

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF OCTOBER 7, 2025**

SUBJECT **Juan de Fuca Water Distribution Service 2026 Capital and Operating Budget**

ISSUE SUMMARY

To provide an overview of the draft 2026 Juan de Fuca (JDF) Water Distribution Service budget, highlighting the proposed significant changes from the 2025 budget. The report generally follows the sequence of information provided in the attached draft budget document (Appendix A).

BACKGROUND

The JDF Water Distribution Service is responsible for the retail distribution of drinking water to approximately 58,000 residential and business customers in the Westshore municipalities, the District of Sooke and parts of the Juan de Fuca Electoral Area.

The draft 2026 JDF Water Distribution Service budget has been prepared for the JDF Water Distribution Commission's (Commission) consideration. The Commission will make budget recommendations to the Capital Regional District (CRD) Board through the Committee of the Whole in October 2025. As in previous years, the draft 2026 JDF Water Distribution Service budget has been prepared considering the CRD Board's 2026 service planning and financial expectations, which include identifying opportunities to realign or reallocate resources and seek potential efficiencies between departments and services, reviewing adjustments related to regulatory compliance, and undertaking infrastructure improvements to maintain service levels across the service area, including incremental ongoing operational and maintenance requirements in the expanding service area. In addition, the budget also considers the July 8, 2025 direction from the Commission to staff *"to include the proposed Utility Operator and Operations Coordinator positions in the Juan de Fuca Water Distribution service budget for 2026"* (Appendix D). The following sets out the key components of the budget.

2025 Year-End Financial Projections

Year-end revenue and expenditure projections have been established and estimated variances are summarized as follows:

Budget Item	Projected Variance (\$)	Projected Variance (%)
Expense		
Distribution System Operating Expenditures	(25,286)	(0.3)%
Wholesale Water Purchase Cost	172,594	2.0%
Capital Expenditures and Transfers	(55,621)	(0.6)%
Debt Servicing - Principal and Interest	(52,167)	(1.9)%
Revenue		
Sales and Other Revenue	512,281	1.7%
Year-end Surplus	\$472,761	1.6%

The service is anticipated to conclude 2025 with a surplus of \$472,761 (1.6%), primarily due to higher-than-budgeted water revenue resulting from higher-than-anticipated water consumption. At the end of 2025 this surplus will be transferred to the Water Capital Fund to support future capital projects.

2026 Budget

Operating Budget

The 2026 operating budget reflects an increase in non-discretionary expenses, such as negotiated wage/salary increases, corporate support service allocation increases and maintenance expenses due to new infrastructure additions.

As reported in recent years, the distribution system has continued to expand. Both the water distribution mains and the total number of water meters added to the system have been increasing at a linear rate in the last 10 years. The growth in the system is related to service requirements for new land developments, such as South Skirt Mountain, Bear Mountain and Royal Bay. For context, the table below summarizes the additions in 2024 (over 2023) to the asset units in the major categories:

	JDF System (end of 2023)	Additions in 2024	JDF System (end of 2024)	5 Year Increase	10 Year Increase
Water distribution mains (m)	545,000	3,000	548,000	4.4%	11.4%
Service laterals	26,655	270	26,925	7.6%	20.6%
Fire hydrants	2,540	70	2,610	13.0%	33.2%
Line valves	6,650	140	6,790	13.0%	30.3%
Flush, air and check valves	1,935	24	1,959	6.9%	16.7%
Water meters <50mm	25,530	200	25,730	6.8%	19.3%
Water meters ≥50mm	1,125	70	1,195	29.2%	59.3%

In order to meet the needs of the growing and aging system, 1.5 FTEs are proposed to be added in 2026 to support the service. The 2026 Water Community Needs Summary and the July 8, 2025 staff report entitled *2026 Service Delivery – Staffing Requirements* summarize the proposed 2026 Initiative Business Cases (IBCs). These IBCs were incorporated into the 2026 budget to support the JDF Water Distribution Service. The details of the function of these positions are included in the July 8, 2025, staff report attached as Appendix D. The new positions result in an ongoing additional budget request of \$355,555.

Initiative	Implementation year(s)	Staff Impacts (2026)	Estimated Incremental Cost (2026)	Funding Source
2b-2.5 Utility Operator Program – Water Operations	2026-2027	1 New Ongoing Q1 start	\$229,558	Fee-for-service (100% JDF)
2b-2.6 Operations Coordinator (RWS/JDF) – Water Operations	2026	1 New Ongoing Q1 start	\$125,997	Fee-for-service (50% JDF/50% RWS)

In addition to the 1.5 FTEs proposed in 2026, an additional 1 FTE is proposed in 2027 to support the 2b-2.5 Utility Operator Program. This position has been incorporated into the 5-year budget, however the position will be reviewed and approved as part of the 2027 budget.

Initiative	Implementation year(s)	Staff impacts	Estimated Incremental Cost	Funding Source
2b-2.5 Utility Operator Program – Water Operations	2027	1 New Ongoing Q1 start	\$235,178	Fee-for-service (100% JDF)

The net core 2026 operating budget increase is \$857,750 (9.76%). Operating budget forecasts for 2027 through 2030 have been presented for information in Appendix A, page 9.

Wholesale Water Purchase

The JDF Water Distribution Service is responsible for distributing and selling drinking water to residents within its service area. To do so, it purchases treated drinking water from the Regional Water Supply System. The cost of this purchase is based on projected demand within the JDF system and the 2026 wholesale water rate set by the Regional Water Supply Service.

Total water consumption in the service area is projected to continue increasing year over year, primarily due to growth. The 2025 year-end actual consumption is estimated at 10,400,000 cubic metres, which is 200,000 cubic metres over budget. The recommended 2026 water rate was calculated using a budgeted demand of 10,300,000 cubic metres (Page 7 of Appendix A), an increase of 100,000 cubic metres over the 2025 budgeted demand but slightly below 2025 projected actuals.

The proposed 2026 CRD Regional Water Supply wholesale water rate is \$0.9314 per cubic metre, representing a 7.91% increase over the 2025 rate, subject to approval by the Regional Water Supply Commission (Page 8 of Appendix A).

Based on the proposed 2026 budgeted consumption and the wholesale water rate, the wholesale water purchase budget has been set at \$9,593,008 (Page 9 of Appendix A).

