



Notice of Meeting and Meeting Agenda Magic Lake Estates Water and Sewer Committee

Tuesday, October 27, 2026

11:30 AM

Panorama Boardroom
1885 Forest Park Dr., North Saanich

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 Phone
Conference ID: 323 650 808#

B. Mongeon (Chair), J. Grelik (Vice Chair), P. Brent (EA Director), S. Kobierski, H. Read

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. [26-1129](#) Minutes of the Magic Lake Estates Water and Sewer Committee Meeting of June 11, 2026

Recommendation: That the minutes of the Magic Lake Estates Water and Sewer Committee meeting of June 11, 2026 be adopted as circulated.

Attachments: [Minutes: June 11, 2026](#)

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. [26-1131](#) Senior Manager's Verbal Update - October 2026

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

6.2. [26-0888](#) Magic Lake Estates Water and Sewer Service 2027 Operating and
Capital Budget

Recommendation: The Magic Lake Estates Water and Sewer Committee recommends the Electoral Areas
Committee recommend to the Capital Regional District Board:
That the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the
Magic Lake Estates Water and Sewer Services be approved as presented.

Attachments: [Staff Report: MLE Water & Sewer 2027 Operating & Capital Budget](#)
[Appendix A: 2027 Magic Lake Water Service Budget](#)
[Appendix B: 2027 Magic Lake Sewer Service Budget](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

There are no more meetings scheduled for 2026.

Meeting Minutes

Magic Lake Estates Water and Sewer Committee

Thursday, June 11, 2026

11:30 AM

Panorama Boardroom
1885 Forest Park Dr., North Saanich

PRESENT

B. Mongeon (Chair), R. Fawcett (for P. Brent), J. Grelik (EP), S. Kobierski (EP)

STAFF: S. Henderson, General Manager, Electoral Area Services (EP); J. Starke, Senior Manager, Southern Gulf Islands Administration; J. Bilodeau, Manager, Water and Wastewater Services Operations; K. Konicek, Manager, Water Distribution Engineering and Planning (EP); L. Xu, Manager, Local Services and Corporate Grants (EP); M. Miklea, Deputy Corporate Officer/Manager, Legislative Services; J. Ives, Committee Clerk (recorder)

EP - Electronic Participation

Regrets: C. Aldridge-Sanchez, P. Brent, H. Read

The meeting was called to order at 11:30 am.

1. Territorial Acknowledgement

Chair Mongeon provided a Territorial Acknowledgement.

2. Election of Vice Chair

The Chair called for nominations for the position of Vice Chair of the Magic Lake Estates Water and Sewer Committee for 2026.

The Chair nominated Jon Grelik. Jon Grelik accepted the nomination.

The Chair called for nominations a second time.

The Chair called for nominations a third and final time.

Hearing no further nominations, the Chair declared Jon Grelik the Vice Chair of the Magic Lake Estates Water and Sewer Committee for 2026 by acclamation.

3. Approval of Agenda

MOVED by R. Fawcett, **SECONDED** by B. Mongeon,
That the agenda for the Magic Lake Estates Water and Sewer Committee
meeting of June 11, 2026 be approved as amended by adding the following items
under 9. New Business:

9.1. Options to Remediate Improper Sewer Tie-ins

9.2. Energy Audit Findings

CARRIED

4. Adoption of Minutes

[26-0710](#) Minutes of the Magic Lake Estates Water and Sewer Committee Meeting of March 3, 2026

MOVED by B. Mongeon, SECONDED by R. Fawcett,
That the minutes of the Magic Lake Estates Water and Sewer Committee meeting of March 3, 2026 be adopted as circulated.
CARRIED

5. Chair's Remarks

There were no Chair's remarks.

6. Presentations/Delegations

There were no presentations or delegations.

7. Commission Business

7.1. [26-0702](#) Senior Manager's Verbal Update - June 2026

J. Starke spoke to Item 7.1. and provided the following information:

The CRD Board has directed staff to request the Province undertake a governance and services study for Magic Lakes Estates.

Discussion ensued regarding the potential impacts of the study, should it be funded, including evaluation of the water and sewer infrastructure to determine whether it would be maintained by the Province or the CRD.

7.2. [26-0698](#) Capital Projects and Operational Update - Mid Year

J. Starke and J. Bilodeau presented Item 7.2. for information.

Discussion ensued regarding the installation of fall prevention anchors and safety improvements around the pump stations and addressing minor occupational health and safety issues identified in the safety risk registry.

7.3. [26-0699](#) 2025 Annual Report

J. Starke and J. Bilodeau presented Item 7.3. for information.

Discussion ensued regarding:

- staff to review potential Pender Post submission featuring highlights from the 2025 Annual Report
- year-over-year reduction in total unaccounted for water
- leak detection program has reduced non-revenue water loss

7.4. [26-0700](#) Captains Tank Conceptual Design

J. Starke and K. Konicek spoke to Item 7.4.

J. Grelik left the meeting at 12:25 pm.

Discussion ensued regarding:

- the level of contingency at the conceptual design phase with a decrease expected in the detailed design phase
- petition or alternative approval process will be required to approve the necessary funding

J. Grelik returned to the meeting electronically at 12:36 pm.

**MOVED by B. Mongeon, SECONDED by R. Fawcett,
That staff be directed to:**

- 1. Prepare a budget estimate for detailed design and refined cost estimate of storage tank replacement for consideration in the 2027 budget; and**
- 2. Develop a proposed scope and community engagement process for a voter assent process in 2027-2028 for loan authorization.**

CARRIED

8. Notice(s) of Motion

There were no notices of motion.

9. New Business

9.1. **26-0856** Options to Remediate Improper Sewer Tie-ins

Staff advised that CRD bylaw staff can respond to bylaw infraction complaints regarding improper tie-ins on a cost-recovery basis. A planned infiltration and inflow study may reveal improper tie-ins and provide information to support education, enforcement or remediation actions.

Discussion ensued regarding the potential scope of the infiltration and inflow study and public engagement around improper tie-ins to achieve voluntary compliance.

9.2. **26-0857** Energy Audit Findings

The Committee discussed the results of a recent energy audit and suggested reduced HVAC set-points in areas with limited operator access. They questioned if there would be any occupational health and safety considerations to decreasing the HVAC fan speed.

The Committee also considered possibilities for a back-up generator at the water treatment plant. Staff advised that the most cost-efficient approach is to bring in a small generator during extended power failures to support the continuation of SCADA monitoring.

10. Adjournment

MOVED by B. Mongeon, SECONDED by R. Fawcett,
That the Magic Lake Estates Water and Sewer Committee meeting of June 11,
2026 be adjourned at 12:57 pm.
CARRIED

Chair

Recorder

**REPORT TO MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE
MEETING OF OCTOBER 27, 2026**

SUBJECT **Magic Lake Estates Water and Sewer Service 2027 Operating and Capital Budget**

ISSUE SUMMARY

To present the 2027 Operating and Capital Budget for Committee review and recommendation to the Capital Regional District (CRD) Board for approval and inclusion in the CRD Five-Year Financial Plan, in accordance with Bylaw No. 2339 "Magic Lake Estates Water and Sewer Committee Bylaw 1995."

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 plans for the following services:

- Magic Lake Estates Water System Local Service (Appendix A).
- Magic Lake Estates Sewerage System Local Service (Appendix B).

The Operating Budgets include the regular annual costs 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, 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 2024 and 2026
- Anticipated changes in level of service (if any)
- Maximum allowable tax requisition
- Annual cost per taxpayer and per single family equivalent (SFE)

In preparing the Capital Expenditure Plan, CRD staff considered:

- Available funds
- Projects in progress
- Condition of existing assets and infrastructure
- 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 to 2031 is forecasted and can be updated in future years.

BUDGET OVERVIEW

Magic Lake Estates Water System Local Service (Appendix A)

Operating Budget

It is projected that the 2026 operating expenses will be approximately \$62,584 over budget.

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

- Emergency response and repairs to the Magic Lake South Dam structure. The animal burrow that was identified in 2025 was dug up and repaired as per provincial regulatory requirements and escalated according to the Magic Lake Dam Emergency Response Plan.
- Water Treatment Plant (WTP) Train 2 ultraviolet (UV) reactor failure and repairs to the automated cleaning system.
- Multiple communication failures resulting in emergency response and instrumentation repairs.
- Integration of suitcase generator to backup supervisory control and data acquisition (SCADA) during extended power disruptions.
- Magic Lake raw water pump repair.
- Buck Lake raw water pump repair.
- WTP air saturator actuated valve failure response and replacement.
- Magic Lake South dam beaver dam management at spillway.
- Captains Tank UPS battery failure and replacement.
- Emergency response associated with extended power failure and phase imbalance.
- Low pressure in upper distribution zone requiring multiple pressure reducing valve adjustments.

