



Notice of Meeting and Meeting Agenda Skana Water Service Committee

Thursday, October 23, 2025

9:30 AM

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 904 548 227#

W. Korol (Chair), R. Anthony (Vice Chair), P. Brent (EA Director), M. Bentley, B. Hill

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. [25-0720](#) Minutes of the Skana Water Service Committee meetings of March 4, 2025 and June 13, 2025

Recommendation: That the minutes of the Skana Water Service Committee meetings of March 4, 2025 and June 13, 2025 be adopted as circulated.

Attachments: [Minutes - March 4, 2025](#)
[Minutes - June 13, 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. [25-1039](#) Skana Water Service 2026 Operating and Capital Budget

Recommendation: That the Skana Water Service Committee recommends that 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 Skana Water Service as presented.

Attachments: [Staff Report: Skana Water Service 2026 Operating and Capital Budget](#)
[Appendix A: 2026 Budget - Skana Water Service Budget](#)

6.3. [25-1135](#) 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.

Meeting Minutes

Skana Water Service Committee

Tuesday, March 4, 2025

9:30 AM

Goldstream Conference Room
479 Island Hwy
Victoria BC V9B 1H7

PRESENT:

P. Brent (EA Director), R. Anthony, M. Bentley, B. Hill (EP), W. Korol

Staff: T. Robbins, Chief Administrative Officer; A. Fraser, General Manager, Infrastructure and Water Services; Jason Dales, Senior Manager, Wastewater Infrastructure Operations; D. Robson, Manager, Saanich Peninsula Gulf Island Operations; J. Kelly, Manager, Capital Projects; C. Moch, Manager, Water Quality; Marlene Lagoa, Manager, Legislative Services and Deputy Corporate Officer; Denise Dionne, Manager, Business Support Services; Megan MacDonald, Legislative Services Coordinator (Recorder)

EP – Electronic Participation

The meeting was called to order at 9:30 am.

1. Territorial Acknowledgement

D. Robson provided a Territorial Acknowledgement.

2. Election of Chair

D. Robson called for nominations for the position of Chair of the Skana Water Service Committee for 2025.

R. Anthony nominated W. Korol. W. Korol accepted the nomination.

D. Robson called for nominations a second and third time.

Hearing no further nominations, D. Robson declared Warren Korol the Chair of the Skana Water Service Committee for 2025 by acclamation.

3. Election of Vice Chair

The Chair called for nominations for the position of Vice Chair of the Skana Water Service Committee for 2025.

M. Bentley nominated R. Anthony. R. Anthony accepted the nomination.

The Chair called for nominations a second and third time.

Hearing no further nominations, the Chair declared Robert Anthony the Vice Chair of the Skana Water Service Committee for 2025 by acclamation.

4. Approval of Agenda

MOVED by P. Brent, **SECONDED** by R. Anthony,
That the agenda be approved as amended with the addition of the following items:

- 10.1. Operational Communication and Notification Policy
- 10.2. Water Conservation Policy
- 10.3. History of Leaks and Calculation of Rolling Averages

CARRIED

5. Adoption of Minutes

5.1. [25-0226](#) Minutes of the Skana Water Service Committee Meeting of October 31, 2024

MOVED by W. Korol, **SECONDED** by P. Brent,
That the minutes of the Skana Water Service Committee meeting of October 31, 2024 be adopted.

MOVED by W. Korol, **SECONDED** by R. Anthony,
That the minutes be amended by attaching the Chairs Remarks.
CARRIED

MOVED by W. Korol, **SECONDED** by R. Anthony,
That the minutes be amended by removing the following sentence from Item 4. "Director Brent suggested that the committee could hold an informal meeting with the community, similar to other small water systems, to keep the water system users informed." and replacing it with "The Committee requested Infrastructure and Water Services (IWS) hold a community engagement meeting. Director Brent offered to set up an informal meeting with the community and one IWS staff member attending either virtually or in person."
CARRIED

MOVED by W. Korol, **SECONDED** by R. Anthony,
That the minutes be amended by removing the following bullet from Item 6. "The Committee wants a minimum of three water conservation signs installed in the community." and replacing it with "The Committee advised more than one sign is needed, possibly up to three, to reach all members of the system."
CARRIED

MOVED by W. Korol, **SECONDED** by R. Anthony,
That the minutes be amended by adding the following to the end of the last sentence under Item 7.1. Project 24-02 Storage Tank Options Assessment "and this is not followed consistently and will be followed more consistently in future."

MOVED by P. Brent, **SECONDED** by W. Korol,
That the minutes be amended by removing the following sentence from Item 7.1. Decommissioning Unused Wells "A right-of-way is in place for CRD-owned wells."
CARRIED

MOVED by W. Korol, SECONDED by R. Anthony,
That the minutes be amended by adding the following sentence to the end of the first paragraph on Item 7.3."The Committee requested that the budget more clearly state the date the estimated year end totals were calculated."
CARRIED

The question was called on the main motion as amended.

