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MINUTES OF A MEETING OF THE SAANICH PENINSULA WATER COMMISSION
Held Thursday, October 4, 2018 in the Saanich Peninsula Treatment Plant Meeting Room,
9055 Mainwaring Road, North Saanich, BC

PRESENT: P. Wainwright (Vice-Chair); R. Barnhart; M. Doehnel; Z. King (9:04 a.m.); M. Lougher-Goodey; C. Stock (8:34 a.m.); M. Thompson; M. Weisenberger; R. Windsor

STAFF: T. Robbins, General Manager, Integrated Water Services; M. McCrank, Senior Manager, Infrastructure Operations; I. Jesney, Senior Manager, Infrastructure Engineering; C. Lowe, Environmental Protection; D. Green, Environmental Protection; L. Xu, Senior Financial Advisor; B. Semmens, Senior Financial Analyst; T. Duthie, Manager, Administration Services; D. Dionne (recorder)

ABSENT: M. Williams (Chair); M. Underwood

The meeting was called to order at 8:30 a.m.

1. APPROVAL OF AGENDA

MOVED by Commissioner Lougher-Goodey, **SECONDED** by Commissioner Windsor,
That the Saanich Peninsula Water Commission approve the agenda as circulated.

CARRIED

2. ADOPTION OF MINUTES

MOVED by Commissioner Lougher-Goodey, **SECONDED** by Commissioner Windsor,
That the Saanich Peninsula Water Commission adopt the minutes of the June 21, 2018.

CARRIED

3. CHAIR'S REMARKS

The Chair made the following remarks:

- He noted that this is the last meeting of this Commission until after the election.
- He advised that any of the Citizen appointments who wish to continue on this Commission need to submit an application.
- He recognized and thanked Commissioner Lougher-Goodey for his service on the Commission, noting this will be his last term of service.

4. PRESENTATIONS/DELEGATIONS

There were no presentations/delegations.

5. 2019 CAPITAL AND OPERATING BUDGET (REPORT #SPWC2018-07)

T. Robbins provided an overview of the 2019 Saanich Peninsula Water Service operating and capital budget, highlighting the changes from the 2018 budget and the proposed 2019 budget figures as detailed in the staff report. He reminded the Commission of the Capital Regional District (CRD) Board budget approval process. Some of the items he highlighted were:

- a) To balance the budget at year end, the proposed transfer to the capital reserve fund has been increased by \$124,315 to \$574,315. He noted that the budgeted operating, repair and maintenance costs have been 2 to 4% under budget and that there was not a lot of unplanned repair/maintenance work.
- b) The recommended Saanich Peninsula Bulk Rate is \$0.9815 per cubic metre, a 2% increase over the 2018 rate.
- c) The 5 year Capital Plan total value is just over \$3.3 million for a number of smaller capital projects.
- d) There are four major projects planned over the next 5 to 10 years and there is some grant funding available. Staff are planning ahead by moving funds to reserve to fund these projects later. He noted that a staff report would be presented in the New Year to review the planned projects.
- e) Staff are completing the agricultural land use and water demand review. Once all the field work is complete an agricultural water demand model will be developed. Staff are expecting to see the preliminary report by the end of the year with a final report by March 2019. The final report can be brought to the Commission for information once it is received.

There was discussion regarding the use of Capital Reserves versus debt financing to fund major projects and the following motion was made:

MOVED by Commissioner Windsor, **SECONDED** by Commissioner Stock,
That the Saanich Peninsula Water Commission request that staff report back with a cost comparison of debt financing versus cash reserve funding with annual reserve fund contributions for long-term capital expenditures, with a focus on critical infrastructure.

CARRIED

MOVED by Commissioner Lougher-Goodey, **SECONDED** by Commissioner Windsor,
That the Saanich Peninsula Water Commission recommend that the Capital Regional District Board:

- a) Approve the 2019 operating and capital budget;
- b) Approve the 2019 Saanich Peninsula bulk water rate of \$0.9815 per cubic metre, and the Agricultural Research Station water rate of \$1.0167 per cubic metre, adjusted if necessary by any changes in the CRD Regional Water Supply wholesale water rate;
- c) Balance the 2018 actual revenue and expense on the transfer to capital reserve fund; and
- d) Amend the Bulk Water Rates Bylaw accordingly.

CARRIED

6. DISASTER MITIGATION AND ADAPTATION FUND – GRANT APPLICATION UPDATE

T. Robbins noted that at its June 21, 2018 meeting, the Saanich Peninsula Water Commission approved a recommendation for staff to prepare a grant application to Infrastructure Canada for funding to replace vulnerable water mains.

He reported that the Disaster Mitigation and Adaptation funding grant is a ten-year two-billion dollar program aimed at projects that strengthen the resilience of public infrastructure against the impacts of natural hazards including earthquakes. Projects must have a minimum \$20 million value and ideally have a regional benefit and a First Nations component. The deadline for Expression of Interest (EOI) was the end of July.

The CRD submitted an EOI with a proposal to replace the vulnerable sections of the No. 4 transmission main (map handed out) which feeds water supply to portions of Langford, Highlands, Saanich and the Saanich Peninsula including the First Nations reserves. The project was valued at \$87 million.

The Federal share under the grant program would be about \$36.9 million. The CRD share, which would be cost-shared between Regional Water and Saanich Peninsula Water, would be about \$48.6 million, with about \$1.5 million in funding from the First Nations.

The next step will be for the Province to invite shortlisted EOI's to submit a detailed application. Staff have not yet received a response to the EOI.

7. POST DISASTER WATER SUPPLY PLAN UPDATE

T. Robbins provided an update on the initiative, reviewing the hydrant distribution points. He noted that installations were centered on the bulk supply hydrants. The plan for 2018 was to have six installed and staff have completed five to date. He reviewed the various hydrant locations and noted that the sixth installation point proved to be complex and expensive and staff are reviewing a new location and hoping to have it installed by the end of the year. The plan is to have another five installed in 2019.

He provided an update on the completion of the two pilot distribution centres being built; 1) mobile distribution trailer that can be relocated; and 2) a container distribution centre to be stored at Panorama Recreation Centre.

Discussion ensued regarding communication with municipalities, other emergency services and First Nations groups about the distribution centres and the bulk supply hydrants and the following motion was put forward:

MOVED by Commissioner Thompson, **SECONDED** by Commissioner King,
That the Saanich Peninsula Water Commission request that staff make presentations on the CRD's post disaster water supply plan, to Saanich Peninsula municipal staff, First Nations groups, the Airport Authority and BC Ferries, by the end of the first quarter 2019.

CARRIED

8. WATER WATCH

MOVED by Commissioner Lougher-Goodey, **SECONDED** by Commissioner Stock,
That the Saanich Peninsula Water Commission receive the report for information.

CARRIED

9. NEW BUSINESS

There was no new business.

10. ADJOURNMENT

MOVED by Commissioner King, **SECONDED** by Commissioner Weisenberger,
That the Saanich Peninsula Water Commission meeting be adjourned at 9:41 a.m.

CARRIED

CHAIR

SECRETARY