ DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SOURCES OF ALL FUNDING</b>	<b>(7,892,266)</b>	<b>(7,924,218)</b>	<b>(8,325,361)</b>	<b>-</b>	<b>-</b>	<b>(8,325,361)</b>	<b>(9,773,797)</b>	<b>(10,726,994)</b>	<b>(11,709,507)</b>	<b>(12,724,235)</b>
Percentage increase over prior year's board budget			5.49%			5.49%	17.40%	9.75%	9.16%	8.67%
Water Rate \$ per cu. m.	\$ 1.1978					\$ 1.2575				
Percentage increase	4.71%					4.99%				

**CAPITAL REGIONAL DISTRICT**  
**FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2025 to 2029**

<b>Service No.</b>	<b>2.610</b>	<b>Carry Forward from 2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>TOTAL</b>
	<b>Saanich Peninsula Water Supply</b>							

**EXPENDITURE**

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$690,000	\$490,000	\$300,000	\$300,000	\$300,000	\$100,000	\$1,490,000	
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$2,665,000	\$15,510,000	\$1,569,000	\$1,950,000	\$1,100,000	\$525,000	\$20,654,000	
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$3,355,000</b>	<b>\$16,000,000</b>	<b>\$1,869,000</b>	<b>\$2,250,000</b>	<b>\$1,400,000</b>	<b>\$625,000</b>	<b>\$22,144,000</b>	

**SOURCE OF FUNDS**

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$0	\$12,900,000	\$0	\$0	\$0	\$0	\$12,900,000	
Equipment Replacement Fund	\$40,000	\$240,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,040,000	
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$3,315,000	\$2,860,000	\$1,669,000	\$2,050,000	\$1,200,000	\$425,000	\$8,204,000	
	<b>\$3,355,000</b>	<b>\$16,000,000</b>	<b>\$1,869,000</b>	<b>\$2,250,000</b>	<b>\$1,400,000</b>	<b>\$625,000</b>	<b>\$22,144,000</b>	

# **APPENDIX D**

## **Regional Water Supply 2025 Budget Summary**

# APPENDIX A

## CAPITAL REGIONAL DISTRICT

Program Group: CRD-Regional Water Supply	2025 BUDGET REQUEST						FUTURE PROJECTIONS			
	2024 BOARD BUDGET	2024 ESTIMATED ACTUAL	2025 CORE BUDGET	2025 ONGOING	2025 ONE-TIME	TOTAL (COL 4, 5 & 6)	2026	2027	2028	2029
SUMMARY	2	3	4	5	6	7	8	9	10	11
1										
<b><u>GENERAL PROGRAM EXPENDITURES:</u></b>										
WATERSHED PROTECTION	6,787,022	6,721,464	6,879,383	52,342	-	6,984,067	7,123,748	7,266,223	7,411,548	7,559,779
WATER OPERATIONS	7,385,305	7,568,379	7,842,702	295,839	-	8,138,541	8,322,590	8,533,263	8,753,440	8,979,453
WATER QUALITY	2,045,342	2,047,559	2,133,179	-	-	2,133,179	2,176,457	2,220,606	2,265,668	2,311,647
CROSS CONNECTION	800,530	797,456	836,509	-	-	836,509	862,038	886,837	913,347	939,791
DEMAND MANAGEMENT	761,302	763,011	859,872	-	-	859,872	878,943	900,088	923,930	946,867
INFRASTRUCTURE ENGINEERING	577,530	577,530	595,345	-	-	595,345	613,320	625,600	638,094	650,894
FLEET OPERATION & MAINTENANCE	(479,755)	(479,755)	(577,541)	-	-	(577,541)	(589,092)	(600,874)	(612,892)	(625,149)
ASSET & MAINTENANCE MANAGEMENT & GM SUPPORT *	602,891	437,017	807,882	-	-	807,882	828,617	849,363	871,169	893,602
<b>TOTAL OPERATING EXPENDITURES</b>	<b>18,480,167</b>	<b>18,432,661</b>	<b>19,377,331</b>	<b>348,181</b>	<b>-</b>	<b>19,777,854</b>	<b>20,216,621</b>	<b>20,681,106</b>	<b>21,164,304</b>	<b>21,656,885</b>
<i>Percentage increase over prior year's board budget</i>			4.85%			7.02%	2.22%	2.30%	2.34%	2.33%
<b>CONVEYANCE FEE FOR SERVICE TO FIRST NATIONS</b>	<b>900,000</b>	<b>450,000</b>	<b>480,000</b>	<b>-</b>	<b>-</b>	<b>480,000</b>	<b>500,000</b>	<b>525,000</b>	<b>550,000</b>	<b>575,000</b>
<b>AGRICULTURAL WATER RATE FUNDING</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,850,000</b>	<b>-</b>	<b>-</b>	<b>1,850,000</b>	<b>1,900,000</b>	<b>1,950,000</b>	<b>2,000,000</b>	<b>2,050,000</b>
			2.78%			2.78%	2.70%	2.63%	2.56%	2.50%
<b><u>CAPITAL EXPENDITURES &amp; TRANSFERS</u></b>										
TRANSFER TO WATER CAPITAL FUND	17,450,000	18,213,025	19,500,000	-	-	19,500,000	21,000,000	23,000,000	25,000,000	27,000,000
TRANSFER TO EQUIPMENT REPLACEMENT FUND	479,755	479,755	577,541	-	-	577,541	589,092	600,874	612,892	625,149
TRANSFER TO DEBT RESERVE FUND	108,040	35,040	186,373	-	-	186,373	580,090	422,090	597,890	301,090
<b>TOTAL CAPITAL EXPENDITURES &amp; TRANSFERS</b>	<b>18,037,795</b>	<b>18,727,820</b>	<b>20,263,914</b>	<b>-</b>	<b>-</b>	<b>20,263,914</b>	<b>22,169,182</b>	<b>24,022,964</b>	<b>26,210,782</b>	<b>27,926,239</b>
<b><u>DEBT SERVICING</u></b>										
DEBT - INTEREST & PRINCIPAL	2,896,242	2,874,791	2,587,255	-	-	2,587,255	4,809,274	9,166,280	13,256,825	17,889,131
<b>TOTAL DEBT EXPENDITURES</b>	<b>2,896,242</b>	<b>2,874,791</b>	<b>2,587,255</b>	<b>-</b>	<b>-</b>	<b>2,587,255</b>	<b>4,809,274</b>	<b>9,166,280</b>	<b>13,256,825</b>	<b>17,889,131</b>
<b><u>DEFICIT TRANSFERRED TO FOLLOWING YR</u></b>										
TRANSFER TO FOLLOWING YEAR DEFICIT CARRY FORWARD										
<b>TOTAL EXPENDITURES</b>	<b>42,114,204</b>	<b>42,285,272</b>	<b>44,558,500</b>	<b>348,181</b>	<b>-</b>	<b>44,959,023</b>	<b>49,595,077</b>	<b>56,345,350</b>	<b>63,181,911</b>	<b>70,097,255</b>
<b><u>SOURCES OF FUNDING</u></b>										
REVENUE - SALES	(41,278,152)	(41,522,220)	(43,842,409)	(348,181)	-	(44,190,590)	(48,432,927)	(55,341,200)	(62,001,961)	(69,214,105)
REVENUE - OTHER	(836,052)	(763,052)	(768,433)	-	-	(768,433)	(1,162,150)	(1,004,150)	(1,179,950)	(883,150)
<b>TOTAL SOURCE OF FUNDING FROM OPERATIONS</b>	<b>(42,114,204)</b>	<b>(42,285,272)</b>	<b>(44,610,842)</b>	<b>(348,181)</b>	<b>-</b>	<b>(44,959,023)</b>	<b>(49,595,077)</b>	<b>(56,345,350)</b>	<b>(63,181,911)</b>	<b>(70,097,255)</b>
TRANSFER FROM PRIOR YEAR	-	-	-	-	-	-	-	-	-	-
TRANSFER TO FOLLOWING YEAR SURPLUS CARRY FORWARD										
<b>TOTAL SOURCES OF FUNDING</b>	<b>(42,114,204)</b>	<b>(42,285,272)</b>	<b>(44,610,842)</b>	<b>(348,181)</b>	<b>-</b>	<b>(44,959,023)</b>	<b>(49,595,077)</b>	<b>(56,345,350)</b>	<b>(63,181,911)</b>	<b>(70,097,255)</b>
<i>Percentage increase over prior year's board budget</i>			5.93%			6.76%	10.31%	13.61%	12.13%	10.95%
Water Rate \$ per cu. m.	\$ 0.8094					\$ 0.8631	\$ 0.9441	\$ 1.0767	\$ 1.2039	\$ 1.3414
<i>Percentage increase over prior year</i>	5.14%					6.63%	9.39%	14.04%	11.82%	11.42%



**CAPITAL REGIONAL DISTRICT**  
**FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2025 to 2029**

<b>Service No.</b>	<b>2.670</b>	<b>Carry Forward from 2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>TOTAL</b>
	<b>Regional Water Supply</b>							

**EXPENDITURE**

Buildings	\$8,000,000	\$11,050,000	\$500,000	\$0	\$0	\$0	\$11,550,000
Equipment	\$8,550,000	\$14,643,500	\$3,690,000	\$3,425,000	\$2,015,000	\$2,565,000	\$26,338,500
Land	\$320,000	\$33,580,000	\$4,080,000	\$975,000	\$2,645,000	\$865,000	\$42,145,000
Engineered Structures	\$14,785,000	\$44,875,000	\$35,980,000	\$57,585,000	\$76,510,000	\$50,020,000	\$264,970,000
Vehicles	\$881,000	\$1,926,250	\$773,000	\$855,000	\$495,000	\$355,000	\$4,404,250

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<b>\$32,536,000</b>	<b>\$106,074,750</b>	<b>\$45,023,000</b>	<b>\$62,840,000</b>	<b>\$81,665,000</b>	<b>\$53,805,000</b>	<b>\$349,407,750</b>
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**SOURCE OF FUNDS**

Capital Funds on Hand	\$21,220,000	\$52,468,000	\$19,150,000	\$20,560,000	\$22,390,000	\$26,150,000	\$140,718,000
Debenture Debt (New Debt Only)	\$0	\$40,500,000	\$24,700,000	\$41,200,000	\$58,780,000	\$27,100,000	\$192,280,000
Equipment Replacement Fund	\$691,000	\$1,376,250	\$773,000	\$855,000	\$495,000	\$355,000	\$3,854,250
Grants (Federal, Provincial)	\$6,000,000	\$6,000,000	\$0	\$0	\$0	\$0	\$6,000,000
Donations / Third Party Funding	\$4,625,000	\$5,730,500	\$400,000	\$225,000	\$0	\$200,000	\$6,555,500
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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<b>\$32,536,000</b>	<b>\$106,074,750</b>	<b>\$45,023,000</b>	<b>\$62,840,000</b>	<b>\$81,665,000</b>	<b>\$53,805,000</b>	<b>\$349,407,750</b>
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# **APPENDIX E**

