

Notice of Meeting and Meeting Agenda

Lyall Harbour Boot Cove Water Local Service Committee

Thursday, November 13, 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 917 041 154#

A. Olsen (Chair), J. Money (Vice Chair), P. Brent (EA Director), J. Crerar, T. McLeod

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. [25-1184](#) Minutes of the Lyall Harbour/Boot Cove Water Local Service Committee of June 10, 2025

Recommendation: That the minutes of the Lyall Harbour/Boot Cove Water Local Service Committee meeting of June 10, 2025 be adopted as circulated.

Attachments: [Minutes - June 10, 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.

5.1. Presentations

5.2. Delegations

- 5.2.1. [25-1217](#) Delegation - Peter Clark; Representing Saturna Island Fire Protection Society: Re: Agenda Item 6.3. Capital Projects and Operational Update - November 2025

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. [25-1042](#) Lyall Harbour/Boot Cove Water Service 2026 Operating and Capital Budget

Recommendation: That the Lyall Harbour/Boot Cove Water Local 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 Lyall Harbour/Boot Cove Water Service as presented.

Attachments: [Staff Report: 2026 Operating and Capital Budget](#)
[Appendix A: 2026 Budget - Lyall Harbour/Boot Cove Water Service Budget](#)

- 6.3. [25-1144](#) Capital Projects and Operational Update - November 2025

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

Attachments: [Staff Report: Capital Projects and Operational Update – November 2025](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting will be held in 2026.

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

Meeting Minutes

Lyall Harbour Boot Cove Water Local Service Committee

Tuesday, June 10, 2025

2:00 PM

Goldstream Conference Room
479 Island Hwy
Victoria BC V9B 1H7

PRESENT:

A. Olsen (Chair), J. Money (Vice Chair), P. Brent (EA Director) (EP), J. Crerar, T. McLeod (EP)

STAFF: S. Henderson, General Manager, Electoral Areas (EP); J. Dales, Senior Manager, Wastewater Infrastructure Operations; J. Marr, Senior Manager, Infrastructure Planning and Engineering; J. Kelly, Manager, Capital Projects; C. Moch, Manager, Water Quality; M. Lagoa, Manager, Legislative Services and Deputy Corporate Officer (EP); M. MacDonald, Legislative Services Coordinator (Recorder)

EP - Electronic Participation

The meeting was called to order at 2:02 pm.

1. Territorial Acknowledgement

Chair Olsen provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by J. Money, SECONDED by J. Crerar,
That the agenda for the Lyall Harbour/Boot Cove Water Local Service Committee
meeting of June 10, 2025 be approved.
CARRIED

3. Adoption of Minutes

- 3.1. [25-0661](#) Minutes of the Lyall Harbour/Boot Cove Water Local Service Committee of February 26, 2025

MOVED by J. Crerar, SECONDED by J. Money,
That the minutes of the Lyall Harbour/Boot Cove Water Local Service Committee
meeting of February 26, 2025 be adopted as circulated.
CARRIED

4. Chair's Remarks

There were no Chair's remarks.

5. Presentations/Delegations

There were no presentations or delegations.

6. Commission Business

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

J. Dales presented Item 6.1. for information, and provided the following updates:

- CRD Evolves phase 2 begins on July 7
- creation of new Electoral Areas department
- introduction of new staff support personnel
- installation of water conservation signage will take place later this year

6.2. [25-0667](#) Capital Projects and Operational Update - June 2025

J. Dales and J. Kelly presented Item 6.2. for information.

6.3. [25-0643](#) 2024 Annual Report

J. Dales presented Item 6.3. for information.

Discussion ensued regarding:

- replacement frequency of filtration materials
- community appreciation of safe drinking water

6.4. [25-0677](#) Capital Projects Requiring Funding - Potential Funding Options and Cost Implications

J. Marr presented Item 6.4. for information.

Discussion ensued regarding:

- information being sent to residents along with the petition
- suggestions for topics to be included in Frequently Asked Questions
- options for obtaining elector approval for the loan
- funding request based on required high priority capital plan items
- dam improvements are top priority, safety officer could intervene
- scheduling of community information session

MOVED by A. Olsen, SECONDED by J. Money,

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

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

There was no new business.

9. Adjournment

MOVED by T. McLeod, **SECONDED** by J. Money,
That the Lyall Harbour Boot Cove Water Local Service Committee meeting of
June 10, 2025 be adjourned at 3:33 pm.
CARRIED

Chair

Recorder



Making a difference...together

REPORT TO LYALL HARBOUR BOOT COVE WATER LOCAL SERVICE COMMITTEE MEETING OF NOVEMBER 13, 2025

SUBJECT Lyall Harbour/Boot Cove 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. 1875, "Lyall Harbour/Boot Cove Water Local Services Committee Bylaw 1, 1990".