That the minutes of the Skana Water Service Commitee meeting of October 31, 2024 be adopted as amended.
CARRIED

6. Chair's Remarks

The Chair thanked staff for being present at the meeting and working towards the shared goal of a safe and reliable water service for all users.

7. Presentations/Delegations

There were no presentations or delegations.

8. Commission Business

8.1. [25-0228](#) Senior Manager's Verbal Update

A. Fraser presented Item 7.1. and provided information related to upcoming Water Conservation Bylaw amendments, water conservation signage, communication tools and emergency notification procedures.

Discussion ensued regarding:

- approval procedure for bylaw amendments
- water shortage concerns
- financial implications of purchasing additional water to support the system
- request for more restrictive water conservation in the service area

MOVED by W. Korol, SECONDED by R. Anthony,
That Committee members will provide feedback to the Electoral Area Director on the proposed Water Conservation Bylaw Amendment by Tuesday March 11, 2025, and that the Chair will consider registering as a delegation to the Electoral Areas Committee when this Bylaw is considered.
CARRIED

Discussion continued regarding:

- proposed water conservation signage on Waugh Road
- a grant received by the CRD provides funding for the installation of one sign
- potential for additional signage funding in the Capital Plan for next year

MOVED by W. Korol, SECONDED by P. Brent,
That the committee request the intersection of Georgina Point Road and Waugh Road be investigated as a possible sign location.
CARRIED

8.2. [25-0215](#) Capital Projects and Operational Update - March 2025

J. Kelly and D. Robson presented item 7.2. for information.

Discussion ensued regarding:

- potential for refurbishment of the existing water storage tanks
- clarification on the various options for storage tank replacement
- water colour and quality during periods of high consumption
- process to obtain funding for required capital works
- community consultation opportunities and consent requirements for borrowing once the project scope is finalized

MOVED by W. Korol, SECONDED by P. Brent,

Regarding the storage tank options assessment for final issue, the Skana Water Service Committee requests that:

- 1. A definitive statement be included on the refurbishment of existing water storage tanks;**
- 2. Wording is clarified to talk about the difference in volume/capacity between large single tank and the two other options;**
- 3. The life cycle analysis be reconsidered for differences in capital, installation and transportation costs of the tanks on different replacement frequencies; and**
- 4. Staff report back on the funding mechanism, electoral consent options and schedule for the work at the June meeting.**

CARRIED

9. Notice(s) of Motion

There were no notice(s) of motion.

10. New Business**10.1. Operational Communication and Notification Policy**

Committee members developed a suggested Operational Communication and Notifications Policy to improve system specific information to users of the water service. The Chair introduced the suggested Policy.

The Chief Administrative Officer clarified that the Committee does not have authority to develop or approve CRD policies. System specific policies would be a challenge administratively and concerns were raised about privacy legislation and the management of personal information.

Discussion ensued regarding:

- limitations of the Public Alert Notification System (PANS)
- methods of delivering notification
- notification procedures, including community notices and door to door delivery
- water conservation efforts and applicable fines for bylaw infractions
- standard operating procedures during drought
- staff capacity while balancing multiple projects and timelines

MOVED by W. Korol, SECONDED by R. Anthony,
The Skana Water Service Committee request that staff provide a report that outlines the operational implementation options and associated costs that address the desired outcomes of the suggested Operational Communication and Notifications Policy.
CARRIED

10.2. Water Conservation Policy

Committee members developed a suggested Skana Water Conservation Policy to improve water conservation efforts in the service area. The Chair introduced the suggested policy and clarified that system specific restrictions are being requested due to elevated concerns.

A. Fraser requested that committee members review the Water Conservation Bylaw Amendment and make recommendations to the Electoral Areas Committee for consideration.

10.3. History of Leaks and Calculation of Rolling Averages

The Chair spoke to recent leaks during a cold weather event and rolling averages of water quality testing. He noted the importance of educating owners that water meters and valves should not be altered.

Discussion ensued regarding:

- procedure for determining possible water leaks
- accessibility of the water shut off valve to residents
- difficulty finding water shut-off valves during snow
- disinfection byproducts and seasonal fluctuations
- water quality testing frequency and regulations

11. Adjournment

MOVED by R. Anthony, SECONDED by P. Brent,
That the Skana Water Service Committee Meeting of March 4, 2025 be adjourned at 12:12 pm.
CARRIED

Chair

Recorder

Meeting Minutes

Skana Water Service Committee

Friday, June 13, 2025

9:30 AM

Goldstream Conference Room
479 Island Hwy
Victoria BC V9B 1H7

PRESENT:

W. Korol (Chair) (EP), R. Anthony (Vice Chair) (EP), P. Brent (EA Director) (EP)

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

EP - Electronic Participation

Regrets: M. Bentley, B. Hill

The meeting was called to order at 9:30 am.

