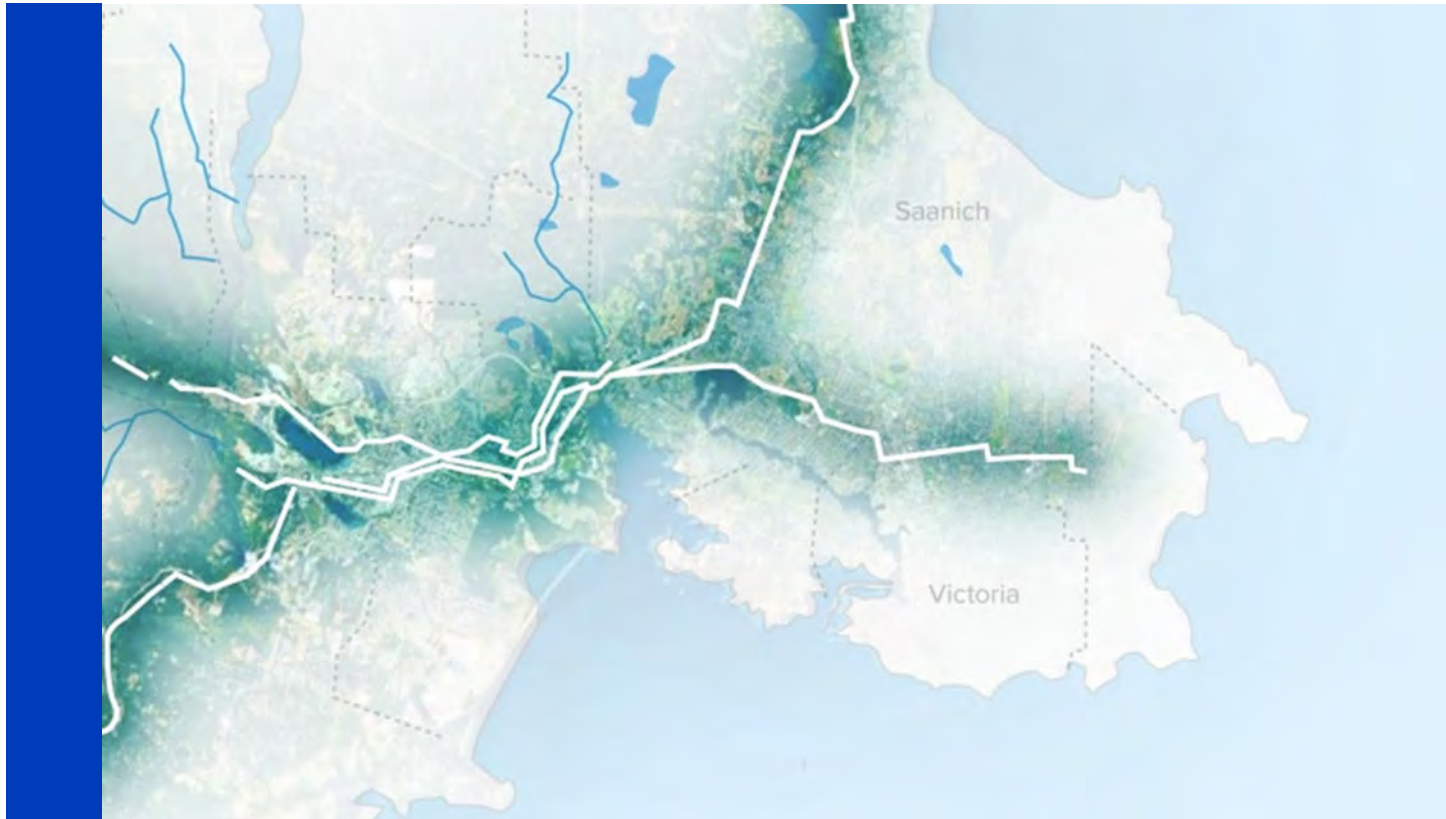




Making a difference...together

CAPITAL REGIONAL DISTRICT

Regional Water Supply Master Plan Implementation



Findings Report

June 2026 / DRAFT FINAL





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This document is released for the purpose of information exchange review and planning only under the authority of Stephen C Horsman, June 10, 2026, British Columbia P.Eng #36256.

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Abbreviations

22 MP	<i>Regional Water Supply 2022 Master Plan</i>
ADD	average day demand
BC	British Columbia
BC EAO	BC Environmental Assessment Office
CAWTP	Core Area Wastewater Treatment Project
CMAR	construction manager at risk
CRD	Capital Regional District
DBB	design bid build
DCC	development cost charge
FPDB	fixed price design build
FTE	full-time equivalent
IAP2	International Association for Public Participation
LoS	level of service
OE	Owner Engineer
PDB	progressive design build
PDR	project definition report
Program	Regional Water Supply Program
RWS	Regional Water Supply Service
RWSC	Regional Water Supply Commission
UV	ultraviolet

SECTION 1 INTRODUCTION

The Capital Regional District (CRD) provides high-quality drinking water to approximately 430,000 residents across Greater Victoria through the Regional Water Supply Service (RWS). The CRD's RWS is one of its core utility services, responsible for the planning, treatment, transmission, wholesale delivery, and distribution of potable water to municipal and First Nations customers throughout Greater Victoria. The CRD's RWS operates and maintains the source supply and storage, disinfection, and primary transmission infrastructure, whereas local municipalities (excluding Juan de Fuca Water Distribution System members) are responsible for distribution to retail customers within their boundaries. The CRD's RWS system is recognized for strong source protection, robust disinfection facilities, and a longstanding commitment to proactive infrastructure planning.

The CRD's delivery of regional water service aligns with its Board priorities and Corporate Plan, which establish direction for regional service delivery and infrastructure planning. In the *2025 Regional Water Supply Strategic Plan*, the CRD reaffirmed its commitments to providing safe, high-quality drinking water, ensuring an adequate and reliable long-term supply, and operating its water system infrastructure efficiently and innovatively to meet future demands and risks such as seismic activity, climate change and population growth.

Sustaining these commitments over the coming decades will require a generational investment in source supply, treatment, transmission, and storage infrastructure. The capital projects required to make that investment are defined in the *Regional Water Supply 2022 Master Plan (22 MP)*. Past planning efforts recognized that historical water quality and system performance can no longer be relied upon as indicators of future conditions, and that the CRD must proactively design and build more resilient infrastructure to withstand potential catastrophic events. The combined scope, scale, and timeline of the *22 MP* projects fall outside of the routine practices of the CRD's Integrated Water Services capital delivery program, necessitating specialized planning to manage the risks of implementing these projects over multiple decades.

Over the past year, substantial planning work has been completed to support implementation of the Program. Planning looked at financial, regulatory, technical, and organizational factors that influence successful delivery of the Regional Water Supply Program (Program), including funding availability, permitting requirements, project interdependencies, market capacity, and resource availability. By evaluating these considerations early, the Program can be supported by implementation strategies that enable timely delivery of infrastructure improvements, prioritize projects in a logical sequence, and identify the expertise and resources required to support decision making and project execution. This proactive planning approach reduces the potential for delays, rework, and cost escalation while providing the CRD and the public with a clear roadmap for future infrastructure investments and expected Program outcomes.

The effort has resulted in the development of a suite of tools to manage implementation risk including: the Program Risk Framework (and associated Risk Register), the Program Governance Framework, the conceptual financial model, the grant assessment tool, the Program Permitting and Regulatory Management Framework, and the Communications Plan Framework. Applied to the *22 MP* recommendations, these tools informed a refined schedule and delivery approach for the Program and

will continue to support the CRD throughout the Program lifecycle as durable mechanisms for managing risk, identifying opportunities, and adapting implementation strategies to changing political, regulatory, economic and climatic conditions.

Building on the 22 MP and work completed since its adoption, this effort establishes the Program’s structure by confirming implementation priorities, defining a coordinated delivery framework, and identifying the priority actions required to initiate the Program’s first phase.

SECTION 2 BACKGROUND

The RWS system is a drinking water system comprised of watershed reservoirs, raw water intakes, dams, treatment and disinfection facilities, transmission mains, pump stations, and storage infrastructure that collectively provide potable water to the CRD service area. Figure 1 provides an overview of the RWS service area and major system infrastructure.

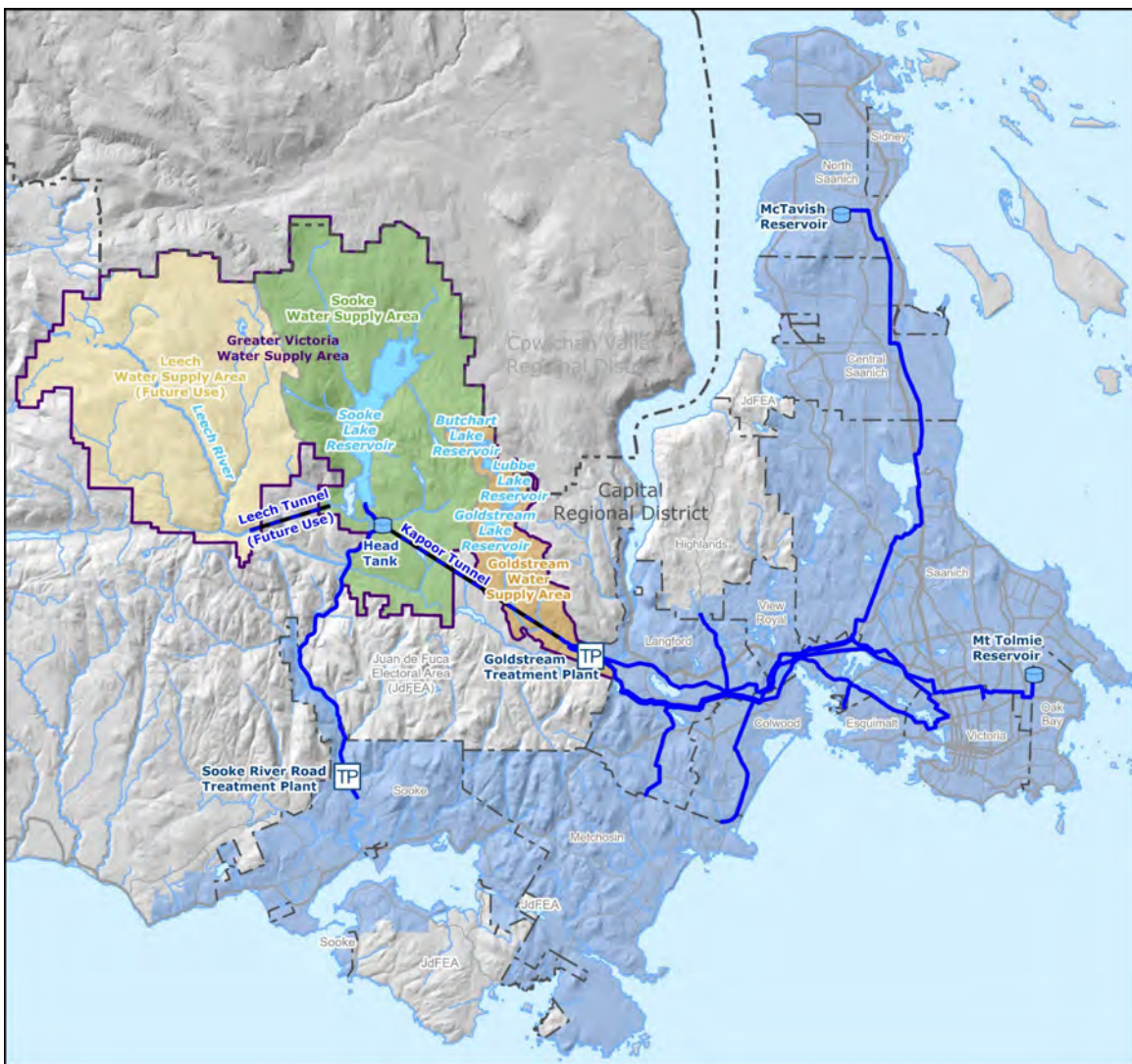


Figure 1 RWS System and Service Area Overview

The RWS system has progressed through continuously updated strategic and long-range planning initiatives led by the CRD. These planning cycles have provided a structured, systemwide approach to maintaining safe, reliable drinking water while adapting to changing regulatory, environmental, and regional conditions.

2.1 Planning History

The 1994 *Long-Term Water Supply Plan* established a generational infrastructure vision focused on supply security and system resilience. It guided significant investments in dam safety improvements and transmission system upgrades and established a long-term framework that later supported treatment modernization, including the implementation of ultraviolet (UV) disinfection in response to evolving regulatory requirements. These investments modernized the system and positioned the region to meet evolving drinking water standards. Importantly, the 1994 *Long-Term Water Supply Plan* established the precedent for long-horizon, regionally coordinated infrastructure planning.

Subsequent strategic planning cycles reinforced priorities of reliability, environmental stewardship, conservation, and financial responsibility. As population growth, regulatory expectations, and asset age profiles evolved, planning efforts shifted from capacity expansion toward resilience, redundancy, and risk mitigation.

