

# Saanich Peninsula Water Commission Amalgamation Study

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Presentation to Regional Water  
Supply Commission

November 20, 2024

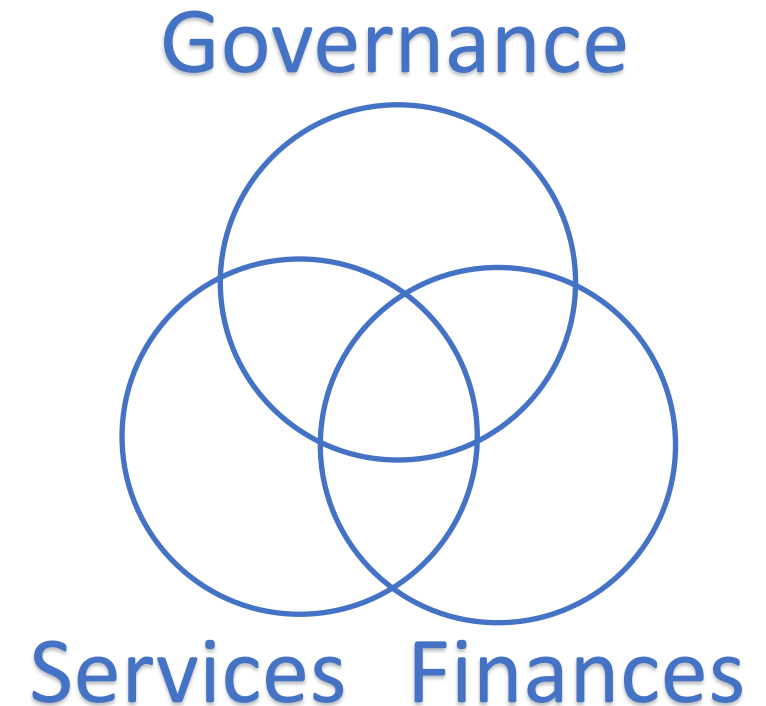


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# Outline

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- Introductions
  - Dan Huang, RPP, MCIP – Principal, Connections Planning
- Background / Study Scope
- High Level Overview
  - Services / Water System
  - Finances
  - Governance
- Initial Analysis and Observations
- Next Steps
- Questions / Discussion