1. Territorial Acknowledgement

D. Robson provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by W. Korol, SECONDED by P. Brent,
That the agenda for the Skana Water Service Committee meeting of June 13,
2025 be approved as amended to first consider Appendix A of Item 6.3., followed
by Item 6.4., and then all remaining items in the order presented.
CARRIED

6.3. [25-0668](#) Capital Projects and Operational Update - June 2025

J. Kelly presented Appendix A of Item 6.3. for information.

Discussion ensued regarding:

- refurbishment of existing tanks is not advisable
- request for further information about a poly tank replacement option

6.4. [25-0678](#) Capital Projects Requiring Funding - Potential Funding Options and Cost Implications

J. Marr presented Item 6.4..

Discussion ensued regarding:

- approximate cost per property
- information sent to owners will include Frequently Asked Questions (FAQ)
- projects will be presented to the committee in the Capital Plan
- the risk of failure and emergency repair costs increase over time
- staff to set up community information session
- secured loan authorization borrowing would benefit future grant applications
- grant application in 2023 was unsuccessful due to lack of approved borrowing

MOVED by W. Korol, SECONDED by P. Brent,

- 1. That the petition process be initiated to borrow up to \$1,100,000 over 25 years debt term to complete the capital improvement projects following a community engagement meeting.**
- 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

P. Brent left the meeting at 10:16 am.

9. Adjournment

The Skana Water Service Committee meeting of June 13, 2025 was adjourned at 10:16 am due to a lack of quorum.

CARRIED

3. Adoption of Minutes

- 3.1. [25-0720](#) Minutes of the Skana Water Service Committee meeting of March 4, 2025

Due to a lack of quorum, this item was postponed to the next meeting.

4. Chair's Remarks

There were no Chair's remarks.

5. Presentations/Delegations

There were no presentations or delegations.

6. Commission Business

- 6.1. [25-0650](#) Senior Manager's Verbal Update

D. Robson presented Item 6.1. for information, introduced new staff support personnel and provided information on the involvement of new Electoral Areas Services department.

Discussion ensued regarding:

- local area considerations for water restrictions
- committee request to implement stage three water restrictions
- water conservation signage installation later this year

6.2. [25-0644](#) 2024 Annual Report

D. Robson presented Item 6.2. for information.

6.3. [25-0668](#) Capital Projects and Operational Update - June 2025

Discussion resumed on Item 6.3. regarding:

- funding is required to obtain preliminary cost estimates for capital projects
- request to review the water shut-off requirements of unoccupied properties

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

Chair Korol requested that the Committee suggestions related to the Water Conservation Bylaw and the notification procedures be discussed.

8.1. Suggestion Regarding Water Conservation Bylaw

Chair Korol requested an update on incorporating the Committee's suggestions in the Water Conservation Bylaw. S. Henderson will provide details in future.

8.2. Suggested Communication and Notification Updates

Chair Korol spoke to the committee request for new communication procedures.

Discussion ensued regarding:

- request for clarification on policies
- committee cannot provide operational direction
- staff will provide additional information at a future meeting

Chair

Recorder

**REPORT TO SKANA WATER SERVICE COMMITTEE
MEETING OF OCTOBER 23, 2026**

SUBJECT **Skana 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. 3133, "Skana 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 potentially leading to 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 taxpayer and per Single Family Equivalent (SFE).

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

- Available funds on hand.
- Projects already 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 2025 operating expenses will be approximately \$14,220 over budget.

Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following events:

- Emergency replacement of deep well pump for Well 13.
- Emergency water system leak investigations.

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 \$13,151 (\$14,220 less \$1,069). To balance the operating budget at the end of year, the actual deficit will be recovered by 2025 reserve fund transfers, namely the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF). In the event the deficit cannot be fully recovered by reserve transfers in 2025, the deficit must immediately be included as expenditure to be recovered from revenue in the 2026 financial plan as required by the LGA Section 374(11).

Operating costs for 2026 (excluding one-time cyclical programs funded by the ORF for water system flushing program for \$10,000 in 2025) has increased by \$7,753 (11.8%) compared to 2025. The increase is primarily to account for core inflation and additionally, an ongoing \$3,000 allocation to address water conservation efforts and bylaw amendments as requested by the committee.

Municipal Finance Authority (MFA) Debt

Currently there is no debt for this service.

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 \$12,000 to \$28,000.

It is proposed that 2026 transfers to the operating reserve be set at \$9,000. The operating reserve fund balance at the end of 2025 is projected to be approximately \$4,739. There is \$16,000 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 \$158,000.

It is proposed that the budgeted transfer to the CRF be set at \$24,970 in 2026. The capital reserve balance at the end of 2025 is projected to be approximately \$34,445.

Capital Expenditure Plan

The five-year plan includes \$2,295,000 of expenditures to be funded by a combination of the service's capital reserve fund, and new debt. A complete list of projects is included within Appendix A, with some additional discussion provided below.

- The Water Storage Tanks Replacement (18-01) budget is subject to a successful petition result in 2025. \$500,000 of the total \$1,000,000 budget has been allocated for 2026 in the event that the petition is successful, and construction would be anticipated to push into 2027.
- The Source Water Surveillance (26-01) project is proposed to be funded from new debt.
- Water sample station improvements (25-01) is a new project proposed to be funded by capital reserve and will be used to replace three deadend flush points in the system.
- Watermain Replacement program (28-02) is proposed for future years (2028 and beyond) to begin replacement of aging watermain infrastructure.