## **Saanich Peninsula Water Service – Supply vs. Distribution Infrastructure**





Making a difference...together

**DISCLAIMER**

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June 2025 | [Arc\\_SaanichPeninsulaAttorney\\_36x24.mxd](#) | [helpdesk@crd.bc.ca](#)



# Saanich Peninsula Water Commission Amalgamation Study

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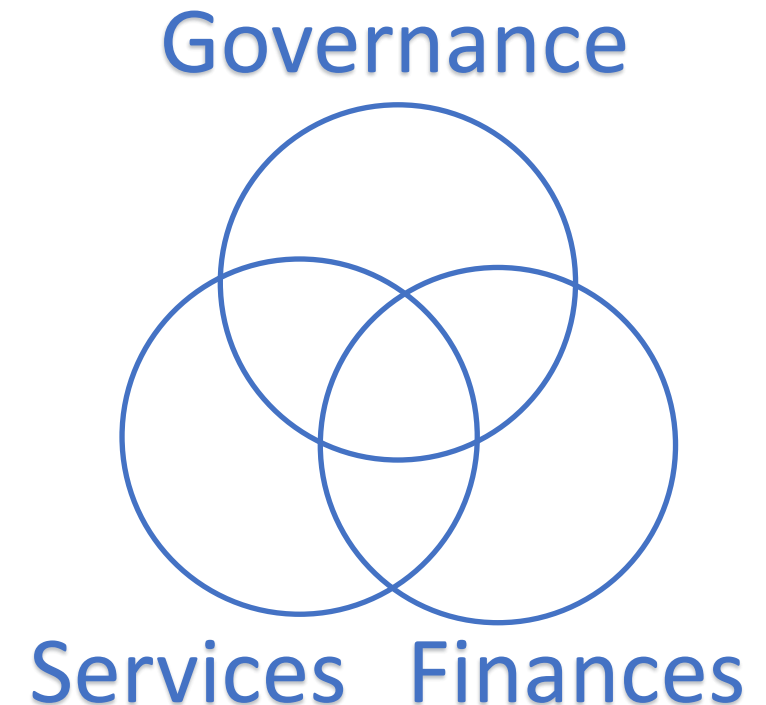
Presentation to Commission  
October 17, 2024



# Outline

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- Introductions
  - Dan Huang, RPP, MCIP – Principal, Connections Planning
- Background / Study Scope
- Services / Water System Overview
- Financial Overview
- Governance Overview
- Initial Analysis and Observations
- Next Steps
- Questions / Discussion

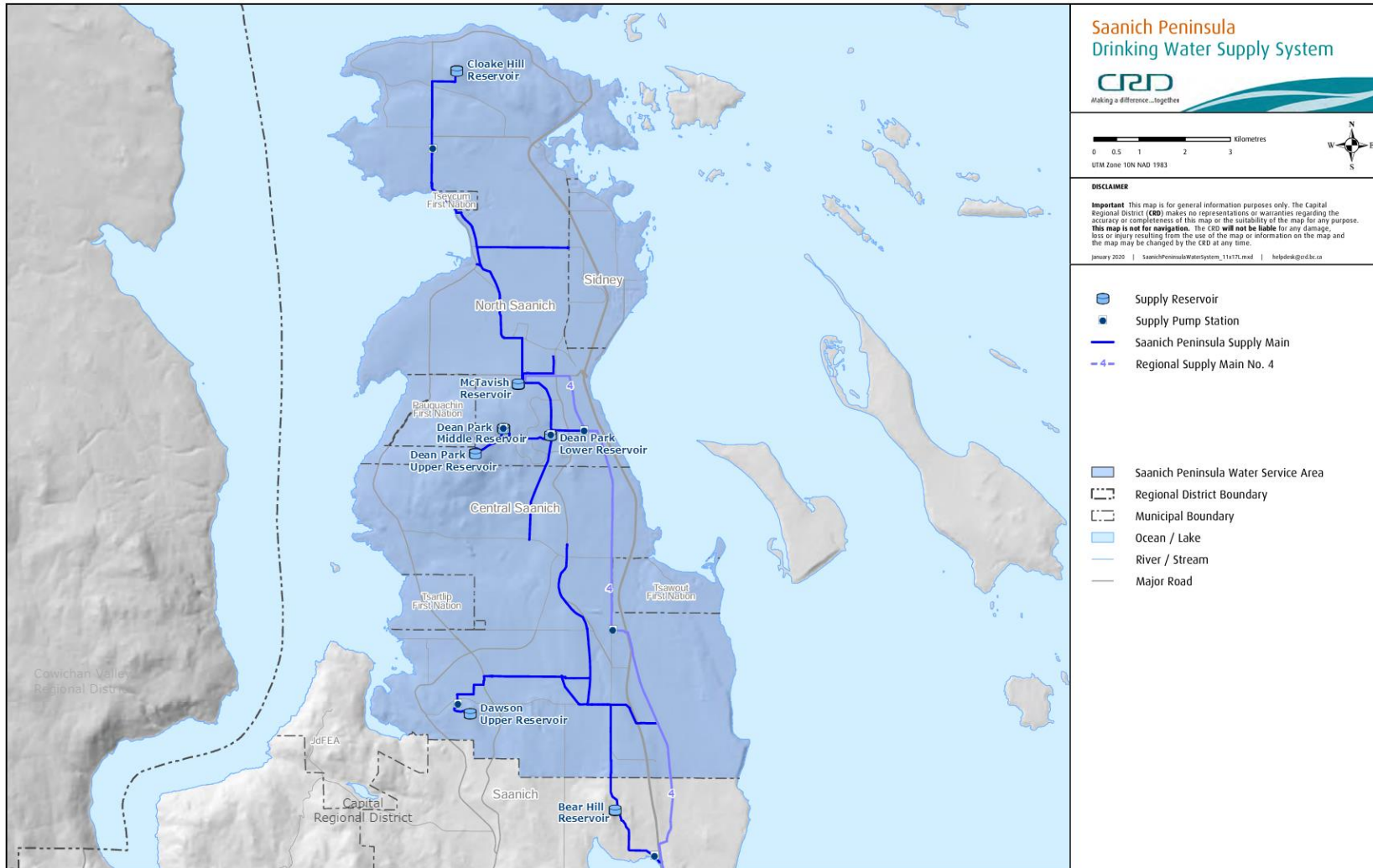


# Background / Scope

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- 1976 – Saanich Peninsula Water Commission established by letters patent (dissolution of 3 improvement districts) as a sub-regional service, to provide potable water supply to Sidney, North Saanich and Central Saanich
- 1997 – Regional Water System established for the capital region through provincial legislation, transferring assets, liabilities, management to CRD
- Saanich Peninsula water system is connected seamlessly to Regional Water system – it essentially purchases bulk water from Regional system and sells it to the 3 municipal partners for distribution to residents and ratepayers
- Scope of study is to review the pros and cons, and other considerations of the potential amalgamation of Saanich Peninsula water into the Regional Water system.

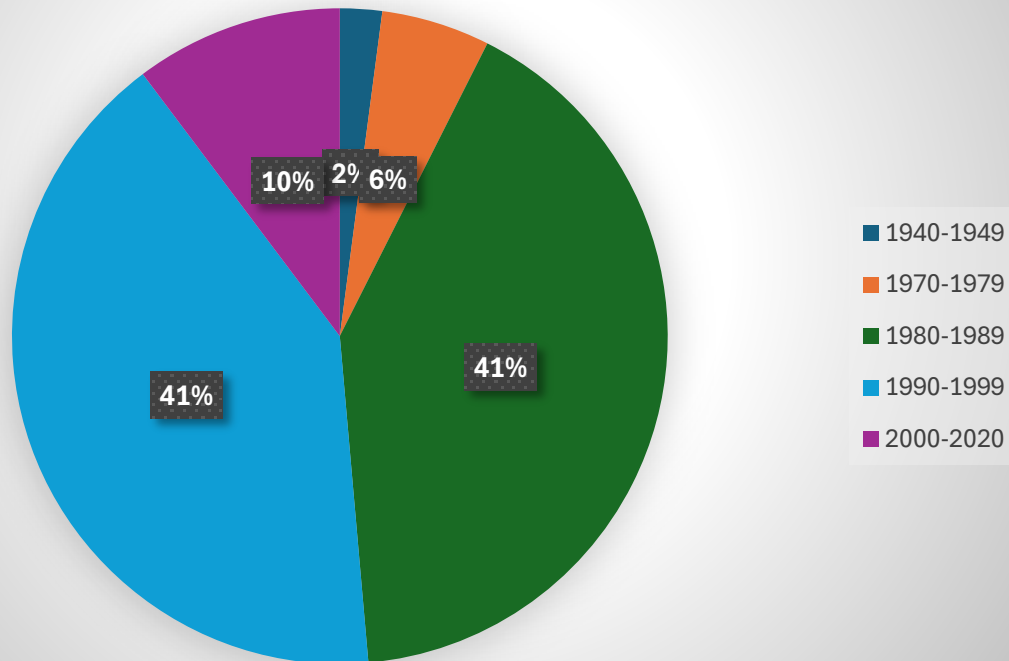
# Services / Water System Overview



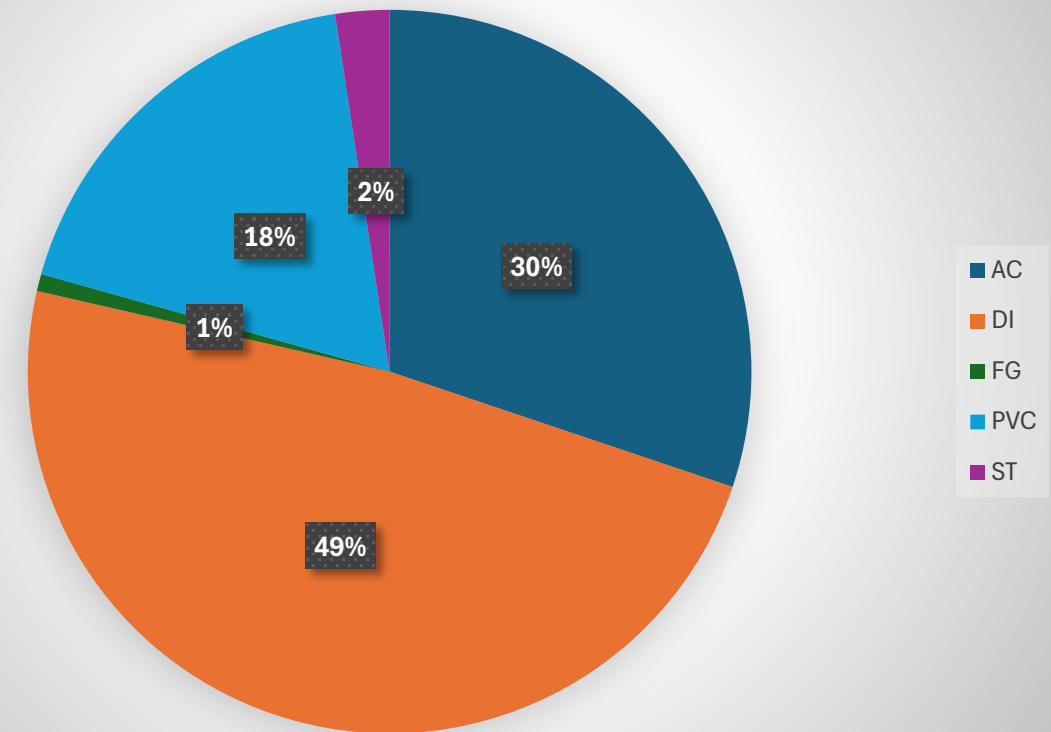
- 35km watermains
- 6 storage reservoirs
- 6 pumping stations
- 13 pressure control stations