Capital Budget

There are several capital projects planned for 2026 with a total spend of \$26,595,000. This includes \$2,387,000 allocated to Development Cost Charge (DCC) projects and \$24,208,000 in

capital projects related to system infrastructure engineering, capital asset maintenance management, and annual provisional items. Of the total planned spend, approximately \$17.9 million relates to projects that began prior to 2026, reflecting the continuation of multi-year capital projects.

Additionally, \$1,893,125 is allocated to projects that are cost-shared 50%/50% with the Regional Water Supply Service (pages 10 to 22 of Appendix A).

A large portion of the work in progress and resulting capital expenditure is related to major projects summarized below:

1. Project 26-01 Pump Station Renewal Program - This project is to upgrade aging pump stations within the JDF Water Distribution system. This will be an ongoing pump station upgrade program aligned with the 2025 Asset Management Plan and Condition Assessments. Langvista Pump Station in Langford is being assessed as a one of the first locations to be upgraded under this new budget. The budget will continue to be updated in future years to align with Asset Management planning results. This new program budget will replace the previous Capital Budget 16-05 – Comprehensive Pump Station Upgrades, which most recently upgraded Copper Mine Pumpstation #1, Copper Mine Pumpstation #2, and the Copper Mine Pressure Control Station in East Sooke in 2025.
2. Project 26-02 Storage Tank Renewal Program – Many of the existing storage tanks within the system are nearing end of life. This will be an ongoing storage tank upgrade program aligned with the 2025 Asset Management Plan and Condition Assessments. The budget will continue to be updated in future years to align with Asset Management planning results.
3. Project 20-03 Asbestos Cement (AC) Pipe Replacement Program - The forecasted carry-forward of \$900,000 is a forecast that will be updated at year end but the estimated surplus is primarily a result of the contracted project in the District of Sooke (Sooke Road from Church Road to Belvista Place) being completed below the pre-bid estimate and CRD crews progressing multiple other AC replacement project's efficiently. Given this is an ongoing program level budget, some level of carry forward is planned for contingency reasons.
4. Project 21-02 – Sooke Road Water Main Replacement – This project is the replacement of 1,100m of aged, 600mm diameter water main and smaller diameter Asbestos Cement water main from Jacklin Road to Veteran Memorial Parkway. This project design is well underway in 2025 and coordination with both City of Colwood and Ministry of Transportation and Transit (MOTT) is underway. CRD are prepared to tender this work in 2026; however, exact timelines are dependent on MOTT authorization, which could have some delays given the current impacts from labour relations on collective bargaining.
5. Project 24-02 Highway 14 Water Main Relocation – This project includes relocation of CRD watermain in Ministry of Transportation and Transit (MOTT) right of way. This project is planned to be bundled within MOTT's overall project and thus is driven by MOTT's timelines. At the time of preparing the 2026 Capital Plan, MOTT have indicated the project is expected to proceed in 2026 and CRD have proposed funding in the amount of \$2,000,000.

6. Project 21-01 Sooke Henlyn Supply and Distribution Main – The start of this DCC project is dependent on development work. This work will not be complete in 2025; therefore, the \$1,000,000 project has been carried-forward to 2026.
7. Project 25-01 Water Meter Strategic Plan – This consultant assignment will include a review our long-term meter replacement strategy and will incorporate a review of technology advancements. This assignment is expected to be complete in 2026.
8. Project 21-04 Residential Service and Meter Replacement – Many meters are beyond their service life and at risk of failure at any time. This provisional allowance has been increased from \$1.8 million in capital funding in 2025, to a total of \$3.0 million in the 2026 capital budget to address this growing backlog.

More than 85% of the 2026 capital plan is related to existing water infrastructure asset renewal. A five-year capital plan is presented for information. The total five-year (2026-2030) capital plan budget is currently \$101,509,000 with another \$4,288,125 cost shared with Regional Water Supply.

Capital and Debt Expenditures

JDF has multiple sources of funding for capital expenditures, including operating transfers to the water capital fund, an equipment replacement fund reserve (ERF), DCC reserves, and debt financing. The operating transfer to the water capital fund is budgeted at \$8,800,000 in 2026. The service will draw on the water capital fund to finance capital activity prior to initiating any new debt financing. The 2025 operating surplus will also be transferred to the water capital fund at year-end to reduce the borrowing needs in the coming fiscal year (Appendix B).

Loan Authorization Bylaw 4379 authorizing borrowing of \$14,800,000 was approved in 2021 to allow continued partial funding of the five-year capital plan. Staff will bring forward a temporary borrowing bylaw in 2026 to facilitate timely access to debt funds under bylaw 4379 to finance ongoing capital investment.

The upcoming debt retirements on existing borrowings are summarized as follows:

Loan Number	Retirement Date	Principal
LA3782-118	April 2027	\$2,500,000
LA3782-124	April 2028	\$4,500,000
LA3782-127	April 2029	\$5,000,000
LA3981-137	April 2031	\$2,000,000
LA3981-145	April 2033	\$3,000,000
LA3981-150	April 2035	\$5,100,000
LA4379-160	October 2038	\$6,000,000
LA4379-162	October 2039	\$1,500,000

When assessing key financial health indicators, the service maintains a manageable level of debt over the next five years. The percentage of revenue dedicated to debt costs is forecast to be between 9 and 12%, and debt funding for capital investment in each of the next five years does

not exceed 51%. A summary indicator table is provided below:

Year	% Revenue for Debt	% Capital Funded by Debt
2026	8.84%	22.35%
2027	10.53%	51.05%
2028	11.51%	46.17%
2029	11.61%	46.23%
2030	11.78%	44.15%

2026 debt expenditures for existing and new debt servicing are budgeted to be \$2,798,219, an increase of \$27,878 (1.0%) from 2025.

DCC projects are funded entirely from the DCC reserve fund, which is projected to have a balance of \$21,622,587 at 2025 year-end (Page 24 of Appendix A).

The 2026 transfer to the vehicle/equipment replacement fund is increased to \$740,104 to reflect the growth in cost of future vehicle replacement. The reserve fund balance is estimated at \$495,214 at 2025 year-end (Page 25 of Appendix A).

Proposed Agricultural Water_Rate

At their meeting of November 26, 2024, the Water Advisory Committee recommended that the Regional Water Supply Commission maintain the current agricultural water rate. This was presented to the Regional Water Supply Commission at their meeting of January 15, 2025.

In the absence of any other direction, the 2026 agricultural water rate is maintained at the same 2025 rate of \$0.2105 per cubic metre, subject to the Regional Water Supply Commission's approval. The Regional Water Supply agricultural water rate budget funds the difference between the municipal retail water rate and the CRD agricultural water rate.

