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REPORT TO REGIONAL WATER SUPPLY COMMISSION MEETING OF JUNE 17, 2026

SUBJECT **Master Plan Program Implementation Plan**

ISSUE SUMMARY

To provide a summary of the Master Plan Program Implementation Plan, including key findings and next steps, and to introduce the Master Plan Program Implementation Roadmap.

BACKGROUND

At its meeting of September 17, 2025, the Regional Water Supply Commission (Commission) received the staff report *Master Plan Implementation Framework*, which outlined progress to date and introduced the “Tabletop” document containing a proposed Vision Statement and Guiding Principles for implementing the Regional Water Supply (RWS) 2022 Master Plan. At that time, staff committed to reporting back at the conclusion of the Master Plan Program Implementation Plan (PIP) project.

Carollo Engineers Canada (Carollo) was retained to work with the Capital Regional District (CRD) to develop a plan for the implementation and delivery of the RWS 2022 Master Plan as a long-term, multi-decade capital program. The assignment is focused on program-level governance, delivery models, financial planning, risk management, permitting, and communications, to support the effective delivery of a large and complex capital program over time.

The work was structured around five tasks:

1. Orientation and Visioning
2. Program Refinement and Risk Review
3. Project Scope Definition
4. Project Delivery Review
5. Program Implementation Plan

This staff report summarizes the progress, key outcomes, and recommended next steps arising from that work. Additional information can be found in the attached Regional Water Supply Master Plan Implementation Findings Report (Appendix A).

Master Plan Program Implementation Plan

Task 1 – Orientation and Visioning

The Project team undertook extensive engagement with CRD staff through surveys and interviews to assess organizational readiness, confirm opportunities, and identify key risks to program delivery. A PESTLE (Political, Economic, Social, Technical, Legal/Legislative, Environmental) exercise was completed with CRD staff and the Water Advisory Committee to identify system-level risks and opportunities.

The outcomes of this work informed the development of:

- Five Guiding Principles
- A Vision Statement
- An Initial Program-level Risk Register

These form the core content of the Tabletop document previously presented to the Commission and now included as Appendix A, Attachment 1. The Tabletop will serve as an ongoing reference document to guide decision-making and support consistent communication of the Program.

Task 2 – Program Refinement and Risk Review

The Master Plan projects were reviewed against existing levels of service, whether driven by legislation, regulation, or discretionary service standards. This review confirmed overall alignment while identifying areas where scope, schedule, or budget refinements may be required as projects advance.

A Risk Assessment Framework was developed to support the systematic identification, scoring, mitigation, and ongoing monitoring of Program-level risks. Initial risks identified through Task 1 were evaluated based on likelihood and consequence, and mitigation strategies were developed through facilitated workshops. The framework is intended to inform project prioritization and scheduling decisions over the life of the Program and to establish a consistent approach to maintaining the Program Risk Register. More information on the risk assessment and mitigation planning process is included in Appendix A, Section 4.

Task 3 – Project Scope Definition

The individual projects identified in the 2022 Master Plan were reassessed and Project Profiles were developed for each project within the Program. These profiles summarize preliminary scope, schedule, budget ranges, key risks, and opportunities for early work. The Project Profiles also identify early investigations required to support future Project Definition Reports (PDRs), such as geotechnical investigations, raw water sampling, and technology piloting. For more information, refer to Appendix A, Section 7.

While project details will continue to be refined as projects advance, a preliminary Program-level schedule and bundled project sequencing have been developed (Appendix A, Figure 5). This sequencing has also been incorporated into the Program Implementation Roadmap (Appendix A, Attachment 2).

Task 4 – Project Delivery Review

The 2022 Master Plan identified a series of individual capital projects; however, implementation planning confirmed that advancing these projects independently would limit coordination and increase delivery risk. As a result, the projects have been transitioned into a coordinated program and grouped based on system function, geographic alignment, interdependencies, and delivery timing. This programmatic approach enables integrated sequencing, more effective risk management, coordinated permitting and engagement, and improved financial planning, supporting more efficient and resilient delivery of the overall Master Plan.