# Services / Water System Overview

## Saanich Peninsula Watermains by Age



## Saanich Peninsula Watermains by Type





# Services / Water System Overview

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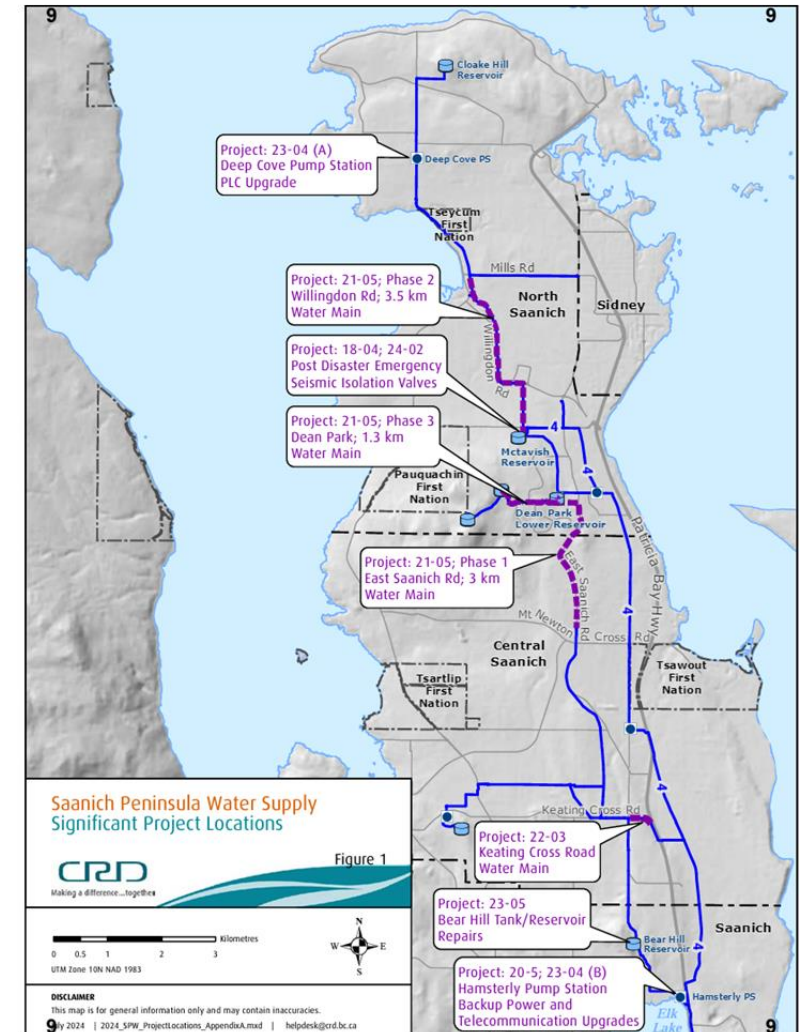
## OPERATIONS

- Saanich Peninsula and Gulf Islands Operations team operates and maintains the Saanich Peninsula Water System, including routine operational and preventative maintenance program, as well as corrective (unplanned) maintenance
- 2024 Total Operating Expenditures = ~7.9 million, of which ~\$2.7 million (34%) were for base operating and capital expenditures, and debt financing
- San Pen currently operates as an extension of the Regional Supply water system (except for storage capacity) – additional tier due to establishment timing
- Working with Integrated Water Services (IWS) team to identify potential operational and administrative efficiencies for a potential amalgamation with Regional Water.

# Services / Water System Overview

## CAPITAL WORKS

- Saanich Peninsula Water capital program reflects both annual and 5-year capital budget, approved in each year by the CRD Board:
  - 2024 capital program = ~\$11.0 million
  - 5-year capital program = ~\$22.2 million
- Majority of 5-year capital program is for the Bear Hill Transmission Main and other renewal and resiliency works, at ~\$14.7 million
- Capital works servicing Saanich Peninsula have regional benefits (e.g. Bear Hill) and vice versa.



# Financial Overview

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- SPWC purchases bulk water from Regional Water at \$0.8094 per m<sup>3</sup> and then re-sells it to the 3 municipalities at the following rates (2024):
  - Wholesale water rate = \$1.1978 per m<sup>3</sup>
  - Agricultural water rate = \$0.2105 per m<sup>3</sup>
  - Agricultural Research Station water rate = \$1.2330 per m<sup>3</sup>
- Difference in wholesale and bulk water rate (approx. **\$0.39 per m<sup>3</sup>**) is the main financial consideration for the 3 partners to consider amalgamation
- The majority of the current operating budget goes towards bulk water expenditures (~\$5.2M of ~\$7.9M, or 66%). This is a “flow through” expenditure and would be adjusted as part of amalgamation

# Financial Overview

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## RESERVE FUNDS

- Total Reserve Funds (2023) = \$7,632,247
  - DCC Reserve Account = \$2,100,815
  - Equipment Replacement Fund = \$1,807,050
  - Capital Reserves = \$3,724,372
- DCC Reserves would remain to fund specific Saanich Peninsula water projects, while other reserve funds would likely be pooled into the Regional Water reserve funds upon amalgamation

# Financial Overview

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## CAPITAL DEBT

- Capital Debt – MFA Bylaw No. 4411 = \$12.9 million debenture approved in 2021 for various capital expenditures over the next 5 years (e.g. Bear Hill)
- Further review needed on potential impacts of capital debt retention post-amalgamation

## ASSET RETIREMENT OBLIGATION (ARO)

- While not an operating liability, the long-term disposal of 10.5km of Asbestos Cement watermain will need to be factored into the ARO calculations and reporting under PSAB 3280 (working with CRD Finance to determine this consideration)

# Governance Overview

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- Saanich Peninsula Water Commission (SPWC) consists of 11 appointed members, including
  - Each participant's regional directors (3)
  - An additional appointed council representative (3)
  - A public representative from each community (3)
  - One First Nation representative, and
  - One agricultural representative
- Commission meets bi-monthly on the third Thursday of the month
- SPWC provides recommendations on bylaws, budgets (operating and capital), and other water system considerations

# Governance Overview

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- As part of Regional Water System transfer in 1997, a series of bodies were established to help govern the new service, including:
  - Regional Water Supply Commission – for overall regional water system
  - Juan de Fuca Water Distribution Commission – for supply/distribution of potable water to the Western Communities
  - Water Advisory Committee – public advisory committee comprised of reps from First Nations, environmental, other organizations, and residents/ratepayers
- Regional Water Supply Commission (RWSC) is comprised of 22 members, all elected officials from their respective communities
- Amalgamation would see the SPWC fold into the RWSC, with potential size increase to be determined

# Initial Analysis and Observations

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## OPERATIONS

- Work with IWS staff to determine operational/administrative efficiencies in amalgamating Saanich Peninsula Water with Regional Water Services
- Consider potential impacts to Gulf Islands Water operations (currently operated jointly with Saanich Peninsula Water operations)
- Review Saanich Peninsula water system works which have regional benefits, in support of amalgamation considerations
- Ensure that identified 5-year capital projects for Saanich Peninsula maintain same priority within a larger Regional Water capital program



# Initial Analysis and Observations

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## FINANCIAL

- Amalgamation will provide potential additional funding for 3 municipal partners, based on the current difference between the bulk water rate and wholesale rate
- Amount of potential funding will be determined by finalizing regional/sub-regional infrastructure components
- Additional operating expenditures (~\$2.6M) will be borne by the Regional Water service – working with Finance to determine potential impacts
- Debenture obligations to be further analyzed, with potential options to be considered regarding timing of amalgamation

# Initial Analysis and Observations

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## GOVERNANCE

- 11-member SPWC would dissolve and folded into 22-member (current) RWSC – additional members to be determined (Sidney, Central Saanich, North Saanich)
- Non-elected representation currently on SPWC would be lost, could be added to Regional Water Advisory Committee
- Future decision-making would be addressed at a more regional level – loss of control vs. one region, one water supply system
- Bylaws would need to be reviewed and updated as appropriate

# Next Steps

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- Continue to work with CRD staff to refine operations, finance and governance/administration considerations – Oct/Nov 2024
- Prepare Draft Report – Dec 2024
- Present to Saanich Peninsula Water Commission and Regional Water Supply Commission – Jan/Feb 2025

Questions? / Discussion?

# Saanich Peninsula Water Commission Amalgamation Study

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Presentation to Commission  
October 17, 2024

# Thank you!



**REPORT TO SAANICH PENINSULA WATER COMMISSION  
MEETING OF THURSDAY, JANUARY 18, 2024**

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**SUBJECT**     **Saanich Peninsula Water Commission Amalgamation with the Regional Water Supply Commission – Feasibility Study**

**ISSUE SUMMARY**

To inform the Saanich Peninsula Water Commission of a referral motion from the District of Central Saanich and to seek direction.

**BACKGROUND**

At its meeting of November 14, 2023, the District of Central Saanich Council approved the following referral motion:

*That the Saanich Peninsula Water Commission investigate the possibility of amalgamation with the Regional Water Supply Commission.*

In the late 1970s, the Capital Regional District was directed to establish a Saanich Peninsula Water Service to take on the water supply and expansion role previously undertaken by the Brentwood Waterworks District, Deep Cove Waterworks District, and the Sidney Waterworks District. The purpose of the service was to undertake the function of water supply, including obtaining land, rights of way, and facilities for doing so.

Votes are not weighted, and are conducted as one-member, one-vote. Membership is made up of each participant's regional directors, an additional council representative, and a public representative, along with a single First Nation representative and a single agricultural organization representative.

In the late 1990s, subsequent to the creation of the Saanich Peninsula Water Commission, the Regional Water System was created and the Province passed the Capital Region and Sooke Hills Protection Act, *SBC 1997, c 5* ("CRSHPA"), and its regulation, to transfer the management of the watershed and lands to the Capital Regional District (CRD).