Over time, several systemwide challenges became increasingly apparent:

- Portions of the transmission network represent single points of failure or no redundancy.
- Critical infrastructure is exposed to seismic risk in a high-hazard region.
- Key assets are approaching or exceeding their original design life.
- Climate-related pressures, including drought and wildfire risk within the watershed, introduce new operational uncertainty for raw water quality and supply.
- Long-term supply planning must account for regional growth while maintaining conservation objectives.

Collectively, these conditions established a sustained need for integrated planning and staged capital investment across the full RWS system.

The *22 MP* represents a comprehensive system assessment that builds on previous master planning efforts and is based around the *2017 Regional Water Supply Strategic Plan* that responds to evolving future needs. The *22 MP* evaluates existing infrastructure performance, forecasts regional population and demand, and incorporates climate change impacts, raw water quality changes, regulatory requirements, and system risk exposure into its analysis. Based on this work, the *22 MP* identified 21 major capital projects to improve system redundancy, enhance treatment resilience, address seismic and hazard risks, and support long-term supply reliability in a growing region. These projects range from major new facilities, including a water filtration plant and a second intake in Sooke Lake Reservoir, to new transmission main connections to improve system redundancy. Collectively, the *22 MP* provides the technical foundation for the systemwide infrastructure investment required over the coming decades.

While the *22 MP* established the technical foundation and capital investment needs for system renewal and expansion, its implementation occurs within the broader strategic direction set by the CRD Board. The *2025 Regional Water Supply Strategic Plan* confirms the long-term service objectives that guide

decision-making, investment prioritization, and operational performance across the RWS system. Specifically, the 2025 *Regional Water Supply Strategic Plan* reaffirms three enduring commitments:

1. Provide high-quality, safe drinkable water.
2. Provide an adequate, reliable, long-term supply of drinkable water.
3. Provide efficient, effective, and innovative operations of the water system infrastructure.

While the 22 *MP* defined the capital projects required to deliver on these commitments, advancing those projects as a coordinated multi-decade initiative introduces a category of implementation risks that were not specifically addressed in the 22 *MP*. The recent RWS planning efforts establish a programmatic approach to delivering the 22 *MP* projects, define a vision and guiding principles, develop the tools required to manage implementation risks, and create the structure for sustained delivery over the multi-decade Program lifecycle.

Figure 2 provides a high-level summary of the planning efforts to date.

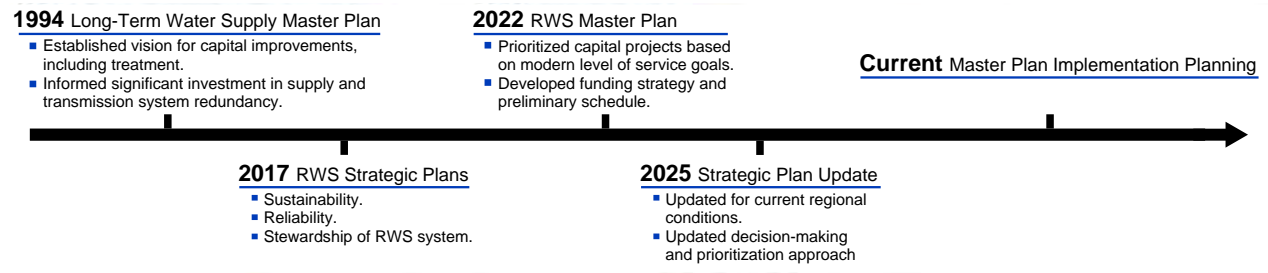


Figure 2 RWS Planning History

SECTION 3 VISION AND GUIDING PRINCIPLES

Implementation planning was undertaken in line with the strategic direction reaffirmed in the 2025 *Regional Water Supply Strategic Plan*, anchored by a Vision Statement and Guiding Principles developed through collaboration with CRD staff.

The Vision Statement for the Program is:

“Investing today to provide reliable drinking water for generations to come.”

This vision reflects a shared commitment to proactive investment and sustainable service delivery. From this vision, five guiding principles were developed with CRD staff that will anchor the Program as it evolves during implementation.

Guiding Principles:

1. Proactive, risk-informed Program delivery.
2. Purposeful design for resilience and operations.
3. Organizational readiness and execution excellence.
4. Financial responsibility and affordability.
5. Strong and inclusive partnerships.

The Guiding Principles shaped the overall planning direction, informed the development of the tools to manage implementation risks, and guided the recommendations that follow. The principles will also provide continuity across future Program phases and leadership transitions, serving as the framework for decisions, scope refinement, and adaptive responses to emerging risks as the Program advances.

These vision elements and guiding principles are visually summarized in the final “tabletop” document shown in Attachment 1, which consolidates and communicates the Program’s commitments, key project categories, and long-term implementation approach. The tabletop document and Guiding Principles were presented and approved by the RWS Commission during their September 17, 2025, board meeting.

SECTION 4 EVOLVING CONTEXT AND LEVEL OF SERVICE CONSIDERATIONS

The *22 MP* established a long-term technical plan to address infrastructure gaps and support overall system resilience. That direction remains in place. The environment in which the Program will be delivered, however, continues to evolve in ways that affect both delivery conditions and service expectations.

Since completing the *22 MP*, infrastructure projects have been significantly influenced by construction market volatility, supply chain variability, escalation in material and labour costs, engineering and contractor capacity constraints, regulatory changes, and evolving engagement and consultation needs. All combined, these conditions affect cost certainty, procurement strategies, and project delivery timelines across the Program lifecycle. The implementation planning tools and programmatic delivery structure described in this Findings Report aims to support the long-term successful delivery of the *22 MP* projects under these dynamic conditions.

At the same time, broader risk awareness and resilience expectations continue to mature. Provincial drought events, extended wildfire seasons, extreme rainfall patterns, regional population growth, and ongoing seismic resilience discussions in British Columbia (BC) have reinforced the importance of explicitly defining how the system is expected to perform under stress conditions. While the *22 MP* considered these risks at a planning level, recent implementation planning efforts have highlighted the value of further clarifying level of service (LoS) performance expectations across the RWS in areas such as:

- Expected return-to-service timelines following seismic or localized hazard events.
- Climate-adjusted operating assumptions related to turbidity, algae, wildfire, landslides, and extreme rainfall.
- Defined water quality expectations during emergency or constrained operations.
- Targeted transmission system performance informed by coordination with wholesale customers.

Evolving risks, market conditions, and clarified LoS commitments are expected to continue to influence project scope, sequencing, and risk mitigation strategies as the Program advances. The Program’s flexibility allows the CRD to capture emerging opportunities and address new risks while preserving the overall scope and intent of the work established in the *22 MP*.

SECTION 5 RISK AND RESILIENCE INTEGRATION

Risk assessment is a central organizing element of the Program and directly influences project prioritization, sequencing, and delivery structure, with a focus on strengthening system resilience.

The *22 MP* established a thorough characterization of the infrastructure, watershed, and hazard risks facing the RWS system, and the infrastructure projects it identified were developed specifically to mitigate those risks. Implementation planning builds on that foundation in two ways. First, it consolidates the *22 MP*'s risk findings, together with current the CRD's risk mitigation efforts and updated technical, operational, and interested party input, into an integrated Risk Assessment Framework that informs Program-level decision-making. Second, it expands the framework to include a category of risk that the *22 MP* did not address: the risks inherent in implementing the recommended infrastructure projects over a multi-decade horizon.

The resulting Risk Assessment Framework identified two distinct but related categories of risk drivers.

Infrastructure and hazard risk drivers, carried forward and updated from the *22 MP*, include:

- Supply vulnerabilities and their impacts to raw water sources.
- Seismic risk and structural fragility.
- Transmission system constraints and hydraulic limitations.
- Single points of failure within key conveyance corridors.
- Climate-driven hazards such as extreme rainfall, turbidity events, wildfire, and landslides.
- Regulatory and water quality risks.

Program implementation risk drivers include:

- Funding adequacy, rate impacts, and grant uncertainty.
- Permitting timelines, regulatory pathway complexity, and cumulative-effects review.
- Contractor and consultant market capacity and cost escalation.
- Project interdependencies, sequencing conflicts, and corridor coordination.
- Workforce, staffing, and supply chain availability.
- First Nations consultation and interested party engagement and coordination.

The risk assessment confirmed that several of the highest infrastructure risks relate to critical transmission mains, supply flexibility, and treatment capability needed to mitigate water supply events. These risks were evaluated collectively rather than in isolation, recognizing that redundancy, alternative pathways, and treatment capacity work together to manage exposure during major events. In parallel, the assessment confirmed that the highest implementation risks relate to funding capacity, permitting complexity, public awareness and First Nation consultation, and market conditions, which together drive Program timing, cost certainty, and rate impact.

The risk assessment also highlighted continuity risks across projects. In several instances, the effectiveness of one capital investment depends on the timely advancement of related infrastructure. These

interdependencies reinforced the need for a coordinated, programmatic approach to permitting, communications, governance, funding, design development, and sequencing.

The risk findings informed updates to project sequencing and pacing across the Program, resulting in the following implementation recommendations:

- Coordinate projects to allow planning, design, LoS development, and risk reassessments to be completed and incorporated before key project decisions are made.
- Prioritize source redundancy and eliminate critical single points of failure.
- Sequence investments to achieve the greatest relative risk reduction for capital cost.
- Phase projects to manage long-term cash flow and moderate affordability and financial risk.
- Incorporate adaptive management to respond to evolving climate, regulatory, and operational conditions.

To consolidate, evaluate, and track risks within the framework, a Risk Register was developed to serve as an ongoing risk management tool for the CRD. Risks to the Program were evaluated, categorized, and scored with an understanding of the CRD's existing mitigation measures, emergency response protocols, commitment to financial stewardship, and asset management practices. These efforts were treated as the baseline condition against which residual risk was evaluated. Therefore, risk scores reflect the remaining exposure after current mitigation strategies are considered, providing a clearer basis for prioritizing additional capital investment and Program delivery actions.

The Risk Register identifies and evaluates the infrastructure and implementation risks facing the Program and provides the basis for establishing a prudent risk reserve, a dedicated allocation within the Program budget intended to address identified risks should they occur. By assessing the likelihood and potential impact of these risks, the Risk Register provides a structured basis for quantifying the reserve and aligning it with the overall Program risk landscape.

Establishing and managing the risk reserve at the Program level is recommended and aligns with industry best practice for programs of this scale. This approach allows risks and opportunities to be managed across multiple projects, enabling resources to be directed where they provide the greatest overall benefit. It also supports ongoing refinement of the Program budget to reflect the current risk landscape.

As assumptions change, projects progress, market conditions shift, and new data becomes available, the Risk Register and risk reserve should be regularly reviewed and updated. These updates should then be used to adjust scope, budgets, sequencing, and mitigation strategies across the Program. CRD should anticipate and actively incorporate this ongoing refinement into Program delivery to ensure risks are mitigated, opportunities are captured, and long-term commitments are met.

SECTION 6 PROJECT DELIVERY

The 22 MP identified the infrastructure projects required to address long-term system risks and service objectives. As part of implementation planning, a Project Delivery Framework was developed to support consistent, risk-informed, and market-aligned delivery decisions across the Program.

Project delivery methods represent different contractual frameworks through which projects can be planned, designed, and constructed, each involving varying levels of owner involvement and control, risk

allocation, schedule certainty, cost certainty, and market suitability. Multiple delivery methods were evaluated and ultimately shortlisted to align with the CRD's organizational capacity, procurement practices, and Program objectives. The delivery methods considered span a spectrum ranging from traditional procurement approaches commonly used for municipal infrastructure projects to more specialized delivery models typically applied to large, complex, or high value construction projects. The spectrum of delivery methods considered is illustrated in Figure 3.

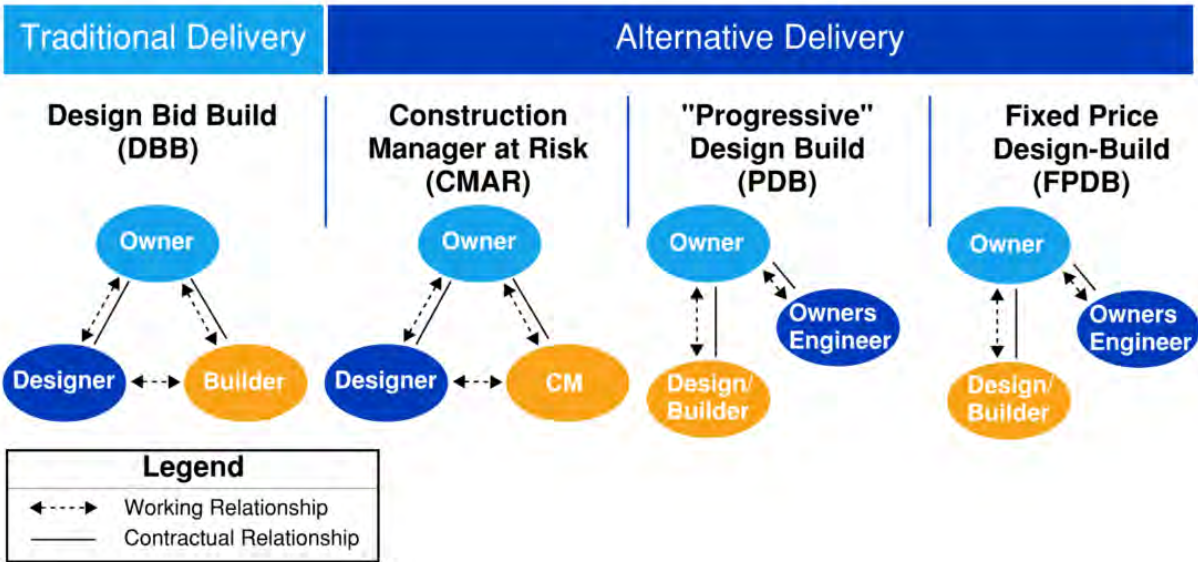


Figure 3 Project Delivery Spectrum

Note: Integrated Project Delivery (IPD) and Private-Public-Partnership (P3) were included in the project delivery initial evaluation process however they were not advanced due to current organizational capacity, lack of alignment with the program vision and principle, and project constraints.

