

Notice of Meeting and Meeting Agenda Regional Water Supply Commission

Wednesday, October 15, 2025

1:30 PM

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

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

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. TERRITORIAL ACKNOWLEDGEMENT

2. APPROVAL OF THE AGENDA

3. ADOPTION OF MINUTES

- 3.1. [25-1087](#) Minutes of the Regional Water Supply Commission Meeting of September 17, 2025

Recommendation: That the minutes of the Regional Water Supply Commission meeting of September 17, 2025 be adopted as circulated.

Attachments: [Minutes - September 17, 2025](#)

4. CHAIR'S REMARKS

5. PRESENTATIONS/DELEGATIONS

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

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

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

6. CONSENT AGENDA

- 6.1. [25-1085](#) Summary of Recommendations from Other Water Commissions

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

Attachments: [Summary: JWDC - October 7, 2025](#)

6.2. [25-1084](#) Water Watch Report

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

Attachments: [Water Watch Report - October 6, 2025](#)

7. COMMISSION BUSINESS**7.1. [25-1037](#) General Manager's Verbal Update - October**

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

7.2. [25-0790](#) Saanich Peninsula Water Commission Amalgamation Study Update

Recommendation: [At the September 17, 2025 Regional Water Supply Commission meeting, this report was postponed to the next meeting.]

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

Attachments: [Staff Report: SPWC Amalgamation Study Update](#)
[Appendix A: Amalgamation Study Draft Report](#)
[Appendix B: Presentation to RWSC - November 20, 2024](#)
[Appendix C: Staff Report to SPWC - January 18, 2024](#)
[Appendix D: Saanich Peninsula Water Supply Infrastructure Map](#)
[Presentation: SPWC Amalgamation Study](#)

7.3. [25-1028](#) Regional Water Supply Service 2026 Capital and Operating Budget

Recommendation: The Regional Water Supply Commission recommends that the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 wholesale water rate of \$0.9314 per cubic metre;
3. Approve the 2026 agricultural water rate of \$0.2105 per cubic metre;
4. Direct staff to balance the 2025 actual revenue and expense on the transfer to the water capital fund;
5. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
6. Direct staff to amend the Water Rates Bylaw accordingly.

(WA)

Attachments: [Staff Report: RWS Service 2026 Budget](#)
[Appendix A: Draft 2026 RWS Service Budget](#)
[Appendix B: Debt Outstanding vs. Water Capital Fund Balance](#)
[Appendix C: Agricultural Water Rate Funding Comparisons 2011-2024](#)
[Appendix D: Wholesale Water Rate - Historical and Projections](#)
[Appendix E: Staff Report to Commission - July 16, 2025](#)
[Presentation: Regional Water Supply Service 2026 Budget Review](#)

8. NOTICE(S) OF MOTION

9. NEW BUSINESS

10. ADJOURNMENT

Voting Key:

NWA - Non-weighted vote of all Directors

NWP - Non-weighted vote of participants (as listed)

WA - Weighted vote of all Directors

WP - Weighted vote of participants (as listed)

The next meeting is Wednesday November 19, 2025.

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

Meeting Minutes

Regional Water Supply Commission

Wednesday, September 17, 2025

1:30 PM

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

PRESENT:

Commissioners: G. Baird (Chair), K. Harper (Vice Chair), J. Caradonna, N. Chambers, C. Coleman, Z. de Vries, S. Duncan (EP), C. Graham (EP), S. Gray (1:32 pm), C. Green, L. Szpak (on behalf of K. Guiry), S. Hammond (EP), K. Jordison (1:41 pm), S. Kim, D. Cavens (on behalf of T. Morrison), K. Pearson (EP), T. Phelps Bondaroff (EP), J. Rogers, C. Stock, M. Wagner, M. Westhaver, A. Wickheim

STAFF: A. Fraser, General Manager, Infrastructure and Water Services; A. Constabel, Senior Manager, Watershed Protection; S. Irg, Senior Manager, Water Infrastructure Operations; J. Marr, Senior Manager, Infrastructure Engineering; S. May, Senior Manager, Corporate Capital Project Delivery Services; J. Kelly, Manager, IWS Capital Projects; J. Zimmerman, Communications Coordinator; M. Lagoa, Manager, Legislative Services and Deputy Corporate Officer; M. MacDonald, Legislative Services Coordinator (Recorder)

EP - Electronic Participation

Guests: J. Grounds and S. Horseman, Carollo Canada; D. Huang, Community Connections Planning

Regrets: Commissioners: K. Guiry, T. Morrison

The meeting was called to order at 1:30 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Chair Baird provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Commissioner Wagner, **SECONDED** by Commissioner Wickheim,
That the agenda for the Regional Water Supply Commission meeting of
September 17, 2025 be approved.
CARRIED

3. ADOPTION OF MINUTES

- 3.1. [25-0904](#) Minutes of the Regional Water Supply Commission Meeting of July 16, 2025

MOVED by Commissioner Chambers, **SECONDED** by Commissioner Wagner,
That the minutes of the Regional Water Supply Commission meeting of July 16,
2025 be adopted as circulated.
CARRIED

4. CHAIR'S REMARKS

Chair Baird commended staff for their efforts ensuring that no wildfires took place in the watershed this year.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

MOVED by Commissioner Stock, **SECONDED** by Commissioner Harper,
That consent agenda Items 6.1. and 6.2. be approved.
CARRIED

- 6.1. [25-0906](#) Summary of Recommendations from Other Water Commissions

This report was received for information.

- 6.2. [25-0907](#) Water Watch Report

This report was received for information.

7. COMMISSION BUSINESS

- 7.1. [25-0905](#) General Manager's Verbal Update - September

A. Fraser presented Item 7.1. for information, and provided a verbal update regarding a meeting with First Nations representatives in the watershed to improve collaboration and access to the land. It was also noted that the Kapoor Lumber Company land sale closed recently, and the 2026 budget will be discussed at the meeting on October 15, 2025.

Commissioner Jordison joined the meeting at 1:41 pm.

7.2. [25-0902](#) Recommendation to Award Design-Build Contract - Field Operations Centre

S. May presented Item 7.2. for information.

Discussion ensued regarding:

- intention to remove current structures
- design-build contract means more accurate estimates
- less contingencies are required given extensive planning
- office space required to replace various temporary office locations
- project planning began in 2017, completion is scheduled for 2027
- current work locations do not meet space requirements or safety standards

MOVED by Commissioner Wagner, SECONDED by Commissioner Stock, The Regional Water Supply Commission approves:

1. That the Field Operations Centre design-build contract be awarded to Kinetic Design-Build for \$12,758,000 (excluding GST);
2. That staff be authorized to award additional work up to a contingency amount of \$400,000; and,
3. That the Capital Regional District Chief Administrative Officer be authorized to execute the CCDC14 design-build contract, subject to receipt of the City of Langford building permit.

CARRIED

7.3. [25-0903](#) Master Plan Implementation Framework

A. Fraser presented Item 7.3. for information.

Discussion ensued regarding:

- financial responsibility and affordability for residents
- clarity on optional principles six and seven, along with impacts of inclusion
- updates to the plan every five years will ensure accurate projections
- guiding principles can be updated at the five year checkpoint
- deliverables include governance framework and course correction if needed
- difficulty of achieving project goals and deadlines within the local market
- staff will investigate revenue generating opportunities on a case by case basis

MOVED by Commissioner Chambers, SECONDED by Commissioner Rogers, That the Regional Water Supply Commission directs staff to proceed with the Master Plan Implementation Project using the 5 Guiding Principles as shown on the draft Tabletop Document.

CARRIED

7.4. [25-0790](#) Saanich Peninsula Water Commission Amalgamation Study Update

MOVED by Commissioner Stock, SECONDED by Commissioner Wagner, That Item 7.4. be postponed until the Regional Water Supply Commission meeting of October 15, 2025.

CARRIED

8. NOTICE(S) OF MOTION

There were no notice(s) of motion.

9. NEW BUSINESS

There was no new business.

10. MOTION TO CLOSE THE MEETING

10.1. [25-0937](#) Motion to Close the Meeting

MOVED by Commissioner Coleman, **SECONDED** by Commissioner Rogers,
That the meeting be closed for negotiations and related discussions respecting
the proposed provision of a municipal service in accordance with Section 90(1)(k)
of the Community Charter.
CARRIED

MOVED by Commissioner Coleman, **SECONDED** by Commissioner Wagner,
That such disclosures could reasonably be expected to harm the interests of the
Regional District.
CARRIED

The Regional Water Supply Commission moved to the closed session at 2:54 pm.

The Regional Water Supply Commission rose from the closed session at 3:05 pm
without report.

11. ADJOURNMENT

MOVED by Commissioner Green, **SECONDED** by Commissioner Wickheim,
That the Regional Water Supply Commission meeting of September 17, 2025 be
adjourned at 3:05 pm.
CARRIED

Chair

Recorder



HOTSHEET AND ACTION LIST

Juan De Fuca Water Distribution Commission

Tuesday, October 7, 2025

1:30 PM

Goldstream Conference Room

479 Island Hwy

Victoria BC V9B 1H7

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.

6. Commission Business

- 6.1. 25-1037 General Manager's Verbal Update – October A. Fraser

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

- 6.2. 25-1025 Juan de Fuca Water Distribution Service 2026 Capital and Operating Budget A. Fraser

This item is referred to Committee of the Whole on October 29, 2025

Recommendation: The Juan de Fuca Water Distribution Commission recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 Juan de Fuca Water Distribution Service retail water rate of \$3.0368 per cubic metre, adjusted if necessary, by any change in the Regional Water Supply wholesale water rate;
3. Direct staff to balance the 2025 actual operating deficit or surplus on the 2025 capital fund transfer;
4. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
5. Direct staff to amend the Water Distribution Local Service Conditions, Fees and Charges Bylaw accordingly.

- 6.3. 25-1038 Summary of Recommendations from Other Water Commissions A. Fraser

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

- 6.4. 25-1036 Water Watch Report A. Fraser

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

CAPITAL REGIONAL DISTRICT - INTEGRATED WATER SERVICES

Water Watch

Issued October 06, 2025

Water Supply System Summary:

1. Useable Volume in Storage:

Reservoir	October 31 5 Year Ave		October 31/24		October 5/25		% Existing Full Storage
	ML	MIG	ML	MIG	ML	MIG	
Sooke	63,462	13,962	62,584	13,768	58,766	12,928	63.4%
Goldstream	7,744	1,704	8,785	1,933	7,256	1,596	73.2%
Total	71,206	15,665	71,369	15,701	66,022	14,525	64.3%

2. Average Daily Demand:

For the month of October	133.9 MLD	29.5 MIGD
For week ending October 05, 2025	133.8 MLD	29.4 MIGD
Max. day October 2025, to date:	140.3 MLD	30.9 MIGD

3. Average 5 Year Daily Demand for October

Average (2020 - 2024)	121.0 MLD ¹	26.6 MIGD ²
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¹MLD = Million Litres Per Day

²MIGD = Million Imperial Gallons Per Day

4. Rainfall October:

Average (1914 - 2024):	170.5 mm
Actual Rainfall to Date	16.5 mm (10% of monthly average)

5. Rainfall: Sep 1- Oct 5

Average (1914 - 2024):	80.9 mm
2025/2026	64.7 mm (80% of average)

6. Water Conservation Required Action:

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

If you require further information, please contact:

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

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

Daily Consumption

September 2025

Average Daily Consumption = 171.4 M.L.

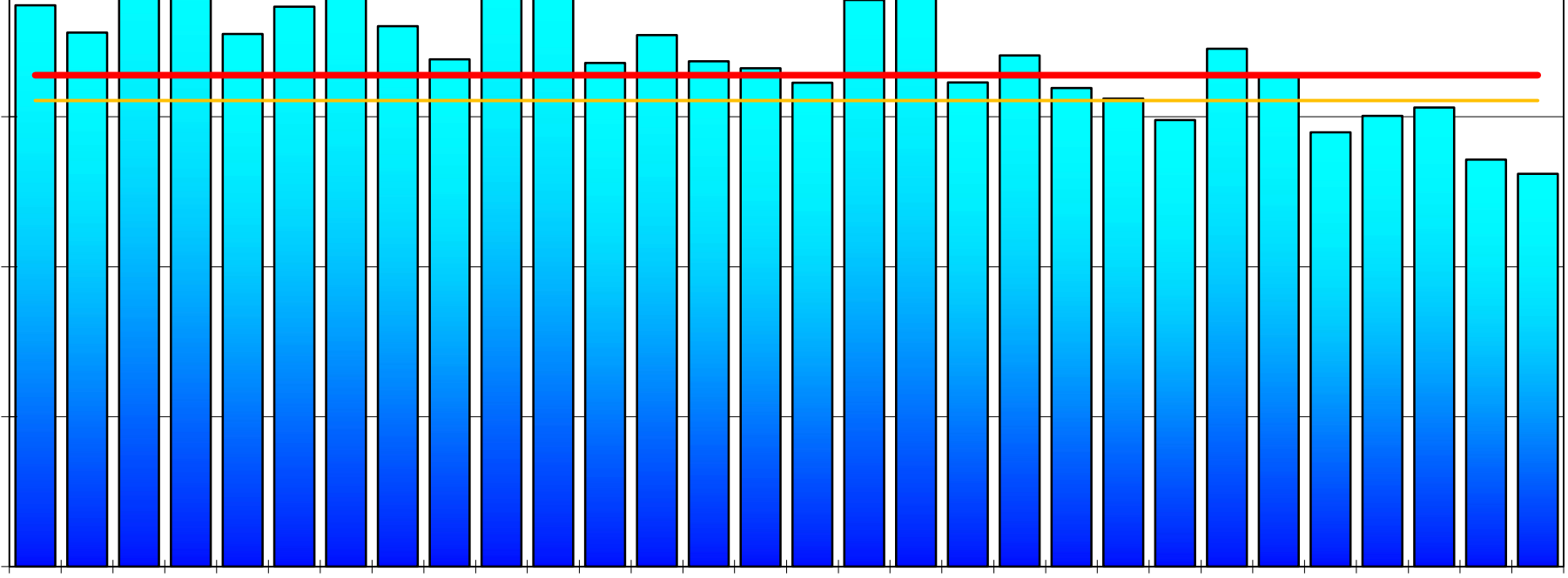
2025 Actual Daily Consumption
5 Year Average Daily Consumption for the Month
2024 Average Daily Consumption for the Month

Consumption (Million Litres)

Day

01 (Mon) 02 (Tue) 03 (Wed) 04 (Thu) 05 (Fri) 06 (Sat) 07 (Sun) 08 (Mon) 09 (Tue) 10 (Wed) 11 (Thu) 12 (Fri) 13 (Sat) 14 (Sun) 15 (Mon) 16 (Tue) 17 (Wed) 18 (Thu) 19 (Fri) 20 (Sat) 21 (Sun) 22 (Mon) 23 (Tue) 24 (Wed) 25 (Thu) 26 (Fri) 27 (Sat) 28 (Sun) 29 (Mon) 30 (Tue)

350
300
250
200
150
100
50
0



Daily Consumption

October 2025

Average Daily Consumption = 133.9 M.L.

2025 Actual Daily Consumption

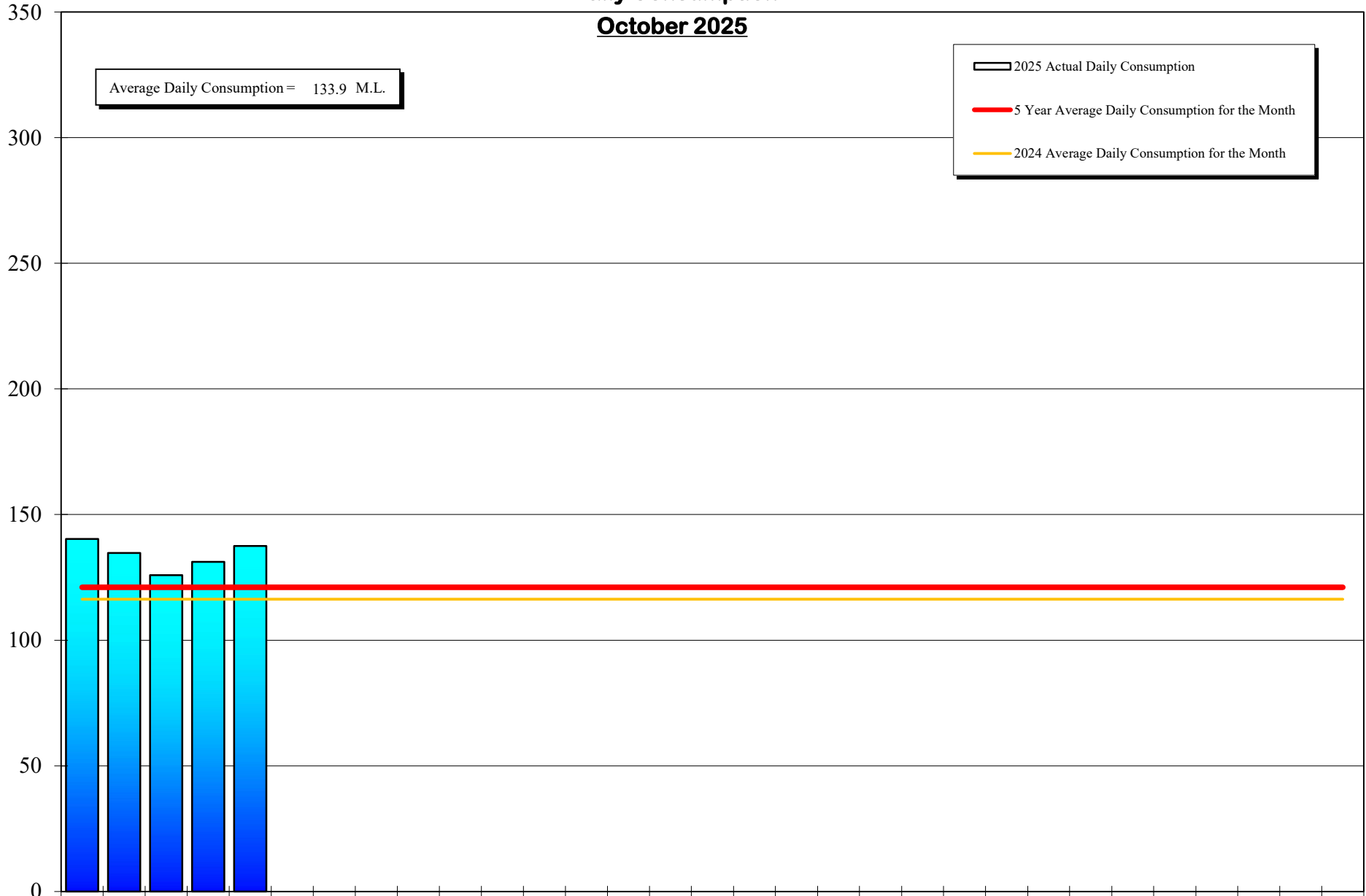
5 Year Average Daily Consumption for the Month

2024 Average Daily Consumption for the Month

Consumption (Million Litres)

Day

01 (Wed) 02 (Thu) 03 (Fri) 04 (Sat) 05 (Sun) 06 (Mon) 07 (Tue) 08 (Wed) 09 (Thu) 10 (Fri) 11 (Sat) 12 (Sun) 13 (Mon) 14 (Tue) 15 (Wed) 16 (Thu) 17 (Fri) 18 (Sat) 19 (Sun) 20 (Mon) 21 (Tue) 22 (Wed) 23 (Thu) 24 (Fri) 25 (Sat) 26 (Sun) 27 (Mon) 28 (Tue) 29 (Wed) 30 (Thu) 31 (Fri)



Daily Consumptions: - September 2025

Date	Total Consumption		Air Temperature @ Japan Gulch		Weather Conditions	Precipitation @ Sooke Res.: 12:00am to 12:00am		
	(ML) ^{1.}	(MIG) ^{2.}	High (°C)	Low (°C)		Rainfall (mm)	Snowfall ^{2.} (mm)	Total Precip.
01 (Mon)	187.2	41.2	22	13	Sunny / P. Cloudy	0.0	0.0	0.0
02 (Tue)	178.1	39.2	25	13	Sunny	0.0	0.0	0.0
03 (Wed)	207.9	<=Max 45.7	28	16	Sunny / P. Cloudy	0.0	0.0	0.0
04 (Thu)	202.3	44.5	25	17	Cloudy	0.0	0.0	0.0
05 (Fri)	177.6	39.1	25	15	Sunny / P. Cloudy	0.0	0.0	0.0
06 (Sat)	186.7	41.1	23	15	Cloudy	0.0	0.0	0.0
07 (Sun)	191.0	42.0	21	14	Cloudy / P. Sunny	0.0	0.0	0.0
08 (Mon)	180.2	39.6	23	15	Cloudy	0.0	0.0	0.0
09 (Tue)	169.2	37.2	22	14	Sunny / P. Cloudy	0.0	0.0	0.0
10 (Wed)	199.3	43.8	23	13	Sunny	0.0	0.0	0.0
11 (Thu)	195.1	42.9	22	13	Sunny	0.0	0.0	0.0
12 (Fri)	168.0	37.0	23	12	Sunny / P. Cloudy	0.0	0.0	0.0
13 (Sat)	177.3	39.0	21	13	Cloudy / P. Sunny	0.0	0.0	0.0
14 (Sun)	168.5	37.1	18	14	Cloudy / Showers	2.4	0.0	2.4
15 (Mon)	166.2	36.6	21	13	Sunny / P. Cloudy	0.0	0.0	0.0
16 (Tue)	161.4	35.5	26	11	Sunny	0.0	0.0	0.0
17 (Wed)	189.0	41.6	25	15	Cloudy / P. Sunny	0.0	0.0	0.0
18 (Thu)	189.6	41.7	21	11	Sunny	0.0	0.0	0.0
19 (Fri)	161.5	35.5	22	10	Sunny / P. Cloudy	0.0	0.0	0.0
20 (Sat)	170.5	37.5	24	11	Sunny / P. Cloudy/ Showers	8.9	0.0	8.9
21 (Sun)	159.6	35.1	19	11	Sunny / P. Cloudy/ Showers	5.2	0.0	5.2
22 (Mon)	156.1	34.3	20	10	Sunny / P. Cloudy	0.0	0.0	0.0
23 (Tue)	148.9	32.8	22	10	Sunny / P. Cloudy	0.0	0.0	0.0
24 (Wed)	172.7	38.0	21	11	Sunny	0.0	0.0	0.0
25 (Thu)	163.9	36.1	17	8	Cloudy / P. Sunny	0.0	0.0	0.0
26 (Fri)	144.8	31.9	17	11	Cloudy / Showers	0.4	0.0	0.4
27 (Sat)	150.3	33.1	21	12	Cloudy / Showers	0.4	0.0	0.4
28 (Sun)	153.1	33.7	17	10	Cloudy / Showers	0.7	0.0	0.7
29 (Mon)	135.7	29.8	16	10	Cloudy / Rain	28.7	0.0	28.7
30 (Tue)	131.0	<=Min 28.8	14	9	Cloudy / Showers	1.5	0.0	1.5
TOTAL	5142.7 ML	1131.37 MIG				48.2	0	48.2
MAX	207.9	45.73	28	17		28.7	0	28.7
AVG	171.4	37.71	21.5	12.3		1.6	0	1.6
MIN	131.0	28.82	14	8		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 September (1914-2024)	65.4 mm
Actual Rainfall: September	48.2 mm
% of Average	74%
Average Rainfall (1914-2024): Sept 01 - Oct 05	80.9 mm
Actual Rainfall (2025/26): Sept 01 - Oct 05	64.7 mm
% of Average	80%

Number days with precip. 0.2 or more
8

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

0.00 Billion Imperial Gallons

0.00 Billion Litres

Daily Consumptions: - October 2025

Date	Total Consumption		Air Temperature @ Japan Gulch		Weather Conditions	Precipitation @ Sooke Res.: 12:00am to 12:00am		
	(ML) ^{1.}	(MIG) ^{2.}	High (°C)	Low (°C)		Rainfall (mm)	Snowfall ^{2.} (mm)	Total Precip.
01 (Wed)	140.3 <=Max	30.9	17	10	Cloudy / Showers	6.2	0.0	6.2
02 (Thu)	134.7	29.6	15	10	Cloudy / Showers	10.1	0.0	10.1
03 (Fri)	125.9 <=Min	27.7	15	9	Cloudy	0.0	0.0	0.0
04 (Sat)	131.2	28.9	16	10	Cloudy / P. Sunny	0.0	0.0	0.0
05 (Sun)	137.5	30.2	17	8	Sunny / P. Cloudy / Showers	0.2	0.0	0.2
06 (Mon)								
07 (Tue)								
08 (Wed)								
09 (Thu)								
10 (Fri)								
11 (Sat)								
12 (Sun)								
13 (Mon)								
14 (Tue)								
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23 (Thu)								
24 (Fri)								
25 (Sat)								
26 (Sun)								
27 (Mon)								
28 (Tue)								
29 (Wed)								
30 (Thu)								
31 (Fri)								
TOTAL	669.6 ML	147.31 MIG				16.5	0	16.5
MAX	140.3	30.87	17	10		10.1	0	10.1
AVG	133.9	29.46	15.7	9.4		3.3	0	3.3
MIN	125.9	27.69	15	8		0.0	0	0.0

1. ML = Million Litres

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

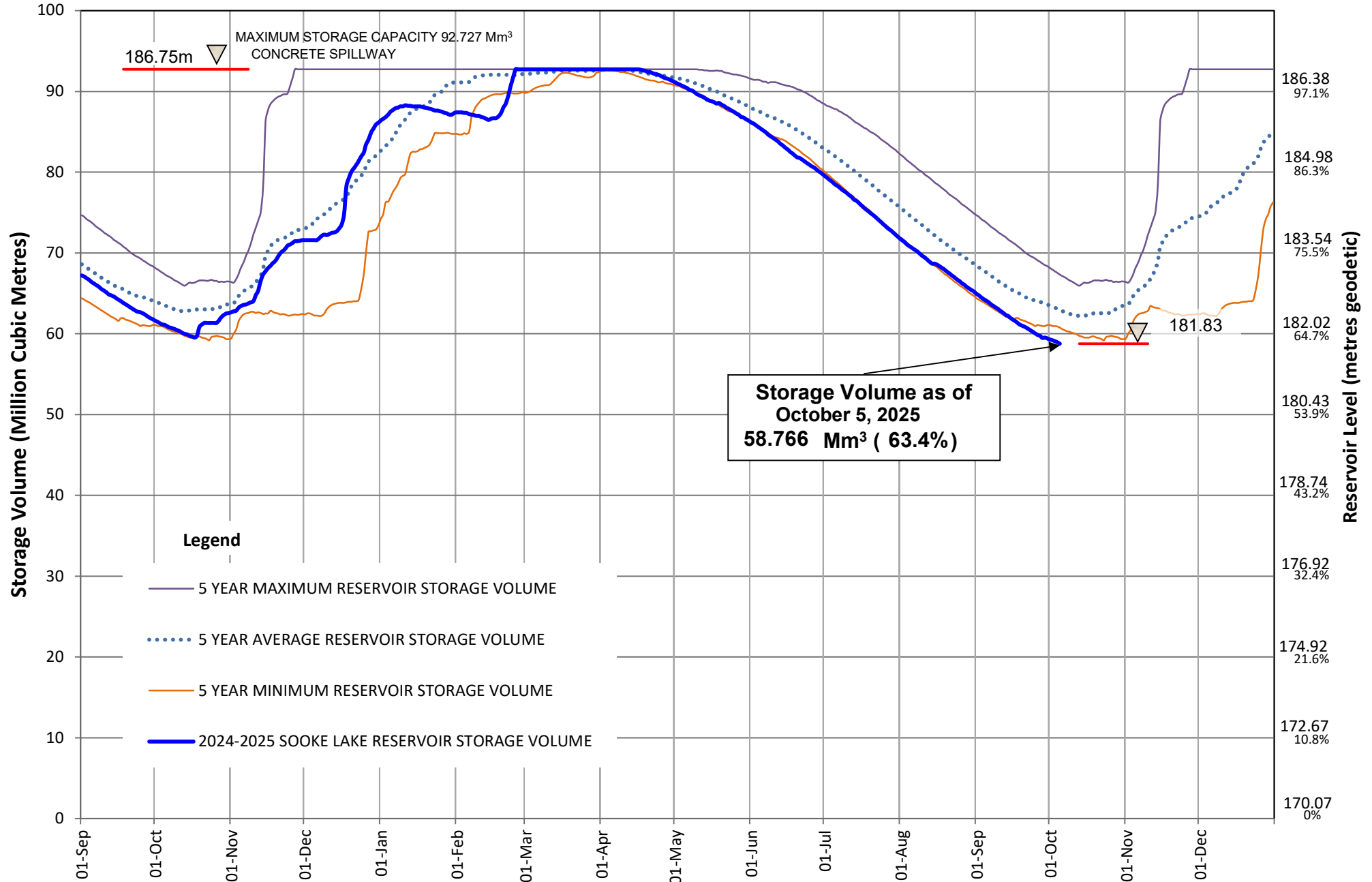
Average Rainfall for October (1914-2024)	170.5 mm
Actual Rainfall: October	16.5 mm
% of Average	10%
Average Rainfall (1914-2024): Sept 01 - Oct 05	80.9 mm
Actual Rainfall (2025/26): Sept 01 - Oct 05	64.7 mm
% of Average	80%

Number days with precip. 0.2 or more
3

Water spilled at Sooke Reservoir to date (since Sept. 1) = 0.00 Billion Imperial Gallons
0.00 Billion Litres

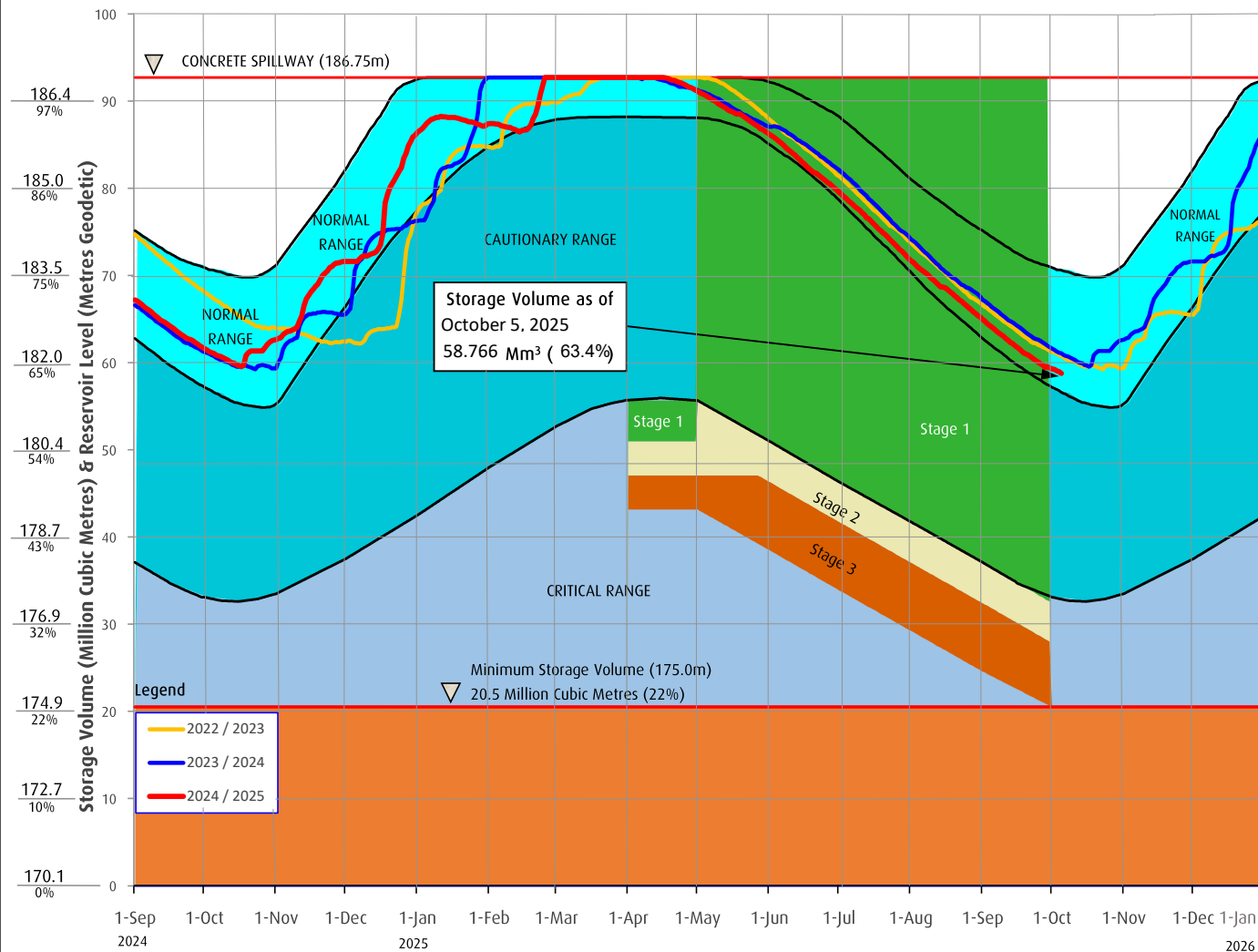
SOOKE LAKE RESERVOIR STORAGE SUMMARY

2024 / 2025



Sooke Lake Reservoir Storage Level

Water Supply Management Plan



FAQs

How are water restriction stages determined?

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

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

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

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

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

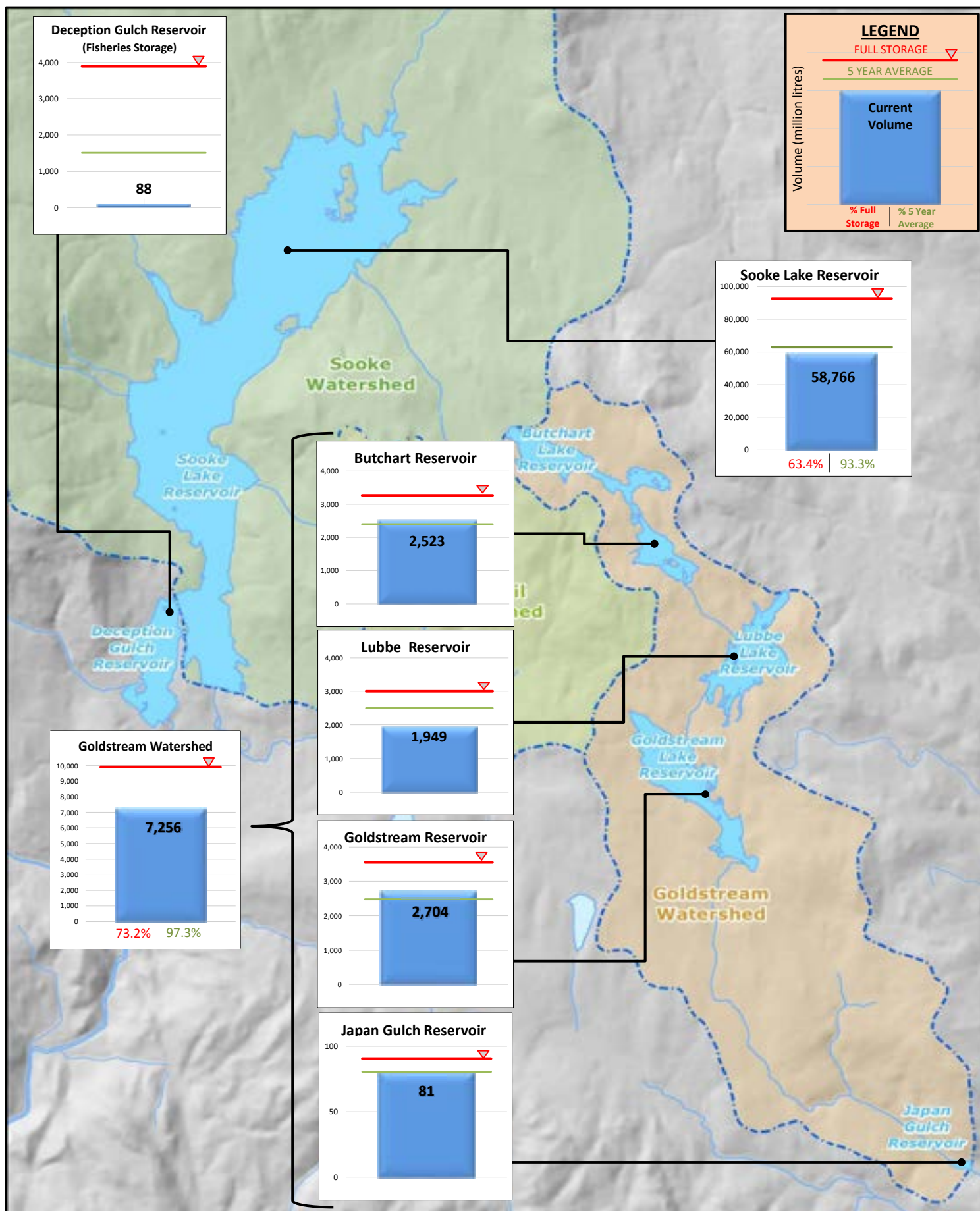
Stage 2 Is initiated when it is determined that there is an acute water supply shortage. During this time, lawn water is permitted once a week at different times for even and odd numbered addresses.

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

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

CRD
Making a difference...together

Useable Reservoir Volumes in Storage for October 05, 2025



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 17, 2025**

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

ISSUE SUMMARY

To provide an update to the Regional Water Supply Commission on the Saanich Peninsula Water Commission Amalgamation Study.

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.

At its July 17, 2025 meeting, the Saanich Peninsula Water Commission approved the following motion:

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 (Saanich Peninsula) Capital Plan.*

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. (Completed July 17, 2025.)
- 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. (In progress)
- 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.