Three governance bodies were created:

- The Regional Water Supply Commission, now operated by commission Bylaw No. 2539, "Regional Water Supply Commission Bylaw No. 1, 1997",
- The Water Advisory Committee, whose basic membership is set by the CRSHPA and its terms of reference, and
- The Juan de Fuca Water Distribution Commission, now operated by commission Bylaw No. 2540, "Juan de Fuca Water Distribution Commission Bylaw No. 1, 1997".

The CRSHPA gave the management of the water quality, system planning, and bulk delivery to the Regional Water Supply Commission, and created a separate Western Communities system expansion and service delivery function to be managed by the Juan de Fuca Water Distribution Commission.

The Regional Water Supply Commission is a delegated, administrative commission, responsible for major decisions relating to the service. Its voting is weighted in accordance with the weighted voting in the *Local Government Act*. Administration and operation decisions as well as contracts and property decisions are weighted, with other decisions unweighted. This mirrors the Board's weighted voting requirements.

Membership of the Commission is made up based on council appointments equal to the number of directors that participant has on the regional board, and the Juan de Fuca Electoral Area Director. There are no public members, First Nation, or agricultural members on the Commission, however, the advisory committee includes representation for First Nations and agricultural members.

The Regional Water Supply system includes a 130-kilometer transmission system which moves water from the treatment facilities to each of the individually run distribution systems. In the case of the Saanich Peninsula, the Regional Water Supply supplies bulk water to Saanich Peninsula Water which in turn supplies water to the individual municipal and First Nations distribution systems. Currently, Saanich Peninsula Water System is operated as an extension of the Regional Water System, providing a similar service to the Regional Water Transmission division, and sharing common operating procedures and emergency response and preparedness systems.

Though the infrastructure could be operated as a continuous water system, the current governance structure has created a delineation between the two-systems. This structure allows greater autonomy to the Saanich Peninsula communities to define their own service level expectations but also may limit the opportunities for operational efficiencies. By amalgamating the two systems there is potential for increased operational efficiencies, elimination of administrative burden, and improved redundancy and resiliency of the system.

## **ALTERNATIVES**

### *Alternative 1*

1. That staff be directed to undertake a feasibility study to explore the implications of amalgamating the Saanich Peninsula Water Commission with the Regional Water Supply Commission; and,
2. That this report be referred to the Regional Water Supply Commission for information.

### *Alternative 2*

That staff be directed to seek the endorsement of proceeding with a feasibility study from the District of Central Saanich, the District of North Saanich and the Town of Sidney and report back to the Commission.

## **IMPLICATIONS**

### *Service Delivery Implications*

The CRD would engage a third party to consider both the implication of the amalgamation to the Saanich Peninsula Water Commission municipal participants, as well as the Regional Water Supply Commission. The scope of the study would consider such aspects as:

- The conversion of the Saanich Peninsula letters patent.
- How the existing infrastructure and liabilities would be valued and transferred.

- Membership, representation and voting on the Regional Water Supply Commission, as well as implications to the membership at the Water Advisory Commission.
- Potential limitations on First Nations membership, representation and voting rights at the Regional Water Supply Commission.
- Review of operational efficiencies related to staffing, technology systems and procedures.
- The role of First Nations and how they would like to be involved in decision-making.
- Streamlining of Water Rate structure and Development Cost Charge programs.
- Recommendations on steps and timing of transition to minimize impacts.

Currently, the Saanich Peninsula Water Supply service has no outstanding debt obligations. However, with the 2024-2028 Capital Plan requiring the issuance of new debt the study will be timed to return recommendations before future obligations are incurred.

It is estimated this study would cost approximately \$40,000 and be funded through the current operating budget with no amendments to approved rates. It is expected the study will take approximately six months to complete from the time of initiation.

### *Intergovernmental Implications*

Upon completion of the study the findings would be presented to the Saanich Peninsula Water Commission. The Saanich Peninsula Water Service could be amended by two-thirds participant consent and Inspector of Municipalities approval. Conversion from Letters Patent requires service participants to consent to any change by two-thirds consent. This would also be done by municipal consent on behalf.

The Regional Water Service already includes the three Saanich Peninsula participants but may require an amendment to identify that it is not merely bulk supply but now also undertaking distribution to those communities. Any amendments to the Regional Water Supply Service Establishing Bylaw would require Regional Board approval, consent of the participants and Inspector of Municipalities. The typical process for municipal consent takes two months, with eight to 12 weeks for Provincial review once a bylaw is passed.

Change to commission bylaws may be done by the CRD Board with three readings and adoption at a regular meeting. No ministerial or participant approval is required.

## **CONCLUSION**

Further to the November 14, 2023 referral motion from the District of Central Saanich Council, staff have reviewed the original rationale for the creation of the Saanich Peninsula Water Service and the scope of the Regional Water Supply Service. Staff have found that there may be an unnecessary layer of governance which was required in 1976, prior to the creation of the Regional Water Supply Service that could be eliminated with potentially no impact to the level of services and with improved efficiencies for the users.

## **RECOMMENDATION**

1. That staff be directed to undertake a feasibility study to explore the implications of amalgamating the Saanich Peninsula Water Commission with the Regional Water Supply Commission; and,

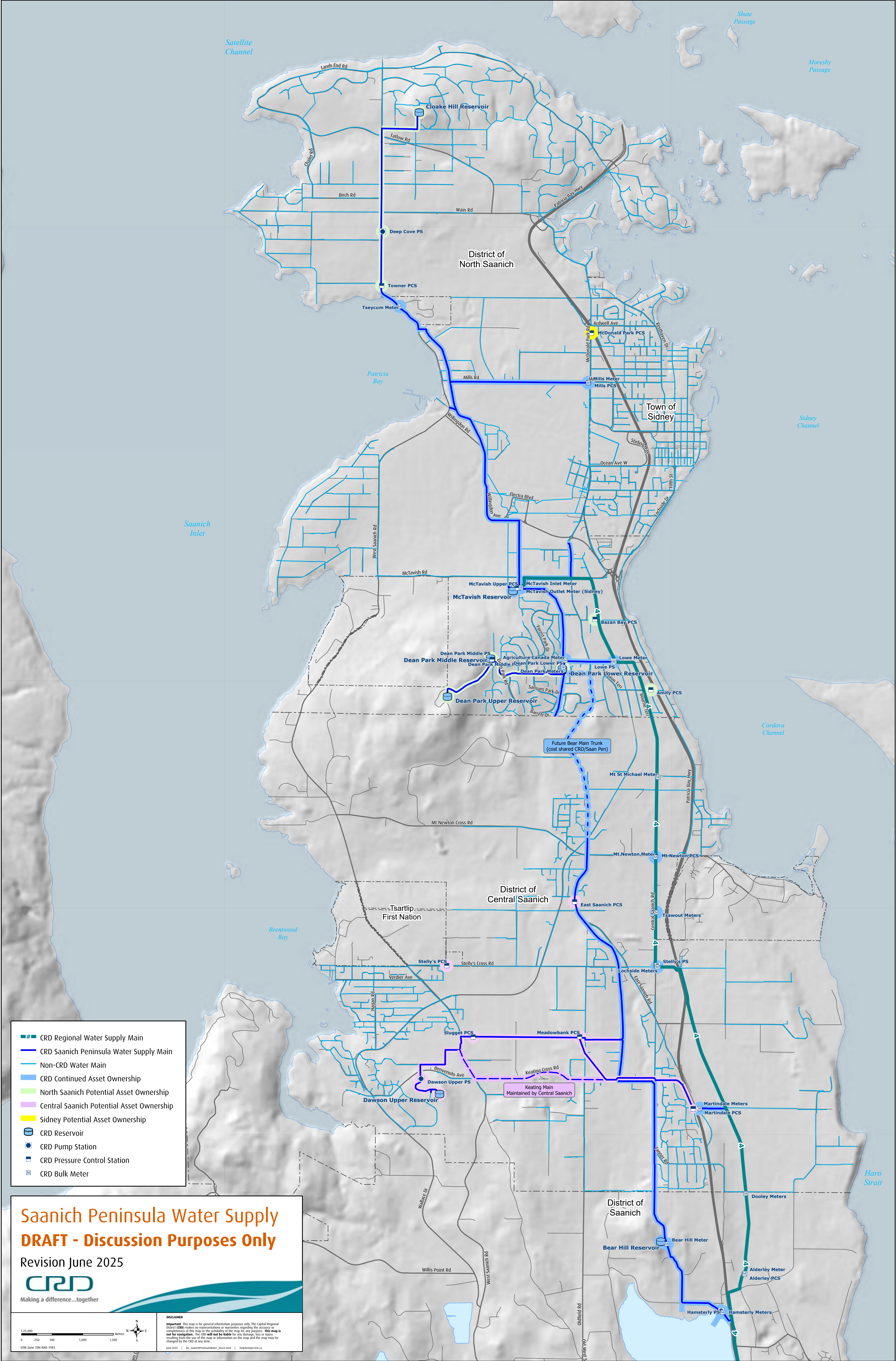
2. That this report be referred to the Regional Water Supply Commission for information.

Submitted by:	Alicia Fraser, P. Eng., General Manager, Integrated Water Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Supplementary Letters Patent







# Saanich Peninsula Water Commission Amalgamation Study

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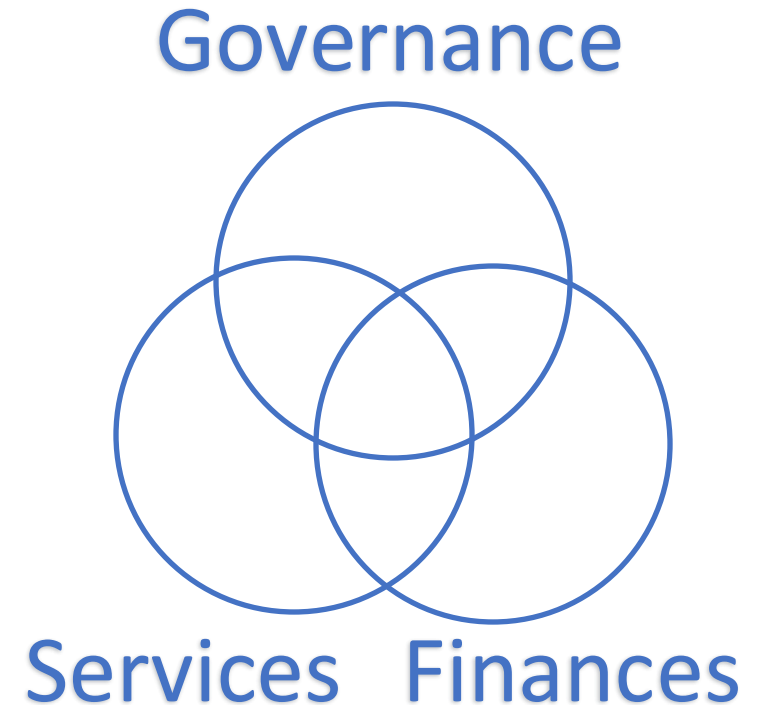
Draft Report Presentation  
July 17, 2025



# Outline

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- Introductions – Dan Huang, Connections Planning
- Project Background / Study Scope
- Draft Report – Current Overview
- Draft Report – Options Consideration
  - Scenario 1 – Complete Amalgamation
  - Scenario 2 – Partial Amalgamation
  - Scenario 3 – Status Quo
- Other Considerations
- Summary and Next Steps
- Questions / Discussion



# Background / Scope

---

- 1976 – Following dissolution of 3 improvement districts, the Saanich Peninsula Water Commission was established by letters patent as a sub-regional service, to provide potable water supply to Sidney, North Saanich and Central Saanich.
- 1997 – Regional Water Supply system established through provincial legislation for the majority of the capital region, transferring assets, liabilities, and management to CRD.
- Today, the Saanich Peninsula Water system is connected seamlessly to Regional Water Supply system – it purchases bulk water from the regional system and sells it to the 3 municipal partners for distribution to local residents and ratepayers.
- Scope of study is to review the pros and cons (and other considerations) of the potential amalgamation of the Saanich Peninsula Water system into the Regional Water Supply system.