Proposed 2026 Juan de Fuca Water Distribution Service Retail Water Rate

Rate Base

The rate base for 2026 has increased by \$16,044,128 from 2025. This increase relates to physical additions, including distribution pipes, water meters and services, and pump station upgrades (Pages 3 & 4 of Appendix A).

Revenue Requirement

The revenue requirement for 2026 has increased by \$1,526,742 over 2025. This is resulting from an increase in operational expenses of \$857,750, increased depreciation expenses of \$84,182 net of expired depreciation on existing assets, and a net increase in the return on the rate base of \$707,900. The increase in the return on the rate base is a result of the growing asset base (Page 5 of Appendix A).

The recommended retail water rate has taken into consideration the revenue required to meet the operating and capital expenditures, debt obligations, the wholesale water expenditure, rate base and the revenue requirements established for 2026.

The proposed 2026 JDF Water Distribution Service retail water rate is \$3.0368 per cubic metre, a 6.95% increase from the 2025 rate (Page 9 of Appendix A).

Retail and Wholesale Water Rate History and Projection

The retail and wholesale water rate history and projection are attached (Appendix C). The rates may be adjusted in the future to reflect actual revenue and expenditure circumstances and water demand volumes.

ALTERNATIVES

Alternative 1

The Juan de Fuca Water Distribution Commission recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 Juan de Fuca Water Distribution Service retail water rate of \$3.0368 per cubic metre, adjusted if necessary, by any change in the Regional Water Supply wholesale water rate;
3. Direct staff to balance the 2025 actual operating deficit or surplus on the 2025 capital fund transfer;
4. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
5. Direct staff to amend the Water Distribution Local Service Conditions, Fees and Charges Bylaw accordingly.

Alternative 2

That Juan de Fuca Water Distribution Commission directs staff to bring back a revised 2026 Operating and Capital Budget for the Commission's consideration.

IMPLICATIONS

Financial Implications

The 2026 operating and capital budget and resulting annual water rate have been prepared to meet the needs of the service. The proposed 2026 water rate generally aligns with the rate previously presented in the five-year rate projections. The proposed 2026 rate would result in a \$47.35 annual increase in the cost of water for an average household (page 8 of Appendix A).

CONCLUSION

The draft 2026 Juan de Fuca Water Distribution Service budget is presented for the Juan de Fuca Water Distribution Commission's consideration. The Commission will make budget recommendations to the Capital Regional District Board through the Committee of the Whole in October. The draft 2026 Juan de Fuca Water Distribution Service budget was prepared considering the requirement to maintain regulatory compliance, the on-going need to undertake infrastructure renewal to ensure the system operates reliably, and annual operational adjustments, including incremental maintenance requirements associated with new development infrastructure in the expanding service area.

RECOMMENDATION

The Juan de Fuca Water Distribution Commission recommends the Committee of the Whole recommend that the Capital Regional District Board:

1. Approve the 2026 Operating and Capital Budget and the Five-Year Capital Plan;
2. Approve the 2026 Juan de Fuca Water Distribution Service retail water rate of \$3.0368 per cubic metre, adjusted if necessary, by any change in the Regional Water Supply wholesale water rate;
3. Direct staff to balance the 2025 actual operating deficit or surplus on the 2025 capital fund transfer;
4. Direct staff to update carry forward balances in the 2026 Capital Budget for changes after year end; and
5. Direct staff to amend the Water Distribution Local Service Conditions, Fees and Charges Bylaw accordingly.

Submitted by:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: Draft 2026 Juan de Fuca Water Distribution Service Budget
Appendix B: Debt Outstanding vs. Water Capital Fund Balance
Appendix C: Wholesale & Retail Water Rate – Historical & Projections
Appendix D: Staff Report to Commission – July 8, 2025
Presentation: Juan de Fuca Water Distribution Service 2026 Budget Review

CAPITAL REGIONAL DISTRICT

2026 BUDGET

JDF Water Distribution

COMMISSION REVIEW

Service: 2.680 JDF Water Distribution

Commission: Juan De Fuca Water Distribution

DEFINITION:

To finance the administration, development, maintenance, and operational expenses, of the Juan de Fuca Water Distribution local service in the Western Communities of the Capital Regional District, as per the Water Distribution Local Service Area Establishment Bylaw No. 2538.

The establishment and operation of a Juan de Fuca water Distribution Commission is done by Bylaw No. 2540.

SERVICE DESCRIPTION:

Juan de Fuca Water Distribution Service provides retail water distribution system to participants within the Western Communities. The service administration and operation is provided by the Integrated Water Services Department.

PARTICIPATION:

City of Colwood	District of Metchosin
City of Langford	District of Sooke
Town of View Royal	District of Highlands
Juan de Fuca Electoral Area	

MAXIMUM LEVY:

The maximum amount that may be requisitioned is NIL.

MAXIMUM CAPITAL DEBT:

Authorized:	Pre Consolidated MFA Loan Authorizations - Juan de Fuca Water Distribution Facilities		\$19,000,000
Borrowed:			\$17,500,000
Remaining:	Expired		\$1,500,000
Authorized:	MFA Bylaw No. 3981 - Juan de Fuca Water Distribution Facilities		\$14,800,000
Borrowed:			\$10,100,000
Remaining:	Expired		\$4,700,000
Authorized:	MFA Bylaw No. 3164 - Juan de Fuca Water Distribution Facilities Development-DCC		\$10,000,000
Borrowed:			\$3,500,000
Remaining:	Expired		\$6,500,000
Authorized:	MFA Bylaw No. 4379 - Juan de Fuca Water Distribution Facilities	2021	\$14,800,000
Borrowed:			\$7,500,000
Remaining:	Active		\$7,300,000

FUNDING:

Costs are recovered from Water Sales, and transfer from DCC reserves to service DCC debt.

