



Notice of Meeting and Meeting Agenda Fulford Water Service Commission

Tuesday, September 29, 2026

1:00 PM

SIMS Boardroom
124 Rainbow Road
Salt Spring Island BC

Budget

[MS Teams Meeting Streaming Link](#)

C. Eyles (Chair), G. Holman (Director), D. Thompson, B. Walker, G. Weitzel

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. [26-1016](#) Minutes of October 14, 2025 Fulford Water Service Commission

Recommendation: That the minutes of the October 14, 2025 meeting be adopted as circulated.

Attachments: [Minutes: October 14, 2025](#)

4. Presentations/Delegations

Delegations will have the option to participate electronically. Please complete the online application for "Addressing the Fulford Water Service Commission" on our website and staff will respond with details. Requests must be received no later than 4:30 p.m. two calendar days prior to the meeting.

5. Commission Business

5.1. [26-1017](#) Ratepayer Communication Regarding Annual Billing Rates

Recommendation: That the Fulford Water Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Attachments: [Staff Report: Ratepayer Communication Regarding Annual Billing Rate](#)
[Appendix A: 2026 Fulford Water Rates](#)

5.2. [26-1062](#) Asset Replacement Report Card

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

Attachments: [Staff Report: Asset Replacement Report Card](#)
 [Appendix A: Asset Replacement Report Card- 2026 Fulford Water Service](#)

5.3. [26-1018](#) 2027 Operating and Capital Budget

Recommendation: That the Fulford Water Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Fulford Water Service as presented.

Attachments: [Staff Report: 2027 Operating and Capital Budget](#)
 [Appendix A: 2027 Budget Fulford Water Service Budget](#)

6. Adjournment**Next Meeting:**

- TBD

Meeting Minutes - Draft

Fulford Water Service Commission

Tuesday, October 14, 2025

1:00 PM

SIMS Boardroom
124 Rainbow Road
Salt Spring Island BC

Budget

PRESENT:

COMMISSION MEMBERS: C. Eyles (Chair), G. Holman, A. Martin, D. Thompson, B. Walker (EP)

STAFF: S. Henderson, General Manager, Electoral Area Services; D. Ovington, Senior Manager, SSI Administration; J. Bilodeau, Manager, Local Services Water and Wastewater Ops.; C. Hopp, Manager SSI Engineering, SSI Administration; L. Xu, Manager, Local Area Services, Finance Services; K. Vincent, Senior Financial Advisor, Finance Services (EP); and M. Williamson, Committee Clerk, (Recorder)

Electronic Participation- (EP)

These minutes follow the order of the agenda although the sequence may have varied.

The meeting was called to order at 01:02 pm.

1. Territorial Acknowledgement

Commissioner Eyles provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Commissioner Martin, **SECONDED** by Commissioner Thompson,
That agenda for the October 14, 2025, Budget Meeting of the Fulford Water
Services Commission be approved as presented.

CARRIED

3. Adoption of Minutes

3.1.

Minutes of October 21, 2024 Fulford Water Commission

MOVED by Commissioner Thompson **SECONDED** by Commissioner Martin,
That the minutes of the October 21, 2024 meeting be adopted as circulated.

CARRIED

4. New Business

4.1. Historical Consumption Data for Commercial and Residential Properties

This report was received for information.

Discussion ensued regarding historical water consumption information and its use in informing future water rate discussions.

- additional system metering would improve data of water use

4.2. 2026 Operating and Capital Budget

MOVED by Director Holman, **SECONDED** by Commissioner Walker,
That the Fulford Water Service Commission direct staff to amend the 2.626
Fulford Water 2026-2030 Five Year Capital Plan for project 26-02 "Fulford
Reservoir Security Improvements" \$40,000 to be funded from debt instead of
Capital Reserve.

CARRIED

MOVED by Commissioner Eyles, **SECONDED** by Commissioner Martin,
That the Fulford Water Service Commission recommend that the Electoral Areas
Committee recommend that the CRD Board approve the 2026 Operating and
Capital Budget and the Five-Year Financial Plan for the Fulford Water Service as
amended with specific direction on amendments.

CARRIED

5. Adjournment

MOVED by Commissioner Thompson, **SECONDED** by Commissioner Martin,
That the Fulford Water Service Commission adjourn the meeting at 02:42pm.
CARRIED

CHAIR

SENIOR MANAGER

**REPORT TO FULFORD WATER SERVICE COMMISSION
MEETING OF TUESDAY, SEPTEMBER 29, 2026**

SUBJECT Ratepayer Communication Regarding Annual Billing Rates

ISSUE SUMMARY

This report responds to the request for ways to improve communication of annual rates with ratepayers of the Fulford Water Service.

BACKGROUND

The Fulford Water Service currently communicates with ratepayers through quarterly billing notices, annual rate notices, public Commission meetings, annual reports, service alerts, and information posted on the Capital Regional District (CRD) website. Financial information is also provided through the annual budget process, annual reporting, and project-specific reports presented at public Commission meetings. These communication practices are consistent with the level of reporting provided across other Salt Spring Island CRD utility services.

Staff have heard from a number of Salt Spring Island CRD water commissions that there is interest in increased communication regarding utility rate increases and the factors driving those increases. While the current reporting framework provides information through budgets, annual reports, public meetings and the Fulford water service webpage, there may be opportunities to improve ratepayer understanding through enhanced communication materials that explain major cost drivers, capital investment requirements, and financial planning considerations associated with annual rate adjustments.

Billing rates are typically presented to the Commission in the fall and approved by the CRD Board in December with new rates coming into effect January 1 of the following year. Parcel tax, which is subject to change, receives final approval by the CRD Board in March and is billed through the annual property tax. These updated rates are posted on the CRD website (Appendix A) but do not include an explanation of the cost drivers or capital investment requirements.

ALTERNATIVES

Alternative 1

That the Fulford Water Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Alternative 2

That the Fulford Water Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers and advertise the annual budget meeting online and through notices mailed to each household in the service area and increase future advertising of budgets accordingly.

Alternative 3

That the Fulford Water Service Commission refer the report back to staff for additional consideration.