# Draft Report – Current Overview

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- The Draft Report provides an overview of governance, operations and finances for both Saanich Peninsula Water system and the Regional Water Supply system.
- An overview summary and initial observations was previously presented to the Saanich Peninsula Water Commission on October 17, 2024.
- Governance Overview
  - Saanich Peninsula Water Commission consists of elected officials and community members, including First Nations, with unweighted votes (1 seat = 1 vote).
  - Regional Water Supply Commission consists of elected officials only from their respective communities (including the 3 peninsula municipalities). Voting is based on CRD weighted/non-weighted vote structures.
  - Water Advisory Committee provides advice to regional commission – TOR recently revised to include participation from all First Nations in the CRD (ex officio).

# Draft Report – Current Overview

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- Operations Overview

- Saanich Peninsula Water service maintains both sub-regional water supply and distribution infrastructure for the peninsula municipalities, based on its historical origins.
- Regional Water Supply service provides water source, treatment and supply throughout the CRD (except for the peninsula).
- There are currently assets within the Saanich Peninsula Water system that solely benefit a single municipality, rather than strictly provide water supply for the sub-regional service.
- Approximately 5 FTEs are directly assigned to Saanich Peninsula Water service operations, who receive additional operations support from time to time from staff at Regional Water Supply and/or Juan de Fuca Water. This includes both water supply mains as well as more operationally complex reservoirs.

# Draft Report – Current Overview

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- Financial Overview

- Both Saanich Peninsula Water and Regional Water Supply utilize water rates (based on a per m<sup>3</sup> usage) as its main form of revenue.
- Saanich Peninsula Water purchases bulk water from Regional Water Supply at \$0.8631 per m<sup>3</sup> and flows it through to each peninsula municipality at \$1.2575 per m<sup>3</sup>. The rate differential (\$0.3944 per m<sup>3</sup>) funds the remainder of Saanich Peninsula water operations.
- Saanich Peninsula Water infrastructure valued at \$22 million (book value), which is much less than its replacement values (Asset Management Plan underway will update these values).
- Regional Water Supply will be providing up to 50% capital funding for the Bear Hill Trunk Extension as it provides long-term benefits to the regional water system. The other half will be funded by Saanich Peninsula Water user from an approved loan authorization bylaw.

# Draft Report – Options Consideration

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- The Draft Report considers potential amalgamation scenarios based on the lenses of governance, operations and financial considerations.
- An overarching considerations should be given to the guiding principle of “**benefiter pay**”. If the benefits of a service (or infrastructure component) are realized at a more local level, and more specifically for an individual municipality, then the ownership, operations and funding should ideally rest with that individual jurisdiction.



# Scenario 1 – Complete Amalgamation

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- All assets and liabilities of the Saanich Peninsula Water system would be transferred to the Regional Water Supply system, and the service would be dissolved.
- The three municipalities on the Saanich Peninsula would purchase bulk water directly from the Regional Water Supply service, for distribution to their respective local residents and ratepayers.
- Would require a vote from at least two-thirds of the participants (i.e. two of the three municipal Councils) and approval from the Inspector of Municipalities.
- Would also require two-thirds consent from the Regional Water Supply Commission participants.

# Scenario 1 – Complete Amalgamation

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- Transfer of operations would be relatively seamless, although additional efficiencies are not anticipated under this scenario (nominal admin. savings).
- Benefits to long-term strategic infrastructure investments being prioritized and planned across the combined system.
- Does not align with “benefiter pay” principle, given the localized distribution infrastructure being transferred to regional water.
- Financial impacts – increases regional water budget by \$2.8 million (6.2% increase), theoretical water rates:
  - Regional – from \$0.8631 to \$0.9166 per m<sup>3</sup> (increase of \$0.0535 per m<sup>3</sup>)
  - Peninsula – from \$1.2575 to \$0.9166 per m<sup>3</sup> (decrease of \$0.3409 per m<sup>3</sup>)

# Scenario 2 – Partial Amalgamation

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- All assets related to water supply would be transferred to the Regional Water Supply system, and assets related to water distribution would be transferred to the peninsula municipality which benefits from the distribution infrastructure.
- Two-thirds vote of the participants applies, similar to Scenario 1.
- The three municipalities on the Saanich Peninsula would purchase bulk water directly from the Regional Water Supply service, for distribution to their respective local residents and ratepayers.
- Each municipal Council would likely need to review and approve the transfer of select water distribution infrastructure into respective ownership, maintenance and operations.

# Scenario 2 – Potential Transfer of Water Distribution Infrastructure (N. Saanich)



# Scenario 2 – Potential Transfer of Water Distribution Infrastructure (N. Saanich)





# Scenario 2 – Potential Transfer of Water Distribution Infrastructure (C. Saanich)

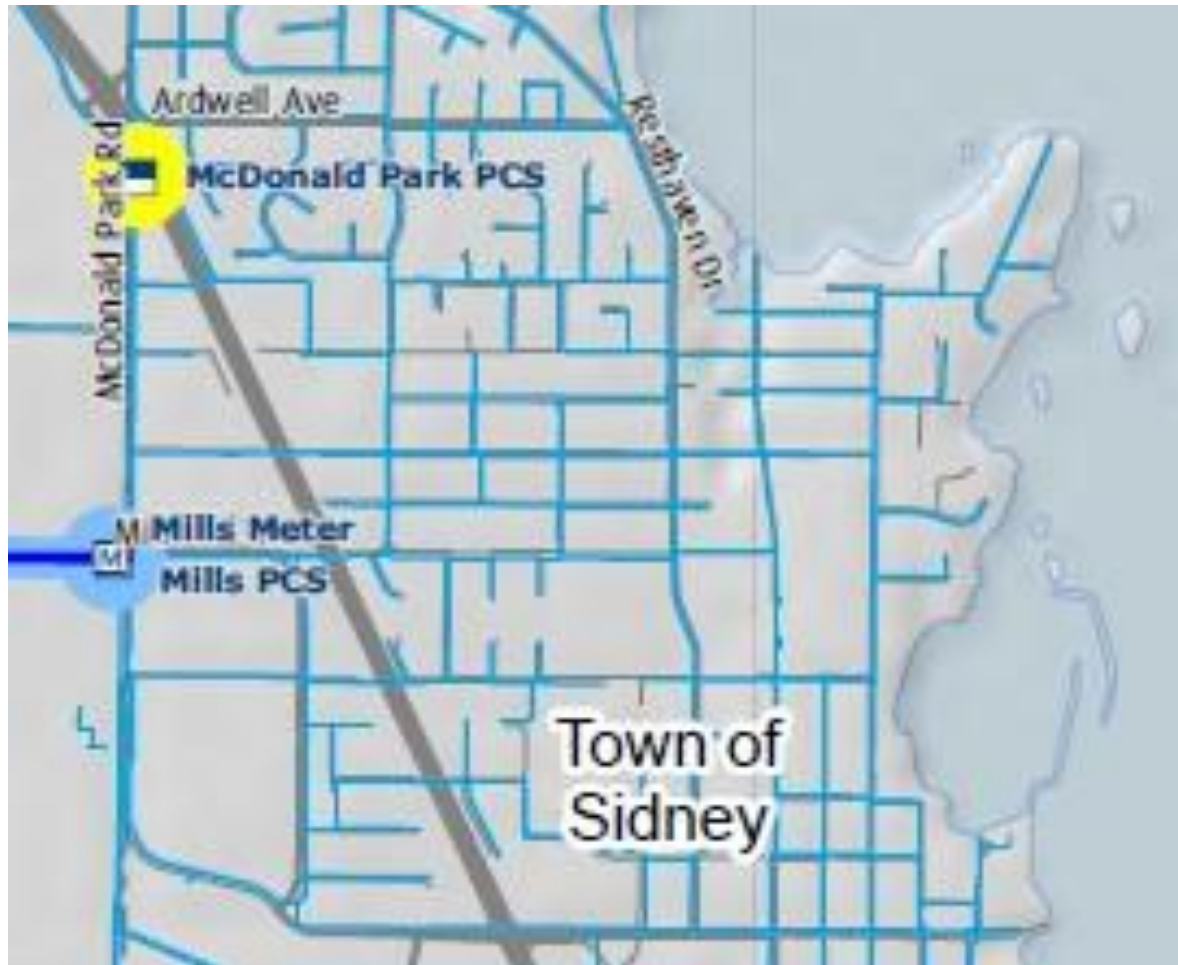


# Scenario 2 – Potential Transfer of Water Distribution Infrastructure (C. Saanich)



- CRD Regional Water Supply Main
- CRD Saanich Peninsula Water Supply Main
- Non-CRD Water Main
- CRD Continued Asset Ownership
- North Saanich Potential Asset Ownership
- Central Saanich Potential Asset Ownership
- Sidney Potential Asset Ownership
- CRD Reservoir
- CRD Pump Station
- CRD Pressure Control Station
- CRD Bulk Meter

# Scenario 2 – Potential Transfer of Water Distribution Infrastructure (Sidney)





# Scenario 2 – Partial Amalgamation

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- Aligns closely with “benefiter pay” principle, given that localized water distribution infrastructure remains with each respective municipality.
- Transfer of water distribution infrastructure to municipalities would result in potential CRD operational efficiencies of ~40% ( from 5 FTE to 3 FTE).
- Some municipalities may be challenged to immediately take on additional water distribution infrastructure. An option to explore with CRD providing an operational backstop (either temporary transition or potential long-term contractual arrangement).
- Financial impacts – increases regional water budget by \$1.5 million (3.3% increase), municipal budget impacts TBD. Theoretical water rates:
  - Regional – from \$0.8631 to \$0.8916 per m<sup>3</sup> (increase of \$0.0285 per m<sup>3</sup>)
  - Peninsula – from \$1.2575 to \$0.8916 per m<sup>3</sup> (decrease of \$0.3659 per m<sup>3</sup>)

# Scenario 3 – Status Quo

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- Maintains both the Saanich Peninsula Water system and Regional Water Supply system as two separate and distinct services within the Capital Regional District.
- All assets and liabilities, revenues and expenditures, and capital reserves remain with the Saanich Peninsula Water service.