It is projected that the 2026 operating revenue will be \$12,412 lower than budgeted primarily due to \$20,000 lower Operating Reserve Funding resulting from Captains Tank cleaning and inspection project being deferred to 2027. This is partially offset by Municipal Finance Authority (MFA) debt reserve fund earnings from the debt retirement.

Consequently, the operating budget is projected to have an overall deficit of \$74,996 (\$62,584 plus \$12,412). To balance the budget at year-end, in accordance with the LGA Section 374(11), the actual deficit may be addressed through reduced 2026 contributions to the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF), funding from the ORF, a carry-forward to the 2027 budget as an expenditure or a combination of these options. Based on these current projections, staff have carried forward \$27,498 to the 2027 budget, while the remaining deficit, currently estimated at \$47,498, will be addressed through operating and/or capital reserve transfer options, subject to funding availability. The actual amount may differ from current estimates and will be determined based on actual year-end results.

The 2027 core operating budget of \$1,006,319 represents an increase of \$133,512 (15.3%) over the 2026 core operating budget of \$872,807. This increase is primarily attributable to inflationary cost pressures and ongoing labour adjustments supporting additional staff allocations for the operation and maintenance of the water system. The increase reflects core operating costs only and excludes one-time cyclical maintenance activities funded through the Operating Reserve Fund (ORF). In 2027, ORF-funded projects totaling \$45,000 include Captains Tank Cleaning and Inspection (\$20,000) and Water Distribution System Flushing Phase 1 (\$25,000), with the Captains Tank Cleaning project deferred from 2026.

Municipal Finance Authority (MFA) Debt

Loan Authorization Bylaw 3633 (LA3633) was approved and adopted in 2009 to borrow \$2,560,000 to upgrade water treatment and water systems.

Table 1 below summarizes the detailed information for existing MFA debt issue related to LA3633.

MFA issue LA3633-110 for \$723,000 borrowing was repaid and retired in 2025 and has been removed from Table 1.

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>
LA3633-116	15	2011	2026	2021	4.20%	1.47%	\$250,000	\$13,420	\$1,838*	\$15,258
LA3633-121	15	2012	2027	2022	2.90%	3.39%	\$559,500	\$30,035	\$18,967	\$49,002
LA3633-124	15	2013	2028	2023	3.15%	4.52%	\$1,002,500	\$53,816	\$45,313	\$99,129
LA3633-126	15	2013	2028	2023	3.85%	4.52%	\$25,000	\$1,342	\$1,130	\$2,472
Total							\$1,837,000	\$98,613	\$67,248	\$165,861

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

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 swings in expense and revenue requirements 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 \$191,000 to \$436,000.

It is proposed that 2027 transfers to the ORF be set at \$80,000. The ORF balance at the end of 2026 is projected to be approximately \$27,151. There is \$70,000 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 for the service to be maintained is approximately \$1,070,000.

It is proposed that the budgeted transfer to the CRF be set at \$57,310 in 2027. The CRF balance at the end of 2026 is projected to be \$815,316.

In addition to the general CRF outlined above, there is a separate reserve fund from the insurance settlement in 2021 of \$592,842, which is dedicated to fund the water treatment plant upgrades in the future. This balance at the end of 2026 is projected to be \$619,634.

Capital Expenditure Plan

The five-year plan includes \$5,155,000 of expenditures to be funded by a combination of capital on hand, the service's CRF, and future debt.

Proposed 2027 capital expenditures include carry forward amounts to continue multiple existing capital projects, as well as an increase to Phase 2 Buck Lake Dam repairs (26-01). New funding is also proposed to commence planning and design efforts related to the Captains Tank Replacement (27-02), Safety Improvements (27-04), Asset Management Study (27-05), Watermain Segment Replacement (27-06) and Decommissioning of Magic Lake Syphon and CSP Culvert Assessment (27-07).

For the purpose of discussion and analysis, finance staff have simulated the future debt servicing costs in Table 2 below. The indicative interest rate is provided by the MFA at the time of simulation. The debt servicing simulation is for three projects totaling \$4,325,000. These debt-funded projects require approval by the rate payers and will only be carried out upon receiving electoral consent. Please refer to the 2027 through 2031 Five-Year Capital Plan for details.

Table 2 – Future New Debt (Unapproved) 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>
<i>Future Borrowing(s) Estimation</i>	25	2028	2053	4.90%	\$925,000	\$23,591	\$44,325	\$68,916
	25	2029	2054	4.90%	\$2,400,000	\$61,209	\$117,600	\$178,809
	25	2030	2055	4.90%	\$1,000,000	\$25,504	\$49,000	\$74,504
<i>Total</i>					\$4,325,000	\$110,304	\$211,925	\$322,229

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 annual debt servicing cost of \$322,229 equates to approximately \$269.42 cost per parcel per year.

Capital Projects Fund

As specific capital projects are approved, the funding revenues for them are transferred into the capital project 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 its original non-CRF funding sources if required.

User Charge and Parcel Tax

The service is funded by fixed user charges, parcel taxes, and variable water consumption charges.

Properties connected to the water system pay the annual user charge and water consumption and all properties within the local service area are responsible for the parcel tax. The tiered water consumption rates remain unchanged from 2026. The water consumption charge is measured in cubic metres over a three-month billing period at the following tiered rates:

- Greater than 50 cubic metres - \$0.50 per cubic metre
- Greater than 80 cubic metres - \$1.50 per cubic metre

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

Table 3 – 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
2026	\$701,965	1,196	\$617.74	\$502,960	1,082	\$464.84	\$1,082.58
2027	\$751,100	1,196	\$660.98	\$538,170	1,088	\$494.64	\$1,155.62
Change (\$)	\$49,135	0	\$43.24	\$35,210	6	\$29.80	\$73.04
Change (%)	7.00%	0.00%	7.00%	7.00%	0.55%	6.41%	6.75%

* 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 and tired water consumption rates based on the budget recommended will be included in the fees and charges bylaw for approval by the CRD Board effective January 2027.

Magic Lake Estates Sewerage System Local Service (Appendix B)

Operating Budget

It is projected that the 2026 operating expenses will be approximately \$112,655 over budget. Factors contributing to the projected overage include emergency response and corrective maintenance primarily due to the following events:

- Wet weather emergency response in January/February upsetting process and limiting plant production. Process biology was lost triggering an emergency bypass to the receiving environment. This event triggered significant additional operational oversight, process management and additional sampling.
- Wastewater Treatment Plant (WWTP) project deficiency walkthrough with CRD Trades, Operations, Engineering, Contractors to identify outstanding warranty items and have them addressed. Hours associated with these efforts were applied to Operating expenditures.
- Fabrication and install of a spray bar system for foam control of Bioreactor to prevent overflow of foam and reduce operator hours to hose down/control foam
- Installation of Emergency Storage Tank drain line to collection system for returning surcharged untreated wastewater to front of plant.
- WWTP Blower faults and ensuing logic changes to resolve plant interlocks.
- Replace communications module with SCADA Pack RTU and reprogramming efforts.
- WWTP draining bioreactor and MBR tanks to remove solids. Alternative measures package for confined space entry to MBR tanks.
- Galleon Pump Station VFD power monitoring following issues with load on generator.

It is projected that the 2026 operating revenue will be on budget.

As a result, the operating budget is projected to have an overall deficit of \$112,655. To balance the operating budget at year-end, the actual deficit may be addressed through reduced 2026 contributions to the Capital Reserve Fund (CRF) and/or Operating Reserve Fund (ORF), funding from the ORF, a carry-forward to the 2027 budget as an expenditure in accordance with the LGA Section 374(11), or a combination of these options.

Based on current projections, \$92,000 will be carried forward to the 2027 budget, while the remaining deficit, currently estimated at \$20,655, will be addressed through reserve transfer options, subject to funding availability. The actual amount may differ from current estimates and will be determined based on actual year-end results.

Operating costs for 2027 (excluding one-time cyclical programs funded by the ORF in the amount of \$12,000 for sewer flushing in 2026 and \$55,000 for outfall inspection and sewer flushing in 2027) have increased by \$62,166 (7.7%) compared to 2026. The increase is primarily to account for additional labour required to operate and maintain the new WWTP, increased energy costs, lab supplies, and core inflation adjustments.

Municipal Finance Authority Debt

Loan Authorization Bylaw 4048 (LA4048) to borrow \$1,530,000 was approved and adopted in 2016 for the wastewater system renewal and upgrade. Table 4 below summarizes the detailed information for existing MFA debt issues related to LA4048.