IMPLICATIONS

Financial Implications

Current communication tools provide ratepayers with access to service, financial and governance information through a variety of established channels. Opportunities to expand awareness of annual budget discussions and improve understanding of utility rates and parcel taxes are available, although may result in additional costs to the service.

Potential enhancements include:

- Advertising annual budget meetings on the Salt Spring Exchange, similar to the current practice for the Annual General Meeting (AGM).
- Providing mailed notices to ratepayers advising them of upcoming budget meetings and opportunities for public participation, similar to the current practice for the AGM.
- Including an explanation of annual costs per resident and major budget drivers with first-quarter paper billing notices.
- Including the same information as an attachment or link within the electronic billing.

The cost to advertise annual budget meetings is estimated at approximately \$50 per notice in the Salt Spring Exchange. Direct mail notifications would cost approximately \$3 per household for printing and postage and would result in an additional operating expense to the service each year.

There would be no significant additional cost associated with including an “explanation” of annual costs including rate increases and major budget drivers with first-quarter paper or electronic billing notices as staff already prepare an explanation of annual costs that is then posted on the website.

Advertising AGM meeting dates by written notice at least 30 days prior to the date of the AGM is a requirement of the Committees Bylaw #3693. Advertising budget meetings is not a requirement.

CONCLUSION

The Fulford Water Service currently provides ratepayers with information through a variety of established communication channels. Opportunities exist to improve awareness of annual rate changes and budget drivers through enhanced communication materials and promotion of budget meetings. Several options could be implemented through existing billing processes with minimal additional cost, while others would require additional funding to support an increased level of service.

RECOMMENDATION

That the Fulford Water Service Commission direct staff to include an explanation of rate increase and main cost drivers with quarter one billing to ratepayers.

Submitted by:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services

ATTACHMENT

Appendix A: 2026 Fulford Water Rates

2026 Water Rates

Fulford Water Service Area

Appendix A



Capital Regional District | Effective January 1, 2026

Explanation of annual costs per resident

- The Capital Regional District bills Salt Spring Island residents on a quarterly cycle.
- The total annual Fixed Use Charge is divided up into quarterly payments.
- There is no metered water consumption charge for a single-family dwelling or equivalent.
- The Parcel Tax is an annual fee and will appear separately on your property tax bills.

	2025	2026
FIXED USE CHARGE		
Per single family dwelling unit or equivalent	\$445.32 / quarter (\$1,781.26 total annual)	\$458.69 / quarter (\$1,834.74 total annual)
WATER CONSUMPTION CHARGE**	Commercial only	Commercial only
Per m ³ of metered water consumed	\$3.71	\$3.71
PARCEL TAX		
(appears on property tax bill)	\$587.01	\$677.62

Note: 1 cubic metre (1 m³) = 1,000 litres = 220 imperial gallons

** Minimum Consumption Charge per three months is \$458.69 per service connection

Additional information

- Watch for a notice of meeting date for the Fulford Water Service Annual General Meeting.
- 2026 Parcel Tax, which is subject to change, is based on the CRD's Financial Plan. The Financial Plan, with possible revisions, will receive final approval by the CRD Board in March of 2026.
- Payment is due within 30 days of issuing the water bill. A late payment charge of 1.5% will be added after the billing due date.

For more information on your water service, including water conservation tips, visit www.crd.ca/fulford-ws.

Report water emergencies toll free at 1.855.822.4426. Billing questions toll free at 1.800.663.4425 (ask for utility billing).

**REPORT TO FULFORD WATER SERVICE COMMISSION
MEETING OF TUESDAY, SEPTEMBER 29, 2026**

SUBJECT Asset Replacement Report Card

ISSUE SUMMARY

The purpose of this report is to provide the Fulford Water Service Commission with an asset replacement report card for the Fulford Water Service System.

BACKGROUND

The Capital Regional District (CRD) has prepared Asset Replacement Report Cards for a number of local utilities including the Fulford Water Service System located on Salt Spring Island. Asset Replacement Report Cards are prepared to support long-term asset management and financial planning. The reports provide a snapshot of asset condition based on age, expected service life and replacement value. This information will assist CRD staff in identifying future infrastructure renewal requirements and developing sustainable funding strategies. As well as the commissioners to understand how their short term decisions are part of a long term plan.

An asset register was prepared for each service using the inventory of all existing assets from the CRD's maintenance management and geographic information systems. Newly constructed assets and assets under construction are included in the asset register. The asset inventory and asset conditions were verified by site visits and discussions with system operators.

The Fulford Water Service includes:

- 6.6 km of distribution mains
- 1 Pressure Reduction Value (PVR) station
- 1 pump station
- 1 water meter station
- 1 storage tank
- 1 treatment plant

IMPLICATIONS

Financial Implications

The service has a total asset inventory of 348 assets and a replacement values of approximately \$15 million. The overall service condition is fair with no immediate financial implications associated with the report, however the report identifies:

- Approximately \$500,000 in backlog renewals
- Approximately \$12 million in asset replacement needs over the next 40 years
- An average annual capital renewal requirement of approximately \$298,000 if grants cannot be accessed.

CONCLUSION

The Asset Replacement Report Card indicates that the Fulford Water Service is in Fair overall condition. The report highlights the need for ongoing asset renewal planning to address aging infrastructure and support long-term service reliability. The findings will help inform future budgeting, reserve funding, and capital investment decisions for the service.

