Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Notice of Meeting and Meeting Agenda
Surfside Park Estates Water Service Committee

Thursday, October 23, 2025	**2:00 PM**	**Goldstream Conference Room 479 Island Hwy Victoria BC V9B 1H7**

Members of the public can view the live meeting via MS Teams link: **Click here**
Alternatively, to hear the meeting via telephone:
Call: 1-877-567-6843 and enter the Participant Code 919 375 605#

L. Vallee (Chair), K. Wall (Vice Chair), P. Brent (EA Director), W. Mulvin

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

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. 25-1140 Minutes of the Surfside Park Estates Water Service Committee meeting of June 26, 2025

Recommendation: That the minutes of the Surfside Park Estates Water Service Committee meeting of June 26, 2025 be adopted as circulated.

Attachments: Minutes - June 26, 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 Committee at legserv@crd.bc.ca.

6. Commission Business

6.1. 25-1139 Senior Manager's Verbal Update

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

6.2. [25-1040] Surfside Park Estates Water Service 2026 Operating and Capital Budget

Recommendation: That the Surfside Park Estates Water Service Committee recommends that the Electoral Areas Committee recommend that the Capital Regional District Board that the 2026 Operating and Capital Budget and the Five-Year Financial Plan for the Surfside Park Estates Water Service be approved as presented.

Attachments: Staff Report: SPEWS 2026 Operating and Capital Budget

Appendix A: 2026 Budget - Surfside Water Service budget

6.3. [25-1136] Capital Projects and Operational Update - October 2025

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

Attachments: Staff Report: Capital Projects and Operational Update - October 2025

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is at the call of the Chair.

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

Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Meeting Minutes

Surfside Park Estates Water Service Committee

Thursday, June 26, 2025 **2:00 PM** **Goldstream Conference Room
479 Island Hwy
Victoria BC V9B 1H7**

PRESENT:
L. Vallee (Chair), K. Wall (Vice Chair), P. Brent (EA Director) (EP), W. Mulvin

STAFF: S. Henderson, General Manager, Electoral Areas (EP); J. Marr, Senior Manager, Infrastructure Engineering; C. Moch, Manager, Water Quality; J. Starke, Manager, Real Estate and SGI Administration (EP); D. Robson, Manager, Saanich Peninsula Gulf Island Operations; L. Xu, Manager, Local Services and Corporate Grants (EP); M. Lagoa, Manager, Legislative Services and Deputy Corporate Officer (EP); Megan MacDonald, Legislative Coordinator (Recorder)

EP - Electronic Participation

The meeting was called to order at 2:00 pm.

1. Territorial Acknowledgement

Chair Vallee provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by K. Wall, SECONDED by P. Brent,
That the agenda for the Surfside Park Estates Water Service Committee meeting of June 26, 2025 be approved as amended with the addition of Item 8.1. Public Outreach.
CARRIED

3. Adoption of Minutes

3.1. 25-0725 Minutes of the Surfside Park Estates Water Service Committee meeting of March 6, 2025

MOVED by P. Brent, SECONDED by K. Wall,
That the minutes of the Surfside Park Estates Water Service Committee meeting of March 6, 2025 be amended by replacing "C. Moch" with "D. Robson" under Items 10.3, 10.4, and 10.5, and that the minutes be adopted as amended.
CARRIED

4. Chair’s Remarks

Chair Vallee emphasized the significance of the agenda topics, highlighting the need to educate and engage community members so that the urgency of the proposed repairs is fully understood by all.

5. Presentations/Delegations

There were no presentations or delegations.

6. Commission Business

6.1. 25-0650 Senior Manager's Verbal Update

D. Robson presented Item 6.1. for information introduced the new Electoral Area Services General Manager. The following information was also provided:
- regular attendance of new Electoral Area Services staff members
- upcoming installation of water conservation signage
- First Nations consultation for signage is underway

6.2. 25-0679 Capital Projects Requiring Funding - Potential Funding Options and Cost Implications

J. Marr presented Item 6.2. for information.

Discussion ensued regarding:
- cost and lifecycle expectations of polyethylene tanks
- more refined cost estimates will be available during the design phase
- analysis of the location will ensure long term suitability
- proof of secured borrowing will improve chances of obtaining a grant
- information about the petition process and next steps
- importance of understanding that a tank failure would be catastrophic
- ongoing issues with leaks and high risk of failure of the current storage tanks

MOVED by W. Mulvin, SECONDED by K. Wall,
1. That the petition process be initiated to borrow up to $2,000,000 over 25 years debt term to complete the capital improvement projects.
2. If the petition process is successful, that a loan authorization bylaw be advanced to the Electoral Areas Committee and Capital Regional District Board for readings and adoption; and
3. That staff complete the remaining steps required to secure the funds and begin the projects.
CARRIED

6.3. 25-0718 Surfside Park Estates Water Service 2025-2029 Capital Plan Amendment

