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REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, APRIL 08, 2026

SUBJECT **CAO Quarterly Progress Report No. 1, 2026**

ISSUE SUMMARY

To provide the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to March 31, 2026.

BACKGROUND

In February 2023, the Board approved the *CRD Board Strategic Priorities 2023-2026* (the “*Board Priorities*”) that identifies five strategic priorities with 17 initiatives to be advanced over the four-year term. The Board Priorities Dashboard tracks progress on the Board and Corporate strategic priorities and will be presented quarterly to the Board. Core service priorities are prepared and reviewed annually in departmental Service Plans in alignment with Board and Corporate Priorities, with corresponding KPIs and other service information that is approved by the Board. The Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) Financial Plans are reviewed and approved annually, and staff have developed a quarterly variance report to highlight differences between budget and actual expenditures on operating budgets and capital projects over \$500,000. An update on non-confidential people, safety and culture matters, including labour relations and workforce trends is also included in this report.

DISCUSSION

Corporate Activities and Initiatives

Appendix A highlights some corporate activities and initiatives in the last quarter and a few photographs have been included to represent announcements and events that occurred in the quarter.

On March 3, 2026, the CRD honoured employees with 20, 25, and 30 years of service at the annual Career Service Recognition event. This year 32 employees were recognized and on behalf of the CRD, we extend our congratulations. We are grateful for the commitment and care employees bring to work every day. The contributions of long-serving employees are such an important part of our organizational history and success, and it was inspiring to celebrate their achievements together.

Thanks to strong community participation, the CRD received a 2025 Leader in Sustainability Award in February, 2026 for recycling 30,816 kilograms of batteries (the equivalent of about 6 adult Orca whales) at the Hartland Public Drop-off Depot. This national award from Call2Recycle honours organizations that demonstrate outstanding environmental leadership through the responsible management of end-of-life batteries and measurable contributions to Canada’s circular economy.

World Water Day is held annually on March 22 as a means of focusing attention on the importance of freshwater and advocating for the sustainable management of freshwater resources. The public can celebrate and promote World Water Day, by joining the CRD’s free Water Supply Area Tours happening in May and June. You will learn more about our regional water supply and how the CRD continues to be responsive to factors such as climate change and future water demand.

GHD has been honoured with a Climate Change Business Journal (CCBJ) Business Achievement Award for their work on the Hartland Renewable Natural Gas (RNG) Facility. GHD was a key partner that helped bring the Hartland RNG facility vision to reality, serving as the project's technical advisor and providing multidisciplinary engineering, permitting, environmental, and construction support. The Hartland RNG Facility captures landfill gas produced by decomposing waste and transforms it into Renewable Natural Gas. Over the next 25 years, this will reduce greenhouse gas emissions by as much as 475,000 tonnes of carbon dioxide, the equivalent of removing the total emissions from 105,000 Canadian homes over the same period.

As a result of many years of planning, the Saanich Peninsula Wastewater Treatment Plant residuals are going to be beneficially used utilizing the Residuals Treatment Facility (RTF) infrastructure in a more regionally integrated way. In March 2025, the RTF began successfully receiving and testing Saanich Peninsula sludge through the Other Municipal Solids Receiving station. Following successful testing in the coming weeks, utilization of the RTF is anticipated on a full time basis, where the sludge will be processed into Class A biosolids along with residuals from the McLoughlin Point Wastewater Treatment Plant. Over the past two years, 100% of the Class A biosolids produced at the RTF have been beneficially used in compliance with provincial requirements.

Board Priorities and Corporate Plan Initiatives

In April 2023, the CRD Board approved the CRD 2023 – 2026 Corporate Plan (the Corporate Plan) that identifies 134 initiatives to be advanced over the four-year term. Progress on the Board Priorities and Corporate Plan initiatives from January 2023 to date is reflected in Progress Report Q1, 2026, as Appendix B. The “Comments” section provides a summary of completed actions as well as any issues or problems that have arisen that may impact progress on the priority. The “Next Steps” section identifies future planned actions and associated timing. Attached as Appendix C is the Board Priorities Dashboard Summary of Completed Actions.

Board Advocacy

The CRD Board approved Advocacy Strategy forms the basis for advocacy initiatives. An Advocacy Dashboard based on the Board’s Strategic Priorities for 2023 - 2026 has been prepared which tracks the ongoing advocacy work being done by the CRD Board, partners, and staff.

Progress on advocacy is reflected in the Advocacy Dashboard Progress Report Q1, 2026 as Appendix D. Progress on advocacy specifically related to the Electoral Areas is reflected in the Electoral Areas Advocacy Dashboard as Appendix E.