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 (m³), this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.9166 per m³. Conversely, the Saanich Peninsula retail water rate (for 2025) is \$1.2575 per m³. Based on the assumptions in this scenario, theoretically that rate would drop to \$0.9166 per m³, or a potential savings for each of the three Saanich Peninsula municipalities of \$0.3409 per m³.

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 m³, this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.8916 per m³. Based on the assumptions in this scenario, the Saanich Peninsula retail rate would drop from \$1.2575 per m³ to \$0.8916 per m³, or potential savings for each of the three Saanich Peninsula municipalities of \$0.3659 per m³.

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 is required to further refine Scenario 1 and 2. Once this analysis is completed the associated study and recommendations will be presented to the Regional Water Supply Commission for approval.

RECOMMENDATION

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

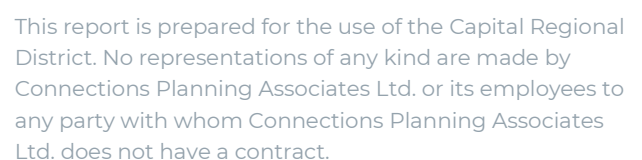
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ATTACHMENT(S)

Appendix A: Amalgamation Study Draft Report
Appendix B: Presentation to RWSC – November 20, 2024
Appendix C: Staff Report to SPWC – January 18, 2024
Appendix D: Saanich Peninsula Water Supply Infrastructure Map
Presentation: SPWC Amalgamation Study

This map illustrates the extensive Denver Water distribution system. A thick blue line represents the main transmission pipeline, which originates in the Front Range area and runs southward through the city. Key features include:

- Front Range:** The northernmost section, showing the source of water for the system.
- City:** The central urban area, with the main pipeline running through it.
- South Platte:** The southern section, where the pipeline continues to serve the outlying areas.
- Reservoirs and Parks:** Several locations are marked, including Deer Park Upper Reservoir, Deer Park Middle Reservoir, Deer Park Lower Reservoir, and the various Reservoirs and Parks in the Front Range and South Platte areas.
- Interconnections:** The map shows how the main pipeline is connected to local distribution networks and reservoirs throughout the region.





Capital Regional District

Saanich Peninsula Water Commission
Amalgamation Study

DRAFT REPORT

July 2025

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APPENDICES

Appendix A – Saanich Peninsula Water Commission Letters Patent (consolidated version)

Appendix B – Saanich Peninsula Water Service Map

Appendix C – Saanich Peninsula Water Service 2025 Budget Summary

Appendix D – Regional Water Supply 2025 Budget Summary

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.

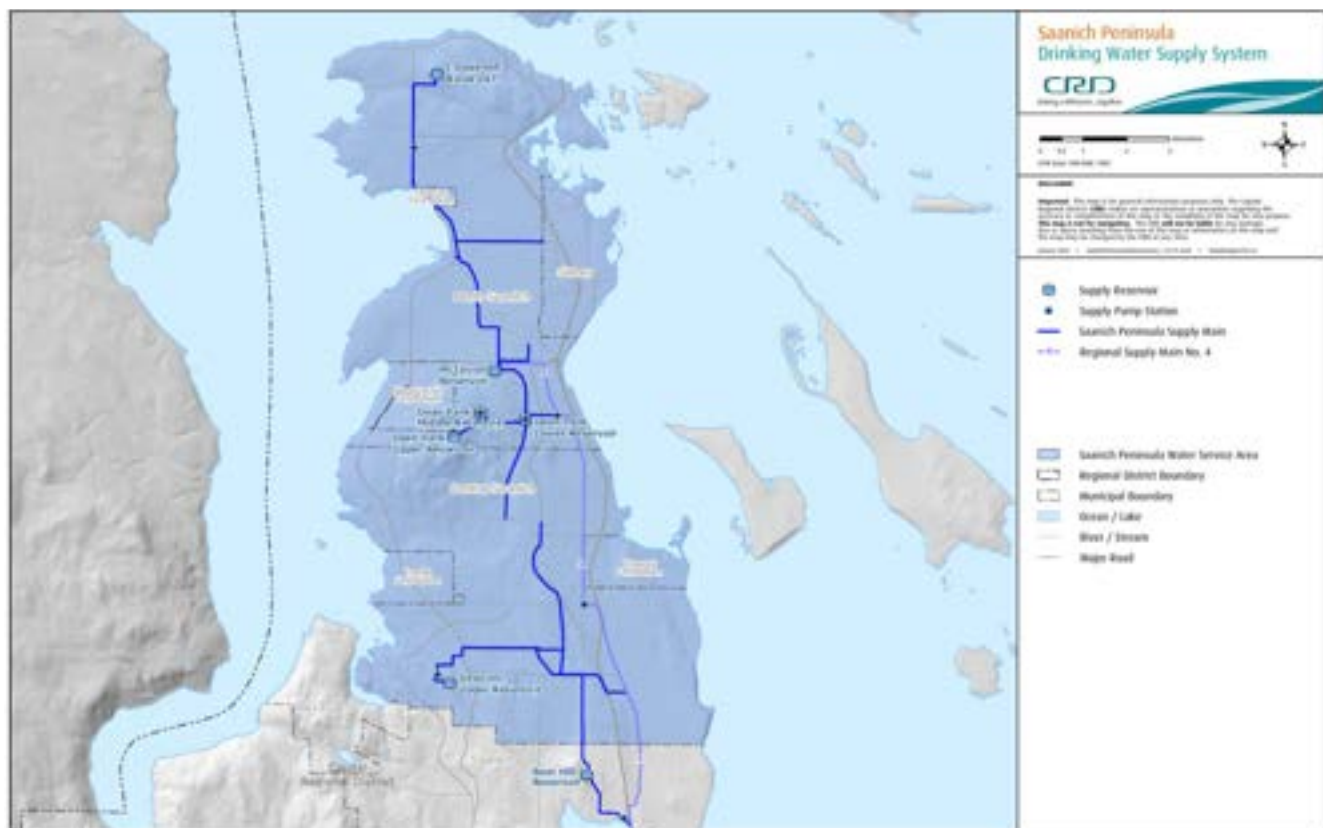
Upon initial review, CRD staff noted in its report to the commissions that “there may be an unnecessary layer of governance which was required in 1976, prior to the creation of the Regional Water service that could be eliminated with potentially no impact to the level of services and with improved efficiencies 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.¹ 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

¹ 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%
TOTAL	308	34,710	100%

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%
TOTAL	308	34,711	100%

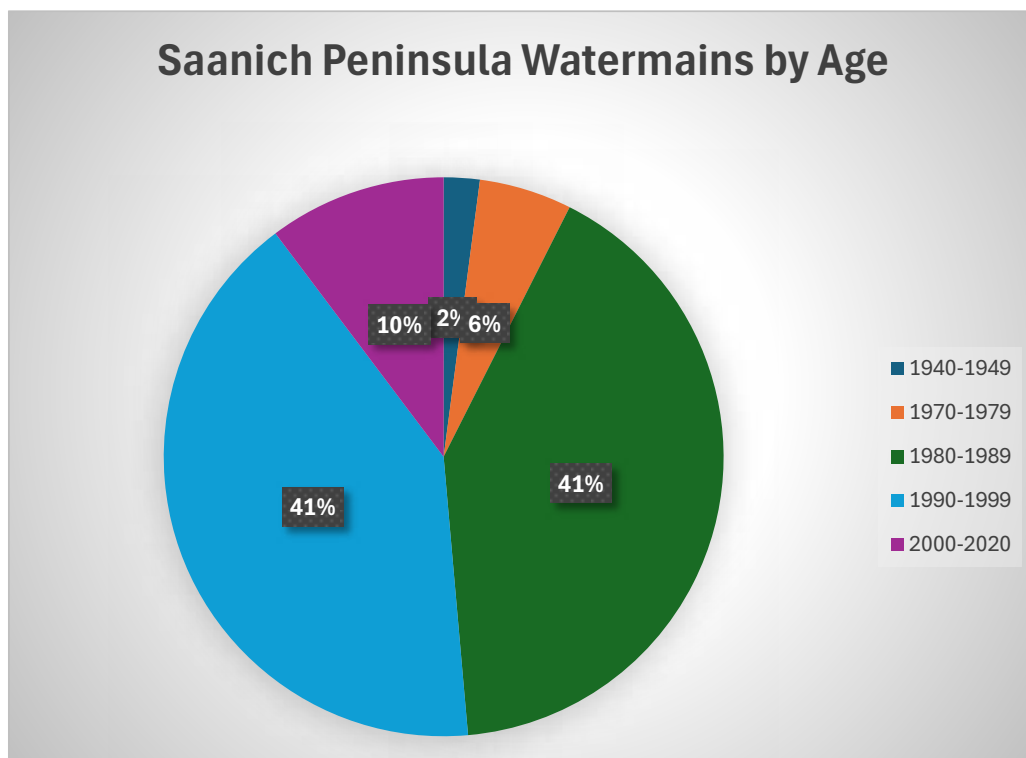
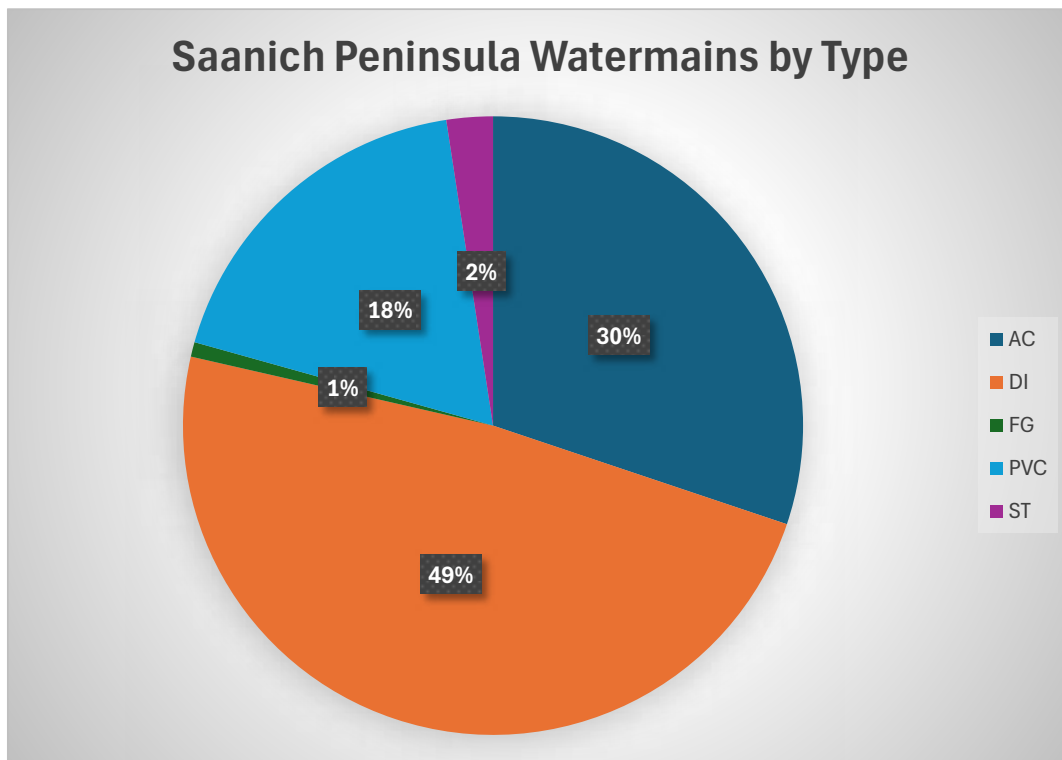
Figure 2 - Saanich Peninsula Watermains by Age

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
	TOTAL	\$40,625,646	(\$18,583,869)	\$22,051,777

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.

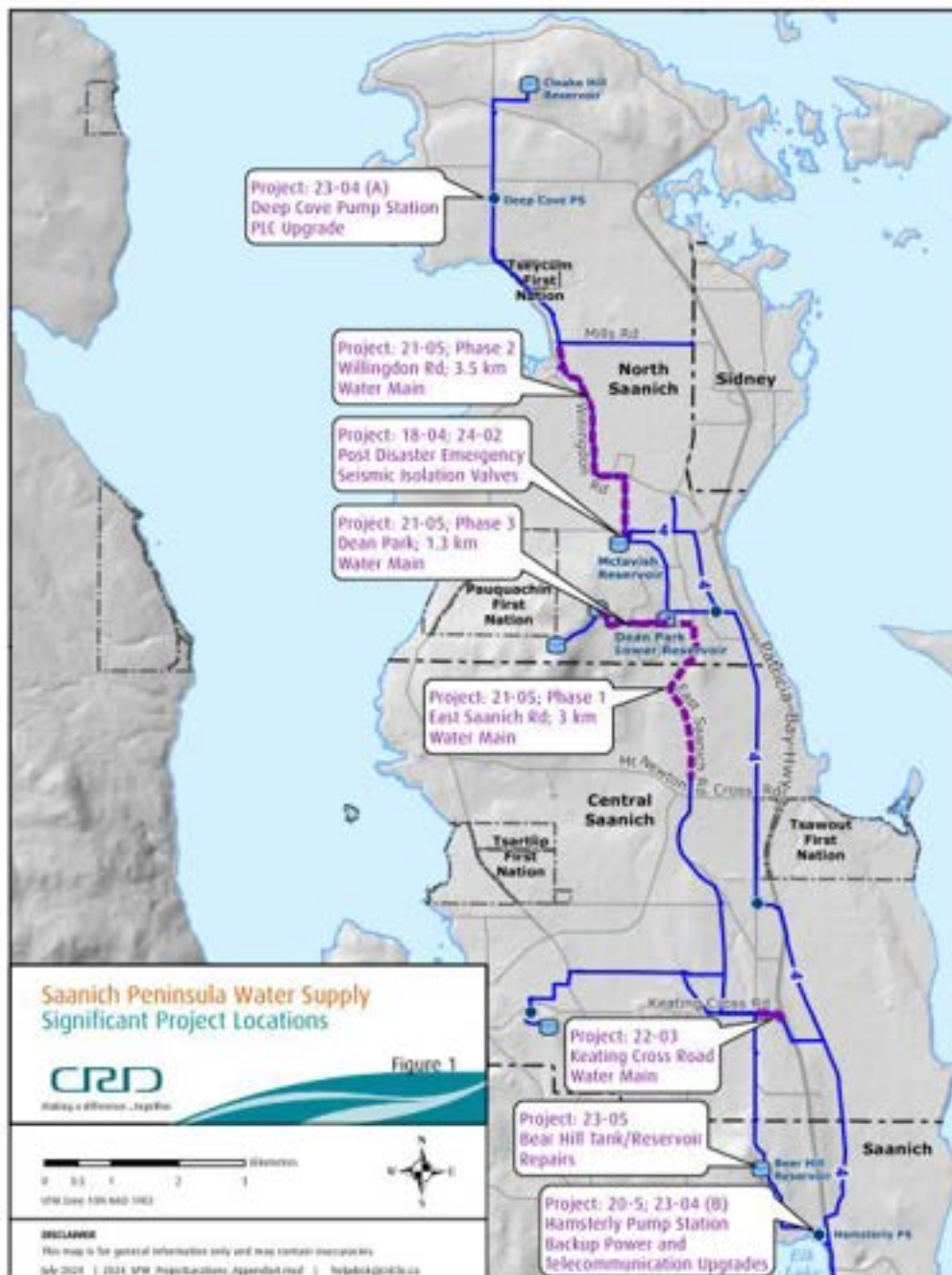
For 2025 budgeting purposes, the estimated Total Expenditures for the Saanich Peninsula Water service is \$8.325 million which is broken down as follows: \$1.882 million for Operating (23%), \$5.524 million for Bulk Water (66%), \$700,000 for Transfer to Capital and Other Reserves (8%), and \$219,300 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.

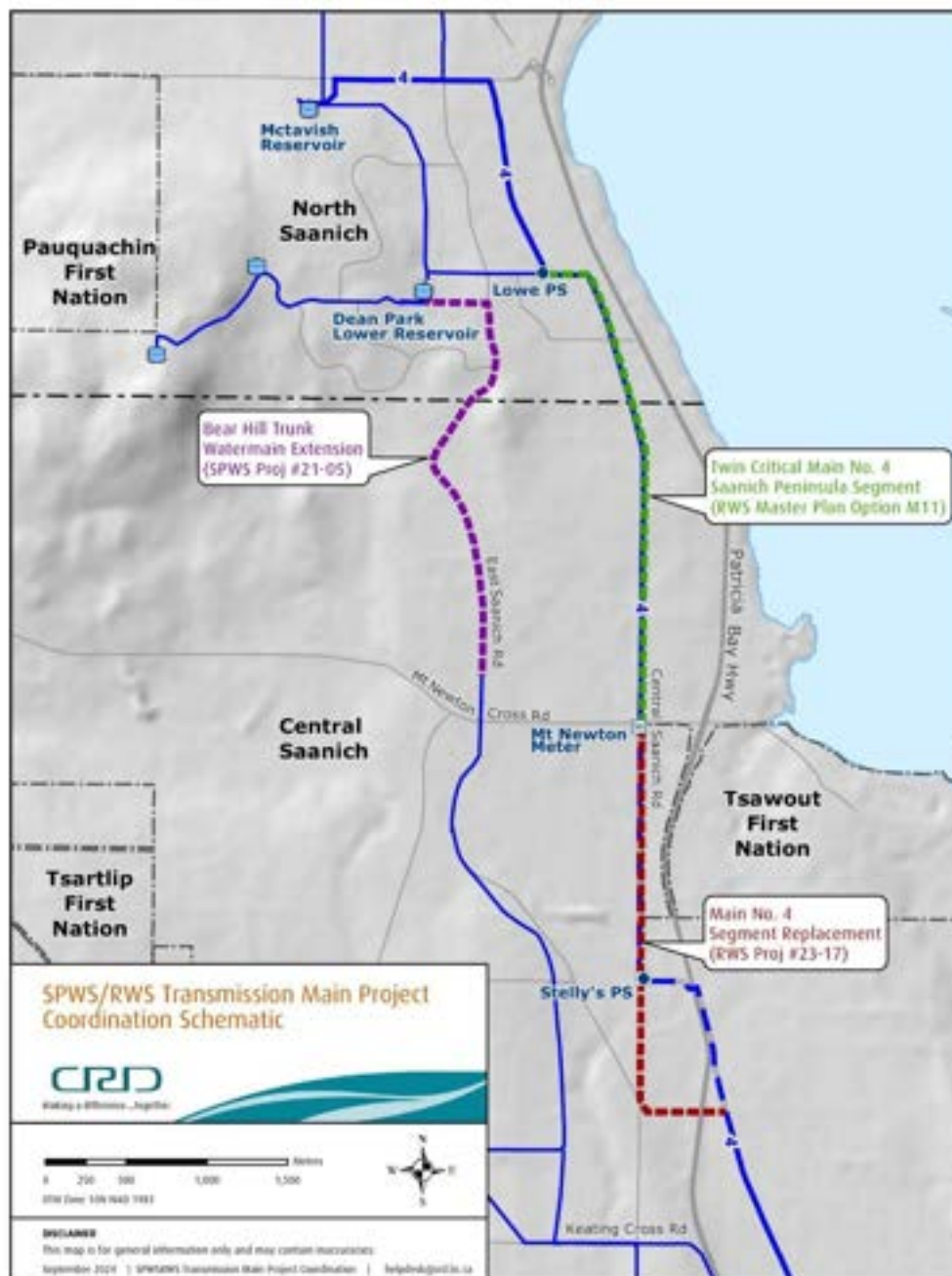
3.3 Capital Works Program

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%
TOTAL EXPENDITURES	\$8,325,361	100%

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 ³)
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 m³) 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 m³, 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 m³ 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 m³ and then re-sells it to the municipalities within the Saanich Peninsula at \$1.2575 per m³. 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 m³) 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 m³, this would theoretically raise the bulk water rate for all Regional Water Supply service users to \$0.9166 per m³.

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%
TOTAL EXPENDITURES	\$44,959,023	100%

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%)
TOTAL EXPENDITURES	\$44,959,023	\$47,760,544	\$2,801,521 (6.2%)

Currently, the Saanich Peninsula retail water rate for 2025 is \$1.2575 per m³. Based on the assumptions in this scenario, theoretically that rate could drop to \$0.9166 per m³, or a potential savings for each of the three Saanich Peninsula municipalities of \$0.3409 per m³. 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 1st. 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	• Cloake Hill Reservoir • Dean Park Lower PS and Reservoir • Dean Park Middle PCS, PS and Reservoir

Transfer Ownership from Saanich Peninsula Water Commission to:	Infrastructure Description
	• Dean Park Upper Reservoir • Deep Cove PS • Amity PCS • Bazen Bay PCS • Towner PCS • Trunk Main from Towner PCS to Cloake Hill Reservoir • Trunk Main from Dean Park Lower Reservoir to Dean Park Upper Reservoir
District of Central Saanich	• Dawson Upper Reservoir • Dawson Upper PS • East Saanich PCS • Martindale PCS • Meadowbank PCS • Slugget PCS • Stelly's PCS • Trunk Main from Martindale PCS to Dawson Upper Reservoir • Keating Trunk Main
Town of Sidney	• McDonald Park PCS
Capital Regional District – Regional Water Supply Commission	• All remaining water supply infrastructure • Future Bear Hill Trunk Extension (construction starting in late 2025 / 2026) • Centre for Plant Health water service

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)
TOTAL EXPENDITURES	\$8,325,361	\$1,479,333	18%

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
TOTAL EXPENDITURES	\$44,959,023	\$46,438,356	\$1,479,333 (3.3%)

If this applied directly to the current bulk water rate of \$0.8631 per m³, this would theoretically raise the bulk water rate for all Regional Water Supply users to \$0.8916 per m³. Based on the assumptions in this scenario, the Saanich Peninsula Water retail rate would drop from \$1.2575 per m³ to \$0.8916 per m³, or

a potential savings for each of the three Saanich Peninsula municipalities of \$0.3659 per m³. 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 st 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 31st 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 31st 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 31st 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.

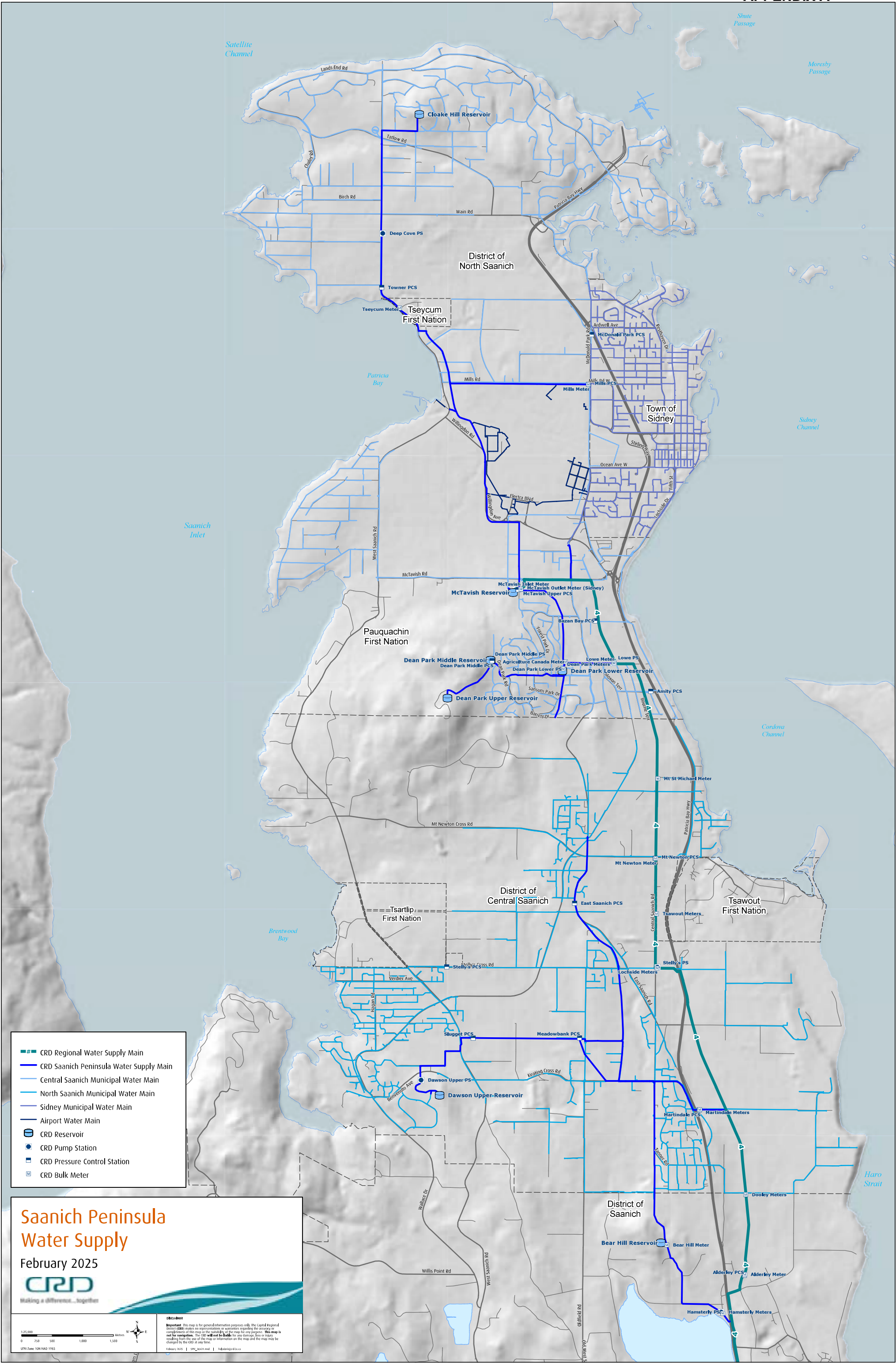
WITNESS, Colonel, the Honourable Walter S. Owen, Q.C., LL.D., Lieutenant- Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 22nd day of December in the year of Our Lord one thousand nine hundred and seventy-six and in the twenty-fifth year of Our Reign.

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
SUMMARY										
1										
<u>OPERATING EXPENDITURES:</u>										
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
TOTAL OPERATING EXPENDITURES	1,760,106	1,629,493	1,882,221	-	-	1,882,221	1,924,009	1,968,101	2,013,619	2,060,652
*Percentage increase over prior year board budget			6.94%			6.94%	2.22%	2.29%	2.31%	2.34%
TOTAL BULK WATER EXPENDITURES	5,180,160	5,261,100	5,523,840	-	-	5,523,840	6,089,445	6,998,550	7,885,545	8,853,240
<u>CAPITAL EXPENDITURES & TRANSFERS</u>										
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
TOTAL CAPITAL EXPENDITURES & TRANSFERS	850,000	1,033,625	700,000	-	-	700,000	550,000	550,000	600,000	600,000
<u>DEBT SERVICING</u>										
DEBT-INTEREST & PRINCIPAL	102,000	-	219,300	-	-	219,300	1,210,343	1,210,343	1,210,343	1,210,343
TOTAL DEBT EXPENDITURES	102,000	-	219,300	-	-	219,300	1,210,343	1,210,343	1,210,343	1,210,343
TOTAL EXPENDITURES	7,892,266	7,924,218	8,325,361	-	-	8,325,361	9,773,797	10,726,994	11,709,507	12,724,235
<u>SOURCES OF FUNDING-OPERATIONS</u>										
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)
TOTAL SOURCES OF FUNDING FROM OPERATIONS	(7,892,266)	(7,924,218)	(8,325,361)	-	-	(8,325,361)	(9,773,797)	(10,726,994)	(11,709,507)	(12,724,235)
<u>SOURCES OF FUNDING-REQUISITION</u>										
PROPERTY TAX REQUISITION FOR DEBT	-	-	-	-	-	-	-	-	-	-
TOTAL REQUISITION	-	-	-	-	-	-	-	-	-	-
TRANSFER FROM PRIOR YEAR	-	-	-	-	-	-	-	-	-	-
TRANSFER TO FOLLOWING YEAR										
TOTAL CARRY FORWARD (SURPLUS)/ DEFICIT	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF ALL FUNDING	(7,892,266)	(7,924,218)	(8,325,361)	-	-	(8,325,361)	(9,773,797)	(10,726,994)	(11,709,507)	(12,724,235)
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

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

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
	\$3,355,000	\$16,000,000	\$1,869,000	\$2,250,000	\$1,400,000	\$625,000	\$22,144,000	

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	
	\$3,355,000	\$16,000,000	\$1,869,000	\$2,250,000	\$1,400,000	\$625,000	\$22,144,000	

APPENDIX D

Regional Water Supply 2025 Budget Summary

APPENDIX A

CAPITAL REGIONAL DISTRICT

Program Group: CRD-Regional Water Supply

SUMMARY	2024 BOARD BUDGET 2	2024 ESTIMATED ACTUAL 3	2025 BUDGET REQUEST				FUTURE PROJECTIONS			
			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
1	2	3	4	5	6	7	8	9	10	11
<u>GENERAL PROGRAM EXPENDITURES:</u>										
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
TOTAL OPERATING EXPENDITURES	18,480,167	18,432,661	19,377,331	348,181	-	19,777,854	20,216,621	20,681,106	21,164,304	21,656,885
<i>Percentage increase over prior year's board budget</i>			4.85%			7.02%	2.22%	2.30%	2.34%	2.33%
CONVEYANCE FEE FOR SERVICE TO FIRST NATIONS	900,000	450,000	480,000	-	-	480,000	500,000	525,000	550,000	575,000
AGRICULTURAL WATER RATE FUNDING	1,800,000	1,800,000	1,850,000	-	-	1,850,000	1,900,000	1,950,000	2,000,000	2,050,000
			2.78%			2.78%	2.70%	2.63%	2.56%	2.50%
<u>CAPITAL EXPENDITURES & TRANSFERS</u>										
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
TOTAL CAPITAL EXPENDITURES & TRANSFERS	18,037,795	18,727,820	20,263,914	-	-	20,263,914	22,169,182	24,022,964	26,210,782	27,926,239
<u>DEBT SERVICING</u>										
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
TOTAL DEBT EXPENDITURES	2,896,242	2,874,791	2,587,255	-	-	2,587,255	4,809,274	9,166,280	13,256,825	17,889,131
<u>DEFICIT TRANSFERRED TO FOLLOWING YR</u>										
TRANSFER TO FOLLOWING YEAR DEFICIT CARRY FORWARD										
TOTAL EXPENDITURES	42,114,204	42,285,272	44,558,500	348,181	-	44,959,023	49,595,077	56,345,350	63,181,911	70,097,255
<u>SOURCES OF FUNDING</u>										
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)
TOTAL SOURCE OF FUNDING FROM OPERATIONS	(42,114,204)	(42,285,272)	(44,610,842)	(348,181)	-	(44,959,023)	(49,595,077)	(56,345,350)	(63,181,911)	(70,097,255)
TRANSFER FROM PRIOR YEAR	-	-	-	-	-	-	-	-	-	-
TRANSFER TO FOLLOWING YEAR SURPLUS CARRY FORWARD										
TOTAL SOURCES OF FUNDING	(42,114,204)	(42,285,272)	(44,610,842)	(348,181)	-	(44,959,023)	(49,595,077)	(56,345,350)	(63,181,911)	(70,097,255)
<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

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

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
	\$32,536,000	\$106,074,750	\$45,023,000	\$62,840,000	\$81,665,000	\$53,805,000	\$349,407,750

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
	\$32,536,000	\$106,074,750	\$45,023,000	\$62,840,000	\$81,665,000	\$53,805,000	\$349,407,750

APPENDIX E

Saanich Peninsula Water Service – Supply vs. Distribution Infrastructure



Making a difference...together

DISCLAIMER

Important This map is for general information purposes only. The Capital Regional District (CRD) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. **This map is not for navigation.** The CRD **will not be liable** for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.

June 2025 | [Arc_SaanichPeninsulaAttorney_36x24.mxd](#) | [helpdesk@crd.bc.ca](#)

Saanich Peninsula Water Commission Amalgamation Study

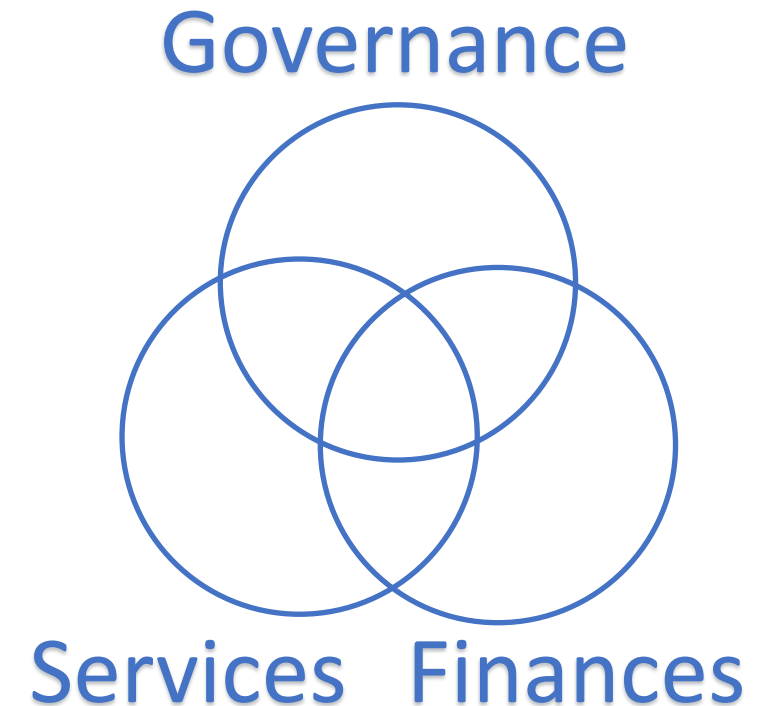
Presentation to Regional Water
Supply Commission

November 20, 2024



Outline

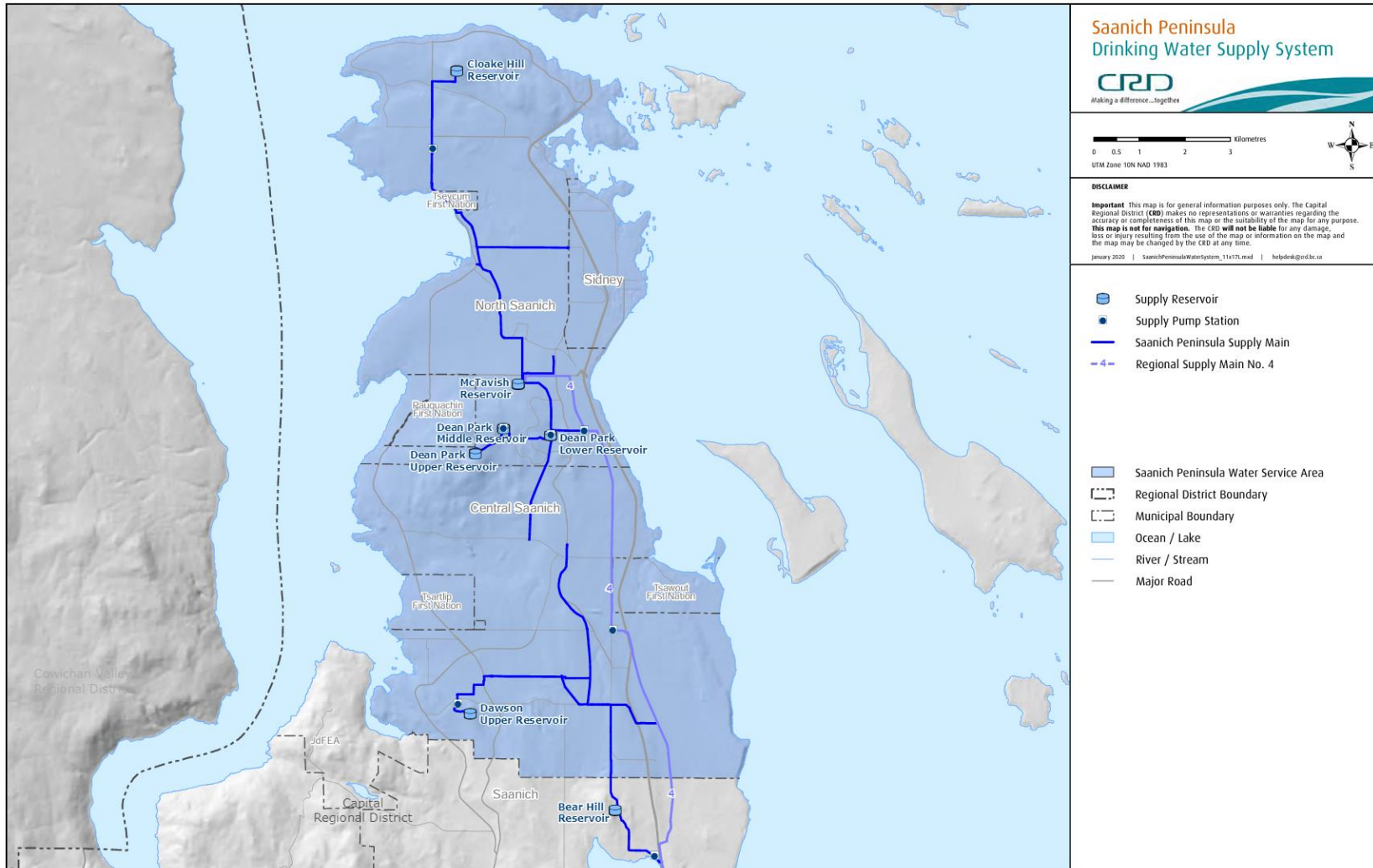
- Introductions
 - Dan Huang, RPP, MCIP – Principal, Connections Planning
- Background / Study Scope
- High Level Overview
 - Services / Water System
 - Finances
 - Governance
- Initial Analysis and Observations
- Next Steps
- Questions / Discussion



Background / Scope

- 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

- 2024 Total Operating Expenditures = ~\$7.9M, of which ~\$2.7M (34%) were for base operating and capital expenditures, and debt financing
- San Pen essentially operates as an extension of the Regional Supply water system (except for storage capacity)
- 2024 Capital Works program = ~\$11M, Five-Year Capital program = ~\$22M
- Majority of capital program is for the Bear Hill Transmission Main (~\$14.7M) and other renewal and resiliency works
- Capital works servicing the Saanich Peninsula have regional benefits (e.g. Bear Hill) and vice versa.