RECOMMENDATION

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

Submitted by:	Carolyn Hopp, P.Eng., Manager Engineering, Salt Spring Electoral Area
Concurrence:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services

ATTACHMENT

Appendix A: Asset Replacement Report Card- 2026 Fulford Water Service

Asset Replacement Report Card

2.626 Fulford Water Service

Replacement Cost

\$15M

Service Condition

Fair

Asset Count

348

Value/Property*

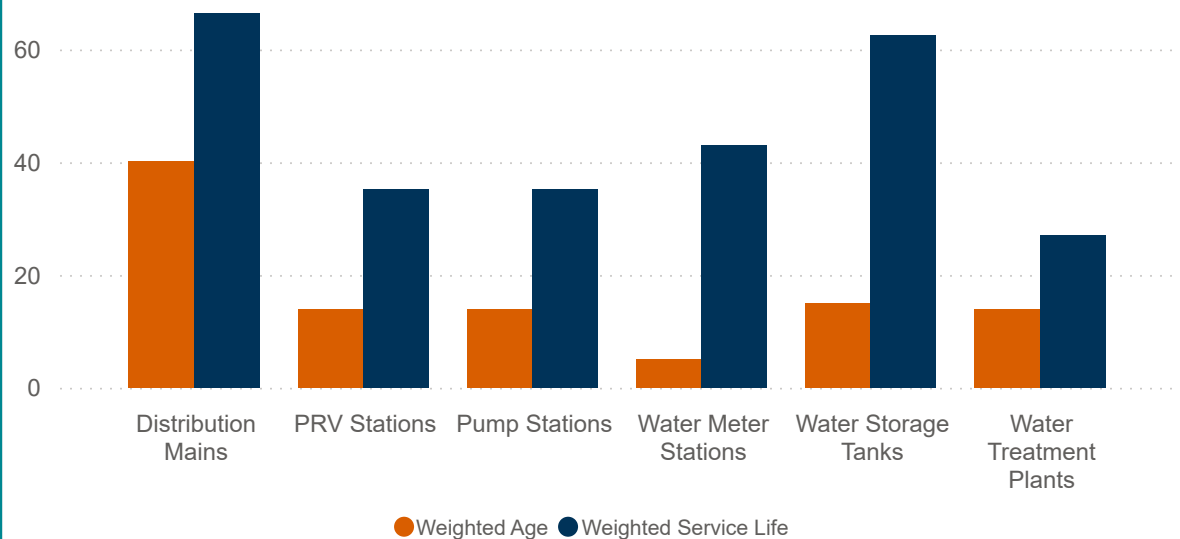
\$163K

Summary

Distribution Mains	6.6 km
PRV Stations	1
Pump Stations	2
Water Meter Stations	1
Water Storage Tanks	1
Water Treatment Plants	1

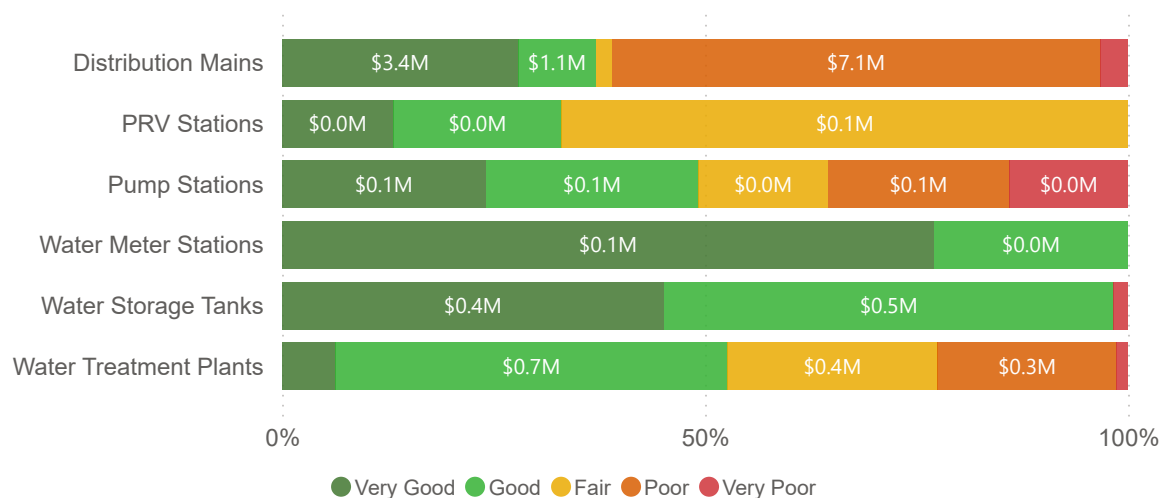
*Based on 92 properties

Asset Service Life



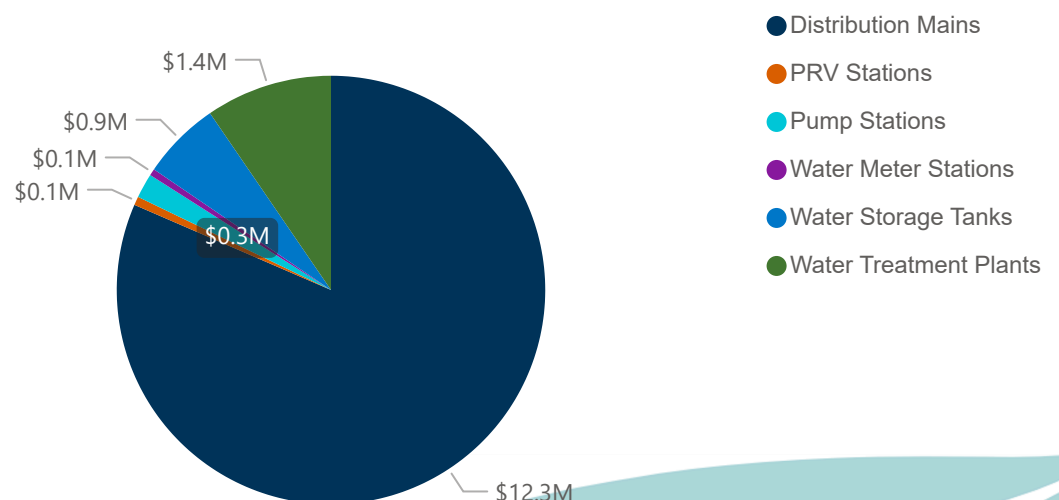
The Asset Service Life chart shows the average expected service life of each asset class in relation to the average age of the assets within the category. A weighted average is used based on replacement value.