Funding of any of the debt-allocated projects will be subject to a successful petition process, which is underway in 2025 (Capital Project 18-01, 23-01 and 26-01). Debt related to Capital Project 28-02 would be subject to a future petition or alternative approval process, which is outlined in Capital Project 28-01. Total estimated project budget for Project 28-02, Watermain replacement, is \$3,000,000. Only a total of \$1,150,000 debt planned in 2028 to 2030 is simulated in the table below as the remaining budget of \$1,850,000 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 with the indicative interest rate provided by MFA at the time of simulation.

Table 1 - Future New Debt Simulation

	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Estimated Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
Future Borrowing(s) Estimation	25	2026	2051	4.80%	\$565,000	\$14,410	\$27,120	\$41,530
	25	2027	2052	4.85%	\$500,000	\$12,752	\$24,250	\$37,002
	25	2028	2053	4.85%	\$55,000	\$1,403	\$2,668	\$4,070
	25	2029	2054	4.85%	\$130,000	\$3,315	\$6,305	\$9,620
	25	2030	2055	4.85%	\$1,000,000	\$25,504	\$48,500	\$74,004
Total					\$2,250,000	\$57,383	\$108,843	\$166,226

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 \$166,226 equates to approximately \$2,277.07 cost 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 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 back to its original funding source(s).

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	\$28,441	73	\$410.06	\$73,780	53	\$1,392.08	\$1,802.14
2026	\$54,430	73	\$784.76	\$78,990	53	\$1,490.38	\$2,275.14
Change (\$)	\$25,989	0	\$374.70	\$5,210	0	\$98.30	\$473.00
Change (%)	91.38%	0.00%	91.38%	7.06%	0.00%	7.06%	26.25%

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

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 Skana Water Service Committee recommends that 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 Skana 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(S)

Appendix A: 2026 Budget - Skana Water Service budget

CAPITAL REGIONAL DISTRICT

2026 Budget

Skana Water (Mayne)

Commission Review

OCTOBER 2025

Service: **2.642 Skana Water (Mayne)**

Committee: Electoral Area

DEFINITION:

To provide for the construction of water supply and distribution facilities for Skana Water Service Area.
Bylaw No. 3089 (November 12, 2003).

PARTICIPATION:

Southern Gulf Islands Skana Water Service Area #47, U(764)

MAXIMUM LEVY:

Greater of \$54,100 or \$9.65 / \$1,000 of actual assessed value of land and improvements.

COMMISSION:

Skana Water Service committee established by Bylaw # 3133 (Dec 10, 2003).

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 Charges: At cost or minimum of \$1,000.

RESERVE FUND:

Capital Reserve Fund, established by Bylaw # 3192 (July 14, 2004)
Operating Reserve Fund, established by Bylaw # 4144 (December 14, 2016)

APPENDIX A

2.642 - Skana Water (Mayne)	2025		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2027	2028	2029	2030
<u>OPERATING COSTS</u>										
Operations Service Contract	19,700	21,240	20,050	-	-	20,050	20,450	20,860	21,280	21,710
Repairs & Maintenance	11,330	14,120	2,640	-	-	2,640	8,700	12,760	2,820	2,880
Allocations	6,747	6,747	7,549	-	-	7,549	7,716	7,896	8,080	8,258
Water Testing	3,600	5,300	3,700	-	-	3,700	3,798	3,900	4,003	4,109
Electricity	3,400	3,500	3,600	-	-	3,600	3,670	3,740	3,810	3,890
Supplies	810	950	940	-	-	940	960	980	1,000	1,020
Labour Charges	26,710	34,600	28,313	-	-	28,313	28,880	29,460	30,050	30,650
Water Conservation	-	-	-	3,000	-	3,000	3,000	3,000	3,000	3,000
Other Operating Expenses	3,510	3,570	3,768	-	-	3,768	3,851	3,934	4,032	4,133
TOTAL OPERATING COSTS	75,807	90,027	70,560	3,000	-	73,560	81,025	86,530	78,075	79,650
*Percentage Increase over prior year			-6.9%	4.0%		-3.0%	10.1%	6.8%	-9.8%	2.0%
<u>DEBT / CAPITAL /RESERVES</u>										
Transfer to Operating Reserve Fund	9,000	4,000	9,000	-	-	9,000	9,000	9,000	9,000	9,000
Transfer to Capital Reserve Fund	26,445	18,294	24,970	-	-	24,970	26,665	28,250	29,465	30,230
MFA Debt Principal	-	-	-	-	-	-	14,410	27,161	28,564	31,880
MFA Debt Interest	569	-	-	20,340	-	20,340	39,245	52,704	57,190	84,593
MFA Debt Reserve Fund	500	-	-	5,650	-	5,650	5,000	550	1,300	10,000
TOTAL DEBT / RESERVES	36,514	22,294	33,970	25,990	-	59,960	94,320	117,665	125,519	165,703
TOTAL COSTS	112,321	112,321	104,530	28,990	-	133,520	175,345	204,195	203,594	245,353
*Percentage Increase over prior year			-6.9%	25.8%		18.9%	31.3%	16.5%	-0.3%	20.5%
<u>FUNDING SOURCES (REVENUE)</u>										
Transfer from Operating Reserve Fund	(10,000)	(10,000)	-	-	-	-	(6,000)	(10,000)	-	-
User Charges	(73,780)	(73,780)	(75,990)	(3,000)	-	(78,990)	(82,150)	(85,440)	(88,000)	(90,640)
Other Revenue	(100)	(100)	(100)	-	-	(100)	(100)	100	(100)	200
TOTAL REVENUE	(83,880)	(83,880)	(76,090)	(3,000)	-	(79,090)	(88,250)	(95,340)	(88,100)	(90,440)
REQUISITION - PARCEL TAX	(28,441)	(28,441)	(28,440)	(25,990)	-	(54,430)	(87,095)	(108,855)	(115,494)	(154,913)
*Percentage increase over prior year										
User Fees			3.0%	4.1%		7.1%	4.0%	4.0%	3.0%	3.0%
Requisition			0.0%	91.4%		91.4%	60.0%	25.0%	6.1%	34.1%
Combined			2.2%	28.4%		30.5%	26.9%	14.8%	4.7%	20.7%