In addition, a range of project delivery methods were reviewed for suitability across the Program,

recognizing that no single delivery model is appropriate for all projects. The delivery methods assessed included:

- Design-Bid-Build
- Construction Manager at Risk
- Progressive Design-Build
- Fixed-Price Design-Build

Each method was evaluated in terms of risk allocation, cost certainty, schedule, market capacity, and suitability to project complexity. Industry engagement with both consulting and contracting sectors informed the assessment. A preliminary shortlist of recommended delivery methods by project type is provided as Appendix A, Figure 3, and will be refined as projects progress through the project definition reports.

Task 5 – Program Implementation Plan

The Program Implementation Plan integrates recommendations across governance, finance, permitting, and communications.

Governance

Carollo and the CRD assessed the CRD's experience delivering large capital programs and drew on lessons learned from comparable programs undertaken by other major utilities, including Metro Vancouver, the Portland Water Bureau, and other North American water and wastewater agencies. Based on this review, the project team recommended integrating the Program within the existing CRD governance framework, including the CRD Board, Regional Water Supply Commission, Water Advisory Committee, and Executive Leadership Team.

A proposed program organization and resourcing model was developed that combines internal CRD staff with specialized consultant resources using an initial owner-led delivery approach. This framework is informed by industry best practices and incorporates lessons learned from both external peer agencies and the CRD's recent delivery of the Capital Regional District Core Area Wastewater Treatment Plant. The framework is intended to inform future Initiative Business Cases (staffing plans) and long-term financial planning. A proposed near-term (2026-2031) organizational structure is included as Appendix A, Figure 7.

Financial

An enhanced financial model was developed to support long-term program planning, incorporating cost estimates developed in the 2022 Master Plan. The model integrates capital and operating costs, project phasing, funding sources, borrowing strategies, potential grant funding, and wholesale rate forecasting over the full life of the Program. The model will support future financial plans, rate analysis, and debt servicing strategies.

Additional recommendations include:

- Ongoing maintenance of the financial model.
- Review of wholesale rate structures as part of future capital planning.
- Assessment of short- and long-term debt strategies.
- Use of a grant and government funding assessment tool to support senior government funding opportunities.

Permitting

The anticipated permitting requirements were assessed across federal, provincial, and local jurisdictions and identified the likely regulatory approvals required for Program projects. As part of this review, interested parties and statutory decision makers with influence on the permitting and approval processes were identified. Early engagement with regulatory agencies, statutory decision makers, and interested parties is critical to reducing schedule risk.

A comprehensive permitting strategy was recommended that focuses on early engagement, coordination, proactive issue identification, and efficient management of approvals. The strategy also identifies opportunities to leverage the federal–provincial partnership facilitated through the BC Environmental Assessment Office, recognizing that while this process is not all-inclusive, it can streamline federal and provincial legislative requirements where applicable. An information management system was also recommended to track and manage permitting requirements and approvals across the Program.

Permitting considerations and recommended strategies will be integrated into future Project Definition Reports and specific project work planning.

Communications

Carollo and CRD Corporate communications assessed the CRD's capacity to communicate the Program and individual projects, built upon the existing CRD Corporate Communications Framework, as well as recent favourable reputational survey results, including the 2025 Strategic Plan survey. Drawing on experience from comparable programs in Portland and other jurisdictions, the recommended communications approach is to be aligned with the *IAP2 Spectrum of Public Participation*, with a focus on Inform, Consult and Involve. This approach is intended to be applied consistently at both the Program and project levels.

Key communications resources identified to support this approach include:

- The Tabletop document (Appendix A, Attachment 1), which articulates the Program Vision and Guiding Principles.
- The Program Implementation Roadmap (Appendix A, Attachment 2).
- “Six Things to Know” communications materials (Appendix A, Attachment 3).

Recommended next steps include the development of program and project-specific communications plans, along with supporting public, media, and First Nations engagement frameworks and related communications materials.