Table 4 – Existing Debt Summary (applicable to all Properties in the service area)

<i>MFA Issues</i>	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Refinance Year</i>	<i>Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
LA4048-139	10	2016	2026	NA	2.10%	\$745,000	\$64,987	\$15,645	\$80,632
LA4048-142	10	2017	2027	NA	3.15%	\$250,000	\$21,808	\$7,875	\$29,683
LA4048-146	10	2018	2028	NA	3.20%	\$535,000	\$46,668	\$17,120	\$63,788
Total						\$1,530,000	\$133,463	\$40,640	\$174,103

Loan Authorization Bylaw 4320 (LA4320), to borrow up to \$6,000,000, was approved and adopted in 2019 for WWTP improvements. A one-time lump-sum special payment option was provided to the ratepayers, and 137 properties exercised the payment option. As a result, \$1,130,268 was collected from lump-sum payments. In 2021, total of \$3,760,000 was borrowed through two debt issuances, LA4320-153 in the spring and LA4320-156 in the fall, and another \$1,000,000 was borrowed through LA4320-157 in the spring of 2022 to finance the WWTP improvements project. Only the properties that didn't exercise the one-time lump sum payment option will pay the debt servicing cost related to LA4320 for the debt term of 30 years.

Table 5 below summarizes the detailed information for existing MFA debt issues related to LA4320.

Table 5 – Existing Debt Summary (only applicable to properties no one-time payment received)

<i>MFA Issues</i>	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Refinance Year</i>	<i>Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
LA4320-153	30	Spring 2021	2051	2031	2.41%	\$2,500,000	\$59,248	\$60,250	\$119,498
LA4320-156	30	Fall 2021	2051	2031	1.98%	\$1,260,000	\$29,861	\$24,948	\$54,809
LA4320-157	30	Spring 2022	2052	2032	3.36%	\$1,000,000	\$22,778	\$33,600	\$56,378
Total						\$4,760,000	\$111,887	\$118,798	\$230,685

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 requirements year-over-year.

Typical maintenance activities include sewer flushing, outfall inspections, and tank clean outs. 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 \$168,000 to \$384,000.

It is proposed that 2027 transfers to the ORF be set at \$65,535. The ORF balance at the end of 2026 is projected to be approximately \$12,963. There is \$55,000 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 \$773,000.

It is proposed that the budgeted transfer to the CRF be set at \$157,390 in 2027. The capital reserve balance at the end of 2026 is projected to be approximately \$356,317.

Equipment Replacement Fund

The Equipment Replacement Fund (ERF) is used to pay for the replacement of machinery and equipment. An ERF was set up in 2025 to better plan the funding for the replacement of the wastewater treatment plant membrane filters and equipment in the sewer pump stations that are beyond their life expectancy. The membranes have an approximate 10-year life cycle and a replacement cost of approximately \$400,000. The ERF will be utilized in part to replace the failed membranes in 2034.

It is proposed that 2027 transfer to the ERF be set at \$60,000 to be able to fund the planned replacement of membranes in 2034 and any equipment replacement within the pump stations that are at end of life. The ERF balance at the end of 2026 is projected to be \$10,000.

Capital Expenditure Plan

The five-year plan includes \$5,380,000 of expenditures to be funded by a combination of capital on hand, the service's CRF, grants, and future debt. In 2027, \$610,000 in expenditures are forecasted, including replacement of the towable genset, which is nearing the end of its service life, and optimization and chemical adjustments to support the WWTP operations and compliance. Other 2027 work and future planned works include:

- Renewal of Buccaneer, Capstan, Cutlass and Masthead pump stations (27-02), with some planning/design efforts within the five-year period funded by the CRF, and physical improvements to be deferred while seeking potential grant funding to support;
- Complete an Inflow and Infiltration (I&I) Study (27-04), as required under provincial regulations, to quantify I&I contributions to the sewer system and develop a prioritized program of mitigation measures.
- Implement I&I Improvements (28-02) identified through the I&I Study to reduce extraneous flows, optimize use of existing sewer infrastructure, preserve system capacity, and mitigate operational impacts at wastewater pump stations and the WWTP.
- Closed-circuit television (CCTV) inspections of asbestos cement (AC) pipe (28-01), funded by the CRF, with the intent of prioritizing pipelines for replacement; and
- AC Sewer Pipe Replacement (28-03) as a placeholder budget to begin replacement of AC sewer pipes. This program is proposed to be funded by future debt, which will be subject to a successful Alternative Approval Process, Referendum, or other method (27-01) to obtain elector approval for this borrowing proposal.

Table 6 below provides the future debt servicing cost simulation for analytical purposes with the indicative interest rate provided by the MFA at the time of simulation. The debt servicing simulation is for the three projects for a total of \$4,250,000. These debt-funded projects will be carried out upon receiving electoral consent. Please refer to the 2027 to 2031 Five-Year Capital Plan for details on these projects in Appendix B.

Table 6 – Future New Debt (Unapproved) 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	30	2028	2058	4.90%	\$1,050,000	\$20,173	\$51,450	\$71,623
	30	2029	2059	4.90%	\$1,300,000	\$24,976	\$63,700	\$88,676
	30	2030	2060	4.90%	\$1,000,000	\$19,212	\$49,000	\$68,212
	30	2031	2061	4.90%	\$900,000	\$17,291	\$44,100	\$61,391
Total					\$4,250,000	\$81,653	\$208,250	\$289,903

At the commencement of each loan, 1% of the gross amount borrowed is withheld and retained by the MFA as a DRF. To provide the full amount to fund the capital project, this 1% DRF amount is budgeted in operating budget in the year of borrowing. However, there is no principal payment required in the year of borrowing.

The estimated annual debt servicing cost of \$289,903 equates to approximately \$408.89 cost per parcel per year.

Capital Projects Fund

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

User Charge and Parcel Tax

The service is mainly funded by user charge and parcel tax. Properties connected to the wastewater system pay the annual user charge and all properties within the local service area are responsible for the parcel tax. Table 7 below summarizes the 2027 over 2026 changes for parcel tax and user charge.

Table 7 – Parcel Tax 1 and User Charge Summary

<i>Budget Year</i>	<i>Parcel Tax 1</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	\$725,071	709	\$1,076.36	\$368,240	651	\$565.65	\$1,642.01
2027	\$877,340	709	\$1,302.40	\$445,570	650	\$685.49	\$1,987.89
Change (\$)	\$152,269	0	\$226.04	\$77,330	-1	\$119.84	\$345.88
Change (%)	21.00%	0.00%	21.00%	21.00%	-0.15%	21.19%	21.06%

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

** Single Family Equivalent

In 2020, property owners were provided with the option of paying a one-time lump sum of \$8,249.30 for their share of the cost of the WWTP upgrade or to pay debt servicing costs over 30 years through parcel tax. The new debt servicing cost must be budgeted and levied separately through a second parcel tax roll (Parcel Tax 2) to facilitate a parcel tax levied only to those taxable folios that did not pay the lump sum.

The estimated parcel tax on the second parcel roll (Parcel Tax 2), related to the debt servicing cost, is displayed in Table 8 below. Parcel Tax 2 excludes 137 folios that elected to pay the one-time lumpsums totaling \$1,130,268.

Table 8 – Parcel Tax 2 Summary – New Debt Only

Budget Year	Parcel Tax 2	Taxable Folios Numbers	Parcel Tax per Folio*
2026	\$229,484	573	\$421.52
2027	\$229,484	573	\$421.52
Change (\$)	0	0	0
Change (%)	0.00%	0.00%	0.00%

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

A summary of total parcel tax (1 and 2) and user charge arranged by payment option on new debt is displayed in table 9 below.

Table 9 – Comparative - Total Parcel Tax and User Charge per Folio by Payment Option

Parcel Tax and User Charge	2026	2027 Lump-sum option			2027 Debt-servicing option		
		Amount	Change (\$)	Change (%)	Amount	Change (\$)	Change (%)
Parcel Tax 1	\$1,076.36	\$1,302.40	\$226.04	21.00%	\$1,302.40	\$226.04	21.00%
Parcel Tax 2	\$421.52				\$421.52	\$0.00	0.00%
User Charge	\$565.65	\$685.49	\$119.84	21.19%	\$685.49	\$119.84	21.19%
Total	\$2,063.53	\$1,987.89	\$345.88	21.06%	\$2,409.41	\$345.88	16.76%

The 2027 fixed user charge per SFE based on the budget recommended will be included in the fees and charges bylaw for approval by the CRD Board effective January 2027.

ALTERNATIVES

Alternative 1

The Magic Lake Estates Water and Sewer Committee recommends the Electoral Areas Committee recommend to the Capital Regional District Board:
 That the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Magic Lake Estates Water and Sewer Services be approved as presented.

Alternative 2

The Magic Lake Estates Water and Sewer Committee recommends the Electoral Areas Committee recommend to the Capital Regional District Board:
 That the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Magic Lake Estates Water and Sewer Services be approved as amended.