Financial Overview

- SPWC purchases bulk water from Regional Water at \$0.8094 / m³ and then re-sells it to the 3 municipalities at \$1.1978 per m³ (wholesale rate)
- Difference in wholesale and bulk water rate (approx. **\$0.39 per m³**) is the main financial consideration for the 3 partners to consider amalgamation
- Capital Reserves = ~\$7.6M, of which \$2.1M in DCC reserves to remain within Saanich Peninsula DCC water boundary
- Capital Debt = \$12.9M MFA debenture for 5-year capital projects (e.g. Bear Hill)
- Asset Retirement Obligation (ARO) – as per PSAB 3280, long term disposal requirements for Asbestos Cement (AC) watermain replacement

Governance Overview

- Saanich Peninsula Water Commission (SPWC) consists of 11 appointed members, including elected officials and community representatives
- Regional Water Supply Commission (RWSC) is comprised of 22 members, all elected officials from their respective communities
- Water Advisory Committee is a public advisory committee comprised of technical and community representatives
- Amalgamation would see the SPWC fold into the RWSC, with potential size to be determined (likely the same due to current San Pen representation)
- Non-elected representation currently on SPWC would be lost, could be added to Regional Water Advisory Committee

Initial Analysis and Observations

- There are mutual servicing and operational benefits between Saanich Peninsula and Regional water systems
- Currently working with IWS staff to determine potential operational and/or administrative efficiencies due to amalgamation
- Amalgamation will provide potential additional funding for 3 municipal partners, based on the current difference between the bulk water rate and wholesale rate
- Ensure that identified 5-year capital projects for Saanich Peninsula maintain the same priority within a larger Regional Water capital program
- Future decision-making would be addressed at a more regional level – perceived loss of local control vs. one region / one water supply system

Next Steps

- Continue to work with CRD staff to refine operations, administration, finance and governance considerations – 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

Presentation to Regional Water
Supply Commission

November 20, 2024

Thank you!



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

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
LETTERS PATENT, AMENDMENTS AND CONSOLIDATED VERSION**

(Scanned versions)

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**SAANICH PENINSULA WATER COMMISSION
LETTERS PATENT**

(Scanned 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 st 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.
3. The regional district is empowered by bylaw 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 the provisions of section 568 of the Municipal Act, mutatis mutandis, apply to the regional district.
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 any annual debt charges, shall be apportioned among the member municipalities liable to share such costs on the basis of fifty per cent (50%) by census population and fifty per cent (50%) by net taxable value of land and improvements for school purposes, except those properties taxable for school purposes only by special Act.
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 31st 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.

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 22nd 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.

**Amendment to Saanich Peninsula Water Commission Letters Patent - April 27, 1978
(Scanned 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 st day of February, 1966:

AND WHEREAS, Section 766 of the Municipal Act provides inter alia that, in addition to the functions conferred by that Act a regional district has such functions as are provided by Letters Patent or supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in Letters Patent or supplementary Letters Patent such further objects, powers, obligations, duties, limitations, and conditions in respect to any or all functions requested pursuant to this section:

AND WHEREAS pursuant to the provisions of supplementary Letters Patent issued 22nd December 1976, conferring upon the Capital Regional District the function of water supply to The Corporation of the District of Central Saanich, the District of North Saanich, and the Town of Sidney, the membership of a commission created to advise the Capital Regional District Board shall be comprised in part of three members one each 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:

AND WHEREAS the interests of the three member municipalities are significantly affected as a result of the deliberations of the said commission:

AND WHEREAS from time to time the member appointed by the said municipal councils is unable to attend meetings of the commission:

AND WHEREAS the provisions of section 766 of the Municipal Act have been complied with:

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:

1. Paragraph numbered 9 of the function of Division XVII - Water Supply (Saanich Peninsula) granted by supplementary Letters Patent issued 22nd December 1976 is amended by the inclusion of the following as sub-paragraph (4):

“(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.”

AND THAT the Letters Patent and supplementary Letters Patent of the Capital Regional District be deemed to be further amended accordingly.

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 27th day of April in the year of Our Lord one thousand nine hundred and seventy-eight and in the twenty-seventh year of Our Reign.

By Command.

Provincial Secretary and
Minister of Travel Industry.

**Amendment to Saanich Peninsula Water Commission Letters Patent - September 27, 1984
(Scanned 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 767 of the Municipal Act,
Bill Ritchie	(
	(the Capital Regional District was
Minister of	(
Municipal Affairs	(incorporated by Letters Patent issued
	(
	(on the 1 st day of February, 1966:

AND WHEREAS, Section 767 of the Municipal Act provides inter alia that, in addition to the functions conferred by that Act a regional district has the functions as provided by Letters Patent or Supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent or Supplementary Letters Patent further objects, powers, obligations, duties, limitations, and conditions for any or all functions requested under that section:

AND WHEREAS by Supplementary Letters Patent issued on the 22nd day of December 1976 the Regional Board of the Capital Regional District was granted the function of Division XVII - Water Supply (Saanich Peninsula) with the Corporation of the District of Central Saanich, the District of North Saanich, and the Town of Sidney as participating members:

AND WHEREAS the Regional Board of the Capital Regional District has requested the function of Division XVII - Water Supply (Saanich Peninsula) be amended by changing the formula for the apportionment of annual net cost attributable to this function, including annual debt charges, among participating member municipalities:

AND WHEREAS the provisions of section 767 of the Municipal Act have been duly complied with:

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

The function of Division XVII - Water Supply (Saanich Peninsula) granted by Supplementary Letters Patent dated December 22, 1976, as amended, be further amended by:

1. Deleting paragraph number 7 in its entirety and substituting therefore the following:
 - “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 31st 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 31st December of the immediately preceding year.”

AND THAT the Letters Patent, as amended, of the Capital Regional District be deemed to be further amended accordingly.

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, the Honourable Robert Gordon Rogers, Lieutenant-Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 27th day of September in the year of Our Lord one thousand nine hundred and eighty-four and in the thirty-third year of Our Reign.

By Command
Acting Provincial Secretary and
Minister of Government Services.

**Amendment to Saanich Peninsula Water Commission Letters Patent - March 19, 1986
(Scanned 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 767 of the Municipal Act,
Bill Ritchie	(
	(the Capital Regional District was
Minister of	(
Municipal Affairs	(incorporated by Letters Patent issued
	(
	(on the 1 st day of February, 1966:

AND WHEREAS section 767 of the Municipal Act provides, inter alia, that in addition to the functions conferred by that Act, a regional district has the functions as provided by Letters Patent or Supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent or Supplementary Letters Patent further objects, powers, obligations, duties, limitations and conditions for any or all functions requested under that section:

AND WHEREAS by Supplementary Letters Patent issued on the 22nd of December, 1976 the Regional Board of the Capital Regional District was granted the function of Division XVII - Water Supply (Saanich Peninsula):

AND WHEREAS the Regional Board of the Capital Regional District has requested the function of Division XVII - Water Supply (Saanich Peninsula) be amended by empowering the regional district to supply water to the Department of Agriculture of the Government of Canada.

AND WHEREAS the provisions of section 767 of the Municipal Act have been duly complied with:

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

The function of Division XVII - Water Supply (Saanich Peninsula) granted by Supplementary Letters Patent December 22, 1976, as amended, be further amended by:

1. Deleting section 2 in its entirety and substituting therefor the following:
 - “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.”
2. Deleting section 3 in its entirety and substituting therefor the following:
 - “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.”

AND THAT the Letters Patent, as amended, of the Capital Regional District be deemed to be further amended accordingly.

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, the Honourable Robert Gordon Rogers, Lieutenant-Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 19th day of March in the year of Our Lord one thousand nine hundred and eighty-five (stroked out and hand-written six) and in the thirty-fourth (stroked out and hand-written fifth) year of Our Reign.

By Command.

Provincial Secretary and
Minister of Government Services.

**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 st 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 the 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 31st 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 31st 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 31st 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.

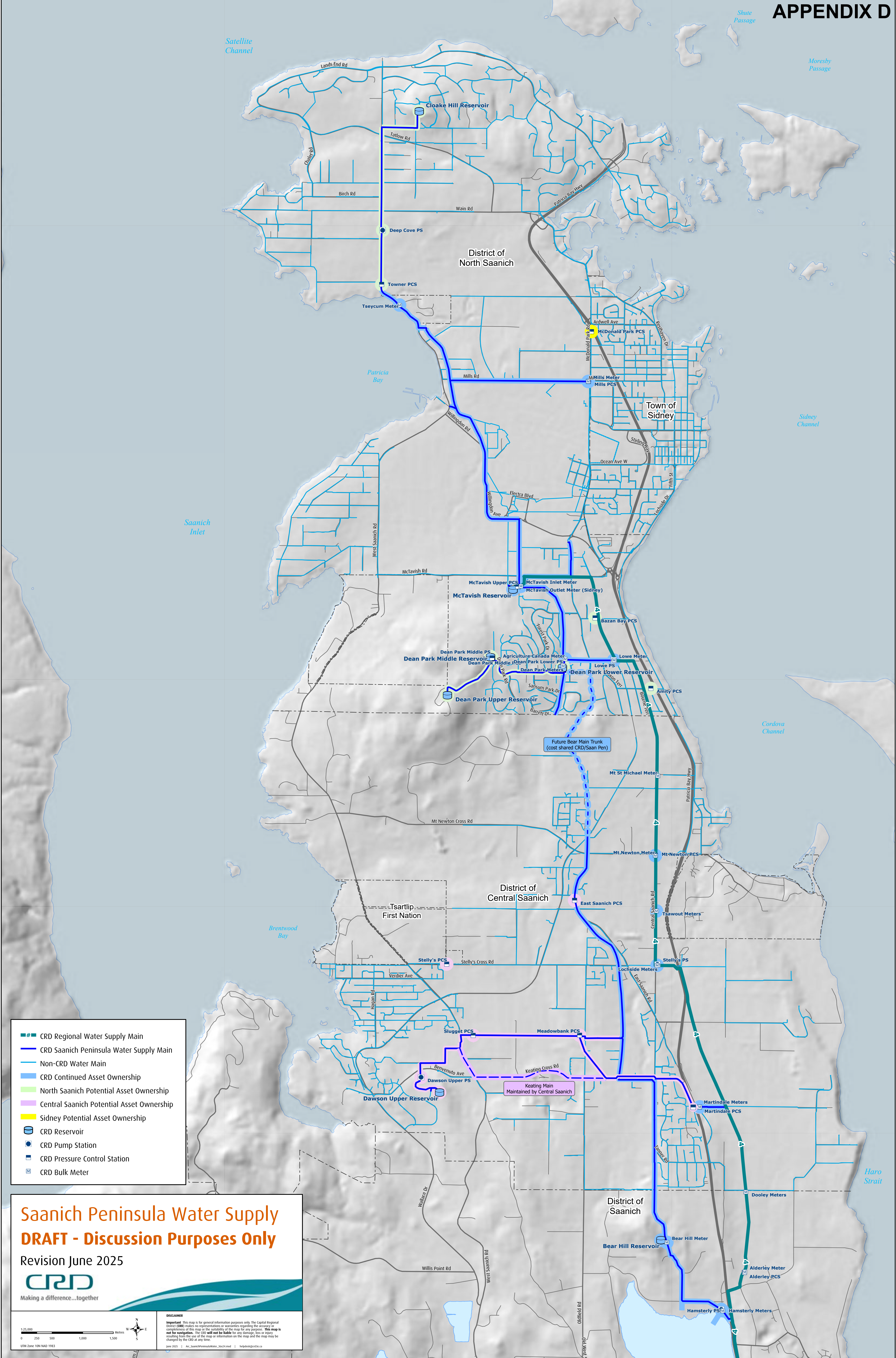
AND THAT the Letters Patent of the Capital Regional District be deemed to be amended so as to conform to the premises as and from the date, of these supplementary Letters Patent.

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 22nd 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.



- 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

Saanich Peninsula Water Supply

DRAFT - Discussion Purposes Only

Revision June 2025



Making a difference...together

1:25,000

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UTM Zone 10N NAD 1983

DISCLAIMER

Important: This map is for general information purposes only. The Capital Regional District (CRD) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. This map is not for navigation. The CRD will not be liable for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.

June 2025 | Arc_SaanichPeninsulaWater_34x24.mxd | helpdesk@cd.bc.ca

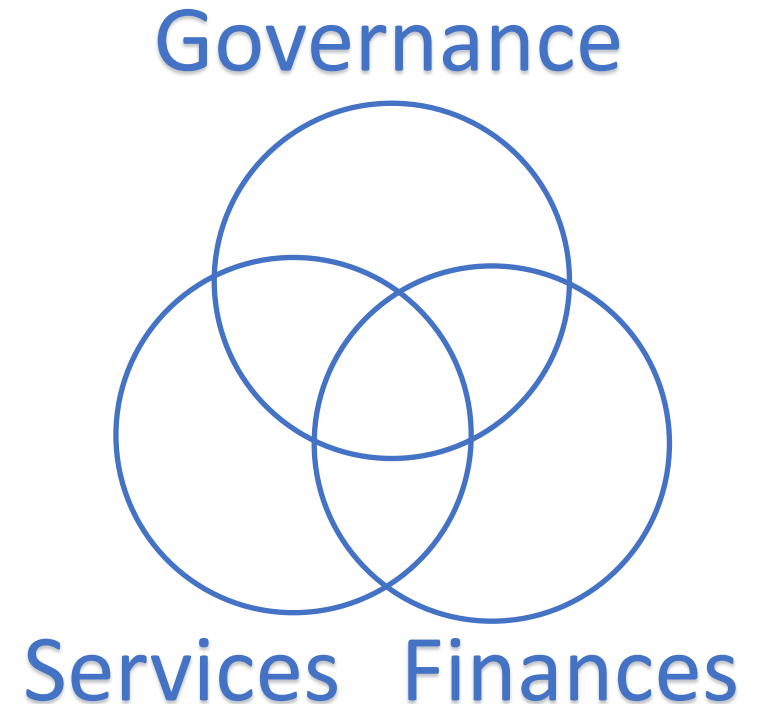
Saanich Peninsula Water Commission Amalgamation Study

Draft Report Presentation to
Regional Water Supply Commission
October 15, 2025



Outline

- 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

- The Draft Report provides an overview of governance, operations and finances for both Saanich Peninsula Water system and the Regional Water Supply system.
- It was presented to Saanich Peninsula Water Commission on July 17, 2025 who recommended presenting it to the Regional Water Supply Commission (today).
- 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

- 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

- Financial Overview

- Both Saanich Peninsula Water and Regional Water Supply utilize water rates (based on a per m³ usage) as its main form of revenue.
- Saanich Peninsula Water purchases bulk water from Regional Water Supply at \$0.8631 per m³ and flows it through to each peninsula municipality at \$1.2575 per m³. The rate differential (\$0.3944 per m³) 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

- 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

- 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.

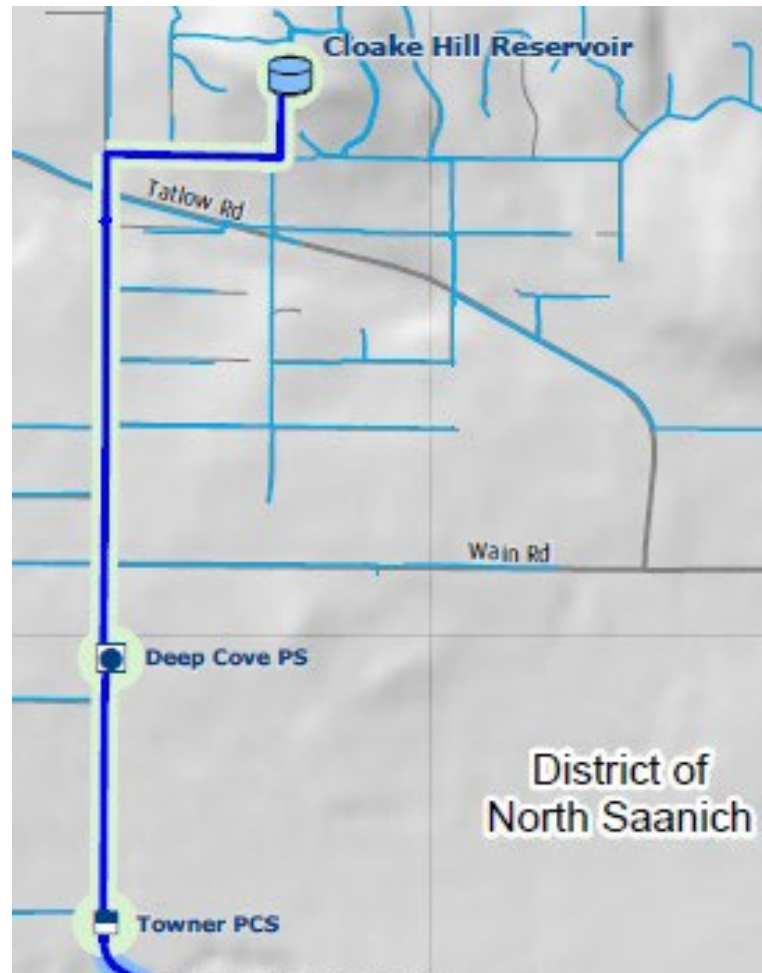
Scenario 1 – Complete Amalgamation

- 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 m³ (increase of \$0.0535 per m³)
 - Peninsula – from \$1.2575 to \$0.9166 per m³ (decrease of \$0.3409 per m³)

Scenario 2 – Partial Amalgamation

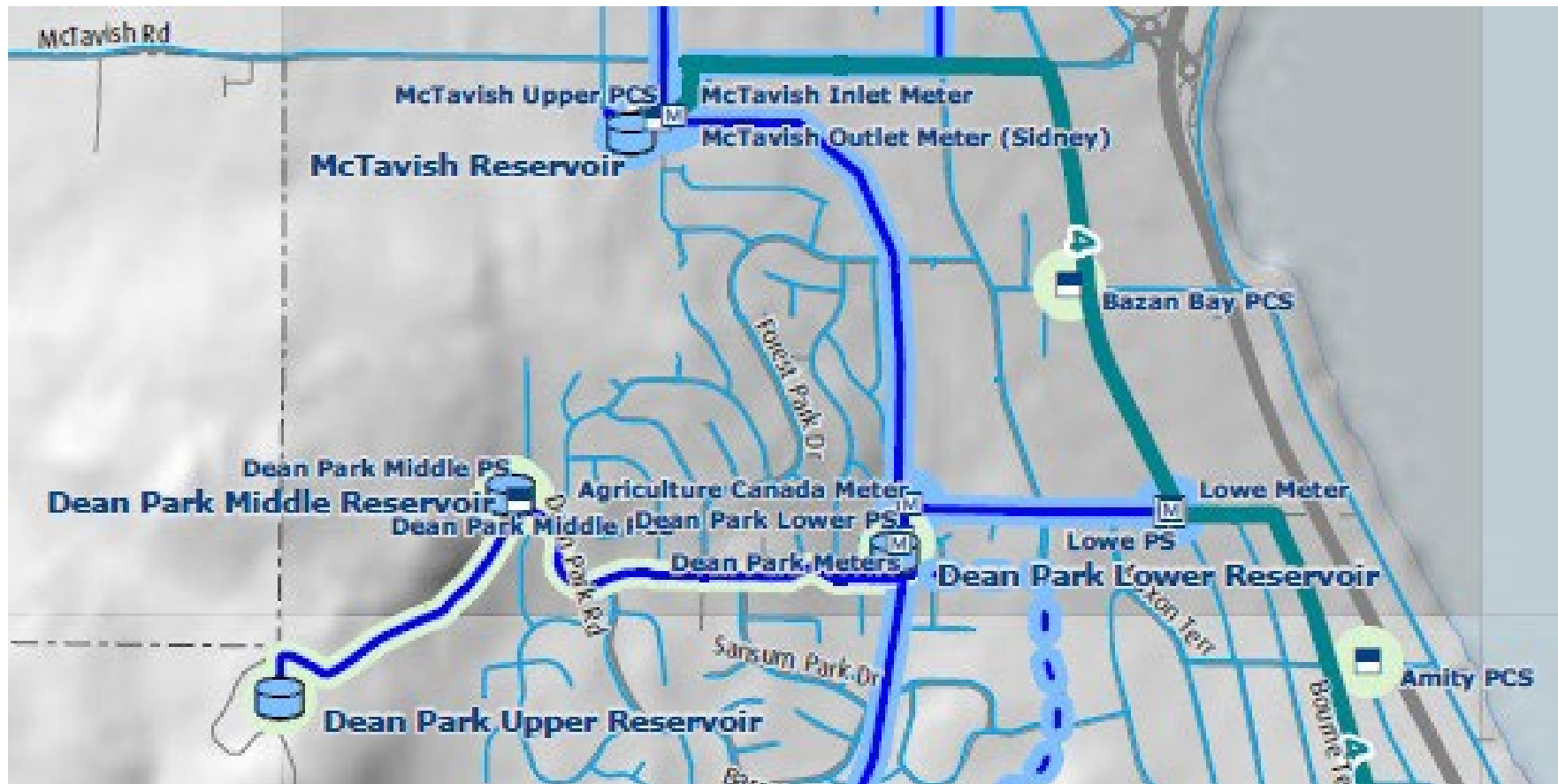
- All assets related to water **supply** would be transferred to the Regional Water Supply system, and assets related to water **distribution** would be transferred to the peninsula municipality which benefits from the distribution infrastructure.
- Two-thirds vote of the participants applies, similar 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)

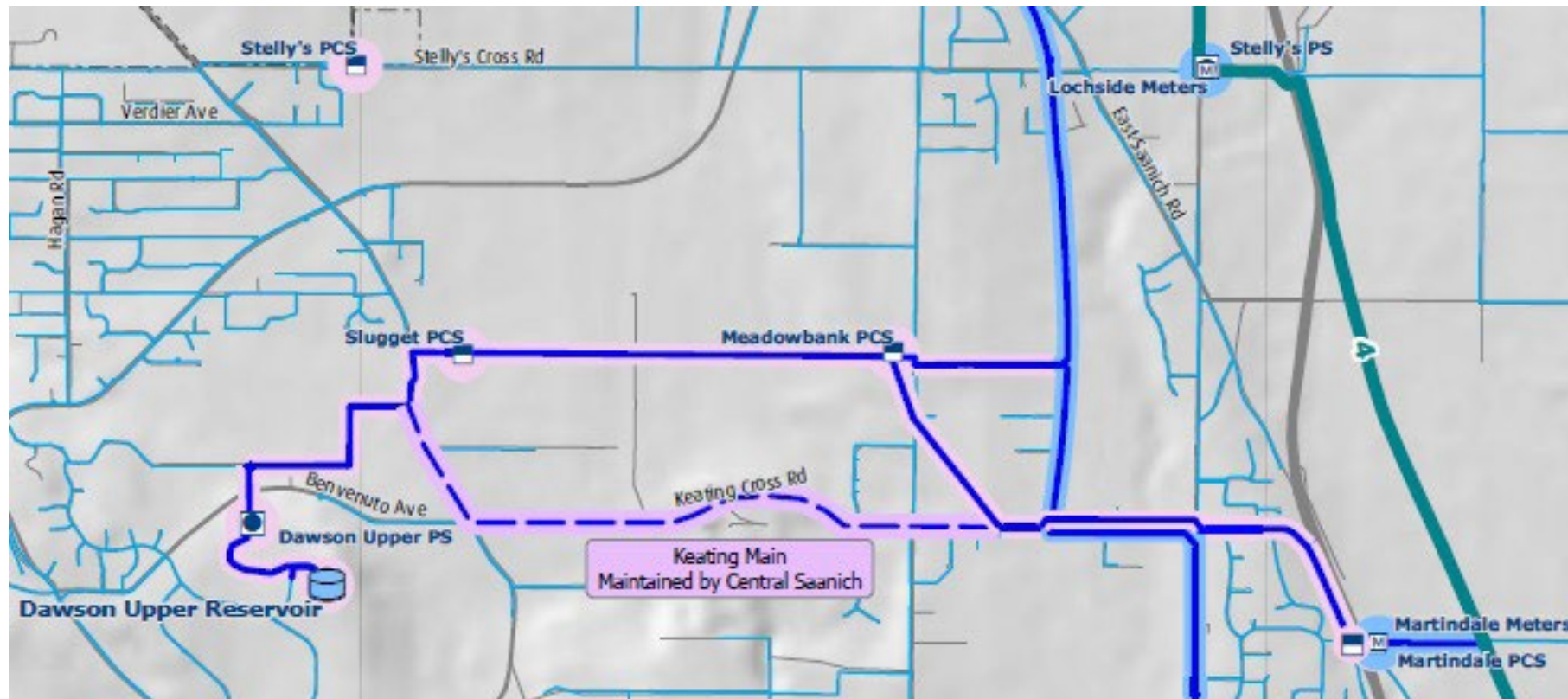


- CRD Regional Water Supply Main
- CRD Saanich Peninsula Water Supply Main
- Non-CRD Water Main
- CRD Continued Asset Ownership
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- Sidney Potential Asset Ownership
- CRD Reservoir
- CRD Pump Station
- CRD Pressure Control Station
- CRD Bulk Meter

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

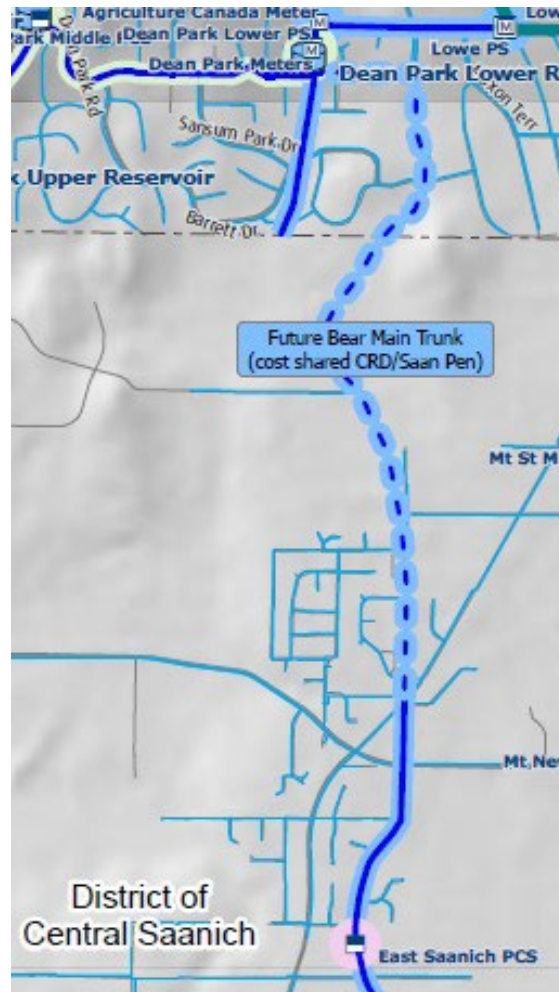


Scenario 2 – Potential Transfer of Water Distribution Infrastructure (C. Saanich)



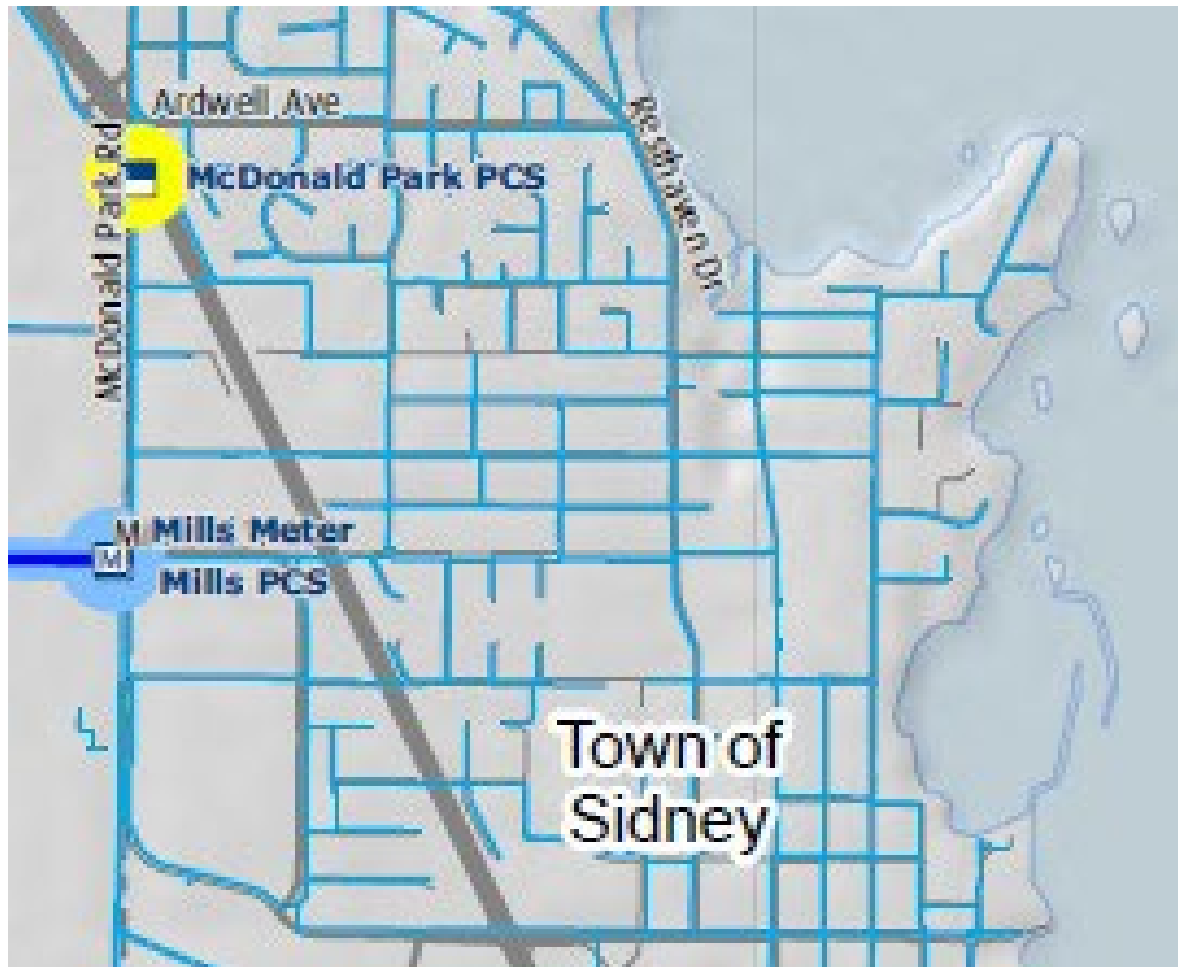
- CRD Regional Water Supply Main
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- Sidney Potential Asset Ownership
- CRD Reservoir
- CRD Pump Station
- CRD Pressure Control Station
- CRD Bulk Meter

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)



- 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 – Partial Amalgamation

- 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 m³ (increase of \$0.0285 per m³)
 - Peninsula – from \$1.2575 to \$0.8916 per m³ (decrease of \$0.3659 per m³ – potential savings may be offset by additional operating costs for water distribution infrastructure)

Scenario 3 – Status Quo

- 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

- 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 calendar year, i.e. January 1, 2027. A mid-year transition is possible but is a bit more complicated fiscally.

Consultation and Engagement

- 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

- Continue work on Asset Management Plan (and Asset Retirement Obligation) to better identify replacement costs for Saanich Peninsula Water system infrastructure (supply & distribution) – Fall 2025.
- Report back to Saanich Peninsula Water Commission and seek direction regarding next steps: Scenario 1 or 2 = further analysis/consultation, Scenario 3 = status quo (no further analysis) – end of 2025.
- Complete consultation and engagement program and finalize analysis and reporting based on direction from the Commission – early 2026.

Questions? Discussion?

Saanich Peninsula Water Commission Amalgamation Study

Draft Report Presentation to
Regional Water Supply Commission
September 17, 2025

Thank you!



REPORT TO REGIONAL WATER SUPPLY COMMISSION MEETING OF OCTOBER 15, 2025

SUBJECT Regional Water Supply Service 2026 Capital and Operating Budget

ISSUE SUMMARY

To provide an overview of the draft 2026 Regional Water Supply Service budget, highlighting the 2025 budget variance and the proposed 2026 budget figures. The report generally follows the information provided in the attached draft budget document (Appendix A).

BACKGROUND

The draft 2026 Regional Water Supply Service budget has been prepared for the Regional Water Supply Commission's (Commission) consideration. The Commission will make budget recommendations to the Capital Regional District (CRD) Board through the Committee of the Whole in October. The budget recommendations are also necessary to establish the wholesale water rate and approve the rate by year end through adopting a rate bylaw. As in previous years, the draft 2026 Regional Water Supply Service budget has been prepared considering the CRD Board's 2026 service planning and financial expectations, which include identifying opportunities to realign or reallocate resources and seek potential efficiencies between departments and services, reviewing service levels and adjustments related to regulatory compliance, and undertaking infrastructure improvements and upgrades to maintain service levels within the Region. In addition, the budget also considers the July 16, 2025 direction from the Commission to staff, *"That staff be directed to include the proposed positions for the Dam Safety Program (2 FTE), Master Plan Program (4 FTE), Operations Coordinator (0.5 FTE) and Reliability Engineer (1 FTE) in the Regional Water Supply 2026 budget, and that staff be directed to incorporate future year's FTEs into the 2027-2030 financial plan for annual review"* (Appendix E).

The following sets out the key components of the budget.

2025 Year-End Financial Projections

Year-end revenue and expenditure projections have been established and estimated variances, including the proposed capital fund transfer, are summarized as follows:

Budget Item	Projected Variance Exceed/(Below) Budget (\$)	Projected Variance (%)
Expense		
Operating Expenditures	(385,428)	(1.95)%
Capital Fund Transfers	(88,753)	(0.44)%
Debt servicing - Principal and Interest	(132,705)	(5.13)%
Revenue		
Sales and Other Revenue	342,796	0.76%
Year-end Surplus	\$949,682	2.11%

Savings in operating expenditures are primarily due to temporary staff vacancies and savings in contracted services. Capital fund and debt servicing costs are lower than budget due to the deferral of debt-funded capital projects to 2026.

Surplus revenue is the result of projected higher water demand than budgeted. At the end of 2025 this surplus will be transferred to the capital fund to support future capital projects.

2026 Budget

Operating Budget

The 2026 operating budget reflects an inflationary increase in non-discretionary expenses such as estimated wage/salary increases, labour augmentation, corporate support service allocation increases, chemical and electricity costs, vehicle costs and other operating expense adjustments. The net core 2026 operating budget increase is \$1,390,586 (7.03%).

To meet the needs of the growing, aging system and commitments outlined in the Regional Water Supply Strategic plan, 7.5 FTEs are proposed to be added in 2026 to support the service. The 2026 Water Community Needs Summary and the July 16, 2025, staff report entitled *2026 Service Delivery – Staffing Requirements* summarize the proposed 2026 Initiative Business Cases (IBCs). These IBCs were incorporated into the 2026 budget to support the Regional Water Supply Service. Further details of the rationale for these additions and service level improvements are included in Appendix E. The new positions result in an ongoing additional budget request of \$1,044,497, while \$511,654 will be funded through the operating budget and the remaining \$532,842 will be funded through the capital program.

Initiative	Staff impacts (2026)	Business Driver - Rational	Incremental cost (2026)	Funding source
2a-2.3 Master Plan Program	4 New Ongoing (Q1 Start)	Includes four new positions to advance Master Plan projects with substantial upfront planning and engineering work, support for legal reviews and engagement with First Nations communities.	\$534,736	Capital & Fee-for-Service (100% RWS)
2b-1.1 Dam Safety Program – Integrated Water Services	2 New Ongoing (Q1 Start)	Includes two additional Dam Safety Surveillance positions to support the operation, maintenance, and surveillance of the dams, as well as regulatory compliance activities and resolving safety issues through capital and operational safety improvements.	\$310,912	Capital
2b-2.6 Operations Coordinator	1 New ongoing (Q1 Start)	Responsible for the administrative aspects of regulatory and operational risk management, addressing inefficiencies and day-to-day service delivery risks.	\$69,469	Fee-for-service (50% JDF/ 50% RWS)
2b-2.9 Reliability/ Operational Performance	1 New Ongoing (Q1 Start)	Responsible for improving the reliability of water service by collecting and analyzing asset performance data, developing optimized plans, and improving service reliability.	\$129,380	Fee for service (100% RWS)

In addition to the initiatives listed above that have staffing implications in 2026, the following initiatives have staffing implications in 2027 or beyond:

2027 (3 FTE)	2a-2.3 Master Plan Program (1 FTE, Project Engineer)
	2a-5.2 Equipment/Watershed Operator (1 FTE, Watershed Protection)
	2a-5.3 Seasonal Watershed Protection (0.75 FTE, Watershed Protection)
	2b-2.7 Contract Support Service (0.25, FTE shared with other services)
2028 (3.75 FTE)	2a-2.3 Master Plan Program (1 FTE, Senior Project Manager)
	2a-5.3 Seasonal Watershed Protection (0.75 FTE, Watershed Protection)
	2a-5.4 Forest Management Plan Implementation (1 FTE, Watershed Protection)
	2b-2.5 Utility Operator (1 FTE, Water Operations)
2029 (1.6 FTE)	2a-5.3 Seasonal Watershed Protection (0.6 FTE, Watershed Protection)
	2a-5.5 Forest Hydrology Technician (1 FTE, Watershed Protection)

These future year positions have been incorporated into the 5-year budget; however, the position will be reviewed and approved as part of the 2027 budget and beyond.

In addition to the groups that support the provision of water service to the various wholesale customers, there are several environmental programs that are critical to the sustainability of the Regional Water Supply Service, these programs are summarized below.

