



Capital Regional District

Notice of Meeting and Meeting Agenda Lyll Harbour Boot Cove Water Local Service Committee

Thursday, November 14, 2024

9:30 AM

Goldstream Conference Room, 479 Island Highway

Members of the public can watch the live meeting via MS Teams link: [Click here](#)
Alternatively, you can listen by dialing in via phone: +1-778-402-9211, Participant Code 163758474 followed by #. Audio and video participation is disabled.

MEMBERS:

A. Olsen (Chair)
P. Brent (Electoral Area Director)
I. Rowe
J. Crerar
T. McLeod

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [24-1170](#) Minutes of the June 27, 2024 Lyll Harbour/Boot Cove Water Local Service Committee

Recommendation: That the minutes of the June 27, 2024 meeting be adopted.

Attachments: [Draft Minutes: June 27, 2024](#)

4. Chair's Remarks

5. Presentations/Delegations

Delegations will have the option to participate electronically. Please complete the [online](#) application for "Addressing the Board" on our website and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the Lyll Harbour/Boot Cove Water Local Service Committee at iwsadministration@crd.bc.ca. Requests must be received no later than 4:30 p.m. two calendar days prior to the meeting.

6. Senior Manager's Report

7. Committee Business

- 7.1. [24-1028](#) Lyall Harbour/Boot Cove Water Local Service 2025 Operating and Capital Budget
- Recommendation:** 1. That the 2025 operating and capital budget for Lyall Harbour/Boot Cove Water Service be approved as presented and that the 2024 actual operating deficit be balanced on the 2024 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund); and
2. That the Lyall Harbour/Boot Cove Water Local Service Committee 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 Lyall Harbour/Boot Cove Water Service as presented.
- Attachments:** [Lyall Harbour/Boot Cove 2025 Budget Report](#)
[Appendix A](#)
- 7.2. [24-1071](#) Capital Project Status Reports and Operational Updates - November 2024
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Project & Operations Update](#)

8. Correspondence

9. New Business

10. Adjournment

Next Meeting: At the call of the Chair

MINUTES OF A MEETING OF THE Lyall Harbour Boot Cove Water Local Service Committee, held Thursday, June 27, 2024 at 9:30 a.m., In the Goldstream Conference Room, 479 Island Highway, Victoria, BC

PRESENT: Commissioners: A. Olsen (Chair); J. Crerar; J. Money; P. Brent (EA Director) (EP); I. Rowe (10:35 am); T. Mcleod (EP)
Staff: J. Marr, Senior Manager, Infrastructure Engineering; J. Kelly, Manager, Capital Projects; D. Robson, Manager, Saanich Peninsula and Gulf Island Operations; C. Moch, Manager, Water Quality; M. Risvold (Recorder)

EP = Electronic Participation

The meeting was called to order at 9:34 am.

1. TERRITORIAL ACKNOWLEDGEMENT

The Chair provided the Territorial Acknowledgement.

2. APPROVAL OF AGENDA

The following amendments were made to the agenda:

- "Fines for water overuse" was added to item 9.1.
- Item 7.2. was changed to item 5.

MOVED by J. Crerar, **SECONDED** by J. Money,
That the agenda be approved as amended.

CARRIED

3. ADOPTION OF MINUTES

MOVED by J. Money, **SECONDED** by J. Crerar,
That the minutes of the March 7, 2024 Lyall Harbour Boot Cove Water Local Service Committee meeting be adopted.

CARRIED

4. CHAIR'S REMARKS

The Chair provided the following remarks:

- Thanked Operations Staff for their quick response to a water leak detected in the Lyall Harbour/Boot Cove water system.
- Advised that fiberoptic cable being added to Saturna Island from Pender Island to Boot Cove.

Staff responded to a question from the committee regarding CRD's underground infrastructure and potential implications regarding fiberoptic cable installation and groundwork. Staff advised Fiberoptic Cable and digging underground would require a call to BC One Call and a referral notice would then be provided to CRD. Discussion ensued.

5. CAPITAL PROJECT STATUS REPORTS AND OPERATIONAL UPDATES – JUNE 2024

J. Kelly spoke to item 5.

Staff responded to the following questions:

- If there are any current grant opportunities relevant to upcoming capital work. Staff advised that the CRD Grants Team provides monthly updates on grants that are available. There are not currently any applicable grants available.
- When the alternative approval process (AAP) will take place. Staff advised the AAP will likely take place in 2025 or 2026.
- Well transfer update. Staff advised that full ownership of the well has been transferred to the CRD.

Discussion ensued regarding:

- Fluctuating interest rates
- Short term versus long term borrowing
- Contractor availability
- Increasing costs
- Previous AAP
- Average water consumption

6. SENIOR MANAGER'S REPORT

J. Marr provided updates on the following:

- The Water Conservation Bylaw is currently in effect on the service is currently on stage 1 water restrictions.
- The Ministry of Transportation and Infrastructure recently re-graded Money Lake Road.
- CRD has applied for a grant through the Union of BC municipalities for Disaster Risk Reduction – Climate Adaptation 2024. If successful, a permanent water restriction sign will be installed in the community replacing the current sandwich boards. Staff noted the proposed signage will be similar to wildfire risk signs and there would be no costs to the service.

