

**REPORT TO SKANA WATER SERVICE COMMITTEE
MEETING OF OCTOBER 23, 2025**

SUBJECT **Capital Projects and Operational Update - October 2025**

ISSUE SUMMARY

To provide the Skana Water Service Committee with capital project status reports and operational updates.

BACKGROUND

The Skana Water System is located on the north side of Mayne Island in the Southern Gulf Islands Electoral Area and provides drinking water to approximately 52 customers. Capital Regional District (CRD) Infrastructure and Water Services is responsible for the overall operation of the water system. The design and construction of water system facilities are overseen by the CRD Infrastructure, Planning and Engineering and Infrastructure Water Operations divisions. The day-to-day operations and maintenance are currently being performed by CRD Infrastructure Operations. The quality of drinking water provided to customers in the Skana Water System is overseen by the CRD Water Quality division.

Capital Project Update

17-03 | Alternative Approval / Petition Process

Project Description: Conduct public consultation and complete an Alternative Approval Process (AAP) or petition to assess public willingness to utilize debt to fund necessary capital upgrades for the water service.

Project Rationale: Multiple projects including well upgrades and storage tank replacement are deemed necessary for the water service and Capital Reserves are insufficient to cover the capital costs.

With several unsuccessful grant funding attempts, an AAP or petition is proposed to obtain approval to take on debt to fund projects that are critical for the water service.

Project Update and Milestones:

- The committee was updated at the February 2025 meeting regarding the recent recommendations and cost estimates for the Skana water tank replacements, which would be the largest capital expenditure on the Capital Plan. Staff advised they would follow up at the June meeting to discuss next steps in either the AAP or Petition process.
- A staff report was provided at the June 2025 meeting outlining the staff recommendation for obtaining public approval to secure debt funding.

- A petition to authorize the proposed borrowing for major water infrastructure improvements ran from August 12, 2025, until October 12, 2025. A list of frequently asked questions (FAQ's) was mailed out and a public information session was held on Mayne Island on August 12, 2025, which provided information to the community about the proposed projects, project funding, details of the petition process, and to answer questions from the public. At the time of writing this staff report, an insufficient number of petitions have been received to consider the petition to have passed, meaning any debt funded projects (referenced below) will need to be deferred.

Debt Funded Projects dependent upon 17-03 Petition:

Project Number	Capital Project Title
18-01	Storage Tanks Replacement
26-01*	Source Water Surveillance

*combines previous capital projects 17-04 & 24-01

17-04 | Well #8 Upgrade [combined into 26-01 starting on 2026 Capital Plan]

Project Description: Conduct well improvements including a new well liner, replacement of the well seal and Supervisory Control and Data Acquisition (SCADA) automation; and to relocate the first customer service line to achieve proper chlorine contact time.

Project Rationale: An inspection of Well #8 identified several deficiencies. Most recommended improvements were carried out in 2018 including the installation of a new well liner, replacement of the well seal, and steel casing. Relocation of the first customer's service line was completed in July 2022. Staff also developed a preliminary budget for SCADA automation as part of the larger petition process noted in Project 17-03. The 2026 budget proposes combining the remaining scope for this project with the Source Water Surveillance (see project 24-01 below) that includes Well #13.

Proceeding will be subject to a successful petition process to authorize debt funding,

Project Update and Milestones:

Milestone	Completion Date
Detailed Design Process	Q2 2026*
SCADA Automation – Preliminary Budget to inform Petition	Completed
Project planning phase	Completed
Relocation of the first customer service line is being evaluated on delivery through CRD staff or contracted services	Completed
Service line replacement and well improvements	Completed

*Process will only proceed following a successful petition (see Cap Project 17-03)

24-01 | Source Water Surveillance [26-01 starting on 2026 Capital Plan]

Project Description: Design and install new well surveillance and water monitoring systems. 2024 funding is for initial assessment only.

Project Rationale: To provide operational flexibility and increased monitoring that will improve operational awareness and the ability to analyze trends. The improvements can also be used to improve response times related to water supply issues. The 2026 budget proposes including Well #8 improvements with this project, all of which is subject to a successful petition process to authorize debt funding.

Project Update and Milestones:

Milestone	Completion Date
Detailed Design Process	Q2 2026*
Preliminary Estimate to inform Petition	Completed
Project Planning Initiated	Completed (May 31, 2024)
Funding Approved	Completed (March 2024)

*Process will only proceed following a successful petition (see Cap Project 17-03)

24-02 | Storage Tank Options Assessment (Complete)

Project Description: Conduct an engineering assessment on options available for replacement of the Skana Water storage tanks. The assessment is to include material options and associated costing, as well as a high-level assessment on installation feasibility.

Project Rationale: Prior to proceeding with tank replacement, a revised options assessment has been proposed to better inform on the potential options and cost implications prior to proceeding to an AAP to secure debt for this replacement project.

Project Update and Milestones:

- The scope of this project is considered complete, and the recommendations were carried forward into a public petition process (Capital Project 17-03).
- Associated Engineering (B.C.) Ltd. have submitted their final draft of the Storage Tank Options Analysis Memo, which recommends replacement with two 46 cubic meter (m³) shop-fabricated welded steel tanks with epoxy coatings. The preliminary cost estimate for this improvement was estimated at \$940,000.
- Comments received at the February 2025 committee meeting were incorporated into the final version of the Storage Tank Options Analysis Memo.

Milestone	Completion Date
Tank Replacement Options Analysis Memo - Final	Completed (April 2025)
Tank Replacement Options Analysis Memo - Final Draft	Completed (February 2025)
Engineering Consultant Site Visit	Completed (Q4 2024)
Engineering Consultant Scope Approved	Completed (Q3 2024)
Project Planning Initiated	Completed (May 31, 2024)
Funding Approved	Completed (March 2024)

Operational Update

This is an operational update reporting period from May through September 2025.

- Actioned water conservation stages for the service as follows:
 - May 1: Stage 1
 - June 17: Stage 3
 - July 29: Stage 4
 - September 9: Stage 3
- Installed new water conservation signage on August 28. The sign was fully funded by a grant provided through the Union of British Columbia Municipalities (UBCM). It was installed at the intersection of Waugh Road and Georgina Point Road, as requested by the Skana Water Service Committee, by a contractor with support from CRD Communications staff. The old “sandwich board” water conservation signage will no longer be used.
- Emergency replacement of Well #13 deep well pump on July 22. The well pump and motor were removed and found to be irreparable. Given this is the primary water supply for the service, another pump was quickly sourced and installed by a registered company certified to work on wells as required under the *Water Sustainability Act* and the Ground Water Protection Regulation.
- Completed the planned water distribution system flushing preventative maintenance activity on May 15 and June 5. Skana water system users were provided advance, hand delivered, notification of the maintenance activity on May 13, indicating when and why the maintenance is being performed, and what to expect during and after maintenance completion.
- Manual operation of Well #8 commenced in May, as has been done in previous years. The manual operation includes attending to the station and starting and stopping the pump and water treatment operations twice per week for approximately five to six hours to supplement Well #13 water supply. Well #8 operation typically continues into late October when Well #13 water level observations improve, as they have done historically.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Jason Dales, B.Sc., WD IV., Senior Manager, Wastewater Infrastructure Operations
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, B.Sc., General Manager, Electoral Area Services
Concurrence:	Alicia Fraser, P.Eng., General Manager, Infrastructure and Water Services