



Making a difference...together

**MINUTES OF A MEETING OF THE Sticks Allison Water Local Service Committee, held Tuesday, November 5, 2024 at 9:30 a.m., In the Goldstream Conference Room, 479 Island Highway, Victoria, BC**

---

**PRESENT: Committee Members:** H. Schofield (Chair); J. Fenby (Vice Chair); P. Brent (EP) (EA Director) C. Menyhart; B. Russell  
**Staff:** D. Robson, Manager, Saanich Peninsula & Gulf Islands Operations; L. Xu, Manager, Local Services & Corporate Grants; N. Tokgoz, Manager, Water Distribution Engineering & Planning; K. Vincent, Senior Financial Advisor; J. Kelly, Manager, Capital Projects; M. Risvold (Recorder)

EP = Electronic Participation

The meeting was called to order at 9:31.

**1. TERRITORIAL ACKNOWLEDGEMENT**

The Chair provided the Territorial Acknowledgement.

**2. APPROVAL OF AGENDA**

**MOVED** by H. Schofield, **SECONDED** by J. Fenby,  
That the agenda be approved.

**CARRIED**

**3. ADOPTION OF MINUTES**

The third bullet of item four was amended to remove the following words:

- More demand ~~demands~~ on the aquifer with the sale of the property on West ~~at the end of~~ Sticks Allison Road, adjacent to the western boundary of the Sticks Allison Water System.

**MOVED** by H. Schofield, **SECONDED** by P. Brent,  
That the minutes of the June 25, 2024 Sticks Allison Water Local Service Committee meeting be adopted as amended.

**CARRIED**

**4. CHAIR'S REMARKS**

The Chair thanked Maria and Brian for their contributions to the committee over the years. The Chair further advised that an informal in-person meeting was held on August 10 and a Zoom meeting on August 13 of this year to inform stakeholders of the status of the water system. Of the 37 customers, 32 attended.

The Chair advised that lot 12 of Sticks Allison Road has sold, noting that there may be a connection to the water system in the near future.

**5. PRESENTATIONS/DELEGATIONS**

There were none.

## 6. SENIOR MANAGERS REPORT

D. Robson provided the following updates:

- Private property winterization. The Capital Regional District (CRD) is running a campaign to inform homeowners within small water systems the benefits of winterizing their properties to prevent leaks during the cold season. Information has been shared on social media platforms and on the respective CRD Drinking Water Systems webpages.
- Grant application for water conservation signage. CRD was successful in receiving a grant from the Union of British Columbia Municipalities for permanent water conservation signage. The signage will display current water restriction levels and will be installed in the community, replacing the current sandwich boards. It is anticipated that there will be no cost to the service for the signs or installation. Staff will work with the on-island operator for updates to the board.

## 7. COMMITTEE BUSINESS

### 7.1. 2025 Operating and Capital Budget

D. Robson spoke to item 7.1.

A discussion was held about the \$10,000 allocation for leak investigation. D. Robson advised that the funds are designated for leak detection, and if a leak is identified, the \$10,000 will help cover the repair costs. Excavating and repair costs are expensive and could take a couple of days to determine if there is a leak.

N. Tokgoz provided an overview of the 5-year capital plan.

Discussion took place regarding the various methods that a service can incur debt. N. Tokgoz advised that debt could be incurred through an alternative approval process (AAP) or a petition. It was further noted that if a project appears on the capital plan, it allows for a more successful grant application.

Director Brent informed that, following consultation with CRD's Legislative Services, it is likely that either an AAP or a petition process will be recommended, both of which will involve public participation with CRD managing the process.

L. Xu provided an overview of the debt simulation model as an indicator for the future. Discussion took place regarding the ability to lock in the interest rate for the future debt. She advised that the Municipal Finance Authority usually locks down the rate for 10 years, however, the remaining 5 years are unknown.

**MOVED** by H. Schofield, **SECONDED** by J. Fenby

That the Sticks Allison Water Service excess consumption fee for metered water use be reduced from 110 cubic meters per quarter to 90 cubic meters per quarter, leaving the five dollar per cubic meter fee for excess consumption unchanged.

**CARRIED**  
**Opposed: Russell**

Discussion ensued regarding:

- Grants available for affordable housing
- The ability to reduce water consumption
- Reducing the 110 cubic meter limit
- The importance of protecting the aquifer
- Future housing and development in the area
- Tiered rate structure to aid with water conservation

The Chair requested further comments on the final two projects in the capital plan. D. Robson noted that these projects are scheduled for the future, emphasizing that, according to the asset replacement report card, there are assets needing replacement in the near term. Some expenditures will be necessary, and this is part of the planning to ensure continued community service. He further noted that if the operating reserve funds are unavailable, the funds would be payable the following year and would be borne by the service.