7. COMMITTEE BUSINESS

7.1. 2023 Annual Report

J. Marr spoke to item 7.1.

Discussion ensued regarding:

- Boil water advisories
- Water turbidity

I. Rowe joined the meeting at 10:35am.

8. CORRESPONDENCE

There was none.

9. NEW BUSINESS

9.1. Fines for water overuse

The committee discussed introducing fines for water overuse.

Staff advised the committee of the following:

- Implications of leaks on properties where the owner is unaware of the leak.
- The ability for fixed and overconsumption fees, where the rate would be determined by the committee.
- Fines creating an additional administrative burden while trying to enforce a bylaw.
- Some users have high water consumption throughout the winter as noted in the March 7, 2024, Water Usage Statistics Report.
- Having certified operators with procedures in place and being part of local government allows access to apply for grants.
- Lately there has been more significant operational emergency responses to water system leaks.

Discussion ensued regarding:

- Implementing a water overconsumption fee.
- The ability for smart water meters to monitor overages.
- Grateful to be connected to the water system and managed by a local government entity.

9.2. Update on Money Lake

D. Robson advised as part CRD's annual dam inspection, engineering staff will visit Saturna Island and complete the dam inspections. The net boom that was installed years ago at the west side of the dam has been identified as an additional risk to the dam operation. The equipment was installed years ago was not operated or maintained by the CRD. Could be potential issue. More background information is required prior to removal. Risks include debris build-up and collection, and if the net lets go, there a risk to the dam. Staff are currently unsure if there is debris buildup behind the net.

10. ADJOURNMENT

MOVED by A. Olsen, **SECONDED** by J. Crerar,

That the June 27, 2024 Lyall Harbour Boot Cove Water Local Service Committee meeting be adjourned at 11:19 am.

CARRIED

CHAIR

SECRETARY

**REPORT TO LYALL HARBOUR BOOT COVE WATER LOCAL SERVICE COMMITTEE
MEETING OF THURSDAY, NOVEMBER 14, 2024**

SUBJECT Lyall Harbour/Boot Cove Water Service 2025 Operating and Capital Budget

ISSUE SUMMARY

To present the 2025 Operating and Capital Budget for Committee approval, pursuant to Bylaw No. 1875, "Lyall Harbour/Boot Cove Water Local Services Committee Bylaw 1, 1990".

BACKGROUND

The Capital Regional District (CRD) is required by legislation under the *Local Government Act* (LGA) to prepare a five-year financial plan including Operating Budgets and Capital Expenditure Plans annually. CRD staff have prepared the financial plan shown in Appendix A for the Lyall Harbour/Boot Cove Water Local Service.

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:

- Actual expenditures incurred between 2022 and 2024
- Anticipated changes in level of service (if any)
- Maximum allowable tax requisition
- Annual cost per taxpayer and per single family equivalent (SFE)

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

- Available funds on hand
- Projects already in progress
- Condition of existing assets and infrastructure
- Regulatory, environmental, and health and safety factors

Adjustments for surpluses or deficits from 2024 will be made in January 2025. The CRD Board will give final approval to the budget and financial plan in March 2025.

The Financial Plan for 2026 to 2029 may be changed in future years.

BUDGET OVERVIEW

Operating Budget

It is projected that the 2024 operating expenses will be approximately \$40,083 over budget. Factors contributing to the operating overage include emergency response and corrective maintenance primarily due to the following events:

- Ongoing annual leak detection efforts that are beyond operating contingencies.

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Lyall Harbour/Boot Cove Water Service 2025 Operating and Capital Budget

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- Water Treatment Plant occupational health and safety investigations and corrective actions that included chemical feed pumping equipment improvements and relocating the operator's administration office space from the water treatment plant to an offsite location.
- Water system Supervisory Control and Data Acquisition (SCADA) communications interruption.
- Water Treatment Plant UV system and facility remote control modifications.

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

The debt servicing cost will be \$1,804 below the budget since the planned new borrowing of \$88,000 in 2024 is now deferred to 2026.

It is projected that the 2024 operating revenue will be over budget by approximately \$3,236 primarily due to higher user charge fees as a result of four additional water service connections added to the service during 2024.

As a result, there is an overall estimated operating deficit of approximately \$35,043 (\$40,083 - \$1,804 - \$3,236). To balance the operating budget, it is proposed that the planned 2024 transfer to Operating Reserve Fund (ORF) be reduced by \$17,460 and the planned 2024 transfer to Capital Reserve Fund (CRF) be reduced by \$17,583. Otherwise, the deficit must immediately be included as an expenditure to be recovered from revenue in 2025 financial plan as required by Local Government Act (LGA) Section 374(11).

Operating costs for 2025 (excluding one-time cyclical program funded by ORF in 2024/2025 for the replacement of the filtration media replacement in the amount of \$20,000, of which \$16,500 has been carried over to 2025) has increased by \$13,073 (7.1%) compared to 2024. The increase is primarily to account for core inflation, operating adjustments such as water samples couriers and administrative rental space and labour costs reflecting the renewed collective agreement since 2023.

Municipal Finance Authority (MFA) Debt

Loan Authorization Bylaw 3587 (LA3857) to borrow \$430,000 was approved and adopted in 2008 to construct a new treatment plant, storage tank and installation of meters.