J. Marr presented Item 6.3. for information.

MOVED by W. Mulvin, SECONDED by K. Wall,
That the Surfside Park Estates Water Service Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:
That the Surfside Park Estates Water 2025 - 2029 Capital Plan be amended to:
1. Increase the 2025 project budget for the Replacement of Ultraviolet (UV) Equipment at the Surfside Water Treatment Plant (WTP) (25-02) by $7,500 from $7,500 to $15,000, funded from Capital Reserve Fund.
2. Defer $7,500 of project budget for the Source Water Surveillance project (24-02), funded from Capital Reserve Fund, from 2025 to 2026.
CARRIED

6.4. 25-0676 2024 Annual Report

D. Robson presented Item 6.4. for information.

Discussion ensued regarding:
- baseline levels of arsenic in the groundwater are creeping up slowly
- effects of manganese and iron on the flavor of treated water
- potential for accumulation of heavy metals in areas that do not flow

6.5. 25-0672 Capital Projects and Operational Update - June 2025

D. Robson presented Item 6.5. for information.

Discussion ensued regarding:
- variation of arsenic concentration in groundwater throughout the area
- difficulty determining source of arsenic

6.6. 25-0713 Arsenic Health Guidelines

C. Moch presented Item 6.4. for information.

Discussion ensued regarding:
- frequent need for filter replacement
- actions required to meet new Provincial guidelines
- potential 2026 budget item to hire a consultant
- difficulties in predicting arsenic levels

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

8.1. Public Outreach

Chair Vallee noted that the general public is not fully informed about the water system or committee meetings.

Discussion ensued regarding:
- option to subscribe for updates on the water system webpage
- petition letter will contain a short link to the water system page
- options to encourage residents to be more engaged

9. Adjournment

MOVED by W. Mulvin, SECONDED by K. Wall,
That the Surfside Park Estates Water Service Committee meeting of June 26, 2025 be adjourned at 3:16 pm.
CARRIED

____
Chair

____
Recorder

Making a difference...together

REPORT TO SURFSIDE PARK ESTATES WATER SERVICE COMMITTEE
MEETING OF OCTOBER 23, 2025

SUBJECT **Surfside Park Estates Water Service 2026 Operating and Capital Budget**

ISSUE SUMMARY

To present the 2026 operating and capital budget for Committee review and recommendation for the approval of the Capital Regional District (CRD) Board and for inclusion in the CRD Five-Year Financial Plan, in accordance with Bylaw No. 3131, "Surfside Park Estates Water Service Committee Bylaw No. 1, 2003".

BACKGROUND

The CRD is required by legislation under the *Local Government Act* (LGA) to prepare an annual operating and capital budget and a five-year Financial Plan. CRD staff have prepared the financial plan shown in Appendix A.

The Operating Budget includes the regular annual costs to operate the service. The Capital Expenditure Plan shows the anticipated expenditures for capital additions. These may include purchases of new assets or infrastructure, upgrades or improvements to existing assets or asset review and study work that could lead to potential future capital improvements.

In preparing the Operating Budget, CRD staff considered:

- Actual expenditures incurred between 2023 and 2025.
- Anticipated changes in level of service (if any).
- Maximum allowable tax requisition.
- Annual cost per taxable folio and per Single Family Equivalent (SFE).

Factors considered in the preparation of the Capital Expenditure Plan included:

- Available funds on hand.
- Projects in progress.
- Condition of existing assets and infrastructure.
- Regulatory, environmental, and health and safety factors.

Adjustments for surpluses or deficits from 2025 may be made in January 2026. The CRD Board will give final approval to the budget and financial plan in March 2026.

The Financial Plan for the years 2027 to 2030 is forecasted and can be updated in future years.

BUDGET OVERVIEW

Operating Budget

It is projected that the operating expenses in 2025 will be approximately $16,039 over budget. Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following events:

- Water system leak detection and repairs completed at several locations throughout the water distribution system.
- Emergency replacement of the water tank solar power electrical system.
- Increase in water quality metals testing for a period of six months, to better predict arsenic filtration media replacement frequency, to reduce the risk of drinking water quality exceedances.
- Additional unplanned costs for the planned prefiltration media replacement.

The debt servicing cost will be $1,069 below the budget since the planned new borrowing of $50,000 in 2025 is now deferred to 2026.

It is projected that the 2025 operating revenue will be on budget.

As a result, there is an overall estimated operating deficit of approximately $14,970 ($16,039 less $1,069). To balance the operating budget at the end of year, it is proposed that the deficit of $14,970 be carried forward to the 2026 operating budget and immediately be included as an expenditure to be recovered from revenue in the 2026 financial plan as required by *LGA* Section 374(11). Any remaining deficit will be recovered by 2025 reserve fund transfers, namely the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF).

Operating costs for 2026 (excluding one-time cyclical programs funded by the ORF for prefilter media replacement for $5,000 in 2025) has decreased marginally by $580 (0.5%) compared to 2025. The operating decrease is primarily the result of lower arsenic media disposal costs that were realized over the last few years. This reduced cost offset the core inflation and labour cost increase.

Municipal Finance Authority (MFA) Debt
The service is currently carrying no debt.