- **Water Quality Operations Program** – As the core component of the Water Quality portfolio, the Program designs and executes the water quality monitoring and reporting for the source water as well as the treated water in the transmission system and across the CRD-owned and municipal distribution systems. The program also provides technical and scientific support to operations, planning and engineering in the Greater Victoria Drinking Water System.
- **Cross Connection Control Program** – Also part of the overall Water Quality portfolio, this Program reduces the risk of drinking water contamination by identifying potential cross connections and enforcing national and provincial plumbing code requirements.
- **Laboratory Services Program** – Provides a wide range of laboratory services for the CRD drinking water and wastewater operations. Lab services for drinking water operations are integral to the Regional Water Supply.
- **Demand Management Program** – Researches and tracks the various water uses in the Greater Victoria Drinking Water System to design and execute targeted initiatives and campaigns aimed at influencing residential, industrial, institutional or agricultural water demand.

Operating budget forecasts for 2027-2030 are presented in Appendix A for information. These are projections subject to refinement in future years.

It is anticipated that the Regional Water Supply Service will become the direct service provider to the seven First Nations who historically received water from the Regional System. In 2024, two bulk water service agreements have been signed, and the associated two First Nations are in the process of transitioning to be direct customers of the Regional Water Supply. The budget has been prepared to reflect 'conveyance fee' payments, in the amount of \$500,000 for 2026, that will

fund operating expenses for those water systems required to convey water from the Regional Water Supply system to First Nations Reserve boundaries across Greater Victoria. The conveyance fee payments are subject to the completion of water service agreements with the participating Nations and operating agreements with the 'conveyors' that could include the Juan de Fuca Water Distribution Service, the Saanich Peninsula Water Service, the District of Central Saanich and the District of North Saanich. Agreements will all be applied retroactively to January 1, 2023, meaning that the Nations will receive a credit commensurate with the difference between the Juan de Fuca Water Distribution retail rate it paid during this period and the Regional Water Supply bulk water rate it would have paid.

Capital Budget

Various capital projects are planned for 2026 with a total value of \$71,922,336, including \$58,559,336 in carry forward projects, with most of the total budget being attributed to large initiatives and in-stream, multi-year projects, such as:

- Goldstream Field Office building project;
- Transmission main upgrade projects;
- Storage Tank Assessments/Improvements;
- Master Plan Planning/Implementation; and,
- Dam safety improvement projects.

There is also \$1,893,125 in projects cost-shared 50%/50% with the Juan de Fuca Water Distribution Service (pages 10 to 36 of Appendix A).

The five-year capital plan is presented for consideration. The value of the five-year (2026-2030) capital plan is currently \$350,907,336, plus \$4,288,125 in projects cost-shared with the Juan de Fuca Water Distribution Service.

A strategy for delivering and implementing the projects identified in the 2022 Regional Water Supply Master Plan was started in 2025 and will continue into 2026. This strategy will look for efficiencies and provide more detailed timelines of the major projects such as the future filtration plant and the deep northern intake over the next 30 years.

Capital and Debt Expenditures

The 2026 capital expenditures will be partially funded through a transfer to the water capital fund budgeted at \$21,000,000, with the balance funded from existing cash reserves and borrowed funds (pages 10 and 32 of Appendix A). The 2026 debt expenditures for existing debt servicing are budgeted to be \$3,215,038. Debt servicing expenditures will increase by \$627,783 (24.26%) over 2025 due to new debt for the Kapoor land purchase (\$32,300,000) exceeding maturing debt issuances in 2026. Additional projected water sales revenue and the corresponding capital reserve fund transfer will reduce the borrowing needs in 2026.

Loan Authorization Bylaw 4382 authorizing borrowing of \$46,000,000 was approved in 2021 to allow continued partial funding of the five-year capital plan. To date, \$4,000,000 has been borrowed, leaving \$42,000,000 remaining to fund the five-year capital plan. Staff will bring forward a temporary borrowing bylaw in 2026 to facilitate timely access to debt funds under bylaw 4382 to finance ongoing capital investment.

The upcoming debt retirements on existing borrowings are summarized on the next page:

Loan Number	Retirement Date	Loan Amount
LA3661-116	April 2026	\$1,500,000
LA3661-118	April 2027	\$4,500,000
LA3661-124	April 2028	\$1,700,000
LA3902-131	April 2030	\$3,000,000
LA3902-137	April 2031	\$1,500,000
LA3902-145	April 2033	\$5,000,000
LA4382-159	June 2039	\$4,000,000

When assessing key financial health indicators, the service maintains an affordable level of debt over the next five years. The percentage of revenue dedicated to debt costs is forecast to be between 6% and 25%.

Debt funding for capital investment in each of the next five years does not exceed 75% for years 2026 – 2030, consistent with the 60-80% benchmark for engineering infrastructure set by the CRD. While the capital plan includes projects forecasted to occur in the later years for informational purposes, the costs provided are Class D estimates and are refined as part of the capital planning process.

A summary indicator table is provided below:

Year	% Revenue for Debt	Capital Funded by Debt
2026	6.59%	0.70%
2027	9.57%	57.79%
2028	14.98%	75.44%
2029	22.45%	66.90%
2030	25.15%	51.39%

The Regional Water Supply five-year capital plan and 2022 Master Plan reflect a capital program developed to meet today's service requirements and growth needs while also ensuring the future resilience of the utility for generations to come. Through development of the Development Cost Charge (DCC) program and long-term asset management plan completions, the future debt needs will be refined. Capital and debt funding decisions are made in alignment with the life span of the assets to address inter-generational equity, balancing the cost of infrastructure between past, current and future users. The current long-term debt obligations are summarized on the attached graphs (Appendix B).

A \$670,484 transfer to the vehicle/equipment replacement fund is planned in 2026. The reserve fund balance is estimated at \$2,905,151 at year-end 2025 (Page 37 of Appendix A).

Agricultural Water Rate Funding

The Regional Water Supply agricultural water rate budget funds the difference between the municipal retail water rate and the CRD agricultural water rate. While the bulk water rate has increased annually, the agricultural rate has been held at \$0.2105 per cubic metre since the rates

was assessed in 2010. At their meeting of November 26, 2024, the Water Advisory Committee recommended that the Regional Water Supply Commission maintain the current agricultural water rate. This was presented to the Regional Water Supply Commission at their meeting of January 15, 2025.

In the absence of any other direction, the 2026 agricultural water rate is maintained at the same 2025 rate of \$0.2105 per cubic metre, subject to the Regional Water Supply Commission's approval. The total budget for the agricultural water rate funding has been increased by \$50,000 to \$1,900,000.

A summary of the agricultural water volumes and agricultural water rate payments for 2011 to 2024 is attached as Appendix C.

Water Demand

Total water demand across the Region has generally continued to increase year over year primarily due to the continued rate of development and growth. These factors are expected to result in actual demand exceeding budget demand in 2025; the 2025 year-end demand is projected to be 500,000 cubic metres over the budget of 51,200,000 cubic metres.

The recommended 2026 water rate has been calculated using a budget demand of 51,400,000 cubic metres (Page 6 of Appendix A), which is a 200,000 cubic metre increase over the 2025 budget.

Proposed 2026 Wholesale Water Rate

The wholesale water rate is calculated using the water rate model. The water rate model considers the rate base and revenue requirements, which are determined using the various inputs outlined in the preceding sections of this report.

Rate Base

The rate base includes facilities, equipment, infrastructure and other assets used in providing the Regional Water Supply service. The 2026 rate base has increased by \$11,240,035 from 2025. This increase relates to physical plant additions, offset by current year depreciation and the change in prior year estimates of additions and disposals. This indicator highlights that we are continuing to invest in our infrastructure at a greater rate than the existing infrastructure is depreciating. The changes in physical plant and work in progress are listed on pages 3 and 4 of the budget document (Appendix A) and are used to project the 2025 year-end total physical plant value and determine the 2026 rate base.

Revenue Requirement

The revenue requirement for 2026 increased by \$3,682,423. This is resulting from an increase in operational expenses of \$1,440,586 as outline above, an increase in depreciation expenses of \$561,337, and an increase in the return on the rate base of \$1,680,500.

The proposed 2026 wholesale rate is \$0.9314 per cubic metre, a 7.91% increase over the 2025 rate. The increase in annual bulk water cost for the average household using 239 cubic metres per year would be \$16.31 (Page 7 of Appendix A).

Wholesale Water Rate History and Projection

The wholesale water rate history and projection is attached as Appendix D. The rates may be

adjusted in the future to reflect actual revenue and expenditure circumstances and water demand volumes

ALTERNATIVES

Alternative 1

The Regional Water Supply Commission recommends that the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 wholesale water rate of \$0.9314 per cubic metre;
3. Approve the 2026 agricultural water rate of \$0.2105 per cubic metre;
4. Direct staff to balance the 2025 actual revenue and expense on the transfer to the water capital fund;
5. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
6. Direct staff to amend the Water Rates Bylaw accordingly.

Alternative 2

The Regional Water Supply Commission recommends that the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan as amended;
2. Approve the 2026 wholesale water rate as amended (amended rate);
3. Approve the 2026 agricultural water rate of \$0.2105 per cubic metre;
4. Direct staff to balance the 2025 actual revenue and expense on the transfer to the water capital fund;
5. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
6. Direct staff to amend the Water Rates Bylaw accordingly.

IMPLICATIONS

Financial Implications

If the proposed budget is amended, the implications could vary depending on how the budget is amended and the impact on specific initiatives (i.e., new initiatives), on-going operations, or the capital work program. One-time reductions in reserve fund contributions could be considered by the Commission to help mitigate the budget and rate increases, but additional capital financing could result in the longer term.

Any changes in the recommended wholesale water rate would have to be incorporated in the Juan de Fuca Water Distribution Service and Saanich Peninsula Water Service budgets and rates.

CONCLUSION

The draft 2026 Regional Water Supply Service budget is presented for the Regional Water Supply Commission's (Commission) consideration. The Commission will make budget recommendations to the Capital Regional District (CRD) Board through the Committee of the Whole in October. The

draft 2026 Regional Water Supply Service budget was prepared considering the Commission and CRD Board's 2026 service planning and financial expectations, along with direction provided from this Commission. A proposed increase in operating and capital funding combined with an adjusted revenue budget, is resulting in a recommended wholesale water rate of \$0.9314 per cubic metre, a 7.91% increase over the 2025 rate.

RECOMMENDATION

The Regional Water Supply Commission recommends that the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 wholesale water rate of \$0.9314 per cubic metre;
3. Approve the 2026 agricultural water rate of \$0.2105 per cubic metre;
4. Direct staff to balance the 2025 actual revenue and expense on the transfer to the water capital fund;
5. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
6. Direct staff to amend the Water Rates Bylaw accordingly.

Submitted by:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Luisa Jones, MBA, General Manager, Parks, Recreation & Environmental Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: Draft 2026 RWS Service Budget
Appendix B: Debt Outstanding vs. Water Capital Fund Balance
Appendix C: Agricultural Water Rate Funding Comparisons 2011-2024
Appendix D: Wholesale Water Rate - Historical and Projections
Appendix E: Staff Report to Commission - July 16, 2025
Presentation: Regional Water Supply Service 2026 Budget Review

CAPITAL REGIONAL DISTRICT

2026 BUDGET

Regional Water Supply

COMMISSION REVIEW

Service: 2.670

Regional Water Supply

Commission: Regional Water Supply

DEFINITION:

To finance, install, operate and maintain a water supply local service in the Capital Regional District, as per the Water Supply Local Service Establishment Bylaw No. 2537.

The establishment and operation of a Regional Water Supply Commission is done by Bylaw No. 2539.

SERVICE DESCRIPTION:

Regional Water Supply is responsible for the water supply, treatment and transmission system for the Greater Victoria region, providing wholesale water to municipalities that operate municipal distribution systems. The service administration and operation is provided by the Integrated Water Services Department.

PARTICIPATION:

City of Victoria	Town of Sidney	District of Metchosin
District of Oak Bay	District of North Saanich	District of Sooke
District of Saanich	Town of View Royal	Juan de Fuca Electoral Area
Township of Esquimalt	City of Colwood	District of Highlands
District of Central Saanich	City of Langford	

MAXIMUM LEVY:

No stated limit in establishment bylaw and no ability to requisition.

MAXIMUM CAPITAL DEBT:

Authorized:	Pre Consolidated MFA Loan Authorizations - Regional Water Supply Water Works Facilities		\$137,700,000
Borrowed:			\$91,400,000
Remaining:	Expired		\$46,300,000
Authorized:	LA Bylaw No. 3451 - Regional Water Supply Land Acquisition		\$60,000,000
Borrowed:			\$60,000,000
Remaining:			\$0
Authorized:	LA Bylaw No. 3902 - Regional Water Supply Water Works Facilities	2014	\$12,500,000
Borrowed:			\$9,500,000
Remaining:	Expired		\$3,000,000
Authorized:	LA Bylaw No. 4382 - Regional Water Supply Water Works Facilities	2021	\$46,000,000
Borrowed:			\$4,000,000
Remaining:	Active		\$42,000,000

FUNDING:

Costs are recovered through the sale of wholesale water.

Change in Budget 2025 to 2026
Service: 2.670 Regional Water Supply

Total Expenditure

Comments

2025 Budget

44,959,023

Change in Wages & Benefits:

Base wages & benefits change	478,154	Inclusive of estimated collective agreement changes
Step increase/paygrade change	72,383	
IBCs:		
2.0 FTEs - Engineering Resource	310,912	2024 IBC 2b-1.1: Dam Safety Program
0.5 FTE - Operations Coordinator	69,469	2026 IBC: 2b-2.6: Operations Coordinator: 1.0 FTE, 50% RWS, 50% JDFWD
1.0 FTE - Operations Supervisor	115,097	2026 IBC: 2a-2.3: Master Plan Program
1.0 FTE - Reliability/Performance Engineer	129,380	2026 IBC 2b-2.9: Reliability/Operational Performance
1.0 FTE - Sr. Project Manager	169,039	2026 IBC 2a-2.3: Master Plan Program
1.0 FTE - First Nations Liason	108,600	2026 IBC 2a-2.3: Master Plan Program - FTE assigned to 1.027 FNR, cost allocated to 2.670 RWS
1.0 FTE - Paralegal	142,000	2026 IBC 2a-2.3: Master Plan Program - FTE assigned to 1.014B Corporate Services, cost allocated to 2.670 RWS
	<u>(532,842)</u>	Funded through capital program
Total IBCs:	511,654	
Total Change in Wages & Benefits	<u>1,062,191</u>	

Other Changes:

Transfer to Water Capital Fund	1,500,000	Increased transfer to fund capital program
Contract for Services - one-time	150,000	2026 IBC 2b-2.9: Reliability/Operational Performance - Roadmap Study
Transfer to Equipment Replacement Fund	92,943	Increased contribution for vehicle replacements
Principal and Interest on New Debt	1,070,938	Principal and interest on new debt to fund capital program
Principal and Interest on Maturing Debt	(443,155)	Principal and interest on retiring debt: LA3661-112 of \$6.5m; LA3661-116 of \$1.5m
Transfer to Debt Reserve Fund	163,817	1% security deposit upon commencement of new debt
Operations & Maintenance Support	70,475	Increased support of ongoing water operations
Conveyance Fee and Agricultural Rate	70,000	
Other Costs	107,920	Inflationary increases on core budget items such as training, travel, professional fees, supplies, etc.
Total Other Changes	<u>2,782,938</u>	

2026 Budget

48,804,152

Summary of % Expense Increase

Transfer to Water Capital Fund	3.3%
2026 Base salary and benefit change	1.2%
IBCs	1.5%
Debt Servicing Costs	1.4%
Balance of increase	1.1%
% expense increase from 2025:	8.6%

Overall 2025 Budget Performance

(expected variance to budget and surplus treatment)

Water demand is forecasted slightly higher than budget (\$432k), while operational costs are forecasted below budget due to temporary vacancies (\$208k); and lower debt servicing costs due to decreasing interest rates and deferred capital activity (\$220k); and various other costs such as meeting expenses, travel, office supplies (\$90k). The forecasted net surplus of \$950k will be transferred to the service's Water Capital Fund.

Rate Base for 2026 Revenue Year

	2024 Application	2025 Application	End of 2025 for '26 Applic.	Change
Wholesale System				
Physical Plant	\$ 232,362,092	\$ 229,399,000	\$ 241,893,836	\$ 12,494,836 ¹
Construction Work in Progress	11,685,562	19,411,782	17,979,375	(1,432,407) ¹
Cash Working Capital	2,611,253	2,725,626	2,903,232	177,606
Inventory	225,000	225,000	225,000	-
Total Wholesale Rate Base	<u>\$ 246,883,907</u>	<u>\$ 251,761,408</u>	<u>\$ 263,001,443</u>	<u>\$ 11,240,035</u>

Note 1: Refer to the Schedule of Change in Physical Plan & work in Progress for details.

Schedule of Change in Physical Plant & Work in Progress

Wholesale

Projected Asset Additions	Projected Assets Capitalized	Projected Construction Work In Progress (CWIP)	Projected Assets CWIP
Replacement of the UV System and Controls Upgrades	\$ 10,712,786	PIPES	\$ 6,300,000
Goldstream Gatehouse Upgrade	1,807,592	Goldstream Field Operations Centre	2,204,059
Road Upgrade	1,342,511	Major Main Repairs	1,600,000
Dam Improvements	964,314	Meter Replacement	886,407
Watershed Security Enhancements	955,004	Mt Tolmie Reservoirs	850,000
Pipe Replacements	844,407	Supply System	636,588
Water Supply Equipment Upgrades	664,126	System Modelling & Analytics	491,088
Tunnel/Culvert Replacement	662,075	Assessments	564,084
Watershed Culvert Replacement	532,244	Dam Safety Improvements	430,000
Valve Chamber Upgrades	400,000	Program Planning & Delivery	413,230
Meter Replacement	160,000	Road Upgrades	394,927
Leech Watershed initiatives	150,070	High Level Output Valve Replacement	330,000
Water Quality Program	137,964	Reservoir	283,092
Computer Equipment	84,669	Cathodic Protection Program	250,000
Hydrology Equipment	77,279	Valve Replacements	250,000
Other Projects (8 minor projects below \$50k)	139,118	Hydrology Stations	235,000
Total Projected Assets Capitalized	\$ 19,634,159	Sooke Dam Safety Improvements	230,000
Less: Current Year's Depreciation	(7,861,169)	IT Infrastructure	225,862
Add (Less): Change in prior year forecast addition estimates & disposals	721,846	Strategic Asset Management Plan	214,016
Change in Physical Plant	\$ 12,494,836	SCADA Upgrades	187,353
		Critical Equip Storage Building	161,772
		Goldstream Treatment Plant Improvements	153,722
		GVWSA Road Rehabilitation	131,326
		Watershed Security Enhancements	125,000
		Critical Facilities Program	121,876
		Tunnel Humpback Channel	120,000
		Cross Connection	52,022
		Water Quality Laboratory Equipment	50,000
		Other Projects (7 minor projects under 50k)	87,951
		Projected CWIP	\$ 17,979,375
		Less: Prior year's projected CWIP	(19,411,782)
		Change in CWIP	\$ (1,432,407)

Revenue Requirements for 2026 Year

	2024 Application	2025 Application	2026 Application	Change
Wholesale system				
Operations & maintenance	\$ 21,180,167	\$ 22,107,854	\$ 23,548,440	\$ 1,440,586
Depreciation	7,159,519	7,299,832	7,861,169	561,337
Return on rate base	13,520,100	15,363,900	17,044,400	1,680,500 ¹
Subtotal	\$ 41,859,786	\$ 44,771,586	\$ 48,454,009	\$ 3,682,423
Non-rate revenue	(582,060)	(582,060)	(582,060)	-
Total Wholesale	\$ 41,277,726	\$ 44,189,526	\$ 47,871,949	\$ 3,682,423

Note 1: Return on rate base is calculated with reference to the long-term Canada bond rate and the average debt rate.

2026 Demand Estimate**Wholesale Demand**

Years	Actual Demand cu. metre	Budgeted Demand cu.metre
2020	48,730,475	48,000,000
2021	51,797,082	48,000,000
2022	50,297,409	49,000,000
2023	51,886,834	49,500,000
2024	49,774,663	51,000,000
2025	51,700,000 ¹	51,200,000
2026 Demand Estimate	<u>51,400,000</u>	

1. Projected consumption for 2025

Summary of Wholesale Water Rates

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>\$ Change</u>	<u>% Change</u>
Wholesale water rate							
Unit cost per cu.m.	\$ 0.7332	\$0.7698	\$0.8094	\$ 0.8631	\$ 0.9314	\$ 0.0683	7.91%

Wholesale Water Rate Increase Impact on Residential Water Bill

Average Annual Consumption: * 239.0 cubic meters

<u>Charge for Twelve Months Consumption</u>	<u>Year</u>	<u>Annual Charge</u>	<u>2026 Annual Change, \$</u>
Average Consumption	2025	\$ 206.28	
	2026	\$ 222.60	\$ 16.31
Half Average Consumption	2025	\$ 103.14	
	2026	\$ 111.30	\$ 8.16
Twice Average Consumption	2025	\$ 412.56	
	2026	\$ 445.19	\$ 32.63

* Average Annual Consumption based on 2.303 people per household, per BC Stats 2024 projection

Schedule A
Asset Useful Life Assignments - PSAB

<u>Classes:</u>	<u>Code</u>	<u>Asset Categories</u>	<u>Useful Life, Years</u>
Land	LAND	Land & Rights of Way * (Note 1)	N/A
Building	BLDG	Building, Permanent	50
	BLOT	Building, Temporary/ Portable	20
	BLFX	Building fixture (<i>sprinklers</i>)	20
Equipment	BOAT	Boats & Marine Equipment	10
	COMP	Computer Equipment (<i>includes software</i>)	5
	ELEC	Electronic Equipment(<i>hydromet, weather stn eqpt</i>)	5
	FIRE	Fire & Safety Equipment	10
	GENT	Generator	20
	HYDR	Hydrants and Standpipes	20
	HYDY	Hydrology	10
	MTRS	Meters	20
	OFFE	Office Equipment	5
	OFFF	Office Furniture	10
	SCDA	SCADA Equipment	10
	SCRN	Intake Screens/Membranes (<i>stop logs</i>)	20
	SHOP	Shop Equipment	10
	TELE	Telecommunication Eqpt (<i>radios, phone systems</i>)	10
	WEQP	Water Works Eqpt(<i>W.Quality lab, Wshed eqpt</i>)	10
	NEW GRP	Weather stn & communication tower	15
Vehicle	VEHC	Vehicles	8
Engineering	BRDG	Bridge	50
Structure	CANL	Canal	50
	DAMS	Dam Structures	100
	PIPE	Pipelines, includes Vaults, Kiosks, Valve chambers	75
	PIPF	Pipelines, fittings	20
	PLPV	Parking lot paved	40
	PSEQ	Pump Station Equipment	20
	PSHS	Pump Station Housing	50
	PRVS	Valves, Flushes & PRV's	20
	RDGR	Roads gravel	20
	RDPV	Roads paved	40
	RESS	Reservoirs (steel & concrete)	50
	REST	Reservoirs (tower/tank)	35
	TANK	Storage tank	40
	TELP	Telephone and Power Lines	50
	TUNN	Tunnel, Culvert and Diversions	50
	WATP	Water Treatment Plant	25
	WELL	Wet well/ Well	50
Other Assets	CSTU	Capital Management Studies	5
	FENC	Fences	15
	LIMP	Land & Yard Improvements	20

Note 1: Land is not depreciated so a useful life assignment is not applicable.

Program Group: CRD-Regional Water Supply	2026 BUDGET REQUEST						FUTURE PROJECTIONS			
	2025 BOARD BUDGET	2025 ESTIMATED ACTUAL	2026 CORE BUDGET	2026 ONGOING	2026 ONE-TIME	TOTAL (COL 4, 5 & 6)	2027	2028	2029	2030
	2	3	4	5	6	7	8	9	10	11
SUMMARY										
1										
GENERAL PROGRAM EXPENDITURES:										
WATERSHED PROTECTION	6,984,067	6,760,304	7,219,613	-	2,500	7,222,113	7,293,184	7,439,692	7,588,844	7,740,979
WATER OPERATIONS	8,138,541	8,023,875	8,572,063	42,965	-	8,615,028	8,866,123	9,223,442	9,412,015	9,609,533
WATER QUALITY	2,133,179	2,106,393	2,185,521	20,000	-	2,205,521	2,268,792	2,333,840	2,400,736	2,469,540
CROSS CONNECTION	836,509	829,299	870,262	-	2,500	872,762	895,145	921,481	948,137	975,568
DEMAND MANAGEMENT	859,872	847,707	882,534	-	2,500	885,034	901,963	925,740	949,723	974,269
INFRASTRUCTURE ENGINEERING	595,345	595,345	653,100	250,600	12,400	916,100	984,180	1,003,874	1,023,942	1,044,409
FLEET OPERATION & MAINTENANCE	(577,541)	(580,379)	(670,484)	-	-	(670,484)	(683,890)	(697,570)	(711,520)	(725,750)
ASSET & MAINTENANCE MANAGEMENT & GM SUPPORT	807,882	809,882	829,236	129,380	163,750	1,122,366	983,385	1,008,606	1,032,962	1,055,999
TOTAL OPERATING EXPENDITURES	19,777,854	19,392,426	20,541,845	442,945	183,650	21,168,440	21,508,882	22,159,105	22,644,839	23,144,547
<i>*Percentage increase over prior year's board budget</i>			3.86%	2.24%	0.93%	7.03%	1.61%	3.02%	2.19%	2.21%
CONVEYANCE FEE FOR SERVICE TO FIRST NATIONS	480,000	480,000	500,000	-	-	500,000	525,000	550,000	575,000	600,000
AGRICULTURAL WATER RATE FUNDING	1,850,000	1,850,000	1,900,000	-	-	1,900,000	1,950,000	2,000,000	2,050,000	2,100,000
			2.70%			2.70%	2.63%	2.56%	2.50%	2.44%
CAPITAL EXPENDITURES & TRANSFERS										
TRANSFER TO WATER CAPITAL FUND	19,500,000	20,449,682	21,000,000	-	-	21,000,000	23,000,000	25,000,000	26,750,000	32,000,000
TRANSFER TO EQUIPMENT REPLACEMENT FUND	577,541	577,541	670,484	-	-	670,484	683,890	697,570	711,520	725,750
TRANSFER TO DEBT RESERVE FUND	186,373	97,620	350,190	-	-	350,190	402,028	807,397	582,422	321,291
TOTAL CAPITAL EXPENDITURES & TRANSFERS	20,263,914	21,124,843	22,020,674	-	-	22,020,674	24,085,918	26,504,967	28,043,942	33,047,041
DEBT SERVICING										
DEBT-INTEREST & PRINCIPAL	2,587,255	2,454,550	3,215,038	-	-	3,215,038	5,085,239	9,022,542	15,435,390	19,786,491
TOTAL DEBT EXPENDITURES	2,587,255	2,454,550	3,215,038	-	-	3,215,038	5,085,239	9,022,542	15,435,390	19,786,491
DEFICIT TRANSFERRED TO FOLLOWING YR										
TRANSFER TO FOLLOWING YEAR DEFICIT CARRY FORWARD										
TOTAL EXPENDITURES	44,959,023	45,301,819	48,177,557	442,945	183,650	48,804,152	53,155,039	60,236,614	68,749,171	78,678,079
			7.16%	0.99%	0.41%	8.55%	8.91%	13.32%	14.13%	14.44%
SOURCES OF FUNDING										
REVENUE - SALES	(44,190,590)	(44,622,139)	(47,245,307)	(442,945)	(183,650)	(47,871,902)	(52,170,951)	(58,847,157)	(67,584,689)	(77,774,728)
REVENUE - OTHER	(768,433)	(679,680)	(932,250)	-	-	(932,250)	(984,088)	(1,389,457)	(1,164,482)	(903,351)
TOTAL SOURCES OF FUNDING OPERATIONS	(44,959,023)	(45,301,819)	(48,177,557)	(442,945)	(183,650)	(48,804,152)	(53,155,039)	(60,236,614)	(68,749,171)	(78,678,079)
TRANSFER PRIOR YEAR										
TRANSFER TO FOLLOWING YEAR SURPLUS CARRY FORWARD										
TOTAL SOURCES OF FUNDING	(44,959,023)	(45,301,819)	(48,177,557)	(442,945)	(183,650)	(48,804,152)	(53,155,039)	(60,236,614)	(68,749,171)	(78,678,079)
<i>Percentage increase over prior year's board budget</i>			7.16%	0.99%	0.41%	8.55%	8.91%	13.32%	14.13%	14.44%
Water Rate \$ per cu. m.	\$ 0.8631					\$ 0.9314	\$ 1.0130	\$ 1.1404	\$ 1.3072	\$ 1.5014
<i>Percentage increase over prior year</i>	6.63%					7.91%	8.77%	12.58%	14.63%	14.86%

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.670	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
	Regional Water Supply							

EXPENDITURE

Buildings	\$11,700,000	\$12,200,000	\$0	\$0	\$0	\$0	\$12,200,000
Equipment	\$7,320,000	\$7,430,000	\$6,845,000	\$15,315,000	\$17,515,000	\$1,565,000	\$48,670,000
Land	\$830,000	\$4,335,000	\$2,295,000	\$1,795,000	\$1,045,000	\$695,000	\$10,165,000
Engineered Structures	\$37,905,000	\$45,760,000	\$41,855,000	\$77,675,000	\$58,000,000	\$52,500,000	\$275,790,000
Vehicles	\$804,336	\$2,197,336	\$945,000	\$585,000	\$355,000	\$0	\$4,082,336
	\$58,559,336	\$71,922,336	\$51,940,000	\$95,370,000	\$76,915,000	\$54,760,000	\$350,907,336

SOURCE OF FUNDS

Capital Funds on Hand	\$47,235,000	\$58,742,253	\$20,635,000	\$22,717,000	\$24,718,000	\$26,732,500	\$153,544,753
Debenture Debt (New Debt Only)	\$0	\$882,747	\$30,225,000	\$72,158,000	\$51,642,000	\$28,027,500	\$182,935,247
Equipment Replacement Fund	\$624,336	\$1,397,336	\$855,000	\$495,000	\$355,000	\$0	\$3,102,336
Grants (Federal, Provincial)	\$5,500,000	\$5,500,000	\$0	\$0	\$0	\$0	\$5,500,000
Donations / Third Party Funding	\$5,200,000	\$5,400,000	\$225,000	\$0	\$200,000	\$0	\$5,825,000
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$58,559,336	\$71,922,336	\$51,940,000	\$95,370,000	\$76,915,000	\$54,760,000	\$350,907,336

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	Debt - Debenture Debt (new debt only) ERF - Equipment Replacement Fund Grant - Grants (Federal, Provincial) Cap - Capital Funds on Hand Other - Donations / Third Party Funding Res - Reserve Fund WU - Water Utility If there is more than one funding source, additional rows are shown for the project.

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #:

2.670

Service Name:

Regional Water Supply

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
WATERSHED PROTECTION													
Planning													
25-01	Study	Forest Resilience Studies and Assessments	Modelling, studies and assessments of forest fuels, forest health and efficacy of forest treatments in promoting forest resilience.	\$ 685,000	L	WU	\$ 160,000	\$ 285,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 585,000
25-02	New	Public Engagement for Regional Water Supply	Public engagement plans and products.	\$ 130,000	L	WU	\$ 30,000	\$ 30,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 130,000
25-03	Study	GVWSA Risk Assessments & Procedures	Risk assessments and updating procedures for security, biosecurity, spills	\$ 300,000	L	WU	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 300,000
25-04	Study	Master Plan Projects - Watershed Hydrology Support	Additional hydrology/water quality data collection and analyses to inform Master Plan infrastructure projects.	\$ 725,000	S	WU	\$ 30,000	\$ 180,000	\$ 155,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 610,000
25-05	Study	Forest Management Plan for the GVWSA	Development of a forest management plan for the GVWSA to enhance forest resilience and mitigate climate change.	\$ 220,000	S	WU	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 200,000
Capital													
25-06	New	Forest Resilience Treatments	Thinning, juvenile spacing, forest fuel management treatments to mitigate climate change, reduce wildfire risk and enhance forest resilience.	\$ 1,900,000	L	WU	\$ 200,000	\$ 100,000	\$ 400,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ 1,300,000
25-06	New		Revenue from log sales		L	Other		\$ -	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 400,000
09-01	Renewal	Leech River Watershed Restoration	A 17 year project to restore the Leech WSA lands for water supply.	\$ 380,000	L	WU	\$ 240,000	\$ 180,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 380,000
16-06	Renewal	New Field Operations Centre Building	Renewal of Water Quality field office/lab and equipment storage and Watershed Protection office, yard, training space and equipment storage, replacing longstanding temporary facilities.	\$ 15,500,000	B	WU	\$ 6,700,000	\$ 7,200,000	\$ -	\$ -	\$ -	\$ -	\$ 7,200,000
16-06	Renewal		Revenue from sale of IWS Goldstream gravel pit to City of Langford		B	Other	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
25-07	New	Hydromet Upgrades	New and upgraded hydrological and weather sensors and stations.	\$ 972,000	E	WU	\$ 20,000	\$ 120,000	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 320,000
20-01	Replacement	Kapoor Main Mile 1 Bridge and Asphalt Upgrade	Replacement of the existing undersized culvert with a large bridge as well as subsequent 500 m road asphalt replacement	\$ 1,190,000	S	WU	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
25-08	Renewal	Road Improvements	Gravel crushing, road deactivation and road upgrades to service water supply and watershed protection infrastructure and activities in the GVWSA	\$ 2,170,000	L	WU	\$ -	\$ 560,000	\$ 400,000	\$ 350,000	\$ 300,000	\$ 300,000	\$ 1,910,000
25-09	New	Climate Change Mitigations	Equipment, infrastructure and upgrades to harden water supply infrastructure from climate related risks in the GVWSA	\$ 860,000	E	WU	\$ 100,000	\$ 300,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 800,000
25-10	Renewal	Property Management - Assessments and Upgrades	Assessments, planning and implementation of upgrades aimed at newly acquired GVWSA lands.	\$ 683,000	E	WU	\$ -	\$ 225,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 425,000
25-11	Renewal	GVWSA Bridge Supply & Installation	Replacement of undersized culverts with climate ready bridges which allow for fish passage.	\$ 1,905,000	S	WU	\$ -	\$ 450,000	\$ 475,000	\$ 475,000	\$ -	\$ 475,000	\$ 1,875,000
Watershed Protection Sub-Total				\$ 32,816,000			\$ 12,480,000	\$ 15,130,000	\$ 2,355,000	\$ 1,600,000	\$ 1,325,000	\$ 1,325,000	\$ 21,735,000
INFRASTRUCTURE ENGINEERING AND OPERATIONS													
Planning													
16-10	New	Post Disaster Emergency Water Supply	Identify and procure emergency systems for post disaster preparedness.	\$ 2,850,000	S	WU	\$ 120,000	\$ 320,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,120,000
17-13	New	Asset Management Plan	Development of a plan to inform future areas of study and highlight critical infrastructure improvements.	\$ 1,120,000	S	WU	\$ 180,000	\$ 700,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 900,000
19-04	Study	Seismic Assessment of Critical Facilities Phase 2	Second phase seismic assessment of critical facilities will now be undertaken.	\$ 1,075,000	S	WU	\$ 170,000	\$ 170,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 970,000
20-08	Study	Regional Water DCC Program	Design of a Regional DCC Program	\$ 810,000	S	WU	\$ 200,000	\$ 350,000	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 500,000
20-10	Study	Condition & Vulnerability Assessment	Conduct a condition assessment of critical supply infrastructure and assess its possibility of risk.	\$ 400,000	S	WU	\$ 20,000	\$ 20,000	\$ -	\$ 200,000	\$ -	\$ -	\$ 220,000
21-05	Study	Level of Service and Transfer Agreements	Develop level-of-service agreements for participating municipalities to address hydraulic capacity of infrastructure.	\$ 400,000	S	WU	\$ 140,000	\$ 240,000	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 390,000
27-01	Study	Regional Water Master Plan Update	Future update to the Regional Water Master Plan	\$ 500,000	S	WU		\$ -	\$ 250,000	\$ 250,000	\$ -		\$ 500,000
26-01	Study	Master Plan Program Management	Initiation and implementation of the RWS 2022 Master Plan Capital Improvement Program.	\$ 16,400,000	S	WU		\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,000,000
23-12	Study	Project Delivery Strategies and Planning Studies	Develop a strategy to deliver the identified projects from the 2022 RWS Master Plan.	\$ 700,000	S	WU	\$ 50,000	\$ 50,000					\$ 50,000.00