First Nations communications, engagement and consultation is separate and distinct from public communication for this Program. First Nations engagement on the Master Plan was initiated in 2022 and further advanced through Development Cost Charge (DCC) consultations. Building on this work, staff will re-engage with First Nations following completion of the detailed Program Implementation Plan and will develop a dedicated First Nations engagement and consultation plan to guide on going engagement on the Program.

The Program Implementation Roadmap

A Program Implementation Roadmap has been prepared as part of this assignment (Appendix A, Attachment 2). The Roadmap is intended to serve as a concise, high-level representation of the Program Implementation Plan and as a key communications tool to support consistent and clear messaging. It will be used by the CRD Board, Regional Water Supply Commission, Water Advisory Committee, staff, and external audiences to express the scope, sequencing, and objectives of the Program. The Roadmap references the Vision and Guiding Principles established in the Tabletop document and supports consistent communication of the Program over its duration.

Proposed Next Steps

Staff are continuing to advance the Master Plan Program. To date, Program development has been informed by the CRD Corporate Plan, the RWS Strategic Plans, the 2022 RWS Master Plan, and the approved financial plans, including the Initiative Business Case (Staffing Plan).

The approved 2026 financial plan includes funding to support both Program Management and Project Delivery, recognizing the long-term, multi-decade nature of the Program and the need to progressively define and advance individual projects over time. Approved funding includes:

- **#26-01 Master Plan Program Management** (\$7M, 2026–2030), which will support administration, governance, and management of the Program over its full life cycle, anticipated to extend approximately 20 to 25 years; and
- **#26-02 Master Plan Project Delivery** (\$37M, 2026–2030), which will support delivery of individual projects and will be further broken out into project-specific funding as the Program continues to mature and projects are defined through future five-year financial plans.

A significant next step in advancing the Program is the preparation of a Project Definition Report (PDR), as further described in Appendix A, Section 9. The PDR will further define projects at a programmatic level and include refined scope, including confirming project locations, schedule, and budget information. It will also identify opportunities for efficiencies and early-work activities required to inform later phases, such as geotechnical investigations, raw water sampling, and filtration technology piloting. As the Program continues to develop, individual projects will advance through the initiating, planning, design, procurement, construction, commissioning, and close-out phases.

Recognizing the progress achieved to date, the following near-term actions are proposed for 2026:

- **Program Resourcing:** Complete recruitment associated with the approved Initiative Business Case, including four positions in 2026, and update future Initiative Business Cases (IBCs) for 2027–2031.
 - **2026:**
 - Senior Manager, Regional Water Strategic Program Delivery, to lead the initiation of the Program and lead delivery of the PDR and mobilization activities for the CRD.
 - Operations Supervisor, RWS, to lead operations input and participation in the Program planning and delivery.
 - Paralegal, Corporate Services, to facilitate coordination of corporate

- services to support the Program mobilization, contract standardization, procurement services plan, and organizational Program risk plan.
- First Nation Engagement and Consultation Lead to initiate and lead the Program's First Nation engagement strategy and coordinate planning and communications through the development of the PDR.
- **2027:**
 - Senior Project Manager, Infrastructure Planning and Engineering, to lead selection and management of the major supply projects (Intake and Water Treatment)
- **2028:**
 - Deputy Project Manager, Infrastructure Planning and Engineering, to support the Senior Project Manager in delivering the PDR and the Program initiation scope.
- **Initiate Program Management activities:** Including advancement of governance, financial planning, permitting, and communications.
- **First Nations engagement:** Initiate and advance early, coordinated First Nations engagement to inform Program decision-making, support permitting, and build long-term collaborative relationships.
- **Commission and Water Advisory Committee Engagement:** Continue regular reporting to the Regional Water Supply Commission, with the next update anticipated at the end of 2026, and engage the Water Advisory Committee where appropriate.

ALTERNATIVES

Alternative 1

That the Regional Water Supply Commission direct staff to proceed with the recommendations outlined in the Findings Report as the basis for the continued advancement of the Master Plan Program.