Operating Reserve Fund
The ORF is used to fund cyclical maintenance activities, equipment and supplies purchases that typically do not occur on an annual basis to mitigate the swings in expense and revenue requirement year over year. Typical maintenance activities include hydrant/standpipe maintenance, reservoir cleaning and inspection and ground water well servicing. Additionally, the ORF is used to respond to unforeseen events and operating emergencies.

The ORF transfers planned in the budget are evaluated and guided by the CRD Operating Reserve Guidelines endorsed by the CRD Board. The target balance for the service is ranged from $22,000 to $51,000.

It is proposed that 2026 transfers to the operating reserve be set at $7,000. The ORF balance at the end of 2025 is projected to be approximately $5,346. There is $12,000 of planned maintenance to be funded by the ORF over the next five years.

Capital Reserve Fund
The CRF is to be used to pay for capital expenditures that are not funded by other sources such as grants, operating budget, or debt.

The CRF transfers planned in the budget are evaluated and influenced by the funding required to support the five-year capital expenditure plan and the emergency response to infrastructure failures, also guided by the CRD Capital Reserve Funding Guidelines endorsed by the CRD Board.

The target balance for the service to be maintained is approximately $344,000.

It is proposed that the budgeted transfer to the CRF be set at $24,930 in 2026. The CRF balance at the end of 2025 is projected to be approximately $42,904.

Capital Expenditure Plan

The Five-Year Capital Plan includes $2,590,000 of expenditures to be funded by a combination of the service's CRF, grants and new debt.

A complete list of the capital projects can be found in Appendix A, but some of the most significant debt-funded capital projects include:

- The Wood Dale Drive Watermain Replacement (24-01) proposed for as early as 2026, which is a specific project for replacement of approximately 200 meters of watermain currently isolated due to known leaks. This is subject to a successful petition result in 2025.
- Water Storage Tank Replacement (25-01) is subject to a successful petition result in 2025. $800,000 of the total $1,700,000 budget has been allocated for 2026 in the event that the petition is successful. Construction would be anticipated to push into 2027.
- Arsenic Removal Assessment (26-02) is proposed to look into the implications of Health Canada removal target changes. Funding for this would be subject to receiving grant funding.
- Watermain Replacement Program (28-01), proposed as a future placeholder project for replacement of select watermains within the distribution network. This budget estimate will need to be further analyzed and refined as the replacement date approaches.

Funding of any of the debt-allocated projects will be subject to a successful petition process which is underway in 2025. Debt related to Capital Project 28-01 would be subject to a future petition or alternative approval process, which is outlined in Capital Project 28-02. Total estimated budget for Project 28-01, Watermain replacement, is $5,600,000. Only a total of $500,000 debt planned in 2029 to 2030 is simulated in the table below as the remaining budget of $5,100,000 is outside the scope of the five-year 2026 to 2030 capital plan. Table 1 below provides the future debt servicing cost simulation for analytical purposes only with the indicative interest rate provided by MFA at the time of simulation.

Table 1 – Future New Debt Simulation

	Term	*Borrowing Year*	*Retirement Year*	*Estimated Interest Rate*	*Principal*	*Principal Payment*	*Interest Payment*	*Total Annual Debt Cost*
Future Borrowing(s) Estimation	25	2026	2051	4.80%	$950,000	$24,229	$45,600	$69,829
	25	2027	2052	4.85%	$1,050,000	$26,779	$50,925	$77,704
	25	2029	2054	4.85%	$50,000	$1,275	$2,425	$3,700
	25	2030	2055	4.85%	$450,000	$11,477	$21,825	$33,302
Total					**$2,500,000**	**$63,759**	**$120,775**	**$184,534**

At the commencement of each loan, 1% of the gross amount borrowed is withheld and retained by MFA as Debt Reserve Fund (DRF). To provide the full amount to fund the capital project, this 1% DRF amount is budgeted in the operating budget in the year of borrowing.

However, there is no principal payment required in the year of borrowing. The estimated debt servicing cost of $184,534 equates to approximately $1,757.47 per parcel.

Capital Projects Fund
As specific capital projects are approved, the funding revenues for them are transferred into the Capital Projects Fund from multiple funding sources if applicable, including the CRF, grant funding, external contributions, and debt. Any funds remaining upon completion of a project are transferred back to the CRF for use on future capital projects or its original non-CRF funding sources if required.

User Charge and Parcel Tax
The service is funded by parcel tax and fixed user charge. Properties connected to the water system pay the annual fixed user charge and all properties within the local service area are responsible for the parcel tax. Table 2 below summarizes the 2026 over 2025 changes for parcel tax and user charge.