Assessment of delivery considerations began with a market sounding exercise involving a mix of local and regional contractors and consultants. The objective was to gauge market interest in the Program, identify current market constraints, and understand opportunities to better align project delivery strategies with industry capacity and capabilities.

The market sounding identified the following recommendations:

- Undertake transparent and early engagement with the market to support early industry input on project scope, delivery strategies, procurement approaches, constructability, and market capacity.
- Consider collaborative and alternative delivery models that promote shared risk management and joint problem solving.
- Maintain strong communication practices with both the market and the public to support project role clarity and trust.
- Develop thoughtful project packaging strategies aligned with market capacity, capability, and procurement competitiveness.
- Consider qualification-based selection approaches to improve alignment between project needs and delivery partners.
- Balance and clearly define risk allocation to support fair and collaborative commercial relationships.

Using market sounding results, past market knowledge and experience, and results from previous programs, projects were then assessed against criteria related to:

- **Level of control:** Degree of owner influence over design, contractor selection, quality outcomes, and internal resource demands.
- **Schedule:** Ability of the delivery method to support accelerated delivery and coordinated project sequencing.
- **Cost:** Ability to achieve early cost certainty, maintain competitive pricing, and align scope with available budget.
- **Risk allocation:** Ability to appropriately allocate and mitigate risks, support contractor involvement during design, and facilitate regulatory and interested party coordination.
- **Commercial:** Alignment with market capacity, contractor participation, operational considerations, and owner administrative requirements.

An initial qualitative assessment was completed for the 22 MP projects using CRD staff input, subject matter expert review, and market engagement findings. The assessment identified preliminary delivery approaches that best align with each project’s complexity, operational constraints, and implementation risks.

Key findings included:

- No single delivery model is appropriate for all projects.
- Projects with a more defined scope and fewer operational interfaces align more strongly with conventional delivery models, as project requirements, risks, and responsibilities can be more clearly defined and allocated during procurement and delivery.
- Projects with significant complexity, uncertainty, or operational constraints align more strongly with collaborative delivery models, as they benefit from early contractor involvement, shared risk management, and collaborative development of project solutions.
- Market capacity, packaging strategy, and risk allocation materially influence delivery suitability and procurement competitiveness.

The resulting assessment shown in Table 1 provides an initial alignment ranking of suitable delivery approaches for each project described in the 22 MP and establishes a foundation for future procurement planning.

Table 1 Initial Project Qualitative Delivery Evaluation

	DBB	CMAR	PDB	FPDB
Deep Northern Intake/Floating Pump Station	7	15	15	9
Leech River Diversion	8	15	15	9
Sooke Lake Saddle Dam Hydraulic Improvements	8	15	15	9
Direct Filtration Plant	6	15	14	10
DNI Transmission Main to Head Tank	14	14	12	9
3rd Main - Sooke Lake Dam to Head Tank	14	14	12	9
Jack Lake — Head Tank to Japan Gulch and Two Pump Stations at 2,100 ADD	12	14	13	10
Goldstream Dam to Japan Gulch	14	14	12	10

	DBB	CMAR	PDB	FPDB
Stage 1 Balancing Tank	11	14	13	11
Phase 1 Upgrades	15	14	12	11
Phase 2 Upgrades	15	14	12	11
Phase 3 Upgrades	15	14	12	11
Phase 4.1 Upgrades	15	14	12	11
Phase 4.2 Upgrades	15	14	12	11
Option 2 Transmission Main	15	14	12	11
Smith Hill Tank	11	14	13	11
Smith Hill Tank Pump Station	10	14	13	11

Notes:

ADD - average day demand; CMAR - construction manager at risk; DBB - design-bid-build; FPDB - fixed-price design build; PDB - progressive design build

(1) Table Interpretation:

- 15 to 13 = strong alignment.
- 12 to 10 = partial alignment.
- 9 or less = limited alignment.

The delivery method assessments presented in Table 1 evaluate the 22 MP projects on an individual basis and provide an initial indication of delivery model suitability. Together with the implementation risks identified in the Risk Register and other Program development considerations, these assessments provide inputs to the overall Program delivery strategy. The following section builds on these inputs to evaluate the projects from a Program delivery perspective and identify opportunities for coordination and packaging. The project delivery assessments should be updated at future milestones of the Program and project definition using refined scope, risk, cost, schedule, and market information. Future stages should incorporate more detailed quantitative analysis to support final delivery model selection prior to procurement.

SECTION 7 TRANSITION FROM PROJECTS TO PROGRAM

The 22 MP infrastructure investments represent one of the most significant coordinated efforts undertaken by the CRD. The projects are technically connected, financially significant, and operationally interrelated. Advancing them independently would limit visibility of cumulative risk, constrain sequencing flexibility, and reduce the ability to optimize funding and resource allocation.

A programmatic approach organizes related projects into coordinated groupings based on system function, risk reduction objectives, geographic alignment, and delivery timing. Rather than managing each capital project as a discrete initiative, the Program model provides value through the following initiatives discussed in Table 2.

Table 2 Benefits to CRD for Programmatic Delivery Approach

Program Initiatives	Benefit to CRD of Programmatic Delivery Approach
Risk prioritization	<ul style="list-style-type: none"> Reduction of implementation risk by recognizing interdependencies across transmission, treatment, storage, and supply projects.
Programmatic permitting and communications efforts	<ul style="list-style-type: none"> Supports early coordination with regulators and interested parties to streamline approvals and maintain consistent Program messaging.
Programmatic First Nations engagement efforts	<ul style="list-style-type: none"> Supports ongoing First Nations engagement and consultation activities that facilitate a coordinated approach and provides opportunities for meaningful dialogue and holistic Program wide feedback.
Coordinated sequencing and phasing	<ul style="list-style-type: none"> Improved communication, coordination, and alignment between projects to support construction activities.
Consolidated procurement strategies	<ul style="list-style-type: none"> Provides proactive management of market volatility and contractor/consultant capacity constraints. Provides flexibility and consistency in procurement approach as Program matures.
Integrated financial planning and wholesale water rate forecasting	<ul style="list-style-type: none"> Enhancing transparency and oversight of cumulative financial resources and alignment with CRD's affordability goals.
Adaptive decision-making over a multi-decade horizon	<ul style="list-style-type: none"> Flexible prioritization and sequencing of capital improvements as system needs and priorities evolve over time. Ability to optimize project scopes and realize shared benefits across projects as designs are further developed.

The 21 capital projects identified in the 22 MP were developed as discrete initiatives addressing long-term supply, treatment, and transmission needs. Implementation planning found that while the individual projects remain directionally appropriate, advancing them independently would introduce unnecessary delivery risk and coordination challenges.

Figure 4 shows consolidation of the 21 capital projects identified from the 22 MP, which have been grouped for implementation. The groupings are based on geographic alignment, interconnected hydraulic and operational scope, shared permitting pathways, constructability staging considerations, and market feedback on appropriate project scale and packaging to reduce implementation risk.

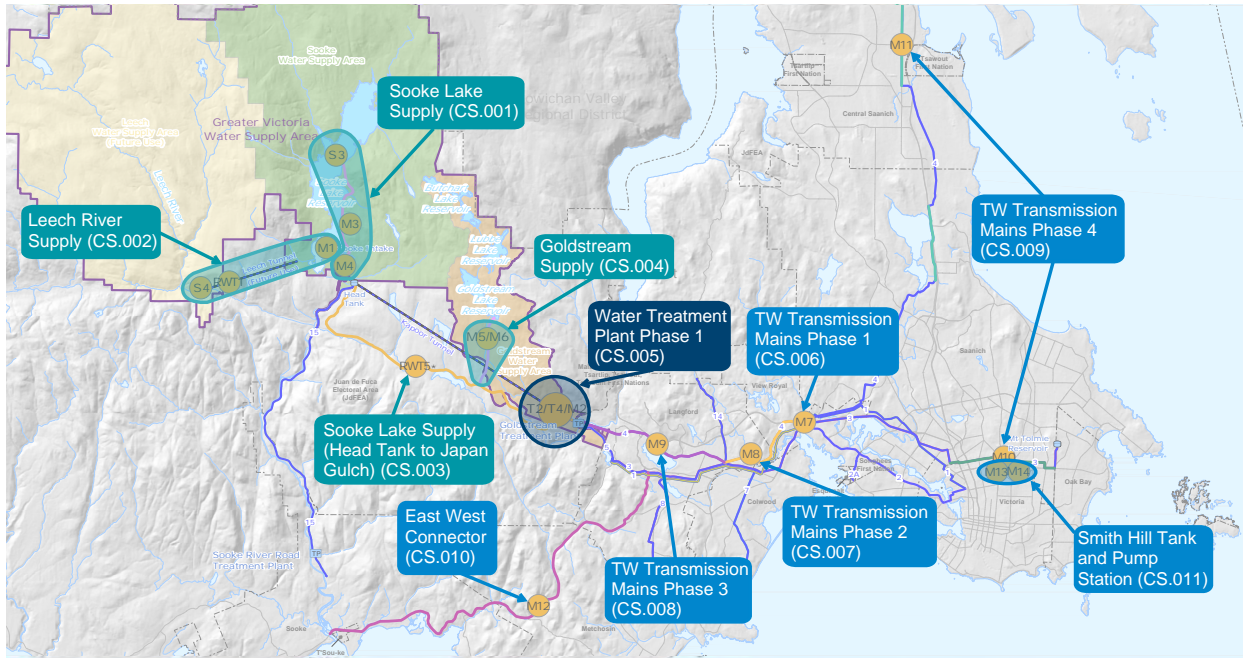


Figure 4 22 MP Overview - Implementation Project Groupings

Using the project groupings, Project Profiles were developed to provide a consistent framework for documenting and managing projects throughout the duration of the Program. The Project Profiles serve as a centralized source of project information, capturing key details such as project scope, drivers, benefits, interested parties, project interdependencies, delivery approach, permitting requirements, schedule information, cost estimates, funding sources, and cash flow. Collectively, the profiles provide a high-level view of the overall Program while also supporting project specific planning, decision making, and reporting. The profiles are intended to be living documents that will be further developed during Program initiation and updated throughout the life of the Program as projects advance and additional information becomes available.

7.1 Schedule

Building from the implementation risks and the project groupings, the 22 MP schedule was reviewed and refined to:

- Provide time for program mobilization and Program-level design coordination.
- Prioritize access to alternative water supply sources to mitigate water quality events within an individual watershed.
- Stagger project delivery to smooth rate impacts and debt increases over time.

The resulting updated Program schedule is illustrated in Figure 5 and incorporates four Program Management phases at five-year intervals to support staged Program delivery. These phases are discussed further in Section 9.