# Other Considerations

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- Reserve Funds – Approx. \$7.5 million in capital reserves, \$2.1 to remaining in a statutory DCC Reserve Fund. Remaining \$5.4 million would be apportioned depending on potential scenario.
- Asset Management Plan – currently underway, will provide a more accurate replacement value of the various water infrastructure components to assist in the better delineating the assets under Scenario 2.
- Asset Retirement Obligation – recommend adding this to the Asset Management Plan review, to determine the potential financial impact of the disposal of select infrastructure components (i.e. Asbestos Cement watermains) at the end of their useful lives.
- Timing of Transition (Scenario 1 or 2) – ideally at the beginning of the year, i.e. January 1, 2027. A mid-year transition is possible but is a bit more complicated fiscally.

# Consultation and Engagement

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- Depending on the scenario to be considered by the Saanich Peninsula Water Commission for further review, there are a number of interested parties to be consulted with, including the following:
  - Regional Water Supply Commission – review Draft Report in order to gauge initial response to potential amalgamation scenarios.
  - Saanich Peninsula municipalities (District of North Saanich, District of Central Saanich, Town of Sidney) – review Draft Report and scenarios and discuss the potential impacts (operational, financial, administrative, etc.) for each participant.
  - Centre for Plant Health – review water infrastructure servicing the property to confirm ownership and responsibility.

# Next Steps

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- Review Draft Report with Saanich Peninsula Water Commission and seek direction regarding next steps – Scenario 1 or 2 = further analysis/consultation, Scenario 3 = status quo (no further analysis)
- Continue work on Asset Management Plan (and optional Asset Retirement Obligation work) for Saanich Peninsula Water system infrastructure.
- Complete consultation and engagement program and finalize analysis and reporting based on direction from the Commission.

**Questions? Discussion?**

# Saanich Peninsula Water Commission Amalgamation Study

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Draft Report Presentation

July 17, 2025

# Thank you!





## HOTSHEET AND ACTION LIST

### Juan De Fuca Water Distribution Commission

The following is a quick snapshot of the FINAL 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.

Tuesday, June 3, 2025

1:30 PM

Goldstream Conference Room  
479 Island Hwy  
Victoria BC V9B 1H7

#### 6. Commission Business

- 6.1. 25-0623 General Manager's Verbal Update – June A. Fraser

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

- 6.2. 25-0191 2026 Service and Financial Planning Guidelines A. Fraser

Recommendation: [At the Capital Regional District Board meeting on May 14, 2025, the Board approved the following motion which was forwarded from the Finance Committee:  
"That the service and financial planning guidelines be approved, and that staff be directed to prepare the draft financial plan review based on the timeline presented."

This information is being presented to the Juan de Fuca Water Distribution Commission for information in advance of the 2026 Budget deliberations. The staff report and appendices are attached.]

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

**Motion Arising:** That staff be directed to report back on staffing requirements for meeting the 2026 service delivery commitments in light of system growth and aging infrastructure.

- 6.3. 25-0614 Juan de Fuca Tiered Water User Rate Review A. Fraser

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

- 6.4. 25-0608 Juan de Fuca Water Distribution Service 2025 Mid-Year Capital Projects and Operations Update A. Fraser

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

- 6.5. 25-0610 Summary of Recommendations from Other Water Commissions A. Fraser

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

- 6.6. 25-0609 Water Watch Report A. Fraser

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





## HOTSHEET AND ACTION LIST

### Juan De Fuca Water Distribution Commission

The following is a quick snapshot of the FINAL 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.

Tuesday, July 8, 2025

1:30 PM

Goldstream Conference Room  
479 Island Hwy  
Victoria BC V9B 1H7

#### Special Meeting

#### 4. Special Meeting Matters

- 4.1. **25-0787** General Manager's Verbal Update – July A. Fraser

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

- 4.2. **25-0647** Bylaw No. 4670 and Proposed Amendments to the Water Supply Agreement Between the Capital Regional District and the City of Langford (Westhills Development) A. Fraser
- This item is referred to CRD Board on July 9, 2025

**Recommendation:** The Regional Water Supply Commission and Juan de Fuca Water Distribution Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4670, "Water Distribution Local Service Area Establishment Bylaw No. 1, 1997, Amendment Bylaw No. 6, 2025", be introduced and read a first, second, and third time.
2. That staff be directed to prepare an amended agreement to the existing "Water Supply Agreement between Capital Regional District and the Corporation of the City of Langford" executed May 2, 2007, to include the six parcels as requested in the City of Langford's December 20, 2024 letter subject to successful adoption of Bylaw No. 4670.
3. That, on execution of an amended water supply agreement, Bylaw No. 4670 proceed to obtain participating area approval based on the Provincial approval process set out in the Capital Region Water Supply and Sooke Hill Protection Act, and if successful, that Bylaw No. 4670 be forwarded to the Inspector of Municipalities for approval.

- 4.3. **25-0786** *2026 Service Delivery - Staffing Requirements* A. Fraser

**Motion Arising:** That staff be directed to include the proposed Utility Operator and Operations Coordinator positions in the Juan de Fuca Water Distribution service budget for 2026.

- 4.4. **25-0818** *Summary of Recommendations from Other Water Commissions* A. Fraser

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

- 4.5. **25-0817** *Water Watch Report* A. Fraser

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





## HOTSHEET AND ACTION LIST

### Regional Water Supply Commission

The following is a quick snapshot of the FINAL 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.

Wednesday, May 21, 2025

1:30 PM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

#### 6. CONSENT AGENDA

- 6.1. 25-0508 Water Watch Report A. Fraser

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

#### 7. COMMISSION BUSINESS

- 7.1. 25-0453 General Manager's Verbal Update – May A. Fraser

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

- 7.2. 25-0509 Regional Water Supply Strategic Plan - Public Engagement Summary

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

- 7.3. 25-0510 Main No. 4 Upgrade and Bear Hill Trunk Extension - Tariffs Update

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

- 7.4. 25-0523 Greater Victoria Drinking Water Quality - 2024 Annual Report G. Harris

Recommendation: The Regional Water Supply Commission recommends to the Capital Regional District Board:  
That the Greater Victoria Drinking Water Quality 2024 Annual Report be approved.

#### 9. NEW BUSINESS

##### 9.1. BC HYDRO POWER GENERATION

Staff to bring forward information on the potential for an inline turbine from the Sooke Lake Reservoir for the generation of hydroelectric power and as a potential source of income.



## HOTSHEET AND ACTION LIST

### Regional Water Supply Commission

The following is a quick snapshot of the FINAL 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.

Wednesday, June 18, 2025

1:30 PM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

#### 6. CONSENT AGENDA

6.1. 25-0646 Summary of Recommendations from Other Water Commissions A. Fraser

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

6.2. 25-0736 *Water Watch Report* A. Fraser

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

#### 7. COMMISSION BUSINESS

7.1. 25-0623 *General Manager's Verbal Update - June* A. Fraser

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

7.2. 25-0191 2026 Service and Financial Planning Guidelines A. Fraser

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

7.3. 25-0733 *Bylaw No. 4670 and Proposed Amendments to the Water Supply Agreement Between the Capital Regional District and the City of Langford (Westhills Development)* A. Fraser

This item is referred to CRD Board on July 9, 2025

Recommendation: The Regional Water Supply Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4670, "Water Distribution Local Service Area Establishment Bylaw No. 1, 1997, Amendment Bylaw No. 6, 2025", be read a first, second, and third time.
2. That staff be directed to prepare an amended agreement to the existing "Water Supply Agreement between Capital Regional District and the Corporation of the City of Langford" executed May 2, 2007, to exclude the six parcels as requested in the City of Langford's December 20, 2024 letter, subject to successful adoption of Bylaw No. 4670;
3. That, on execution of an amended water supply agreement, Bylaw No. 4670 proceed to obtain participating area approval based on the Provincial approval process set out in the Capital Region Water Supply and Sooke Hills Protection Act, and if successful, that Bylaw No. 4670 be forwarded to the Inspector of Municipalities for approval.

**CAPITAL REGIONAL DISTRICT - INTEGRATED WATER SERVICES****Water Watch**

Issued July 07, 2025

**Water Supply System Summary:****1. Useable Volume in Storage:**

Reservoir	July 31 5 Year Ave		July 31/24		July 6/25		% Existing Full Storage
	ML	MIG	ML	MIG	ML	MIG	
Sooke	75,823	16,681	74,539	16,399	78,362	17,240	84.5%
Goldstream	8,307	1,827	8,759	1,927	8,868	1,951	89.4%
Total	84,130	18,509	83,298	18,326	87,230	19,191	85.0%

**2. Average Daily Demand:**

For the month of July	210.0 MLD	46.20 MIGD
For week ending July 06, 2025	209.2 MLD	46.02 MIGD
Max. day July 2025, to date:	223.7 MLD	49.21 MIGD

**3. Average 5 Year Daily Demand for July**

Average (2020 - 2024)	208.5 MLD <sup>1</sup>	45.87 MIGD <sup>2</sup>
	<sup>1</sup> MLD = Million Litres Per Day	<sup>2</sup> MIGD = Million Imperial Gallons Per Day

**4. Rainfall July:**

Average (1914 - 2024):	22.1 mm
Actual Rainfall to Date	0.0 mm (0% of monthly average)

**5. Rainfall: Sep 1- Jul 6**

Average (1914 - 2024):	1,585.6 mm
2024/2025	1,420.4 mm (90% of average)

**6. Water Conservation Required Action:**

Did you know that the 2024 change to the Water Conservation Bylaw recommends that landowners and residents switch timing of residential irrigation systems from 4:00 am to an expanded window anytime between 12:01 am to 10:00 am on established watering days? Please go to Water Conservation Bylaw Changes | Capital Regional District to get informed and do your part to help protect our regional water supply system.