Asset Condition by Category



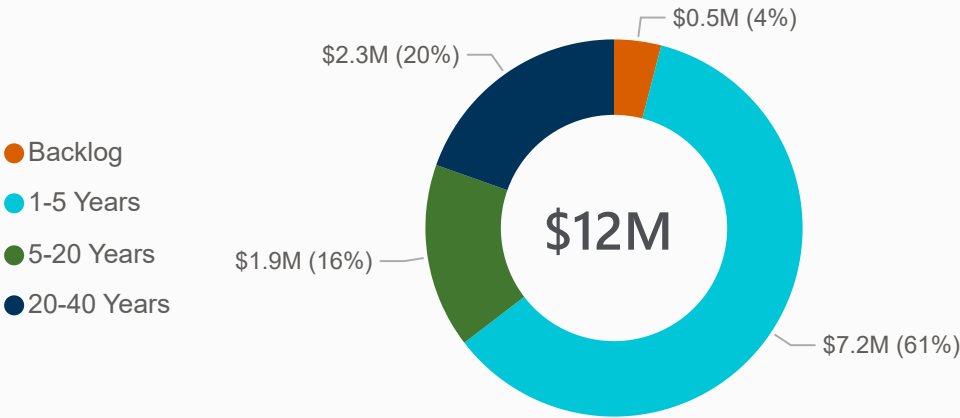
Overall condition rating of the asset categories is based on remaining expected service life. Replacement values are shown in relation to the condition rating.

Asset Replacement Cost by Category



Fulford Water Service

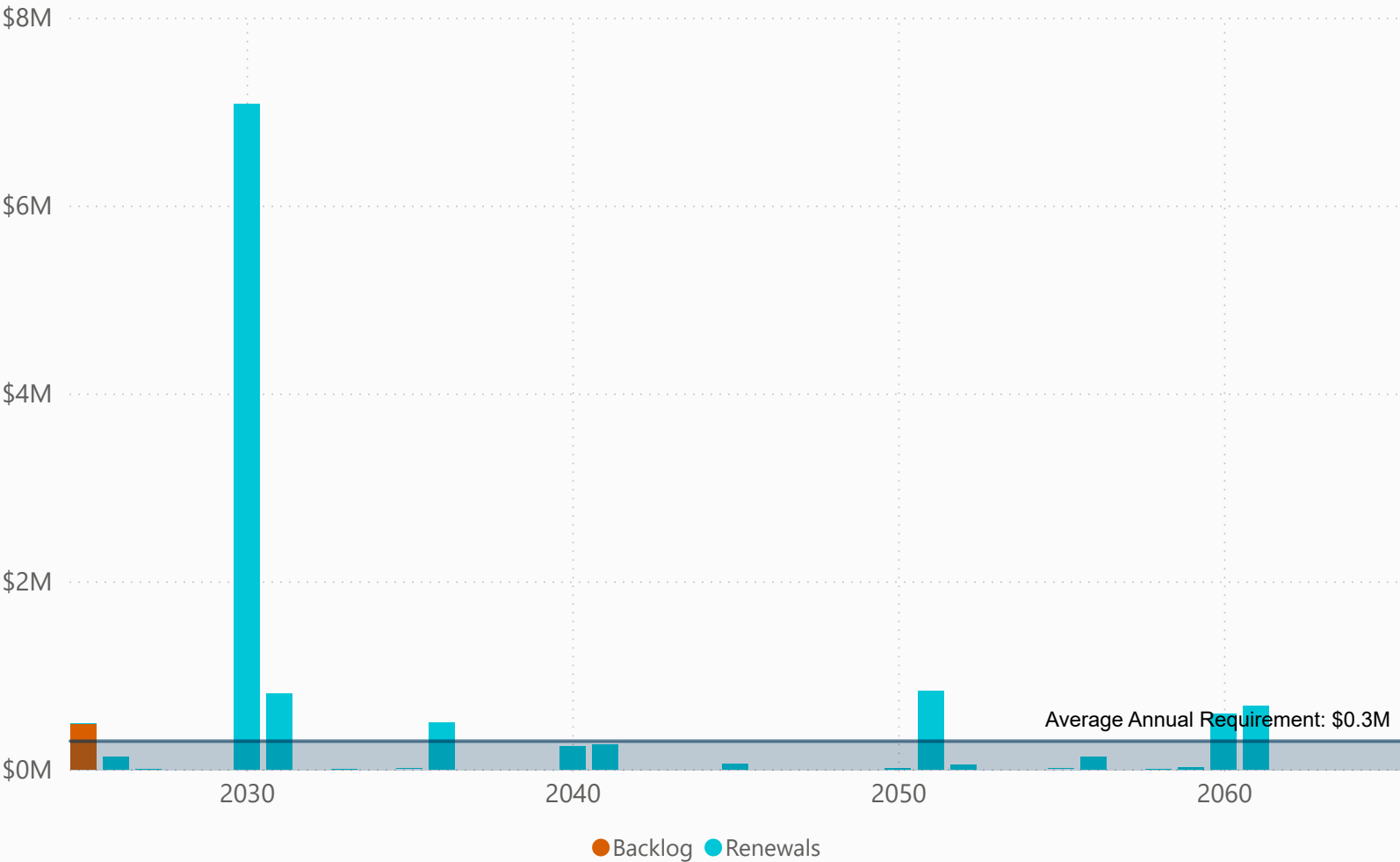
40-Year Asset Renewal Cost



In the next 40 years, it is estimated that \$12M in assets will need to be replaced (an average of \$298K per year)

Approximately \$7.2M of these replacements are for water mains. There are \$500K in assets identified as backlog; these are assets that have passed their expected service life and could be due for replacement or fail unexpectedly.

40-Year Capital Renewal Forecast



The capital renewal forecast is based on the expected service life of assets and their replacement cost (in 2025 dollars). Instances where an asset requires multiple replacements over the 40 year period are accounted for in the projection. Since backlog assets are beyond their expected service life, they may fail prior to renewal. Given the large renewal cost in some years, a replacement plan can be developed to spread the renewals out over multiple years. A more comprehensive long-term financial plan will inform replacement planning for budgeting purposes.

The report card is intended for a high level overview and for budgeting and capital planning purposes in conjunction with other asset and financial planning processes.