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 required to operate the service. The Capital Expenditure Plan shows the anticipated expenditure 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.
- Projects already in progress.
- Condition of existing assets and infrastructure.
- Regulatory, environmental, and health and safety factors.

Adjustments for surpluses or deficits from 2025 will 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 2025 operating expenses will be approximately \$51,030 over budget. Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following events:

- Ongoing annual leak detection efforts that exceed operating contingencies.
- Unanticipated additional expenses for the replacement of the water treatment plant filtration media.
- Chlorine chemical feed pump troubleshooting and corrective maintenance.
- Ultraviolet system troubleshooting and corrective maintenance.

These events resulted in additional labour, material and supply costs that exceed operating budget contingencies.

The debt servicing cost will be \$9,833 below the budget since the planned new borrowing of \$460,000 in 2025 is now deferred to 2026.

It is projected that the 2025 operating revenue will be over budget by approximately \$6,113 primarily due to Municipal Finance Authority (MFA) debt reserve earnings due to maturing MFA debt issue LA3587-110 in 2025. This surplus is slightly offset by lower User Fees due to losing one service connection in 2025.

As a result, there is an overall estimated operating deficit of approximately \$35,084 (\$51,030 - \$9,833 - \$6,113). 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 an 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 program funded by the ORF in 2025 for the filtration media replacement in the amount of \$16,500, and in 2026 for water system flushing program in the amount of \$20,000) has increased by \$13,164 (6.7%) compared to 2025. The increase is primarily to account for core inflation and an adjustment to water quality sampling and testing costs for the service.

Municipal Finance Authority (MFA) Debt

Loan Authorization Bylaw 3587 (LA3587) to borrow \$430,000 was approved and adopted in 2008 to construct a new treatment plant, storage tank, and installation of meters.

MFA issued LA3587-106 for \$250,000 borrowing, and \$18,110 of total debt servicing cost was retired in 2024. Issue 110 will be retired in 2025. Therefore, both issues against LA3587 will not be a part of 2026 operating expenditures. The table below is for reference information.

Table 1 – Existing Debt Summary

MFA Issues	Term	Borrowing Year	Retirement Year	Refinance Year	Original Interest Rate	Current Interest Rate	Principal	Principal Payment	Interest Payment	Total Annual Debt Cost
LA3587-106	15	2009	2024	2019	4.13%	2.25%	\$250,000	\$12,485	\$5,625	\$18,110
LA3587-110	15	2010	2025	2020	4.50%	1.28%	\$180,000	\$9,663	\$2,304	\$11,967
Total							\$430,000	\$22,148	\$7,929	\$30,077

Operating Reserve Fund (ORF)

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 changes 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 ranges from \$48,000 to \$110,000.

It is proposed that the 2026 transfer to the ORF be set at \$30,000. The ORF balance at the end of 2025 is projected to be approximately \$9,592. There is \$35,000 planned maintenance to be funded by the ORF over the next five years.

Capital Reserve Fund (CRF)

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 to be maintained for the service is approximately \$653,000.

It is proposed that the budgeted transfer to the CRF be set at \$31,205 in 2026. The CRF balance at the end of 2025 is projected to be \$46,445.

Capital Expenditure Plan

The five-year plan includes \$2,250,000 of expenditures for the period 2026 to 2030 to be funded by a combination of the services' CRF, grant funding, and new debt (debt funded projects are not approved until after the successful petition and loan authorization is in place).

A complete list of capital projects can be found in Appendix A. Some of the most significant debt funded capital projects include:

- Dam Improvement and Regulatory Requirements (22-02), including \$890,000 between previously approved Community Works Funds (CWF), grant funding, and debt funding, to complete the works determined through the Dam Safety Review (DSR) and design processes.
- New Ground Water Well Assessment (25-01) is proposed for quality and quantity testing for the feasibility of incorporating an existing groundwater well into the water supply.
- Storage Tank Condition Assessment and Repair Details (26-01) is an initial budget to assess leaks that have developed in the tank and to develop a remediation plan.
- Water System Improvements (29-01) is a placeholder budget for future improvements that will be further refined following results of groundwater assessment and asset management planning.