Skana Water Reserves
Summary Schedule
2026 - 2030 Financial Plan

Reserve/Fund Summary

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Operating Reserve Fund						
Capital Reserve Fund						
		13,739	16,739	15,739	24,739	33,739
	4,739	29,415	56,085	69,336	98,705	129,025
Total	34,445	43,154	72,819	85,069	123,534	162,764

Reserve Schedule

Reserve Fund: 2.642 Skana Water (Mayne) - Operating Reserve Fund

Bylaw 4144

Reserve Cash Flow

Fund: Fund Centre:	1500 105214	Estimated	Budget				
		2025	2026	2027	2028	2029	2030
Beginning Balance		10,311	4,739	13,739	16,739	15,739	24,739
Transfer from Ops Budget		4,000	9,000	9,000	9,000	9,000	9,000
Expenditures		(10,000)	-	(6,000)	(10,000)	-	-
Planned Maintenance Activity		Water System Flushing Program		Reservoir cleaning and inspection	Water System Flushing Program		
Interest Income*		428					
Ending Balance \$		4,739	13,739	16,739	15,739	24,739	33,739

<u>Assumptions/Backgrounds:</u>
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* Interest in planning years nets against inflation which is not included.
--

Reserve Schedule

Reserve Fund: 2.642 Skana Water (Mayne) - Capital Reserve Fund

Bylaw 3192

Reserve Cash Flow

Fund: 1067 Fund Centre: 101849	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	30,151	34,445	29,415	56,080	69,330	98,795
Transfer from Ops Budget	18,294	24,970	26,665	28,250	29,465	30,230
Transfer from Cap Fund	-					
Transfer to Cap Fund	(15,000)	(30,000)	-	(15,000)	-	-
Interest Income*	1,000					
Ending Balance \$	34,445	29,415	56,080	69,330	98,795	129,025

<u>Assumptions/Backgrounds:</u>
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* Interest in planning years nets against inflation which is not included.
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CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.642 Skana Water (Mayne)	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
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EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$565,000	\$500,000	\$0	\$0	\$0	\$0	\$1,065,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$30,000	\$0	\$70,000	\$130,000	\$1,000,000		\$1,230,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$595,000	\$500,000	\$70,000	\$130,000	\$1,000,000		\$2,295,000

SOURCE OF FUNDS

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$0	\$565,000	\$500,000	\$55,000	\$130,000	\$1,000,000		\$2,250,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$30,000	\$0	\$15,000	\$0	\$0	\$0	\$45,000
	\$0	\$595,000	\$500,000	\$70,000	\$130,000	\$1,000,000		\$2,295,000

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

7076 - 7030

Service #: 2.642
Service Name: Skana Water (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
18-01	Replacement	Storage Tanks Replacement	Replace the existing storage tanks following successful Loan Authorization.	\$ 1,000,000	E	Debt	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000
23-01	Renewal	Well Protection Upgrades	Carry out well protection upgrades such as signage, shock chlorination of Wells #8 and #13, assess well proximity to septic fields.	\$ 35,000	S	Debt	\$ -	\$ -	\$ -	\$ 5,000	\$ 30,000	\$ -	\$ 35,000
25-01	Replacement	Water Sample Station Improvements	Replacement of the three dead end flush points with below grade flush points.	\$ 30,000	S	Res	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
28-01	New	Petition / Alternative Approval Process	Conduct an alternative approval process (AAP) to seek elector assent to borrow funds for watermain replacement program.	\$ 15,000	S	Res	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
28-02	Replacement	Watermain Replacement Program	Budget to initiate a watermain replacement program.	\$ 3,000,000	S	Debt	\$ -	\$ -	\$ -	\$ 50,000	\$ 100,000	\$ 1,000,000	\$ 1,150,000
26-01	New	Source Water Surveillance	Improvements to monitoring and control of the water supply system, including well #8 and well#13	\$ 65,000	E	Debt	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000
													\$ -
			Grand Total	\$ 4,145,000				\$ 595,000	\$ 500,000	\$ 70,000	\$ 130,000	\$ 1,000,000	\$ 2,295,000

APPENDIX A

Service:	2.642	Skana Water (Mayne)
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Project Number	18-01	Capital Project Title	Storage Tanks Replacement	Capital Project Description	Replace the existing storage tanks following successful Loan Authorization.
Project Rationale	The existing storage tanks are at the end of their design life and do not meet seismic requirements. It is proposed to replace the existing tanks with a bolted steel tank.				