Table 2 – Parcel Tax and User Charge Summary

Budget Year	Parcel Tax	Taxable Folios Numbers	Parcel Tax per Folio*	User Charge	SFE** Numbers	User Charge per SFE	Parcel Tax & User Charge
2025	$30,529	105	$306.02	$129,980	70	$1,856.86	**$2,162.87**
2026	$74,230	105	$744.07	$142,980	71	$2,013.80	**$2,757.87**
Change ($)	$43,701	0	$438.05	$13,000	1	$156.95	**$595.00**
Change (%)	143.15%	0.00%	143.15%	10.00%	1.43%	8.45%	**27.51%**

* Includes the 5.25% admin fee charged by the Ministry of Finance (not CRD revenue)
**Single Family Equivalent

The 2026 fixed user charge per SFE based on the budget presented will be included in the fees and charges bylaw for approval by the CRD Board to be effective January 2026.

RECOMMENDATION

That the Surfside Park Estates Water Service Committee recommends that the Electoral Areas Committee recommend that the Capital Regional District Board approve the 2026 Operating and Capital Budget and the Five-Year Financial Plan for the Surfside Park Estates Water Service as presented.

Submitted by:	Jason Dales, B.SC., WD IV, Senior Manager, Wastewater Infrastructure Operations
Concurrence:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services / Deputy CFO
Concurrence:	Stephen Henderson, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: 2026 Budget - Surfside Water Service budget

APPENDIX A

CAPITAL REGIONAL DISTRICT

2026 Budget

Surfside Park Estates (Mayne)

Commission Review

OCTOBER 2025

APPENDIX A

Service: **2.667 Surfside Park Estates (Mayne)** **Committee: Electoral Area**

DEFINITION:

To provide for the construction of water supply and distribution facilities for the Surfside Park Estates Water Service Area. Bylaw No. 3087 (November 12, 2003).

PARTICIPATION:

The Southern Gulf Islands Surfside Park Estates Water Service Area #46, V(764).

MAXIMUM LEVY:

Greater of $79,500 or $13.97 / $1,000 on actual assessed value of land and improvements.

COMMISSION:

Surfside Park Estates Water Service committee established by Bylaw No 3131 (June 14, 2004)

FUNDING:

User charge:	Annual charge per single family equivalency unit connected to the system
Parcel Tax:	Annual charge only on properties capable of being connected to the system
Connection Charge:	Actual Cost + 15% Admin fee (minimum connection $400)

RESERVE:

Capital Reserve Fund, established by Bylaw # 3191 (July 16, 2004)
Operating Reserve Fund, established by Bylaw # 4144 (December 14, 2016)

APPENDIX A

2.667 - Surfside Park Estates (Mayne)	2025 BOARD BUDGET	2025 ESTIMATED ACTUAL	BUDGET REQUEST 2026 CORE BUDGET	2026 ONGOING	2026 ONE-TIME	2026 TOTAL	FUTURE PROJECTIONS 2027	2028	2029	2030
OPERATING COSTS										
Operations Services Contract	24,700	28,200	25,140	-	-	25,140	25,640	26,150	26,670	27,200
Repairs & Maintenance	11,210	15,000	6,410	-	-	6,410	6,530	18,650	6,780	6,910
Waste Sludge Disposal	6,590	4,400	2,000	-	-	2,000	2,040	2,080	2,120	2,160
Allocations	9,319	9,319	10,458	-	-	10,458	10,668	10,915	11,167	11,414
Water Testing	4,540	6,200	4,666	-	-	4,666	4,782	4,900	5,021	5,154
Electricity	5,500	5,500	5,710	-	-	5,710	5,820	5,940	6,060	6,180
Supplies	26,130	22,000	25,060	-	-	25,060	25,570	26,090	26,620	27,160
Labour Charges	38,810	50,000	41,149	-	-	41,149	41,970	42,810	43,670	44,540
Other Operating Expenses	5,591	7,810	6,217	-	-	6,217	6,375	6,495	6,647	6,802
TOTAL OPERATING COSTS	**132,390**	**148,429**	**126,810**	**-**	**-**	**126,810**	**129,395**	**144,030**	**134,755**	**137,520**
*Percentage Increase over prior year			-4.2%			-4.2%	2.0%	11.3%	-6.4%	2.1%
DEBT / RESERVES										
Transfer to Operating Reserve Fund	3,250	3,250	7,000	-	-	7,000	10,000	10,000	10,000	10,000
Transfer to Capital Reserve Fund	15,000	15,000	24,930	-	-	24,930	41,465	46,340	56,075	57,320
MFA Debt Principal	-	-	-	-	-	-	24,230	51,010	51,010	52,280
MFA Debt Interest	569	-	-	34,200	-	34,200	71,060	96,530	97,740	109,860
MFA Debt Reserve Fund	500	-	-	9,500	-	9,500	10,500	-	500	4,500
TOTAL DEBT / RESERVES	**19,319**	**18,250**	**31,930**	**43,700**	**-**	**75,630**	**157,255**	**203,880**	**215,325**	**233,960**
TOTAL COSTS	**151,709**	**166,679**	**158,740**	**43,700**	**-**	**202,440**	**286,650**	**347,910**	**350,080**	**371,480**
*Percentage Increase over prior year			4.6%	28.8%		33.4%	41.6%	21.4%	0.6%	6.1%
FUNDING SOURCES (REVENUE)										
Estimated Balance CFW from 2025 to 2026	-	(14,970)	14,970	-	-	14,970	-	-	-	-
Balance CFW from 2024 to 2025	14,000	14,000	-	-	-	-	-	-	-	-
Transfer from Operating Reserve Fund	(5,000)	(5,000)	-	-	-	-	-	(12,000)	-	-
User Charges	(129,980)	(129,980)	(142,980)	-	-	(142,980)	(150,130)	(157,640)	(165,520)	(168,830)
Other Revenue	(200)	(200)	(200)	-	-	(200)	(200)	(200)	(200)	(200)
TOTAL REVENUE	**(121,180)**	**(136,150)**	**(128,210)**	**-**	**-**	**(128,210)**	**(150,330)**	**(169,840)**	**(165,720)**	**(169,030)**
REQUISITION - PARCEL TAX	**(30,529)**	**(30,529)**	**(30,530)**	**(43,700)**	**-**	**(74,230)**	**(136,320)**	**(178,070)**	**(184,360)**	**(202,450)**
*Percentage increase over prior year										
User Fee			10.0%	0.0%		10.0%	5.0%	5.0%	5.0%	2.0%
Requisition			0.0%	143.1%		143.1%	83.6%	30.6%	3.5%	9.8%
Combined			**8.1%**	**27.2%**		**35.3%**	**31.9%**	**17.2%**	**4.2%**	**6.1%**