Table 1 – Existing Debt Summary

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

Operating Reserve Fund

The ORF is used to fund cyclical maintenance activities, equipment and supplies purchases that typically do not occur on an annual basis to mitigate the swings in expense and revenue requirement year over year. Typical maintenance activities include hydrant/standpipe maintenance, reservoir cleaning and inspection and ground water well servicing. Additionally, the ORF is 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.

It is proposed that 2025 transfer to the operating reserve fund be set at \$25,000. The Operating Reserve Fund balance at the end of 2024 is projected to be approximately \$13,285. There is \$16,500 of planned maintenance to be funded by the ORF over the next five years.

Capital Reserve Fund

The CRF is to be used to pay for capital expenditures that are not funded by other sources such as grants, operating budget, or debt.

The CRF transfers planned in the budget are evaluated and influenced by the funding required to support the five-year capital expenditure plan and the emergency response to infrastructure failures, also guided by the CRD Capital Reserve Funding Guidelines endorsed by the CRD Board.

It is proposed that the budgeted transfer to the CRF be set at \$40,000 in 2025. The capital reserve balance at the end of 2024 is projected to be \$44,455.

Capital Expenditure Plan

The five-year plan includes \$1,673,000 of expenditures for the period 2025 to 2029 to be funded by a combination of the services' CRF, grant funding, and new debt (debt funded projects are not approved until after the Alternate Approvals Process is complete).

An Alternative Approval Process (AAP) (19-04) is to be funded through the CRF for a total of \$20,000 in 2025 and is required to obtain elector input into borrowing strategies for multiple projects that have been identified with a debt funding source. A complete list of the capital projects can be found in Appendix A, but some of the most significant debt funded capital projects include:

- Dam Improvement and Regulatory Requirements (22-02), which includes \$390,000 of previously approved Community Works Fund (CWF) grant funding but will require additional debt funding to be able to complete the works determined through the Dam Safety Review (DSR) and design processes.
- New Ground Water Well Assessment (25-01) is proposed for quality and quantity testing for the feasibility of incorporating an existing groundwater well into the water supply.
- Water System Improvements (29-01) is a placeholder budget for future improvements that will be further refined following results of groundwater assessment and asset management planning.

Table 2 below provides the future debt servicing cost simulation based on the Five-Year Capital Plan. This simulation is for analytical purposes only with the estimated indicative interest rate provided by MFA at the time of simulation. The AAP will be scheduled towards the end of the year and the actual borrowing requirement will be determined once the potential for well supplementation and possible treatment processes are reviewed.

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Table 2 – Future New Debt Simulation

	<i>Term</i>	<i>Borrowing Year</i>	<i>Retirement Year</i>	<i>Estimated Interest Rate</i>	<i>Principal</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Total Annual Debt Cost</i>
Future Borrowing(s) Estimation	25	2025	2050	4.55%	\$460,000	\$11,654	\$20,930	\$32,584
	25	2026	2051	4.40%	\$83,000	\$2,103	\$3,652	\$5,755
	25	2027	2052	4.40%	\$50,000	\$1,267	\$2,200	\$3,467
	25	2028	2053	4.40%	\$250,000	\$6,334	\$11,000	\$17,334
	25	2029	2054	4.40%	\$500,000	\$12,667	\$22,000	\$34,667
Total					\$1,343,000	\$34,024	\$59,782	\$93,806

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 \$93,806 equates to approximately \$539.11 cost per parcel.

Capital Projects Fund

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

User Charge and Parcel Tax

The service is funded by fixed user charge and parcel tax. Properties connected to the water system pay the annual user charge and all properties within the local service area are responsible for the parcel tax. Table 3 below summarizes the 2025 over 2024 changes for parcel tax and user charge.

Table 3 – Parcel Tax and User Charge Summary

<i>Budget Year</i>	<i>Parcel Tax</i>	<i>Taxable Folios Numbers</i>	<i>Parcel Tax per Folio*</i>	<i>User Charge</i>	<i>SFE Numbers</i>	<i>User Charge per SFE</i>	<i>Parcel Tax & User Charge</i>
2024	\$140,696	173	\$855.97	\$128,315	166	\$772.98	\$1,628.95
2025	\$147,829	174	\$894.20	\$134,860	170	\$793.29	\$1,687.49
Change (\$)	\$7,133	1	\$38.23	\$6,545	4	\$20.31	\$58.54
Change (%)	5.07%	0.58%	4.47%	5.10%	2.41%	2.63%	3.59%

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

RECOMMENDATION

1. That the 2025 operating and capital budget for Lyall Harbour/Boot Cove Water Service be approved as presented and that the 2024 actual operating deficit be balanced on the 2024 Reserve Funds transfer (Capital Reserve Fund and/or Operating Reserve Fund); and
2. That the Lyall Harbour/Boot Cove Water Local Service Committee 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 Lyall Harbour/Boot Cove Water Service as presented.