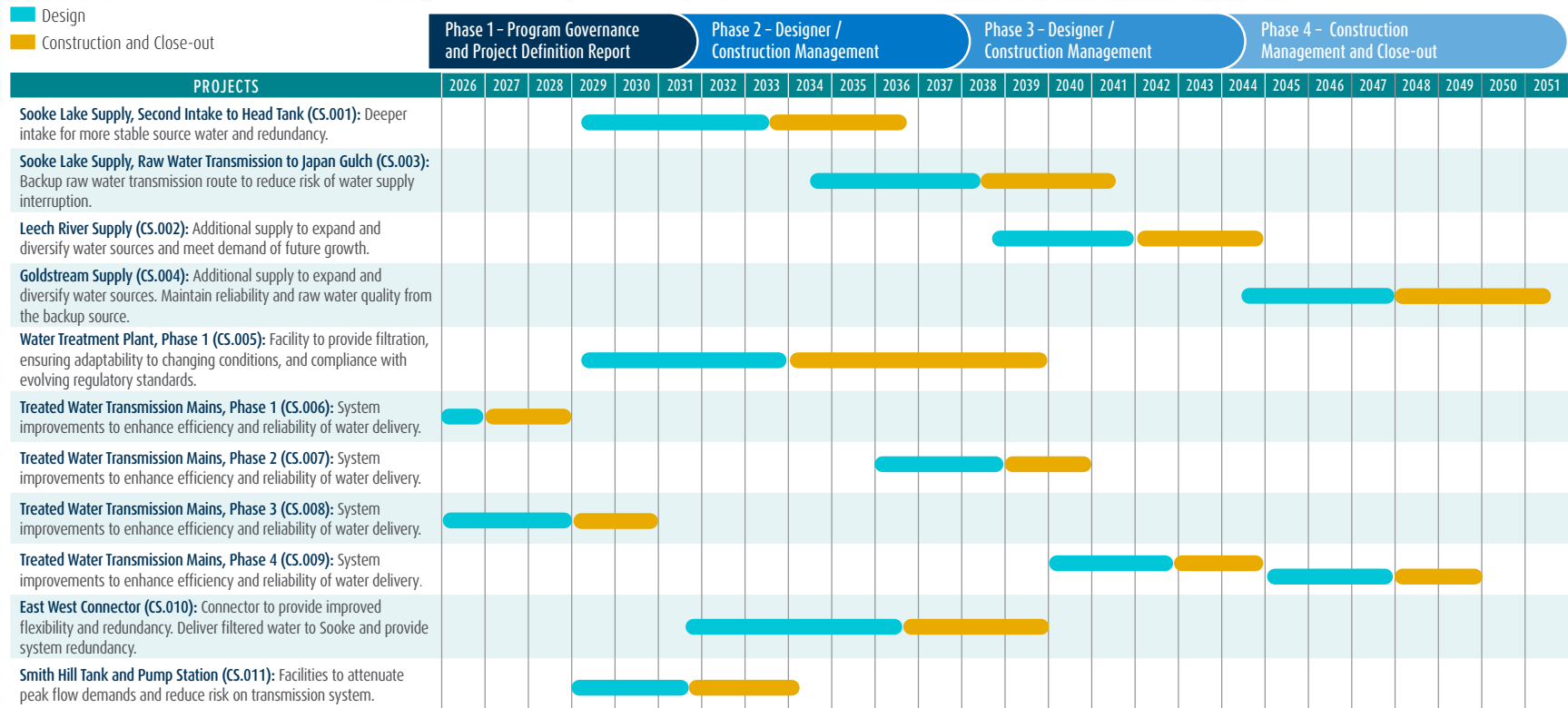


Figure 5 Program Schedule

SECTION 8 RECOMMENDED PROGRAM DELIVERY PLANS AND STRATEGIES

Delivering the Program will require sustained organizational alignment, financial discipline, and coordinated execution over multiple decades. This section defines the governance, resourcing, funding, permitting, and communications frameworks developed to address the anticipated implementation risks and enable the successful delivery of the Program. These tools are not single-use planning products; they can be applied, refined, and expanded throughout the Program's lifecycle, strengthening the CRD's ability to coordinate complex work, manage cumulative risk, capture emerging opportunities, and delivering long-term value.

8.1 Governance Framework

Effective Program delivery depends on a governance framework that matches the scale, complexity, and concurrency of the planned capital works. The CRD Board has delegated authority for the Regional Water Supply service to the Regional Water Supply Commission (RWSC), which provides the existing governance foundation for the Program.

The CRD's existing organizational structure, the Core Area Wastewater Treatment Project (CAWTP) governance approach, and other program governance models were assessed to identify the governance needs and objectives to effectively manage the administrative, communications, and technical demands for the Program. Multiple types of integrated governance frameworks were evaluated, which included an Owner-Managed Program, a Shared Management Program, and a Consultant-Led Management Program.

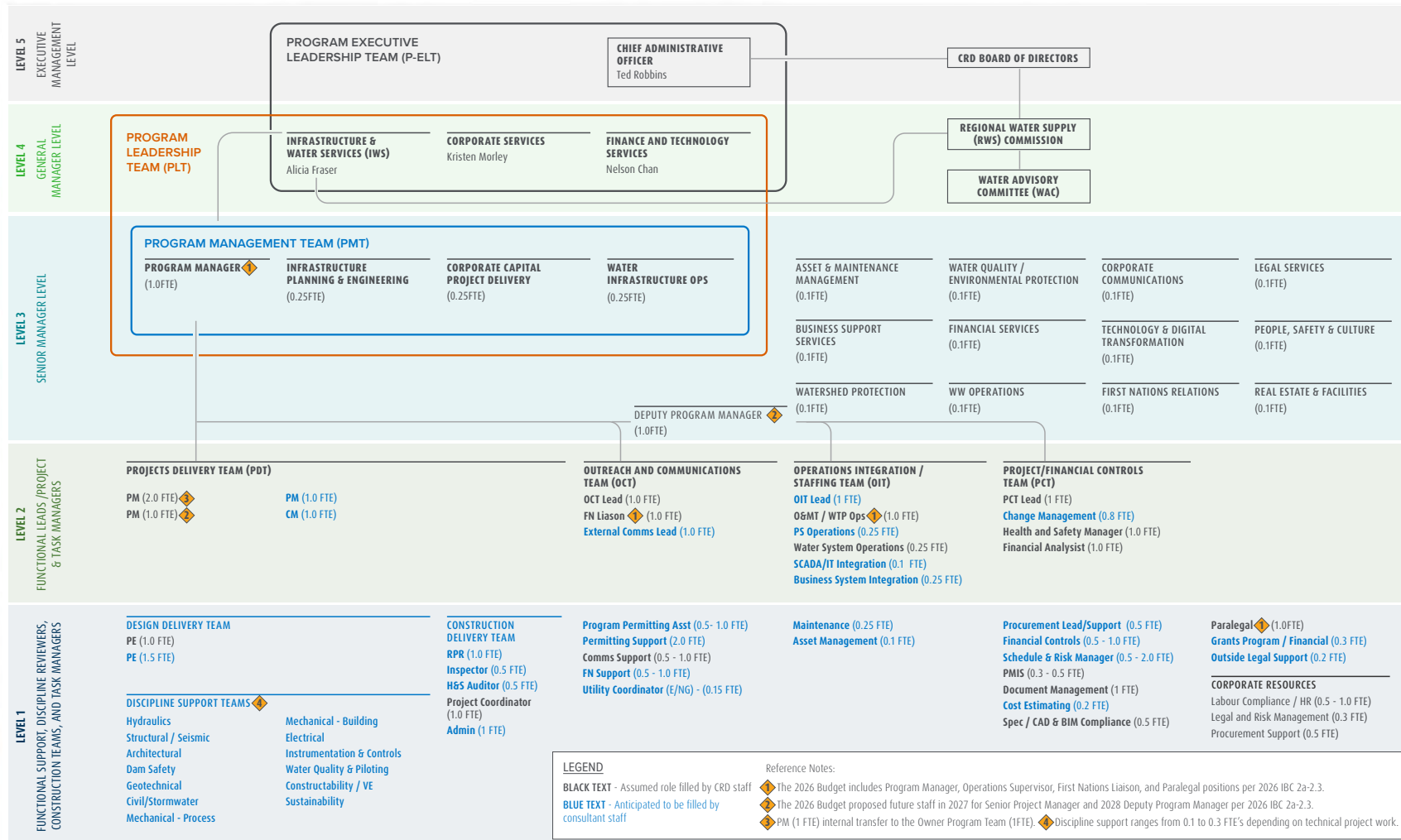
In the end, it was recommended that the Program commence under an Owner Managed governance model with the flexibility to transition to a Shared Management model as requirements evolve. This approach allows the CRD to establish internal capacity and maintain direct control over operational integration during the early stages of the Program, while positioning the organization to leverage consultant expertise through a Shared Management model as the Program matures. Selecting an Owner Managed approach at the outset of the Program will require the CRD to prioritize hiring of more staff initially, to fill key roles. The transition to a Shared Management model allows the CRD to sustainably balance hiring of CRD staff and utilization of consultant resources as the Program demands change overtime. Collectively, these considerations address lessons learned from previous program execution and offer a flexible resourcing approach to support the following Program execution objectives:

- Maintains CRD ownership, accountability, and decision-making authority for a critical public service and its associated infrastructure.
- Integrate consultant resources within the CRD led Program team, providing specialty expertise and experience, ability to dynamically adjust project resourcing, and increase capacity, redundancy and resiliency of the Program team.
- Supports coordination between Program delivery and ongoing system operations, helping to manage operational risks and minimize the potential for service disruptions during implementation.

- Provides direct oversight of Program priorities, scope, budget, and interested party commitments while retaining flexibility to adapt to changing conditions and emerging needs.
- Creates lasting value beyond Program delivery by developing internal expertise and institutional knowledge that strengthens the CRD's ability to manage, operate, and invest in the RWS system over the long term.

The Initial Owner-Managed governance approach resulted in an integrated organizational structure that mirrored CRD's existing governance framework, as illustrated in Figure 6. The near-term staffing chart defines the functional teams, the roles, and level of resources required to initiate the Program implementation plans for the next five years, as further defined in Section 9. Key findings for the staffing chart shown in Figure 6 include:

- Eight functional teams have been proposed to manage programmatic activities and execution of projects to streamline decisions and flow of information with the existing CRD organizational structure.
- The CRD has initiated staffing plans to fill key Program roles with the 2026 Budget IBC 2a.2.3 and includes four positions for 2026 and two more positions to be hired in 2027 and 2028.
- An additional 10 key positions have been identified as future CRD staff positions.



Program Staffing Chart - Five - Year Plan (2027 - 2031)

Figure 6 Program Staffing Chart: Five Year Plan (2027-2031)

This organizational structure centralizes Program-level functions for schedule, cost, risk, and reporting; establishes a clear level of authority; and defines the escalation pathways that will govern Program advancement.

8.2 Resource Planning - Phase 1 Staffing Levels Forecasted

Based on the implementation schedule and resourcing requirements identified for the Program, resourcing needs, defined as full-time equivalents (FTE), for Phase 1 were projected as shown in Figure 7. During Phase 1 of the Program implementation, the staffing levels include a combination of CRD staff and augmented support from an Owner Engineer (OE). The OE provides the CRD with expertise in specialty roles as shown in the staffing plan and provides additional resources required to execute the Program functions for the magnitude of CRD’s infrastructure projects.

The proposed CRD positions, illustrated in Figure 6, are expected to increase baseline staffing to approximately 20 FTEs. These roles will be filled through a combination of full-time positions and fractional allocations of existing CRD staff. The OE’s staffing levels will vary throughout the Program in response to workload demands and required areas of expertise. As shown in Figure 7, OE staffing is anticipated to reach approximately 16 FTEs to provide the necessary level of support to CRD. Overall, during Phase 1, total Program staffing is expected to reach approximately 36 FTEs, combining both CRD and OE resources.

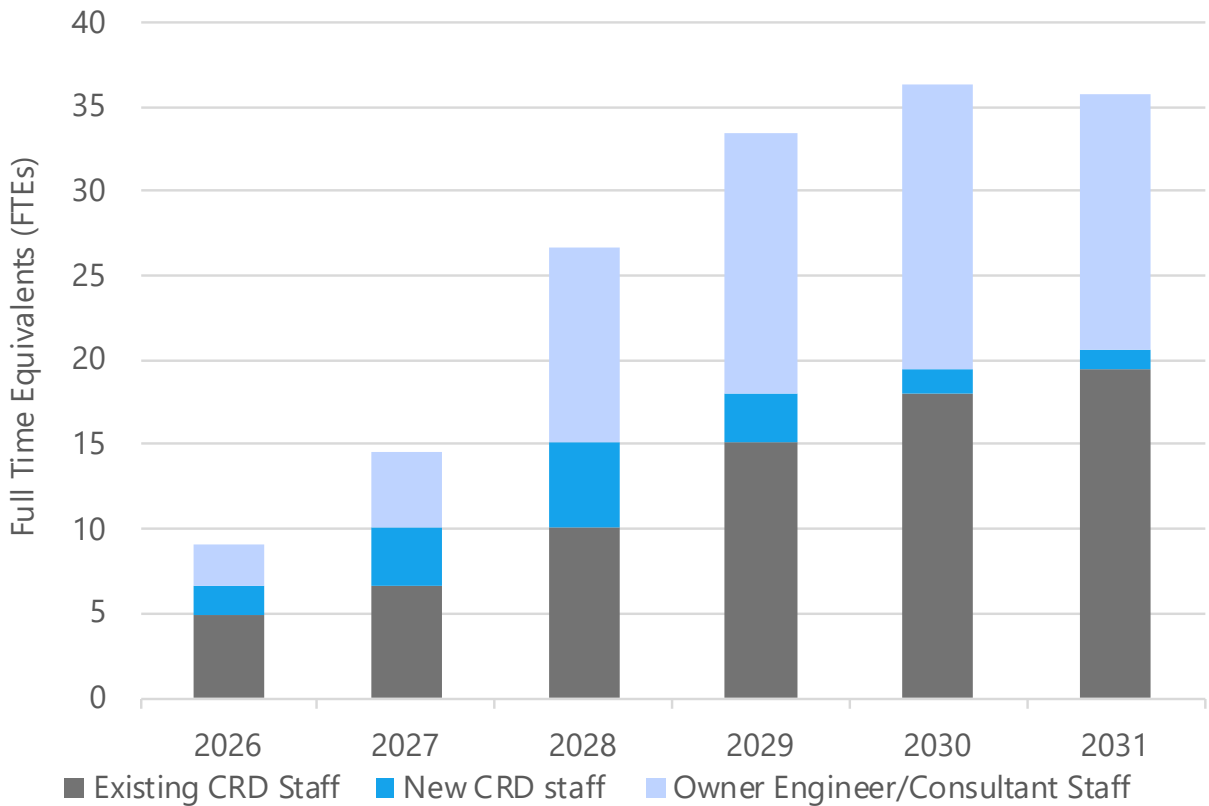


Figure 7 Near-Term Staffing Forecast (2026-2031)

Key recommendations for Program resource and governance planning include:

- Implement a phased staffing strategy that increases internal capacity over time and supplements CRD resources with an OE to address workload and specialized expertise requirements.
- Integrate operations staff early throughout planning, design, and commissioning to support long-term operability and transition readiness.
- Prioritize workforce development and internal capacity building in project management, project controls, and construction management to strengthen the CRD's ability to deliver the Program, maintain organizational resilience throughout its lifecycle, and support the long term management of future capital investments.
- Apply lessons learned from the CAWWT Program by prioritizing knowledge retention, early operational involvement in project decision making, and integration of new infrastructure into existing operations throughout planning, design, and construction to support long term operational readiness and reliable service delivery.
- Implement a formal issue escalation framework with defined thresholds for cost, schedule, and decision timelines to support timely decision-making.
- Align financial signing authority thresholds to improve Program delivery efficiency.