Alternative 2

That the Regional Water Supply Commission direct staff to provide additional information at a future meeting.

IMPLICATIONS

Alignment with Board & Corporate Priorities

The implementation of the proposed Master Plan Program aligns with the CRD 2023-2026 Corporate Plan, and the updated 2025 RWS Strategic Plan. The RWS strategic and corporate plans and their goals were a major consideration in determining the adopted Guiding Principles and the next steps in the Master Plan Program.

Alignment with Existing Plans & Strategies

The Master Plan Implementation Plan highlights the connection between the RWS 2025 Strategic Plan and the delivery of the RWS Master Plan Program. The 2022 Master Plan was developed with the commitments of the Strategic Plan in mind, and the delivery of the Program will be in alignment with these commitments. In addition, the Roadmap will function as a tool to support the continued promotion of the Program

Climate and Environmental Implications

One of the key goals of the implementation of the proposed Master Plan Program is to reduce the potential impacts and mitigate risks of climate change. In addition, there are potential opportunities to look at innovative technologies or partnerships to look at energy recovery, reducing future greenhouse gases and reducing water waste.

Financial Implications

The implementation of the Master Plan Program represents a significant financial investment for the CRD which may have implications to the RWS service and its ratepayers. To reduce and minimize the financial risk and impact, it is recommended the CRD monitor and review its historical financial practices for Program delivery. This may include the CRD considering alternative wholesale water rate structures, changes to debt funding approaches, prioritizing senior level grants, and diversifying revenue streams through the proposed RWS DCC Program. One of the Guiding Principles of the Program is “financial responsibility and affordability”, which will be used in future decision making and govern the program delivery.

First Nations Implications

Numerous local First Nations have expressed a strong interest in providing input throughout the Master Plan Program. The Findings Report recommends advancing First Nations engagement and consultation including development of a First Nations engagement strategy, recognizing the importance of ongoing dialogue and feedback to support Program planning and implementation. The 2026 IBC identified a new First Nations Relations staff member focused on leading First Nations engagement planning and efforts for the Program. Once recruited, a dedicated First Nations engagement strategy would be included and initiated in the early work of the Program.

Service Delivery Implications

The RWS Master Plan, implemented using the Guiding Principles, seeks to enhance system performance by improving service levels, increasing reliability, reducing risks, proactively responding to climate change, and supporting future growth. Effective service delivery will be supported by the phased resourcing of the Master Plan Program, which is intended to strengthen organizational capacity, provide dedicated program and project management expertise, and ensure appropriate operational, technical, and engagement inputs are integrated throughout planning and delivery. This approach will enable the CRD to sustainably deliver an increasingly complex capital program while maintaining existing service levels.

CONCLUSION

Capital Regional District (CRD) staff continue to advance implementation of the Regional Water Supply Master Plan as a long-term, multidecade capital program. To support this work, the CRD worked with Carollo Engineers Canada to assess organizational readiness and to develop a Program Implementation Plan focused on governance, resourcing, financial planning, risk management, permitting, and communications.

The CRD is well positioned to deliver the Program using its existing governance framework, supplemented by targeted resourcing and industry best practice program delivery approaches.

Key outcomes include the establishment of a clear Program vision and guiding principles, a structured risk management framework, refined project profiles and sequencing, and the development of the Program Implementation Roadmap as a core planning and communications tool.

The next phase of work will include recruitment of the core Program team; advancing foundational Program Management activities related to governance, financial planning, permitting, communications, and First Nations engagement; updating financial plans for the current and future five-year periods; and initiating the Project Definition Report to further define scope, schedule, budget, and early-work requirements for the major projects.

RECOMMENDATION

That the Regional Water Supply Commission direct staff to proceed with the recommendations outlined in the Findings Report as the basis for the continued advancement of the Master Plan Program.

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ATTACHMENT(S)

Appendix A: Regional Water Supply Master Plan Implementation – Findings Report