Funding of any debt allocated projects is subject to a successful loan authorization bylaw, which will follow the petition process that was undertaken in 2025. Table 2 below provides the future debt servicing cost simulation based on the Five-Year Capital Plan. This simulation is for analytical purposes only with the estimated indicative interest rate provided by MFA at the time of simulation.

Table 2 – Future New Debt Simulation

<i>Future Borrowing(s) Estimation</i>	<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>
	25	2026	2051	4.80%	\$785,000	\$20,020	\$37,680	\$57,700
	25	2027	2052	4.85%	\$415,000	\$10,584	\$20,128	\$30,712
	25	2028	2053	4.85%	\$300,000	\$7,651	\$14,550	\$22,201
	25	2029	2054	4.85%	\$500,000	\$12,752	\$24,250	\$37,002
Total					\$2,000,000	\$51,007	\$96,608	\$147,615

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 \$147,615 equates to approximately \$853.26 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 funding source(s).

User Charge and Parcel Tax

The service is funded by fixed user charge and parcel tax. Properties connected to the water system pay the annual user charge and all properties within the local service area are responsible for the parcel tax. Table 3 below summarizes the 2026 over 2025 changes for parcel tax and user charge.

Table 3 – Parcel Tax and User Charge Summary

<i>Budget Year</i>	<i>Parcel Tax</i>	<i>Taxable Folios Numbers</i>	<i>Parcel Tax per Folio*</i>	<i>User Charge</i>	<i>SFE** Numbers</i>	<i>User Charge per SFE</i>	<i>Parcel Tax & User Charge</i>
2025	\$147,829	174	\$894.20	\$134,860	170	\$793.29	\$1,687.49
2026	\$163,210	173	\$992.94	\$144,300	169	\$853.85	\$1,846.79
Change (\$)	\$15,381	-1	\$98.74	\$9,440	-1	\$60.56	\$159.30
Change (%)	10.40%	-0.57%	11.04%	7.00%	-0.59%	7.63%	9.44%

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

**Single Family Equivalent

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

ALTERNATIVES

Alternative 1

That the Lyall Harbour/Boot Cove Water Local 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 Lyall Harbour/Boot Cove Water Service as presented.

Alternative 2

That the Lyall Harbour/Boot Cove Water Local 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 Lyall Harbour/Boot Cove Water Service as amended.

RECOMMENDATION

That the Lyall Harbour/Boot Cove Water Local 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 Lyall Harbour/Boot Cove 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 - Lyall Harbour/Boot Cove Water Service Budget

CAPITAL REGIONAL DISTRICT

2026 Budget

Lyall Harbour Water

Commission Review

OCTOBER 2025

Service: **2.640 Lyall Harbour Boot Cove Water (Saturna)**

Committee: Electoral Area

DEFINITION:

To provide and operate and maintain a domestic water supply and distribution system for the Saturna Island Water Supply and Distribution System Specified Area in the Lyall Harbour/Boot Cove district on Saturna Island. Bylaw No. 513 (November 22, 1978).

PARTICIPATION:

Specified Area #14 - G(764)

MAXIMUM LEVY:

Greater of \$150,000 or \$6.90 / \$1,000 on actual assessed value of land and improvements.

MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3587 (Jan 14, 2009)		\$430,000
BORROWED:	SI Bylaw 3634 (Aug 12, 2009)	Matured in 2024	\$250,000
BORROWED:	SI Bylaw 3677 (Feb 10, 2010)	Matures in 2025	\$180,000
REMAINING:			<hr/> \$0

COMMITTEE:

Lyall Harbour/Boot Cove Water Committee established by Resolution - September 29, 1982

Lyall Harbour/Boot Cove Water Local Services Committee established by Bylaw No. 1875 (December 12, 1990)

FUNDING:

User Charge:	Annual charge per single family equivalency unit connected to the system.
Parcel Tax:	Annual charge levied only on properties capable of being connected to the system.
Connection Charges:	Actual Cost + 15% Admin Fee (Minimum Connection \$400)

RESERVE FUND:

Bylaw No. 1785 (February 14, 1990)