Change in Budget 2025 to 2026		Total Expenditure	Comments
Service:	2.680 JDF Water Distribution		
2025 Budget		29,313,997	
Change in Wages & Benefits:			
	Base wages & benefits change	8,663	Inclusive of estimated collective agreement changes
	Step increase/paygrade change	1,656	
	Total Change in Wages & Benefits	10,319	
Other Changes:			
	Allocation - Operations		
	Labour Charges	300,663	Labour charges inclusive of estimated collective agreement changes
	Utility Operator	229,558	2026 IBC: 2b-2.5 Utility Operator Program
	Engineering Support	54,154	Inflationary increase in Engineering operational support
	Operations Coordinator	125,997	2026 IBC: 2b-2.6 Operations Coordinator
	Operating - Other Costs	(12,003)	Postage, freight and electricity
	Contract for Services	57,938	
	Allocation - Standard Overhead	91,124	Increase in 2025 Operating Costs
	Wholesale Water Expenditure	789,388	Increased wholesale water rate and budgeted demand
	Transfer to Water Capital Fund	564,494	5 Year Capital Plan funding
	Debt Servicing Costs	27,878	Interest expense on new debt
	Fund Contributions	86,447	Equipment Replacement and Debt Reserve funding
	Total Other Changes	2,315,638	
2026 Budget		31,639,954	
Summary of % Expense Increase			
	Wholesale Water Purchase	2.7%	
	Transfer to Water Capital Fund	1.9%	
	IBCs	1.2%	
	Labour Charges	1.2%	
	Balance of increase	0.9%	
	% expense increase from 2025:	7.9%	

Overall 2025 Budget Performance
(expected variance to budget and surplus treatment)

Water demand is forecasted slightly higher than budget leading to a net increase in revenue net of wholesale water expenditures (\$395k), while operational costs are forecasted below budget principally due to temporary vacancies (\$25k); and lower debt servicing costs due to decreasing interest rates and deferred capital activity (\$52k). The forecasted net surplus of \$470k will be transferred to the service's Water Capital Fund.

Rate Base for 2026 Revenue Year				
	<u>2024</u> <u>Application</u>	<u>2025</u> <u>Application</u>	<u>End of 2025</u> <u>for 2026 Application</u>	<u>Change</u>
Retail System				
Physical Plant	\$ 203,789,803	\$ 212,851,773	\$ 222,877,079	\$ 10,025,306 ¹
Construction Work In Progress	3,226,207	4,549,071	10,462,143	5,913,072 ¹
Cash Working Capital	971,809	1,083,371	1,189,121	105,750
Inventory	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Total Retail Rate Base	\$ 208,512,819	\$ 219,009,215	\$ 235,053,343	\$ 16,044,128

Note 1: Refer to the Schedule of Change in Physical Plant & Work in Progress for details.

Schedule of Change in Physical Plant & Work in Progress

Retail

Projected Asset Additions

Coppermine Pump Station	\$ 4,111,480
PIPE Replacements	4,052,707
Seagirt Water Main Extension	2,350,000
Pump Stations	2,142,600
Meter Replacement	1,520,000
East Sooke Interconnection Water Main	850,000
Reservoir Upgrades	670,000
Charters Rd Water Main Replacement	650,000
Major Main Replacements	425,000
Hydrant Replacements	225,000
Valve Replacement	220,000
Other Projects	123,492
Total Projected Assets Capitalized	\$ 17,340,279
Less: Current Year's Depreciation	(6,333,329)
Add (Less): Change in prior year forecast addition estimates & disposals	(981,644)
Change in Physical Plant	<u>\$ 10,025,306</u>

Projected Construction Work In Progress (CWIP)

Pump Stations	\$ 8,361,873
PIPE Replacements	943,405
Strategic Asset Management	427,417
DCC Program Update	243,617
JDF Hydraulic Model	190,000
JDF Site Decommissioning Program	101,647
Small Diameter Program Update	89,235
Other Projects (5 minor projects under \$50k)	104,949
Projected CWIP	\$ 10,462,143
Less: Prior year's projected CWIP	(4,549,071)
Change in CWIP	<u>\$ 5,913,072</u>

Revenue Requirements for 2026 Year

	2024 Application	2025 Application	2026 Application	Change
Retail System				
Operations & maintenance	\$ 7,882,453	\$ 8,787,346	\$ 9,645,096	\$ 857,750
Depreciation	5,505,087	6,249,147	6,333,329	84,182
Return on rate base	4,678,200	5,297,200	6,005,100	707,900 ¹
Subtotal	\$ 18,065,740	\$ 20,333,693	\$ 21,983,525	\$ 1,649,832
Non-rate revenue	(174,500)	(174,500)	(297,590)	(123,090)
Total Retail	\$ 17,891,240	\$ 20,159,193	\$ 21,685,935	\$ 1,526,742

Note 1: Return on rate base is calculated with reference to the long-term Canada bond rate and the average debt rate.

Schedule A
Asset Useful Life Assignments - PSAB

<u>Classes:</u>	<u>Code</u>	<u>Asset Categories</u>	<u>Useful Life, Years</u>
Land	LAND	Land & Rights of Way * (Note 1)	N/A
Building	BLDG	Building, Permanent	50
	BLOT	Building, Temporary/ Portable	20
	BLFX	Building fixture (<i>sprinklers</i>)	20
Equipment	BOAT	Boats & Marine Equipment	10
	COMP	Computer Equipment (<i>includes software</i>)	5
	ELEC	Electronic Equipment(<i>hydromet, weather stn eqpt</i>)	5
	FIRE	Fire & Safety Equipment	10
	GENT	Generator	20
	HYDR	Hydrants and Standpipes	20
	HYDY	Hydrology	10
	MTRS	Meters	20
	OFFE	Office Equipment	5
	OFFF	Office Furniture	10
	SCDA	SCADA Equipment	10
	SCRN	Intake Screens/Membranes (<i>stop logs</i>)	20
	SHOP	Shop Equipment	10
	TELE	Telecommunication Eqpt (<i>radios, phone systems</i>)	10
	WEQP	Water Works Eqpt(<i>W.Quality lab, Wshed eqpt</i>)	10
	NEW GRP	Weather stn & communication tower	15
Vehicle	VEHC	Vehicles	8
Engineering	BRDG	Bridge	50
Structure	CANL	Canal	50
	DAMS	Dam Structures	100
	PIPE	Pipelines, includes Vaults, Kiosks, Valve chambers	75
	PIPF	Pipelines, fittings	20
	PLPV	Parking lot paved	40
	PSEQ	Pump Station Equipment	20
	PSHS	Pump Station Housing	50
	PRVS	Valves, Flushes & PRV's	20
	RDGR	Roads gravel	20
	RDPV	Roads paved	40
	RESS	Reservoirs (steel & concrete)	50
	REST	Reservoirs (tower/tank)	35
	TANK	Storage tank	40
	TELP	Telephone and Power Lines	50
	TUNN	Tunnel, Culvert and Diversions	50
	WATP	Water Treatment Plant	25
	WELL	Wet well/ Well	50
Other Assets	CSTU	Capital Management Studies	5
	FENC	Fences	15
	LIMP	Land & Yard Improvements	20

Note 1: Land is not depreciated so a useful life assignment is not applicable.