Project Number	23-01	Capital Project Title	Well Protection Upgrades	Capital Project Description	Carry out well protection upgrades such as signage, shock chlorination of Wells #8 and #13, assess well proximity to septic fields.
Project Rationale	Funds are required to carry out well protection upgrades such as signage, shock chlorination of Wells #8 and #13, assess well proximity to septic fields. This project is pushed out because of recent improvements noticed following the well capping project. If water quality issues present again, this program would then be initiated.				

Project Number	25-01	Capital Project Title	Water Sample Station Improvements	Capital Project Description	Replacement of the three dead end flush points with below grade flush points.
Project Rationale	Opportunity to improve Waugh Rd, Aya Reach and Skana Gate dead end points that are nearing end of life. The revised configuration should be designed to reduce the risk of groundwater intrusion with consideration for replacement to below grade flush points with separate sample ports.				

Project Number	28-01	Capital Project Title	Petition / Alternative Approval Process	Capital Project Description	Conduct an alternative approval process (AAP) to seek elector assent to borrow funds for watermain replacement program
Project Rationale	Petition or AAP for project 28-02				

Project Number	28-02	Capital Project Title	Watermain Replacement Program	Capital Project Description	Budget to initiate a watermain replacement program.
Project Rationale	Interim budget to advance watermain replacements within the water system. Budget and prioritization will be further refined continually through planning and design.				

Project Number	26-01	Capital Project Title	Source Water Surveillance	Capital Project Description	Improvements to monitoring and control of the water supply system, including well #8 and well#13
Project Rationale	Improvements include remote monitoring and control of backup well #8, source water surveillance improvements at the primary well #13 and measures to respond to water quality concerns. These improvements will allow operations staff to better monitor water trends in real time and respond to operational issues or trend against depletion of groundwater sources. It is anticipated that level transmitters, flow meters, SCADA and communications improvements will all be included. These projects are required to support a the ongoing delivery of this water service. Deferring these projects will increase the risk of service disruptions, costly emergency repairs, and increase operational costs.				

2.642 - Skana Water

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	
2022	CE.623.5901	17-04	Locked	Well #8 Upgrade	30,000	14,718	15,282	30,000
2024	CE.623.5902	17-04	Open	Well #8 SCADA Automation Options	10,000	-	10,000	10,000
2024	CE.883.4501	24-02	Close	Storage Tank Options Assessment	20,000	18,161	1,839	20,000
2025	CE.883.4505	17-03	Open	Petition/AAP for future borrowing	15,000	3,157	11,843	15,000
				Totals	75,000	36,036	38,964	75,000

Service: **2.642 Skana Water (Mayne)**Committee: **Electoral Area**

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax</u>	<u>SFE's</u>	<u>User Charge</u>	<u>Tax & Charges</u>	<u>Bylaw</u>	<u>Actual Assessments \$(000's)</u>
2017	73	\$278.98	46	\$949.78	\$1,228.76	4170	13,844.20
2018	73	\$332.62	47	\$905.43	\$1,238.05	4233	15,306.80
2019	73	\$332.62	47	\$905.00	\$1,237.62	4311	18,322.20
2020	73	\$332.62	48	\$909.38	\$1,242.00	4337	19,309.80
2021	73	\$329.95	48	\$927.38	\$1,257.33	4389	21,316.40
2022	73	\$346.03	48	\$1,073.02	\$1,419.05	4471	30,334.60
2023	73	\$370.25	50	\$1,181.80	\$1,552.05	4524	33,868.80
2024	73	\$383.23	52	\$1,233.85	\$1,617.08	4587	34,441.90
2025	73	\$410.06	53	\$1,392.08	\$1,802.14	4649	36,818.20
2026	73	\$784.76	53	\$1,490.38	\$2,275.14		