APPENDIX A

Surfside Park Estates (Mayne)
Summary Schedule
2026 - 2030 Financial Plan

Reserve/Fund Summary

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Operating Reserve Fund	5,346	12,346	22,346	20,346	30,346	40,346
Capital Reserve Fund	42,904	42,834	79,299	105,639	161,714	219,034
Total	**48,250**	**55,180**	**101,645**	**125,985**	**192,060**	**259,380**

Reserve Schedule

Reserve Fund: Surfside Water - Operating Reserve Fund Bylaw 4144

The Operating Reserve Fund (ORF) is used to undertake the cyclical maintenance activities, to fund the procurement of equipment and supplies that typically do not occur on an annual basis and also to be used for emergency unplanned repairs. Operating surplus from time to time can be transferred to ORF.

Reserve Cash Flow

Fund: 1500	Estimated	Budget				
Fund Centre: 105216	2025	2026	2027	2028	2029	2030
Beginning Balance	6,816	5,346	12,346	22,346	20,346	30,346
Transfer from Ops Budget	3,250	7,000	10,000	10,000	10,000	10,000
Expenditures	(5,000)	-	-	(12,000)	-	-
Planned Maintenance Activity	Prefilter media replacement			Reservoir cleaning & inspection		
Interest Income*	280					
Ending Balance $	**5,346**	**12,346**	**22,346**	**20,346**	**30,346**	**40,346**

Assumptions/Background:

* Interest in planning years nets against inflation which is not included.

APPENDIX A

Reserve Schedule

Reserve Fund: Surfside Water - Capital Reserve Fund - Bylaw 3191

To provide for capital expenditures or in respect of capital projects and land, machinery or equipment necessary for them and extension or renewal of existing capital works.

Reserve Cash Flow

Fund: 1066	Estimated	Budget				
Fund Centre: 101850	2025	2026	2027	2028	2029	2030
Beginning Balance	56,304	42,904	42,834	79,299	105,639	161,714
Transfer from Ops Budget	15,000	24,930	41,465	46,340	56,075	57,320
Transfer from Cap Fund	-					
Transfer to Cap Fund	(30,000)	(25,000)	(5,000)	(20,000)	-	-
Interest Income*	1,600					
Ending Balance $	**42,904**	**42,834**	**79,299**	**105,639**	**161,714**	**219,034**

Assumptions/Background:

* Interest in planning years nets against inflation which is not included.

APPENDIX A

CAPITAL REGIONAL DISTRICT

FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.667 Surfside Park Estates (Mayne)	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
	EXPENDITURE							
	Buildings	$0	$0	$0	$0	$0	$0	$0
	Equipment	$12,500	$60,000	$0	$0	$0	$0	$60,000
	Land	$0	$0	$0	$0	$0	$0	$0
	Engineered Structures	$50,000	$955,000	$1,055,000	$20,000	$50,000	$450,000	$2,530,000
	Vehicles	$0	$0	$0	$0	$0	$0	$0
		$62,500	**$1,015,000**	**$1,055,000**	**$20,000**	**$50,000**	**$450,000**	**$2,590,000**
	SOURCE OF FUNDS							
	Capital Funds on Hand	$0	$0	$0	$0	$0	$0	$0
	Debenture Debt (New Debt Only)	$50,000	$950,000	$1,050,000	$0	$50,000	$450,000	$2,500,000
	Equipment Replacement Fund	$0	$0	$0	$0	$0	$0	$0
	Grants (Federal, Provincial)	$0	$40,000	$0	$0	$0	$0	$40,000
	Donations / Third Party Funding	$0	$0	$0	$0	$0	$0	$0
	Reserve Fund	$12,500	$25,000	$5,000	$20,000	$0	$0	$50,000
		$62,500	**$1,015,000**	**$1,055,000**	**$20,000**	**$50,000**	**$450,000**	**$2,590,000**

APPENDIX A

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.

