

**REPORT TO SURFSIDE PARK ESTATES WATER SERVICE COMMITTEE
MEETING OF THURSDAY, JUNE 26, 2025**

SUBJECT **Surfside Park Estates Water Service 2025-2029 Capital Plan Amendment**

ISSUE SUMMARY

Additional funds are required to complete Capital Project #25-02 – Replacement of Ultraviolet (UV) Equipment at the Surfside Water Treatment Plant (WTP).

BACKGROUND

The Existing UV equipment at the Surfside WTP is at the end of its service life and requires repair components that are no longer supported by the vendor. Given the critical nature of this equipment, the 2025 capital plan was developed to include \$7,500 for replacement of the existing Hallett 30 UV System. Earlier this year, the existing reactor failed, resulting in the need to expedite the project. Model upgrades and cost escalation that has occurred over the last year has resulted in the replacement Hallett 750PN unit exceeding the price originally budgeted. Furthermore, the recent changes to the new model require additional Supervisory Control and Data Acquisition (SCADA) integration and components to fully realize the remote monitoring and control capabilities of this model. Staff are requesting a budget increase for Capital Project #25-02 of \$7,500 to \$15,000 to cover the additional costs. This increase would be funded within the existing capital plan in 2025 by deferring a portion of Capital Project #24-02 – Source Water Surveillance into 2026. A revised 2025-2029 Capital Plan is included as Appendix A for reference.

ALTERNATIVES

Alternative 1

That the Surfside Park Estates Water Service Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:

That the Surfside Park Estates Water 2025 - 2029 Capital Plan be amended to:

1. Increase the 2025 project budget for the Replacement of Ultraviolet (UV) Equipment at the Surfside Water Treatment Plant (WTP) (25-02) by \$7,500 from \$7,500 to \$15,000, funded from Capital Reserve Fund.
2. Defer \$7,500 of project budget for the Source Water Surveillance project (24-02), funded from Capital Reserve Fund, from 2025 to 2026.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

Additional funding of \$7,500 is required to complete the integration of the new UV equipment. This funding can be reallocated from Capital Project #24-02 – Source Water Surveillance in 2025 by deferring \$7,500 of this project budget to 2026.

This would align with the anticipated implementation of a similar project for another local water service on Mayne Island, potentially benefiting from economies of scale.

Table 1 below summarizes the proposed changes and the net impact on the Capital Reserve Fund in 2025 and 2026. The Capital Reserve Fund has an estimated balance of \$49,039 at the end of 2026 which appears sufficient to cover the additional \$7,500 funding required.

Table 1:

Replacement of Ultraviolet (UV) Equipment Project (25-02)	
Total Approved Project Budget	\$7,500
Total Costs to Complete	\$15,000
Additional Funding Required	\$7,500
Additional Funding Source:	
Capital Reserve Fund (CRF)	\$7,500
Source Water Surveillance Project (24-02)	
Deferral of \$7,500 budget from 2025 to 2026 (CRF Funded)	(\$7,500)
2025 Net Impact on CRF Balance	\$0
2026 Impact on CRF Balance	(\$7,500)

Service Delivery Implications

UV disinfection is a critical stage in the water treatment process for the Surfside Park Estates water service. Not proceeding with the improvements could result in significant water quality risks.

CONCLUSION

A Capital Plan amendment is required to finish the integration of the UV Equipment at the Surfside Park Estates Water Treatment Plant. Funding for the additional fees is proposed to be provided by deferring other items within the Capital Plan.

RECOMMENDATION

That the Surfside Park Estates Water Service Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:

That the Surfside Park Estates Water 2025 - 2029 Capital Plan be amended to:

1. Increase the 2025 project budget for the Replacement of Ultraviolet (UV) Equipment at the Surfside Water Treatment Plant (WTP) (25-02) by \$7,500 from \$7,500 to \$15,000, funded from Capital Reserve Fund.
2. Defer \$7,500 of project budget for the Source Water Surveillance project (24-02), funded from Capital Reserve Fund, from 2025 to 2026.

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ATTACHMENT

Appendix A: Revised 2025 Capital Plan