APPENDIX A

2.640 - Lyall Harbour Water	2025		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2027	2028	2029	2030
<u>OPERATING COSTS</u>										
Repairs & Maintenance	22,330	36,000	7,620	-	20,000	27,620	7,780	7,940	8,100	8,260
Allocations	14,901	14,901	15,666	-	-	15,666	15,975	16,325	16,681	17,034
Water Testing	11,620	15,910	14,150	-	-	14,150	14,430	14,720	15,010	15,310
Electricity	3,870	3,500	3,600	-	-	3,600	3,670	3,740	3,810	3,890
Supplies	6,370	4,340	6,480	-	-	6,480	6,610	6,740	6,870	7,000
Labour Charges	136,580	171,000	144,820	-	-	144,820	147,720	150,670	153,680	156,750
Other Operating Expenses	18,760	19,810	18,759	-	-	18,759	19,245	19,748	20,260	20,816
TOTAL OPERATING COSTS	214,431	265,461	211,095	-	20,000	231,095	215,430	219,883	224,411	229,060
*Percentage Increase over prior year			-1.6%		9.3%	7.8%	-6.8%	2.1%	2.1%	2.1%
<u>DEBT / RESERVES</u>										
Transfer to Operating Reserve Fund	25,000	9,916	30,000	-	-	30,000	28,000	30,000	28,040	28,105
Transfer to Capital Reserve Fund	40,000	20,000	31,205	-	-	31,205	38,630	57,350	50,390	56,725
MFA Debt Reserve Fund	4,680	80	7,850	-	-	7,850	4,150	3,000	5,000	-
MFA Debt Principal	9,663	9,663	-	-	-	-	20,020	30,604	38,256	51,007
MFA Debt Interest	6,385	1,152	28,260	-	-	28,260	42,712	61,445	78,420	96,608
TOTAL DEBT / RESERVES	85,728	40,811	97,315	-	-	97,315	133,512	182,399	200,106	232,445
TOTAL COSTS	300,159	306,272	308,410	-	20,000	328,410	348,942	402,282	424,517	461,505
*Percentage Increase over prior year			2.7%		6.7%	9.4%	6.3%	15.3%	5.5%	8.7%
<u>FUNDING SOURCES (REVENUE)</u>										
Transfer from Operating Reserve Fund	(16,500)	(16,500)	-	-	(20,000)	(20,000)	-	(15,000)	-	-
User Charges	(134,860)	(133,293)	(144,300)	-	-	(144,300)	(151,520)	(159,100)	(167,060)	(175,410)
Grants in Lieu of Taxes	(790)	(790)	(800)	-	-	(800)	(800)	(800)	(800)	(800)
Other Revenue	(180)	(7,860)	(100)	-	-	(100)	(100)	(100)	(100)	(100)
TOTAL REVENUE	(152,330)	(158,443)	(145,200)	-	(20,000)	(165,200)	(152,420)	(175,000)	(167,960)	(176,310)
REQUISITION - PARCEL TAX	(147,829)	(147,829)	(163,210)	-	-	(163,210)	(196,522)	(227,282)	(256,557)	(285,195)
*Percentage increase over prior year										
User Fees			7.0%			7.0%	5.0%	5.0%	5.0%	5.0%
Requisition			10.4%			10.4%	20.4%	15.7%	12.9%	11.2%
Combined			8.8%			8.8%	13.2%	11.0%	9.6%	8.7%

Lyall Harbour Water
 Reserve Summary Schedule
 2026 - 2030 Financial Plan

Reserve/Fund Summary

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Operating Reserve Fund	9,592	19,592	47,592	62,592	90,632	118,737
Capital Reserve Fund	46,445	77,650	116,280	153,630	204,020	260,745
Total	56,037	97,242	163,872	216,222	294,652	379,482

Reserve Schedule

Reserve Fund: 2.640 Lyall Harbour Water System - Operating Reserve Fund - Bylaw 4144

Reserve fund used for: unforeseen operational repairs and maintenance; infrequent maintenance activities such as reservoir cleaning and inspection, filter media replacement etc.

Reserve Cash Flow

Fund: Fund Centre:	1500 105213	Estimated	Budget				
		2025	2026	2027	2028	2029	2030
Beginning Balance		15,576	9,592	19,592	47,592	62,592	90,632
Transfer from Ops Budget		9,916	30,000	28,000	30,000	28,040	28,105
Transfer to Ops Budget		(16,500)	(20,000)	-	(15,000)	-	-
Planned Maintenance Activity		Replace filtration Media	Water system flushing program		Reservoir Drain Clean and Inspection		
Interest Income*		600					
Ending Balance \$		9,592	19,592	47,592	62,592	90,632	118,737

<u>Assumptions/Background:</u>

Set level of transfers in order to avoid spikes in requisition resulting from unforeseen breakdowns in water infrastructure

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

Reserve Fund: 2.640 Lyall Harbour Water System - Capital Reserve Fund - Bylaw 1785

Surplus money from the operation of the water system may be paid from time to time into the reserve fund.