Website: <https://www.crd.ca/news/water-conservation-bylaw-changes>

For general information regarding water conservation, visit the CRD webpage linked below:

CRD Water Conservation Homepage: <https://www.crd.ca/environment/water-conservation>

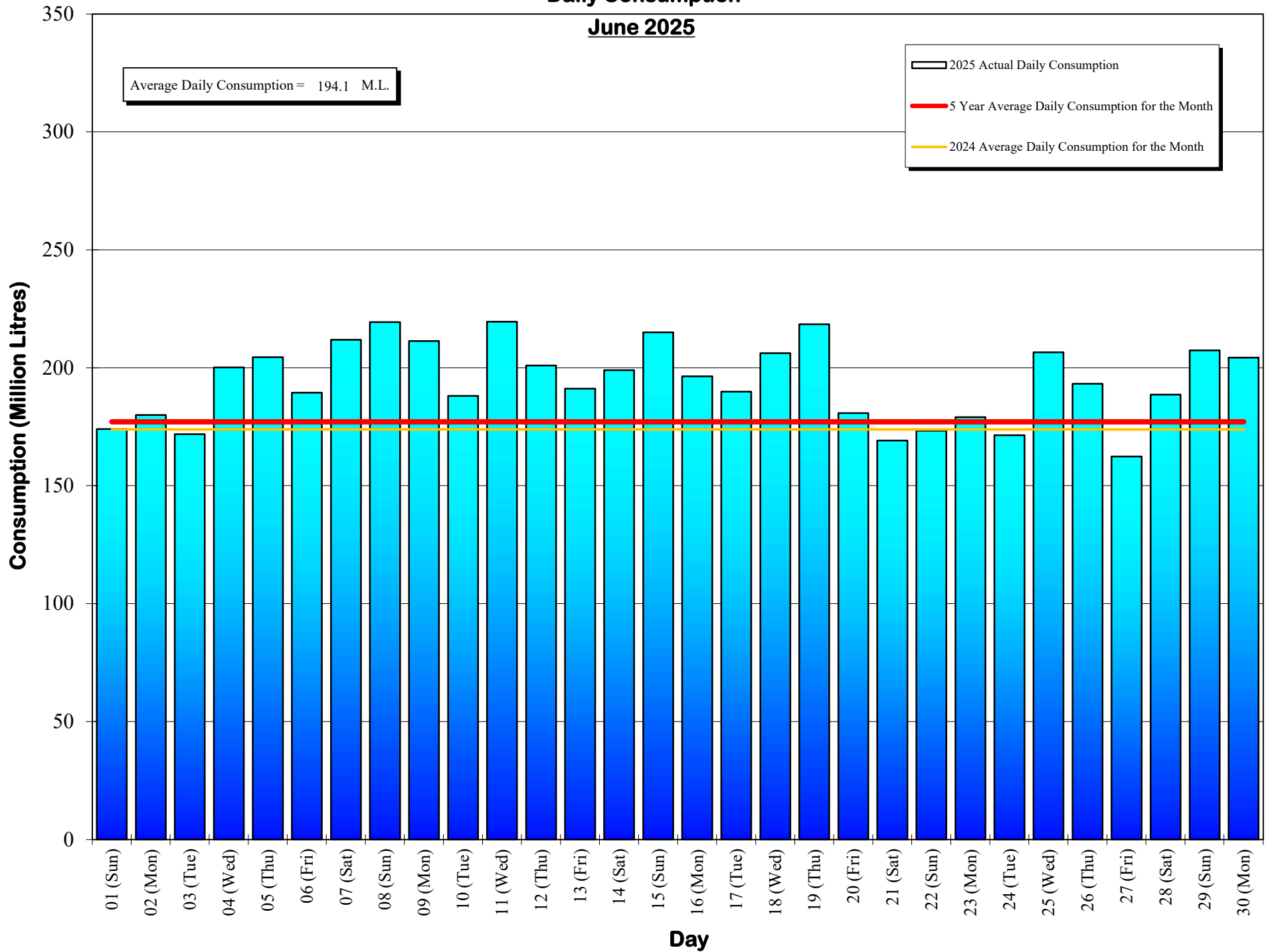
If you require further information, please contact:

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

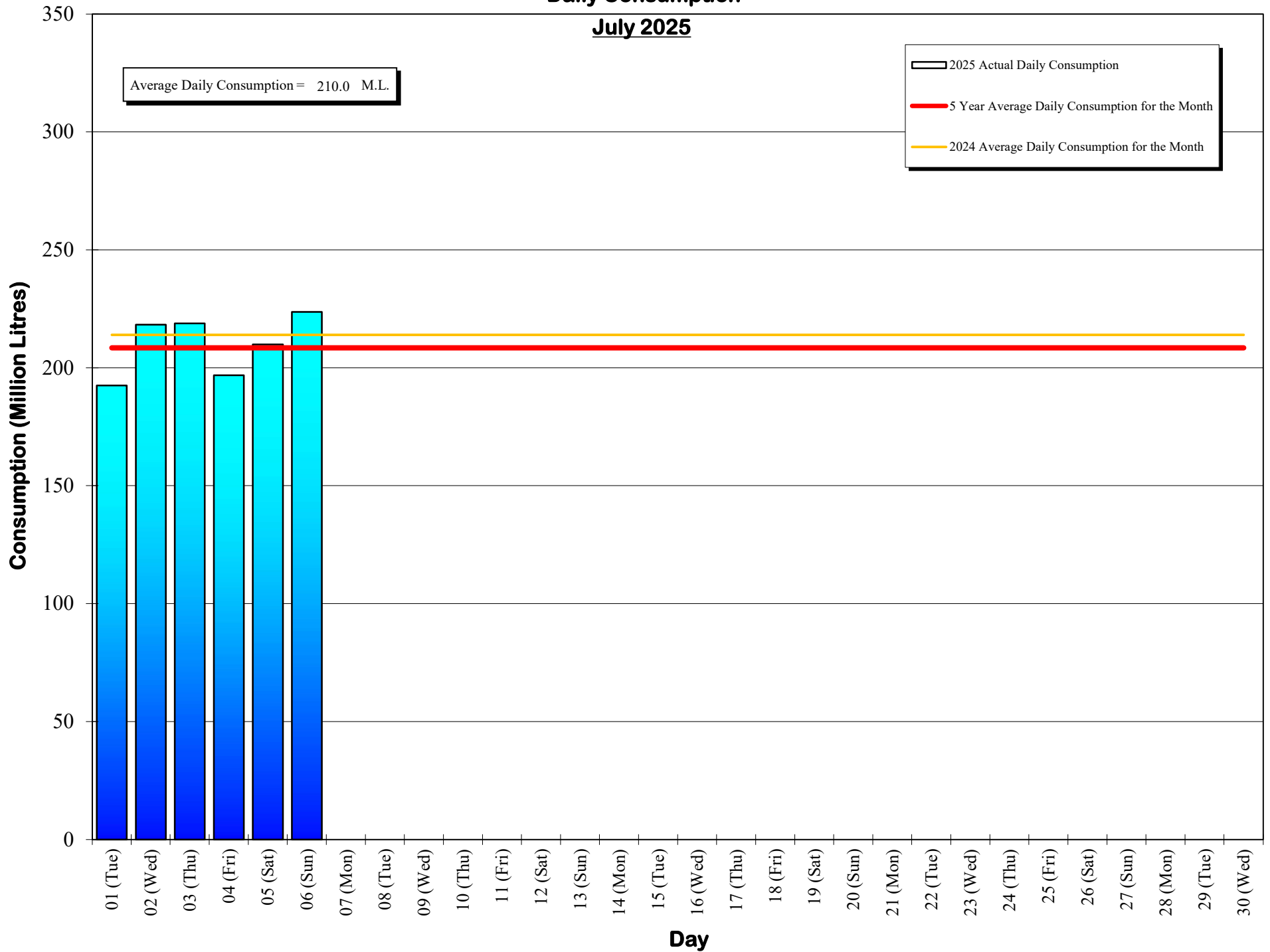
## Daily Consumption

**June 2025**



## Daily Consumption

July 2025



Daily Consumptions: - June 2025

Date	Total Consumption		Air Temperature @ Japan Gulch		Weather Conditions	Precipitation @ Sooke Res.: 12:00am to 12:00am			
	(ML) <sup>1.</sup>	(MIG) <sup>2.</sup>	High (°C)	Low (°C)		Rainfall (mm)	Snowfall <sup>2.</sup> (mm)	Total Precip.	
01 (Sun)	174.1		38.3	18	7	Sunny / P. Cloudy	0.0	0.0	0.0
02 (Mon)	180.0		39.6	20	9	Sunny / P. Cloudy	0.0	0.0	0.0
03 (Tue)	171.9		37.8	22	8	Sunny / P. Cloudy	0.0	0.0	0.0
04 (Wed)	200.2		44.1	21	10	Cloudy / P. Sunny	0.0	0.0	0.0
05 (Thu)	204.5		45.0	25	11	Sunny / P. Cloudy	0.0	0.0	0.0
06 (Fri)	189.5		41.7	24	13	Sunny / P. Cloudy	0.0	0.0	0.0
07 (Sat)	211.9		46.6	28	12	Sunny	0.0	0.0	0.0
08 (Sun)	219.4		48.3	31	14	Sunny	0.0	0.0	0.0
09 (Mon)	211.4		46.5	27	14	Sunny	0.0	0.0	0.0
10 (Tue)	188.1	<=Max	41.4	25	12	Sunny / P. Cloudy	0.0	0.0	0.0
11 (Wed)	219.6		48.3	22	12	Sunny / P. Cloudy	0.0	0.0	0.0
12 (Thu)	201.0		44.2	19	10	Cloudy / P. Sunny	0.0	0.0	0.0
13 (Fri)	191.2		42.1	18	10	Sunny / P. Cloudy	0.0	0.0	0.0
14 (Sat)	199.0		43.8	20	8	Sunny / P. Cloudy	0.0	0.0	0.0
15 (Sun)	215.1		47.3	22	8	Sunny	0.0	0.0	0.0
16 (Mon)	196.4		43.2	22	10	Cloudy / P. Sunny	0.0	0.0	0.0
17 (Tue)	189.9		41.8	21	11	Cloudy / P. Sunny	0.0	0.0	0.0
18 (Wed)	206.2		45.4	18	10	Cloudy / P. Sunny	0.0	0.0	0.0
19 (Thu)	218.5		48.1	21	8	Cloudy / P. Sunny	0.0	0.0	0.0
20 (Fri)	180.8		39.8	18	9	Cloudy / Showers	0.7	0.0	0.7
21 (Sat)	169.2		37.2	15	10	Cloudy / Showers	8.9	0.0	8.9
22 (Sun)	173.3		38.1	18	10	Cloudy	0.0	0.0	0.0
23 (Mon)	179.1		39.4	21	10	Cloudy	0.0	0.0	0.0
24 (Tue)	171.4		37.7	24	11	Cloudy / P. Sunny	0.0	0.0	0.0
25 (Wed)	206.6		45.5	21	13	Cloudy / P. Sunny	0.0	0.0	0.0
26 (Thu)	193.3	<=Min	42.5	19	11	Cloudy / P. Sunny / Showers	2.8	0.0	2.8
27 (Fri)	162.4		35.7	17	11	Cloudy	0.0	0.0	0.0
28 (Sat)	188.7		41.5	23	11	Sunny / P. Cloudy	0.0	0.0	0.0
29 (Sun)	207.4		45.6	27	12	Sunny	0.0	0.0	0.0
30 (Mon)	204.3		44.9	30	14	Sunny	0.0	0.0	0.0
TOTAL	5824.4 ML	1281.38 MIG					12.4	0	12.4
MAX	219.6	48.32	31	14			8.9	0	8.9
AVG	194.1	42.71	21.9	10.6			0.4	0	0.4
MIN	162.4	35.73	15	7			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 June (1914-2024)	35.5 mm
Actual Rainfall: June	12.4 mm
% of Average	35%
Average Rainfall (1914-2024): Sept 01 - Jul 06	1,585.6 mm
Actual Rainfall (2023/24): Sept 01 - Jul 06	1,420.4 mm
% of Average	90%