APPENDIX A

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #: 2.667

Service Name: Surfside Park Estates (Mayne)

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2026	2027	2028	2029	2030	5 - Year Total auto-populates
24-01	Replacement	Wood Dale Drive Water Main Replacement	Replace approximately 200 m of leaking water main along Wood Dale Drive.	$ 300,000	S	Debt	$ -	$ 150,000	$ 150,000	$ -	$ -	$ -	$ 300,000
24-02	New	Source Water Surveillance	Construct source water surveillance for water quantity monitoring.	$ 20,000	E	Res	$ 12,500	$ 20,000	$ -	$ -	$ -	$ -	$ 20,000
25-01	Replacement	Water Storage Tank Replacement	Design and construction new water storage tank.	$ 1,700,000	S	Debt	$ 50,000	$ 800,000	$ 900,000	$ -	$ -	$ -	$ 1,700,000
28-02	Replacement	Petition Process	Subsequent Petition process for Watermain Replacement Program and other debt upgrades determined prior to 2027.	$ 20,000	S	Res	$ -	$ -	$ -	$ 20,000	$ -	$ -	$ 20,000
28-01	Replacement	Watermain Replacement Program	Replacement of select watermains within the distribution network to address leaks and reduce non revenue water.	$ 5,600,000	S	Debt	$ -	$ -	$ -	$ -	$ 50,000	$ 450,000	$ 500,000
26-01	Replacement	Water Service Repairs (Provisional)	Budget for repairs and replacements of services to address leaks or other operational requirements.	$ 10,000	S	Res	$ -	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 10,000
26-02	Replacement	Arsenic Removal Assessment	Engineering Assessment to review implications of Health Canada arsenic removal targets from 10ug/L to 5ug/L.	$ 40,000	E	Grant	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ 40,000
													$ -
													$ -
													$ -
			Grand Total	**$ 7,690,000**			**$ 62,500**	**$ 1,015,000**	**$ 1,055,000**	**$ 20,000**	**$ 50,000**	**$ 450,000**	**$ 2,590,000**

APPENDIX A

Service: 2.667 Surfside Park Estates (Mayne)

Project Number	24-01
Capital Project Title	Wood Dale Drive Water Main Replacement
Capital Project Description	Replace approximately 200 m of leaking water main along Wood Dale Drive.
Project Rationale	Funds are required to replace approximately 200 m of 150 mm diameter PVC water main that is leaking along Wood Dale Drive.

Project Number	24-02
Capital Project Title	Source Water Surveillance
Capital Project Description	Construct source water surveillance for water quantity monitoring.
Project Rationale	Construct source water surveillance for water quantity monitoring.

Project Number	25-01
Capital Project Title	Water Storage Tank Replacement
Capital Project Description	Design and construction new water storage tank.
Project Rationale	Design and construction new water storage tank following the previously completed conceptual design.

Project Number	28-02
Capital Project Title	Petition Process
Capital Project Description	Subsequent Petition process for Watermain Replacement Program and other debt upgrades determined prior to 2027.
Project Rationale	Funding to solicit public approval to secure debt in order to carry out necessary future Capital improvements.

Project Number	28-01
Capital Project Title	Watermain Replacement Program
Capital Project Description	Replacement of select watermains within the distribution network to address leaks and reduce non revenue water.
Project Rationale	Interim budget to advance watermain replacements within the water system. Budget and prioritization will be further refined continually through planning and design.

APPENDIX A

Service:	**2.667**	**Surfside Park Estates (Mayne)**

Project Number	26-01	**Capital Project Title**	Water Service Repairs (Provisional)	**Capital Project Description**	Budget for repairs and replacements of services to address leaks or other operational requirements.
Project Rationale					

Project Number	26-02	**Capital Project Title**	Arsenic Removal Assessment	**Capital Project Description**	Engineering Assessment to review implications of Health Canada arsenic removal targets from 10ug/L to 5ug/L.
Project Rationale					

2.667 - Surfside Park Estates (Mayne)