Reserve Cash Flow

Fund: 1025 Fund Centre: 101369	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	44,645	46,445	77,650	116,280	153,630	204,020
Transfer from Ops Budget	20,000	31,205	38,630	57,350	50,390	56,725
Transfer from Cap Fund	-					
Transfer to Cap Fund	(20,000)	-	-	(20,000)	-	-
Interest Income*	1,800					
Ending Balance \$	46,445	77,650	116,280	153,630	204,020	260,745

<u>Assumptions/Background:</u>

To fully fund capital expenditure plan
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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.	2.640	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
	Lyall Harbour Boot Cove Water (Sal)							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$85,000	\$0	\$0	\$0	\$0	\$85,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$690,000	\$930,000	\$415,000	\$320,000	\$500,000	\$0	\$2,165,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$690,000	\$1,015,000	\$415,000	\$320,000	\$500,000	\$0	\$2,250,000

SOURCE OF FUNDS

Capital Funds on Hand	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Debenture Debt (New Debt Only)	\$460,000	\$785,000	\$415,000	\$300,000	\$500,000	\$0	\$2,000,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
	\$690,000	\$1,015,000	\$415,000	\$320,000	\$500,000	\$0	\$2,250,000

Definitions for the 5-year Capital Plan

Asset Class	<p>Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150.</p> <p>L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment</p>
Capital Expenditure Type	<p>Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service.</p> <p>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</p>
Carryforward	<p>Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.</p>
Funding Source	<p>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</p> <p>If there is more than one funding source, additional rows are shown for the project.</p>

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #: 2.640

Service Name: Lyall Harbour Boot Cove Water (Saturna)

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
19-01	Replacement	Air Valve Replacement - Ph 2	Replace aging air valves that are a safety concern.	\$ 25,000	E	Debt	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
19-03	Replacement	Standpipe and Valve Replacement	Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable	\$ 15,000	E	Debt	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
19-05	New	Autoflush Installation	Install 3 autoflushes within the water distribution system to maintain distribution water quality.	\$ 25,000	E	Debt	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
20-02	New	Raw Water Turbidity Meter	Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.	\$ 20,000	E	Debt	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
22-01	New	Install Larger Supply Line to Tank	Construct a larger supply line to the tank to improve system reliability and operation.	\$ 350,000	S	Debt	\$ -	\$ -	\$ 50,000	\$ 300,000	\$ -	\$ -	\$ 350,000
22-02	Renewal	Dam Improvement and Regulatory Requirements	Dam Safety Review (DSR) update and Money Lake Dam safety improvements based on the results of the DSR report.	\$ 890,000	S	Cap	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
22-02	Renewal				S	Debt	\$ 360,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
24-01	Replacement	Culvert Replacement for the Water Service	Saturna Island - Harris Road - Culvert Replacement for the Water Service	\$ 30,000	S	Grant	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
25-01	New	New Ground Water Well Assessment	Groundwater quantity and quality testing for feasibility to incorporate into the water system.	\$ 100,000	S	Debt	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
27-01	New	Groundwater Well Improvements	Placeholder budget to implement improvements to bring well water into service, if deemed feasible in prior studies.	\$ 365,000	S	Debt	\$ -	\$ -	\$ 365,000	\$ -	\$ -	\$ -	\$ 365,000
26-01	Study	Storage Tank Condition Assessment and Repair Details	Assess leaks in storage tank and develop a repair detail and assess sampling requirements. Prelim budget increased to potentially address small scale improvements.	\$ 100,000	S	Debt	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
28-01	New	Petition or Alternative Approval Process	Conduct public consultation to borrow necessary future capital funds (29-01)	\$ 20,000	S	Res	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
29-01	Replacement	Water System Improvements	Future improvements to improve water quality. Project will be further refined following the results of the ground water assessment and additional asset management.	\$ 500,000	S	Debt	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
													\$ -
													\$ -
													\$ -
			Grand Total	\$ 2,440,000				\$ 1,015,000	\$ 415,000	\$ 320,000	\$ 500,000	\$ -	\$ 2,250,000

APPENDIX A

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)			
Project Number 19-01	Capital Project Title Air Valve Replacement - Ph 2	Capital Project Description Replace aging air valves that are a safety concern.	Project Rationale The air valves are 35 years old and are corroded, giving rise to safety concerns.
Project Number 19-03	Capital Project Title Standpipe and Valve Replacement	Capital Project Description Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable	Project Rationale The standpipe valves at 119 and 155 East Point Road are seized and inoperable. Therefore, the operators cannot use them for flushing or draining of the mains. It is proposed the valves and corroded 50mm supply line to the standpipe be replaced. The scope of work and material pricing was re-evaluated in 2016. It was determined that the budget needed to be increased from \$5,000 to \$8,000 to accommodate the required works.
Project Number 19-05	Capital Project Title Autoflush Installation	Capital Project Description Install 3 autoflushes within the water distribution system to maintain distribution water quality.	Project Rationale Three watermain require frequent flushing to maintain disinfectant residuals and water quality. Flushing requires operator time which can be utilized conducting other maintenance tasks. Funds are required to construct 3 autoflushes.
Project Number 20-02	Capital Project Title Raw Water Turbidity Meter	Capital Project Description Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.	Project Rationale Install a new turbidity meter in the raw water line to aid in operation of the WTP.