Service #:	2.670
Service Name:	Regional Water Supply

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
26-02	Study	Master Plan Project Delivery	Continued planning, investigation and design of projects identified in the RWS 2022 Master Plan.	\$ 37,325,000	S	WU	\$ -	\$ 1,675,000	\$ 4,450,000.00	\$ 7,950,000.00	\$ 8,400,000.00	\$ 14,850,000.00	\$ 37,325,000.00
26-03	Study	Water Utility Rate Model	Review and assessment of current water rate model to assess best practice going forward.	\$ 250,000	S	WU		\$ 50,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 250,000.00
Capital													
18-08	Replacement	Bulk Supply Meter Replacement and Backflow Prevention Program	Planned replacement of aging bulk meter replacement based upon a condition assessment and water audit.	\$ 3,700,000	E	WU	\$ 500,000	\$ 600,000	\$ 1,000,000	\$ 100,000	\$ 1,000,000		\$ 2,700,000
18-15	Renewal	Corrosion Protection Program	Study deficiencies in the current material protection and implement recommendations.	\$ 1,450,000	S	WU	\$ 50,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 500,000
19-23	New	Critical Spare Equipment Storage & Pipe Yard	Plan, design and construct a critical equipment storage building.	\$ 4,050,000	S	WU	\$ 700,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
20-16	Replacement	Cecelia Meter Replacement	Replacement of the Cecelia billing meter as well as its enclosure.	\$ 1,500,000	S	WU	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
20-17	Replacement	Decommission & Conceptual Design of the Smith Hill Site	Plan for decommission the conceptual design for the replacement of the Smith Hill reservoir site.	\$ 1,450,000	S	WU	\$ 300,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 1,200,000
21-10	Replacement	SCADA Masterplan and System Upgrades	Update the SCADA Master Plan in conjunction with the Juan de Fuca Water Distribution, Saanich Peninsula Water and Wastewater, and Core Area Wastewater Services.	\$ 2,150,000	E	WU	\$ 850,000	\$ 850,000	\$ 600,000	\$ 300,000	\$ -	\$ -	\$ 1,750,000
21-11	Replacement	RWS Supply Main No. 4 Upgrade & Main No. 1 High Pressurizing	Upgrade vulnerable sections of the RWS Supply Main No. 4 and Main No. 1 to a resilient system to better able to withstand a seismic event. Vulnerable sections are Concrete Cylinder pipe material which is susceptible to failure during a seismic event. This is part of project partnered with the Saanich Peninsula Water system.	\$ 93,000,000	S	WU	\$ 2,000,000	\$ 5,000,000	\$ 15,000,000	\$ 60,000,000	\$ 11,400,000	\$ -	\$ 91,400,000
22-15	New	Microwave Radio Upgrades	To provide a high bandwidth communications backbone to the RWS system, a microwave communications system will be installed.	\$ 1,300,000	S	WU	\$ 630,000	\$ 830,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 1,030,000
23-16	Renewal	Humpback Channel Assessment	Hydraulically assess the Humpback Overflow channel and conduct a condition assessment of the culverts at the Gatehouse.	\$ 200,000	S	WU	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
23-17	Replacement	Main No. 4 - Mt Newton to Highway 17 & Bear Hill Trunk Extension (RWS Contribution to SPWS Project)	Approximately 2.9km of Main No. 4 concrete cylinder transmission main to replacement from Mt Newton Cross Rd/Central Saanich Rd to Island View Rd and Lochside Drive. This project is also being expanded to partially fund the extension of the Bear Hill Tunk Sewer on East Saanich Road from Wallace Drive to Dean Lower Tank.	\$ 39,000,000	S	WU	\$ 25,500,000	\$ 16,000,000	\$ 13,700,000	\$ -	\$ -	\$ -	\$ 29,700,000
23-17	Replacement				S	Grant	\$ 5,500,000	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000
28-01	Renewal	Transmission Main Upgrade Program	Identify, conceptually design, detail design and construct transmission main upgrades.	\$ 160,000,000	S	WU		\$ -	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 60,000,000
24-11	Replacement	IT Core Infrastructure Replacement and cyber security upgrades.	Replacement and upgrades to Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life and cyber security upgrades. Includes IT equipment located at tower sites within the RWS system.	\$ 420,000	E	WU	\$ 25,000	\$ 25,000	\$ 130,000	\$ 250,000	\$ -	\$ -	\$ 405,000
24-12	Renewal	Head Tank Valve & Main No. 4&5 Valve Replacement	Supply and installation of valves and actuators at Head Tank and Main #4&5. Includes flushing plan and coordination efforts.	\$ 1,750,000	E	WU	\$ 200,000	\$ 200,000	\$ 1,100,000		\$ -	\$ -	\$ 1,300,000
24-19	Renewal	Mount Tolmie Tank Assessment and Improvements	Structural and infiltration improvements, as well as overall hydraulic review of Main No. 3 storage and improvements to controls, piping and other deficiencies.	\$ 5,500,000	E	WU	\$ 3,000,000	\$ 750,000	\$ 1,500,000	\$ 2,250,000	\$ 150,000	\$ -	\$ 4,650,000
25-24	Renewal	Water Treatment Plant Improvements Program	Ongoing program to address multiple, small to mid-scale capital improvements required at the Goldstream WTP and Sooke River Road WTP.	\$ 1,150,000	E	WU	\$ 400,000	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 900,000
26-04	Study	Kapoor Tunnel Assessment and Inspections	Development of inspection and monitoring plan for ongoing asset management.	\$ 750,000	E	WU		\$ 250,000	\$ -	\$ 500,000	\$ -	\$ -	\$ 750,000.00
27-02	Replacement	Supply Main No. 11 Concrete Pipe Replacement and bridge crossing	Replacement of segment of Concrete Cylinder Pipe from Sooke Lake Dam to Head Tank. Incorporate bridge replacement at spillway crossing.	\$ 25,000,000	E	WU		\$ -	\$ 500,000.00	\$ 10,000,000.00	\$ 14,500,000.00	\$ -	\$ 25,000,000.00
Infrastructure Engineering and Operations Sub-Total				\$ 404,200,000			\$ 41,215,000	\$ 40,060,000	\$ 41,630,000	\$ 84,100,000	\$ 67,550,000	\$ 46,850,000	\$ 280,190,000

Service #:

2.670

Service Name:

Regional Water Supply

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
DAM SAFETY PROGRAM													
19-07	New	Integrate Dam Performance and Hydromet to SCADA	IT driven project to integrate the dam safety instrumentation/surveillance (i.e. piezometers and weirs) and HydroMet stations to report to WIO through the existing SCADA system.	\$ 1,300,000	E	WU	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
19-13	New	Dam Safety Instrumentation	The existing dam safety instrumentation/surveillance equipment is getting older and will need to be replaced/rehabilitated (does not include pending SCADA effort). IT Driven Project	\$ 250,000	E	WU	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
25-13	Study	Sooke Lake & Deception Water Supply Area Dams - Regulatory Compliance, Dam Safety Planning & Analyses	Ongoing projects involving studies, dam safety planning and regulatory requirements activities for the various dams within the Sooke Lake Watershed. Outcomes from the various studies will inform future capital improvements.	\$ 3,500,000	S	WU	\$ 440,000	\$ 1,440,000	\$ 1,200,000	\$ 800,000	\$ 350,000	\$ 600,000.00	\$ 4,390,000
25-14	Renewal	Sooke Lake & Deception Water Supply Area Dams - Upgrades and Improvements Program	Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Sooke Lake Water Supply Area Dams - Regulatory, Planning & Analysis Program.	\$ 18,250,000	S	WU	\$ 500,000	\$ 3,000,000	\$ 1,500,000	\$ 3,750,000	\$ 3,500,000	\$ 3,000,000	\$ 14,750,000
25-15	Study	Goldstream Water Supply Area Dams - Regulatory Compliance, Dam Safety Planning & Analyses	Ongoing projects involving studies, dam safety planning and regulatory requirements activities for the various dams within the Goldstream Watershed. Outcomes from the various studies will inform future capital improvements.	\$ 7,200,000	S	WU	\$ 250,000	\$ 550,000	\$ 300,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,000,000
25-16	Renewal	Goldstream Water Supply Area Dams - Upgrades and Improvements Program	Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Goldstream Water Supply Area Dams - Regulatory, Planning & Analysis Program.	\$ 2,900,000	S	WU	\$ 200,000	\$ 1,200,000	\$ 250,000	\$ 750,000	\$ 900,000	\$ 400,000	\$ 3,500,000
25-17	Study	Charters Dam - Regulatory Compliance, Dam Safety Planning & Analyses	Ongoing projects involving studies, dam safety planning and regulatory requirements activities for Charters Dam. Outcomes from the various studies will inform future capital improvements.	\$ 100,000	S	WU	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
25-18	Renewal	Charters Dam - Upgrades and Improvements Program	Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Charters Dam - Regulatory, Planning & Analysis Program.	\$ 200,000	S	WU	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ 150,000	\$ -	\$ 200,000
Dam Safety Program Sub-Total				\$ 33,700,000			\$ 2,765,000	\$ 7,565,000	\$ 3,275,000	\$ 5,350,000	\$ 4,950,000	\$ 4,050,000	\$ 25,190,000
WATER QUALITY													
20-04	New	Sooke Lake HyDy Model Development	Critical data collection, model building+calibration, model utilization for 3 different scenarios	\$ 520,000	E	WU	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -		\$ 150,000
25-19	Study	WQ Studies and Research Projects	Ongoing program budget for water quality studies and operation of Sooke Lake Hydrodynamic Model.	\$ 1,000,000	S	WU	\$ 100,000	\$ 300,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,100,000
24-04	Study	Sooke Lake Drawdown Study	Investigate drawdown effects on Sooke Lake water quality and ecosystem impacts with max drawdown and determine a safe max drawdown level for SOL.	\$ 100,000	S	WU	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Water Quality Sub-Total				\$ 1,620,000			\$ 270,000	\$ 470,000	\$ 200,000	\$ 200,000	\$	\$ 200,000	\$ 1,270,000
ANNUAL PROVISIONAL													
17-27	Replacement	Watershed Culvert Replacement	Replacement of small culverts throughout the GVWSA.	\$ 1,300,000	S	WU		\$ 260,000	\$ -	\$ -	\$ 200,000	\$ -	\$ 260,000
17-28	Replacement	Watershed Security Infrastructure Upgrade & Replacement	New, upgrade and replacement of security infrastructure in the GVWSA.	\$ 1,500,000	E	WU		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
17-29	Replacement	Water Supply Area Equipment & Replacement	Hydrometeorological, fireweather and wildfire suppression equipment replacement.	\$ 720,000	E	WU		\$ 160,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 720,000
17-30	Replacement	Transmission Main Repairs	Emergency repairs to the transmission mains.	\$ 1,000,000	S	WU		\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000.00	\$ 1,000,000
17-31	Replacement	Transmission System Components Replacement	Replacement and repair of transmission components.	\$ 400,000	S	WU		\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000.00	\$ 400,000
17-33	Replacement	Disinfection Equipment and other Water Treatment Components and Parts Replacement	Replacement of incidental equipment and parts associated with the water treatment facilities.	\$ 1,000,000	E	WU		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
17-34	Renewal	Supply System Computer Model Update	Annual update of the regional hydraulic model.	\$ 100,000	S	WU		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
19-16	Replacement	Dam Improvements	Items not covered by Dam Safety Reviews, but brought up in Dam Safety Inspections and Dam Safety Reviews and address items in the dam safety database/risk registry and to support operations.	\$ 1,675,000	S	WU		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
19-22	Replacement	SCADA Repairs, Equipment Replacement and Comms upgrades	Items not covered by the SCADA Replacement and SCADA Master Plan, but integral in maintaining the SCADA System and revenue meter system.	\$ 750,000	E	WU		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
21-15	Replacement	Corrosion Protection	Replace corrosion protection assets, such as coatings, for the transmission system when identified.	\$ 250,000	S	WU		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
21-16	Replacement	Valve Chamber Upgrades	Replace failing valves and appurtenances along the RWS supply system.	\$ 1,500,000	S	WU		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
21-17	Replacement	Water Quality Equipment Replacement	Replacement of water quality equipment for the water quality lab and water quality operations.	\$ 250,000	E	WU		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000
21-18	Renewal	LIMS support	Support for LIMS database	\$ 125,000	E	WU		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
23-20	Study	Land Exchange/Acquisition	Land surveys, appraisals to support decisions regarding land exchange to increase catchment area, buffer water supply areas and other possible land exchange and acquisition within the RWS system.	\$ 220,000	L	WU		\$ 80,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 160,000
Annual Provisional Sub-Total				\$ 10,790,000			\$ -	\$ 2,475,000	\$ 2,135,000	\$ 2,135,000	\$ 2,135,000	\$ 2,135,000	\$ 11,015,000

Service #:

2.670

Service Name:

Regional Water Supply

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
CORPORATE ASSET AND MAINTENANCE MANAGEMENT (CMM)													
17-35	Replacement	Vehicle & Equipment Replacement (Funding from Replacement Fund)	This is for replacement of vehicles and equipment used by CRD Water Services for the day-to-day operation and maintenance of the supply system.	\$ 4,169,250	V	ERF	\$ 624,336	\$ 1,397,336	\$ 855,000	\$ 495,000	\$ 355,000	\$ -	\$ 3,102,336
23-21	New	EV Charging Stations Electrical Infrastructure	Electrical System upgrades at 479 Island Hwy to power up 44 charging stations	\$ 1,255,000	E	WU	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
23-22	New	Fuel Truck	Fuel tender truck	\$ 325,000	E	WU	\$ 325,000	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ 325,000
23-31	New	Land and Site Works	Purchasing of land and site works to support RWS facilities.	\$ 6,500,000	L	WU	\$ 200,000	\$ 3,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 5,000,000
25-22	New	New Vehicles - Watershed & Water Operations	4 New Electric Vehicles for Watershed & Water Operations	\$ 360,000	V	WU	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000
25-23	New	Enterprise Asset Management System	Development of EAM system, including software and process implementation, for services to maintain assets and report on asset performance.	\$ 4,600,000	E	WU	\$ -	\$ -	\$ 375,000	\$ 400,000	\$ 400,000	\$ 200,000	\$ 1,375,000
25-23	New	Enterprise Asset Management System			E	Other	\$ 200,000	\$ 400,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 425,000
26-05	New	New Electric Vehicles Watershed, Fleet Pool	New electric vehicles for Watershed and Fleet pool.	\$ 360,000	V	WU	\$ -	\$ 180,000	\$ 90,000.00	\$ 90,000.00	\$ -	\$ -	\$ 360,000.00
26-06	New	Fleet Service Trucks	One new heavy pickup truck and transfer Regional Parks Ops fleet mechanic service truck to Corporate Fleet.	\$ 180,000	V	WU	\$ -	\$ 180,000		\$ -	\$ -	\$ -	\$ 180,000.00
26-07	New	Flail Mower and addition of deck mower attachment	Transfer of Parks Flail Mower to RWS-WP and addition of deck mower attachment	\$ 260,000	V	WU		\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ 260,000.00
CMM Sub-Total				\$ 18,009,250			\$ 1,829,336	\$ 6,222,336	\$ 2,345,000	\$ 1,985,000		\$ 200,000	\$ 11,507,336
Grand Total				\$ 501,135,250			\$ 58,559,336	\$ 71,922,336	\$ 51,940,000	\$ 95,370,000	\$ 755,000.00	\$ 54,760,000	\$ 350,907,336

Service: 2.670 Regional Water Supply			
Project Number 25-01	Capital Project Title Forest Resilience Studies and Assessments	Capital Project Description Modelling, studies and assessments of forest fuels, forest health and efficacy of forest treatments in promoting forest resilience.	Project Rationale Watershed Protection is undertaking and working collaboratively with academic institutions and federal and provincial agencies on a variety of assessments and research studies relating to the health of forests and other ecosystems in the GVWSA, how projected climate change could affect forest health and wildfire in the GVWSA, how forest management could reduce potential threats to forests, and the effects of existing forest thinning trials and fuel management activities. The results of these assessments and studies will be used to inform the forest management plan for the GVWSA (Project 25-05).
Project Number 25-02	Capital Project Title Public Engagement for Regional Water Supply	Capital Project Description Public engagement plans and products.	Project Rationale The Watershed Protection division provides educational tours of the GVWSA and Regional Water Supply infrastructure and is seeking new ways to making this information available to a broader portion of the service area population. In future years, enhanced public engagement on the master plan will be undertaken.
Project Number 25-03	Capital Project Title GVWSA Risk Assessments & Procedures	Capital Project Description Risk assessments and updating procedures for security, biosecurity, spills	Project Rationale Assessments such as biosecurity and security are required to determine how best to reduce risks to water quality in the GVWSA. The results of assessments are used to develop and implement plans and procedures.
Project Number 25-04	Capital Project Title Master Plan Projects - Watershed Hydrology Support	Capital Project Description Additional hydrology/water quality data collection and analyses to inform Master Plan infrastructure projects.	Project Rationale Additional hydrology and water quality data and analyses are needed to provide a good quality dataset to inform Master Plan infrastructure projects.
Project Number 25-05	Capital Project Title Forest Management Plan for the GVWSA	Capital Project Description Development of a forest management plan for the GVWSA to enhance forest resilience and mitigate climate change.	Project Rationale Development of a forest management plan for the GVWSA to enhance forest resilience and mitigate climate change based on modelling, risk assessment, input from subject matter experts, First Nations and the public.

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Project Number 25-06	Capital Project Title Forest Resilience Treatments	Capital Project Description Thinning, juvenile spacing, forest fuel management treatments to mitigate climate change, reduce wildfire risk and enhance forest resilience.	Project Rationale This project will be used to fund a variety of forest and fuel management treatments to reduce risks and enhance the resilience of forests in the GVWSA in a changing climate. The specific approaches and methodologies will be informed by the results of a variety of landscape level inventories and assessments and learnings from the evaluation of the effectiveness and effects of forest and fuel management to date.
Project Number 09-01	Capital Project Title Leech River Watershed Restoration	Capital Project Description A 17 year project to restore the Leech WSA lands for water supply.	Project Rationale A 17 year project to restore the Leech WSA lands for water supply. An update of projects completed and planned was provided in June 2019 (RWSC Report #19-13). Recent years funding has been used predominantly to upgrade the permanent road network. A review will be undertaken and the final years of funding assigned to ensure substantial completion of the recommendations of the Leech River Watershed Assessment.
Project Number 16-06	Capital Project Title New Field Operations Centre Building	Capital Project Description Renewal of Water Quality field office/lab and equipment storage and Watershed Protection office, yard, training space and equipment storage, replacing longstanding temporary facilities.	Project Rationale Watershed Protection staff (27 FTE and 8 seasonal auxiliaries) are currently located in 2 trailers and a house at the Goldstream Gate entrance to the water supply area, and in office space at the Integrated Water Services office in View Royal. The trailers were considered temporary office space since their implementation over 15 years ago. The trailers are old, prone to leaks and a concern for mold. Water Quality field staff are located in another temporary facility, since their field office was on the gravel pit property that was sold to Langford. In addition, there are insufficient facilities for operational training, equipment storage, emergency management and public education. The separation of staff between various Goldstream facilities and the View Royal location causes inefficiencies and organizational difficulties. The IWS office is also above capacity and moving Watershed Protection staff out will extend the existing office space. A design build contract is being signed in September 2025 to deliver the project with a rough total project cost of \$15.5 million. Funding of \$ 5 million to the project was obtained through the completion of sale of the IWS gravel pit to City of Langford. Additional funding of \$3 million will be transferred from CRD Corporate for Emergency Operations Centre and office space.
Project Number 25-07	Capital Project Title Hydromet Upgrades	Capital Project Description New and upgraded hydrological and weather sensors and stations.	Project Rationale Watershed Protection manages a network of 13 weather stations and 23 hydrometric (stream monitoring) stations in the GVWSA. Data from these stations are used to inform decision making relating to reservoir inflows, reservoir management, wildfire restrictions and wildfire response, flood and emergency response, and for assessments, modelling, analyses, and strategic and operational planning. The network was started in 1995 and new standards, technologies, and data needs require new stations and the upgrade and expansion of existing stations and data download, management, and distribution capabilities for continual improvement.

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Project Number 20-01	Capital Project Title Kapoor Main Mile 1 Bridge and Asphalt Upgrade	Capital Project Description Replacement of the existing undersized culvert with a large bridge as well as subsequent 500 m road asphalt replacement.	Project Rationale In 2025 the existing culvert at Mile 1 on Kapoor Main (which is the primary access road to Sooke Lake Reservoir and Dam) was replaced with a bridge to improve water carrying capacity at peak flows, fish passage and bank stability. The asphalt section uphill of the bridge is to be replaced in 2026.
Project Number 25-08	Capital Project Title Road Improvements	Capital Project Description Gravel crushing, road deactivation and road upgrades to service water supply and watershed protection infrastructure and activities in the GVWSA	Project Rationale The network of roads within the GVWSA provide access to water supply facilities and infrastructure and for emergency response, security patrols, watershed management activities as well as research and monitoring. It is important that these roads be upgraded to accommodate the increased intensity, frequency, duration of major rainfall events with projected climate change, that new roads are developed where needed, and that unnecessary an/or poorly located roads are deactivated to reduce maintenance costs and reduce environmental concerns.
Project Number 25-09	Capital Project Title Climate Change Mitigations	Capital Project Description Equipment, infrastructure and upgrades to harden water supply infrastructure from climate related risks in the GVWSA	Project Rationale This fund consolidates a number of smaller projects to purchase equipment and develop or update infrastructure within the GVWSA to improve response to extreme weather events, adapt to increased variation in the level of Sooke Lake Reservoir, and reduce risk to key infrastructure. A focus for 2026 is reducing risk of wildfire stemming from sparks from the powerline along Sooke Lake Reservoir by assessing and mitigating trees that could fall onto the line; as well as planning and implementing a dock for Sooke Lake Reservoir.
Project Number 25-10	Capital Project Title Property Management - Assessments and Upgrades	Capital Project Description Assessments, planning and implementation of upgrades aimed at newly acquired GVWSA lands.	Project Rationale When new properties are aquired, there are assessments that need to be carried out to determine the condition of roads and drainage structures, identify security needs, and other land/forest management issues, and then plan and implement improvements to meet CRD requirements and integrate these lands into Watershed Protection management programs. A focus in 2026 will be the newly acquired Kapoor lands as well as the Malahat Estates parcel.
Project Number 25-11	Capital Project Title GVWSA Bridge Supply & Installation	Capital Project Description Replacement of undersized culverts with climate ready bridges which allow for fish passage.	Project Rationale Watershed Protection has inventoried all drainage structures (culverts) within the GVWSA and is systematically replacing undersized structures on major streams with bridges to meet current environmental and flow standards and accommodate the projected increases in stream flows with a changing climate. This fund will be used for the costs associated with assessments, engineering, construction and installation of bridge projects in the GVWSA. The funds allocated implement one bridge project per year.

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Project Number	16-10	Capital Project Title	Post Disaster Emergency Water Supply
Capital Project Description	Identify and procure emergency systems for post disaster preparedness.		
Project Rationale	In the event of a disaster, it is proposed to have in place the ability to source, treat (if required) and distribute drinking water during the initial and sustained response and recovery phases to the public. This item will see the study of the issue in 2016 and 2017 with the anticipated purchase of one or more emergency distribution systems in 2017. Initial investigation has highlighted areas, such as having hardened hydrants/standpipes that the CRD should be investing in. Additional funds are required to continue implementing these additional works and equipment.		
Project Number	17-13	Capital Project Title	Asset Management Plan
Capital Project Description	Development of a plan to inform future areas of study and highlight critical infrastructure improvements.		
Project Rationale	Asset Management Planning necessary to effectively manage asset life cycles and plan for future improvement works.		
Project Number	19-04	Capital Project Title	Seismic Assessment of Critical Facilities Phase 2
Capital Project Description	Second phase seismic assessment of critical facilities will now be undertaken.		
Project Rationale	Initially identified as a priority from an earlier iteration of the Strategic Plan, a second phase seismic assessment of critical facilities will now be undertaken.		
Project Number	20-08	Capital Project Title	Regional Water DCC Program
Capital Project Description	Design of a Regional DCC Program		
Project Rationale	Development and implementation of a Developer Cost Charge (DCC) program for the Regional Water Supply system. This program will help identify where projects are required for future growth and help fund those costs from developments.		
Project Number	20-10	Capital Project Title	Condition & Vulnerability Assessment
Capital Project Description	Conduct a condition assessment of critical supply infrastructure and assess its possibility of risk.		
Project Rationale	The RWSC is a large system with infrastructure of various ages and condition. Funding is required to conduct a condition assessment of critical infrastructure, assess their risk of failure, and provide a high level timeline for replacement/renewal.		
Project Number	21-05	Capital Project Title	Level of Service and Transfer Agreements
Capital Project Description	Develop level-of-service agreements for participating municipalities to address hydraulic capacity of infrastructure.		
Project Rationale	Develop level-of-service agreements for participating municipalities to address hydraulic capacity of infrastructure.		

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Project Number	27-01	Capital Project Title	Regional Water Master Plan Update
Capital Project Description	Future update to the Regional Water Master Plan		
Project Rationale	Update the RWS 2022 Master Plan based upon findings of the planning studies completed to date and work-in-progress being completed by Carollo Engineers. To re-assess the impacting factors such as climate change, population growth, water demand, changing regulations, etc. It is proposed to complete the work that is underway in order to inform the update and therefore deferring this project until 2028.		
Project Number	26-01	Capital Project Title	Master Plan Program Management
Capital Project Description	Initiation and implementation of the RWS 2022 Master Plan Capital Improvement Program.		
Project Rationale	Funding to cover forecasted program management costs.		
Project Number	23-12	Capital Project Title	Project Delivery Strategies and Planning Studies
Capital Project Description	Develop a strategy to deliver the identified projects from the 2022 RWS Master Plan.		
Project Rationale	In 2025, Carollo Engineers initiated its assignment to define many program management related topics, all to be summed up into a Program Implementation Plan (PIP). This PIP will address the program governance framework, program resourcing plan, funding and grant strategy, permitting, regulatory management plan, communications plan, project delivery/procurement models, First Nations engagement, funding strategy, etc. Once Carollo is complete with the current assignment, this capital project will carry-on in subsequent years to address the foregoing during the life of the program.		
Project Number	26-02	Capital Project Title	Master Plan Project Delivery
Capital Project Description	Continued planning, investigation and design of projects identified in the RWS 2022 Master Plan.		
Project Rationale	Consolidates existing projects #23-13, #23-24, #23-25, #23-26, #23-27, and #23-28 in the short-term until Carollo Engineers completes its current assignment. Further, conceptualization of the projects identified in the RWS 2022 Master Plan based on the program risk management strategy, program vision, goal, and guiding principles, and updated project prioritization. A future Comprehensive Project Definition Report will address many topics for all of the proposed projects including siting studies, long term water supply planning, land acquisition requirements, conceptual design, geotechnical investigations, permitting, schedule development and cost estimating. This will also include the Filtration Plant Pilot Testing, and detailed design for the various projects. Carollo will provide a detailed work-breakdown-structure of scope, schedule and budgets for each project that will be reintroduced in subsequent capital plans.		
Project Number	26-03	Capital Project Title	Water Utility Rate Model
Capital Project Description	Review and assessment of current water rate model to assess best practice going forward.		
Project Rationale	Necessary to keep ahead of service financial sustainability.		

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Project Number	18-08	Capital Project Title	Bulk Supply Meter Replacement and Backflow Prevention Program Capital Project Description Planned replacement of aging bulk meter replacement based upon a condition assessment and water audit.
Project Rationale	This item is to replace, upgrade and install new bulk water meters and related equipment that measure flow and volumes of water delivered to the wholesale customers. Many of the meter stations are in need of upgrading. Funding is required to replace the flow meter and appurtenances.		
Project Number	18-15	Capital Project Title	Corrosion Protection Program Capital Project Description Study deficiencies in the current material protection and implement recommendations.
Project Rationale	This item is to assess, design and implement cathodic protection for the various infrastructure, including steel pipes, that are susceptible to corrosion. The supply system has various implementations of cathodic protection ranging from interior/exterior coatings for pipe and passive anodes to impressed current systems with variable results and condition. Funding is required for ongoing improvements as recommended by a cathodic protection specialist.		
Project Number	19-23	Capital Project Title	Critical Spare Equipment Storage & Pipe Yard Capital Project Description Plan, design and construct a critical equipment storage building.
Project Rationale	Additional and accessible storage is required at the pipe yard for critical spare equipment such as repair bands and clamps. Funds are required to pland, design and construct an equipment storage building accessible by loading vehicles.		
Project Number	20-16	Capital Project Title	Cecelia Meter Replacement Capital Project Description Replacement of the Cecelia billing meter as well as its enclosure.
Project Rationale	Project to replace Cecelia Water Meter, which was identified in a previous consultant report as in need of replacement for end of life and accuracy. This is RWS' largest billing meter.		
Project Number	20-17	Capital Project Title	Decommission & Conceptual Design of the Smith Hill Site Capital Project Description Plan for decommission the conceptual design for the replacement of the Smith Hill reservoir site.
Project Rationale	The Smith Hill reservoir has not been in operation for many years. Consideration for decommissioning now has to be factored in with recent suggestions in the 2022 Master Plan.		
Project Number	21-10	Capital Project Title	SCADA Masterplan and System Upgrades Capital Project Description Update the SCADA Master Plan in conjunction with the Juan de Fuca Water Distribution, Saanich Peninsula Water and Wastewater, and Core Area Wastewater Services.
Project Rationale	The SCADA and radio system utilized by the RWS comprises of components ranging from 2-25 years in age. A planned replacement of assets, to be coordinated with the Juan de Fuca Water Distribution and Saanich Peninsula Water & Wastewater Systems is required to create a more resilient and cohesive communications system		

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Project Number	21-11	Capital Project Title	RWS Supply Main No. 4 Upgrade & Main No. 1 High Pressurizing
			Capital Project Description
			Upgrade vulnerable sections of the RWS Supply Main No. 4 and Main No. 1 to a resilient system to better able to withstand a seismic event. Vulnerable sections are Concrete Cylinder pipe material which is susceptible to failure during a seismic event. This is part of project partnered with the Saanich Peninsula Water system.
Project Rationale	Sections of RWS Supply Main No. 4 have been identified as being vulnerable due to age and material type during a seismic event and require replacement. To support replacement of the Goldstream section of Main No. 4, improvements to RWS Supply Main No. 1 are required, such as replacement of approximately 40 m of transmission Main #1 at Watkiss Way and upgrade of the Watkiss PRV, upgrade of the Millstream PRV, modifications to the Humpback PRV and construction of five new pressure control stations. This project is part of a project partnered with the Saanich Peninsula Water System to increase the resilience of the water system by replacing vulnerable sections of transmission mains. The budget breakdown of the works: Goldstream section of Main #4 \$21,975,000; Watkiss Way section of Main #1 \$950,000; Watkiss PRV \$1,250,000; Millstream PRV \$1,350,000; Humpback PRV improvements \$825,000; Five new PRVs		
Project Number	22-15	Capital Project Title	Microwave Radio Upgrades
			Capital Project Description
			To provide a high bandwidth communications backbone to the RWS system, a microwave communications system will be installed.
Project Rationale	To provide a high bandwidth communications backbone to the RWS system, a microwave communications system will be installed. Supports current and future fire detection cameras.		
Project Number	23-16	Capital Project Title	Humpback Channel Assessment
			Capital Project Description
			Hydraulically assess the Humpback Overflow channel and conduct a condition assessment of the culverts at the Gatehouse.
Project Rationale	Hydraulically assess the overflow system to determine what upgrades or alterations may be required to avoid system failure in extreme weather events. Previous system failures have resulted in damage to the adjacent roadway and significant erosion at the outlet, exposing main No. 4.		

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Project Number	23-17	Capital Project Title	Main No. 4 - Mt Newton to Highway 17 & Bear Hill Trunk Extension (RWS Contribution to SPWS Project)
		Capital Project Description	Approximately 2.9km of Main No. 4 concrete cylinder transmission main to replacement from Mt Newton Cross Rd/Central Saanich Rd to Island View Rd and Lochside Drive. This project is also being expanded to partially fund the extension of the Bear Hill Tunk Sewer on East Saanich Road from Wallace Drive to Dean Lower Tank.
Project Rationale Main No. 4 project portion: Replacement of concrete cylinder pipe on Main No. 4 is deemed critical for resiliency of the water supply to the Saanich Peninsula. A Strategic Priorities Fund grant was approved to fund a portion of this work. CRD have since expanded the scope and adjusted the alignment so that approximately 450meters of additional concrete cylinder pipe can be removed under a single contract private property and environmental impacts can be better mitigated through alignment adjustment. Bear Hill Trunk project portion: This project portion is to be shared with Saanich Peninsula Water Supply but is proposed to be partially funded by RWS, since this will provide better water supply redundancy to the Saanich Peninsula and will also reduce some of the future scope requirements for RWS to proceed with Project M11 as identified in the Master Plan.			
Project Number	28-01	Capital Project Title	Transmission Main Upgrade Program
		Capital Project Description	Identify, conceptually design, detail design and construct transmission main upgrades.
Project Rationale Transmission mains that are nearing end of life due to long service require condition assessments and then design and construction of replacement mains where needed. Budget is a future placeholder but project details and budgets will be further refined as the delivery year approaches.			
Project Number	24-11	Capital Project Title	IT Core Infrastructure Replacement and cyber security upgrades.
		Capital Project Description	Replacement and upgrades to Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life and cyber security upgrades. Includes IT equipment located at tower sites within the RWS system.
Project Rationale Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life. Includes IT equipment located at tower sites within the RWS system.			
Project Number	24-12	Capital Project Title	Head Tank Valve & Main No. 4&5 Valve Replacement
		Capital Project Description	Supply and installation of valves and actuators at Head Tank and Main #4&5. Includes flushing plan and coordination efforts.
Project Rationale Supply and installation of valves and actuators at Head Tank and Main #4&5. Includes flushing plan and coordination efforts.			

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Project Number	24-19	Capital Project Title	Mount Tolmie Tank Assessment and Improvements Capital Project Description Structural and infiltration improvements, as well as overall hydraulic review of Main No. 3 storage and improvements to controls, piping and other deficiencies.
Project Rationale	Initial budget for multiple improvements to Mount Tolmie Tank, including structural repairs to address leakage and structural repairs discovered at Mount Tolmie Tank in Q4 2023, control valve and piping upgrades, assessment of adjacent buried pipe work.		
Project Number	25-24	Capital Project Title	Water Treatment Plant Improvements Program Capital Project Description Ongoing program to address multiple, small to mid-scale capital improvements required at the Goldstream WTP and Sooke River Road WTP.
Project Rationale	Program Level budget to allow staff to implement small to mid-scale capital improvements required at the Goldstream and Sooke River Road Water Treatment Plants. This budget is initiated from funds left over from the Goldstream UV and Controls Upgrades project but will be carried forward and built upon as a program for term projects needing to be coordinated at the two Regional treatment facilities. Some initial projects include improvements to workstations, buried pipe replacement to replace injection line to mech room bypass, systems control training, GWTP #5 Injection Chamber Analyzer Lines improvements, other small scale piping and monitoring improvements.		
Project Number	26-04	Capital Project Title	Kapoor Tunnel Assessment and Inspections Capital Project Description Development of inspection and monitoring plan for ongoing asset management.
Project Rationale	Development of plan for ongoing tunnel monitoring plan. Work with external experts to develop best management practices for monitoring this tunnel asset.		
Project Number	27-02	Capital Project Title	Supply Main No. 11 Concrete Pipe Replacement and bridge crossing Capital Project Description Replacement of segment of Concrete Cylinder Pipe from Sooke Lake Dam to Head Tank. Incorporate bridge replacement at spillway crossing.
Project Rationale	Critical segment of main with vulnerability due to concrete cylinder pipe crossing of spillway channel. Review to replace this segment of pipe and all of this concrete cylinder pipe alignment.		

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Project Number	19-07	Capital Project Title	Integrate Dam Performance and Hydromet to SCADA Capital Project Description IT driven project to integrate the dam safety instrumentation/surveillance (i.e. piezometers and weirs) and HydroMet stations to report to WIO through the existing SCADA system.
Project Rationale Based on capital project 18-19, dam performance piezometers and weirs and Hydromet/Dam Safety Instrumentation stations will be integrated through the SCADA system.			
Project Number	19-13	Capital Project Title	Dam Safety Instrumentation Capital Project Description The existing dam safety instrumentation/surveillance equipment is getting older and will need to be replaced/rehabilitated (does not include pending SCADA effort). IT Driven Project
Project Rationale Aging Hydromet/Dam Safety Instrumentation stations maintained by Infrastructure Engineering require replacement so that ongoing monitoring within the watersheds can be maintained. Funds are required for upgrades and replacement of existing Hydromet Stations.			
Project Number	25-13	Capital Project Title	Sooke Lake & Deception Water Supply Area Dams - Regulatory Compliance, Dam Safety Planning & Analyses Capital Project Description Ongoing projects involving studies, dam safety planning and regulatory requirements activities for the various dams within the Sooke Lake Watershed. Outcomes from the various studies will inform future capital improvements.
Project Rationale Capital funding will be used to resolve a prioritized list of issues from the Dam Safety Risk Register, identified during dam surveillance activities, Dam Safety audits, and legislated Dam Safety Reviews. The issues to be resolved relate to dam safety analyses, dam safety planning and program work, and regulatory compliance.			
Project Number	25-14	Capital Project Title	Sooke Lake & Deception Water Supply Area Dams - Upgrades and Improvements Program Capital Project Description Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Sooke Lake Water Supply Area Dams - Regulatory, Planning & Analysis Program.
Project Rationale This is an ongoing program to be adaptable to addressing projects in the Sooke Lake Watershed Dams from the Dam Safety Risk Register. Some key projects in the near term include: Sooke Lake Dam (SLD) Instrumentation Improvements, SLD Spillway crack repairs (wet side), SLD Spillway crack repairs (Ogee/Wing Walls), Deception Dam Low Level Overflow Replacement, SLD Gate Controls/automation, SLD Stop Logs Replacements, SLD Log Booms (Narrows and Main Dam), future buttressing of Deception Dam and various other improvements that may be prioritized based on risk.			

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Project Number	25-15	Capital Project Title	Capital Project Description Goldstream Water Supply Area Dams - Regulatory Compliance, Dam Safety Planning & Analyses Ongoing projects involving studies, dam safety planning and regulatory requirements activities for the various dams within the Goldstream Watershed. Outcomes from the various studies will inform future capital improvements.
Project Rationale	Capital funding will be used to resolve a prioritized list of issues from the Dam Safety Risk Register, identified during dam surveillance activities, Dam Safety audits, and legislated Dam Safety Reviews. The issues to be resolved relate to dam safety analyses, dam safety planning and program work, and regulatory compliance.		
Project Number	25-16	Capital Project Title	Capital Project Description Goldstream Water Supply Area Dams - Upgrades and Improvements Program Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Goldstream Water Supply Area Dams - Regulatory, Planning & Analysis Program.
Project Rationale	This is an ongoing program to be adaptable to addressing projects in the Goldstream Watershed Dams from the Dam Safety Risk Register. Some key projects in the near term include: Goldstream gates (High Level and 3 Low Level) being assessed and potentially replaced, Concrete repairs, instrumentation implementation and project management efforts at the program level to prioritize capital works as studies are being completed.		
Project Number	25-17	Capital Project Title	Capital Project Description Charters Dam - Regulatory Compliance, Dam Safety Planning & Analyses Ongoing projects involving studies, dam safety planning and regulatory requirements activities for Charters Dam. Outcomes from the various studies will inform future capital improvements.
Project Rationale	Capital funding will be used to resolve a prioritized list of issues from the Dam Safety Risk Register, identified during dam surveillance activities, Dam Safety audits, and legislated Dam Safety Reviews. The issues to be resolved relate to dam safety analyses, dam safety planning and program work, and regulatory compliance.		