Operating Variance Financial Report – Q4, 2025

The Financial Operating Variance Report details the quarterly operating variance, providing actual results and annual forecasts for services with an annual budget greater than \$1.5 million. The report lags by one quarter to allow time for financial reconciliation prior to reporting. These services constitute approximately 89% of the consolidated financial plans for the CRD, CRHD, and CRHC.

The amount of budget expended through the quarter will vary from service to service, depending on planned expenditures, seasonality, and the timing of the transactions. Budgeted revenue can also fluctuate by quarter, for example requisition funding is received in Q3, while utilities, landfill, and recreation services sales revenue is earned throughout the year and influenced by seasonal trends.

The quarterly Financial Operating Variance Report (Appendix F) highlights the percentage of the annual budget that has been expended to date, for both revenue and expenses, throughout 2025.

Capital Regional District

The quarterly and year-end forecasts indicate that the majority of service budgets were on track and aligned with the annual budget, funding essential community services such as water, wastewater management, and solid waste disposal.

Notable variances in the fourth quarter include:

- Timing of grant issuance for Village on the Green, Verdier and the Rural Housing Pilot Program for the Regional Housing Trust Fund. These grant issuances are to be completed in 2026;
- Increased water consumption boosting the revenues for Regional Water Supply, Juan de Fuca Water Distribution and Saanich Peninsula Water Service revenues;
- Funding for the Island Corridor Foundation, carried forward to 2026 awaiting plan for distribution of funds; and
- Salary savings across numerous service areas due to challenges in hiring and temporary vacancies.

Capital Regional Hospital District

The report highlights savings resulting from lower debt servicing costs associated with reduced capital activity from Island Health, the deferral of feasibility studies, and lower maintenance costs experienced on The Summit, 950 Kings, and Oak Bay Lodge properties.

Capital Region Housing Corporation

The actuals for CRHC are presented by portfolio and reflects the realized cost savings and revenue variances for the 2025 year. Reduced expenses and revenue are largely due to the delay in opening of the Caledonia property, now anticipated in Q1 2026.

Specific details on CRD, CRHD and CRHC expense and revenue forecasts are outlined in Appendix F.

Capital Variance Financial Report – Q4, 2025

The Capital Variance Financial Report (Appendix G) highlights variances between actual expenditures and both the quarterly and annual capital budgets for all entities (CRD, CRHD and CRHC). The report is current to the end of Q4 and includes all capital projects with a budget greater than \$0.5 million.

The Capital Plan is budgeted on a quarterly basis, reflecting the scope and schedule of each initiative. Forecasts are also updated each quarter to improve accuracy and provide more detailed updates as projects progress and tenders are finalized. As late quarter tenders are awarded, capital activity and forecast precision are expected to increase.

Capital Regional District

Capital expenditures on projects greater than \$0.5 million totaled \$27.0 million in Q4, 37% below forecasted costs of \$42.5 million. The \$15.8 million variance can be largely attributed to:

- Outstanding deficiencies being addressed on the Landfill Gas Utilization project and Renewable Natural Gas (RNG) Optimization projects, expected to be resolved in early

2026, resulting in \$3.8 million remaining budget carried forward to 2026 (Environmental Resource Management);

- Planned capital improvements for the optimization work of the Residual Treatment Facility (RTF) were partially deferred to early 2026 for \$1.9 million (Core Area Wastewater);
- Upgrades for the Sooke Lake & Deception Dams continued with overflow gate complete in Q4, and instrumentation work carried forward for completion in 2026 for \$1.3 million (Regional Water Supply);
- Forest Homes project is currently on hold pending funding, creating an under spend in Q4 of \$1.1 million (Land Banking & Housing);
- Delays in Construction to 2026 contributed to the variance for Main No.4 Trunk Extension project of \$1.0 million (Regional Water Supply); and
- Purchase of the Weed Harvester equipment has been delayed to 2026 for \$0.7 million (Regional Parks).

Other variance contributors include construction delays for the SCADA and Radio Assessment project for Core Area Wastewater service, delays in bulk meter replacements in the Regional Water Supply service, delay in vehicle availability for the Vehicle & Equipment replacement project for the Juan de Fuca Water Distribution service, closeout timing of the Centennial Park Multi-Sport Box project for the Panorama Recreation service, and delay in completion of the Diversion Transfer Station at Hartland Landfill in the Environmental Resource Management service.

Capital Regional Hospital District

No capital spending has occurred in Q4. Island Health has indicated they will not be proceeding with the designated health facility project at 950 Kings.