APPENDIX A

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)			
Project Number 22-01	Capital Project Title Install Larger Supply Line to Tank	Capital Project Description Construct a larger supply line to the tank to improve system reliability and operation.	Project Rationale The supply line to the tank is undersized, installation of a larger supply line will improve operation. Funding is required to construct a larger supply line to the tank.
Project Number 22-02	Capital Project Title Dam Improvement and Regulatory Requirements	Capital Project Description Dam Safety Review (DSR) update and Money Lake Dam safety improvements based on the results of the DSR report.	Project Rationale Conduct Dam Safety Review (DSR) report to meet regulatory requirements. Seismic assessment and infiltration assessment. Design and implementation of dam improvements. Work will include filter blanket installation, dam break analysis, DEP update and otehr improvements recommended through the Dam Safety Review.
Project Number 24-01	Capital Project Title Culvert Replacement for the Water Service	Capital Project Description Saturna Island - Harris Road - Culvert Replacement for the Water Service	Project Rationale Culvert replacement through coordination with Ministry of Transportation.
Project Number 25-01	Capital Project Title New Ground Water Well Assessment	Capital Project Description Groundwater quantity and quality testing for feasibility to incorporate into the water system.	Project Rationale Conduct hydrogeological assessments nad water quality testing of the newly acquired groundwater well.

APPENDIX A

Service:	2.640	Lyall Harbour Boot Cove Water (Saturna)
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Project Number	27-01	Capital Project Title	Groundwater Well Improvements	Capital Project Description	Placeholder budget to implement improvements to bring well water into service, if deemed feasible in prior studies.
Project Rationale	ADD RATIONALE				

Project Number	27-01	Capital Project Title	Groundwater Well Improvements	Capital Project Description	Placeholder budget to implement improvements to bring well water into service, if deemed feasible in prior studies.
Project Rationale	Engineering condition assessment of the storage tank and known leak points to try and develop effective repair details.				

Project Number	28-01	Capital Project Title	Petition or Alternative Approval Process	Capital Project Description	Conduct public consultation to borrow necessary future capital funds (29-01)
Project Rationale	AAP for future projects.				

Project Number	29-01	Capital Project Title	Water System Improvements	Capital Project Description	Future improvements to improve water quality. Project will be further refined following the results of the ground water assessment and additional asset management.
Project Rationale	Asset management report card provided in 2023 indicated the aging infrastructure and high upcoming renewal costs. Temporary placeholder budget with project requirements to be further refined with ongoing asset management planning.				

2.640 - Lyall Harbour

Capital Projects

Updated @ Sep 26, 2025

Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2022	CE.781.5501	22-02	Open	Money Lake Dam Improvements & Regulatory Requirements	390,000	152,229	237,771	390,000
2025	CE.781.4501	19-04	Open	AAP/Petition	20,000	5,695	14,305	20,000
				Totals	410,000	157,925	252,076	410,000

Service: **2.640 Lyall Harbour Water**Committee: **Electoral Area**

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel tax per Folio</u>	<u>Number SFE's</u>	<u>User Charge per SFE</u>	<u>Total Tax & Charges</u>	<u>Bylaw</u>	<u>Actual Assessments \$(000's)</u>
2017	174	\$667.25	160	\$535.34	\$1,202.59	4170	\$53,211
2018	174	\$667.25	160	\$585.06	\$1,252.31	4233	\$56,853
2019	174	\$720.90	161	\$624.84	\$1,345.74	4274	\$58,914
2020	171	\$806.49	164	\$638.74	\$1,445.23	4337	\$63,382
2021	171	\$786.22	164	\$667.45	\$1,453.67	4389	\$65,218
2022	171	\$806.67	164	\$684.78	\$1,491.45	4471	\$87,745
2023	173	\$809.33	164	\$730.88	\$1,540.21	4524	\$96,587
2024	173	\$855.97	166	\$772.98	\$1,628.95	4587	\$92,331
2025	174	\$894.20	170	\$793.29	\$1,687.49	4649	\$92,604
2026	173	\$992.94	169	\$853.85	\$1,846.79		