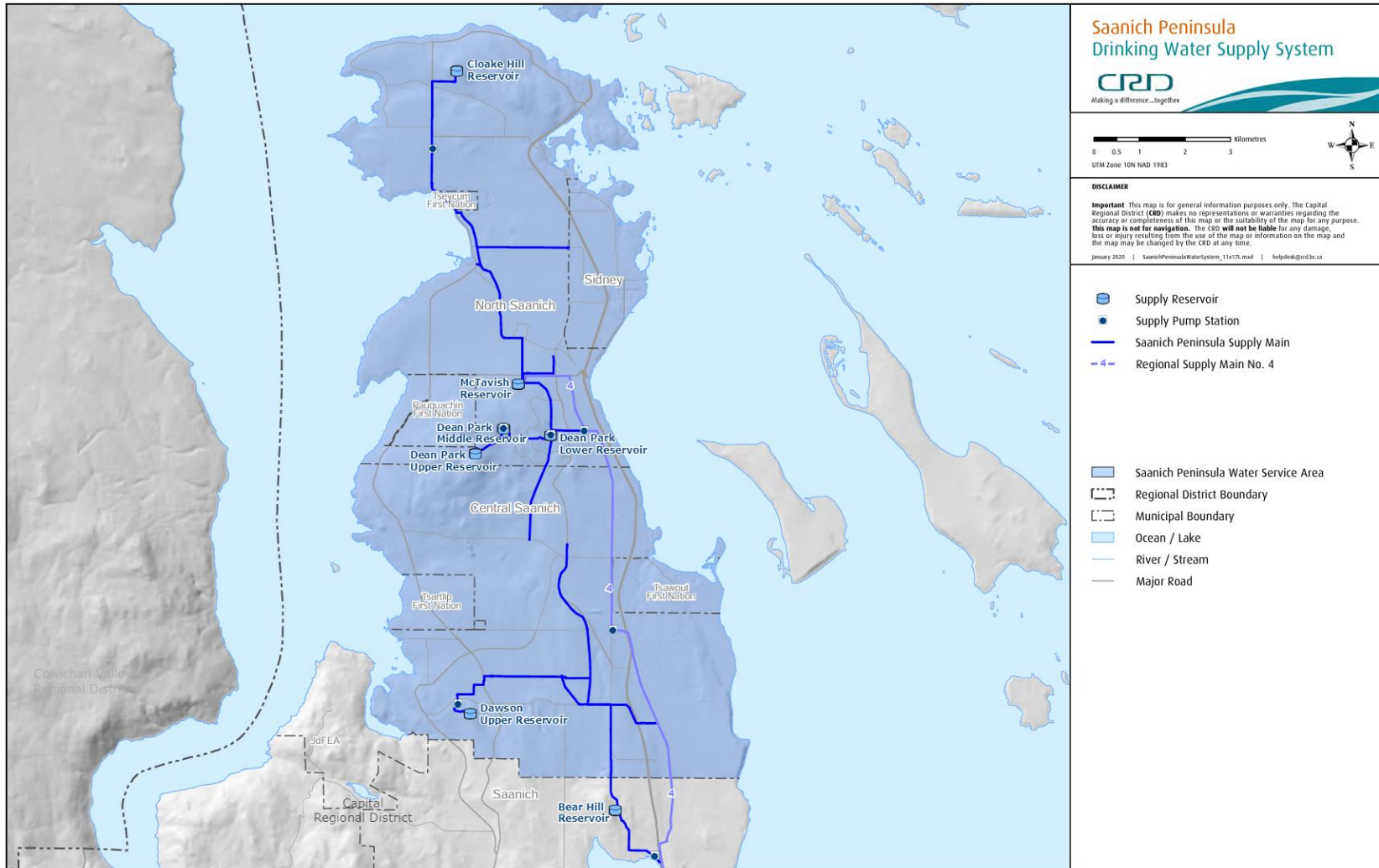


# Background / Scope

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- 1976 – Saanich Peninsula Water Commission established by letters patent (dissolution of 3 improvement districts) as a sub-regional service, to provide potable water supply to Sidney, North Saanich and Central Saanich
- 1997 – Regional Water System established for the capital region through provincial legislation, transferring assets, liabilities, management to CRD
- Saanich Peninsula water system is connected seamlessly to Regional Water system – it essentially purchases bulk water from Regional system and sells it to the 3 municipal partners for distribution to residents and ratepayers
- Scope of study is to review the pros and cons, and other considerations of the potential amalgamation of Saanich Peninsula water into the Regional Water system.

# Services / Water System Overview



- 35km watermains
- 6 storage reservoirs
- 6 pumping stations
- 13 pressure control stations

# Services / Water System Overview

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- 2024 Total Operating Expenditures = ~\$7.9M, of which ~\$2.7M (34%) were for base operating and capital expenditures, and debt financing
- San Pen essentially operates as an extension of the Regional Supply water system (except for storage capacity)
- 2024 Capital Works program = ~\$11M, Five-Year Capital program = ~\$22M
- Majority of capital program is for the Bear Hill Transmission Main (~\$14.7M) and other renewal and resiliency works
- Capital works servicing the Saanich Peninsula have regional benefits (e.g. Bear Hill) and vice versa.

# Financial Overview

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- SPWC purchases bulk water from Regional Water at \$0.8094 / m<sup>3</sup> and then re-sells it to the 3 municipalities at \$1.1978 per m<sup>3</sup> (wholesale rate)
- Difference in wholesale and bulk water rate (approx. **\$0.39 per m<sup>3</sup>**) is the main financial consideration for the 3 partners to consider amalgamation
- Capital Reserves = ~\$7.6M, of which \$2.1M in DCC reserves to remain within Saanich Peninsula DCC water boundary
- Capital Debt = \$12.9M MFA debenture for 5-year capital projects (e.g. Bear Hill)
- Asset Retirement Obligation (ARO) – as per PSAB 3280, long term disposal requirements for Asbestos Cement (AC) watermain replacement

# Governance Overview

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- Saanich Peninsula Water Commission (SPWC) consists of 11 appointed members, including elected officials and community representatives
- Regional Water Supply Commission (RWSC) is comprised of 22 members, all elected officials from their respective communities
- Water Advisory Committee is a public advisory committee comprised of technical and community representatives
- Amalgamation would see the SPWC fold into the RWSC, with potential size to be determined (likely the same due to current San Pen representation)
- Non-elected representation currently on SPWC would be lost, could be added to Regional Water Advisory Committee

# Initial Analysis and Observations

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- There are mutual servicing and operational benefits between Saanich Peninsula and Regional water systems
- Currently working with IWS staff to determine potential operational and/or administrative efficiencies due to amalgamation
- Amalgamation will provide potential additional funding for 3 municipal partners, based on the current difference between the bulk water rate and wholesale rate
- Ensure that identified 5-year capital projects for Saanich Peninsula maintain the same priority within a larger Regional Water capital program
- Future decision-making would be addressed at a more regional level – perceived loss of local control vs. one region / one water supply system



# Next Steps

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- Continue to work with CRD staff to refine operations, administration, finance and governance considerations – Nov 2024
- Prepare Draft Report – Dec 2024
- Present to Saanich Peninsula Water Commission and Regional Water Supply Commission – Jan/Feb 2025

Questions? / Discussion?

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# Thank you!



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