Number days with precip. 0.2 or more
3

Water spilled at Sooke Reservoir to date (since Sept. 1) =

3.33 Billion Imperial Gallons

15.10 Billion Litres

Daily Consumptions: - July 2025

Date	Total Consumption		Air Temperature @ Japan Gulch		Weather Conditions	Precipitation @ Sooke Res.: 12:00am to 12:00am				
	(ML) <sup>1.</sup>		(MIG) <sup>2.</sup>	High (°C)		Low (°C)	Rainfall (mm)	Snowfall <sup>2.</sup> (mm)	Total Precip.	
01 (Tue)	192.5	<=Min	42.3	31	14	Sunny	0.0	0.0	0.0	
02 (Wed)	218.3			48.0	22	12	Sunny / P. Cloudy	0.0	0.0	0.0
03 (Thu)	218.9			48.2	22	11	Cloudy / P. Sunny	0.0	0.0	0.0
04 (Fri)	196.9			43.3	23	11	Sunny / P. Cloudy	0.0	0.0	0.0
05 (Sat)	209.9			46.2	23	11	Sunny / P. Cloudy	0.0	0.0	0.0
06 (Sun)	223.7	<=Max	49.2	25	11	Sunny / P. Cloudy	0.0	0.0	0.0	
07 (Mon)										
08 (Tue)										
09 (Wed)										
10 (Thu)										
11 (Fri)										
12 (Sat)										
13 (Sun)										
14 (Mon)										
15 (Tue)										
16 (Wed)										
17 (Thu)										
18 (Fri)										
19 (Sat)										
20 (Sun)										
21 (Mon)										
22 (Tue)										
23 (Wed)										
24 (Thu)										
25 (Fri)										
26 (Sat)										
27 (Sun)										
28 (Mon)										
29 (Tue)										
30 (Wed)										
31 (Thu)										
TOTAL	1260.2 ML		277.23 MIG				0.0	0	0.0	
MAX	223.7		49.21	31	14		0.0	0	0.0	
AVG	210.0		46.20	24.3	11.6		0.0	0	0.0	
MIN	192.5		42.34	22	11		0.0	0	0.0	

1. ML = Million Litres

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

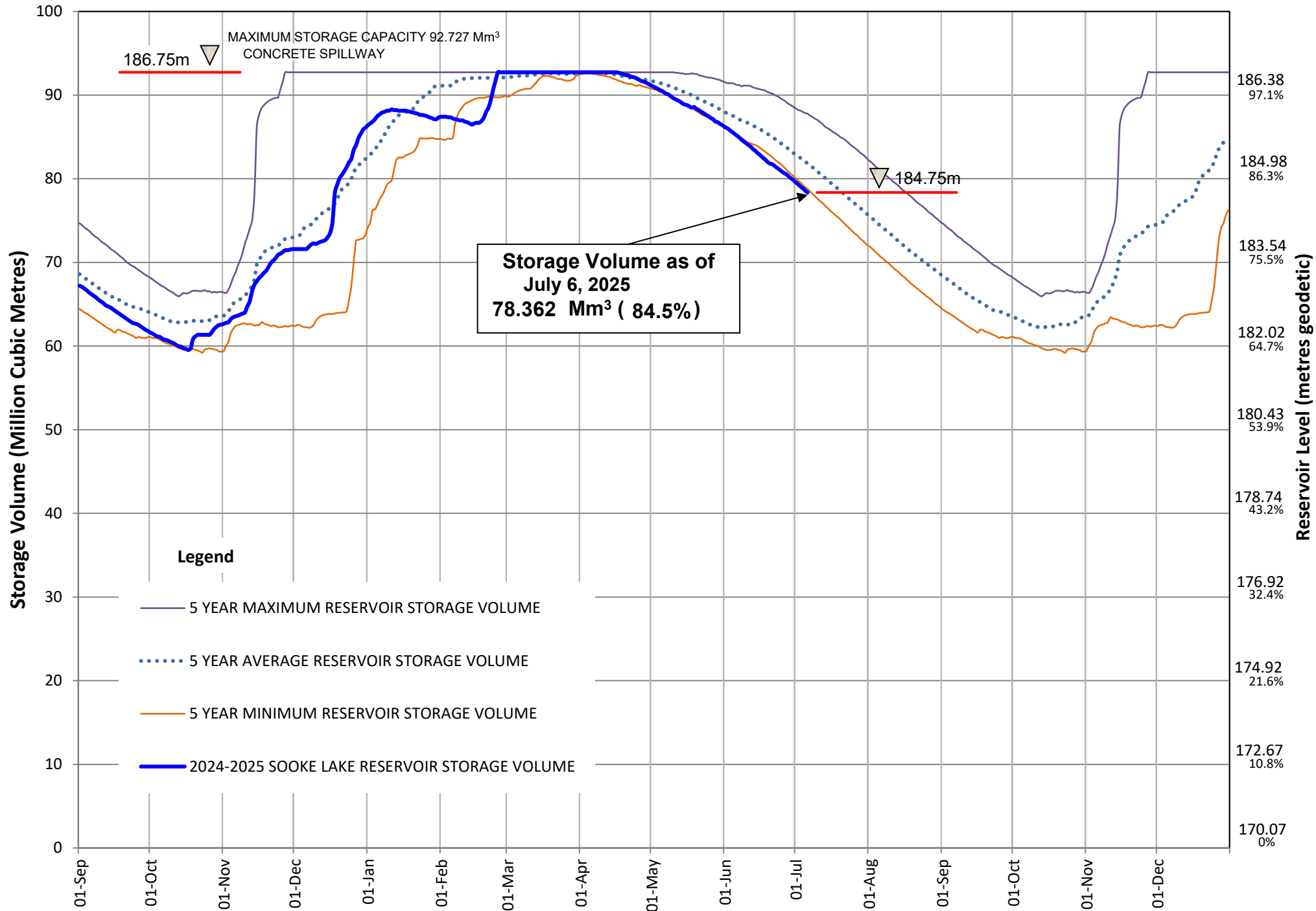
Average Rainfall for July (1914-2024)	22.1 mm
Actual Rainfall: July	0.0 mm
% of Average	0%
Average Rainfall (1914-2024): Sept 01 - Jul 06	1,585.6 mm
Actual Rainfall (2023/24): Sept 01 - Jul 06	1,420.4 mm
% of Average	90%

Number days with precip. 0.2 or more
0

Water spilled at Sooke Reservoir to date (since Sept. 1) = 3.33 Billion Imperial Gallons  
15.10 Billion Litres

# SOOKE LAKE RESERVOIR STORAGE SUMMARY

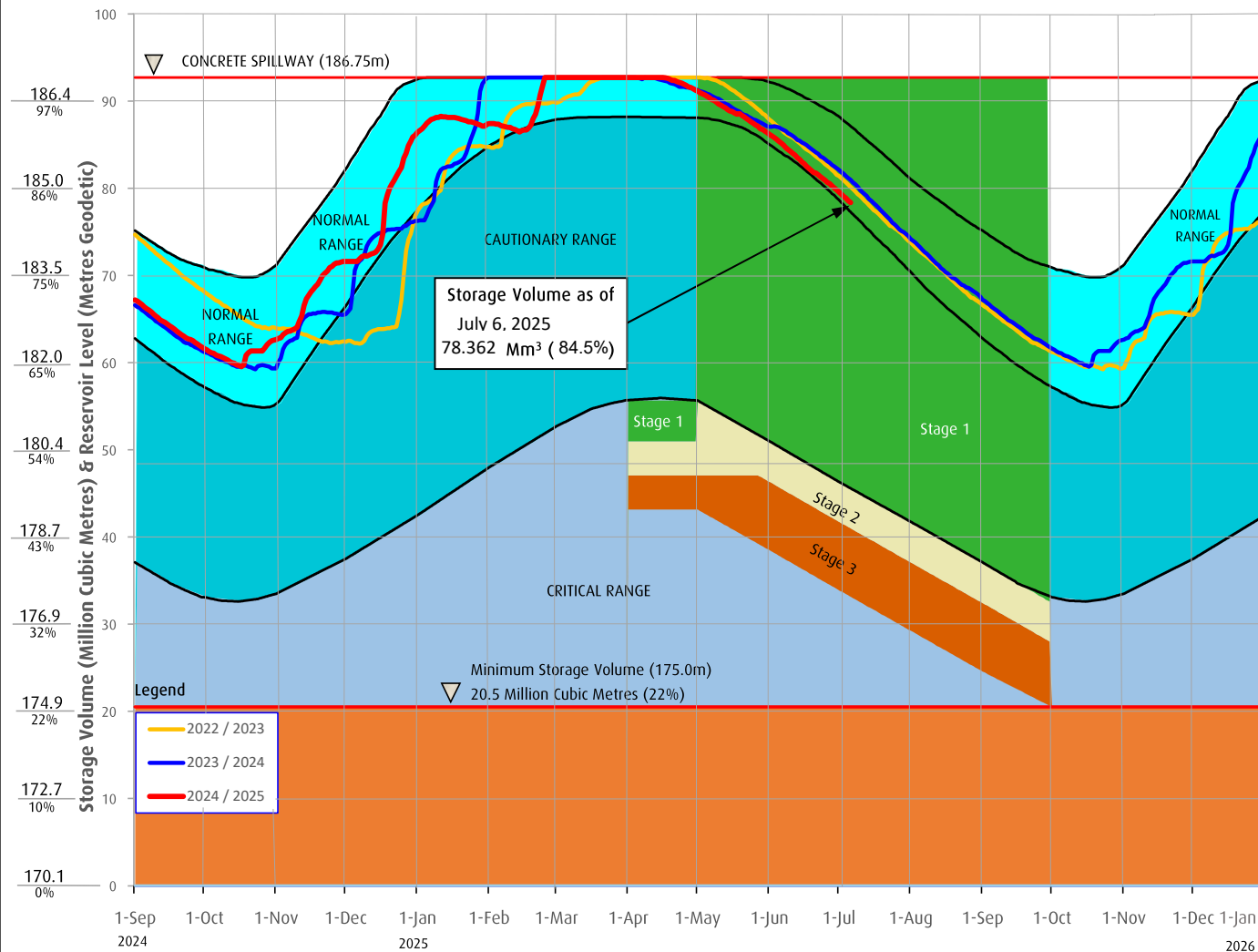
2024 / 2025





# 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](http://www.crd.bc.ca/drinkingwater)

**CRD**  
Making a difference...together

## Useable Reservoir Volumes in Storage for July 06, 2025