RECOMMENDATION

The Magic Lake Estates Water and Sewer Committee recommends the Electoral Areas Committee recommend to the Capital Regional District Board:
That the 2027 Operating and Capital Budget and the Five-Year Financial Plan for the Magic Lake Estates Water and Sewer Services be approved as presented.

Submitted by:	Justine Starke, RPP, MCIP, Senior Manager, Southern Gulf Islands Electoral Area
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Stephen Henderson, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2027 Magic Lake Water Service Budget
Appendix B: 2027 Magic Lake Sewer Service Budget

CAPITAL REGIONAL DISTRICT

2027 Budget

Magic Lake Water

Commission Review

OCTOBER 2026

Service: **2.630 Magic Lake Estates Water**

Committee: **Electoral Areas**

DEFINITION:

LSA -1 To provide and operate water supply and distribution facilities for the Magic Lake Estates Water System.
Specified Area on North Pender Island. Bylaw No. 1874 (June 11, 1991).

PARTICIPATION:

Local Service Area # 1 - D(764) LSA #9.

MAXIMUM LEVY:

Greater of \$160,000 or \$3.50 / \$1,000 of actual assessed value of land and improvements.

MAXIMUM CAPITAL DEBT:

AUTHORIZED:	LA Bylaw No. 3633 (Nov 2009).		\$	2,560,000
BORROWED:	SI Bylaw 3677 (Feb 2010).	Matured in 2025	\$	(723,000)
BORROWED:	SI Bylaw 3769 (Feb 2011).	Matures in 2026	\$	(250,000)
BORROWED:	SI Bylaw 3850 (Aug 2012).	Matures in 2027	\$	(559,500)
BORROWED:	SI Bylaw 3882 (Apr 2013).	Matures in 2028	\$	(1,002,500)
BORROWED:	SI Bylaw 3910 (July 2013).	Matures in 2028	\$	(25,000)
REMAINING AUTHORIZATION:			\$	<u>0</u>

COMMITTEE:

Magic Lake Estates Water & Sewer Committee established by Bylaw No. 1870 (November 28, 1990).

FUNDING:

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

User Charge: Annual charge per single family equivalency unit connected to the system.
The consumption charge for water will be the total volume of water metered to the water service connections, measured in cubic meters at the following rate:

- Greater than 50 cubic metres - \$0.50 / cubic metre
- Greater than 80 cubic metres - \$1.50 / cubic metre

Parcel Tax: LSA-1 Annual charge only on properties capable of being connected to the system.

Turn on/Turn Off Fee: \$0 during normal working hours; \$25 outside of normal working hours

Connection Charges: Actual Engineering and Construction costs, plus 15% Administration costs. The minimum charge is \$500

RESERVE FUND:

Magic Lake Estates - Water System Capital Reserve Fund. Bylaw No. 1498

Magic Lake Estates - Water System Operating Reserve Fund. Bylaw No. 4144

2.630 - Magic Lake Water	2026		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2028	2029	2030	2031
<u>OPERATING COSTS</u>										
Repairs & Maintenance	63,150	47,080	51,150	-	45,000	96,150	77,170	53,200	54,270	55,360
Allocations	80,269	67,452	89,802	-	-	89,802	91,661	93,516	95,413	97,361
Water Testing	22,782	16,910	24,266	-	-	24,266	24,959	25,671	26,402	27,153
Electricity	56,080	56,800	56,080	-	-	56,080	57,200	58,340	59,510	60,700
Supplies	71,800	67,770	71,800	-	-	71,800	73,240	74,700	76,200	77,720
Labour Charges	551,176	647,400	642,350	-	-	642,350	655,200	668,300	681,670	695,300
Other Operating Expenses	67,550	71,979	70,871	-	-	70,871	72,775	74,748	76,765	78,846
TOTAL OPERATING COSTS	912,807	975,391	1,006,319	-	45,000	1,051,319	1,052,205	1,048,475	1,070,230	1,092,440
*Percentage Increase over prior year			10.2%		4.9%	15.2%	0.1%	-0.4%	2.1%	2.1%
<u>DEBT / RESERVES</u>										
Transfer to Operating Reserve Fund	61,250	41,250	80,000	-	-	80,000	90,000	100,000	100,000	100,000
Transfer to Capital Reserve Fund	48,910	21,412	57,310	-	-	57,310	136,390	195,095	184,590	173,850
<u>Existing Debt</u>										
MFA Debt Reserve Fund	850	850	650	-	-	650	420	-	-	-
MFA Debt Principal	98,613	98,613	85,193	-	-	85,193	55,158	-	-	-
MFA Debt Interest	67,248	67,248	65,410	-	-	65,410	23,787	-	-	-
<u>Planned Debt</u>										
MFA Debt Reserve Fund	-	-	-	-	-	-	9,250	24,000	10,000	-
MFA Debt Principal	-	-	-	-	-	-	-	23,591	84,800	110,304
MFA Debt Interest	-	-	-	-	-	-	22,663	104,125	187,425	211,925
TOTAL DEBT / RESERVES	276,871	229,373	288,563	-	-	288,563	337,668	446,811	566,815	596,079
TOTAL COSTS	1,189,678	1,204,764	1,294,882	-	45,000	1,339,882	1,389,873	1,495,286	1,637,045	1,688,519
*Percentage Increase over prior year			8.8%		3.8%	12.6%	3.7%	7.6%	9.5%	3.1%
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated Balance c/fwd from 2026 to 2027	-	(27,498)	27,498	-	-	27,498	-	-	-	-
Balance c/fwd from 2025 to 2026	88,515	88,515	-	-	-	-	-	-	-	-
Transfer from Operating Reserve Fund	(40,000)	(20,000)	-	-	(45,000)	(45,000)	(25,000)	-	-	-
Sales - Water	(22,000)	(22,000)	(22,000)	-	-	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
User Charges	(502,960)	(502,960)	(538,170)	-	-	(538,170)	(548,930)	(559,910)	(571,110)	(582,530)
Lease Revenue	(8,100)	(8,100)	(8,100)	-	-	(8,100)	(8,100)	(8,100)	(8,100)	(8,100)
MFA Debt Surplus Fund	-	(5,000)	-	-	-	-	-	-	-	-
Other Revenue	(3,168)	(5,756)	(3,010)	-	-	(3,010)	(2,830)	(2,460)	(2,510)	(2,560)
TOTAL REVENUE	(487,713)	(502,799)	(543,782)	-	(45,000)	(588,782)	(606,860)	(592,470)	(603,720)	(615,190)
REQUISITION - PARCEL TAX	(701,965)	(701,965)	(751,100)	-	-	(751,100)	(783,013)	(902,816)	(1,033,325)	(1,073,329)
*Percentage increase over prior year										
Sales - Water			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%
User Fees			7.0%			7.0%	2.0%	2.0%	2.0%	2.0%
Requisition			7.0%			7.0%	4.2%	15.3%	14.5%	3.9%
Combined			6.9%			6.9%	3.3%	9.7%	9.5%	3.2%

Magic Lake Water
Reserve Summary Schedule
2027 - 2031 Financial Plan

Reserve/Fund Summary

	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Operating Reserve Fund	27,151	62,151	127,151	227,151	327,151	427,151
Capital Reserve Fund	815,316	340,626	417,016	487,111	671,701	845,551
Capital Reserve Fund - Settlement Fund	619,634	619,634	619,634	619,634	619,634	619,634
Total	1,462,101	1,022,411	1,163,801	1,333,896	1,618,486	1,892,336

Reserve Schedule

Reserve Fund: 2.630 Magic Lakes Estate Water - 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 etc.
--

Reserve Cash Flow

Fund: Fund Centre:	1500 105212	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		5,717	27,151	62,151	127,151	227,151	327,151
Transfer from Ops Budget		41,250	80,000	90,000	100,000	100,000	100,000
Transfer to Ops Budget		(20,000)	(45,000)	(25,000)	-	-	-
Planned Maintenance Activity		Frigate Tank cleaning & inspection	Captains Tank cleaning & inspection (\$20k), Water distribution system flushing program Ph1 (\$25k)	Water distribution system flushing program Ph2			
Interest Income*		184					
Ending Balance \$		27,151	62,151	127,151	227,151	327,151	427,151

Assumptions/Background:

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

Reserve Schedule

Reserve Fund: 2.630 Magic Lakes Estate Water - Capital Reserve Fund

Bylaw 1498

Reserve Cash Flow

Fund: Fund Centre:	1024 101368	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		892,904	815,316	340,626	417,016	487,111	671,701
Transfer from Ops Budget		21,412	57,310	136,390	195,095	184,590	173,850
Transfer to Cap Fund		(120,000)	(532,000)	(60,000)	(125,000)	-	-
Transfer from Cap Fund		-					
Interest Income*		21,000					
Ending Balance \$		815,316	340,626	417,016	487,111	671,701	845,551