Capital Projects

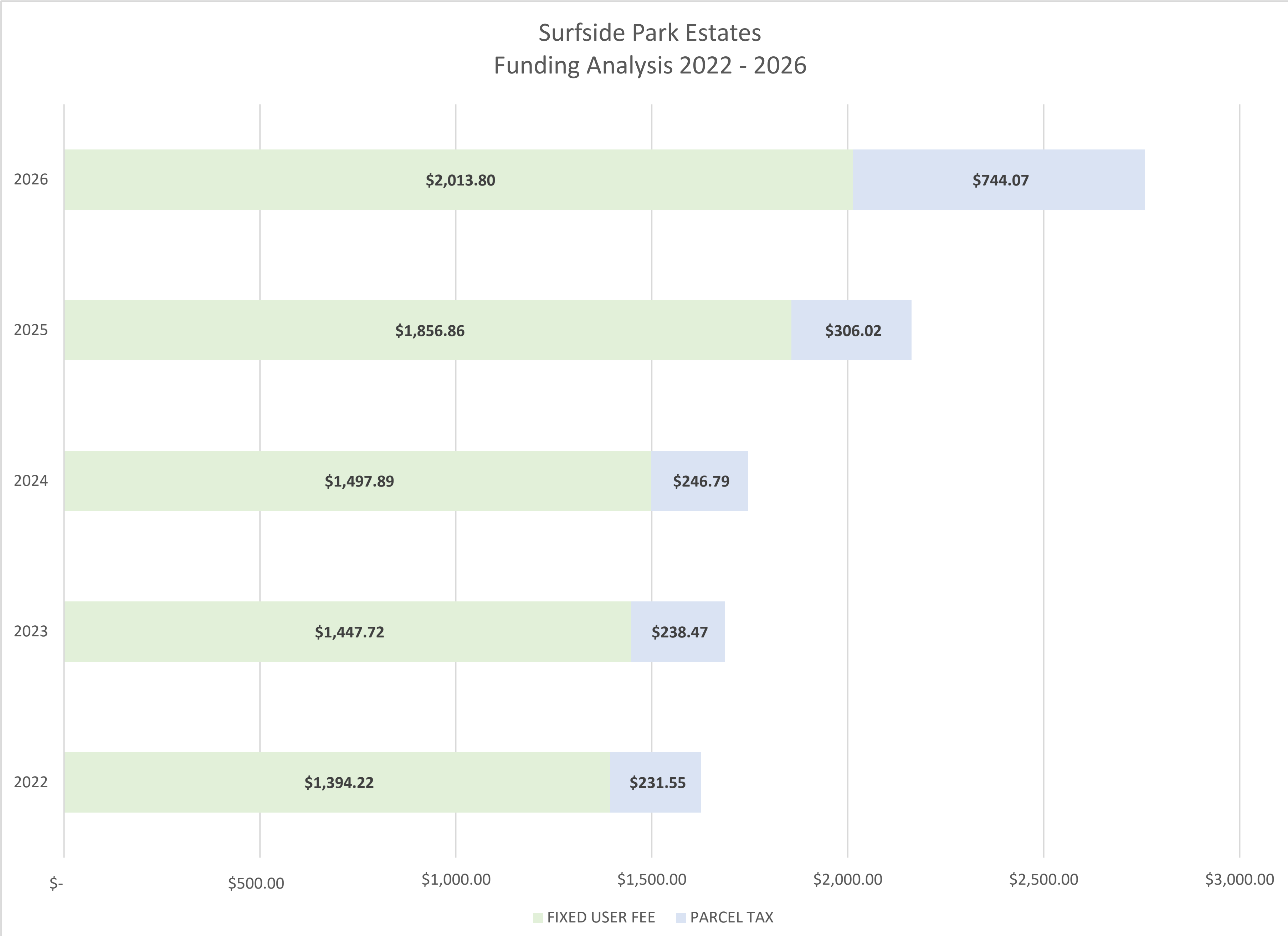
Updated @ Sep 19, 2025

Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2025	CE.850.1602	25-02	Close	Surfside Water - Replacement of UV E	15,000	9,498	5,502	15,000
2025	CE.850.4510	23-01	Open	AAP/Petition	15,000	3,467	11,533	15,000
				Totals	**30,000**	**12,965**	**17,035**	**30,000**

Service: 2.667 **Surfside Park Estates (Mayne)** **Committee: Electoral Area**

Year	Taxable Folios	Parcel Tax	SFE's	User Charge*	Tax & Charges	Bylaw	Actual Assessments $(000's)
2017	106	$329.16	64	$1,058.10	**$1,387.26**	4170	13,782.40
2018	106	$332.29	65	$1,100.40	**$1,432.69**	4233	15,871.30
2019	106	$332.29	65	$1,150.92	**$1,483.21**	4274	15,522.80
2020	105	$279.09	66	$1,178.82	**$1,457.91**	4337	19,308.40
2021	105	$220.52	68	$1,193.40	**$1,413.92**	4389	19,316.90
2022	105	$231.55	68	$1,394.22	**$1,625.77**	4471	28,308.20
2023	105	$238.47	68	$1,447.72	**$1,686.19**	4524	30,285.30
2024	105	$246.79	70	$1,497.89	**$1,744.68**	4587	29,388.10
2025	105	$306.02	70	$1,856.86	**$2,162.88**	4649	35,011.30
2026	105	$744.07	71	$2,013.80	**$2,757.87**		
Change from 2025 to 2026							
		$438.05		*$156.94*	*$594.99*		
		143.14%		*8.45%*	*27.51%*		

APPENDIX A


Surfside Park Estates
Funding Analysis 2022 - 2026
2026
$2,013.80
$744.07
2025
$1,856.86
$306.02
2024
$1,497.89
$246.79
2023
$1,447.72
$238.47
2022
$1,394.22
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FIXED USER FEE
PARCEL TAX

Making a difference...together

REPORT TO SURFSIDE PARK ESTATES WATER SERVICE COMMITTEE
MEETING OF OCTOBER 23, 2025

SUBJECT **Capital Projects and Operational Update – October 2025**

ISSUE SUMMARY

To provide the Surfside Park Estates Water Service Committee with capital project status reports and operational updates.