Submitted by:	Jason Dales, B.SC., WD IV, Senior Manager, Wastewater Infrastructure Operations
Submitted by:	Joseph Marr, P.Eng., Senior Manager, Infrastructure Engineering
Concurrence:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services / Deputy CFO
Concurrence:	Alicia Fraser, P. Eng., General Manager, Integrated Water Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2025 Budget - Lyall Harbour/Boot Cove Water Service Budget

CAPITAL REGIONAL DISTRICT

2025 Budget

Lyall Harbour Water

Commission Review

OCTOBER 2024

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)

Committee: Electoral Area

DEFINITION:

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

PARTICIPATION:

Specified Area #14 - G(764)

MAXIMUM LEVY:

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

COMMITTEE:

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

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

FUNDING:

User Charge: Annual charge per single family equivalency unit connected to the system.

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

Connection Charges: Actual Cost + 15% Admin Fee (Minimum Connection \$400)

RESERVE FUND:

Bylaw No. 1785 (February 14, 1990)

2.640 - Lyall Harbour Water	2024		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	ONGOING	ONE-TIME	TOTAL	2026	2027	2028	2029
<u>OPERATING COSTS</u>										
Repairs & Maintenance	25,660	12,000	5,830	-	16,500	22,330	5,950	6,070	6,200	6,330
Allocations	14,360	14,363	14,901	-	-	14,901	15,302	15,614	15,932	16,255
Water Testing	11,300	11,280	11,620	-	-	11,620	8,068	8,229	8,391	8,557
Electricity	3,760	3,760	3,870	-	-	3,870	3,950	4,030	4,110	4,190
Supplies	6,180	6,180	6,370	-	-	6,370	6,490	6,620	6,750	6,880
Labour Charges	130,580	163,000	136,580	-	-	136,580	139,310	142,100	144,940	147,840
Other Operating Expenses	13,018	17,858	18,760	-	-	18,760	19,453	20,187	20,975	21,811
TOTAL OPERATING COSTS	204,858	228,441	197,931	-	16,500	214,431	198,523	202,850	207,298	211,863
*Percentage Increase over prior year			-3.4%		8.1%	4.7%	-7.4%	2.2%	2.2%	2.2%
<u>DEBT / RESERVES</u>										
Transfer to Operating Reserve Fund	27,460	10,000	25,000	-	-	25,000	25,000	22,000	22,000	20,000
Transfer to Capital Reserve Fund	25,680	8,097	40,000	-	-	40,000	39,880	48,350	51,840	43,080
MFA Debt Reserve Fund	1,020	140	80	4,600	-	4,680	910	580	2,580	5,080
MFA Debt Principal	22,148	22,148	9,663	-	-	9,663	11,654	13,756	15,023	21,357
MFA Debt Interest	8,853	7,929	1,152	5,233	-	6,385	21,843	25,132	29,532	43,282
TOTAL DEBT / RESERVES	85,161	48,314	75,895	9,833	-	85,728	99,287	109,818	120,975	132,799
TOTAL COSTS	290,019	276,755	273,826	9,833	16,500	300,159	297,810	312,668	328,273	344,662
*Percentage Increase over prior year			-5.6%	3.4%	5.7%	3.5%	-0.8%	5.0%	5.0%	5.0%
<u>FUNDING SOURCES (REVENUE)</u>										
Transfer from Operating Reserve Fund	(20,000)	(3,500)	-	-	(16,500)	(16,500)	-	-	-	-
User Charges	(128,315)	(131,410)	(134,860)	-	-	(134,860)	(141,600)	(148,680)	(156,110)	(163,920)
Grants in Lieu of Taxes	(768)	(769)	(790)	-	-	(790)	(810)	(830)	(850)	(870)
Other Revenue	(240)	(380)	(180)	-	-	(180)	(180)	(180)	(180)	(180)
TOTAL REVENUE	(149,323)	(136,059)	(135,830)	-	(16,500)	(152,330)	(142,590)	(149,690)	(157,140)	(164,970)
REQUISITION - PARCEL TAX	(140,696)	(140,696)	(137,996)	(9,833)	-	(147,829)	(155,220)	(162,978)	(171,133)	(179,692)
*Percentage increase over prior year										
User Fees			5.1%			5.1%	5.0%	5.0%	5.0%	5.0%
Requisition			-1.9%	7.0%		5.1%	5.0%	5.0%	5.0%	5.0%
Combined			1.4%			5.1%	5.0%	5.0%	5.0%	5.0%

**Lyall Harbour Water
Reserve Summary Schedule
2025 - 2029 Financial Plan**

Reserve/Fund Summary

	Estimated	Budget				
	2024	2025	2026	2027	2028	2029
Operating Reserve Fund	13,285	21,785	46,785	68,785	90,785	110,785
Capital Reserve Fund	44,455	64,455	104,335	152,685	184,525	227,605
Total	57,740	86,240	151,120	221,470	275,310	338,390

Reserve Schedule

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

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

Reserve Cash Flow

Fund:	1500	Estimated	Budget				
Fund Centre:	105213	2024	2025	2026	2027	2028	2029
Beginning Balance		6,497	13,285	21,785	46,785	68,785	90,785
Transfer from Ops Budget		10,000	25,000	25,000	22,000	22,000	20,000
Transfer to Ops Budget		(3,500)	(16,500)	-	-	-	-
Planned Maintenance Activity		Replace filtration Media	Replace Filtration Media				
Interest Income*		288					
Ending Balance \$		13,285	21,785	46,785	68,785	90,785	110,785