Capital Region Housing Corporation

Capital expenditures on projects greater than \$0.5 million totaled \$20.5 million in Q4, 22% less than forecast of \$26.4 million. The Campus View redevelopment accounted for \$2.4 million of this variance, with unforeseen site conditions pushing 2025 work into 2026. Other variances include building permit delays for the Village on the Green redevelopment, and Future Redevelopment projects on hold pending funding from BC Housing.

People, Safety & Culture

Appendix H provides an analysis of current and emerging trends in workforce composition, turnover, promotions, absenteeism and occupational health and safety. The CRD continuously monitors human resource organizational health, and proactively modifies and adapts its People, Safety & Culture programs and systems where trends may show challenges arising.

The CRD continues to experience increased pressures associated with economic conditions, a highly competitive labour market, and a steady number of retirements, especially in areas requiring specialized labour. The CRD has implemented significant employment engagement and work strategies as part of our comprehensive People, Safety & Culture Strategic Plan to aid in ensuring we attract and retain a high caliber workforce.

The four-year People, Safety & Culture Strategic Plan (2024-2027) ([here](#)) includes significant efforts and actions on enhancing efforts around our people and culture, and aligns with the Corporate Plan and Board Strategic Priorities. Included in the Plan are robust strategies and outcomes around: Equity, Diversity, Inclusion and Accessibility; Organizational Capacity; Talent

Excellence; Employee Experience and Recognition; Talent Acquisition; and People, Safety and Culture Excellence. These activities ensure the organization is supported in this key service area, and the CRD remains competitive and is an employer of choice in the competitive market.

In addition, the CRD has introduced its three-year Accessibility Plan ([here](#)). Guided by the *Accessible British Columbia Act* and the CRD's Accessibility Advisory Committee, the Accessibility Plan identifies three broad priority areas for which the CRD is focusing: built environment improvements; resourcing, awareness and training; and increased access. Each priority area includes and identifies outcomes and objectives that work towards the CRD being a more accessible organization.

The CRD has also worked to modernize the work environment through the Alternative Work Options (AWO) program (earned time off and/or compressed work week alternatives), hybrid work from home, and workplace flexibility initiatives, and continues to evaluate the effectiveness of these programs. Since implementation in 2023, a significant number of eligible CRD employees have elected to participate in the AWO, hybrid work from home, and/or workplace flexibility programs. These programs build upon our foundational elements of:

- providing employees with greater flexibility and work life balance, which in turn supports the retention of our employees and ensures the CRD is a competitive employer who takes into consideration employee circumstances including diversity, equity, and inclusion, employee engagement, satisfaction, health, and wellness;
- ensuring organizational and business needs are being met and are effective and efficient; and
- contributing to the CRD's climate action goals regarding sustainability including the reduction of CO2 emissions by decreasing work related travel.

The AWO and workplace flexibility initiatives have had a positive impact in our employee engagement, recruitment, and retention initiatives. In addition, and based on regional census journey calculations, the hybrid work from home arrangements have continue to have a direct and positive impact on the CRD regional transportation goal of reducing congestion in the morning and afternoon peak periods. In 2026, we revisited some aspects of our AWO program, tied to collective bargaining, ensuring we remained aligned to the foundational principles, and are confident that this program will continue to have a positive impact for our staff, our organization, and the many services we provide. We will continue to monitor the program on a regular basis to ensure the core targets are being met and maintained.

The CRD's proactive and positive focus on workplace health and safety remains a top priority, and the CRD's comprehensive occupational health and safety (OHS) strategy, which is aligned with OHS best practice standards, meets or exceeds requirements of the WorkSafeBC approved municipal Certificate of Recognition (CoR) program. The CRD continues to experience a positive (merit) situation with WorkSafeBC which, when combined with our CoR program, is resulting in a 48.7% better-than-industry Employer Rating Assessment in 2026, which also corresponds to an equivalent 48.7% premium reduction over industry base rates.

CONCLUSION

The CAO Quarterly Progress Report No. 1, 2026 provides the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to March 31, 2026.

RECOMMENDATION

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

Submitted by:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer
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ATTACHMENT(S)

- Appendix A: Photographs of Corporate Activities and Initiatives
- Appendix B: Board Priorities Dashboard Progress Q1, 2026
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Advocacy Dashboard Progress Q1, 2026
- Appendix E: Electoral Area Advocacy Dashboard Q1, 2026
- Appendix F: Operating Variance Financial Report Q4, 2025
- Appendix G: Capital Variance Financial Report Q4, 2025
- Appendix H: People, Safety & Culture Trends