2026 Demand Estimate**Retail Demand**

<u>Years</u>	<u>Actual Demand cu. metre</u>	<u>Budgeted Demand cu.metre</u>
2020	9,345,130	8,900,000
2021	10,270,472	8,900,000
2022	9,990,739	9,300,000
2023	10,670,432	9,210,000 2
2024	10,320,208	9,500,000
2025	10,400,000 1	10,200,000
2026 Demand Estimate	<u>10,300,000</u>	

1. Projected consumption for 2025

2. 2023 Demand estimate reduction reflects First Nations becoming wholesale customers of Regional Water Supply.

Summary of Retail Water Rates

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>\$ Change</u>	<u>% Change</u>
Retail (direct) water rate							
Unit cost per cu.m.	\$ 2.4024	\$ 2.5466	\$ 2.6927	\$ 2.8395	\$ 3.0368	\$ 0.1973	6.95%

Retail Water Rate Increase Impact on Residential Water Bill

Average consumption per 2 month billing cycle: * 40.0 cubic meters (annual = 239.0 cu.m)

<u>Charge for Two Months Consumption</u>	<u>Year</u>	<u>Bi monthly Charge</u>	<u>Annual Charge</u>	<u>2026 Annual Change \$</u>
Average Consumption	2025	\$ 113.58	\$ 681.48	
	2026	\$ 121.47	\$ 728.83	\$ 47.35
Half Average Consumption	2025	\$ 56.79	\$ 340.74	
	2026	\$ 60.74	\$ 364.41	\$ 23.67
Twice Average Consumption	2025	\$ 227.16	\$ 1,362.96	
	2026	\$ 242.94	\$ 1,457.65	\$ 94.69

* Average Annual Consumption based on 2.303 people per household, per BC Stats 2024 projection

APPENDIX A

Program Group: CRD-JDF Water Distribution	2026 BUDGET REQUEST						FUTURE PROJECTIONS			
	2025 BOARD BUDGET	2025 ESTIMATED ACTUAL	2026 CORE BUDGET	2026 ONGOING	2026 ONE-TIME	TOTAL (COL 4, 5 & 6)	2027	2028	2029	2030
SUMMARY	2	3	4	5	6	7	8	9	10	11
1										
OPERATING EXPENDITURES										
ALLOCATION - OPERATIONS	6,195,213	6,202,213	6,538,780	355,555	11,250	6,905,585	7,303,398	7,455,784	7,604,856	7,758,344
OPERATING - OTHER COSTS	823,799	849,984	811,796	-	-	811,796	817,613	823,581	829,729	836,039
SALARIES AND WAGES	495,089	435,998	505,408	-	-	505,408	519,830	534,659	547,341	560,316
CONTRACT FOR SERVICES	480,072	480,692	538,010	-	-	538,010	548,760	559,740	570,920	582,330
ALLOCATION - STANDARD OVERHEAD	793,173	793,173	884,297	-	-	884,297	900,214	918,218	936,583	955,314
TOTAL OPERATING EXPENDITURES	8,787,346	8,762,060	9,278,291	355,555	11,250	9,645,096	10,089,815	10,291,982	10,489,429	10,692,343
<i>*Percentage increase over prior year's board budget</i>			5.59%	4.05%	0.13%	9.76%	4.61%	2.00%	1.92%	1.93%
WHOLESALE WATER PURCHASE FROM RWS	8,803,620	8,976,214	9,593,008	-	-	9,593,008	10,484,842	11,860,667	13,660,735	15,765,148
WHOLESALE WATER PURCHASE FROM RWS	8,803,620	8,976,214	9,593,008	-	-	9,593,008	10,484,842	11,860,667	13,660,735	15,765,148
			8.97%			8.97%				
CAPITAL EXPENDITURES & TRANSFERS										
TRANSFER TO WATER CAPITAL FUND	8,235,506	8,708,267	8,800,000	-	-	8,800,000	9,100,000	9,750,000	10,500,000	11,200,000
TRANSFER TO DEBT RESERVE FUND	55,620	-	63,527	-	-	63,527	135,925	144,147	153,412	86,245
TRANSFER TO EQUIPMENT REPLACEMENT FUND	661,564	661,564	740,104	-	-	740,104	749,900	759,900	770,090	780,490
TOTAL CAPITAL EXPENDITURES & TRANSFERS	8,952,690	9,369,831	9,603,631	-	-	9,603,631	9,985,825	10,654,047	11,423,502	12,066,735
DEBT SERVICING										
DEBT-INTEREST & PRINCIPAL	2,770,341	2,718,174	2,798,219	-	-	2,798,219	3,596,756	4,265,302	4,673,480	5,145,471
TOTAL DEBT EXPENDITURES	2,770,341	2,718,174	2,798,219	-	-	2,798,219	3,596,756	4,265,302	4,673,480	5,145,471
TOTAL EXPENDITURES	29,313,997	29,826,278	31,273,149	355,555	11,250	31,639,954	34,157,238	37,071,998	40,247,146	43,669,697
			6.68%	1.21%	0.04%	7.93%	7.96%	8.53%	8.56%	8.50%
SOURCES OF FUNDING										
REVENUE - SALES	(28,962,967)	(29,530,868)	(30,912,032)	(355,555)	(11,250)	(31,278,837)	(33,721,263)	(36,625,291)	(39,788,614)	(43,275,722)
REVENUE - OTHER	(351,030)	(295,410)	(361,117)	-	-	(361,117)	(435,975)	(446,707)	(458,532)	(393,975)
TOTAL SOURCES OF FUNDING OPERATIONS	(29,313,997)	(29,826,278)	(31,273,149)	(355,555)	(11,250)	(31,639,954)	(34,157,238)	(37,071,998)	(40,247,146)	(43,669,697)
SOURCES OF OTHER FUNDING										
TRANSFER FROM DCC RESERVES TO FUND DCC DEBT	-	-	-	-	-	-	-	-	-	-
TRANSFER PRIOR YEAR	-	-	-	-	-	-	-	-	-	-
TRANSFER TO FOLLOWING YEAR SURPLUS CARRY FORWARD	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDING	(29,313,997)	(29,826,278)	(31,273,149)	(355,555)	(11,250)	(31,639,954)	(34,157,238)	(37,071,998)	(40,247,146)	(43,669,697)
<i>Percentage increase over prior year's board budget</i>			6.68%	1.21%	0.04%	7.93%	7.96%	8.53%	8.56%	8.50%
Water Rate \$ per cu. m.	\$ 2.8395					\$ 3.0368	\$ 3.2581	\$ 3.5217	\$ 3.8075	\$ 4.1215
<i>Percentage increase over prior year</i>	5.45%					6.95%	7.29%	8.09%	8.12%	8.25%