<u>Assumptions/Background:</u>

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

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

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

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

Reserve Cash Flow

Fund:	1025	Estimated	Budget				
Fund Centre:	101369	2024	2025	2026	2027	2028	2029
Beginning Balance		34,808	44,455	64,455	104,335	152,685	184,525
Transfer from Ops Budget		8,097	40,000	39,880	48,350	51,840	43,080
Transfer from Cap Fund		-					
Transfer to Cap Fund		-	(20,000)	-	-	(20,000)	-
Interest Income*		1,550					
Ending Balance \$		44,455	64,455	104,335	152,685	184,525	227,605

<u>Assumptions/Background:</u>

To fully fund capital expenditure plan
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* Interest in planning years nets against inflation which is not included.
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**CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2025 to 2029**

Service No.	2.640	Carry Forward from 2024	2025	2026	2027	2028	2029	TOTAL
	Lyall Harbour Boot Cove Water (Sal							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$58,000	\$0	\$58,000	\$0	\$0	\$0	\$0	\$58,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$305,000	\$770,000	\$25,000	\$50,000	\$270,000	\$500,000	\$500,000	\$1,615,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$363,000	\$770,000	\$83,000	\$50,000	\$270,000	\$500,000	\$500,000	\$1,673,000

SOURCE OF FUNDS

Capital Funds on Hand	\$260,000	\$260,000	\$0	\$0	\$0	\$0	\$0	\$260,000
Debenture Debt (New Debt Only)	\$58,000	\$460,000	\$83,000	\$50,000	\$250,000	\$500,000	\$500,000	\$1,343,000
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$15,000	\$20,000	\$0	\$0	\$20,000	\$0	\$0	\$40,000
	\$363,000	\$770,000	\$83,000	\$50,000	\$270,000	\$500,000	\$500,000	\$1,673,000

Definitions for the 5-year Capital Plan

Asset Class	<p>Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150.</p> <p>L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment</p>
Capital Expenditure Type	<p>Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service.</p> <p>Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset</p>
Carryforward	<p>Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.</p>
Funding Source	<p>Debt - Debenture Debt (new debt only) ERF - Equipment Replacement Fund Grant - Grants (Federal, Provincial) Cap - Capital Funds on Hand Other - Donations / Third Party Funding Res - Reserve Fund WU - Water Utility</p> <p>If there is more than one funding source, additional rows are shown for the project.</p>

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2025 - 2029

Service #: 2.640

Service Name: Lyall Harbour Boot Cove Water (Saturna)

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2025	2026	2027	2028	2029	5 - Year Total auto-populates
19-01	Replacement	Air Valve Replacement - Ph 2	Replace aging air valves that are a safety concern.	\$ 20,000	E	Debt	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
19-03	Replacement	Standpipe and Valve Replacement	Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable	\$ 8,000	E	Debt	\$ 8,000	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
19-04	New	Alternative Approval Process	Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds. If the grant is not successful	\$ 20,000	S	Res	\$ 15,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
19-05	New	Autoflush Installation	Install 3 autoflushes within the water distribution system to maintain distribution water quality.	\$ 20,000	E	Debt	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
20-02	New	Raw Water Turbidity Meter	Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.	\$ 10,000	E	Debt	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
22-01	New	Install Larger Supply Line to Tank	Construct a larger supply line to the tank to improve system reliability and operation.	\$ 300,000	S	Debt	\$ -	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ -	\$ 300,000
22-02	Renewal	Dam Improvement and Regulatory Requirements	Dam Safety Review (DSR) update and Money Lake Dam safety improvements based on the results of the DSR report.	\$ 750,000	S	Cap	\$ 260,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ 260,000
22-02	Renewal		Currently unfunded portion of dam safety improvements (budget estimate to be further refined).		S	Debt	\$ -	\$ 360,000	\$ -	\$ -	\$ -	\$ -	\$ 360,000
24-01	Replacement	Culvert Replacement for the Water Service	Saturna Island - Harris Road - Culvert Replacement for the Water Service	\$ 30,000	S	Grant	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
25-01	New	New Ground Water Well Assessment	Groundwater quantity and quality testing for feasibility to incorporate into the water system.	\$ 100,000	S	Debt	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
26-01	Study	Storage Tank condition assessment and repair details	Assess leaks in storage tank and develop a repair detail.	\$ 25,000	S	Debt	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
28-01	New	Alternative Approval Process	Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds (29-01)	\$ 20,000	S	Res	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
29-01	Replacement	Water System Improvements	Future improvements to improve water quality. Project will be further refined following the results of the ground water assessment and additional asset management.	\$ 500,000	S	Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
													\$ -
													\$ -
													\$ -
			Grand Total	\$ 1,803,000			\$ 363,000.00	\$ 770,000	\$ 83,000	\$ 50,000	\$ 270,000	\$ 500,000	\$ 1,673,000

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)

Project Number	19-01	Capital Project Title	Air Valve Replacement - Ph 2	Capital Project Description	Replace aging air valves that are a safety concern.
Project Rationale The air valves are 35 years old and are corroded, giving rise to safety concerns.					