Assumptions/Background:

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

Reserve Schedule

Reserve Fund: 2.630 Magic Lakes Estate Water - Capital Reserve Fund (Settlement Funds)

Bylaw 1498

Reserve Cash Flow

Fund: Fund Centre:	1024 102245	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		600,434	619,634	619,634	619,634	619,634	619,634
Transfer to Cap Fund		-	-	-	-	-	-
Interest Income*		19,200					
Ending Balance \$		619,634	619,634	619,634	619,634	619,634	619,634

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.	2.630	Carry Forward from 2026	2027	2028	2029	2030	2031	TOTAL
	Magic Lake Estates Water (Pender)							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$255,000	\$585,000	\$985,000	\$2,525,000	\$1,000,000	\$0	\$5,095,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$255,000	\$645,000	\$985,000	\$2,525,000	\$1,000,000	\$0	\$5,155,000

SOURCE OF FUNDS

Capital Funds on Hand	\$113,000	\$113,000	\$0	\$0	\$0	\$0	\$113,000
Debenture Debt (New Debt Only)	\$0	\$0	\$925,000	\$2,400,000	\$1,000,000	\$0	\$4,325,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$142,000	\$532,000	\$60,000	\$125,000	\$0	\$0	\$717,000
	\$255,000	\$645,000	\$985,000	\$2,525,000	\$1,000,000	\$0	\$5,155,000

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 #:

2.630

Service Name:

Magic Lake Estates Water (Pender)

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2027	2028	2029	2030	2031	5 - Year Total
21-04	Renewal	Buck Lake Dam Repairs - Phase 1	Conduct additional inspections, minor repairs, and performance analysis highlighted in the 2019 Dam Safety Review. Phase 2 dam improvements to be completed in the following five years.	\$ 202,000	S	Res	\$ 22,000	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ 22,000
21-04	Renewal	Buck Lake Dam Repairs - Phase 1			S	Cap	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
23-02	New	ISOPAC Permanent Handling & Storage	Study and design for permanent solution to reduce drum waste and operator handling.	\$ 80,000	S	Cap	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
26-01	Renewal	Buck Lake Dam Repairs - Phase 2	Conduct additional geotechnical investigations, seepage analysis, monitoring, tree removal and the next DSR (2029).	\$ 405,000	S	Res	\$ 100,000	\$ 175,000	\$ 60,000	\$ 125,000	\$ -	\$ -	\$ 360,000
26-02	Replacement	WTP Process Pipe Condition Assessment	Conduct an updated condition assessment for process piping in the water treatment plant with potential spot repairs or maintenance (funded from settlement fund).	\$ 100,000	S	Cap	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
26-03	Study	Petition / Alternative Approval Process	Undertake community engagement and a petition or alternative approval process to borrow funds to carry out water system improvements in future years.	\$ 20,000	S	Res	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
27-01	Replacement	Water Main Replacement	Replacement of select watermain within the distribution network to address leaks and reduce non revenue water.	\$ 2,000,000	S	Debt	\$ -	\$ -	\$ 200,000	\$ 800,000	\$ 1,000,000	\$ -	\$ 2,000,000
27-02	Replacement	Captains Tank Replacement	Preliminary placeholder budget to be updated following prelim design and aligned with AAP/Petition.	\$ 2,200,000	S	Res	\$ -	\$ 100,000			\$ -	\$ -	\$ 100,000
27-02	Replacement	Captains Tank Replacement	Preliminary placeholder budget to be updated following prelim design and aligned with AAP/Petition.		S	Debt	\$ -	\$ -	\$ 500,000	\$ 1,600,000	\$ -	\$ -	\$ 2,100,000
27-03	New	ISOPAC Permanent Handling & Storage	Installation work following study and successful loan authorization.	\$ 225,000	S	Debt	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000
27-04	New	Safety Improvements	Funding to support critical safety improvements, such as emergency eye wash and wash down locations.	\$ 60,000	E	Res	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
27-05	Study	Asset Management Study	Budget for asset management assessment to support petition process.	\$ 20,000	S	Res	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
27-06	Replacement	Signal Hill & Privateers Rd Watermain Segment Replacement	Replacement of a watermain segment in the vicinity of Privateers Rd and Signal Hill Rd.	\$ 55,000	S	Res	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000
27-07	Renewal	Decommission Magic Lake old Syphon and Replacement of CSP Spill Culverts - Engineering Assessment	Engineering assessment and coordination with Dam Safety Office to develop a plan for decommissioning of the old syphon and replacement of twin CSP spillway culverts.	\$ 80,000	S	Res	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
													\$ -
			Grand Total	\$ 5,447,000			\$ 255,000	\$ 645,000	\$ 985,000	\$ 2,525,000	\$ 1,000,000	\$ -	\$ 5,155,000

APPENDIX A

Service: **2.630** **Magic Lake Estates Water (Pender)**

Project Number	21-04	Capital Project Title	Buck Lake Dam Repairs - Phase 1	Capital Project Description	Conduct additional inspections, minor repairs, and performance analysis highlighted in the 2019 Dam Safety Review. Phase 2 dam improvements to be completed in the following five years.
Project Rationale	Resulting from the Hatch 2019 Dam Safety Review, funds are required to conduct additional inspections, minor dam repairs, and performance analysis. Phase 2 dam improvements to be completed in the following five years.				
Project Number	23-02	Capital Project Title	ISOPAC Permanent Handling & Storage	Capital Project Description	Study and design for permanent solution to reduce drum waste and operator handling.
Project Rationale	Safety improvements to reduce Operator injury when handling the ISOPAC drums were carried out in 2019-2020. A permanent solution to reduce the use of drums which cannot be readily disposed of, was initiated in concept in 2024 and is anticipated to continue into 2025 for implementation.				
Project Number	26-01	Capital Project Title	Buck Lake Dam Repairs - Phase 2	Capital Project Description	Conduct additional geotechnical investigations, seepage analysis, monitoring, tree removal and the next DSR (2029).
Project Rationale	Resulting from the Hatch 2019 Dam Safety Review, funds are required to conduct additional geotechnical investigations, seepage analysis and monitoring, tree removal, and the next Dam Safety Review (2029).				
Project Number	26-02	Capital Project Title	WTP Process Pipe Condition Assessment	Capital Project Description	Conduct an updated condition assessment for process piping in the water treatment plant with potential spot repairs or maintenance (funded from settlement fund).
Project Rationale	Utilizing funding from previous settlement, allocate funding for further assessment and planning for process pipe repairs and possible replacement.				
Project Number	26-03	Capital Project Title	Petition / Alternative Approval Process	Capital Project Description	Undertake community engagement and a petition or alternative approval process to borrow funds to carry out water system improvements in future years.
Project Rationale	Funding to conduct an Alternative Approvals Process to solicit public approval to secure debt in order to carry out necessary future Capital improvements.				

APPENDIX A

Service: 2.630 Magic Lake Estates Water (Pender)

Project Number 27-01 **Capital Project Title** Water Main Replacement **Capital Project Description** Replacement of select watermains within the distribution network to address leaks and reduce non revenue water.

Project Rationale Interim budget to advance watermain replacements within the water system. Budget and prioritization will be further refined continually through planning and design. To include overland HDPE pipe feeding zone 570 from WTP.

Project Number 27-02 **Capital Project Title** Captains Tank Replacement **Capital Project Description** Preliminary placeholder budget to be updated following prelim design and aligned with AAP/Petition.

Project Rationale Captains Tank is beyond it's service life. Conceptual design completed in 2025. Detailed design is required priore to the replacement of Captains Tank.

Project Number 27-03 **Capital Project Title** ISOPAC Permanent Handling & Storage **Capital Project Description** Installation work following study and successful loan authorization.

Project Rationale Work require to address ergonomic/lifting safety concerns.

Project Number 27-04 **Capital Project Title** Safety Improvements **Capital Project Description** Funding to support critical safety improvements, such as emergency eye wash and wash down locations.

Project Rationale Project to bring water system into compliance with the WorkSafeBC OHS Regulation (Emergency Washing Facilities) and OHS Guidelines. Hazardous chemicals are being handled with inadequate emergency shower/eyewash facilities in place for the type of hazard our workers are exposed to.

Project Number 27-05 **Capital Project Title** Asset Management Study **Capital Project Description** Budget for asset management assessment to support petition process.

Project Rationale Asset Management Planning necessary to effectively manage asset life cycles and plan for future improvement works.