Change from 2025 to 2026

\$98.74

11.04%

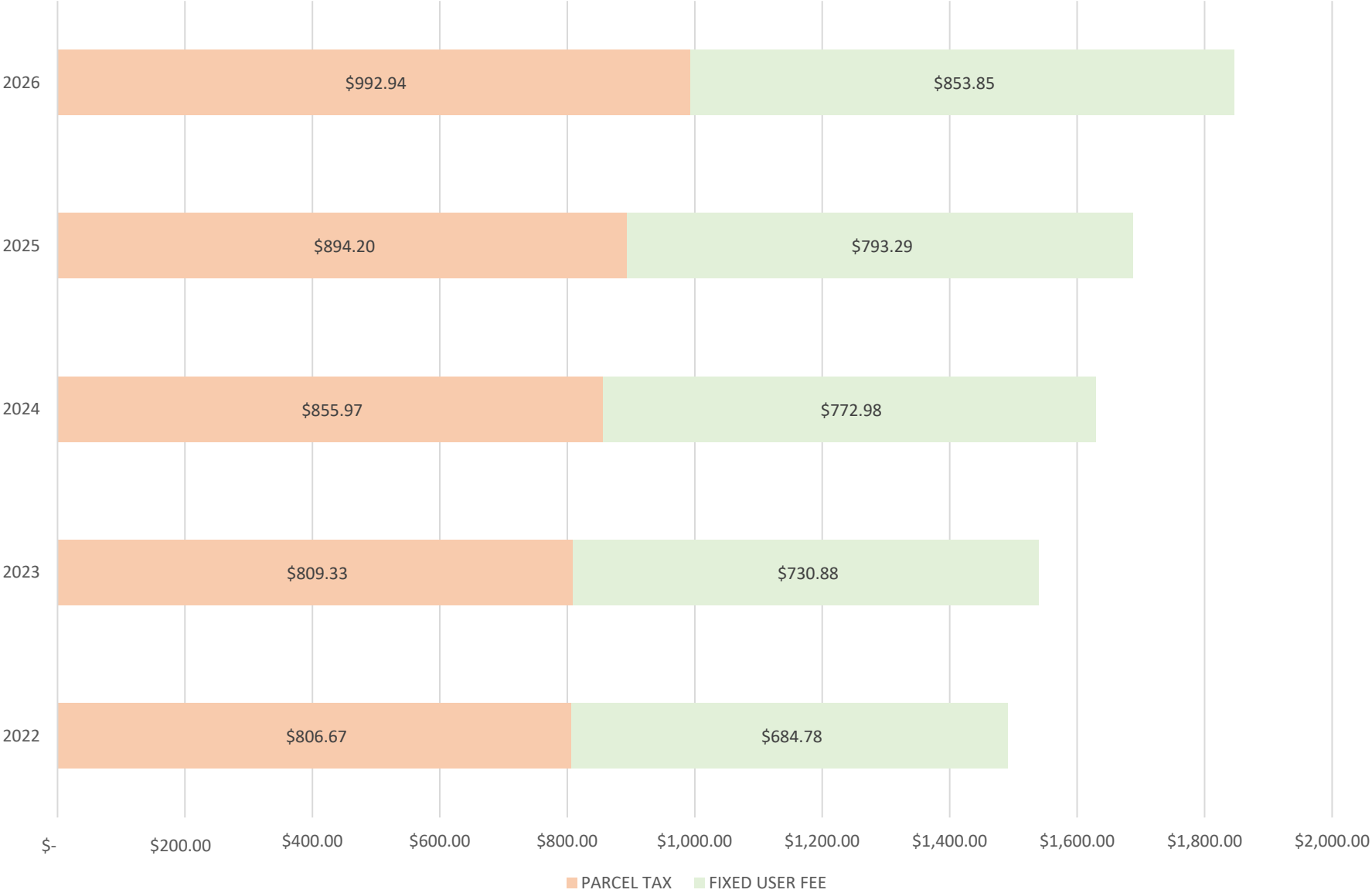
\$60.56

7.63%

\$159.30

9.44%

Lyall Harbour Water System
Funding Analysis 2022 - 2026



REPORT TO LYALL HARBOUR BOOT COVE WATER LOCAL SERVICE COMMITTEE MEETING OF NOVEMBER 13, 2025

SUBJECT Capital Projects and Operational Update – November 2025

ISSUE SUMMARY

To provide the Lyall Harbour/Boot Cove (LH/BC) Water Local Service Committee with capital project status reports and operational updates.