Service: 2.670 Regional Water Supply			
Project Number	25-18	Capital Project Title	Charters Dam - Upgrades and Improvements Program
Capital Project Description	Ongoing program to complete dam upgrades and improvements from the Dam Safety Risk Register, which have been identified through the Charters Dam - Regulatory, Planning & Analysis Program.		
Project Rationale	Budget to address capital improvements identified through the dam safety risk register.		
Project Number	20-04	Capital Project Title	Sooke Lake HyDy Model Development
Capital Project Description	Critical data collection, model building+calibration, model utilization for 3 different scenarios		
Project Rationale	This project involves building and calibrating a hydrodynamic model of Sooke Lake Reservoir using key data inputs. The model will be applied to assess three different scenarios, providing valuable insight for future management and operational strategies.		
Project Number	25-19	Capital Project Title	WQ Studies and Research Projects
Capital Project Description	Ongoing program budget for water quality studies and operation of Sooke Lake Hydrodynamic Model.		
Project Rationale	Managing WQ Studies and Research projects under a program will allow CRD more operational flexibility managing priorities and adapting to changing operational needs.		
Project Number	24-04	Capital Project Title	Sooke Lake Drawdown Study
Capital Project Description	Investigate drawdown effects on Sooke Lake water quality and ecosystem impacts with max drawdown and determine a safe max drawdown level for SOL.		
Project Rationale			
Project Number	17-27	Capital Project Title	Watershed Culvert Replacement
Capital Project Description	Replacement of small culverts throughout the GVWSA.		
Project Rationale	This provides annual funding for the replacement of culverts that have reached end of life and/or are undersized given present knowledge of potential peak water flows and anticipated climate change effects. With the completion of peak flow modelling of all major structures in the Sooke and Goldstream WSAs in 2017, additional funds are required beginning in 2018 to upgrade identified structures to current standards. Costs of upgrades have increased significantly in the last 5 years.		

Service: 2.670 Regional Water Supply			
Project Number	17-28	Capital Project Title	Watershed Security Infrastructure Upgrade & Replacement
Capital Project Description	New, upgrade and replacement of security infrastructure in the GVWSA.		
Project Rationale	The outer boundary of the Leech, Sooke and Goldstream Water Supply Areas is approximately 119 kilometers in length. Main access roads are gated and there are 11 kilometers of existing security fencing. A constant effort is needed to maintain a closed watershed. Through monitoring, high incident areas are identified, security plans are developed, and security infrastructure (fencing, gates and signage) is installed or upgraded where required. An uplift in provisional funding is requested due to increased costs of fencing and gates.		
Project Number	17-29	Capital Project Title	Water Supply Area Equipment & Replacement
Capital Project Description	Hydrometeorological, fireweather and wildfire suppression equipment replacement.		
Project Rationale	This provides annual funding for the replacement or upgrading of equipment for wildfire suppression and spill response, fire weather stations, hydro-meteorological monitoring and water quality sampling and monitoring equipment. Given an expansion of the hydrology and meteorology network of stations and sensors, an additional \$50,000 per year is added in 2020 and going forward. In 2021 and going forward, funding is reduced by \$20,000 as water quality equipment will be funded under a separate line item (21-17). A revised level of funding is requested beginning in 2023 that reflects forecasted needs.		
Project Number	17-30	Capital Project Title	Transmission Main Repairs
Capital Project Description	Emergency repairs to the transmission mains.		
Project Rationale	Each year a visual inspection of this critical supply tunnel is carried out by CRD staff. This capital item allows for minor repairs that are discovered during these inspections. This also allows for annual funding for repair of emergency breaks on large diameter supply mains.		
Project Number	17-31	Capital Project Title	Transmission System Components Replacement
Capital Project Description	Replacement and repair of transmission components.		
Project Rationale	This is an annual allowance for the capital costs for the replacement and repair of supply system components that fail under normal operation and maintenance during the year.		
Project Number	17-33	Capital Project Title	Disinfection Equipment and other Water Treatment Components and Parts Replacement
Capital Project Description	Replacement of incidental equipment and parts associated with the water treatment facilities.		
Project Rationale	The annual work includes the replacement of the plastic gas feed piping that has become very brittle, installing air valves on the ammonia solution lines, installing and replacing shut off valves on the booster pumps supply piping, installing indicator stems on UV cooling water valves, relocating the UV cooling water feed pipes, improving the landscaping around the UV building to reduce dust and other minor upgrades.		
Project Number	17-34	Capital Project Title	Supply System Computer Model Update
Capital Project Description	Annual update of the regional hydraulic model.		
Project Rationale	This item is to allow for staff and consultant time each year to keep the hydraulic computer model current.		

Service: 2.670 Regional Water Supply			
Project Number	19-16	Capital Project Title	Dam Improvements Items not covered by Dam Safety Reviews, but brought up in Dam Safety Inspections and Dam Safety Reviews and address items in the dam safety database/risk registry and to support operations.
Project Rationale	Dam Safety Inspections are carried out throughout the year and result in minor improvements at each dam annually. This budget is intended for smaller scale improvements, typically to be completed by operations staff in a short duration and which are not captured under the larger "Term" programs.		
Project Number	19-22	Capital Project Title	SCADA Repairs, Equipment Replacement and Comms upgrades Items not covered by the SCADA Replacement and SCADA Master Plan, but integral in maintaining the SCADA System and revenue meter system.
Project Rationale	This item is to allow for unplanned SCADA repairs and equipment replacement not covered by the capital projects SCADA Replacement.		
Project Number	21-15	Capital Project Title	Corrosion Protection Replace corrosion protection assets, such as coatings, for the transmission system when identified.
Project Rationale	There are numerous assets with varying levels of corrosion protection throughout the RWS system. Funds are required to ensure that corrosion protection assets are replaced or rehabilitated when identified.		
Project Number	21-16	Capital Project Title	Valve Chamber Upgrades Replace failing valves and appurtenances along the RWS supply system.
Project Rationale	The RWS system has numerous isolation and air valves along the transmission system, usually in underground chambers. Funds are required for replacement of valves and chamber upgrades as they are identified.		
Project Number	21-17	Capital Project Title	Water Quality Equipment Replacement Replacement of water quality equipment for the water quality lab and water quality operations
Project Rationale	This provides annual funding for the replacement or upgrading of equipment for the water quality lab, sampling, and operations. Of this provisional budget, \$20,000 was previously included in item 17-29 (Water Supply Area annual provisional budget)		
Project Number	21-18	Capital Project Title	LIMS support Support for LIMS database
Project Rationale	Provides for support for the laboratory information management system		

Service: 2.670 Regional Water Supply			
Project Number	23-20	Capital Project Title	Land Exchange/Acquisition
Capital Project Description	Land surveys, appraisals to support decisions regarding land exchange to increase catchment area, buffer water supply areas and other possible land exchange and acquisition within the RWS system.		
Project Rationale	There are opportunities to increase the catchment and critical buffer areas of Sooke, Goldstream and the Leech WSA by purchase or land exchange with surrounding land owners. From time to time, the RWS System requires acquisition of lands for infrastructure purposes. Funds will be used when needed to undertake appraisals, legal surveys, and legal fees for work to develop agreements to purchase or exchange lands for the Regional Water Supply Area or System.		
Project Number	17-35	Capital Project Title	Vehicle & Equipment Replacement (Funding from Replacement Fund)
Capital Project Description	This is for replacement of vehicles and equipment used by CRD Water Services for the day-to-day operation and maintenance of the supply system.		
Project Rationale	This is for replacement of vehicles and equipment used by CRD Water Services for the day-to-day operation and maintenance of the supply system. The Equipment Replacement Fund is used to fund the expenditure. The requests have been adjusted to align with the pricing for electric vehicles.		
Project Number	23-21	Capital Project Title	EV Charging Stations Electrical Infrastructure
Capital Project Description	Electrical System upgrades at 479 Island Hwy to power up 44 charging stations		
Project Rationale	In support of the CRD's Climate Action Strategy to reduce the corporate GHG emissions. The CRD Fleet of vehicles is one of the larger contributors to the generation of GHG's. Integrated Water Services identified 44 of the approx. 100 vehicles that operate out of the 479 Island location for replacement with Electrical Vehicles by 2030. In preparation for providing the proper charging network at 479 an Electric Vehicle Fleet Conversion Study was completed in 2021. The results of the study was to upgrade the electrical infrastructure to accommodate the power needs of 44 charging points. It is proposed that phase 1 is started in 2023 to upgrade the electrical distribution system and provide 17 charging points. The larger portion of the costs will be to upgrade the electrical system. Phase 2 to allow for a further 27 charging points can be planned to accommodate the balance of EV vehicles pending their purchasing and delivery.		
Project Number	23-22	Capital Project Title	Fuel Truck
Capital Project Description	Fuel tender truck		
Project Rationale	New fuel truck.		
Project Number	23-31	Capital Project Title	Land and Site Works
Capital Project Description	Purchasing of land and site works to support RWS facilities.		
Project Rationale	Land acquisition and site works to support RWS facilities.		

Service: 2.670 Regional Water Supply			
Project Number	25-22	Capital Project Title	New Vehicles - Watershed & Water Operations
Capital Project Description	4 New Electric Vehicles for Watershed & Water Operations		
Project Rationale	1 New EV AWD SUV for water treatment ops 2 Replacement EV Pickup trucks for Watershed Prot. Ops, Security & Emerg Response 1 New EV Pickup truck for Watershed Prot. Resource Planning, Wildlife Program		
Project Number	25-23	Capital Project Title	Enterprise Asset Management System
Capital Project Description	Development of EAM system, including software and process implementation, for services to maintain assets and report on asset performance.		
Project Rationale	There are opportunities to increase the catchment and critical buffer areas of Sooke, Goldstream and the Leech WSA by purchase or land exchange with surrounding land owners. From time to time, the RWS System requires acquisition of lands for infrastructure purposes. Funds will be used when needed to undertake appraisals, legal surveys, and legal fees for work to develop agreements to purchase or exchange lands for the Regional Water Supply Area or System.		
Project Number	26-05	Capital Project Title	New Electric Vehicles Watershed, Fleet Pool
Capital Project Description	New electric vehicles for Watershed and Fleet pool.		
Project Rationale	2026 - 2 EV Pickup trucks for Watershed Prot. Ops, Security & Emerg Response to replace old life-extended vehicles (180k) 2027 - 1 EV truck for Watershed Prot. Ops, Security & Emerg Response to support IBC 2027 2a-5.2 Equipment/Operato Watershed (90k) 2028 - 1 EV truck Forest Management Plan Implementation Forester position in WP requiring a pickup. IBC 2a5.4 for 2028 (90k)		
Project Number	26-06	Capital Project Title	Fleet Service Trucks
Capital Project Description	One new heavy pickup truck and transfer Regional Parks Ops fleet mechanic service truck to Corporate Fleet.		
Project Rationale	2026 - Transfer Regional Parks Ops fleet mechanic service truck to Corporate Fleet (60K). One new heavy pickup truck to replace old life-extended vehicle (120k).		
Project Number	26-07	Capital Project Title	Flail Mower and addition of deck mower attachment
Capital Project Description	Transfer of Parks Flail Mower to RWS-WP and addition of deck mower attachment		
Project Rationale	Flail mower transfer cost. Benefit for ongoing maintenance.		

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.670 Regional Water Supply & Juan de Fuca Water Distribution	Carry Forward 2025	2026	2027	2028	2029	2030	TOTAL
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EXPENDITURE

Buildings	\$300,000	\$580,000	\$200,000	\$80,000	\$80,000	\$80,000	\$1,020,000
Equipment	\$448,125	\$1,163,125	\$430,000	\$411,000	\$409,000	\$405,000	\$2,818,125
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$150,000	\$100,000	\$75,000	\$75,000	\$50,000	\$450,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$748,125	\$1,893,125	\$730,000	\$566,000	\$564,000	\$535,000	\$4,288,125

SOURCE OF FUNDS

Capital Funds on Hand	\$705,000	\$1,850,000	\$730,000	\$566,000	\$564,000	\$535,000	\$4,245,000
Debenture Debt (New Debt Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$43,125	\$43,125	\$0	\$0	\$0	\$0	\$43,125
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$748,125	\$1,893,125	\$730,000	\$566,000	\$564,000	\$535,000	\$4,288,125

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #:	2.670/2.680
Service Name:	Regional Water Supply & JDF Water Distribution Combo

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
SYSTEM REPLACEMENT AND UPGRADES THAT BENEFIT REGIONAL WATER SUPPLY AND JUAN DE FUCA DISTRIBUTION													
16-01	Renewal	Upgrades to Buildings at 479 Island Highway	Maintenance and changes to buildings, office layouts, meeting rooms, yard improvements, lab improvements and technology upgrades.	\$ 2,330,000	B	WU	\$ 300,000	\$ 580,000	\$ 200,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 1,020,000
17-01	Renewal	Voice Radio Upgrade	Replacement of end of life voice radio system repeaters, office, vehicle and handheld radios.	\$ 2,325,000	E	WU	\$ 200,000	\$ 350,000	\$ -		\$ -		\$ 350,000
24-01	Replacement	IT Core Infrastructure Replacement	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life	\$ 250,000	E	WU	\$ 205,000	\$ 215,000	\$ 25,000	\$ 6,000	\$ 4,000	\$ -	\$ 250,000
25-02	New	SCADA System Cybersecurity	Shared project budget to improve cyber security in the SCADA system.	\$ 400,000	E	Other	\$ 43,125	\$ 43,125	\$ -	\$ -	\$ -		\$ 43,125
26-01	New	479 Island Highway	Supply and installatin of autogates with intercom and FOB at 479 Island Highway Office.	\$ 150,000	E	WU	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Sub-Total System Replacement and Upgrades That Benefit Regional Water Supply and Juan de Fuca Distribution				\$ 5,455,000			\$ 748,125	\$ 1,338,125	\$ 225,000	\$ 86,000	\$ 84,000	\$ 80,000	\$ 1,813,125
ANNUAL PROVISIONAL CAPITAL ITEMS													\$ -
17-03	Replacement	Office Equipment, Upgrades and Replacements	Upgrade and replacement of office equipment as required.	\$ 450,000	E	WU	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 450,000
17-04	Replacement	Computer Upgrades	Annual upgrade and replacement program for computers, copiers, printers, network equipment as required.	\$ 950,000	E	WU	\$ -	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 950,000
17-06	Replacement	Small Equipment & Tool Replacement (Water Operations)	Replacement of tools and small equipment for Water Operations as required.	\$ 500,000	E	WU	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
17-07	Replacement	Small Equipment & Tool Replacement (Corporate Fleet)	Replacement of tools and small equipment for Fleet as required.	\$ 85,000	E	WU	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
24-02	Study	Capital Projects Delivery Optimization	Ongoing internal improvement of templates, tools and processes used in the delivery of capital projects.	\$ 425,000	S	WU	\$ -	\$ 150,000	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 450,000
Sub-Total for Annual Provisional Capital Items				\$ 2,410,000			\$ -	\$ 555,000	\$ 505,000	\$ 480,000	\$ 480,000	\$ 455,000	\$ 2,475,000
Grand Total				\$ 7,865,000			\$ 748,125	\$ 1,893,125	\$ 730,000	\$ 566,000	\$ 564,000	\$ 535,000	\$ 4,288,125

Service: 2.670/2.680 Regional Water Supply & JDF Water Distribution Combo			
Project Number	16-01	Capital Project Title	Upgrades to Buildings at 479 Island Highway
		Capital Project Description	Maintenance and changes to buildings, office layouts, meeting rooms, yard improvements, lab improvements and technology upgrades.
Project Rationale	The budget includes the following funds to upgrade and renew the buildings at 479 Island Highway, including: • Improvements, Repairs, upgrades and changes to the buildings • Painting of the buildings • Repair and replacement of carpets, floors and walls • Climate Action initiatives and feasibility studies • Improvements to Meeting Rooms, including technology upgrades		
Project Number	17-01	Capital Project Title	Voice Radio Upgrade
		Capital Project Description	Replacement of end of life voice radio system repeaters, office, vehicle and handheld radios.
Project Rationale	Service Life and projected replacement: • The service life of the mobile and portable units was forecast as 10 years at minimum, 15 years at maximum in 2005. • The present radio models used in the system have just been taken out of production by the manufacturer, there will be no new units available for purchase as of July 1, 2015. • Support for repairs and maintenance of the present radio will continue for the next 3 years at least. • There are no pressing issues with equipment maintenance or repairs, present repair rates suggest we can maintain the system for the next few years, and perhaps reach a 12-15 year lifespan on the present equipment.		
Project Number	17-03	Capital Project Title	Office Equipment, Upgrades and Replacements
		Capital Project Description	Upgrade and replacement of office equipment as required.
Project Rationale	Funds will be used for the replacement and upgrading of office equipment and furniture, as required.		

Service:	2.670/2.680	Regional Water Supply & JDF Water Distribution Combo
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Project Number	17-04	Capital Project Title	Computer Upgrades	Capital Project Description	Annual upgrade and replacement program for computers, copiers, printers, network equipment as required.
Project Rationale	This is an annual upgrading and replacement program of computers, photocopiers, network, monitoring and associated equipment, as required. This item has been increased from \$160,000 to \$170,000 annually to reflect actual costs. Capital Budget Network Switch Maintenance \$10,000 Additional Wireless Access Points and Maintenance \$15,000 Photocopier Replacement \$20,000 Additional Data Storage \$15,000 Replacement Computers \$75,000 Equipment Maintenance (contingency) \$23,000 Replace Access Control System - Gates/ Video Cameras \$12,000 Total Capital \$170,000				

Project Number	17-06	Capital Project Title	Small Equipment & Tool Replacement (Water Operations)	Capital Project Description	Replacement of tools and small equipment for Water Operations as required.
Project Rationale	Funds will be used for replacement of a variety of Operations and Welding equipment such as cutting saws, portable generators, gas detectors, Hilti drills, plasma cutter, wire welder, etc.				

Project Number	17-07	Capital Project Title	Small Equipment & Tool Replacement (Corporate Fleet)	Capital Project Description	Replacement of tools and small equipment for Fleet as required.
Project Rationale	Funds will be used for replacement of a variety of Fleet small equipment and tools as required. This includes provision to replace the Vehicle OBD reader for reading engine codes and the shop air compressor.				

Project Number	24-01	Capital Project Title	IT Core Infrastructure Replacement	Capital Project Description	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life
Project Rationale	Ongoing end of life replacement program for IT Core Infrastructure, including servers, network switches, UPS, and other equipment.				

Service: 2.670/2.680 Regional Water Supply & JDF Water Distribution Combo			
Project Number	24-02	Capital Project Title	Capital Projects Delivery Optimization
Capital Project Description	Ongoing internal improvement of templates, tools and processes used in the delivery of capital projects.		
Project Rationale	Ongoing program for small scale optimization of project delivery methods and tools.		
Project Number	25-02	Capital Project Title	SCADA System Cybersecurity
Capital Project Description	Shared project budget to improve cyber security in the SCADA system.		
Project Rationale	Project budget to improve cyber security in the SCADA System. CRD IT Department to lead and provide implementation support.		
Project Number	26-01	Capital Project Title	479 Island Highway Autogates
Capital Project Description	Supply and installatin of autogates with intercom and FOB at 479 Island Highway Office.		
Project Rationale			

**2.670 Regional Water Supply
Asset / Reserve Schedule
2026 - 2030 Financial Plan**

Asset Profile

Regional Water Supply

System assets include the lands, dams and source water reservoirs within the water supply areas, intake and source conduits, two water treatment plants, pressure regulating facilities, nine supply mains, three balancing reservoirs and revenue water meters in the water transmission system.

Equipment Replacement Reserve Schedule

Reserve Fund: 2.670 Regional Water Supply Equipment Replacement Reserve (covered by CRD-ERF Bylaw)

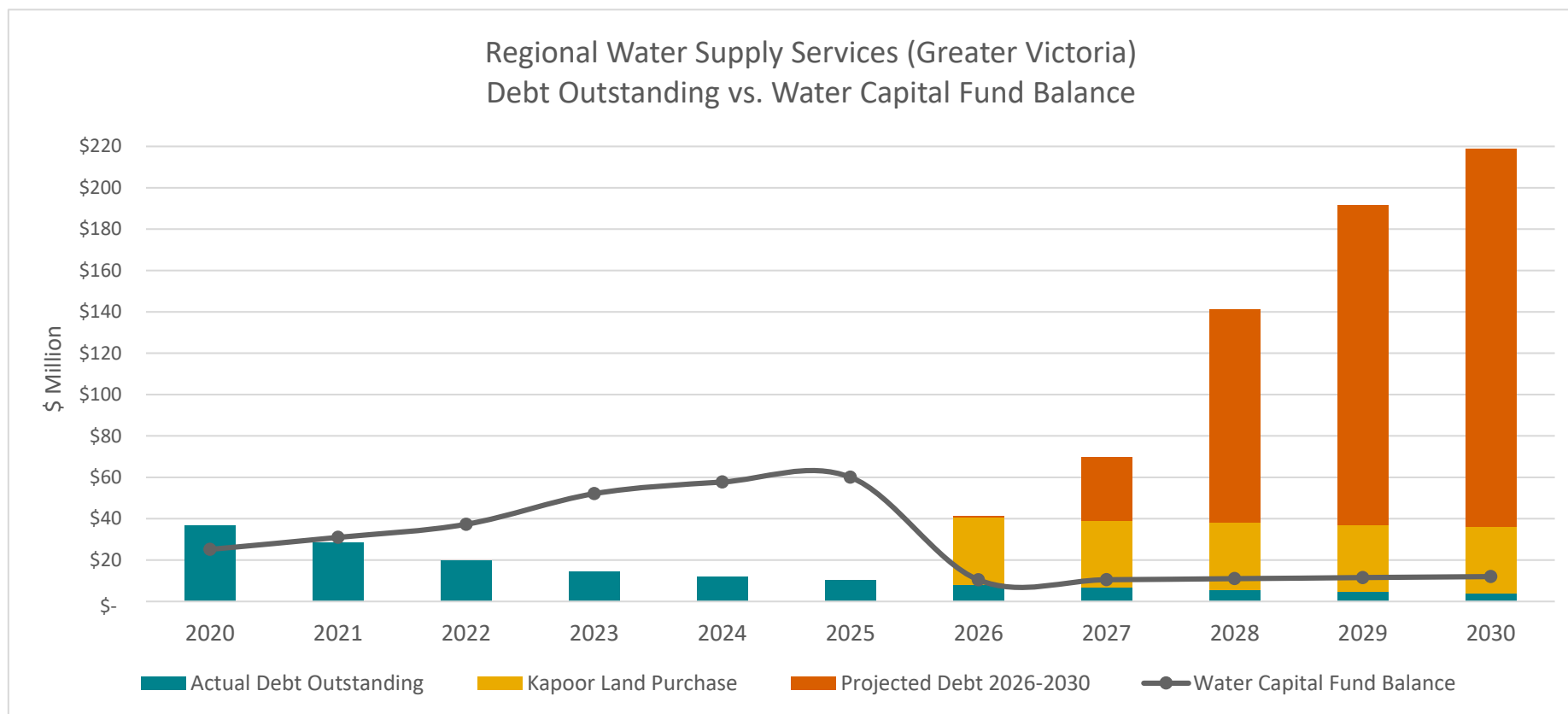
Fund: 1022 Fund Center: 101454

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	2,951,724	2,905,151	2,387,899	2,345,089	2,621,959	3,031,779
Equipment purchases (Based on Capital Plan)	(751,914)	(1,397,336)	(855,000)	(495,000)	(355,000)	-
Transfer from Operating Budget	577,541	670,484	683,890	697,570	711,520	725,750
Proceeds on disposals	112,800	209,600	128,300	74,300	53,300	-
Interest Income*	15,000					
Ending Balance \$	2,905,151	2,387,899	2,345,089	2,621,959	3,031,779	3,757,529

General Comments:

Reserve Fund is used for the purpose of replacing fleet vehicles including heavy equipment and associated mobile components, as outlined in the capital plan. Proceeds from disposals are estimated at 15% of replacement equipment purchases. Note not all vehicles are sold within the year in which they are replaced.

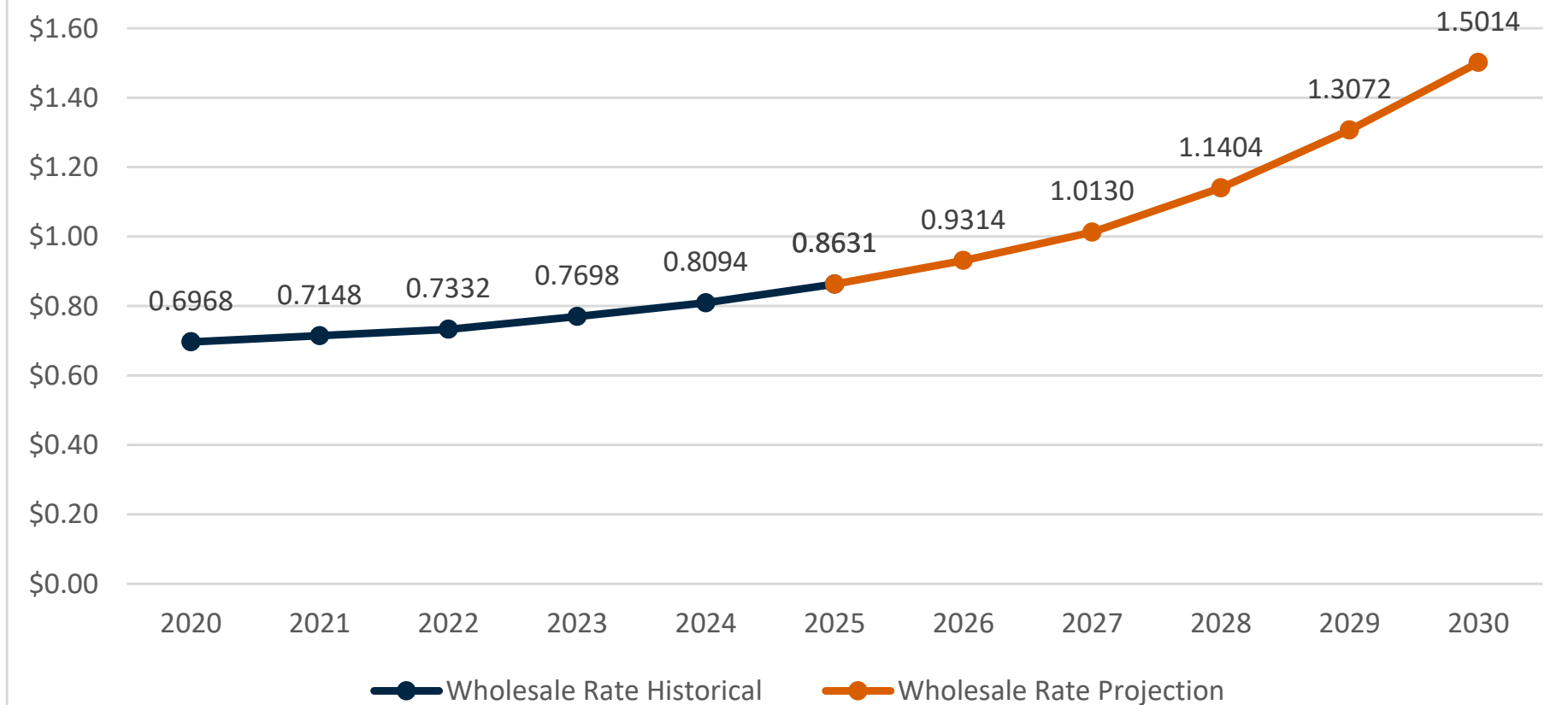
* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.



REGIONAL WATER SUPPLY COMMISSION
Agricultural Water Rate Funding Comparisons 2011 - 2024

No. of AR Accounts	No. of AG Accounts	AR Volume m3	AG Volume m3	Avg AR Volume m3 (Vol/Accts)	Avg AG Volume m3	Agri Rate Consumption Costs	Agri Fixed Charge Costs	Total Agri Subsidy Paid out (Cons + Fixed)	Avg Agri Cost \$ (Paid/Accts)	%age of Total Paid out	Rate Differential		
											Municipal Rate m3	Agri Rate m3	Muni-CRD Diff m3
											A	B	A - B
85	21	38,614	53,786	454	2,561	\$ 229,355	\$ -	\$ 229,355	\$ 2,164	11.9%	\$ 2,6927	\$ 0,2105	\$ 2,4822
86	16	46,589	62,912	542	3,932	\$ 255,805	\$ -	\$ 255,805	\$ 2,508	11,6%	\$ 2,5466	\$ 0,2105	\$ 2,3361
85	17	45,564	37,292	536	2,194	\$ 181,612	\$ -	\$ 181,612	\$ 1,781	10,6%	\$ 2,4024	\$ 0,2105	\$ 2,1919
84	16	53,773	63,222	640	3,951	\$ 245,409	\$ -	\$ 245,409	\$ 2,454	12,3%	\$ 2,3081	\$ 0,2105	\$ 2,0976
84	15	42,432	51,118	505	3,408	\$ 187,605	\$ -	\$ 187,605	\$ 1,895	11,9%	\$ 2,2159	\$ 0,2105	\$ 2,0054
86	14	36,598	50,277	426	3,591	\$ 165,297	\$ -	\$ 165,297	\$ 1,653	11,1%	\$ 2,1132	\$ 0,2105	\$ 1,9027
95	18	40,657	19,669	428	1,093	\$ 112,411	\$ -	\$ 112,411	\$ 995	7,9%	\$ 2,0739	\$ 0,2105	\$ 1,8634
81	11	33,458	11,628	413	1,057	\$ 76,754	\$ -	\$ 76,754	\$ 834	5,6%	\$ 1,9129	\$ 0,2105	\$ 1,7024
80	11	41,248	8,652	516	787	\$ 84,950	\$ -	\$ 84,950	\$ 934	5,9%	\$ 1,9129	\$ 0,2105	\$ 1,7024
79	11	33,537	7,078	425	643	\$ 64,968	\$ -	\$ 64,968	\$ 722	5,1%	\$ 1,8101	\$ 0,2105	\$ 1,5996
79	11	29,419	9,074	372	825	\$ 60,769	\$ -	\$ 60,769	\$ 675	5,6%	\$ 1,7892	\$ 0,2105	\$ 1,5787
80	11	25,532	5,578	319	507	\$ 46,438	\$ -	\$ 46,438	\$ 510	4,7%	\$ 1,7032	\$ 0,2105	\$ 1,4927
79	13	23,617	5,932	299	456	\$ 40,828	\$ -	\$ 40,828	\$ 444	4,3%	\$ 1,5922	\$ 0,2105	\$ 1,3817
75	11	27,910	4,893	372	445	\$ 43,641	\$ -	\$ 43,641	\$ 507	5,2%	\$ 1,5409	\$ 0,2126	\$ 1,3283
297	49	485,371	234,707	1,634	4,790	\$ 1,086,758	\$ 4,606	\$ 1,091,364	\$ 3,154	56,8%	\$ 1,9460	\$ 0,2105	\$ 1,7355
266	48	539,888	283,819	2,030	5,913	\$ 1,269,148	\$ 6,674	\$ 1,275,822	\$ 4,063	57,8%	\$ 1,9240	\$ 0,2105	\$ 1,7135
277	50	398,069	279,385	1,437	5,588	\$ 1,005,694	\$ 7,050	\$ 1,012,744	\$ 3,097	59,3%	\$ 1,8600	\$ 0,2105	\$ 1,6495
277	50	466,809	307,970	1,685	6,159	\$ 1,150,198	\$ 7,050	\$ 1,157,248	\$ 3,539	57,9%	\$ 1,8600	\$ 0,2105	\$ 1,6495
278	49	375,646	233,214	1,351	4,759	\$ 873,579	\$ 6,768	\$ 880,347	\$ 2,692	56,0%	\$ 1,8047	\$ 0,2105	\$ 1,5942
276	47	421,804	210,499	1,528	4,479	\$ 862,430	\$ 2,162	\$ 864,592	\$ 2,677	58,0%	\$ 1,7260	\$ 0,2105	\$ 1,5155
278	49	378,593	297,433	1,362	6,070	\$ 866,699	\$ 7,003	\$ 873,702	\$ 2,672	61,3%	\$ 1,6350	\$ 0,2105	\$ 1,4245
296	49	398,087	298,522	1,345	6,092	\$ 792,125	\$ 7,003	\$ 799,128	\$ 2,316	58,7%	\$ 1,5575	\$ 0,2105	\$ 1,3470
297	51	446,241	303,419	1,502	5,949	\$ 879,396	\$ 7,191	\$ 886,587	\$ 2,548	61,1%	\$ 1,5139	\$ 0,2105	\$ 1,3034
294	51	412,060	246,292	1,402	4,829	\$ 739,282	\$ 7,144	\$ 746,426	\$ 2,164	58,4%	\$ 1,4582	\$ 0,2105	\$ 1,2477
294	49	361,801	190,895	1,231	3,896	\$ 596,515	\$ 6,808	\$ 603,323	\$ 1,759	55,7%	\$ 1,4033	\$ 0,2105	\$ 1,1928
296	45	321,518	194,848	1,086	4,330	\$ 542,837	\$ 4,186	\$ 547,023	\$ 1,604	55,7%	\$ 1,3799	\$ 0,2105	\$ 1,0525
280	41	325,663	210,906	1,163	5,144	\$ 518,454	\$ 5,658	\$ 524,112	\$ 1,633	55,6%	\$ 1,2841	\$ 0,2105	\$ 0,9662
210	38	312,702	169,206	1,489	4,453	\$ 462,183	\$ 5,244	\$ 467,427	\$ 1,885	56,1%	\$ 1,2867	\$ 0,2126	\$ 0,9667
104	21	83,051	113,138	799	5,388	\$ 269,215	\$ -	\$ 269,215	\$ 2,154	14,0%	\$ 1,8562	\$ 0,2105	\$ 1,6457
103	20	56,716	119,706	551	5,985	\$ 281,923	\$ -	\$ 281,923	\$ 2,292	12,8%	\$ 1,8085	\$ 0,2105	\$ 1,5980
107	19	52,167	107,838	488	5,676	\$ 235,367	\$ -	\$ 235,367	\$ 1,868	13,8%	\$ 1,6815	\$ 0,2105	\$ 1,4710
105	18	62,904	126,579	599	7,032	\$ 265,276	\$ -	\$ 265,276	\$ 2,157	13,3%	\$ 1,6105	\$ 0,2105	\$ 1,4000
102	16	57,433	108,453	563	6,778	\$ 223,532	\$ -	\$ 223,532	\$ 1,894	14,2%	\$ 1,5580	\$ 0,2105	\$ 1,3475
94	15	58,278	95,030	620	6,335	\$ 201,370	\$ -	\$ 201,370	\$ 1,847	13,5%	\$ 1,5240	\$ 0,2105	\$ 1,3135
100	16	97,574	70,726	976	4,420	\$ 220,982	\$ -	\$ 220,982	\$ 1,905	15,5%	\$ 1,5240	\$ 0,2105	\$ 1,3135
100	13	151,773	53,551	1,518	4,119	\$ 245,456	\$ -	\$ 245,456	\$ 2,172	18,0%	\$ 1,4643	\$ 0,2105	\$ 1,2538
100	12	148,450	36,774	1,485	3,065	\$ 230,697	\$ -	\$ 230,697	\$ 2,060	15,9%	\$ 1,4560	\$ 0,2105	\$ 1,2455
106	14	151,656	38,066	1,431	2,719	\$ 230,948	\$ -	\$ 230,948	\$ 1,925	18,1%	\$ 1,4278	\$ 0,2105	\$ 1,2173
98	14	133,853	30,372	1,366	2,169	\$ 194,919	\$ -	\$ 194,919	\$ 1,740	18,0%	\$ 1,3974	\$ 0,2105	\$ 1,1869
102	13	141,845	30,647	1,391	2,357	\$ 200,004	\$ -	\$ 200,004	\$ 1,739	20,4%	\$ 1,3700	\$ 0,2105	\$ 1,1595
99	13	117,497	45,227	1,187	3,479	\$ 188,679	\$ -	\$ 188,679	\$ 1,685	20,0%	\$ 1,3700	\$ 0,2105	\$ 1,1595
101	13	106,393	34,921	1,053	2,686	\$ 163,558	\$ -	\$ 163,558	\$ 1,435	19,6%	\$ 1,3700	\$ 0,2126	\$ 1,1574
62	58	42,377	126,972	684	2,189	\$ 322,017	\$ 10,934	\$ 332,952	\$ 2,775	17,3%	\$ 2,1120	\$ 0,2105	\$ 1,9015
76	54	47,961	168,198	631	3,115	\$ 382,061	\$ 10,230	\$ 392,291	\$ 3,018	17,8%	\$ 1,9780	\$ 0,2105	\$ 1,7675
66	56	36,146	129,467	548	2,312	\$ 267,879	\$ 11,330	\$ 279,209	\$ 2,289	16,3%	\$ 1,8280	\$ 0,2105	\$ 1,6175
74	55	49,933	158,309	675	2,878	\$ 318,923	\$ 11,050	\$ 329,973	\$ 2,558	16,5%	\$ 1,7420	\$ 0,2105	\$ 1,5315
68	53	40,416	144,443	594	2,725	\$ 268,877	\$ 10,867	\$ 279,745	\$ 2,312	17,8%	\$ 1,6650	\$ 0,2105	\$ 1,4545
68	51	37,086	140,512	545	2,755	\$ 249,436	\$ 10,278	\$ 259,714	\$ 2,182	17,4%	\$ 1,6150	\$ 0,2105	\$ 1,4045
70	49	37,503	111,896	536	2,284	\$ 208,786	\$ 9,996	\$ 218,782	\$ 1,839	15,3%	\$ 1,5910	\$ 0,2105	\$ 1,3805
80	50	38,201	132,092	478	2,642	\$ 229,604	\$ 9,719	\$ 239,324	\$ 1,841	17,6%	\$ 1,5600	\$ 0,2105	\$ 1,3495
71	53	36,409	139,764	513	2,637	\$ 237,745	\$ 10,056	\$ 247,802	\$ 1,998	17,1%	\$ 1,5600	\$ 0,2105	\$ 1,3495
75	51	74,841	129,225	998	2,534	\$ 226,276	\$ 9,727	\$ 236,003	\$ 1,873	18,5%	\$ 1,5420	\$ 0,2105	\$ 1,3315
72	53	46,230	177,633	642	3,352	\$ 213,981	\$ 9,883	\$ 223,863	\$ 1,791	20,7%	\$ 1,4560	\$ 0,2105	\$ 1,2455
65	50	35,745	122,456	550	2,449	\$ 179,004	\$ 9,655	\$ 188,659	\$ 1,641	19,2%	\$ 1,3420	\$ 0,2105	\$ 1,1315
68	47	38,212	138,455	562	2,946	\$ 180,466	\$ 9,235	\$ 189,701	\$ 1,650	20,1%	\$ 1,2320	\$ 0,2105	\$ 1,0215
71	46	101,235	121,896	1,426	2,650	\$ 149,584	\$ 9,118	\$ 158,703	\$ 1,356	19,0%	\$ 1,1530	\$ 0,2126	\$ 0,9404
548	149	649,413	528,603	1,185	3,548	\$ 1,907,345	\$ 15,540	\$ 1,922,885	\$ 2,759	100%			
531	138	691,154	634,635	1,302	4,599	\$ 2,188,937	\$ 16,904	\$ 2,205,842	\$ 3,297	100%			
535	142	531,946	553,982	994	3,901	\$ 1,690,553	\$ 18,380	\$ 1,708,933	\$ 2,524	100%			
540	139	633,419	656,080	1,173	4,720	\$ 1,979,806	\$ 18,100	\$ 1,997,906	\$ 2,942	100%			
532	133	515,927	537,228	970	4,039	\$ 1,553,594	\$ 17,635	\$ 1,571,229	\$ 2,363	100%			
524	127	553,766	496,318	1,057	3,908	\$ 1,478,533	\$ 12,440	\$ 1,490,973	\$ 2,290	100%			
543	132	554,327	499,724	1,021	3,786	\$ 1,408,879	\$ 16,999	\$ 1,425,878	\$ 2,112	100%			
557	123	621,519	495,793	1,116	4,031	\$ 1,343,940	\$ 16,722	\$ 1,360,663	\$ 2,001	100%			
548	127	672,348	488,609	1,227	3,847	\$ 1,432,788	\$ 17,247	\$ 1,450,036	\$ 2,148	100%			
554	127	672,094	420,661	1,213	3,312	\$ 1,261,474	\$ 16,871	\$ 1,278,344	\$ 1,877	100%			
543	127	571,304	407,973	1,052	3,212	\$ 1,066,184	\$ 16,691	\$ 1,082,874	\$ 1,616	100%			
543	119	524,640	353,529	966	2,971	\$ 968,283	\$ 13,841	\$ 982,124	\$ 1,484	100%			
526	114	504,989	400,520	960	3,513	\$ 928,426	\$ 14,893	\$ 943,320	\$ 1,474	100%			
457	108	548,240	330,916	1,200	3,064	\$ 818,967	\$ 14,362	\$ 833,329	\$ 1,475	100%			

Regional Water Supply Service (Greater Victoria) Wholesale Water Rate Historical & Projections



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, JULY 16, 2025**

SUBJECT **2026 Service Delivery – Staffing Requirements**

ISSUE SUMMARY

To report back on the five-year staffing requirements for meeting the commitments outlined in the 2025 Strategic Plan and advise on the implications of a 2026 staffing freeze on service delivery and project timelines.