Service:	2.630	Magic Lake Estates Water (Pender)
----------	-------	-----------------------------------

Project Number	27-06	Capital Project Title	Signal Hill & Privateers Rd Watermain Segment Replacement	Capital Project Description	Replacement of a watermain segment in the vicinity of Privateers Rd and Signal Hill Rd.
Project Rationale	Replacement of a segment of watermain at Signal Hill & Privateers Rd intersection, east of Buck Lake Dam. This segment has been leaking and isolated and is in need of replacement.				

Project Number	27-07	Capital Project Title	Decommission Magic Lake old Syphon and Replacement of CSP Spill Culverts - Engineering Assessment	Capital Project Description	Engineering assessment and coordination with Dam Safety Office to develop a plan for decommissioning of the old syphon and replacement of twin CSP spillway culverts.
Project Rationale	The old syphon at Magic Lake is no longer required, and does not function. Funds are required to remove the overland and underwater pipe, and decommission the underground pipe.				

2.630 - Magic Lake Water Utility (Pender)

Capital Projects

Updated @ Sep 15, 2026

Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Cap on Hand
						Expenditure Actuals	Remaining Spending	
2021	CE.744	21-03	Close	MLE Safety Improvements	20,000	19,604	396	20,000
2021	CE.678	21-04	Open	Buck Lake Dam Upgrades	180,000	93,858	86,142	180,000
2024	CE.779.4501	23-02	Open	ISOPAC Permanent Handling & Storage	80,000	2,459	77,542	80,000
2025	CE.899.7501	26-02	Open	Pipes assessment & replacement	100,000	32,793	67,207	100,000
2025	CE.899.4501	25-01	Open	Captains Tank Concept Design	30,000	12,088	17,912	30,000
				Totals	410,000	160,802	249,199	410,000

Service: **2.630** **Magic Lake Water**

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	1,196	\$510.41	1,059	\$356.38	\$866.79	4524
2024	1,196	\$510.46	1,072	\$369.62	\$880.08	4587
2025	1,196	\$525.77	1,082	\$395.50	\$921.27	4649
2026	1,196	\$617.74	1,082	\$464.84	\$1,082.58	4736
2027	1,196	\$660.98	1,088	\$494.64	\$1,155.62	

Change from 2026 to 2027

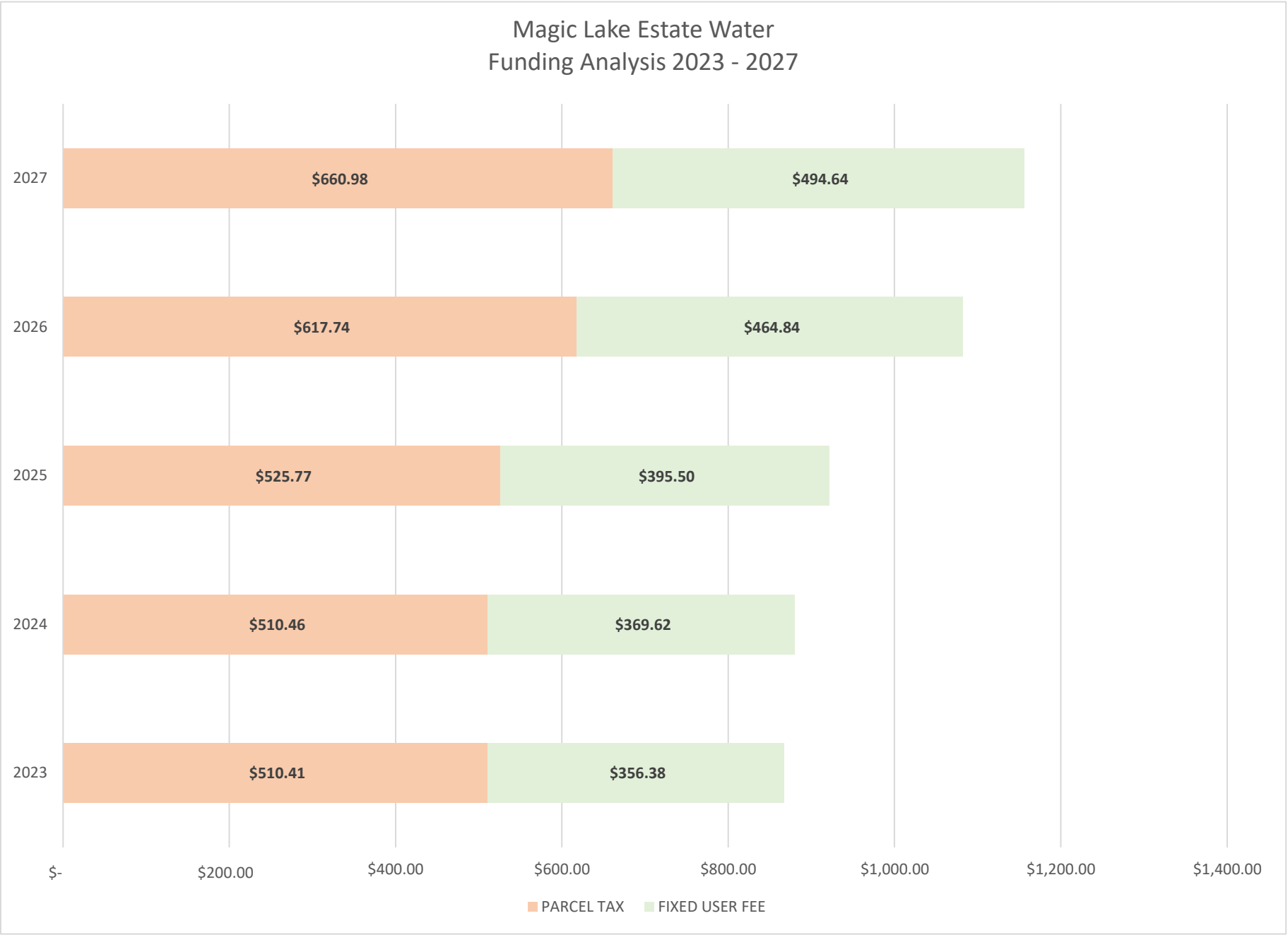
\$43.24
7.00%

\$29.80
6.41%

\$73.04
6.75%

* Parcel Tax authority under LSA-1

**User Charge is an annual charge per connected SFE



CAPITAL REGIONAL DISTRICT

2027 Budget

Magic Lake Estates Sewer

Commission Review

OCTOBER 2026

Service: **3.830 Magic Lake Sewer Utility (Pender)**

Committee: Electoral Areas

DEFINITION:

To provide, operate and maintain sewage collection and disposal facilities for the Magic Lake Estates Sewerage System Specified Area on North Pender Island (Local Service Establishment Bylaw No. 1873 - June 26, 1991).

PARTICIPATION:

Specified Area - B(764) SA#8

MAXIMUM LEVY:

Greater of \$200,000 or \$7.10 / \$1,000 on actual assessed value of land and improvements.

MAXIMUM CAPITAL DEBT:

AUTHORIZED: LA Bylaw No. 4048 (Dec 2015). Fall Borrowing \$1,530,000 for 10 years

COMMITTEE:

Magic Lake Estates Water & Sewer Committee established by Bylaw No. 1870 (November 28, 1990).

FUNDING:

User Charge: Per single family equivalency unit to connected properties only

Parcel Tax: Only on properties capable of being connected to system.

Connection Charge: Actual Engineering and Construction costs, plus 15% Administration costs. The minimum charge is \$500.

RESERVE FUND:

Magic Lake Estates sewage system capital reserve fund (Dec 17, 1986). Bylaw No. 1497.