Project Number	19-03	Capital Project Title	Standpipe and Valve Replacement	Capital Project Description	Replace the standpipe valves at 119 and 155 East Point Road that are seized and inoperable
Project Rationale The standpipe valves at 119 and 155 East Point Road are seized and inoperable. Therefore, the operators cannot use them for flushing or draining of the mains. It is proposed the valves and corroded 50mm supply line to the standpipe be replaced. The scope of work and material pricing was re-evaluated in 2016. It was determined that the budget needed to be increased from \$5,000 to \$8,000 to accommodate the required works.					

Project Number	19-04	Capital Project Title	Alternative Approval Process	Capital Project Description	Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds. If the grant is not successful.
Project Rationale Future required projects to maintain public safety and level of service require funding in excess of current projected reserve balance. Future funding will be for improvements the Water Treatment Plant to increase reliability and optimize for improved operations, conducting a regulatory requirement for a dam safety review and construct a larger supply line to the storage tank. Funding is required to undertake public consultation to inform borrow strategies and conduct a referendum.					

Project Number	19-05	Capital Project Title	Autoflush Installation	Capital Project Description	Install 3 autoflushes within the water distribution system to maintain distribution water quality.
Project Rationale Three water mains require frequent flushing to maintain disinfectant residuals and water quality. Flushing requires operator time which can be utilized conducting other maintenance tasks. Funds are required to construct 3 autoflushes.					

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)

Project Number 20-02 **Capital Project Title** Raw Water Turbidity Meter **Capital Project Description** Supply and install a new turbidity meter in the raw water line to aid in operation of the WTP.

Project Rationale Install a new turbidity meter in the raw water line to aid in operation of the WTP.

Project Number 22-01 **Capital Project Title** Install Larger Supply Line to Tank **Capital Project Description** Construct a larger supply line to the tank to improve system reliability and operation.

Project Rationale The supply line to the tank is undersized, installation of a larger supply line will improve operation. Funding is required to construct a larger supply line to the tank.

Project Number 22-02 **Capital Project Title** Dam Improvement and Regulatory Requirements **Capital Project Description** Dam Safety Review (DSR) update and Money Lake Dam safety improvements based on the results of the DSR report.

Project Rationale Conduct Dam Safety Review (DSR) report to meet regulatory requirements. Seismic assessment and infiltration assessment. Design and implementation of dam improvements.

Project Number 24-01 **Capital Project Title** Culvert Replacement for the Water Service **Capital Project Description** Saturna Island - Harris Road - Culvert Replacement for the Water Service

Project Rationale Culvert replacement through coordination with Ministry of Transportation.

Service: 2.640 Lyall Harbour Boot Cove Water (Saturna)

Project Number 25-01 **Capital Project Title** New Ground Water Well Assessment **Capital Project Description** Groundwater quantity and quality testing for feasibility to incorporate into the water system.

Project Rationale Conduct hydrogeological assessments nad water quality testing of the newly acquired groundwater well.

Project Number 26-01 **Capital Project Title** Storage Tank condition assessment and repair details **Capital Project Description** Assess leaks in storage tank and develop a repair detail.

Project Rationale Engineering condition assessment of the storage tank and known leak points to try and develop effective repair details.

Project Number 28-01 **Capital Project Title** Alternative Approval Process **Capital Project Description** Conduct public consultation to inform strategies for a referendum (AAP) to borrow necessary future capital funds (29-01)

Project Rationale AAP for future projects.

Project Number 29-01 **Capital Project Title** Water System Improvements **Capital Project Description** Future improvements to improve water quality. Project will be further refined following the results of the ground water assessment and additional asset management

Project Rationale Asset management report card provided in 2023 indicated the aging infrastructure and high upcoming renewal costs. Temporary placeholder budget with project requirements to be further refined with ongoing asset management planning.