Change from 2025 to 2026

\$374.70

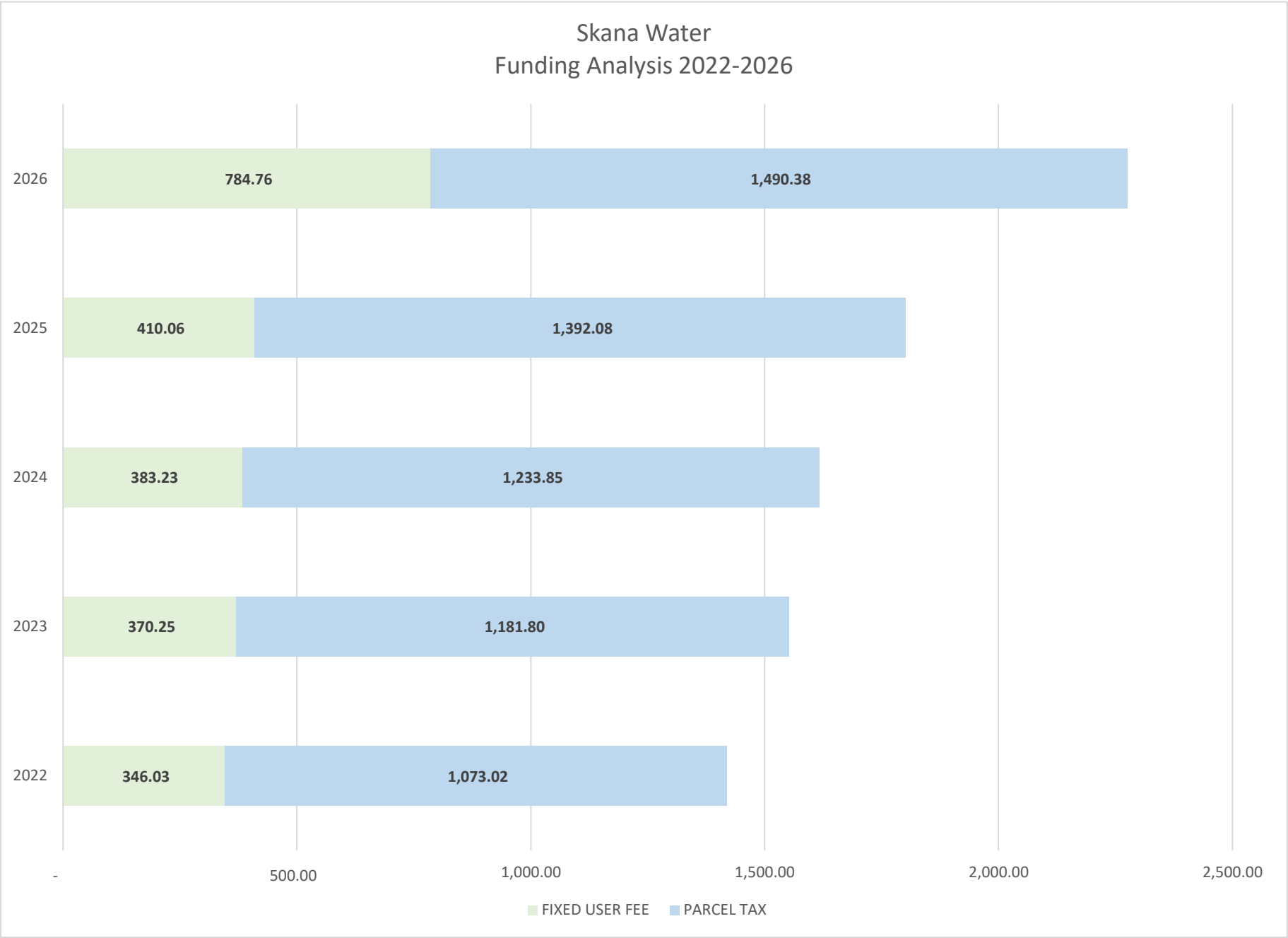
91.38%

\$98.30

7.06%

\$473.00

26.25%



REPORT TO SKANA WATER SERVICE COMMITTEE MEETING OF OCTOBER 23, 2025

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

ISSUE SUMMARY

To provide the Skana Water Service Committee with capital project status reports and operational updates.

BACKGROUND

The Skana Water System is located on the north side of Mayne Island in the Southern Gulf Islands Electoral Area and provides drinking water to approximately 52 customers. Capital Regional District (CRD) Infrastructure and Water Services is responsible for the overall operation of the water system. The design and construction of water system facilities are overseen by the CRD Infrastructure, Planning and Engineering and Infrastructure Water Operations divisions. The day-to-day operations and maintenance are currently being performed by CRD Infrastructure Operations. The quality of drinking water provided to customers in the Skana Water System is overseen by the CRD Water Quality division.

Capital Project Update

17-03 | Alternative Approval / Petition Process

Project Description: Conduct public consultation and complete an Alternative Approval Process (AAP) or petition to assess public willingness to utilize debt to fund necessary capital upgrades for the water service.

Project Rationale: Multiple projects including well upgrades and storage tank replacement are deemed necessary for the water service and Capital Reserves are insufficient to cover the capital costs.

With several unsuccessful grant funding attempts, an AAP or petition is proposed to obtain approval to take on debt to fund projects that are critical for the water service.

Project Update and Milestones:

- The committee was updated at the February 2025 meeting regarding the recent recommendations and cost estimates for the Skana water tank replacements, which would be the largest capital expenditure on the Capital Plan. Staff advised they would follow up at the June meeting to discuss next steps in either the AAP or Petition process.
- A staff report was provided at the June 2025 meeting outlining the staff recommendation for obtaining public approval to secure debt funding.