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.680	Carry Forward 2025	2026	2027	2028	2029	2030	TOTAL
	Juan de Fuca Water Distribution							

EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$7,115,000	\$25,821,000	\$18,571,000	\$17,780,000	\$18,266,000	\$18,587,000	\$99,025,000
Vehicles	\$678,508	\$774,000	\$710,000	\$750,000	\$250,000	\$0	\$2,484,000
	\$7,793,508	\$26,595,000	\$19,281,000	\$18,530,000	\$18,516,000	\$18,587,000	\$101,509,000

SOURCE OF FUNDS

Capital Funds on Hand	\$5,785,000	\$17,228,972	\$8,435,000	\$8,817,000	\$9,468,000	\$10,232,500	\$54,181,472
Debenture Debt (New Debt Only)	\$0	\$6,155,028	\$10,029,000	\$8,686,000	\$8,691,000	\$8,324,500	\$41,885,528
Equipment Replacement Fund	\$678,508	\$774,000	\$710,000	\$750,000	\$250,000	\$0	\$2,484,000
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Reserve Fund	\$1,280,000	\$2,387,000	\$107,000	\$277,000	\$107,000	\$30,000	\$2,908,000
	\$7,793,508	\$26,595,000	\$19,281,000	\$18,530,000	\$18,516,000	\$18,587,000	\$101,509,000

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	Debt - Debenture Debt (new debt only) ERF - Equipment Replacement Fund Grant - Grants (Federal, Provincial) Cap - Capital Funds on Hand Other - Donations / Third Party Funding Res - Reserve Fund WU - Water Utility If there is more than one funding source, additional rows are shown for the project.

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #:

2.680

Service Name:

JDF Water Distribution

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
INFRASTRUCTURE ENGINEERING AND OPERATIONS													
Planning													
16-03	Renewal	Asset Management Plan	Combine past studies to plan out future capital expenditures.	\$ 400,000	S	WU	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
21-14	Renewal	Fire Storage Analysis	Assess and update the fire flow upgrade program to inform future capital works.	\$ 120,000	S	WU	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
25-01	Study	Water Meter Strategic Plan	Review of the existing meter program and strategic planning including replacement vs repair cost benefit analysis, review of meter technologies, implementation phasing and short term and long term planning.	\$ 250,000	S	WU	\$ 100,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Capital													
26-01	Renewal	Pump Station Renewal Program	Ongoing pump station upgrade program to address upgrades aligned with 2025 Asset Management Plan and Condition Assessments. Will be updated in future years to align with AMP planning results.	\$ 20,000,000	S	WU	\$ -	\$ 1,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 18,000,000
26-02	Renewal	Storage Tank Renewal Program	Ongoing storage tank upgrade program to address upgrades aligned with 2025 Asset Management Plan and Condition Assessments. Will be updated in future years to align with AMP planning results.	\$ 10,000,000	S	WU	\$ -	\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,500,000
18-03	Renewal	JDF Site Decommissioning Program	Decommissioning of facilities that are no longer in use based on preliminary work from Annual Provisional	\$ 1,320,000	S	WU	\$ 350,000	\$ 350,000	\$ 80,000	\$ 90,000	\$ 100,000	\$ 100,000	\$ 720,000
18-06	New	Post Disaster Emergency Water Distribution	Determine and supply response equipment for disaster response.	\$ 600,000	S	WU	\$ 10,000	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000
20-03	Replacement	AC Pipe Replacement Program	Replacement of aging asbestos cement pipe year over year as outlined in the May 2023 staff report. Replacement is expected to be phased until 2055 to replace all AC pipe in the distribution network.	\$ 140,000,000	S	WU	\$ 900,000	\$ 4,500,000	\$ 3,800,000	\$ 4,000,000	\$ 4,200,000	\$ 4,300,000	\$ 20,800,000
21-02	Replacement	Sooke Road W/M Replacement - VMP to Jacklin	Replacement of aged, large diameter water main and smaller diameter AC from Jacklin Rd to VMP. 1,100m of 600mm Pipe - VMP to Jacklin as well as the asbestos cement distribution main along the same alignment.	\$ 8,500,000	S	WU	\$ 200,000	\$ 7,000,000	\$ 1,250,000	\$ -	\$ -	\$ -	\$ 8,250,000
21-13	Replacement	SCADA Master Plan Update & Upgrades	Update the SCADA Master Plan in conjunction with the RWS, Saanich Peninsula and Core Area infrastructure.	\$ 2,500,000	S	WU	\$ 1,800,000	\$ 1,800,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 2,100,000
22-02	New	Microwave Radio Upgrades	Installation of high-bandwidth microwave radio infrastructure to accommodate CRD infrastructure	\$ 750,000	S	WU	\$ 300,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ 600,000
24-02	New	Hwy 14 Watermain Relocation	Relocation of CRD watermain in MOTT right of way. Project work to be bundled within MOTT's project.	\$ 2,000,000	S	WU	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
25-06	Replacement	Large Meters & Pressure Control Stations Replacement Program	Ongoing program to upgrade billing meters and pressure control stations, including chambers as required.	\$ 5,000,000	S	WU	\$ 20,000	\$ 670,000	\$ 750,000	\$ 750,000	\$ 800,000	\$ 800,000	\$ 3,770,000
25-07	New	New Bulk Water Station	Bulk Water Station for Metchoshin, partially funded by Metchoshin.	\$ 350,000	S	Other	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
25-07	New	New Bulk Water Station	Bulk Water Station for Metchoshin, partially funded by Metchoshin.	\$ -	S	WU	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000
Sub-Total System Infrastructure Engineering and Operations				\$ 191,790,000			\$ 5,835,000	\$ 18,860,000	\$ 12,530,000	\$ 11,190,000	\$ 11,450,000	\$ 11,450,000	\$ 65,480,000
CORPORATE ASSET AND MAINTENANCE MANAGEMENT (CMM)													
16-06	Replacement	Vehicle & equipment replacement (funding from replacement fund)	Vehicle and equipment replacement.	\$ 3,914,000	V	ERF	\$ 678,508	\$ 774,000	\$ 710,000	\$ 750,000	\$ 250,000	\$ -	\$ 2,484,000
Sub-Total CMM				\$ 3,914,000			\$ 678,508	\$ 774,000	\$ 710,000	\$ 750,000	\$ 250,000	\$ -	\$ 2,484,000
ANNUAL PROVISIONAL ITEMS													
17-09	Replacement	Emergency Main Replacement	Major main replacement under emergencies.	\$ 676,000	S	WU	\$ -	\$ 110,000	\$ 121,000	\$ 134,000	\$ 148,000	\$ 163,000	\$ 676,000
17-13	New	Site Security Upgrades	Upgrading and replacement of security systems for sites as required.	\$ 273,000	S	WU	\$ -	\$ 44,000	\$ 49,000	\$ 54,000	\$ 60,000	\$ 66,000	\$ 273,000
17-15	Renewal	Distribution System Improvements	Unplanned distribution system improvements or decommissioning.	\$ 3,026,000	S	WU	\$ -	\$ 495,000	\$ 545,000	\$ 600,000	\$ 660,000	\$ 726,000	\$ 3,026,000
17-16	New	Hydraulic Model Yearly Update	Annual hydraulic model update and uni-directional flushing support.	\$ 444,000	S	WU	\$ -	\$ 72,000	\$ 80,000	\$ 88,000	\$ 97,000	\$ 107,000	\$ 444,000
21-03	Replacement	Hydrant & Flush Replacement, Upgrades and Additions	Upgrade, replacement or installation of flushes and fire hydrants, and fire flow testing.	\$ 1,519,000	S	WU	\$ -	\$ 248,000	\$ 273,000	\$ 301,000	\$ 332,000	\$ 365,000	\$ 1,519,000
21-04	Replacement	Residential Service & Meter Replacement	Replacement of residential water meters as highlighted by the 2017 KWL Water Audit report.	\$ 21,000,000	S	WU	\$ -	\$ 3,000,000	\$ 4,200,000	\$ 4,400,000	\$ 4,600,000	\$ 4,800,000	\$ 21,000,000
21-05	Replacement	Pump Station Equipment Replacements	Unplanned pump station repairs and equipment replacement	\$ 1,010,000	S	WU	\$ -	\$ 165,000	\$ 182,000	\$ 201,000	\$ 222,000	\$ 240,000	\$ 1,010,000
21-06	Replacement	SCADA Equipment Replacement	Unplanned replacement of SCADA and electrical equipment.	\$ 673,000	S	WU	\$ -	\$ 110,000	\$ 121,000	\$ 134,000	\$ 148,000	\$ 160,000	\$ 673,000
21-07	Renewal	Reservoir Equipment Replacement	Replacement or repairs to components at reservoir sites.	\$ 673,000	S	WU	\$ -	\$ 110,000	\$ 121,000	\$ 134,000	\$ 148,000	\$ 160,000	\$ 673,000
21-09	Replacement	Valve Replacement	Unplanned replacement and repair of isolation and line valves, air valves, and pressure control valves.	\$ 1,343,000	S	WU	\$ -	\$ 220,000	\$ 242,000	\$ 267,000	\$ 294,000	\$ 320,000	\$ 1,343,000
Sub-Total for Annual Provisional Items				\$ 30,637,000			\$ -	\$ 4,574,000	\$ 5,934,000	\$ 6,313,000	\$ 6,709,000	\$ 7,107,000	\$ 30,637,000