8.3 Funding and Financial Strategy

Funding the Program will require a coordinated funding strategy that combines multiple mechanisms, applied in a way that supports the CRD's commitment to delivering the Program affordably and protecting ratepayers from undue impact. Current and projected funding needs were assessed against the CRD's existing revenue and funding sources utilizing the cost estimates outlined in the *22 MP*, and a comprehensive range of alternative funding options were screened. Two tools were developed to support this work and to support ongoing CRD financial planning through the Program lifecycle:

- A conceptual financial model forecasts Program costs, financial rates, debt impacts, and integrates existing CRD financial planning under varying delivery timelines, funding strategies, and key assumptions. This model will serve as a baseline planning tool, and will be updated as scope, costs, and market conditions mature.
- A grant assessment tool supports the identification, prioritization, and pursuit of grant and government funding opportunities. This tool will be applied on an ongoing basis to pursue grant opportunities as they emerge over the Program lifecycle.

Several key constraints were identified during planning that will influence future funding strategies, including ratepayer affordability, limits on available debt capacity affecting broader CRD capital priorities, near-term constraints on reserve fund balances, and the timing of development cost charge (DCC) revenues. No single funding source can address these pressures on its own. As a result, a balanced funding approach is recommended that combines:

- Debt financing through the Municipal Finance Authority and rate revenues as the primary mechanisms.
- DCCs to fund the growth-related share of Program investment.
- Grants and direct government funding agreements to reduce reliance on rate revenues and debt.

- Higher potential but more complex options, including rate structure changes, special levies, project-level private financing, and reserve fund strategy adjustments, carried forward for further assessment rather than committed to at this stage.

Together, these mechanisms give the CRD a structured set of tools to manage the magnitude and timing of bulk water rate and debt impacts as the Program advances, and to capture opportunities to reduce reliance on ratepayer revenue as they emerge.

The following near-term next activities are recommended:

- Further develop Program scope definitions and project requirements to support updated Program cost estimates.
- Update and refine the conceptual financial model using revised Program costs, funding assumptions, debt servicing requirements, and other CRD financial considerations.
- Use the updated financial model to evaluate alternative implementation scenarios, including different Program durations, project sequencing strategies, and funding approaches.
- Conduct comprehensive feasibility, cost-benefit, and risk assessments on the alternative funding options identified for further evaluation.
- Advance direct funding agreement discussions with provincial and federal governments, with priority focus on the water treatment plant.
- Refine and apply the grant assessment tool on an ongoing basis.
- Developing a comprehensive Program financing strategy that integrates the outcomes of these assessments.

The funding and financial strategy will be revisited at defined milestones at each Program phase as the Program scope matures.

8.4 Permits and Regulatory Management

During early planning, the permitting and regulatory analysis was among the most consequential in shaping the recommended Program delivery strategy. Its findings identified the benefits of applying a programmatic approach to mitigate multiple implementation risks to 22 MP projects through a single, coordinated initiative rather than as individual projects.

The scale, geographic dispersion, environmental sensitivity, and cultural significance of the planned infrastructure create a complex regulatory landscape involving multiple provincial and federal agencies, First Nations consultation requirements, and municipal approvals. Some of the more significant permitting and approval requirements anticipated for the Program include:

- Water Sustainability Act approvals and amendments, including water licenses and authorizations for works in and about streams.
- Fisheries Act and Species at Risk Act reviews and authorizations related to potential impacts on fish habitat, aquatic ecosystems, and protected species.
- Dam Safety Regulation approvals, reviews, and supporting documentation associated with modifications to existing dams and reservoir infrastructure.

- Heritage Conservation Act assessments and permits, including archaeological investigations and consultation related to culturally significant sites and resources.
- Drinking Water Protection Act permits and approvals, including construction permits, operating permits, and associated regulatory review by health authorities.

A Permitting and Regulatory Management Framework was developed to align regulatory pathways, First Nations consultation, interested party engagement, and other required municipal approvals with the implementation schedule. A key element of the Permitting Framework is the integrated permit register that will track administrative and submittal requirements, timeframes, approvals, and dependencies across the Program. The Permitting Framework and permit register will evolve as the Program matures, regulations change, and consultation outcomes inform scope.

Permitting and consultation activities represent a significant upfront effort for the Program due to the number of projects, cumulative effects considerations, and the need for coordinated engagement with First Nations, regulators, local governments, and interested parties. Applying the permitting framework across the 22 MP projects identified permitting and consultation timelines as key drivers of the overall Program schedule.

Advancing permitting efforts early provides the time and structure needed to review permitting requirements collectively at a Program level, support meaningful and ongoing engagement, coordinate cumulative effects reviews, and establish proactive regulatory interfaces before individual projects advance independently.

Given the complexity of the Program and the interconnected nature of many projects, a coordinated Program-level approach to permitting coordination, First Nations engagement, and cumulative effects reviews is recommended. Key next steps to support implementation of the programmatic permitting approach include:

- Initiate early discussions with the BC Environmental Assessment Office (BC EAO) and provincial regulators to assess the viability and benefits of a coordinated review pathway, considerations to managing cumulative effects across interconnected infrastructure, and permitting integrations across the Program.
- Coordinate review feasibility and begin First Nations engagement on a Program basis.
- Coordinate with local governments on municipal approvals and construction interfaces.
- Update and maintain the Permitting Framework and Register.
- Implement a Program-level information management system to support adaptive management as permitting conditions evolve.

8.5 Communications Plan Framework

Communication is a core function for the Program, supporting governance, funding, permitting, and sustained public confidence over the multi-decade Program lifecycle. Program-wide communications and engagement needs were assessed across the diverse audiences; including the public, bulk water customers, First Nations, regulators, local governments, executive leadership, the RWSC, and internal CRD

management and the Board. A Communications Plan Framework will establish a consistent, transparent, and scalable approach to communications across the Program for the two levels:

- **Program-level communications** carry the overarching narrative on need, benefits, affordability, risk management, and delivery approach across the Program lifecycle.
- **Project-level communications** are tailored to the specific project requirements as it advances from planning through commissioning, while remaining aligned with overarching Program-wide communications approach.

Consistent with all CRD communications, engagement activities under the Communications Plan Framework will align with the International Association for Public Participation (IAP2) Spectrum of Public Participation, an industry-standard structure for matching engagement intensity to the nature of the decision and the audience. The Communications Plan Framework is intended to function as a durable instrument that enables broad support and understanding of the Program and informs discrete communications across the Program lifecycle, allowing project-level communications to scale and adapt without losing alignment with the overall Program narrative.

The Communications Plan Framework provides an engagement structure that aligns with the permitting strategy, particularly engagement with regulators, local governments and the public during Program initiation, followed by ongoing engagement throughout planning, design, permitting, and implementation.

The CRD will need to develop a First Nations Engagement and Consultation Plan that will support ongoing engagement and consultation throughout the lifecycle of the Program. Though separate, this Plan will need to inform both the Communications Plan Framework and the Permitting Plan.

Engagement is structured as a staged process that evolves as the Program and individual projects advance, with opportunities for information sharing, consultation and feedback and involvement-based activities, as appropriate. The two-level structure (Program versus Project) also ensures that consistent Program-wide consultation on needs, benefits, and outcomes is sustained over the Program lifecycle, even as project-specific engagement shifts with Program activities.

These next steps will be implemented as part of the Phase 1 Program Communications Plan:

1. Define roles and responsibilities consistent with the CRD's corporate policy.
2. Prepare consistent informational materials and standardized communication tools and templates, building on the examples developed though early planning:
 - a. Program Vision and Guiding Principles Tabletop – A one-page summary outlining the Program vision, key projects, anticipated benefits, and guiding principles that will inform Program delivery. (Attachment 1)
 - b. Program Implementation Roadmap – A booklet summary of work completed to date, the proposed implementation strategy, and the path forward for the Program. (Attachment 2)
 - c. "Six Things to Know About CRD's Work for a Reliable Water Future" Communication Brief – A one-page fact sheet highlighting the purpose, benefits, and long-term value of the Program. (Attachment 3)
3. Develop a First Nations Engagement and Consultation plan.
4. Establish dedicated capacity to support First Nations engagement on a Program basis.

5. Coordinate engagement timing with the regulatory and consultation milestones in the Permitting Framework.

SECTION 9 IMPLEMENTATION APPROACH AND NEXT STEPS

The implementation approach is structured into rolling five-year phases that provide flexibility to reassess project priorities, LoS goals, funding requirements, and risk mitigation strategies at regular intervals as the Program advances.

The Program lifecycle includes the following four phases, as shown in Figure 5:

- Phase 1: Program Governance and Project Definition Report.
- Phase 2: Designer/Construction Management.
- Phase 3: Designer/Construction Management.
- Phase 4: Construction Management and Close-Out.

The five-year phase structure provides natural transition points to reassess Program priorities, funding strategies, delivery approaches, and contractual arrangements as implementation progresses. While the specific projects underway may differ between phases, Phases 2 and 3 share the same designation because they represent the core delivery period of the Program, during which multiple projects are expected to be in planning, design, procurement, or construction concurrently. In contrast, Phase 1 focuses on Program mobilization, project definition and planning for future phases, while Phase 4 emphasizes completion of the remaining works and Program close out activities.

The first five-year phase, Phase 1, establishes the technical, governance, and coordination foundations for cohesive implementation of the 22 MP projects. There are many tasks required to initiate the Program, which can generally be grouped into two primary activities: establishing the Program Governance structure and developing the Project Definition Report (PDR), as described below and depicted in Figure 8.

9.1 Program Governance

The Program Governance establishes the CRD's commitment and execution framework for delivering the Program, with sustained internal ownership of governance, schedule, cost, risk, and reporting functions over the Program lifecycle. The Program Team will perform the following:

1. Establish streamlined Program governance, reporting, and controls frameworks.
2. Develop and maintain an integrated master schedule and a five-year rolling capital plan.
3. Lead the PDR scope of work development.
4. Coordinate the Program-level permitting strategy and regulatory engagement.
5. Maintain the Program Risk Register and integrate risk reviews at major milestones.
6. Support refinement of Program cost baselines and financial planning inputs.

7. Coordinate water treatment pilot testing and incorporate results into the PDR and treatment plant project scoping documents.
8. Coordinate communications planning and interested party engagement.
9. Develop and implement a First Nations Engagement and Consultation Plan.
10. Facilitate operations involvement into the planning stages and align plans with corporate asset management practices.

9.2 Project Definition Report

A single, coordinated PDR is recommended for the Program, excluding the transmission main projects already underway, as the next step toward advancing the 22 MP projects. The PDR will define the technical approach and how the projects fit together, reflecting the Program's Guiding Principles, updated LoS goals, and evolving regional priorities.

Developing one PDR for the interconnected supply and treatment projects allows requirements, interfaces, and dependencies to be addressed together, rather than separately. This coordinated approach supports a Program-level permitting and engagement strategy, improves how cumulative effects and project interdependencies are considered, and creates opportunities to align with transmission system upgrades already being advanced by CRD.

Specifically, the PDR will update and address the following elements required to implement the 22 MP:

1. Formalize the LoS framework to guide design criteria for all recommended infrastructure improvements.
2. Develop an integrated long-term source water supply strategy for the Goldstream, Sooke, and Leech watersheds, supported by updated water supply forecasting and drought management analysis.
3. Refine conceptual designs for major source supply and transmission projects, including intake siting, tunnel evaluation, transmission routing, and interconnection considerations.
4. Perform detailed siting evaluation and conceptual design development for Water Treatment Plant Phase 1, incorporating pilot testing outcomes and updated performance objectives.
5. Begin conceptual alignment of raw and treated water transmission mains, including preferred routing, interconnection strategy, flow attenuation, and corridor constraints.
6. Conduct preliminary geotechnical investigations and environmental screening to validate key design assumptions and inform permitting and constructability risks.
7. Reevaluate preferred delivery models for priority projects based on project definition maturity and market conditions using the project delivery framework.
8. Identify land acquisition, easement, and right-of-way needs for the projects.
9. Update Program cost estimates to a Class C level, incorporating refined scope, schedule, and Program risk reserve.