3.830 - Magic Lake Estates Sewer	2026		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2028	2029	2030	2031
<u>OPERATING COSTS</u>										
Sludge Hauling Contracts	68,240	70,900	75,000	-	-	75,000	76,500	78,030	79,590	81,180
Grit & Waste Sludge Disposal	44,130	46,000	39,130	-	-	39,130	39,910	40,710	41,520	42,350
Screening Disposal	20,360	8,000	10,360	-	-	10,360	10,570	10,780	11,000	11,220
Repairs & Maintenance	35,650	37,190	30,650	-	55,000	85,650	31,260	31,890	32,520	33,180
Allocations	74,823	74,823	81,104	-	-	81,104	83,013	84,913	86,862	88,860
Electricity	54,000	47,000	50,400	-	-	50,400	51,410	52,440	53,490	54,560
Supplies	28,540	18,500	21,540	-	-	21,540	21,970	22,410	22,860	23,310
Labour Charges	435,124	557,800	496,298	-	-	496,298	506,220	516,340	526,670	537,200
Other Operating Expenses	60,471	73,780	67,022	-	-	67,022	68,729	70,542	72,423	74,370
TOTAL OPERATING COSTS	821,338	933,993	871,504	-	55,000	926,504	889,582	908,055	926,935	946,230
*Percentage Increase over prior year			6.1%		6.7%	12.8%	-4.0%	2.1%	2.1%	2.1%
<u>DEBT / RESERVES</u>										
Transfer to Capital Reserve Fund	46,000	25,345	157,390	-	-	157,390	320,070	302,235	278,825	253,200
Transfer to Operating Reserve Fund	20,520	20,520	65,535	-	-	65,535	60,000	70,000	70,000	72,000
Transfer to Equipment Replacement fund	60,000	60,000	60,000	-	-	60,000	60,000	120,000	135,000	150,000
<u>Existing Debt</u>										
Debt Reserve Fund	610	610	280	-	-	280	190	-	-	-
MFA Principal Payment	133,463	133,463	68,476	-	-	68,476	46,668	-	-	-
MFA Interest Payment	40,640	40,640	24,995	-	-	24,995	17,120	-	-	-
<u>Planned Debt</u>										
Debt Reserve Fund	-	-	-	-	-	-	10,500	13,000	10,000	9,000
MFA Principal Payment	-	-	-	-	-	-	-	20,173	45,149	64,362
MFA Interest Payment	-	-	-	-	-	-	25,725	83,300	139,650	186,200
TOTAL DEBT / RESERVES	301,233	280,578	376,676	-	-	376,676	540,273	608,708	678,624	734,762
TOTAL COSTS	1,122,571	1,214,571	1,248,180	-	55,000	1,303,180	1,429,855	1,516,763	1,605,559	1,680,992
Sludge Disposal Recovery	(12,150)	(12,150)	(12,410)	-	-	(12,410)	(12,660)	(12,910)	(13,170)	(13,430)
TOTAL COSTS NET OF RECOVERIES	1,110,421	1,202,421	1,235,770	-	55,000	1,290,770	1,417,195	1,503,853	1,592,389	1,667,562
*Percentage Increase over prior year			11.3%		5.0%	16.2%	9.8%	6.1%	5.9%	4.7%
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated Balance CFW from 2026 to 2027	-	(92,000)	92,000	-	-	92,000	-	-	-	-
Transfer from Operating Reserve Fund	(12,000)	(12,000)	-	-	(55,000)	(55,000)	-	-	-	-
User Charges	(368,240)	(368,240)	(445,570)	-	-	(445,570)	(481,220)	(505,280)	(515,390)	(525,700)
Grants in Lieu of Taxes	(3,550)	(3,550)	(3,620)	-	-	(3,620)	(3,690)	(3,760)	(3,840)	(3,920)
Other Revenue	(1,560)	(1,560)	(1,240)	-	-	(1,240)	(1,170)	(1,000)	(1,020)	(1,040)
TOTAL REVENUE	(385,350)	(477,350)	(358,430)	-	(55,000)	(413,430)	(486,080)	(510,040)	(520,250)	(530,660)
REQUISITION - PARCEL TAX	(725,071)	(725,071)	(877,340)	-	-	(877,340)	(931,115)	(993,813)	(1,072,139)	(1,136,902)
*Percentage increase over prior year										
User Fees			21.0%			21.0%	8.0%	5.0%	2.0%	2.0%
Requisition			21.0%			21.0%	6.1%	6.7%	7.9%	6.0%
Combined			21.0%			21.0%	6.8%	6.1%	5.9%	4.7%

APPENDIX B

3.830D - Magic Lake Estates Sewer - Debt Only 6M Phase 1 Wastewater Treatment Plan Upgrade

DEBT

	2026		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2028	2029	2030	2031
Debt Reserve Fund	1,760	1,760	1,570	-	-	1,570	1,570	1,570	1,570	1,570
MFA Principal Payment	111,887	111,887	111,887	-	-	111,887	111,887	111,887	111,887	111,887
MFA Interest Payment	118,798	118,798	118,798	-	-	118,798	118,798	118,798	118,798	118,798
TOTAL DEBT	232,445	232,445	232,255	-	-	232,255	232,255	232,255	232,255	232,255
FUNDING SOURCES (REVENUE)										
MFA Debt Reserve Earning	(1,760)	(1,760)	(1,570)	-	-	(1,570)	(1,570)	(1,570)	(1,570)	(1,570)
Grants in Lieu of Taxes	(1,201)	(1,201)	(1,201)	-	-	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)
REQUISITION - PARCEL TAX	(229,484)	(229,484)	(229,484)	-	-	(229,484)	(229,484)	(229,484)	(229,484)	(229,484)
*Percentage increase over prior year Requisition			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%

**Magic Lake Estates Sewer
Reserve Summary Schedule
2027 - 2031 Financial Plan**

Reserve/Fund Summary

	Estimated	Budget				
	2026	2027	2028	2029	2030	2031
Operating Reserve Fund	12,963	23,498	83,498	153,498	223,498	295,498
Capital Reserve Fund	356,317	63,707	98,777	366,012	644,837	898,037
Equipment Replacement Fund	10,000	20,000	30,000	100,000	185,000	285,000
Total	379,280	107,205	212,275	619,510	1,053,335	1,478,535

Reserve Schedule

Reserve Fund: 3.830 Magic Lake Sewer System - Operating Reserve Fund - Bylaw 4144
--

Reserve fund used for: unforeseen operational repairs and maintenance; infrequent maintenance activities such as treatment facility tankage draining/cleaning/inspection etc.

Reserve Cash Flow

Fund: Fund Centre:	1500 105217	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		4,307	12,963	23,498	83,498	153,498	223,498
Transfer from Ops Budget		20,520	65,535	60,000	70,000	70,000	72,000
Planned Expenditures		(12,000)	(55,000)	-	-	-	-
Planned Maintenance Activity		Sewer flushing (\$12K)	Outfall Inspection (\$15K) and sewer flushing (\$40K)				
Interest Income*		136					
Ending Balance \$		12,963	23,498	83,498	153,498	223,498	295,498

<u>Assumptions/Background:</u>

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

Reserve Schedule

Reserve Fund: 3.830 Magic Lake Sewer System - Capital Reserve Fund

Bylaw 1497

Reserve Cash Flow

Fund: Fund Centre:	1042 101386	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		381,792	356,317	63,707	98,777	366,012	644,837
Transfer from Ops Budget		25,345	157,390	320,070	302,235	278,825	253,200
Transfer to Cap Fund		(60,000)	(450,000)	(285,000)	(35,000)	-	-
Transfer from Cap Fund		-					
Interest Income*		9,180					
Ending Balance \$		356,317	63,707	98,777	366,012	644,837	898,037

<u>Assumptions/Background:</u>

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

Reserve Schedule

Reserve Fund: 3.830 Magic Lake Sewer System - Equipment Replacement Fund

Newly created in 2025

Reserve Cash Flow

Fund: Fund Centre:	1022 102327	Estimated	Budget				
		2026	2027	2028	2029	2030	2031
Beginning Balance		-	10,000	20,000	30,000	100,000	185,000
Transfer from Ops Budget		60,000	60,000	60,000	120,000	135,000	150,000
Planned Purchases		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Interest Income		-					
Ending Balance \$		10,000	20,000	30,000	100,000	185,000	285,000

<u>Assumptions/Background:</u>

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

Service No. 3.830	Carry Forward from 2026	2027	2028	2029	2030	2031	TOTAL
Magic Lake Sewer Utility (Pender)							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$110,000	\$250,000	\$50,000	\$50,000	\$50,000	\$50,000	\$450,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$25,000	\$360,000	\$1,335,000	\$1,335,000	\$1,000,000	\$900,000	\$4,930,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$135,000	\$610,000	\$1,385,000	\$1,385,000	\$1,050,000	\$950,000	\$5,380,000

SOURCE OF FUNDS

Capital Funds on Hand	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Debenture Debt (New Debt Only)	\$0	\$0	\$1,050,000	\$1,300,000	\$1,000,000	\$900,000	\$4,250,000
Equipment Replacement Fund	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Grants (Federal, Provincial)	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$75,000	\$450,000	\$285,000	\$35,000	\$0	\$0	\$770,000
	\$135,000	\$610,000	\$1,385,000	\$1,385,000	\$1,050,000	\$950,000	\$5,380,000

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 #:

3.830

Service Name:

Magic Lake Sewer Utility (Pender)