**REPORT TO FULFORD WATER SERVICE COMMISSION
MEETING OF TUESDAY, SEPTEMBER 29, 2026**

SUBJECT 2027 OPERATING AND CAPITAL BUDGET

ISSUE SUMMARY

To present the 2027 operating and capital budget for Commission 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 3693, "Salt Spring Island Water, Sewer and Liquid Waste Disposal Commissions Bylaw No. 1, 2010"

BACKGROUND

The Capital Regional District (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 therefore, prepared the financial plan shown in Appendix A.

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

In preparing the Operating Budget, CRD staff considered:

1. Actual expenditures incurred between 2024 and 2026
2. Anticipated changes in level of service (if any)
3. Maximum allowable tax requisition
4. Annual cost per taxpayer and per SFE

Factors taken into consideration in the preparation of the Capital Expenditure Plan included:

1. Available funds on hand
2. Projects already in progress
3. Condition of existing assets and infrastructure
4. Regulatory, environmental and health and safety factors

Adjustments for surpluses or deficits from 2026 may be made in January 2027. The CRD Board will give final approval to the budget and financial plan in March 2027.

The Financial Plan for the years 2028 – 2031 is forecasted and can be updated in future years.

BUDGET OVERVIEW

Operating Budget

It is projected that operating expenses in 2026 will be approximately \$2,539 under budget. The slight surplus is mainly due to lower repairs and maintenance costs than budgeted.

The debt servicing cost will be \$2,057 below the budget since \$90,000 of the planned borrowing of \$270,000 in 2026 is now deferred to 2027.

It is projected that the 2026 operating revenue will be approximately \$11,555 under budget. The major contributing factor for the revenue deficit was due to an estimated water sales refund of \$7,175 for over estimated water consumption through 2025 which is processed in 2026. This account was investigated and the water meter was serviced for potential inaccuracy. The user had incorporated low flow fixtures which resulted in approximately 35% less usage. The meter was proven to be accurate before a credit was issued.

This results in a projected overall operating deficit of approximately \$6,959 (\$2,539 + \$2,057 - \$11,555). To balance the operating budget at the end of year, the actual surplus or deficit will be balanced with 2026 reserve fund transfers, namely the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF). In the event of the deficit cannot be fully recovered by reserve transfers in 2026, the deficit must immediately be included as expenditure to be recovered from revenue in 2027 financial plan as required by *Local Government Act* (LGA) Section 374(11).

The 2027 over 2026 operating costs has been increased by \$23,198 (13%). The increase is to account for core inflation, increase in waste sludge disposal charges and rising labour costs.

Municipal Finance Authority (MFA) Debt - Approved

Loan Authorization Bylaw 3758 to borrow \$225,000 was approved and adopted in 2011 for upgrading water systems. Table 1 below summarizes the detailed information for existing MFA debt issues related to LA3758. This existing debt will be paid off in 2027.

Table 1 – Existing Debt Summary

<i>MFA Issues</i>	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Refinance Year</i>	<i>Original Interest Rate</i>	<i>Current Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
LA3758-118	15	2012	2027	2022	3.40%	3.39%	\$145,000	\$8,327	\$2,458*	\$10,785
LA3758-121	15	2012	2027	2022	2.90%	3.39%	\$25,000	\$1,342	\$848	\$2,190
Total							\$170,000	\$9,669	\$3,306	\$12,975

**Spring borrowing; interest payment is half in the year of retirement.*

After a successful petition obtaining public assent in 2026, ***Loan Authorization Bylaw 4749*** to borrow up to \$270,000 was approved and adopted to complete the Supervisory Control and Data Acquisition (SCADA) infrastructure and installation of security fencing around the treatment plant.

The MFA issues long-term debt twice a year, in the spring and in the fall. To provide timely access to funding for the cashflow requirements of project delivery, short-term borrowing will be utilized and later be converted to the long-term debt issues.

The debt costs of \$21,805 budgeted in 2027 are only an estimate based on many variable assumptions including, but not limited to, cashflow projection, the timing of the temporary loan and its conversion to long-term debt, variable interest rates on the temporary loan, and indicative interest rates for the long-term issues. Actual debt costs are expected to stabilize over the next two or three years once the long-term issues are locked down with the actual interest rates and terms. The actual debt costs associated with the long-term issues will be presented in future reports, similar to Table 1 above once the information becomes available.

Operating Reserve Fund

Operating Reserve Fund (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 also 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 \$35,000 to \$80,000.

It is proposed that 2027 transfers to the operating reserve fund be set at \$10,055. The Operating Reserve Fund balance at the end of 2026 is projected to be approximately \$36,966. There is \$20,000 of planned maintenance to be funded by the Operating Reserve Fund over the next five years.

Capital Reserve Fund

The Capital Reserve Fund (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 \$592,000.

It is proposed that the 2027 capital reserve fund transfer (CRF) be set at \$60,000. The balance of the Capital Reserve Fund at the end of 2026 is projected to be \$174,785. A total of \$285,000 will be required from capital reserves over the next five years to support the capital expenditure plan.

Capital Expenditure Plan

The 5-year plan includes \$4,370,000 of expenditures to be funded by a combination of the service's Capital Reserve Fund, grants, capital funds on hand, and debt.

Current capital projects that are already in progress and funded include construction of the critical upgrade to the PLC and SCADA at the water treatment plant (24-07) and installation of the security fence at the Fulford Reservoir (26-02).

New capital projects scheduled for 2027 include:

1. Design of replacement of the AC mains in downtown Fulford (28-02) \$50,000 funded by reserve
2. Update the Asset Management Plan (27-01) for \$30,000 total, funded by \$20,000 grant and \$10,000 reserve
3. Investigate alternatives for disposal of DAF residuals (25-02), for \$5,000 funded by reserve
4. OH&S Eyewash/Shower improvements (27-02), for \$15,000 funded by reserve

Future projects for 2028-2031 are the phased AC pipe replacement, design of the supply main replacement, residential water meters and UV system replacement.