Project sequencing and schedule assumptions will be reassessed through the PDR to reflect refined engineering information, risk mitigation opportunities, and alignment with the intent of the 22 MP and the 2025 Regional Water Supply Strategic Plan.

PHASE 1

Program Governance and Project Definition Report

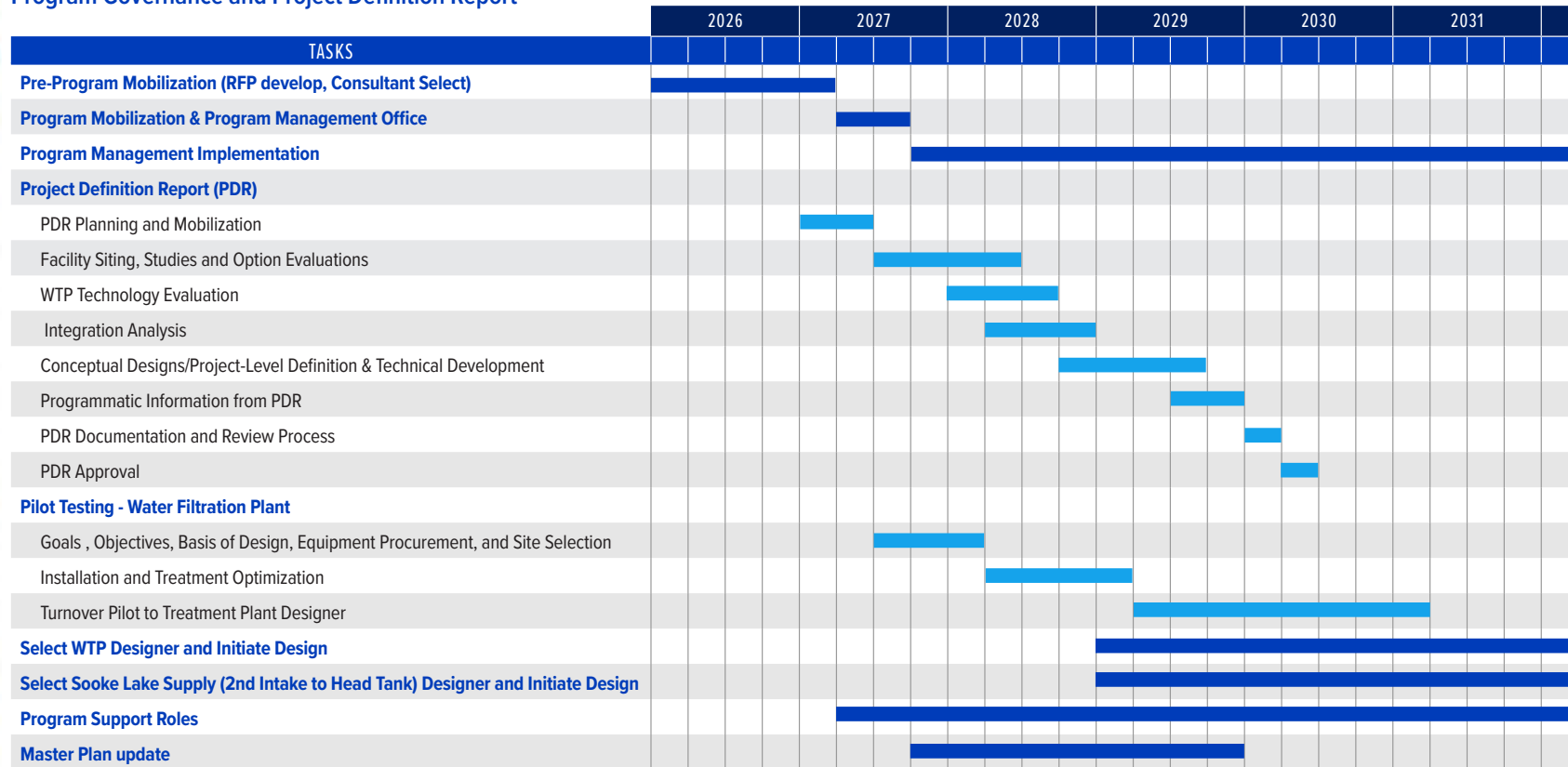


Figure 8 Phase 1 - Program Scope Definition and Mobilization Schedule (Five Years)

SECTION 10 CONCLUSION

The capital improvements envisioned in the 1994 Long-Term Water Supply Plan, and expanded on in the *22 MP*, were developed in response to the evolving risks faced by the RWS system. Those planning efforts recognized that historical water quality and system performance can no longer be relied upon as indicators of future conditions, and that the CRD must design and build more resilient infrastructure to withstand potential catastrophic events affecting the region. With seismic exposure, aging critical assets, single points of failure, and escalating climate pressures continuing to grow, there is a clear and pressing need to begin implementing these projects.

The *22 MP* articulated the capital projects needed to mitigate these system risks. Implementation of those projects, however, introduces a new set of risks spanning financial, regulatory, technical, and organizational domains, including funding availability, permitting requirements, project interdependencies, market capacity, and resource availability. Planning efforts have identified and evaluated these implementation risks and developed tools to mitigate them, including the Risk Assessment Framework and Risk Register, the Program Governance Framework, the conceptual financial model, the grant assessment tool, the Permitting and Regulatory Management Framework, and the Communications Plan Framework.

This implementation planning effort provides actionable next steps for Phase 1. Phase 1 is foundational to the program as it establishes the governance, technical requirements, project specifics, and relationships with critical interested parties on which all subsequent work depends. The critical system risks identified in the *22 MP* remain unchanged, and while the timing, sequencing, and delivery approach for individual projects will continue to evolve, the need to stand up the Program and begin this foundational work should remain a priority. To advance the Program, the following actions are recommended:

1. Actively manage the Risk Assessment Framework and Risk Register as living tools, using them to adjust implementation, mitigate emerging risks, and capture opportunities as conditions change.
2. Maintain an ongoing pulse on the construction market to optimize project timing and leverage delivery models that maximize competition and industry interest while driving value into each project.
3. Adopt a programmatic delivery approach that coordinates the *22 MP* projects as a single initiative, realizing the benefits described in this report.
4. Establish the Owner-Managed governance model by supporting the recommended Phase 1 staffing plan, building internal capacity initially and allowing the Program to transition to a Shared Management model to meet Program demands.
5. Advance Program-level permitting and engagement early, initiating coordinated regulatory discussions and interested party engagement, recognizing that permitting timelines drive the Program schedule and many global risks.
6. Advance First Nations engagement and consultation early in the Program, recognizing the importance of ongoing dialogue and feedback to strengthen relationships and work toward shared outcomes.
7. Implement a coordinated funding and financial strategy in support of the CRD's affordability commitments, refining the financial model and pursuing grant and senior government funding.

8. Deliver consistent, transparent communications through the two-level Communications Plan Framework to sustain public confidence across the Program lifecycle.
9. Develop the PDR as the central technical undertaking of Phase 1, refining the level of service framework, advancing conceptual design and cost definition, and confirming project sequencing and delivery approaches.

The next five years represent a critical step in proactively managing the long-term system and implementation risks facing the region's water supply. Establishing the Program governance structure, developing the PDR, advancing permitting and engagement, and continuing to refine project priorities are the actions that will move the 22 *MP* from plan to delivery, and a timely investment in the CRD's ability to provide safe, reliable drinking water for generations to come.

ATTACHMENT 1 **PROGRAM IMPLEMENTATION: VISION
AND GUIDING PRINCIPLES TABLETOP**

Investing today to ensure reliable drinking water for generations to come

Planning for the Future

The **Regional Water Supply (RWS) Service** provides drinkable water to 430,000 people across the Region. As we plan for the future we are committed to:

- High quality, safe drinkable water
- An adequate, reliable, long-term supply of drinkable water
- Efficient, effective and innovative operation of the water system infrastructure

To fulfill these commitments, the RWS Master Plan lays out the roadmap of critical infrastructure projects designed to meet the needs of a growing community while proactively addressing evolving risks related to seismic activity and climate change.

This work represents a substantial investment over the next 20 years, reflecting CRD's commitment to long-term water security and resilience.

Implementation will be guided by the following principles. They were carefully developed to ensure Greater Victoria has a safe, reliable, and sustainable drinkable water supply for generations to come.

Guiding Principles

1. PROACTIVE, RISK-INFORMED PROGRAM DELIVERY

Projects are planned with foresight, early risk management, and flexibility to minimize disruption and stay on track.

2. PURPOSEFUL DESIGN FOR RESILIENCE & OPERATIONS

Infrastructure is designed to be safe, durable, cost-effective, and easy to maintain while meeting future needs.

3. ORGANIZATIONAL READINESS & EXECUTION EXCELLENCE

Careful sequencing, strong internal capacity, and long-term planning ensure smooth and dependable implementation.

4. FINANCIAL RESPONSIBILITY AND AFFORDABILITY

Reliable service is maintained through right-sized projects, diverse funding, and long-term financial planning.

5. STRONG AND INCLUSIVE PARTNERSHIPS

Collaboration with First Nations, governments, regulators, and the public builds trust and shared success.

Delivering the RWS Master Plan

Project planning, design and construction will be strategically sequenced and staggered throughout the implementation period, with completion anticipated by 2045.

1. RAW WATER (PRE-TREATMENT) FACILITIES

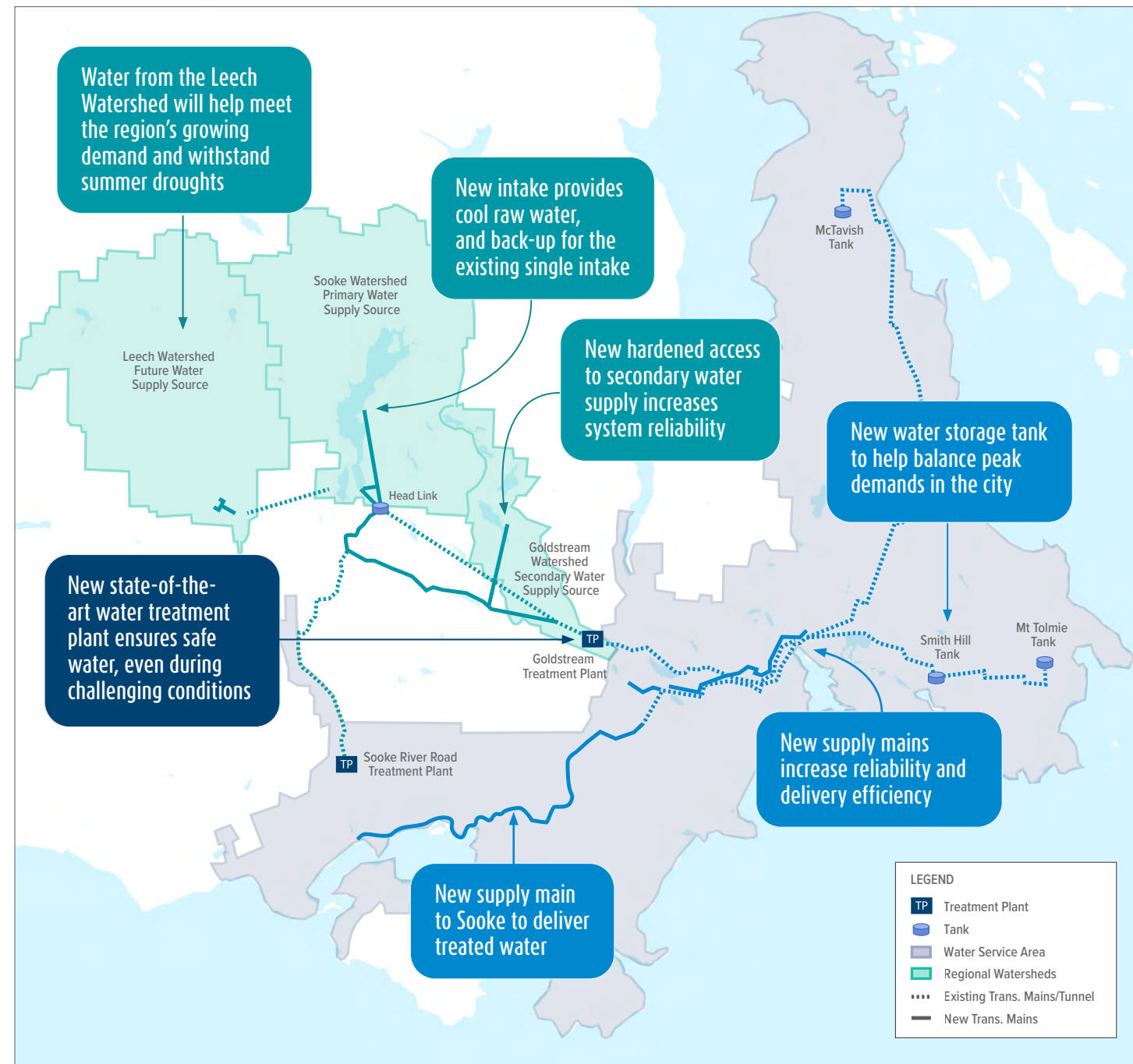
New and upgraded facilities will greatly reduce risks from climate change and earthquakes. These projects include a new lake intake, raw water transmission mains and the incorporation of the Leech water supply.