APPENDIX A

Service #: 2.680
 Service Name: JDF Water Distribution

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
DEVELOPMENT COST CHARGE (DCC)													
16-07	New	Update DCC Bylaw (Comprehensive Update in 2026)	Planned update of the DCC Bylaw.	\$ 325,000	S	Res	\$ 5,000	\$ 35,000	\$ 30,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 325,000
21-01	New	Sooke Henlyn Supply & Distribution Mains	Construction of water mains based upon development predictions from the Helgesen Pump Station westwards.	\$ 1,000,000	S	Res	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
25-02	New	Throup Road Watermain Installation	Future budget to install new watermain along Throup Road when District of Sooke completes connector road.	\$ 900,000	S	Res	\$ 10,000	\$ 860,000	\$ -	\$ -	\$ -	\$ -	\$ 860,000
25-03	New	VMP Pump Upgrades	The increased required capacity at the VMP pump station is driven by the high growth demands expected in the HGL 172 m zone.	\$ 435,000	S	Res	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
25-04	New	Center Mountain	CRD project administration fee as calculated in the 2024 DCC program update	\$ 385,000	S	Res	\$ 65,000	\$ 142,000	\$ 77,000	\$ 77,000	\$ 77,000	\$ -	\$ 373,000
26-03	New	Mountain Heights Tank Options Analysis and Pre-Design	Pre-design effort for new Mountain Heights Tank(s), PS, and piping based on the 2025 DCC Program update. Includes analysis for options (sites, locations, required land acquisitions/SRWs, timing etc.) and establishment of next steps.	\$ 150,000	S	Res	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Sub-Total for Development Cost Charges (DCC)				\$ 3,195,000			\$ 1,280,000	\$ 2,387,000	\$ 107,000	\$ 277,000	\$ 107,000	\$ 30,000	\$ 2,908,000.00
Grand Total				\$ 229,536,000			\$ 7,793,508	\$ 26,595,000	\$ 19,281,000	\$ 18,530,000	\$ 18,516,000	\$ 18,587,000	\$ 101,509,000

Service: 2.680 JDF Water Distribution			
Project Number	16-03	Capital Project Title	Asset Management Plan
Capital Project Description	Combine past studies to plan out future capital expenditures.		
Project Rationale	Asset Management Planning necessary to effectively manage asset life cycles and plan for future improvement works.		
Project Number	21-14	Capital Project Title	Fire Storage Analysis
Capital Project Description	Assess and update the fire flow upgrade program to inform future capital works.		
Project Rationale	Assessing fire storage in the JDF system to inform future capital improvements.		
Project Number	25-01	Capital Project Title	Water Meter Strategic Plan
Capital Project Description	Review of the existing meter program and strategic planning including replacement vs repair cost benefit analysis, review of meter technologies, implementation phasing and short term and long term planning.		
Project Rationale	Review of the existing meter program and strategic planning including replacement vs repair cost benefit analysis, review of meter technologies, implementation phasing and short term and long term planning.		
Project Number	26-01	Capital Project Title	Pump Station Renewal Program
Capital Project Description	Ongoing pump station upgrade program to address upgrades aligned with 2025 Asset Management Plan and Condition Assessments. Will be updated in future years to align with AMP planning results.		
Project Rationale	Ongoing renewal of existing pump stations is critical to ongoing operations and to minimize infrastructure deficit.		
Project Number	26-02	Capital Project Title	Storage Tank Renewal Program
Capital Project Description	Ongoing storage tank upgrade program to address upgrades aligned with 2025 Asset Management Plan and Condition Assessments. Will be updated in future years to align with AMP planning results.		
Project Rationale	Ongoing renewal of existing water storage tanks is critical to ongoing operations and to minimize infrastructure deficit.		