BACKGROUND

The LH/BC Water System is located on the west side of Saturna Island in the Southern Gulf Islands Electoral Area and provides drinking water to approximately 166 single family equivalents. 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 Infrastructure Water Operations divisions. The quality of drinking water provided to customers in the LH/BC Water System is overseen by the CRD Water Quality division.

CAPITAL PROJECT UPDATE

19-04 | 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 dam improvements and a future ground well suitability study, are deemed necessary for the water service and Capital Reserves are insufficient to cover the capital costs.

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

Project Update and Milestones:

- Following the November 20, 2023, budget meeting, it was agreed that staff would initiate the process once certainty around obtaining use of a well on private land was clear so that this potential water source could be factored into the future planning.
- Progress was made in 2024 regarding access to the private well. CRD re-engaged Thurber Engineering and a Civil Engineering sub-consultant to further progress updating the design, quantities, and cost estimate for the dam improvements project (22-02) to better inform debt funding requirements for a single petition in 2025.
- A petition process was undertaken in the second and third quarter (Q2/Q3) of 2025 and was successful.

- CRD will proceed with the remaining steps to secure a loan authorization bylaw based on this petition, which could take until Q2 2026. With the anticipation of a successful Loan Authorization Bylaw in place, staff will plan to progress debt funded works in 2026.

Debt Funded Projects dependent upon 19-04 Petition:

Project Number	Capital Project Title
19-01	Air Valve Replacement – Phase 2
19-03	Standpipe and Valve Replacement
19-05	Autoflush Installation
20-02	Raw Water Turbidity Meter
22-01	Install Larger Supply Line to Tank
22-02	Dam Improvement and Regulatory Requirements
25-01	New Groundwater Well Assessment
27-01	Groundwater Well Improvements
26-01	Storage Tank Condition Assessment and Repair Details

22-02 | Dam Improvements & Regulatory Requirements

Project Description: Seismic reinforcement of Money Lake Dam based upon the 2011 Dam Safety Review (DSR), subsequent site investigations, and seismic assessment. Includes seepage pit construction and 2022 Dam Safety Review Audit.

Project Rationale: This is a continuation of project 18-03, where seismic reinforcement of the Money Lake Dam will commence. Funds are required to retain a contractor to undertake the works and retain a consultant to conduct the dam safety review.

Project Update and Milestones:

Milestone	Completion Date
Community Works Funds Approval	October 10, 2021
Consultant Contract Award	July 27, 2022
Consultant field investigation	August 31, 2022
Draft Dam Safety Review submission and CRD review meeting	January 27, 2023
Dam Safety Review Report - Final	March 15, 2023
Toe Filter Design Memo	March 27, 2023
Seismic Stability Assessment	April 21, 2023
Growing Communities Fund Grant Application – Not Approved	September 13, 2023
Action Planning Memo to address DSR items presented to Commission	June 27, 2024
50% design submission for filter blanket and pipe upgrades submitted for review	Q1 2025
Petition for loan authorization	Q4 2025
Loan Authorization Completion	Q2 2026 (Forecasted)

OPERATIONAL UPDATE

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

- Preventative maintenance completed on the raw water seepage pit infrastructure. Debris and silt were cleared and removed to optimize the infiltrator operation and seepage pit performance.
- Corrective maintenance completed on the raw water recirculation pump and reinstalled for operation during the dry weather period.
- Installed well level data logger equipment in the newly acquired well in an effort to collect critical water level data to inform pending ground water well assessment capital work.
- Continued response and effort during this reporting period related to leak detection due to high daily water production. Several properties were identified as having leaks. Water was turned off and residents were notified.
- Leak repair completed on Waveney Road.
- Corrective maintenance performed on the leaking water tank. A leak repair procedure was provided by the tank manufacturer. Unfortunately, this work was unsuccessful, and the tank continues to leak. Further work is pending to address this issue.
- Completed the replacement of the water treatment filtration media during this reporting period. Ongoing filtration process optimization continues with good results currently being observed.
- Preventative maintenance completed on the raw water surge tank. This critical maintenance includes the draining and removal of silt in preparation for the fall and winter operations of the utility to reduce the risk of turbidity excursions.
- Routine drinking water system inspection was conducted of the LH/BC water system on September 17. The inspection was coordinated with an Environmental Health Officer and supported by Infrastructure Water Operations. An inspection report was issued and is being reviewed by CRD staff.

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