				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2027	2028	2029	2030	2031	5 - Year Total auto-populates
24-01	Replacement	Towable Genset Replacement	Replacement of the towable genset as it is nearing the end of life.	\$ 200,000	E	Res	\$ 50,000	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000
24-01	Replacement	Towable Genset Replacement	Replacement of the towable genset as it is nearing the end of life.		E	Cap	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
26-01	New	WWTP Optimization	Budget for ongoing operational improvements for additional instrumentation, analytical improvements, etc as operations familiarize and fine tune operation of the plant	\$ 125,000	S	Res	\$ 10,000	\$ 45,000	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ 115,000
26-02	Replacement	Annual Provisional - Equipment Replacement Fund	Budget for mechanical and electrical equipment replacement needed for replacement.	\$ 250,000	E	ERF	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
27-01	Study	Petition or Alternative Approval Process	Undertake community engagement and a petition or alternative approval process to borrow funds to carry out water system improvements in future years	\$ 20,000	S	Res	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
27-02	Renewal	Pump Stations - Mechanical and Electrical Upgrades	Renew Buccaneer, Capstan, Culfass and Masthead Pump Stns	\$ 2,100,000	S	Res	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
27-02	Renewal	Pump Stations - Mechanical and Electrical Upgrades (Replace when grant received or sufficient funds in CRF)			S	Debt	\$ -	\$ -	\$ 850,000	\$ 1,200,000	\$ -	\$ -	\$ 2,050,000
27-03	Replacement	Chart PS RTU	Connectivity to SCADA Server.	\$ 115,000	S	Res	\$ 15,000	\$ 15,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 115,000
27-04	Study	I&I Study	Complete an I&I study to reassess I&I rates and develop mitigation measures to improve the system.	\$ 50,000	S	Grant	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
27-05	New	Chemical pH Adjustment	The Schooner WWTP has experienced recurring low-pH events, resulting in multiple regulator non-compliance occurrences. Chemical dosing is needed to ensure plant compliance and pH/alkalinity	\$ 160,000	S	Res	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000
27-06	Study	Asset Management Study	Budget for asset management assessment to support petition process	\$ 20,000	S	Res	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
28-01	Renewal	CCTV Pipe Inspection	Conduct a CCTV inspection of all remaining asbestos cement pipe and other pipes as deemed necessary to monitor its condition and identify pipe that might require replacement.	\$ 150,000	S	Res	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
28-02	Replacement	I&I Improvements	Implementation of mitigation measures to improve the system based on I&I study results.	\$ 200,000	S	Debt	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
28-03	Replacement	AC Sewer Pipe Replacement	Based on CCTV inspection, replace portions of AC sewer pipe that are at end of life.	\$ -	S	Debt	\$ -	\$ -	\$ -	\$ 100,000	\$ 1,000,000	\$ 900,000	\$ 2,000,000
				2,000,000									\$ -
			Grand Total	\$ 5,390,000			\$ 135,000	\$ 610,000	\$ 1,385,000	\$ 1,385,000	\$ 1,050,000	\$ 950,000	\$ 5,380,000

5,380,000

APPENDIX B

Service:	3.830	Magic Lake Sewer Utility (Pender)
----------	-------	-----------------------------------

Project Number	24-01	Capital Project Title	Towable Genset Replacement	Capital Project Description	Replacement of the towable genset as it is nearing the end of life.
Project Rationale	Replacement of the towable genset as it is nearing the end of life.				

Project Number	26-01	Capital Project Title	WWTP Optimization	Capital Project Description	Budget for ongoing operational improvements for additional instrumentation, analytical improvements, etc as operations familiarize and fine tune operation of the plant.
Project Rationale	New facilities are known to require some optimization and operational adjustments in the early years. This budget will support transitioning from commissioning into steady state operation.				

Project Number	26-02	Capital Project Title	Annual Provisional - Equipment Replacement Fund	Capital Project Description	Budget for mechanical and electrical equipment replacement needed for replacement.
Project Rationale					

Project Number	27-01	Capital Project Title	Petition or Alternative Approval Process	Capital Project Description	Undertake community engagement and a petition or alternative approval process to borrow funds to carry out water system improvements in future years.
Project Rationale	Funding to conduct an Alternative Approvals Process to solicit public approval to secure debt in order to carry out necessary future Capital improvements.				

Service:		3.830		Magic Lake Sewer Utility (Pender)	
Project Number	27-02	Capital Project Title	Pump Stations - Mechanical and Electrical Upgrades	Capital Project Description	Renew Buccaneer, Capstan, Cutlass and Masthead Pump Stns
Project Rationale	Additional funding required to carry out the works to upgrade Capstan, Cutlass (top priorities) as well as Buccaneers and Masthead (secondary priority).				
Project Number	27-03	Capital Project Title	Chart PS RTU	Capital Project Description	Connectivity to SCADA Server.
Project Rationale					
Project Number	27-04	Capital Project Title	I&I Study	Capital Project Description	Complete an I&I study to reassess I&I rates and develop mitigation measures to improve the system.
Project Rationale	This will likely include smoke testing, spot inspections and portable flow monitoring to be able to inform the study. Requirement to complete under Provincial Regulations (MWR).				
Project Number	27-05	Capital Project Title	Chemical pH Adjustment	Capital Project Description	The Schooner WWTP has experienced recurring low-pH events, resulting in multiple regulatory non-compliance occurrences. Chemical dosing is needed to ensure plant compliance and pH/alkalinity
Project Rationale	The Schooner WWTP has experienced recurring low-pH events, resulting in multiple regulatory non-compliance occurrences. Influent alkalinity is not sufficient to maintain stable pH under actual operating conditions. Alkalinity and pH should be actively controlled through chemical addition.				

APPENDIX B

Service: 3.830 Magic Lake Sewer Utility (Pender)			
Project Number	27-06	Capital Project Title	Asset Management Study
Capital Project Description	Budget for asset management assessment to support petition process		
Project Rationale	Asset Management Planning necessary to effectively manage asset life cycles and plan for future improvement works.		
Project Number	28-01	Capital Project Title	CCTV Pipe Inspection
Capital Project Description	Conduct a CCTV inspection of all remaining asbestos cement pipe and other pipes as deemed necessary to monitor its condition and identify pipe that might require replacement.		
Project Rationale	CCTV inspections of AC sewer mains to prioritize replacement.		
Project Number	28-02	Capital Project Title	I&I Improvements
Capital Project Description	Implementation of mitigation measures to improve the system based on I&I study results.		
Project Rationale	Reduction of I&I will preserve sewer capacity and reduce fluctuations at wastewater pump stations and treatment plants.		
Project Number	28-03	Capital Project Title	AC Sewer Pipe Replacement
Capital Project Description	Based on CCTV inspection, replace portions of AC sewer pipe that are at end of life.		
Project Rationale	Replacement of AC sewer pipes based on CCTV. Cost estimation to be further developed following CCTV and concept design.		

3.830 - Magic Lake Sewer Utility (Pender)

Capital Projects Fund

Updated @ Sep 15, 2026

Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2020	CE.708	21-02	Close	MLE WWTP Capital Support Commissioning	300,550	296,457	4,093	300,550
2021	CE.775	21-01	Open	MLE Safety Upgrades	30,000	19,432	10,568	30,000
2025	CE.895.1601	24-01	Open	Towable Genset Replacement	60,000	263	59,737	60,000
				Total	390,550	316,151	74,398	390,550

APPENDIX B

Service:	3.830 Magic Lake Sewe	3.830 Magic Lake Sewer Utility (Pender)	Committee: Electoral Areas
----------	-----------------------	---	----------------------------

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax 1 per Folio</u>	<u>Taxable Folios</u>	<u>Parcel Tax 2 per Folio</u>	<u>SFE's</u>	<u>User Charge per SFE</u>	<u>Total Tax(1&2) & Charges</u>	<u>Bylaw</u>
2023	709	\$869.92	573	\$430.01	642	\$416.04	\$1,715.97	4524
2024	709	\$900.54	573	\$421.48	651	\$447.08	\$1,769.10	4586
2025	709	\$927.55	573	\$421.52	651	\$487.54	\$1,836.61	4649
2026	709	\$1,076.36	573	\$421.52	651	\$565.65	\$2,063.53	4736
2027	709	\$1,302.40	573	\$421.52	650	\$685.49	\$2,409.41	

Change from 2026 to 2027

\$226.04	\$0.00	\$119.84	\$345.88
21.00%	0.00%	21.19%	<u>16.76%</u>

Total Parcel Tax(1) and Charges (lump-sum payment option only)	\$1,987.89
Change from 2026 to 2027	\$345.88
	21.06%



Service: **3.830D** **Magic Lake Sewer - Debt Service Only -6M**

Bylaw 4363

Total Folios	709
--------------	-----

Folios Paid by One-time Lump Sum	137	<i>one of the the folios that paid the lump-sum is exempt now</i>
----------------------------------	-----	---

<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel Tax per Folio</u>
2023	573	\$430.01
2024	573	\$421.48
2025	573	\$421.52
2026	573	\$421.52
2027	573	\$421.52

Change from 2026 to 2027

\$0.00

0.00%