2.640 - Lyall Harbour

Capital Projects

Updated @ Sep 23, 2024

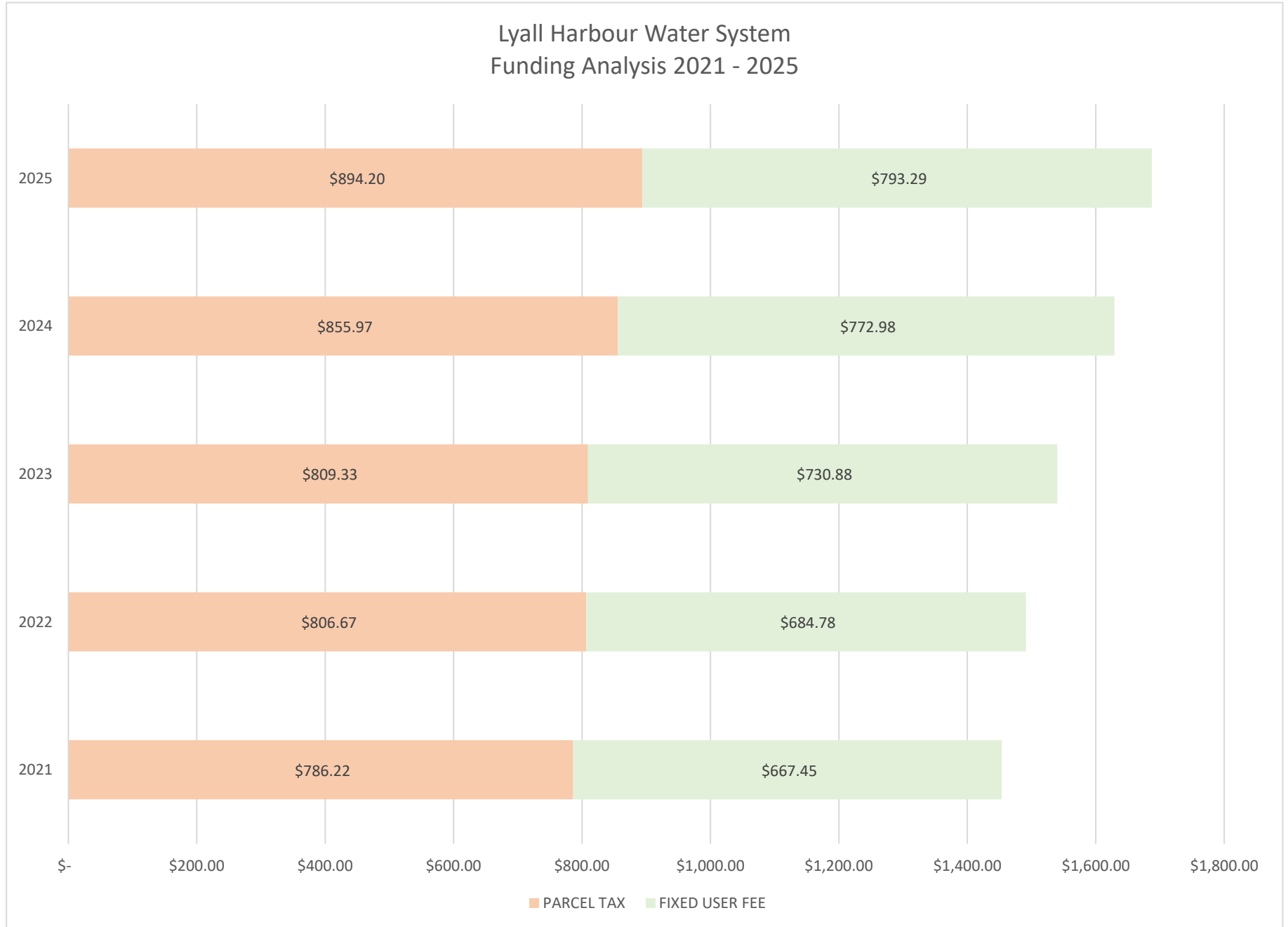
Year	Project#	Capital Plan#	Status	Capital Project Description	Total Project Budget	Spending		Total Funding in Place
						Expenditure Actuals	Remaining Spending	
2022	CE.781.5501	22-02	Open	Money Lake Dam Improvements & Regulatory Requirements	390,000	113,704	276,296	390,000
2023	CE.781.4801	19-02	Close	PRV Bypass Assembly Replacement	8,154	8,154	-	8,154
				Totals	398,154	121,858	276,296	398,154

Service:	2.640 Lyall Harbour Water	Committee: Electoral Area
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<u>Year</u>	<u>Taxable Folios</u>	<u>Parcel tax per Folio</u>	<u>Number SFE's</u>	<u>User Charge per SFE</u>	<u>Total Tax & Charges</u>	<u>Bylaw</u>	<u>Actual Assessments \$(000's)</u>
2012	171	\$560.00	159	\$375.00	\$935.00	3847	\$56,058.96
2013	171	\$560.00	159	\$390.31	\$950.31	3892	\$55,689.76
2014	171	\$600.00	159	\$461.14	\$1,061.14	3924	\$50,581.58
2015	171	\$611.11	159	\$472.48	\$1,083.59	3987	\$48,842.00
2016	174	\$654.18	159	\$528.24	\$1,182.42	4074	\$48,842.00
2017	174	\$667.25	160	\$535.34	\$1,202.59	4170	\$53,211.48
2018	174	\$667.25	160	\$585.06	\$1,252.31	4233	\$56,853.16
2019	174	\$720.90	161	\$624.84	\$1,345.74	4274	\$58,914.38
2020	171	\$806.49	164	\$638.74	\$1,445.23	4337	\$63,381.81
2021	171	\$786.22	164	\$667.45	\$1,453.67	4389	\$65,218.26
2022	171	\$806.67	164	\$684.78	\$1,491.45	4471	\$87,744.55
2023	173	\$809.33	164	\$730.88	\$1,540.21	4524	\$96,587.30
2024	173	\$855.97	166	\$772.98	\$1,628.95	4587	\$92,330.70
2025	174	\$894.20	170	\$793.29	\$1,687.49		

Change from 2024 to 2025

\$38.23	\$20.31	\$58.54
4.47%	2.63%	3.59%



**REPORT TO LYALL HARBOUR BOOT COVE WATER LOCAL SERVICE COMMITTEE
MEETING OF THURSDAY, NOVEMBER 14, 2024**

SUBJECT **Capital Project Status Reports and Operational Updates – November 2024**

ISSUE SUMMARY

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

BACKGROUND

The Lyall Harbour/Boot Cove Water System is located on the west side of Saturna Island in the Southern Gulf Islands Electoral Area and provides drinking water to approximately 166 single family equivalents. Capital Regional District (CRD) Integrated Water Services is responsible for the overall operation of the water system with day-to-day operation, maintenance, design, and construction of water system facilities provided by the CRD Infrastructure Engineering and Operations Divisions. The quality of drinking water provided to customers in the Lyall Harbour/Boot Cove Water System is overseen by the CRD Water Quality Section.