Table 2 below provides the future debt servicing cost simulation for analytical purposes only with the indicative interest rate provided by MFA at the time of simulation. The debt servicing is for *Water main replacement* project (25-01) for a total of \$3,500,000. The total project budget is \$4,500,000, and only \$3,500,000 of debt planned in 2030 and 2031 is simulated in the table below as the remaining budget of another \$1,000,000 is outside the scope of the five-year 2027-2031 capital plan. Debt funded projects will be carried out upon receiving electoral consent. Please refer to the 2027 – 2031 Five-Year Capital Plan for details on these three projects.

Table 2 – Future New Debt (Unapproved) 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	2030	2055	4.90%	\$1,500,000	\$38,256	\$73,500	\$111,756
	25	2031	2056	4.90%	\$2,000,000	\$51,007	\$98,000	\$149,007
Total					\$3,500,000	\$89,263	\$171,500	\$260,763

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 \$260,763 equates to approximately \$2,556.50 cost per parcel.

Capital Projects Fund

As specific capital projects are approved, the funding revenues for them are transferred into this Capital Project Fund from multiple funding sources if applicable, including Capital Reserve Fund (CRF), grant funding, external contributions, and debt. Any funds remaining upon completion of a project will be transferred back to its original funding source(s).

User Charge and Parcel Tax

The service is funded by parcel tax, fixed user charges on residential properties, and water consumption charges on non-residential properties. All properties within the local service area are responsible for the parcel tax, residential properties connected to the water system pay the annual fixed user charge and all non-residential properties connected to the water system pay water consumption charge based on the water rate.

The 2027 water rate for consumption charge for non-residential properties is proposed to be increased by 15% from \$3.90 to 4.50 per cubic meter over 2026 with the minimum charge equal to the residential fixed user charge per three months billing period.

Table 3 below summarizes the 2027 over 2026 changes for parcel tax and fixed user charge for residential properties.

Table 3 – Parcel Tax and User Charge Summary (Residential)

<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>
2026	\$65,670	102	\$677.62	\$174,300	95	\$1,834.74	\$2,512.36
2027	\$82,785	102	\$854.23	\$200,450	93	\$2,155.38	\$3,009.61
Change (\$)	\$17,115	0	\$176.61	\$26,150	-2	\$320.64	\$497.25
Change (%)	26.06%	0.00%	26.06%	15.00%	-2.11%	17.48%	19.79%

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

**Single Family Equivalent

The 2027 fixed user charge per SFE for residential users and water rate for non-residential users based on the budget presented will be included in the fees and charges bylaw to be approved by the CRD Board to be effective as of January 2027.

ALTERNATIVES

Alternative 1

That the Fulford Water Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Fulford Water Service as presented.

Alternative 2

That the Fulford Water Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Fulford Water Service as amended with specific direction on amendments.

RECOMMENDATION

That the Fulford Water Service Commission recommend that the Electoral Areas Committee recommend that the CRD Board approve the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Fulford Water Service as presented.

Submitted by:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Electoral Area
Submitted by:	Jason Dales, B.Sc, WD IV, Senior Manager, Infrastructure Operations
Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

Appendix A: [2027 Budget Fulford Water Service Budget](#)

CAPITAL REGIONAL DISTRICT

2027 Budget

Fulford Water (SSI)

Commission Review

SEPTEMBER 2026

DEFINITION:

To provide, operate and maintain water supply and distribution facilities for the Fulford Water Local Service Area on Salt Spring Island.
Bylaw No. 3202 (November 24, 2004).

PARTICIPATION:

Order In Council No 177, Feb 24, 2005.

MAXIMUM LEVY:

Greater of \$156,000 or \$5.46 / \$1,000 of actual assessed value of land and improvements.

MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3758 (January 12, 2011)	\$225,000
BORROWED:	SI Bylaw No. 3817 (Apr 11, 2012) Matures 2027	(\$145,000)
BORROWED:	SI Bylaw No. 3850 (Oct 4, 2012) Matures 2027	(\$25,000)
Remaining:	Expired	<u>\$55,000</u>

COMMISSION:

Fulford Water Service commission - Bylaw No 3693 (April 14, 2010).

FUNDING:

Any deficiencies after user charge and/or parcel tax to be levied on taxable hospital assessments.

User Charge: Fixed user charge for residential properties.

Parcel Tax: Annual, levied only on properties capable of being connected to the system, starting 2006.

Connection Charge: The connection charge for a service shall be the actual cost for the connection.

Consumption Charge: Single Family Residential: No Consumption Charge
Other: \$4.50 per cubic metre
Minimum charge for non-residential properties is equal to residential fixed user charge per SFE.

RESERVE FUND BYLAW:

Fund 1070, established by Bylaw #3275 (April 27, 2005)

2.626 - Fulford Water (SSI)