- A petition to authorize the proposed borrowing for major water infrastructure improvements ran from August 12, 2025, until October 12, 2025. A list of frequently asked questions (FAQ's) was mailed out and a public information session was held on Mayne Island on August 12, 2025, which provided 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 staff report, an insufficient number of petitions have been received to consider the petition to have passed, meaning any debt funded projects (referenced below) will need to be deferred.

Debt Funded Projects dependent upon 17-03 Petition:

Project Number	Capital Project Title
18-01	Storage Tanks Replacement
26-01*	Source Water Surveillance

*combines previous capital projects 17-04 & 24-01

17-04 | Well #8 Upgrade [combined into 26-01 starting on 2026 Capital Plan]

Project Description: Conduct well improvements including a new well liner, replacement of the well seal and Supervisory Control and Data Acquisition (SCADA) automation; and to relocate the first customer service line to achieve proper chlorine contact time.

Project Rationale: An inspection of Well #8 identified several deficiencies. Most recommended improvements were carried out in 2018 including the installation of a new well liner, replacement of the well seal, and steel casing. Relocation of the first customer's service line was completed in July 2022. Staff also developed a preliminary budget for SCADA automation as part of the larger petition process noted in Project 17-03. The 2026 budget proposes combining the remaining scope for this project with the Source Water Surveillance (see project 24-01 below) that includes Well #13.

Proceeding will be subject to a successful petition process to authorize debt funding,

Project Update and Milestones:

Milestone	Completion Date
Detailed Design Process	Q2 2026*
SCADA Automation – Preliminary Budget to inform Petition	Completed
Project planning phase	Completed
Relocation of the first customer service line is being evaluated on delivery through CRD staff or contracted services	Completed
Service line replacement and well improvements	Completed

*Process will only proceed following a successful petition (see Cap Project 17-03)

24-01 | Source Water Surveillance [26-01 starting on 2026 Capital Plan]

Project Description: Design and install new well surveillance and water monitoring systems. 2024 funding is for initial assessment only.

Project Rationale: To provide operational flexibility and increased monitoring that will improve operational awareness and the ability to analyze trends. The improvements can also be used to improve response times related to water supply issues. The 2026 budget proposes including Well #8 improvements with this project, all of which is subject to a successful petition process to authorize debt funding.

Project Update and Milestones:

Milestone	Completion Date
Detailed Design Process	Q2 2026*
Preliminary Estimate to inform Petition	Completed
Project Planning Initiated	Completed (May 31, 2024)
Funding Approved	Completed (March 2024)

*Process will only proceed following a successful petition (see Cap Project 17-03)

24-02 | Storage Tank Options Assessment (Complete)

Project Description: Conduct an engineering assessment on options available for replacement of the Skana Water storage tanks. The assessment is to include material options and associated costing, as well as a high-level assessment on installation feasibility.

Project Rationale: Prior to proceeding with tank replacement, a revised options assessment has been proposed to better inform on the potential options and cost implications prior to proceeding to an AAP to secure debt for this replacement project.

Project Update and Milestones:

- The scope of this project is considered complete, and the recommendations were carried forward into a public petition process (Capital Project 17-03).
- Associated Engineering (B.C.) Ltd. have submitted their final draft of the Storage Tank Options Analysis Memo, which recommends replacement with two 46 cubic meter (m³) shop-fabricated welded steel tanks with epoxy coatings. The preliminary cost estimate for this improvement was estimated at \$940,000.
- Comments received at the February 2025 committee meeting were incorporated into the final version of the Storage Tank Options Analysis Memo.

Milestone	Completion Date
Tank Replacement Options Analysis Memo - Final	Completed (April 2025)
Tank Replacement Options Analysis Memo - Final Draft	Completed (February 2025)
Engineering Consultant Site Visit	Completed (Q4 2024)
Engineering Consultant Scope Approved	Completed (Q3 2024)
Project Planning Initiated	Completed (May 31, 2024)
Funding Approved	Completed (March 2024)

Operational Update

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

- Actioned water conservation stages for the service as follows:
 - May 1: Stage 1
 - June 17: Stage 3
 - July 29: Stage 4
 - September 9: Stage 3
- 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 Waugh Road and Georgina Point Road, as requested by the Skana Water Service Committee, by a contractor with support from CRD Communications staff. The old “sandwich board” water conservation signage will no longer be used.
- Emergency replacement of Well #13 deep well pump on July 22. The well pump and motor were removed and found to be irreparable. Given this is the primary water supply for the service, another pump was quickly sourced and installed by a registered company certified to work on wells as required under the *Water Sustainability Act* and the Ground Water Protection Regulation.
- Completed the planned water distribution system flushing preventative maintenance activity on May 15 and June 5. Skana water system users were provided advance, hand delivered, notification of the maintenance activity on May 13, indicating when and why the maintenance is being performed, and what to expect during and after maintenance completion.
- Manual operation of Well #8 commenced in May, as has been done in previous years. The manual operation includes attending to the station and starting and stopping the pump and water treatment operations twice per week for approximately five to six hours to supplement Well #13 water supply. Well #8 operation typically continues into late October when Well #13 water level observations improve, as they have done historically.

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