CAPITAL PROJECT UPDATE

19-04 | Alternative Approval Process

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

Project Rationale: Multiple projects including the dam improvements and the future ground well suitability study are deemed necessary for the water service and Capital Reserves are insufficient to cover the capital costs.

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

Project Update and Milestones:

- The AAP process has not yet been progressed but following the November 20, 2023, budget meeting, it was agreed that staff would initiate the process once some certainty around obtaining use of a well on private land was clear so that this potential water source could be factored into the future planning.
- Progress was made in 2024 regarding access to the private well. CRD is working toward updating the design, quantities and cost estimate for the dam improvements project (22-02) to consolidate all the works expected to require debt funding into a single AAP or petition with target to commence planning in late 2024 and progressing to the public in 2025.

22-02 | Dam Improvements & Regulatory Requirements

Project Description: Seismic reinforcement of Money Lake Dam based upon the 2016 Dam Safety Review (DSR). Includes seepage pit construction and Dam Safety Review.

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

Project Update and Milestones:

- The Community Works Funds (CWF) were approved in 2021 for design work to start in 2022.
- Consultants engaged for DSR, design and construction services.
- Geotechnical Engineer (Thurber) has conducted more detailed 3D analysis of the dam to better assess seismic risks and are reviewing the results and recommendations with CRD.
- Geotechnical Engineer (Thurber) has drafted a downstream toe filter design memo to summarize recommendations.
- Assessment of constructability of recommendations resulted in concerns over funding availability to carry out the complete works. CRD submitted an internal Growing Communities Fund (GCF) grant application for additional funding (in combination with works to develop a future well) but this was determined to be unsuccessful at the September 13, 2023, CRD Board Meeting.
- CRD will continue to pursue other grant opportunities but in the absence of grant funding, debt will need to be secured to carry out this work, as well as future additional work identified within the DSR.
- CRD’s 2024 Action Planning memo was provided to commission for information.
- CRD working with Thurber in Q4 2024 to further develop the filter blanket design so that details are further advanced before proceeding to AAP/petition.

Milestone	Completion Date
CWF Approval	October 10, 2021
Consultant Contract Award	July 27, 2022
Consultant field investigation	August 31, 2022
Draft Dam Safety Review submission and CRD review meeting	Jan 27, 2023
Dam Safety Review Report - Final	March 15, 2023
Toe Filter Design Memo	March 27, 2023
Seismic Stability Assessment	April 21, 2023
Growing Communities Fund Grant Application – Not Approved	September 13, 2023
Action Planning Memo to address DSR items presented to Commission	June 27, 2024
Detailed Design progressing for Filter Blanket	Q4 2024

OPERATIONAL UPDATE

This is an operational update reporting period from June through September 2024.

- Water main leak emergency response at 134 Payne Road. Standpipe flush connection was found to be corroded which resulted in the watermain failure.
- Water main leak 101 Payne Road. Standpipe flush connection was found to be corroded which resulted in the watermain failure.

Lyall Harbour Boot Cove Water Local Service Committee – November 14, 2024
Capital Project Status Reports and Operational Updates

3

- Water Treatment Plant (WTP) emergency response to chlorine chemical feed pump process failure.
- Water service connection to a property on Bonnybank Road required replacement due to corrosion at the tapping saddle and corporation stop on the watermain.
- Emergency response to a high turbidity event and low chlorine system lockout at the water treatment plant. This was a direct result of changes in raw water quality in which Money Lake was experiencing a significant algae bloom.
- Continued response and effort during this reporting period related to leak detection due to high daily water production. Several properties were identified having leaks. Water was turned off and residents were notified.
- Earthquake response on September 26 was initiated for Money Lake Dam. Given the magnitude and proximity of this quake, our Dam Emergency Plans were activated which requires a rapid inspection of the Money Lake Dam structure for any signs of disturbance. Inspection reports were submitted as part of the response. Nothing of concern was noted, however this is the first time a response has been initiated for this type of event.
- Replacement of the WTP filtration media operational project continuance. A Consultant has provided support with the review and specifications of carbon media. Procurement will be initiated this year and installation in the first quarter of 2025. A portion of the work will be funded from the operating reserves in 2024 in the amount of \$3,500 and \$16,500 in 2025 for a total of \$20,000.

RECOMMENDATION

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

Submitted by:	Jared Kelly, P.Eng., Manager, Capital Projects
Submitted by:	Dan Robson, A.Sc.T., Manager, Saanich Peninsula and Gulf Islands Operations
Concurrence:	Jared Kelly, P.Eng., Acting Senior Manager, Infrastructure Engineering
Concurrence:	Jason Dales, B.Sc., WD IV., Senior Manager, Wastewater Infrastructure Operations
Concurrence:	Alicia Fraser, P.Eng., General Manager, Integrated Water Services