	2026		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2028	2029	2030	2031
OPERATING COSTS										
Grit & Waste Sludge Disposal	10,050	13,740	14,050	-	-	14,050	14,330	14,620	14,910	15,210
Repairs & Maintenance	12,140	7,200	12,140	-	-	12,140	12,380	32,630	12,880	13,140
Allocations	11,785	11,553	12,514	-	-	12,514	12,765	13,020	13,280	13,543
Water Testing	7,277	5,170	7,852	-	-	7,852	8,073	8,300	8,534	8,773
Electricity	9,720	8,100	9,720	-	-	9,720	9,910	10,110	10,310	10,520
Supplies	11,770	16,300	11,770	-	-	11,770	12,000	12,230	12,470	12,720
Labour Charges	102,730	102,900	120,275	-	-	120,275	122,680	125,130	127,630	130,180
Other Operating Expenses	13,430	11,400	13,779	-	-	13,779	14,147	14,530	14,921	15,324
TOTAL OPERATING COSTS	178,902	176,363	202,100	-	-	202,100	206,285	230,570	214,935	219,410
*Percentage Increase over prior year			13.0%			13.0%	2.1%	11.8%	-6.8%	2.1%
RESERVES										
Transfer to Operating Reserve Fund	9,500	2,541	10,055	-	-	10,055	11,170	9,820	8,890	7,770
Transfer to Capital Reserve Fund	55,275	55,275	60,000	-	-	60,000	80,085	90,140	97,845	106,040
EXISTING DEBT										
MFA Debt ReserveFund	80	80	70	-	-	70	-	-	-	-
MFA Debt Principal	9,669	9,669	9,669	-	-	9,669	-	-	-	-
MFA Debt Interest	5,763	5,763	3,306	-	-	3,306	-	-	-	-
PLANNED DEBT										
MFA Debt ReserveFund	2,700	1,800	900	-	-	900	-	-	15,000	20,000
MFA Debt Principal	-	-	9,398	-	-	9,398	14,096	14,096	14,096	52,352
MFA Debt Interest	3,241	2,084	11,507	-	-	11,507	12,564	12,564	49,314	135,064
TOTAL DEBT / RESERVES	86,228	77,212	104,905	-	-	104,905	117,915	126,620	185,145	321,226
TOTAL COSTS	265,130	253,575	307,005	-	-	307,005	324,200	357,190	400,080	540,636
*Percentage Increase over prior year			15.8%			15.8%	5.6%	10.2%	12.0%	35.1%
FUNDING SOURCES (REVENUE)										
Transfer from Operating Reserve Fund	-	-	-	-	-	-	-	(20,000)	-	-
Sales - Water	(24,380)	(20,000)	(23,000)	-	-	(23,000)	(24,150)	(25,360)	(26,370)	(27,420)
User Charges	(174,300)	(174,300)	(200,450)	-	-	(200,450)	(210,470)	(220,990)	(229,830)	(239,020)
Other Revenue	(780)	6,395	(770)	-	-	(770)	(720)	(740)	(760)	(780)
TOTAL REVENUE	(199,460)	(187,905)	(224,220)	-	-	(224,220)	(235,340)	(267,090)	(256,960)	(267,220)
REQUISITION - PARCEL TAX	(65,670)	(65,670)	(82,785)	-	-	(82,785)	(88,860)	(90,100)	(143,120)	(273,416)
*Percentage increase over prior year										
Sales			-5.7%			-5.7%	5.0%	5.0%	4.0%	4.0%
User Fee			15.0%			15.0%	5.0%	5.0%	4.0%	4.0%
Requisition			26.1%			26.1%	7.3%	1.4%	58.8%	91.0%
Combined			15.8%			15.8%	5.6%	4.0%	18.7%	35.2%

Fulford Water (SSI)
Reserve Summary Schedule
2027 - 2031 Financial Plan

Reserve/Fund Summary

	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Operating Reserve Fund	36,966	47,021	58,191	48,011	56,901	64,671
Capital Reserve Fund	174,785	154,785	104,870	120,010	217,855	323,895
Total	211,751	201,806	163,061	168,021	274,756	388,566

Reserve Schedule

Reserve Fund: 2.626 Fulford Water (SSI) - Operating Reserve Fund - Bylaw 4144

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

Reserve Cash Flow

Fund: 1500 Fund Centre: 105207	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Beginning Balance	33,345	36,966	47,021	58,191	48,011	56,901
Transfer from Ops Budget	2,541	10,055	11,170	9,820	8,890	7,770
Expenditures	-	-	-	(20,000)	-	-
Planned Maintenance Activity				Reservoir cleaning and inspection		
Interest Income*	1,080					
Ending Balance \$	36,966	47,021	58,191	48,011	56,901	64,671

Assumptions/Background:

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

Reserve Schedule

Reserve Fund: 2.626 Fulford Water (SSI) - Capital Reserve Fund

Bylaw 3275

Reserve Cash Flow

Fund: Fund Centre:	1070 101897	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		171,810	174,785	154,785	104,870	120,010	217,855
Transfer from Ops Budget		55,275	60,000	80,085	90,140	97,845	106,040
Transfer from Cap Fund		-					
Transfer to Cap Fund		(55,000)	(80,000)	(130,000)	(75,000)	-	-
Interest Income*		2,700					
Ending Balance \$		174,785	154,785	104,870	120,010	217,855	323,895

Assumptions/Background:

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

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2027 to 2031

Service No.	2.626	Carry Forward from 2026	2027	2028	2029	2030	2031	TOTAL
	Fulford Water (SSI)							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$90,000	\$190,000	\$380,000	\$300,000	\$1,500,000	\$2,000,000		\$4,370,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$90,000	\$190,000	\$380,000	\$300,000	\$1,500,000	\$2,000,000		\$4,370,000

SOURCE OF FUNDS

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$90,000	\$90,000	\$0	\$0	\$1,500,000	\$2,000,000		\$3,590,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$20,000	\$250,000	\$225,000	\$0	\$0		\$495,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$80,000	\$130,000	\$75,000	\$0	\$0		\$285,000
	\$90,000	\$190,000	\$380,000	\$300,000	\$1,500,000	\$2,000,000		\$4,370,000

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

2027 - 2031

Service #: 2.626

Service Name: Fulford Water (\$SI)

PROJECT DESCRIPTION			PROJECT BUDGET & SCHEDULE								
Project Number	Capital Project Title	Capital Project Description	Total Project Budget	Funding Source	Carryforward	2027	2028	2029	2030	2031	5 - Year Total
24-07	WTP SCADA Upgrades - WTP Communications and Control Upgrades	To upgrade RTU programming software to Workbench. Replace the RTU and PLC controller due to age and criticality to current CRD I/O standards. At end of life for SCADAPAC 357e Series PLCs and add equipment feedback wiring to monitor valve position, motor speed etc. Includes CRD project management.	\$ 310,000	Debt	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
28-01	Residential water meters	Purchase and install water meters and service connections on residential properties	\$ 300,000	Grant	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 300,000
28-02	Downtown AC distribution pipe replacement	Design to replace AC distribution pipe in coordination with road/terminal upgrades	\$ 50,000	Res	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
28-03	Downtown AC distribution pipe replacement	Construction to replace AC distribution pipe in coordination with road/terminal upgrades	\$ 200,000	Grant	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
28-03				Res	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
28-04	Detail design Supply line AC pipe replace and realign	Detail design Supply line AC pipe replace and realignment, cost estimate and CRD mgmt	\$ 150,000	Res	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
28-04	Detail design Supply line AC pipe replace and realign			Grant	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
25-01	Water main replacement program - construction.	Construction of supply line including land rights, replacement of AC pipe and new pump station	\$ 4,500,000	Debt	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,000,000	\$ 3,500,000
27-01	Update Asset Management Plan	Update Asset Management Plan	\$ 30,000	Grant	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
27-01	Update Asset Management Plan	CRD Project Management		Res	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
25-02	Investigate DAF Residual Disposal Alternatives	Investigate alternatives for the disposal of DAF residuals.	\$ 5,000	Res	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
26-02	Fulford Reservoir Fence Security Improvements	Security fence for vandalized reservoir and WTP -Debt approved in 2026	\$ 40,000	Debt	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
27-02	OH&S Eyewash Shower	Purchase and install eyewash/shower includes electrical and h/w	\$ 15,000	Res	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
28-05	UV system upgrade/replace	Install a new UV system to replace obsolete system	\$ 30,000	Res	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
											\$ -
		Grand Total	\$ 5,630,000		\$ 90,000	\$ 190,000	\$ 380,000	\$ 300,000	\$ 1,500,000	\$ 2,000,000	\$ 4,370,000