A discussion was held regarding AAP timelines and a potential crisis. D. Robson stated that in the event of a crisis, such as a watermain break, staff will address the emergency under emergency conditions. The repair costs will be covered by the operating budget, highlighting the importance of the operating reserve fund.

Director Brent noted that deferring capital projects can lead to higher costs and increased risks. He also emphasized the importance of including projects in the capital plan to enhance the ability to successfully obtain grants. By deferring projects, it could become a potential liability and financial burden into the future.

The Chair stated that the community prefers to self-fund and self-insure, as most homeowners within the Sticks Allison Water Service can easily secure a mortgage to finance projects if needed. The committee feels, that at this time, infrastructure upgrades and capital expenditures may not be necessary.

**MOVED** by H. Schofield, **SECONDED** by C. Menyhart,  
That Project 27-02, in the amount of \$20,000, be deferred from 2027 to 2028 and that Project 28-01 be deferred from 2028 to 2029 with \$50,000 planned in year 2029 in the five-year capital plan.

**CARRIED**  
**Opposed: Brent**

L. Xu advised that the rate change will become effective on January 1, 2025.

**MOVED** by H. Schofield, **SECONDED** by B. Russell,  
The Sticks Allison Water Local Service Committee

1. That the 2025 operating and capital budget for the Sticks Allison Water Service be approved as amended and that the 2024 actual operating surplus/deficit be balanced on 2024 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund); and
2. The Sticks Allison Water Local Service recommends that the Electoral Areas Committee recommend that the Capital Regional District Board approve the

2025 Operating and Capital Budget and the five-year Financial Plan for the Sticks Allison Water Service as amended.

**CARRIED**

## **7.2. PROJECT AND OPERATIONS UPDATE**

D. Robson spoke to item 7.2.

Discussion ensued regarding:

- The size of the current leak in the system
- Maintaining the air release valves within the distribution system

## **8. CORRESPONDENCE**

There was none.

## **9. NEW BUSINESS**

### **9.1. IMPLICATIONS OF DISCONNECTING FROM THE STICKS ALLISON WATER SYSTEM**

As requested by some stakeholders, the Chair requested further details on the implications of disconnecting from the Sticks Allison Water Service. D. Robson explained that, as advised by CRD's Legal Services and Risk Management departments, significant involvement would be required due to the service establishment bylaw if a property within the service wishes to disconnect or be removed from the system. Approvals to amend the bylaw, which incur costs, would need to be obtained through the committee and the CRD Board. For properties within the service area receiving water, there is a process to dig a well, followed by a process to disconnect from the system. Permission to dig a well is not granted by CRD as the province issues the well license.

### **9.2. OWNERSHIP OF INFRASTRUCTURE**

As requested by a committee member, the Chair asked why stakeholders have to pay for infrastructure that is owned by the CRD. D. Robson advised that the CRD owns the infrastructure on behalf of the system users. This is a local service under the *Local Government Act* and Community Charter, noting that all costs of delivery of the service are the responsibility of the people who are receiving it.

Discussion ensued regarding:

- The difference between a municipality and a Regional District.
- The definition of Participants is outlined in the bylaw.
- Costs associated with operating and replacing a utility is borne by the users.
- Equipment and assets are owned and operated on behalf of the citizens by the CRD.
- The service establishment Bylaw, created by the *Local Government Act*.

### **9.3. RECENT SALE OF LOT 12**

The committee advised that Lot 12 within the service area has recently sold and inquired about the buyer's ability to access the Capital Reserve Fund (CRF) or Operating Reserve Fund (ORF) once they are connected to the water system. D. Robson advised that all properties in the service area, whether connected to the water system or not, pay a parcel tax. The parcel tax can cover transfers to the CRF and ORF. If the property connects to the water system, they will pay parcel tax and a user charge connection fee. CRD's Water Billing Department can provide a cost estimate for a connection to the system.

#### 10. ADJOURNMENT

**MOVED** by H. Schofield, **SECONDED** by B. Russell,  
That the November 5, 2024 Sticks Allison Water Local Service Committee meeting be adjourned at 11:25am.

**CARRIED**

---

**CHAIR**

---

**SECRETARY**