BACKGROUND

At the March 12, 2025, Capital Regional District (CRD) Board meeting, the Chief Administrative Officer (CAO) informed the Board that staff had been directed to pause all new staffing requests for 2026, unless directed otherwise by the CRD Board or a sub-regional or local Commission. This decision was in response to challenging economic conditions and in recognition of the significant number of staffing requests approved for 2025. This pause will allow the organization to focus on filling current vacancies and hiring the 61.5 full-time equivalent (FTE) regular and Term positions already approved for 2025, before reassessing staffing capacity in the future.

On April 16, 2025, the Regional Water Supply Commission (Commission) passed the following notice of motion: *“That staff be directed to report back on the 5-year staffing requirements for meeting the commitments outlined in the 2025 Strategic Plan and advise the implications of a 2026 staffing freeze on service delivery and project timelines”*.

At the July 17, 2024, Commission meeting, staff presented the draft 2025 Regional Water Supply Strategic Plan (Strategic Plan). The Strategic Plan outlines 11 priorities and proposes short-, medium- and long-term actions to be implemented in the next five to eight years to advance the commitments identified. The actions span all aspects of service delivery including operations and capital delivery, demand management, asset management, public engagement, First Nations engagement and watershed protection. Though many of these identified actions will be supported by existing resources, the full extent of the effort goes beyond existing capacity in certain areas. An excerpt from the Staff Establishment Chart (SEC) is provided in Appendix A. Table 1 outlines the proposed five-year staffing needs to meet the commitments outlined in the Regional Water Supply Strategic plan, while Table 2 highlights projected staffing needs, however there is insufficient information at this time to define the scope of the roles. The staffing forecast will need to be reviewed each year as the scope of the actions are refined and demands of the service evolve.

As part of the annual service planning process, each proposed initiative is documented in an Initiative Business Case (IBC) and summaries of these initiatives are presented to the CRD Board in the fall for approval. The summaries for the Regional Water Supply-funded IBCs, which include new proposed positions (FTEs) aligned with the Strategic Plan objectives, are included in Appendix B.

Initiatives Planned for 2026

The following provides further details on the key programs that have staffing implications in 2026.

The impact of deferring the staffing plans associated with these programs in 2026 is highlighted in the Service Delivery Implications section, further down in this report.

2a-2.3 Master Plan Program: The Master Plan Program outlines the need for additional staff to advance the planning and implementation of 21 major projects recommended by the 2022 Regional Water Supply Master Plan (Master Plan). These projects are critical to improving the resiliency of the Regional Water Supply system and providing sufficient drinking water to support the growing region and climate change adaptation. The proposed phased staffing plan includes:

2026 (4 FTEs)	Senior Project Manager (<i>Infrastructure Planning and Engineering</i>) – Required to undertake the planning for the Master Plan projects – i.e. Filtration Siting study, Environment Assessment, Archaeological Assessment, First Nations engagement.
	Operations Supervisor: (<i>Water Operations</i>) – Supports Master Plan and capital projects by providing operational input through planning, design, and construction. Ensures integration, operability, and coordination with engineering teams.
	First Nations Liaison (<i>First Nations Relations, Corporate Services</i>) – Supports the upcoming Master Plan projects and the required engagement with local First Nations. This role will also support various actions identified in the Strategic Plan related to the management and access to the watershed. These initiatives were identified during the Strategic Plan First Nations consultation as being of particular interest to various First Nations with Traditional Territory in the Watershed.
	Paralegal (<i>Legal Services & Risk Management, Corporate Services</i>) – Assist with development and review of contract terms and contract template updates to respond to shifting market and project needs for the Master Plan projects.
2027 (1 FTEs)	Project Engineer (<i>Infrastructure Planning and Engineering</i>) – Required to support the planning required for the Master Plan projects – i.e. Filtration Siting study, Environment Assessment, Archaeological Assessment, First Nations engagement.
2028 (1 FTEs)	Senior Project Manager (<i>Infrastructure Planning and Engineering</i>) – Required to lead growing program of projects related to the Master Plan.

2b-2.6 Operations Coordinator (RWS/JDF): The Strategic Plan outlines IWS' commitment to providing reliable high-quality drinking water through efficient and effective operations. The ongoing operation and maintenance of our system is foundational to meeting those commitments. In the last five to 10 years, Operational Supervisors and Team Leads responsible for the Regional Water Supply and Juan de Fuca Water Distribution systems have been increasingly spending more time on regulatory and administrative responsibilities. These tasks include preparing safety documentation, acting as contractor coordinators, managing permitting processing, and tracking budgets.

To improve efficiency, increase the effectiveness of operations, and allow the Supervisor and Team Lead positions to spend more time in the field supporting and developing their teams, a new Operations Coordinator position has been proposed. This position would also provide additional capacity to liaise with engineering specialists on planning and capital project implementation, which will improve the likelihood of success on capital works.

Regional Water Supply Commission – July 16, 2025
2026 Service Delivery – Staffing Requirements

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2026 (0.5 FTEs)	Operations Coordinator: (<i>Water Operations</i>) Required to reduce regulatory and operational risk by managing administrative aspects of key operational compliance components such as contractor oversight, permitting, and safety documentation. This role will support Supervisors and Team Leads by handling budget tracking, permit processes, and contract administration. This position will be shared with the Juan de Fuca Water Distribution Service, if implemented each service would fund 50% of the position.
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2b-1.1 Dam Safety Program: The Dam Safety Program aims to create a dedicated Dam Safety section within the Infrastructure Planning and Engineering division to manage dam safety risks proactively. The program will address the challenges of maintaining 23 water supply dams, ensuring compliance with the Dam Safety Regulation, and improving the resiliency of these critical assets. This initiative began in 2024 with the addition of the role listed below, which were approved in previous planning cycles and have been filled:

2024 (2 FTEs)	Manager, Dam Safety (<i>Infrastructure Planning and Engineering</i>)
	Team Lead (<i>Water Infrastructure Operations</i>)
2025 (3 FTEs)	Project Engineer – Dam Safety Regulatory Compliance (<i>Infrastructure Planning and Engineering</i>)
	Project Engineer - Dam Surveillance and Hydrology (<i>Infrastructure Planning and Engineering</i>)
	Dam Operator (<i>Water Infrastructure Operations</i>)

To ensure regulatory compliance, address the growing list of dam-related deficiencies and undertake the ongoing operational activities, the CRD needs to continue to build the necessary in-house expertise and capacity. This capacity development is being proposed through additional staffing in 2026 and 2027.

2026 (2 FTEs)	Project Engineer (<i>Corporate Capital Delivery Services</i>)
	Project Engineer (<i>Infrastructure Planning and Engineering</i>)
2027 (1 FTE)	Technologist (<i>Infrastructure Planning and Engineering</i>)

Ongoing management of our dams is critical to meeting the commitments outlined in the Strategic Plan, particularly the actions outlined in commitment 3 “to provide efficient, effective and innovative operations of our water system infrastructure”.

The Infrastructure and Water Services (IWS) department is proposing to add two new Project Engineers in 2026 to increase capacity to deliver the following Dam Safety Program projects and initiatives:

1. Improving dam operations, maintenance, and surveillance and adapting to climate change – supporting the needed improvements to the operation, maintenance, and surveillance of the IWS dams in order to adapt to climate change;
2. Completing required engineering analysis and design work for seismic and flood resiliency, and instrumentation improvements – resolving dam safety issues through capital studies focussed on engineering analysis, action plans, and multi-phase design projects to build seismic and flood resiliency, and automate instrumentation systems;

3. Supporting construction of dam safety rehabilitation projects – providing dam safety expertise during tendering, construction, and commissioning of complex dam safety rehabilitation projects;
4. Managing an increasing volume of data – as IWS is working towards automating collection of dam performance data, and increase warning time of any dam safety incident, there is a growing need to manage and analyze larger datasets;
5. Adapting to increasing regulatory oversight in B.C. – increasing capacity to adapt to changing regulatory oversight of dams in B.C. In 2025, the B.C. Dam Safety Office released new guidance and requirements needed to conduct dam safety improvements;
6. Building capacity to engage with First Nations – Dams and reservoirs often have significant cultural and historical significance for First Nations communities. Newly released legislation, such as the *Emergency and Disaster Management Act* includes new requirements for consultation and cooperation with First Nations governing bodies in order to gain acceptance of dam emergency plans;
7. Building public awareness of the Dam Safety Program - the CRD has recently added a public Dam Safety Program webpage to start building public awareness about the program. The CRD is considering a targeted communication plan for all property owners within each dam inundation zone; and
8. Building staff expertise through dam emergency training and exercising – Increasing the training and exercising around emergency preparedness and response is considered by experts as an essential part of an effective Dam Safety Management System.

2b-2.9 Reliability Engineers/Performance Optimization: The Reliability Engineers/Performance Optimization initiative is dedicated to enhancing asset performance and system reliability within the Corporate Asset & Maintenance Management Division. The initiative supports key actions in the Corporate Asset Management Strategy, including condition and criticality assessments and structured data capture programs. The initiative directly supports actions in the Strategic Plan under Commitment 3 and Priority 1 “to make evidence-based and community-responsive infrastructure decisions to ensure reliable system performance and sustainability”. The proposed staffing plan includes:

2026 (1 FTE)	<i>Reliability Engineer (Corporate Asset and Maintenance Management)</i> – Required to establish a dedicated reliability function to optimize asset performance and mitigate asset risks, ensuring dependable service delivery and strategic maintenance and capital replacement planning. This function collaborates with operations and engineering teams to integrate reliability insights into decision-making for capital projects.
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This role is foundational to establishing a reliability function that uses data to drive maintenance and capital decisions, leading to efficiency and optimization within the service. The role will work to decrease reactive maintenance demands and a shift to more proactive maintenance and sustainable budgets.

Initiatives Planned for Future Years (2027-2029)

In addition to the initiatives listed above that have staffing implications in 2026, the following six initiatives have staffing implications in 2027 or beyond:

2027 (2 FTE)	2a-5.2 Equipment/Watershed Operator (1 FTE, Watershed Protection)
	2a-5.3 Seasonal Watershed Protection (0.75 FTE, Watershed Protection)
	2b-2.7 Contract Support Service (0.25, FTE shared with other services)
2028 (2.75 FTE)	2a-5.3 Seasonal Watershed Protection (0.75 FTE, Watershed Protection)
	2a-5.4 Forest Management Plan Implementation (1 FTE, Watershed Protection)
	2b-2.5 Utility Operator (1 FTE, Water Operations)
2029 (1.6 FTE)	2a-5.3 Seasonal Watershed Protection (0.6 FTE, Watershed Protection)
	2a-5.5 Forest Hydrology Technician (1 FTE, Watershed Protection)

Descriptions for these initiatives have been included in Appendix B.

Projected Future Initiatives

This report summarizes the staffing requirements to achieve the commitments of the Strategic Plan based on the information currently available. Within the Strategic Plan, there are longer-term initiatives that have not yet been fully scoped, and additional information will be required to determine if existing resources can be optimized to undertake these initiatives or if additional skills or resources will be required. In order to fulfill the Commission's request and present our best projection of the staff required to meet commitments of the Strategic Plan, possible future initiatives have been identified in Appendix A, Table 2. However, there is insufficient information available at this time to confirm the need or scope these roles.

NEXT STEPS

The 2026 Service Planning process began in March 2025. To align with the staffing pause, several initiatives originally planned for or deferred to 2026 were postponed. Following the Regional Water Supply Commission's motion of April 16, 2025, staff evaluated initiatives with staffing implications and reviewed potential downstream service implications. These initiatives were phased over a four-year period (2026-2029) and costed, in alignment with the Commission's interest in understanding the implementation path for the Regional Water Supply Strategic Plan and Master Plan. The proposed initiatives were subsequently reviewed by both the IWS leadership and the ELT. If the Commission wishes to proceed with any initiatives requiring staffing in 2026, a motion should be recommended for consideration by the CRD Board. The provisional budget will be presented to the Committee of the Whole in October 2025.

IMPLICATIONS

Financial Implications

The proposed staffing additions in support of the Strategic Plan reflect an estimated incremental cost increase of \$1,202,400 in 2026, based on approved IBCs. These costs represent only new FTEs planned for hire in 2026 and are apportioned between operating and capital budgets. A high-level estimate of projected salaries and associated costs for 2026 is summarized in Table

**Regional Water Supply Commission – July 16, 2025
2026 Service Delivery – Staffing Requirements**

1. These figures include both ongoing and one-time costs, covering FTEs hired directly within IWS as well as FTEs hired in other services areas in support of the strategic plan whose costs will be recovered through internal allocation to the Regional Water Supply service.

Table 1:

Cost Distribution by IBC	2026
2024 IBC: 2b-1.1 Dam Safety Program (2 FTE)	310,900
2026 IBC: 2a-2.3 Master Plan Program (4 FTE)	689,000
2026 IBC: 2b-2.6 Operations Coordinator (0.5 FTE)	80,000
2026 IBC: 2b-2.9 Reliability Engineers (1 FTE)	122,500
Total Cost Increase	\$ 1,202,400

These costs will be integrated into both capital and operating budgets. The operating portion represents a 3.8% increase in total ongoing operating expenditure compared to 2025. The capital portion amounts to approximately 0.4% of the 2025 capital budget. Funding will be sourced through a combination of water sales revenue and MFA debt financing, with the intent to support rate stability and long-term financial sustainability.

A breakdown of projected funding sources is summarized in Table 2.

Table 2:

Funding Breakdown	2026
Operating Budget (Water sales revenue)	742,700
Capital Budget (Water sales revenue & debt)	459,700
Total Funding	\$ 1,202,400

Environmental & Climate Action

Advancing the actions identified in the Strategic Plan, which include moving forward with the implementation of the Master Plan, directly supports the CRD's Climate Action Strategy by embedding climate resilience and environmental stewardship into the long-term planning and operation of the region's water system. The Strategic Plan emphasizes the need to protect and adapt the watershed and critical water infrastructure in response to increasing climate variability, including more extreme weather events, prolonged droughts, and wildfire risks. By prioritizing risk-based infrastructure investment, these plans align with and operationalize the CRD's broader climate mitigation and adaptation goals.

Key projects such as the addition of water filtration and a second deep intake in the Sooke Lake Reservoir are proactive climate adaptation measures. Filtration will strengthen the system's ability to maintain water quality in the face of increased turbidity events tied to severe storms, wildfire runoff, and ecological shifts—events that are projected to become more frequent and severe with climate change. Similarly, a second deep intake improves system redundancy and operational flexibility, enabling a more stable supply under changing seasonal patterns and potential water quality disruptions. Together, these investments are not just technical upgrades—they are foundational climate adaptation tools that reinforce the CRD's commitment to delivering safe, reliable drinking water in an increasingly uncertain environmental future.

First Nations Reconciliation

The Strategic Plan directly supports the CRD Board's 2023–2026 Priority of “strong relationships with First Nations based on trust and mutual respect, partnerships, and working together on

shared goals” by advancing tangible, ongoing actions that build stronger relationships with First Nations and reflect the region’s commitment to shared stewardship. The Plan recognizes that the lands and waters within the Regional Water Supply Area lie within the traditional territories of numerous First Nations, and commits to working collaboratively with them to protect, manage, and access these critical areas. This approach is in alignment with the Board’s objective to “foster strong relationships with First Nations” and to “invite, respect and incorporate Indigenous leadership and traditional knowledge to enhance initiatives and strategies”.

The proposed addition of a First Nations Liaison position in 2026 supports the delivery of the Strategic Plan and the Board’s commitments. This role will directly support the implementation of key projects identified in the Master Plan, many of which require thoughtful and ongoing engagement with Nations whose territories intersect the watershed. Beyond project-level engagement, the First Nations Liaison will help advance several actions in the Strategic Plan related to land access, cultural use, and Indigenous-led monitoring and stewardship—areas highlighted as priorities during the Plan’s First Nations consultation process. This dedicated position ensures that the CRD has the internal capacity to support respectful, responsive, and relationship-based engagement, helping to embed reconciliation into both policy and day-to-day practice.

Service Delivery Implications

The service delivery implications of deferring the implementation of the 2026 initiatives are outlined below.

2a-2.3 Master Plan Program: The infrastructure investments outlined in the 2022 Master Plan ensure IWS continues to meet the commitments made in the Strategic Plan while adapting to the needs of the growing population, climate adaptation and improved seismic resiliency. If these positions are deferred to a future year, this will ultimately impact the planning efforts required to move forward with the implementation of the Master Plan and will delay realizing the goal of improving the overall resiliency of the Regional Water Supply system.

Details of some of the specific planning project that would be impacted by a deferral are listed below:

1. Filtration Plant Planning and Preliminary Design – includes initial studies such as:
 - Project definition study outlining the project's purpose, scope, and objectives including integration with other system components and review of current and future technologies.
 - Filtration Plant Siting Study confirming the proposed location of the filtration plant
 - Filtration Plant Pilot Study to confirm proposed treatment efficiency.
 - Other preliminary engineering studies such as Geotechnical, Environmental and Archaeological assessment.
 - Public and First Nations Engagement Strategies
2. Deep Northern Intake and Sooke Lake Pump Station Planning and Conceptual Design – includes initial studies such as:
 - Project definition study outlining the project's purpose, scope, and objectives including integration with other system components and review of current and future technologies (including floating intake versus fixed, tunneled versus overland etc.).
 - Deep Northern Intake Siting Study confirming the proposed location of the Intake based on reservoir circulation and water quality.
 - Other preliminary engineering studies such as Geotechnical, Environmental, and

- archaeological assessments; and,
 - Public and First Nations Engagement Strategies.
3. Preliminary Planning for a Transmission Main from Sooke Lake Pump Station to Head Tank – Undertake the Preliminary planning and route analysis of a second intake and raw water transmission main pumped to the Head Tank to add redundancy to the existing single southern intake, allow access to deeper, high-quality water and allow for further drawdown of the Sooke Lake Reservoir to increase supply.
 4. Preliminary Planning for a Gravity Main from Sooke Lake to Head Tank – Undertake the Preliminary planning and route analysis of a third raw water main extending between the Sooke Lake Dam and the Head Tank to increase capacity, improve redundancy and ensure service continuation in the event of a natural disaster or failure.
 5. Preliminary Planning for the Goldstream Reservoir Connector Transmission Main – Undertake the Preliminary planning and route analysis of a piped connection between Goldstream Lake Reservoir and the proposed Filtration Plant to protect the water quality of the secondary water supply for use during emergencies, Kapoor Tunnel shut down, and eventually allow Kapoor Tunnel redundancy and increased raw water transmission capacity.

2b-2.6 Operations Coordinator (RWS/JDF): Operational input and oversight is required to ensure that the capital investments meet operational needs and are practical, maintainable and cost-effective systems in the long term. Currently this is supported by existing operational staff but results in deferral of operational tasks when demand exceeds existing capacity. By dedicating an Operations Supervisor to this role, they can provide a needed link between design and operations, without impacting the day-to-day operational demands. In addition to supporting the projects above this position will also support several large in-stream projects, such as the Mount Tolmie Tank Improvement, the replacement of high-risk Concrete Cylinder Pipe transmission mains, and the high pressuring of Main No.1 that require additional engineering support.

Deferring the Operations Coordinator position will further strain the capacity of the Supervisors and Team Leads, increasing the risk of delays in permit processing and regulatory submissions related to required operational and maintenance activities, ultimately impacting project timelines and operational productivity. In addition, it will limit supervisors' field oversight and increase risk of safety incidents or operational non-compliance.

2b-1.1 Dam Safety Program: Continuing to review and add to the internal resources of the Dam Safety team in a phased approach is essential to maintaining regulatory compliance, resolving the many safety issues, and continually improving the program over time. If there is delay with adding the two FTEs in 2026, progress will be slowed in implementing the projects and initiatives described in the Background, which will increase dam safety and regulatory risks. Specifically, current resources will continue to be prioritized to rehabilitating the "Extreme" consequence Sooke Lake Dam, but IWS will not be able to complete the required engineering analysis, design, and construction related to seismic and instrumentation improvements at multiple "Very High" and "High" consequence dams, as currently planned. Additionally, there will be less capability to support construction of planned dam safety rehabilitation projects, such as rehabilitating concrete outlet structures at the "High" consequence Goldstream Dam and Butchart Dam No.1, currently needing repairs.

2b-2.9 Reliability Engineers/Performance Optimization: Delaying the implementation of the Reliability Engineer role will postpone the establishment of a dedicated reliability function for the

Regional Water Supply service. As a result, operational decision-making will continue to rely on existing staff, potentially affecting efficiency and long-term system optimization.

CONCLUSION

This report outlines the five-year staffing requirements needed to support the implementation of the 2025 Regional Water Supply Strategic Plan and provides information on the potential implications of a new staffing request pause in 2026. The proposed positions address anticipated gaps in capacity related to project planning and delivery, dam safety, operations support, asset reliability, and engagement with First Nations.

Delaying the addition of these positions may impact timelines for initiating major capital projects identified in the Master Plan, reduce capacity for operational oversight, and limit the ability to meet evolving regulatory and engagement requirements. These implications have been identified based on current service needs, resourcing levels, and the projected scope of work.

This phased staffing plan is intended to align with strategic priorities and provide the internal capacity needed to support ongoing service delivery, infrastructure planning, and regulatory compliance over the next five years.

RECOMMENDATION

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

Submitted by:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2025 Staff Establishment Chart Excerpt

Appendix B: Summary of Initiative Business Cases for FTEs in 2026

APPENDIX A

Table 1: CRD Staff Establishment Chart: Proposed Regional Water Supply Needs

REGULAR POSITIONS ONGOING		Proposed					IBC Reference
Department/Division		2026	2027	2028	2029	2030	
Infrastructure & Water Services							
<i>Business Support Services</i>		-	-	-	-	-	
<i>Corporate Asset & Maintenance Management</i>		1.00	-	-	-	-	2b-2.9 Reliability/Operational Performance
<i>Infrastructure Engineering</i>		2.00	1.00	-	-	-	2b-1.1 Dam Safety Program
<i>Wastewater Infrastructure Operations</i>		1.00	1.00	1.00	-	-	2a-2.3 Master Plan Program
<i>Wastewater Infrastructure Operations</i>		-	-	-	-	-	
<i>Water Infrastructure Operations</i>		1.00	-	-	-	-	2a-2.3 Master Plan Program
<i>Water Infrastructure Operations</i>		0.50	-	-	-	-	2b-2.6 Operations Coordinator
<i>Watershed Protection</i>		-	-	1.00	-	-	2b-2.5 Utility Operator - Water Operations
<i>Watershed Protection</i>		-	1.00	-	-	-	2a-5.2 Equipment/Watershed Operator
<i>Watershed Protection</i>		-	0.75	0.75	0.75	-	2a-5.3 Seasonal Watershed Protection
<i>Watershed Protection</i>		-	-	1.00	-	-	2a-5.4 Forest Management Plan Implementation
<i>Watershed Protection</i>		-	-	-	1.00	-	2a-5.5 Forest Hydrology Technician
<i>Corporate Capital Project Delivery</i>		-	1.00	-	-	-	2b-2.7 Contract Support Service
TOTAL INFRASTRUCTURE & WATER SERVICES		5.50	4.75	3.75	1.75	0.00	
Corporate Services							
<i>Administration, Legal and Risk Management</i>		1.00	-	-	-	-	2a-2.3 Master Plan Program
<i>First Nations Relations</i>		1.00	-	-	-	-	2a-2.3 Master Plan Program
TOTAL CORPORATE SERVICES		2.00	0.00	0.00	0.00	0.00	
TOTAL CRD REGULAR POSITIONS PROPOSED FOR REGIONAL WATER SUPPLY		7.50	4.75	3.75	1.75	0.00	

Table 2: Projected Regional Water Supply - Insufficient information is available at this time to confirm the need and scope of these positions

REGULAR POSITIONS ONGOING		Projected though Not Verified with an IBC					IBC Reference
Department/Division		2026	2027	2028	2029	2030	
Infrastructure & Water Services							
<i>Business Support Services</i>		-	-	1.0	-	-	Master Plan: Interjurisdictional Relations Liaison (2028)
<i>Corporate Asset & Maintenance Management</i>		-	-	-	-	1.0	Senior Communications Lead (2030)
<i>Infrastructure Engineering</i>		-	-	-	-	-	
<i>Wastewater Infrastructure Operations</i>		-	-	-	-	-	
<i>Water Infrastructure Operations</i>		-	-	-	-	1.00	Master Plan: Utility Operator Pilot (2030)
<i>Watershed Protection</i>		-	-	-	-	-	
<i>Corporate Capital Project Delivery</i>		-	-	1.00	-	-	Capital Program Support (2028)
TOTAL INFRASTRUCTURE & WATER SERVICES		0.00	0.00	1.00	0.00	1.00	
Parks, Recreation & Environmental Services							
<i>Environmental Protection</i>		-	-	1.00	-	-	Demand Management - Program Manager
TOTAL PARKS & ENVIRONMENTAL SERVICES		0.00	0.00	1.00	0.00	0.00	

Infrastructure & Water Services

Summary of Initiative Business Cases for Full-Time Equivalents in 2026

2b-1.1 Dam Safety Program – IWS (multi-year initiative started in 2024)

IWS manages 23 water supply dams. Of these, 15 are directly tied to the Regional Water Supply System. The remaining eight serve three other water services: Magic Lake Estates on North Pender Island (4), Lyall Harbour/Boot Cove on Saturna Island (1), and Wilderness Mountain near East Sooke (3). The Infrastructure & Water Services (IWS) department is responsible for the operation, maintenance, and surveillance of the dams, ensuring regulatory compliance and resolving safety concerns through both capital and operational improvements.

While dams are essential for storing water for delivery to customers, they also pose inherent risks. A dam failure can lead to catastrophic outcomes, including loss of life, property damage, and environmental and social impacts. In line with regulatory requirements, staff conduct regular safety reviews and studies to assess infrastructure conditions and benchmark CRD's dam management practices against industry best practices. These assessments have shown a rising trend in safety issues since 2017.

To proactively manage these risks, IWS launched a strategic initiative in 2024 (initiative 2b-1.1), to consolidated resources and establish a dedicated Dam Safety function with deep expertise in dam safety. This team is tasked with operating, maintaining, and monitoring dams to ensure they remain in a 'safe condition,' prioritizing and addressing known deficiencies, identifying and managing new risks, adapting to changing climatic conditions, and ensuring compliance with the *Dam Safety Regulation and Water Sustainability Act*.

As part of this initiative:

- In 2024, two new regular ongoing positions were created in the Infrastructure Planning & Engineering and Water Infrastructure Operations divisions to support the launch of this new initiative.
- In 2025, three new regular ongoing positions were created in the Infrastructure Planning & Engineering and Water Infrastructure Operations divisions to strengthen the team.
- In 2026, two additional regular ongoing Dam Safety Surveillance positions are proposed for the Infrastructure & Engineering division to support increasing operational needs.

Please note that an additional position is also planned for 2027, which will complete the gradual capacity growth of this initiative in IWS as planned through 2b-1.1. Funding for this initiative is covered through water fees and capital investments.

2a-2.3 Master Plan Program

The Regional Water Supply Master Plan (2022) is a comprehensive strategy to be implemented over the next 30 years to ensure sustainable, reliable drinking water for generations to come. It outlines more than 20 major infrastructure projects of critical importance aimed at enhancing system resilience, supporting population growth, and mitigating risks associated with climate change.

These projects are in addition to the existing capital plans and projects (e.g. the Regional Water Supply transmission upgrades) and will significantly increase planning and development efforts in IWS. Advancing the Master Plan projects will require substantial upfront planning and engineering work. Given the complexity of the projects, additional capacity is also needed to support legal reviews and engagement with First Nations communities.

This initiative proposes a phased increase to the staffing complement aligned with the Master Plan's implementation timeline. As a first step, four new regular ongoing positions are proposed for 2026:

- A Senior Project Manager (Infrastructure Planning & Engineering) that will be responsible for leading planning activities for Master Plan projects, including the filtration siting study, environmental and archaeological assessments, and supporting engagement with First Nations.
- An Operations Supervisor (Infrastructure Planning & Engineering) that will provide operational input during the planning, design, and construction phases of the Master Plan projects; will also ensure integration, operability, and coordination with engineering teams.
- A Paralegal (Legal Services & Risk Management) that will support contract development and provide administrative assistance for legal matters in IWS, including related to Master Plan projects.
- A First Nations Liaison (First Nations Relations) that will facilitate engagement with First Nations to support the successful delivery of Master Plan projects.

Funding for this initiative will be covered through water fees and capital investments. Additional staffing requests are expected in 2027 and 2028 to further build out the program as it matures.

2b-2.6 Operations Coordinator (RWS/JDF)

Operational supervisors and team leads responsible for the Regional Water Supply and Juan de Fuca Water Distribution systems are increasingly spending more time on regulatory and administrative responsibilities. These tasks include preparing safety documentation, acting as contractor coordinators, managing permitting processing, and tracking budgets. While these activities are both required and important, they are reducing the supervisory capacity available for in-field oversight and leadership, particularly in areas of controls and compliance. This shift is creating inefficiencies and increasing day-to-day service delivery risks.

To address this issue, this initiative seeks to create a new regular ongoing operations coordinator role in the Water Infrastructure Operations division in 2026. This position will be responsible for the administrative aspects of regulatory and operational risk management, allowing supervisors to focus on field-based leadership and oversight. Funding for this initiative will be covered through water rates.

2b-2.9 Reliability/Operational Performance

The Regional Water Supply Strategic Plan commits to delivering efficient, effective, and innovative operations across the water system infrastructure. To uphold this commitment and manage the growing complexity of Infrastructure & Water Services' (IWS') infrastructure portfolio, the department is proposing to create a dedicated function focused on optimizing asset performance and enhancing overall system reliability. This function will reside in the Corporate Asset & Maintenance Management division, which was established through the CRD Evolves 2024-2025 initiative to operationalize asset management by embedding it in an operational department and creating alignment with the existing maintenance management function.

This initiative seeks to create a new regular ongoing Reliability/Operational Performance Engineer position in 2026. The role will be responsible for improving the reliability of the water service by collecting and analyzing asset performance data, developing optimized plans for asset maintenance, enhancements, repairs, and replacements, and supporting data-driven decision-making to improve service reliability. To guide the implementation of this new function, a study will be conducted to develop a roadmap for integrating this capacity into the department.

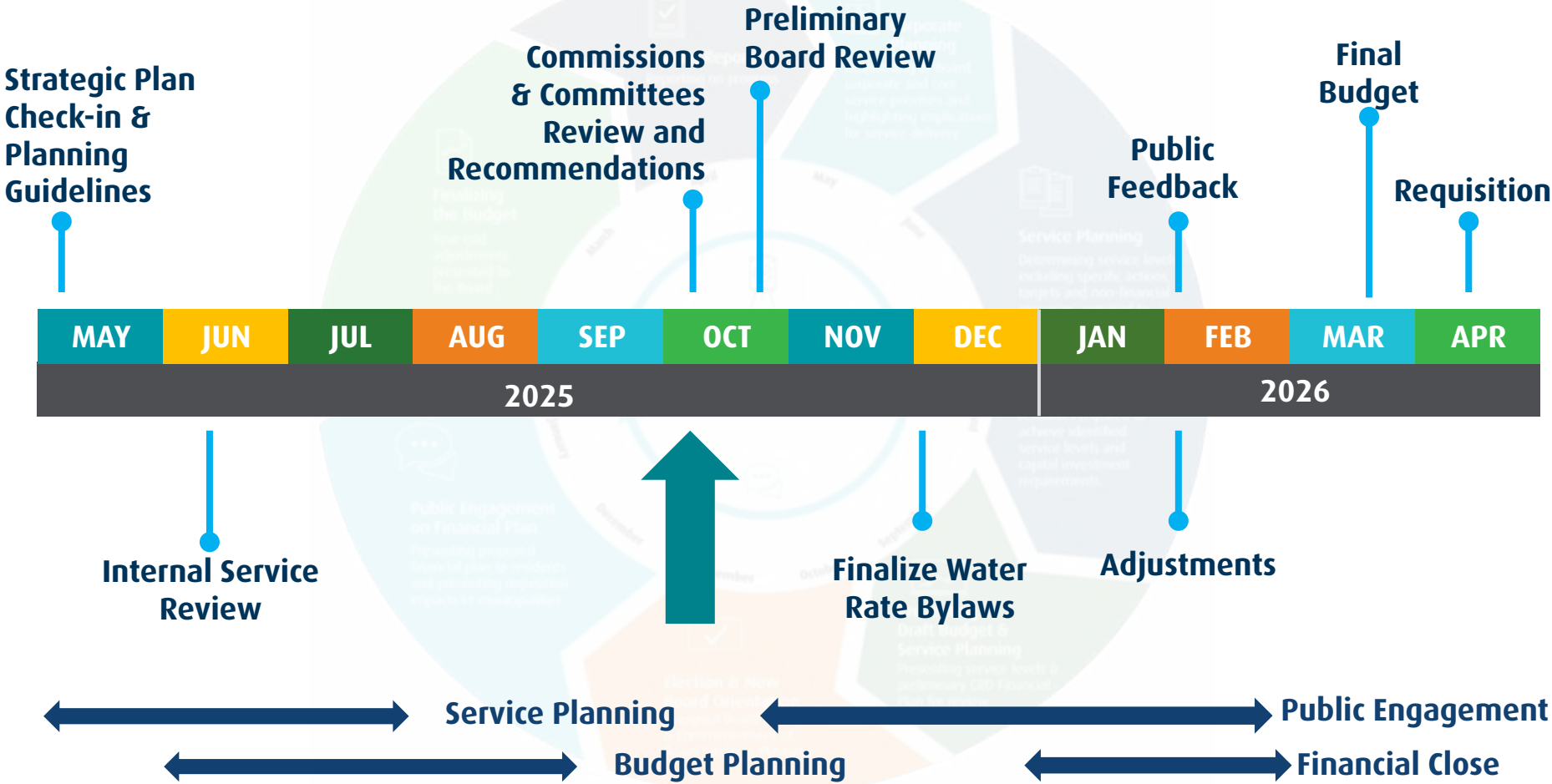
Staffing for this new function will be increased in a phased way, with additional requests planned for 2027 and 2028. Funding will be covered through water rates and requisition.



