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**REPORT TO ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, JUNE 10, 2026**

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**SUBJECT Bylaw No. 4752: Beddis Water Service Loan Authorization Bylaw for Water Treatment Plant Capital Upgrades**

**ISSUE SUMMARY**

To consider Bylaw No. 4752, "Beddis Water Service Loan Authorization Bylaw No. 1, 2026", for the purpose of financing the renewal and upgrades to the Beddis Water System.

**BACKGROUND**

The Beddis Water Service was created in 1969 as the Beddis Waterworks District and became a Capital Regional District (CRD) service in 2004. The service provides drinking water for 128 of the 137 properties in the Beddis Service area. The water treatment plant (WTP) was built in 2010. The Beddis water system is primarily comprised of:

- WTP that draws water from Cusheon Lake. The water is treated using a rapid mix system, flocculation, dissolved air floatation and filters, then chlorination prior to being pumped, via the distribution system to reservoirs.
- Over 7,200 m of water distribution pipe
- 1 pump station/re-chlorination station
- 2 water reservoirs – one 45 m<sup>3</sup> (10,000 lgal) and one 76 m<sup>3</sup> (16,700 lgal)
- fire hydrants, standpipes, gate valves and other water service connections

Loan Authorization is required to fund the upgrades to the Beddis WTP to replace obsolete process and controls equipment as well as incorporate electrical safety upgrades to the panel.

*Water Treatment Plant Supervisory Control and Data Acquisition (SCADA) Upgrades - \$220,000*

The main scope of work will focus on controls and automation hardware and software replacements and/or upgrades and reprogramming. The key components are defined here:

- SCADA: Hardware components (such as a server computer) to host data, a PLC (Programmable Logic Controller), a remote terminal unit and a human machine interface for operator interface.
- Programmable logic controller - hardware equipment that contains a logic program which accepts inputs and gives outputs to control equipment. Inputs can be from sensors and timers, and outputs can be to valves, switches and alarms.
- Human machine interface - allows the operator to monitor and interact with the process and equipment through the programmable logic controller. The human machine interface can be used for monitoring or can be for resetting or adjusting setpoints and operating parameters.
- Remote terminal unit – A unit that has minor control logic and output terminals to feed into a programmable logic controller.

A programmable logic controller upgrade is required to provide secure, reliable communications. The current programmable logic controller and output cards are obsolete with no available

replacements. The human machine interface will be replaced to allow more local and remote control. The upgrade will provide expansion capacity for communications to the Ganges server. The upgrade at Beddis WTP will provide improvements to control, communications and data acquisition, saving operator emergency call outs and emergency failures, resulting in a more reliable system with improved process oversight.

*Electrical Upgrades - \$100,000*

Electrical upgrades are necessary to support the new SCADA equipment, maintain electrical code compliance and for identified occupational health and safety issues. The electrical upgrades were identified through an asset management plan review which highlighted electrical panel upgrades needed to ensure operational health and safety. In addition to safety concerns, the current system requires certain operator actions to be performed by an electrician at additional cost and time. The new design will ensure critical electrical resets will be safe for operations to action without the need for an electrician to facilitate. Efficiency will be gained from scheduling this work in parallel with the SCADA upgrades. An updated line drawing will be developed for an as-built record.

The WTP upgrade projects in total budget of \$400,000 will be funded by grants (\$80,000) and debt (\$320,000). A borrowing bylaw authorizing up to \$320,000 debt would enable the CRD to fully fund the projects and proceed with the work, including the SCADA upgrade to the water treatment plant (\$220k) and electrical upgrades (\$100k).

**ALTERNATIVES**

*Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the attached Certification of Results of Petition for Borrowing – Beddis Water Treatment Plant be received;
2. That Bylaw No. 4752, “Beddis Water Service Loan Authorization Bylaw No. 1, 2026” be introduced and read a first, second and third time; and
3. That Bylaw No. 4752 be forwarded to the Inspector of Municipalities for approval.

*Alternative 2*

That the proposed bylaw be referred back to staff for further information.

**IMPLICATIONS**

*Legislative Implications*

Participating area approval for borrowing (Bylaw No. 4752) was received through a successful petition of the property owners in the Beddis Water System in February to April 2026. The petition was certified as sufficient and valid with at least 50% of the property owners representing 50% of the net taxable value of all land and improvements in the service area having requested the borrowing of up to \$320,000 (attached as Appendix A).

Following adoption of Bylaw No. 4752, borrowings up to \$320,000 will be authorized and will support the planned five-year capital plan expenditures commencing in 2026. In accordance with the *Local Government Act*, long-term borrowing (i.e., loans with a term of more than five years) cannot be undertaken without approval of a security issuing bylaw once the loan authorization bylaw is approved. Section 24 of the *Municipal Finance Authority Act* states that a regional district security issuing bylaw may only be enacted and financed if the long-term borrowing is arranged through the Municipal Finance Authority of BC.

#### *Financial Implications*

The Beddis Water System Renewal and Upgrade projects with a total budget of \$400,000, are funded through grants and debt. As a result, borrowing of up to \$320,000 is required to complete the projects. The projects are included in the five-year financial plan (2026-2030).

For analytical purposes only, and with Municipal Finance Authority of BC's indicative interest rate of 4.02% at the time of analysis, the estimated annual debt servicing payments are approximately \$40,331 with a 10-year amortization term. The total debt servicing payments over the debt term are estimated to be approximately \$403,309. Debt servicing payments will be funded by taxation.

To ensure optimization of interest and timing of long-term debt, issuance of a temporary borrowing will be proposed if Ministerial approval is obtained. The timing of the debt issuance will be based on the timing of expenditures and cash flow requirement. The actual debt costs will be dependent on prevailing interest rates at the time of issuing.

#### *Service Delivery Implications*

Completing the approval process and borrowing funds sooner will minimize service disruptions. The likelihood of disruptions will increase until a solution is implemented.

#### *Legal Implications*

When a successful petition for borrowing has been received, participating area approval in an electoral area may be provided by the Electoral Area Director's consent, rather than undertaking another participating area approval process such as an Alternative Approval Process or referendum. Electoral Area Director consent will be obtained prior to submission of the borrowing bylaw to the Inspector of Municipalities.

### **CONCLUSION**

Bylaw No. 4752, "Beddis Water Service Loan Authorization Bylaw No. 1, 2026", was drafted in preparation for future borrowing to enable the construction of the *Supervisory Control and Data Acquisition* upgrades project and construction of electrical safety upgrades in the service's five-year (2026-2030) capital plan. A successful petition process has been completed with the rate payers of Beddis water service to authorize the borrowing plan. The Bylaw will be forwarded to the Inspector of Municipalities for approval prior to adoption. If supported, staff will advance the loan authorization bylaw and complete the steps needed to secure the funding.

**RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the attached Certification of Results of Petition for Borrowing – Beddis Water Treatment Plant be received;
2. That Bylaw No. 4752, “Beddis Water Service Loan Authorization Bylaw No. 1, 2026” be introduced and read a first, second and third time; and
3. That Bylaw No. 4752 be forwarded to the Inspector of Municipalities for approval.

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**ATTACHMENTS**

Appendix A: Certificate of Results - Beddis Petition for Borrowing

Appendix B: Bylaw No. 4752, “Beddis Water Service Loan Authorization Bylaw No. 1, 2026”