Service: 2.626 Fulford Water (SSI)

Project Number	24-07	Capital Project Title	WTP SCADA Upgrades - WTP Communications and Control Upgrades	Capital Project Description	To upgrade RTU programming software to Workbench. Replace the RTU and PLC controller due to age and criticality to current CRD I/O standards. At end of life for SCADAPAC 357e Series PLCs and add equipment feedback wiring to monitor valve position, motor speed etc. Includes CRD project management.
Project Rationale	E I & C upgrade and replacement of aging and obsolete equipment to ensure maintenance free operation.				
Project Number	25-01	Capital Project Title	Water main replacement program - construction.	Capital Project Description	Construction of supply line including land rights, replacement of AC pipe and new pump station
Project Rationale	Phased replacement of AC pipe supply main				
Project Number	25-02	Capital Project Title	Investigate DAF Residual Disposal Alternatives	Capital Project Description	Investigate alternatives for the disposal of DAF residuals.
Project Rationale	Investigation of alternative methods to dispose of DAF residuals in order to reduce disposal costs.				
Project Number	26-02	Capital Project Title	Fulford Reservoir Fence Security Improvements	Capital Project Description	Security fence for vandalized reservoir and WTP -Debt approved in 2026
Project Rationale	A security fence to protect Fulford Reservoir				
Project Number	27-01	Capital Project Title	Update Asset Management Plan	Capital Project Description	Update Asset Management Plan
Project Rationale	Revise existing Asset Management Plan to reflect recent modifications to facility.				

Service: 2.626 Fulford Water (SSI)

Project Number	27-02	Capital Project Title	OH&S Eyewash Shower	Capital Project Description	Purchase and install eyewash/shower includes electrical and h/w
Project Rationale	Install eyewash/shower system as required by OH&S, WCB				
Project Number	28-01	Capital Project Title	Residential water meters	Capital Project Description	Purchase and install water meters and service connections on residential properties
Project Rationale	Water metering for all residential connections is requested by the commission. Installation includes purchase of meter, new pipe from property line to connection and construction costs.				
Project Number	28-02	Capital Project Title	Downtown AC distribution pipe replacement	Capital Project Description	Design to replace AC distribution pipe in coordination with road/terminal upgrades
Project Rationale	Design of AC distribution mains in downtown Fulford for readiness to coincide with terminal or road construction				
Project Number	28-03	Capital Project Title	Downtown AC distribution pipe replacement	Capital Project Description	Construction to replace AC distribution pipe in coordination with road/terminal upgrades
Project Rationale	Replacement of AC distribution mains in downtown Fulford to coincide with terminal or road construction				
Project Number	28-04	Capital Project Title	Detail design Supply line AC pipe replace and realign	Capital Project Description	Detail design Supply line AC pipe replace and realignment, cost estimate and CRD mgmt
Project Rationale	Detail design of the replacement of the AC supply line from Weston Lake. Aging infrastructure, repairs inaccessible and in riparian zone.				
Project Number	28-05	Capital Project Title	UV system upgrade/replace	Capital Project Description	Install a new UV system to replace obsolete system
Project Rationale	Replace obsolete UV system				

2.626 - Fulford Water

Capital Projects

Updated @ Sep 03, 2026

Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2023	CE.837.2001	23-07	Open	Fulford WTP Lifting Apparatus	55,000	21,958	33,042	55,000
2025	CE.794.4501	21-02	Open	Public Engagement-Fulford	25,000	16,102	8,898	25,000
2025	CE.837.2005	24-03	Open	Replacement of Flocculator Mixer Motors	9,000	1,631	7,369	9,000
2025	CE.837.2010	24-02	Open	Replacement Ventilation for WTP	24,000	3,484	20,516	24,000
2026	CE.910.4601	26-01	Open	WTP SCADA Upgrades (Design)	40,000	7,625	32,375	40,000
2026	CE.910.4605	24-07	Open	WTP SCADA Upgrades (Construction)	310,000	59	309,941	80,000
				Totals	463,000	50,859	412,141	233,000

Service: 2.626 Fulford Water (SSI)

Committee: Electoral Areas

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax Per Folio</u>	<u>SFE's</u>	<u>User Charge per SFE*</u>	<u>Total Tax & Charges</u>	<u>Bylaw</u>
2023	102	\$518.12	95	\$1,572.18	\$2,090.30	4525
2024	102	\$569.90	95	\$1,729.38	\$2,299.28	4586
2025	102	\$587.01	95	\$1,781.26	\$2,368.27	4648
2026	102	\$677.62	95	\$1,834.74	\$2,512.36	4735
2027	102	\$854.23	93	\$2,155.38	\$3,009.61	

Change from 2026 to 2027

\$176.61
26.06%

\$320.64
17.48%

\$497.25
19.79%

* A variable consumption charge is paid by non-residential properties with a minimum charge equal to residential user charge per SFE.

Fulford Water Funding Analysis 2023 - 2027