Regional Water Supply Service 2026 Budget Review

Regional Water Supply Commission
October 15, 2025

Budget Process Overview





2026 Budget Considerations

- 2025 Budget – year end budget projections
- Community Needs Summary and proposed Regional Water Supply Strategic Plan
- Existing Asset Condition, Infrastructure Growth and Resiliency Needs
- Operating budget adjustments
- Capital funding & debt servicing
- Water demand projection and trends
- Motion Arising from the July 16, 2025 Regional Water Supply Commission Meeting:
 - *That staff be directed to include the proposed positions for the Dam Safety Program (2 FTE), Master Plan Program (4 FTE), Operations Coordinator (0.5 FTE) and Reliability Engineer (1 FTE) in the Regional Water Supply 2026 budget, and*
 - *That staff be directed to incorporate future year's FTEs into the 2027-2030 financial plan for annual review.*

Current System Overview

Treat over 50,450 ML/yr



122.5 kilometers of Transmission Main



26 RWS Operations Staff



Manage 15 Dams



22,416 ha of Protected Watershed

Current Service Priorities

Commitments:



Provide high quality, safe drinkable water

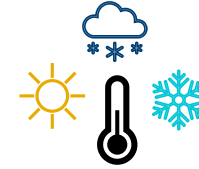


Provide adequate, reliable, long-term supply of drinkable water



Provide efficient, effective and innovative operations of our water system infrastructure

Guiding Principles:



Respecting and adapting to the changing environment



Empowering staff for sustainable water management



Proactively managing and balancing internal and external risks



Managing our resources effectively and efficiently

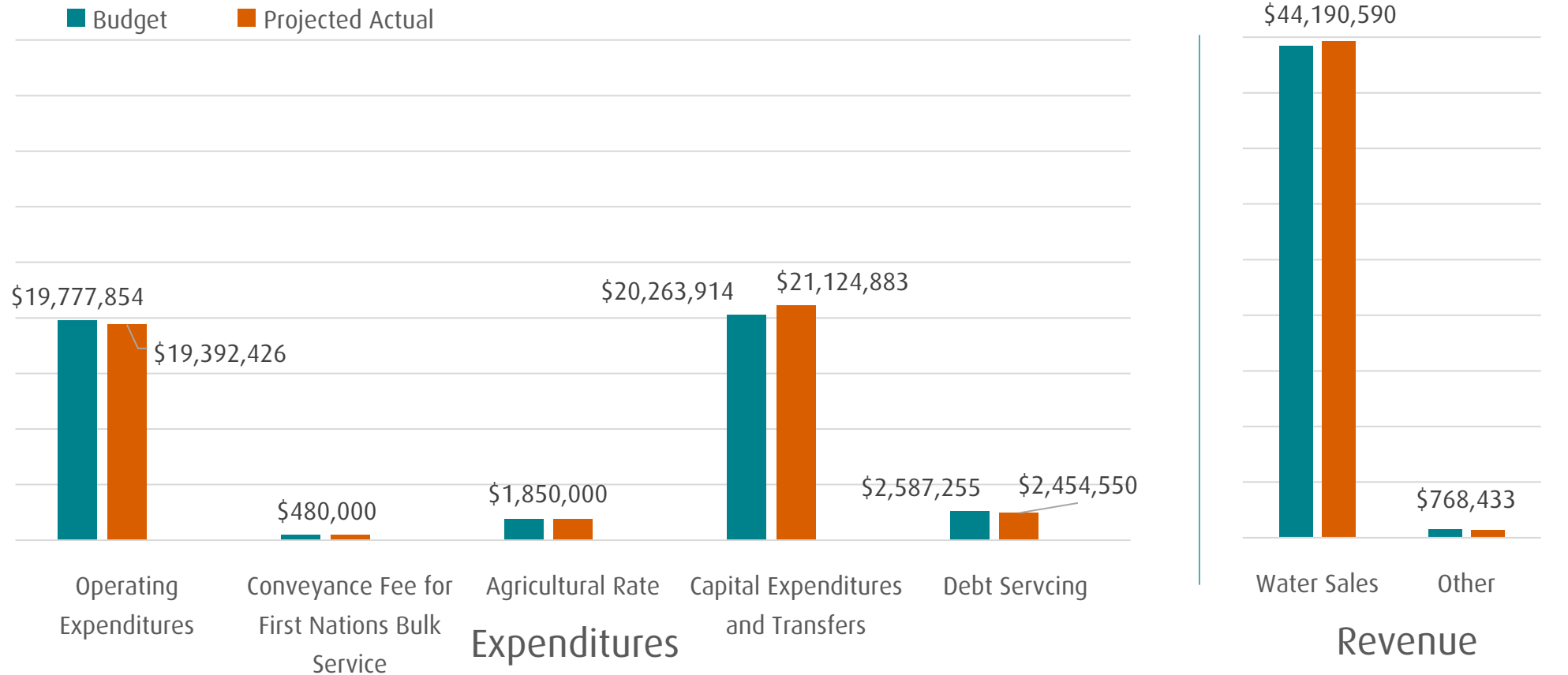
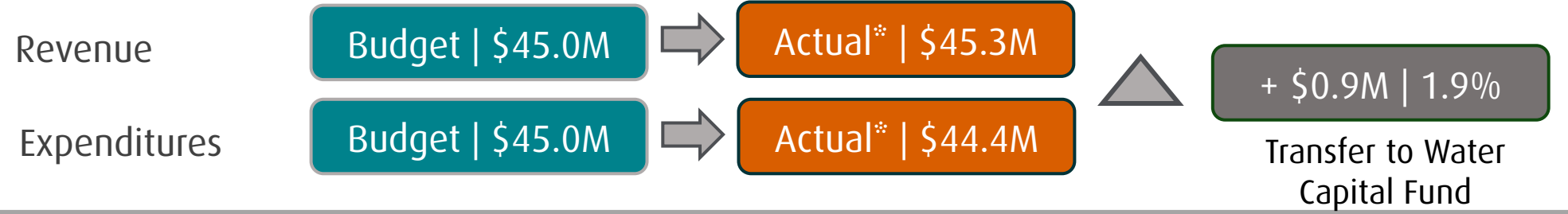


Supporting a growing region with reliable service

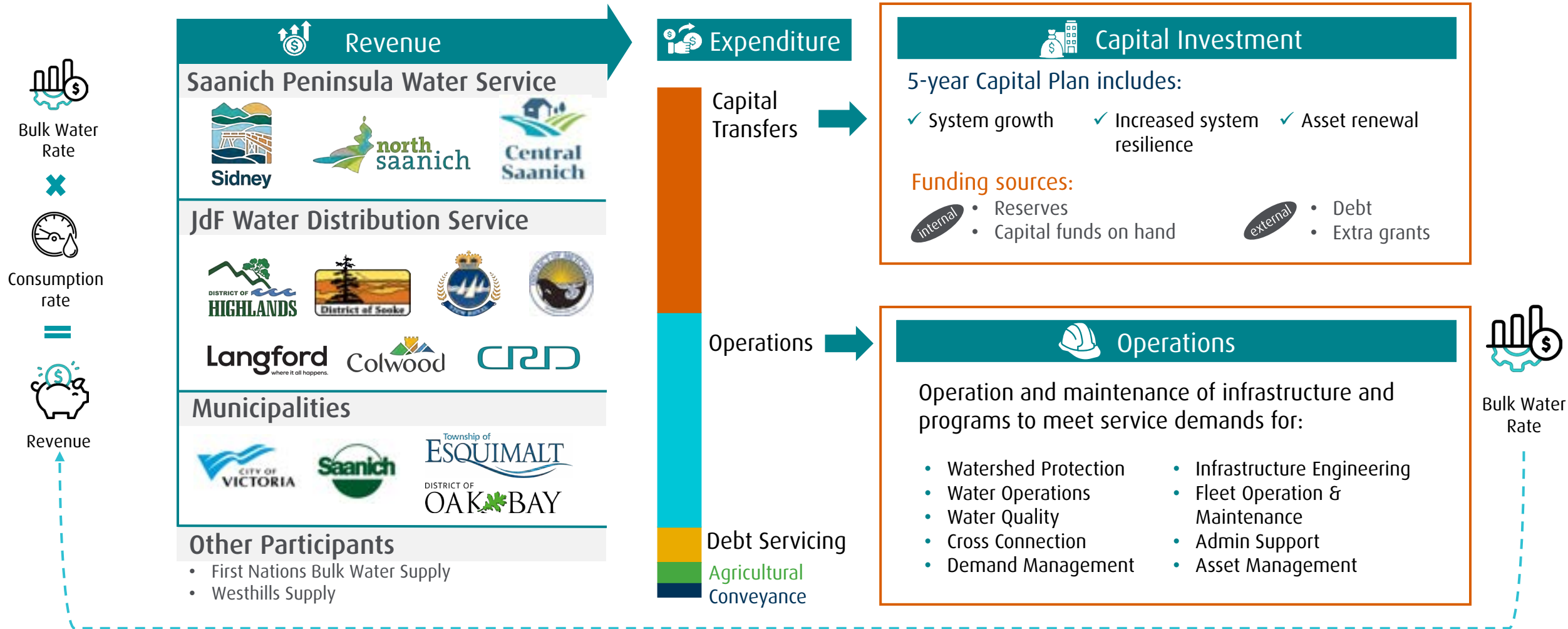


Fostering collaborative relationships with customers and partners to improve our service

2025 Year End Projections

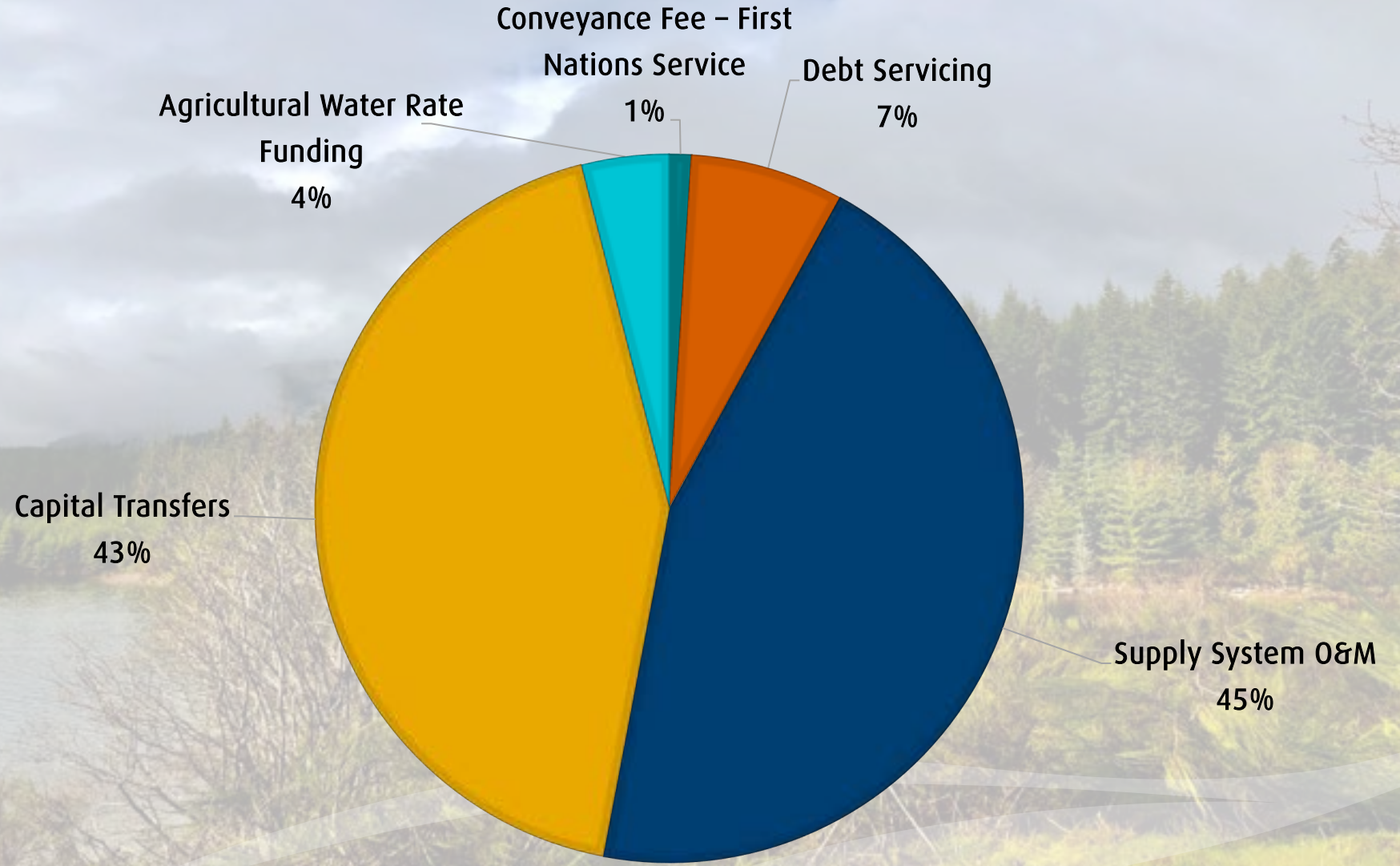


How the RWS Budget Works...



2026 Budget Overview: Breakdown of Expenditures

Total 2026 Budget: \$48,804,152 (8.55% increase)

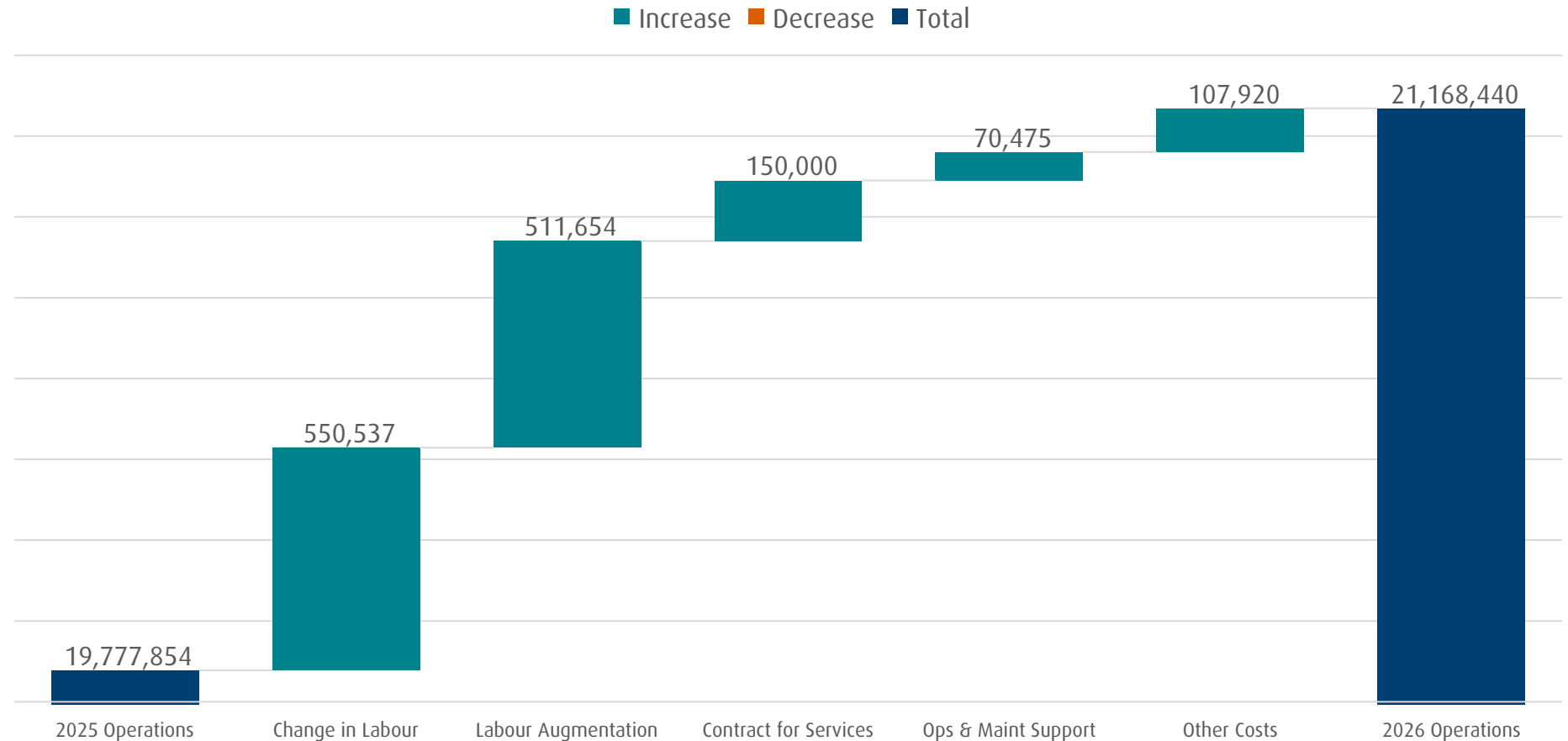


Overview:

Core Operations: \$21,168,440 (7.03%)

Highlights:

- Increases resulting from inflationary pressures and collective agreement obligations
- Labour costs related to FTEs to support Strategic Plan Initiatives



2026 Budget Overview: Water Community Need Initiatives

Overview:

- Water Community Need Summary includes four proposed Initiative Business Cases to support the Regional Water Supply services and the Strategic Plan. Funding for the positions area a mixture of operation and capital budgets.*

Initiative Reference	Program Area	Business Driver - Rational	Staff impacts (2026)	Funding source
2a-2.3	Master Plan Program	Includes four new positions to advance Master Plan projects with substantial upfront planning and engineering work, support for legal reviews and engagement with First Nations communities.	4 New ongoing	Capital & Fee-for-service
2b-1.1	Dam Safety Program – Infrastructure and Water Services (multi-year initiative started in 2024)	Includes two additional Dam Safety Surveillance positions to support the operation, maintenance, and surveillance of the dams, as well as regulatory compliance activities and resolving safety issues through capital and operational safety improvements.	2 New ongoing	Capital & Fee-for-service
2b-2.6	Operations Coordinator (Water Operations)	Responsible for the administrative aspects of regulatory and operational risk management, addressing inefficiencies and day-to-day service delivery risks.	1 New Ongoing	Fee-for-service 50% JDF/ 50% RWS
2b-2.9	Reliability/Operational Performance	Responsible for improving the reliability of water service by collecting and analyzing asset performance data, developing optimized plans, and improving service reliability.	1 New Ongoing	Fee-for-service & Requisition

*Further details presented in July 16, 2025, staff report.

2026 Budget Overview

Water Rate Funding

First Nations Regional Water Service

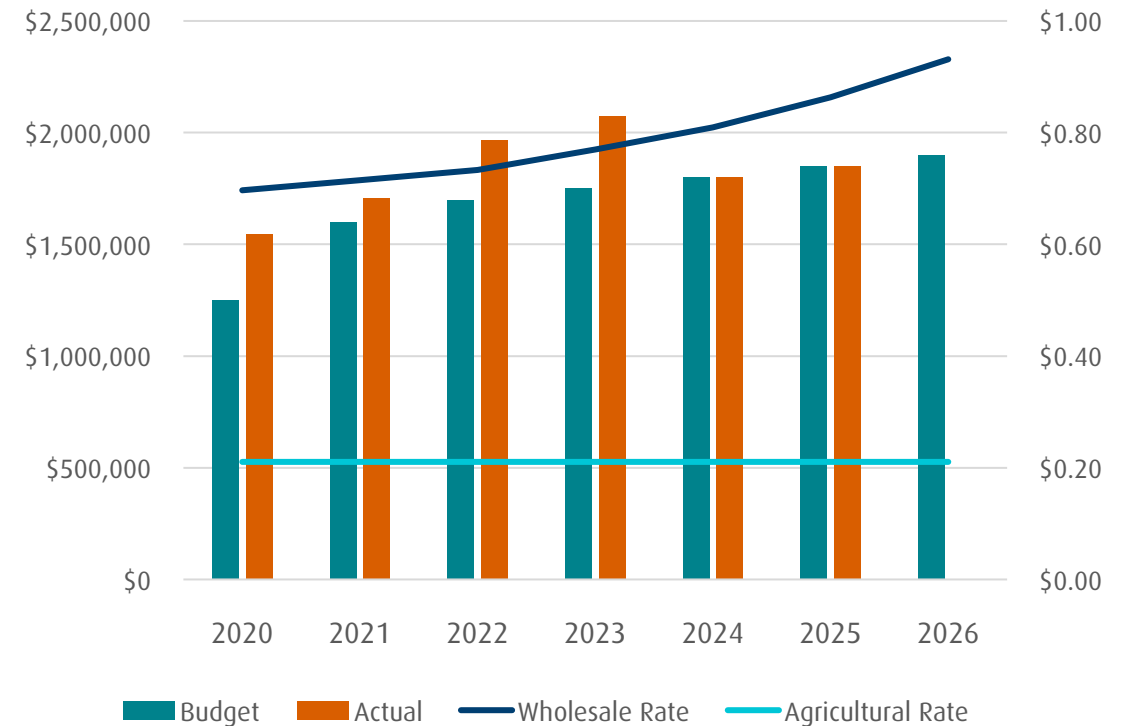
2026 Conveyance Fee
Budget
\$500,000 (+4.2%)

Agricultural Water Rate

2026 Agricultural Water Rate
\$0.2105 / m³ (0%)

2026 Agricultural Water Rate
Budget
\$1,900,000 (+2.7%)

Historical Agricultural Water Funding Wholesale Rate
vs. Agricultural Water Rate



2026 Budget Overview Capital Plan

Overview	RWS (millions)	50% of JDF/RWS Combo (millions)	Total (millions)
Projects in Progress	\$62.3	\$ 0.5	\$ 62.8
2026 Capital Budget	\$71.9	\$ 0.9	\$ 72.8
5-Year Capital Budget	\$350.9	\$ 2.1	\$ 353.0

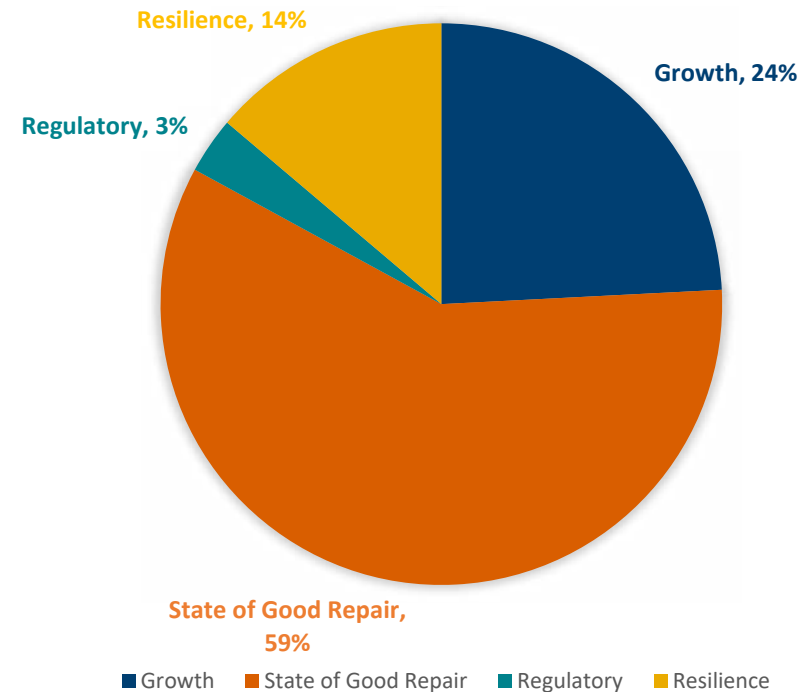
2026 Key Projects:

- Forest Resilience Study
- Goldstream Field Office
- Master Plan Program Implementation
- Transmission Main 4 (Mt Newton to Highway 17 & Bear Hill Trunk Extension)
- Transmission Main 1 High Pressurizing
- Mount Tolmie Tank Assessment
- Critical Spare Equipment Storage & Pipe Yard
- Sooke Lake & Deception Watershed Dams - Upgrades and Improvements Program

Future Years:

- Transmission Main Upgrades (on going)
- Master Plan Projects

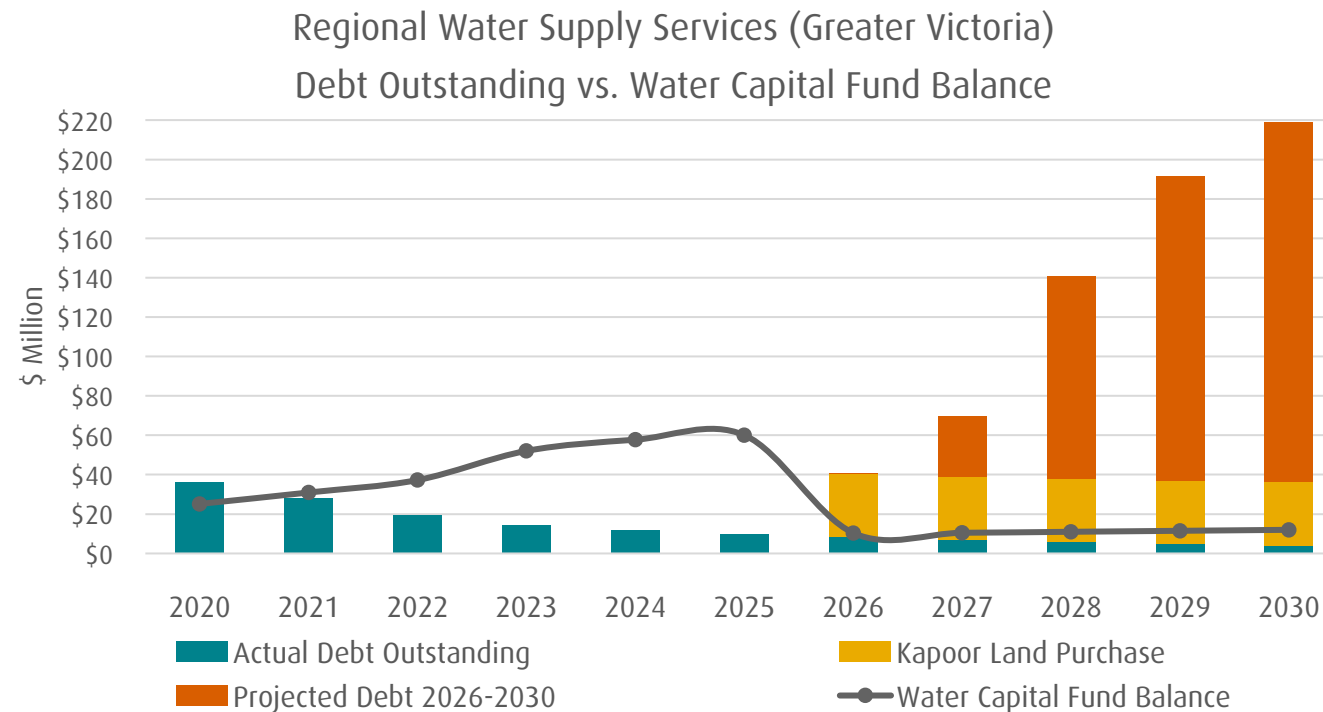
RWS CAPITAL 2026 TOTAL \$71,922,336



2026 Budget Overview

Outstanding Debt & Capital Funding

2026 Transfer	2026 Budget	Budget change (over 2025 Budget)
Water Capital Fund	\$21,000,000	\$1,500,000
Debt Reserve Fund	\$350,190	\$163,817
Equipment Replacement Fund	\$670,484	\$92,943
Total Capital Transfers	\$22,020,674	\$1,756,760
Debt Servicing	\$3,215,038	\$627,783



Debt Servicing Costs are increasing 24.26% as a result of \$32.3M Kapoor Lands investment.

2026 Budget Overview

Rate Base & Revenue Requirement

Water Rate Model:

Using the various 2026 budget inputs detailed previously, the water rate is calculated using the water rate model. The model considers annual O&M, the increase in rate base which drives asset depreciation and future capital needs and debt servicing cost for the utility.

2026 Rate Base: \$11,240,035 increase

2025 new assets capitalized (projected)	\$19,634,159
2025 depreciation & asset value adjustments	\$(7,139,323)
Resulting 2025 change in physical plant	\$12,494,836
2025 construction work in progress (projected)	\$17,979,375

2026 Revenue Requirement: \$3,682,423 Increase

2025 - 2026 O&M expense (change)	\$1,440,586
2025 - 2026 depreciation (change)	\$561,337
Return on rate base (change)	\$1,680,500

2026 Budget Overview

Wholesale Rate History & Projection

Overview:

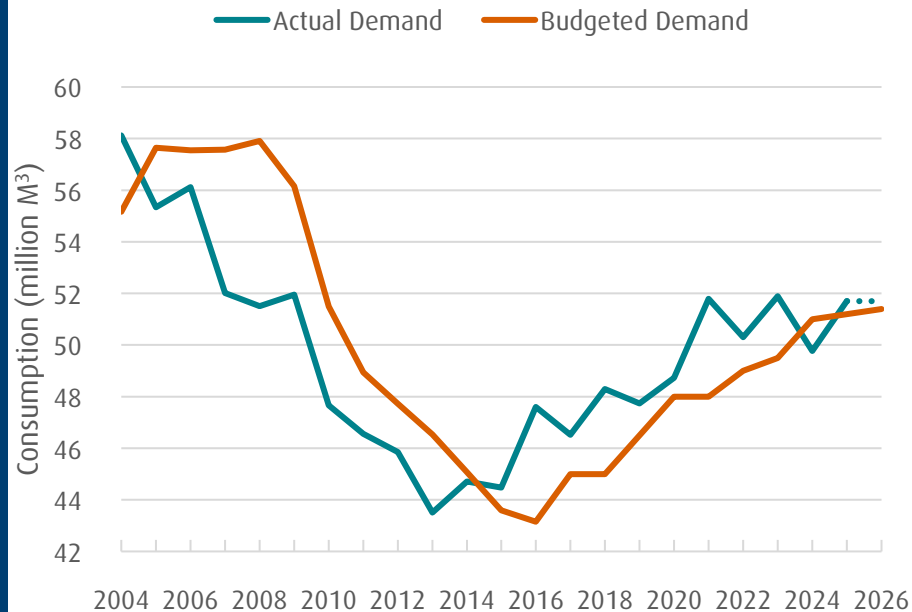
2025 Projected Actual Demand:
51,700,000 cubic metres

2026 Projected Water Demand:
51,400,000 cubic metres
(+200,000 cubic metres)

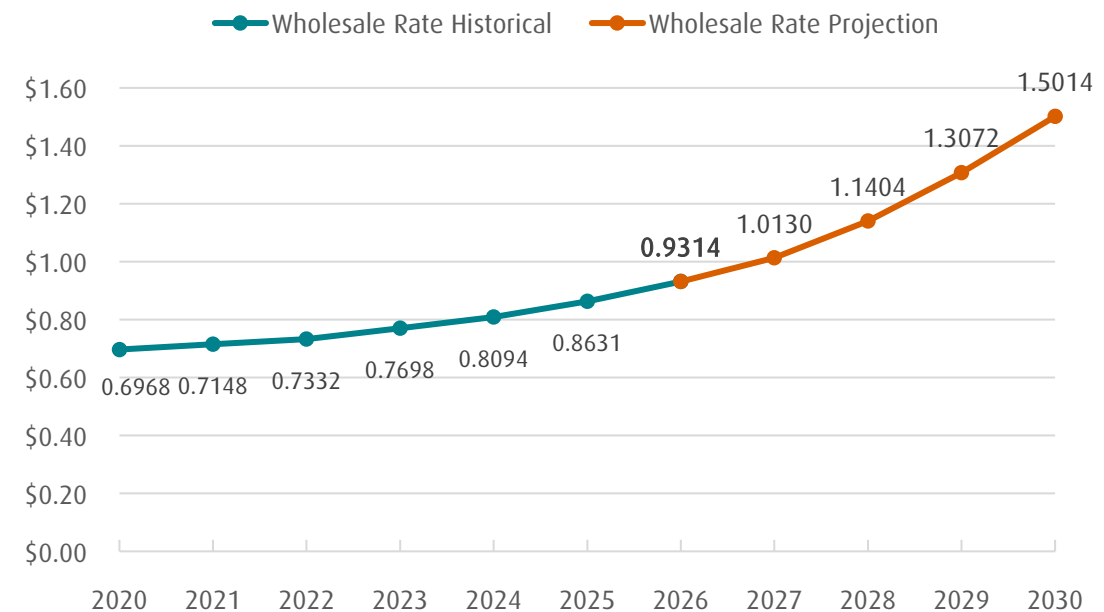
2025 Wholesale Rate: \$0.8631
2026 Wholesale Rate: \$0.9314 (+7.91%)

2026 rate is below rate indicated for 2026 in 2025 budget (\$0.9441)

Regional Water Supply Annual Demand



Regional Water Supply Service (Greater Victoria)
Wholesale Water Rate Historical & Projections



2026 Budget Overview

Water Demand and Rates

2026 Total Revenue Budget: \$48,804,152

- 2026 Budget Water Demand:
51,400,000 cubic metres
(+200,000 cubic metres)
- 2026 Regional Water Supply
Wholesale Rate:
\$0.9314 / cubic metre (+7.91%)
- 2026 Agricultural Rate:
\$0.2105 / cubic metre (0%)
- Annual cost increase to average
residential consumption:
\$16.31



Budget Overview

Multi-Year Projection

Overview:

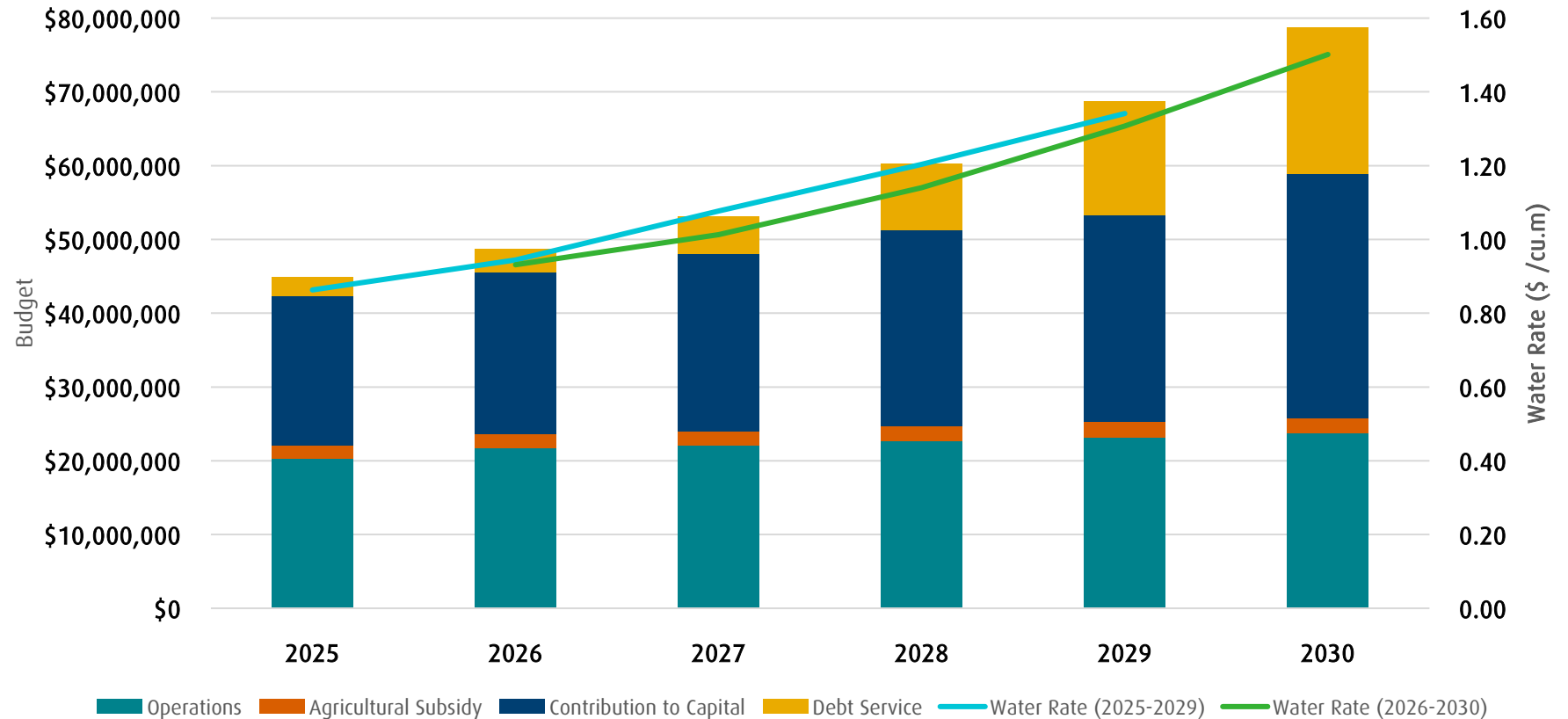
2025 RWS budget: \$44,959,023

2026 RWS budget: \$48,804,152 (+8.55%)

2026-2030 Average Water Rate Increase: 11.87%

Drivers:

Growing Capital Program linked to development, Master Plan and aging infrastructure*



*Does not account for DCC program or potential future grants

Budget

Recommendations



1. Approve the 2026 Operating & Capital Budget & Five-Year Capital Plan;
2. Approve the 2026 wholesale water rate of \$0.9314 per cubic metre;
3. Approve the 2026 agricultural water rate of \$0.2105 per cubic metre;
4. Direct staff to balance the 2025 actual revenue and expense on the transfer to the water capital fund;
5. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
6. Direct staff to amend the water rates bylaw accordingly.



Thank You

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