2. WATER TREATMENT FACILITIES


Protecting the Sooke Watershed, together with treatment and disinfection, provides strong barriers that help keep drinking water clean and safe. A growing population and the use of new water sources with different treatment needs, combined with the impacts of climate change such as droughts, wildfires, and shifts in water quality, mean that additional treatment is essential. Additional treatment, such as filtration, will provide the flexibility to manage these changing conditions, ensuring clean and reliable drinking water continues to flow from the tap.

3. FINISHED WATER (POST-TREATMENT) FACILITIES

The majority of the existing transmission system piping and storage are not designed to modern standards, prone to breaks and may struggle to meet growing demands. New and upgraded facilities will improve water delivery efficiency and reliability.



ATTACHMENT 2 **RWS MASTER PLAN PROGRAM
IMPLEMENTATION ROADMAP**



Regional Water Supply Master Plan Program Implementation Roadmap

Investing today to ensure reliable
drinking water for generations to come

CRD

Making a difference...together

Territorial Acknowledgment

The CRD respectfully acknowledges that many First Nations have long-standing relationships with the lands and waters in the Regional Water Supply Area since time immemorial that continue to this day. The Water Supply Area encompasses a geographical area of 20,643 hectares on the territories of many First Nations, including the Sc'ianew (Beecher Bay) First Nation, Cowichan Tribes, Halalt First Nation, x^wsepsəm (Kosapsam) Nation, Lyackson First Nation, MÁLEXEŁ (Malahat) Nation, P'a:chi:da?ahť (Pacheedaht) First Nation, BOKÉĆEN (Pauquachin) First Nation, Penelakut Tribe, Songhees Nation, Stz'uminus First Nation, WJOLÉŁP (Tsartlip) First Nation, SĤÁUTW_ (Tsawout) First Nation, WŚIKEM (Tseycum) First Nation, T'Sou-ke Nation and Tsu'uubaa'asatx First Nation.



The Regional Water Supply Master Plan...

More than 430,000 people across the Capital Regional District (CRD) depend on the regional water supply system every day. From the moment we turn on the tap in the morning to the systems that keep our communities healthy and safe, drinking water supports nearly every part of daily life.

The CRD recognizes how essential this water is to our communities and the responsibility that comes with providing it. That recognition is reflected in our mission:

To provide reliable, high-quality drinkable water to help ensure the health and sustainability of the growing communities we serve today and into the future

Our community water systems are facing historically unprecedented risks. We can no longer rely upon our past observations as an indicator of future conditions. Addressing these emerging concerns—from climate change to wildfires to seismicity and beyond—requires refined, proactive planning.

In the 2025 Strategic Plan, the CRD defined its strategy for addressing these risks by establishing the following commitments:



Provide high-quality, safe drinkable water.



Provide an adequate, reliable, long-term supply of drinkable water.



Provide efficient, effective, and innovative operations of our water system infrastructure.

The Regional Water Supply Master Plan (Master Plan) is a critical component for fulfilling the Strategic Plan’s service commitments, and the implementation of that plan represents the next step on the path for achieving increased system reliability by 2055.

PROACTIVE STEPS TO IMPLEMENT THE MASTER PLAN



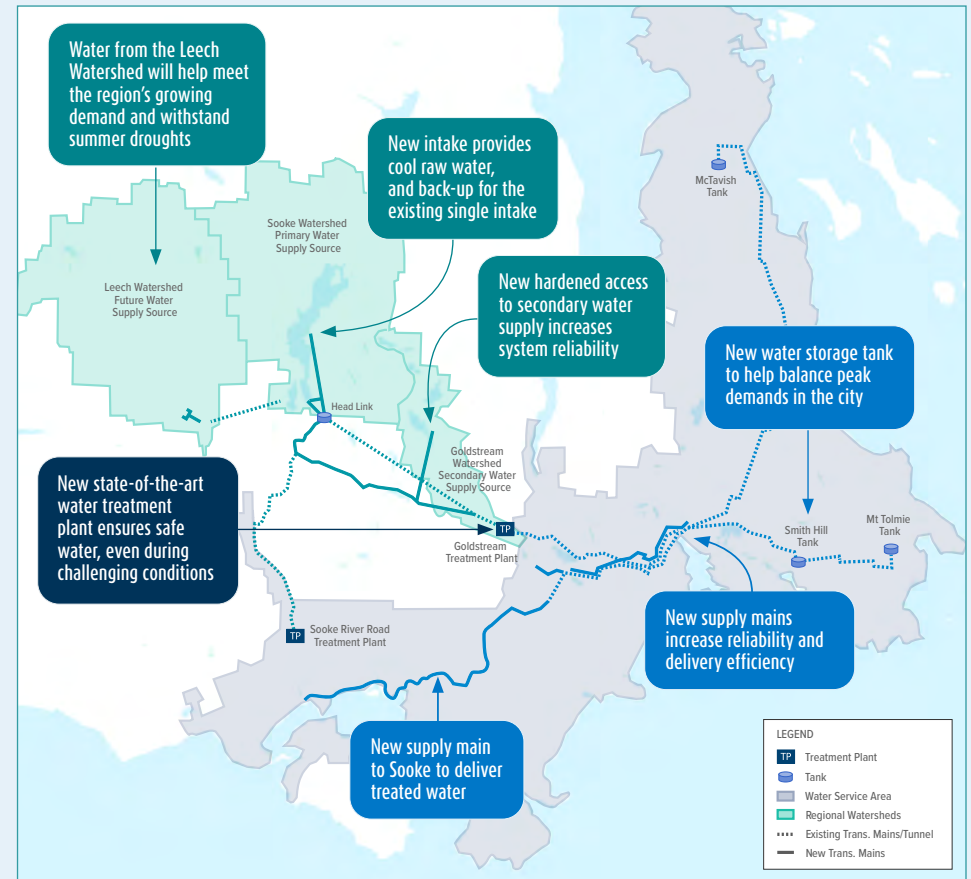
...Delivering a Reliable Water Future

Implementing the Master Plan Provides Benefits to System Resilience

RAW WATER. Investing in source water protection and redundant supplies provides the highest-quality and most reliable water for treatment and **protects the CRD against climate and water quality risks.**

WATER TREATMENT. Increased environmental impacts to our raw water quality, regulatory pressures, and population growth are driving the need for enhanced levels of service at water treatment facilities. Implementing a filtration plant improves operational resilience and provides additional barriers to protect public health and support the **delivery of high-quality drinking water.**

FINISHED WATER. Addressing aging infrastructure and regional growth demands through distribution system investments will enhance the system dependability and support reliable, cost-effective service for customers, ensuring a **continuous supply of high-quality drinking water to homes and businesses, even during emergencies.**



ACHIEVING KEY RELIABILITY MILESTONES FOR A RELIABLE WATER FUTURE

2027

PHASE 1: PROGRAM GOVERNANCE AND PROJECT DEFINITION REPORT

2030

PHASE 2-4: PHASED DESIGN AND CONSTRUCTION BEGINS

2037

WATER TREATMENT PLANT COMPLETED

2046

LEECH RIVER WATER SOURCE BROUGHT ONLINE

2055

PROGRAM COMPLETION

OUR PROGRAM VISION

Investing today to ensure
reliable drinking water for
generations to come



Guiding Principles to Achieve the Vision

The Master Plan established the infrastructure projects required to provide a reliable water supply for our growing community for generations to come. This collection of infrastructure improvements will be delivered over the next 30 years.

To achieve successful implementation, the following Guiding Principles were developed in consultation with the Water Advisory Committee and endorsed by the RWS Commission in 2025. These principles, highlighted on the following pages, will serve as the lens through which we compare alternatives and optimize capital project delivery moving forward.

STRONG AND INCLUSIVE PARTNERSHIPS



PURPOSEFUL DESIGN FOR RESILIENCE & OPERATIONS



ORGANIZATIONAL READINESS & EXECUTION EXCELLENCE



PROACTIVE, RISK-INFORMED PROGRAM DELIVERY



FINANCIAL RESPONSIBILITY AND AFFORDABILITY



Strong and Inclusive Partnerships

The CRD's Commitment

"We are honored by the trust communities place in us to deliver clean and safe drinking water. We value the strong and inclusive partnerships developed with First Nations, regulators, and other interested parties. Our Regional Water Supply Master Plan Program Roadmap is grounded in our trust that engaged and informed partners will help the CRD maximize the value and benefit of our capital investments."



The Program Builds upon the CRD's Culture of Inclusiveness and Community Collaboration

Interested parties. The CRD understands the trust that community members and/or partners place in us, and we continue to be committed to consistent, transparent, and timely engagement as improvements to our community's water system are implemented. Program-wide communications started with adoption of the 2025 RWS Strategic Plan, continued with adoption of the Guiding Principles in 2025, and will continue throughout implementation of the Program. In addition, each project will have an engagement process specific to the location and site-specific needs.

First Nations. The CRD recognizes that these projects take place within the traditional territories of many First Nations, whose communities have longstanding connections with these lands and waters. These projects represent an opportunity to strengthen partnerships and work toward shared outcomes. The CRD is committed to early and ongoing engagement and collaboration with our First Nations partners through Program-wide coordination and project-specific discussions.

Water Suppliers. The CRD, local municipalities and First Nations own and operate the water systems that deliver drinking water directly to homes and businesses. These systems receive their water from the Regional Water Supply Service, which is overseen by the Regional Water Supply Commission. The CRD recognizes that providing safe drinking water is a shared responsibility, with many partners working together to look after the water systems our communities rely on.

Holistic permitting strategy. Permitting represents one of the highest cost and schedule risks for any complex capital project or program. For our MP Program, it also represents one of the largest opportunities. Our streamlined permitting strategy is founded on early inclusiveness and community collaboration, which can reduce risk and build ownership in our community's water supply system.

Partnership strategy. While design can be revisited at any stage, changes become increasingly costly and impactful to



*First Nations Art at Clover Point.
Artist: Clarence Dick, Songhees Nation*

schedule as a project matures. That's why our partnership strategy prioritizes early and consistent input from our partners—investing effort now, when our ability to influence design is greatest, to avoid expensive and disruptive changes later.

Purposeful Design for Resilience and Operations

The CRD's Commitment

"We will design infrastructure that is resilient, safe, and built to last without unnecessary complexity or long-term operational burdens. Our approach integrates value engineering, lessons learned from similar projects, and input from operators to produce practical, maintainable, and cost-effective systems."

Design decisions balance capital and lifecycle costs while supporting safety, efficiency, and long-term system performance. These outcomes are guided by clearly defined service priorities for the regional water system."



Level-of-Service Goals Define Clear, Measurable Targets for Resilient Water Infrastructure

The CRD's protected water sources have provided high-quality water to our communities for generations. However, as we look to the future, clear level-of-service (LOS) goals—the service levels customers expect from the CRD—will help guide design decisions, establish risk mitigation strategies, and help maintain affordability.

The categories below outline the parameters that shape our community's LOS Goals:

- Water quantity and quality, including treatment needs.
- Cost and affordability.
- Schedule and timeliness.
- Risk and resilience.
- Performance, even in an emergency.
- Operational control and flexibility.
- Regulatory compliance.
- Adaptability.
- Health and safety.



This approach results in the following benefits to the community:

Best value design. Today's investments in resilience avoid costly emergency upgrades in the future. New facilities will be 'right-sized' for today's needs, while also balancing the future needs of the region.

Ease of operation. Facilities will be designed to support our water system operators and optimize long-term operations costs.

Programmatic system approach. This approach considers the lifecycle of these capital investments, and recognizes how supply, storage, transmission, treatment, demand, conservation, and future growth all work together.

Health and safety culture. Improving our water system as a Program allows the CRD to consistently implement its safety program across all phases of execution, and on every project.

Organizational Readiness and Execution Excellence

The CRD's Commitment

"The long-term reliability of our water supply depends not only on pipes, treatment plants, and reservoirs, but also on the people who design, operate, and maintain them. Institutional knowledge, technical expertise, and succession planning are critical investments for operating a complex system, reducing risk, and supporting consistent, dependable service. By building local expertise and working with regional partners, contractors, and suppliers, we support skilled jobs and economic activity in our communities while strengthening the capacity to deliver reliable drinking water now and into the future."



Building on the CRD's Foundation to Promote Safety, Continuous Improvement, and Community Benefits

Governance and oversight. A strong governance and oversight approach is essential to fostering a culture of continuous improvement required to achieve long-term success. Our approach to fostering this culture includes:

- A governance structure that allows for thoughtful, timely, and transparent decision making.
- An integrated governance model that provides CRD staff with critical institutional knowledge while maintaining authority for critical decisions.