BACKGROUND

The Surfside Park Estates Water System is located on the southwest side of Mayne Island in the Southern Gulf Islands Electoral Area and provides drinking water to approximately 70 customers. Capital Regional District (CRD) Infrastructure and Water Services is responsible for the overall operation of the water system with day-to-day operation, maintenance, design, and construction of water system facilities provided by the CRD Infrastructure, Planning and Engineering and Water Infrastructure Operations divisions. The quality of drinking water provided to customers in the Surfside Park Estates Water System is overseen by the CRD Water Quality division.

CAPITAL PROJECT UPDATE

23-01 | Alternative Approval Process (AAP) / Petition

Project Description: Undertake an AAP or petition to borrow funds to carry out water system improvements in future years.

Project Rationale: Capital Reserves are insufficient to carry out needed capital improvements in the water service. In the absence of grant funding, approval to secure debt will be required in order to proceed with capital improvements.

Project Update and Milestones:

- CRD incorporated preliminary cost estimates into the 2025 Capital Plan and will await Committee review and comment prior to proceeding with the means to secure debt funding.
- A staff report was presented in June 2025 outlining staff's recommendation for obtaining public approval to secure debt funding.
- A petition to authorize proposed borrowing for major water infrastructure improvements commenced on August 1 and closed on October 1. A public information session was held on Mayne Island August 12 providing information to the community about the proposed projects, project funding, details of the petition process, and to answer questions from the public. At the time of writing this report, an insufficient number of petitions have been received to consider the petition to have passed, meaning any debt funded (referenced below) projects will need to be deferred.

Debt Funded Projects dependent upon 23-01 Petition:

Project Number	Capital Project Title
24-01	Wood Dale Drive Watermain Replacement
25-01	Water Storage Tank Replacement

25-02 | Replacement of Ultraviolet (UV) Equipment

Project Description: Replacement of UV equipment at the Surfside Water Treatment Plant.
Project Rationale: Existing UV equipment is at end of life and is needing repair parts which are no longer supported. Replacement is deemed necessary.

Project Update and Milestones:

- Existing unit failure led to expedited order of replacement unit. Price escalation since budgeting in previous year, as well as new controls requiring additional SCADA integration have resulted in cost overruns. A Capital Plan Amendment staff report was provided in June 2025.

Milestone	Completion Date
Capital Plan Amendment for additional controls upgrades	June 2025
Installation of replacement UV reactor complete	Q2 2025

<u>OPERATIONAL UPDATE</u>

This is an operational update reporting period from June through September 2025.

- Completed the water treatment prefilter media replacement as planned on June 10. This preventative maintenance work is funded through the Operating Reserve Fund (ORF) with a $5,000 budget. While undertaking the work, it was determined that the filtration media vessels also required replacement with unanticipated additional costs exceeding the budget by approximately $2,300.
- Corrective maintenance completed on the arsenic filtration media process piping. The contract operator found a cracked fitting and conducted permanent repairs and placed the water treatment plant back into full operation.
- Continued monitoring weekly water production information throughout the reporting period. Daily water production on average for June through September is approximately 27 cubic meters (m^3) per day which continues to be significantly lower than the $68m^3$/day prior to the leak repairs completed in early March. This is a significant improvement for the service. Operations will continue to monitor water production and water demand closely through to December and will report actual water loss in early 2026.
- Arsenic filtration media replacement summary:
  - Vessel A: February 7, 2025; August 1, 2025
  - Vessel B: February 7, 2025
- Bi-weekly metals (arsenic) water quality sampling and testing frequency continued through this reporting period, where normal sampling frequency is monthly. The service will revert to monthly testing frequency after the media replacement of Vessel B which is anticipated in October or early November. This will allow the collection of valuable data for better predictability of media expiry and to reduce the risk of water quality exceedances for arsenic.

- Installed new water conservation signage on August 28. The sign was fully funded by a grant provided through the Union of British Columbia Municipalities (UBCM). It was installed at the intersection of Village Bay Road and Wood Dale Drive, as discussed with the Surfside Water Service Committee, by a contractor with support from CRD Communications staff. The old "sandwich board" style water conservation signage will no longer be used.

RECOMMENDATION

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

Submitted by:	Jason Dales, B.Sc., WD IV., Senior Manager, Wastewater Infrastructure Operations
Concurrence:	Stephen Henderson, MBA, P.G.Dip. Eng, B.Sc, General Manager, Electoral Area Services
Concurrence:	Alicia Fraser, P.Eng., General Manager, Infrastructure and Water Services