Balanced Resource Strategy. A balanced resource strategy will support strong internal staff engagement and professional growth, with external expertise used to complement the organizational structure for specialized or time-limited needs. This approach maintains continuity, strengthens capacity, and supports long-term service delivery within the integrated governance structure.

Workforce and economic benefits. Building for the future, these investments in water infrastructure resilience support regional workforce development and provide CRD staff an opportunity for professional growth.

Over the 30-year implementation, the design and construction activities will create meaningful local and regional economic benefits that support our businesses and communities.



Proactive, Risk-Informed Program Delivery

The CRD's Commitment

"We will deliver the Program through a culture of preparedness, anticipating challenges before they arise. This includes pre-planning and early identification/mitigation of risk to reduce disruption, maintain momentum, and ensure continuity of service.

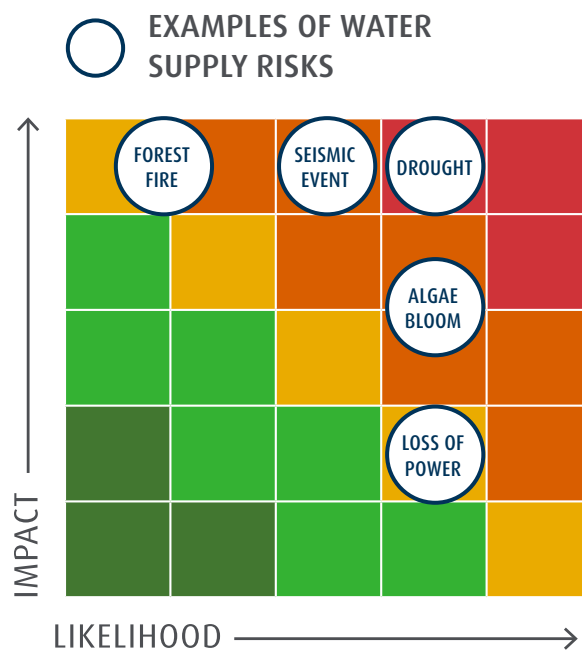
We will embed contingency planning, schedule flexibility, and clear decision checkpoints to support planned outcomes and guide adaptive, efficient Program implementation."



Proactive Risk Management Defines the Tools Necessary to Deliver Capital Improvements

Water Supply Risks

Major capital risks include climate change, seismic events, and associated reduced water quality that could impact RWS level-of-service. The Program will mitigate these risks through the implementation of capital improvement projects.



Risks are tracked through a centralized Program risk register, where all identified risks are recorded, evaluated, monitored, and managed.

Implementation Tools

In addition to major capital risk drivers, construction of capital projects also has inherent implementation risks, including affordability, accountability, permitting, and resourcing. **The Program will use robust risk management tools developed through implementation planning to minimize risks during project execution.**



FINANCIAL MODELS TO INFORM TIMING



PROJECT DELIVERY SELECTION SYSTEM



LEVEL-OF-SERVICE TARGETS

Planned Outcomes

The Program will implement capital projects to reduce system risks, while actively managing project risks when building this infrastructure.

Risk driven infrastructure:

- Protecting access to our source waters.
 - » Sooke Lake second intake.
- Modernizing water treatment facility.
 - » Proposed filtration plant.
- Increasing system resilience.
 - » Transmission system upgrades.
- Reducing single points of failure.
 - » Sooke Lake Supply, Raw Water Transmission to Japan Gulch.

Implementation strategies:

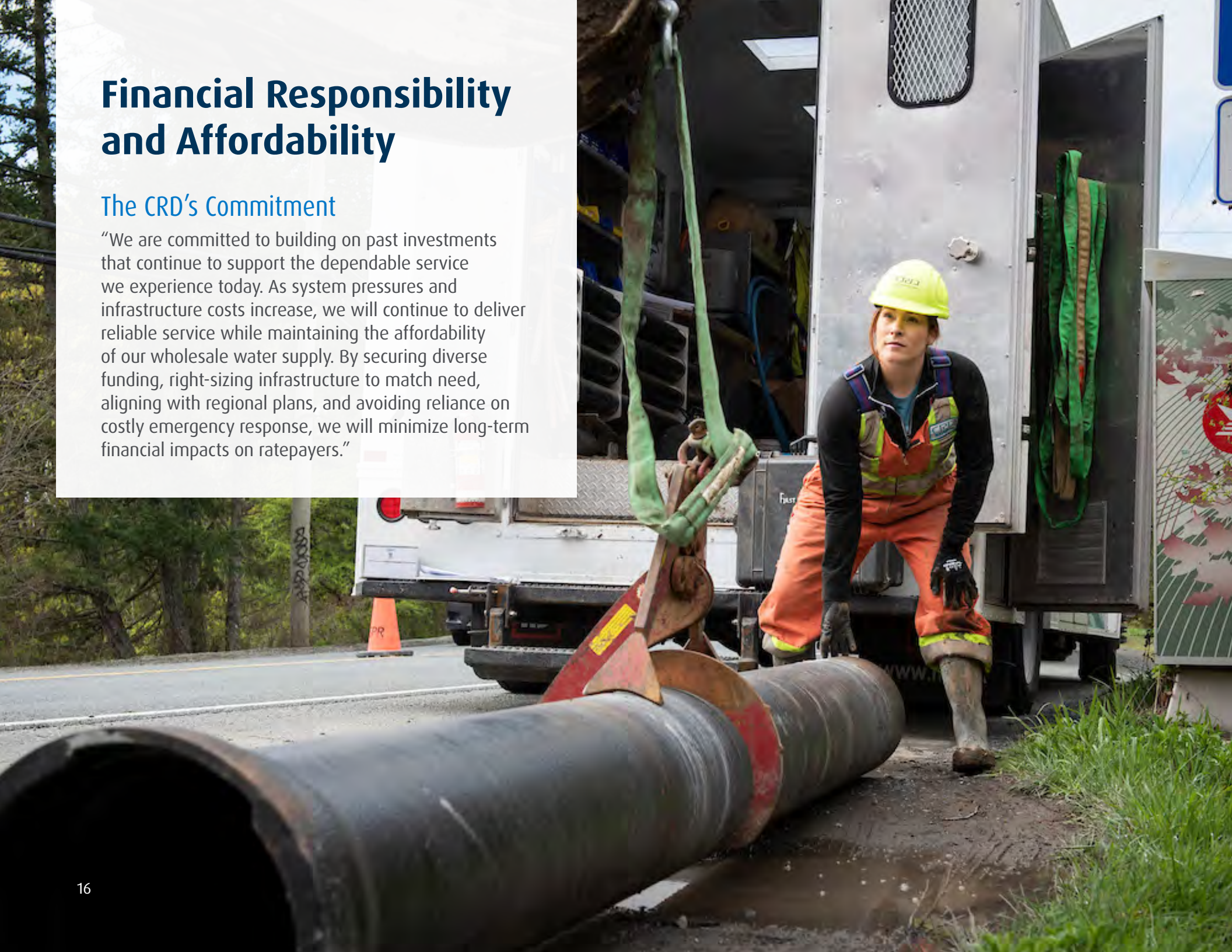
- Proactive communication plan.
- Early and continued engagement with First Nations.
- Comprehensive risk management program.
- Integrated Program Governance.
- Robust oversight and financial controls.

Reliable service, long-term resilience, and affordability will be the results of proactive management of both capital and implementation risks.

Financial Responsibility and Affordability

The CRD's Commitment

"We are committed to building on past investments that continue to support the dependable service we experience today. As system pressures and infrastructure costs increase, we will continue to deliver reliable service while maintaining the affordability of our wholesale water supply. By securing diverse funding, right-sizing infrastructure to match need, aligning with regional plans, and avoiding reliance on costly emergency response, we will minimize long-term financial impacts on ratepayers."



The Program Encompasses the CRD's Culture of Financial Management Excellence

Affordability will be managed through an adaptive, holistic financial strategy as the Program advances. This approach prioritizes value across the guiding principles, recognizing that decisions related to partnerships, design, and organizational readiness directly influence long-term costs. Supported by established financial management tools, this enables transparent, effective decision making and helps maintain the affordability of the water supply throughout the Program.

“CRD has a commitment to fiscal responsibility while continuing to deliver the essential and important services our communities rely on every day.”

Diversifying Funding Sources

- **The CRD will leverage grants** through provincial and federal partnerships to help mitigate rate impacts to our wholesale customers.
- **Equitable cost allocations** between existing users and future growth have been created through the pending RWS Development Cost Charges (DCCs).
- **Revenue generating projects** will be considered to help offset long-term operating costs.

Right-sizing Projects

- Project scoping and prioritization will be continuously refined to **align with the CRD's risk tolerance and level-of-service commitments.**
- The CRD is committed to **monitoring the Program risks and priorities** with reports to the elected officials at key milestones to maintain accountability and alignment of the Program.
- The CRD will continue to monitor regional population and water demand trends, adjusting project timing where feasible.

Planning for the Long-term

- The costs of water infrastructure projects increase over time. **Prioritizing larger projects early in the Program** allows the CRD to reduce the risk of future cost escalation.
- The Program costs will be closely monitored and regularly reported throughout the Program to support **transparent and effective management of project costs.**

Phase 1: The First Five Years of Program Implementation

In Phase 1 of the Program, the CRD will take two key steps: (1) establish the overall Program structure and governance and (2) deliver a Project Definition Report, including pilot testing.

1 ESTABLISH PROGRAM STRUCTURE AND GOVERNANCE.

Approach

Put the right people and systems in place to begin the Program and establish a strong foundation for delivering these critical projects.

Benefit

A CRD-led Program builds capacity and core strengths, while balancing the use of industry expertise to manage resourcing and be ready to effectively deliver these complex projects.

Outcomes

- ✓ Integrated governance structure.
- ✓ Program-specific processes and procedures.
- ✓ CRD Program leadership roles filled.
- ✓ Preliminary financial planning and budgeting.
- ✓ Consultants under contract as needed.
- ✓ Updated communications and First Nations engagement plans.

2 DELIVER PROJECT DEFINITION REPORT.

Approach

A comprehensive and holistic assessment of the projects, supported by water treatment pilot testing, will help prioritize key projects, validate project scopes, and refine the five-year plan and 30-Year Program.

Benefit

Details of key project scopes and future treatment needs will help the CRD solicit feedback from interested parties and better understand the effects of individual projects on one another.

Outcomes

- ✓ Advancement of designs and recommendations for key individual projects.
- ✓ Defined level-of-service targets.
- ✓ Improved cost estimates.
- ✓ Permitting strategy.
- ✓ Mapping permitting requirements and approvals into schedule and budget.
- ✓ Key decisions on major design elements, such as treatment plant siting, conveyance routing, and intake configuration.
- ✓ Refined scope, schedule, and budget for individual projects.





Making a difference...together

CAPITAL REGIONAL DISTRICT
479 Island Highway, Victoria, BC V9B 1H7
T: 250.474.9600 E: crdreception@crd.bc.ca
www.crd.ca

ATTACHMENT 3

"SIX THINGS TO KNOW ABOUT CRD'S WORK FOR A RELIABLE WATER FUTURE" COMMUNICATION BRIEF

SIX THINGS TO KNOW ABOUT CRD'S WORK FOR A Reliable Water Future



1 CRD is investing today to ensure reliable drinking water for generations to come.

CRD is honored by the trust communities place in us to deliver clean and safe drinking water. To ensure we can continue to provide the same reliable service into the future, we are implementing a series of major water infrastructure projects over the next 20 years. These investments will renew aging water facilities, and expand system capacity, to proactively prepare the region for population growth and the impacts of climate change and safeguard public health and our region's economic vitality.

2 We are upgrading the region's essential water supply backbone for reliability and efficient operations.

We are focusing on projects that modernize and reinforce the region's primary water infrastructure: reservoirs/dams and associated intakes, transmission mains, pump stations, storage tanks and treatment. These upgrades will increase reliability, reduce maintenance costs, and extend the life of the entire regional water network.

3 Projects are proactively planned and built for climate resilience and emergencies.

Each project is proactively planned to reduce risks and built to better withstand drought, wildfire, earthquakes, and extreme weather. Redundant supply routes, seismic upgrades, and water treatment improvements ensure that clean and safe water continues to flow to homes and businesses, even under challenging conditions.

4 A modern water filtration facility ensures Sooke and surrounding watersheds will continue to be one of our region's most valuable assets.

With the impacts of our changing climate, a new filtration treatment facility, along with the continued protection of the watersheds, is essential for providing the flexibility to manage the changing conditions. Filtration is essential to a reliable water supply future.

5 We are committed to financial responsibility and maintaining the affordability of our wholesale water supply.

These projects ensure the entire region continues to benefit from a safe, dependable water system. We are committed to managing these projects in a financially responsible manner. CRD is right-sizing projects, seeking diverse funding sources, and continuing CRD's practice of long-term financial planning. To maintain affordability, we are implementing steady, modest wholesale rate adjustments phased over many years so costs can be repaid over time, and shared with people who move here in the future.

6 Supporting local economies and skilled jobs.

This 20-year long reliable water initiative will support our broader regional suppliers, engineers, and construction crews—creating and growing skilled employment and strengthening the region's economic resilience.