Service: 2.680 JDF Water Distribution			
Project Number	18-03	Capital Project Title	JDF Site Decommissioning Program
Capital Project Description	Decommissioning of facilities that are no longer in use based on preliminary work from Annual Provisional		
Project Rationale	Numerous pump station and PRV facilities have been made redundant or have been decommissioned within the JDF system. Sites have been identified as part of the annual provisional project and funds are required to decommission of the sites and then demolish them. In 2021 the Treanor pump station demolition was carried out. The Townsview PS and Tank are under review for further decommissioning.		
Project Number	18-06	Capital Project Title	Post Disaster Emergency Water Distribution
Capital Project Description	Determine and supply response equipment for disaster response.		
Project Rationale	Proposed work includes developing a response plan to disasters to the Juan de Fuca water supply or distribution system. Funds are required to procure equipment and carry out works developed the in 2018 plan in conjunction with the Regional Water Supply disaster response Plan.		
Project Number	20-03	Capital Project Title	AC Pipe Replacement Program
Capital Project Description	Replacement of aging asbestos cement pipe year over year as outlined in the May 2023 staff report. Replacement is expected to be phased until 2055 to replace all AC pipe in the distribution network.		
Project Rationale	Asbestos Watermains within the JDF Water Distribution network are approaching end of life and becoming more prone to failure. Asset replacement prioritization is based on a number of factors, such as age, criticality, leak history, coordination with other municipal projects and synergies with development activities. As identified most recently in the May 2023 Staff Report, this AC Replacement Program is anticipated to continue until all AC pipe in the distribution system has been replaced. Current target deadline for complete replacement is 2055.		
Project Number	21-02	Capital Project Title	Sooke Road W/M Replacement - VMP to Jacklin
Capital Project Description	Replacement of aged, large diameter water main and smaller diameter AC from Jacklin Rd to VMP. 1,100m of 600mm Pipe - VMP to Jacklin as well as the asbestos cement distribution main along the same alignment.		
Project Rationale	According to corrosion assessment, a 2.2 kilometre section of an existing steel pipe along Sooke Road and Allendale Road (between Wishart to Jacklin) was unprotected and in need of replacement. In 2014, the design of both phases of the water main was completed by a consultant and construction of the main from Wishart to VMP was completed by CRD resources. The remaining 1.1km of 600mm steel pipe from Jacklin to Veterans Memorial Parkway still requires replacement and upgrades should also include replacement of the Asbestos Cement Pipe along this alignment.		

Service: 2.680 JDF Water Distribution			
Project Number	21-13	Capital Project Title	SCADA Master Plan Update & Upgrades
Capital Project Description	Update the SCADA Master Plan in conjunction with the RWS, Saanich Peninsula and Core Area infrastructure.		
Project Rationale	The SCADA and radio system utilized by JDF Water System comprises of components ranging from 2-25 years in age. A planned replacement of assets, to be coordinated with the Regional Water Supply and Saanich Peninsula Water & Wastewater Systems is required to create a more resilient and cohesive communications system		
Project Number	22-02	Capital Project Title	Microwave Radio Upgrades
Capital Project Description	Installation of high-bandwidth microwave radio infrastructure to accommodate CRD infrastructure		
Project Rationale	Installation of high-bandwidth microwave radio infrastructure to accommodate CRD infrastructure		
Project Number	24-02	Capital Project Title	Hwy 14 Watermain Relocation
Capital Project Description	Relocation of CRD watermain in MOTT right of way. Project work to be bundled within MOTT's project.		
Project Rationale	Schedule of project delivery is dictated by Ministry of Transportation project delivery.		
Project Number	25-06	Capital Project Title	Large Meters & Pressure Control Stations Replacement Program
Capital Project Description	Ongoing program to upgrade billing meters and pressure control stations, including chambers as required.		
Project Rationale	This is an ongoing term program for the continued replacement of obsolete and worn out large (typically greater than 2" diameter) meters, adding new meters and upgrading meter vaults as well as for the ongoing replacement of Pressure Control Stations.		

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No.	2.680	Carry Forward 2025	2026	2027	2028	2029	2030	TOTAL
	Juan de Fuca Water Distribution & Regional Water Supply							

EXPENDITURE

Buildings	\$300,000	\$580,000	\$200,000	\$80,000	\$80,000	\$80,000	\$1,020,000
Equipment	\$448,125	\$1,163,125	\$430,000	\$411,000	\$409,000	\$405,000	\$2,818,125
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$150,000	\$100,000	\$75,000	\$75,000	\$50,000	\$450,000
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$748,125	\$1,893,125	\$730,000	\$566,000	\$564,000	\$535,000	\$4,288,125

SOURCE OF FUNDS

Capital Funds on Hand	\$705,000	\$1,850,000	\$730,000	\$566,000	\$564,000	\$535,000	\$4,245,000
Debenture Debt (New Debt Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$43,125	\$43,125	\$0	\$0	\$0	\$0	\$43,125
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$748,125	\$1,893,125	\$730,000	\$566,000	\$564,000	\$535,000	\$4,288,125

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. L - Land S - Engineering Structure B - Buildings V - Vehicles E - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. Study - Expenditure for feasibility and business case report. New - Expenditure for new asset only Renewal - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service Replacement - Expenditure replaces an existing asset
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	Debt - Debenture Debt (new debt only) ERF - Equipment Replacement Fund Grant - Grants (Federal, Provincial) Cap - Capital Funds on Hand Other - Donations / Third Party Funding Res - Reserve Fund WU - Water Utility If there is more than one funding source, additional rows are shown for the project.

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2026 - 2030

Service #: 2.670/2.680

Service Name: Regional Water Supply & JDF Water Distribution Combo

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
SYSTEM REPLACEMENT AND UPGRADES THAT BENEFIT REGIONAL WATER SUPPLY AND JUAN DE FUCA DISTRIBUTION													
16-01	Renewal	Upgrades to Buildings at 479 Island Highway	Maintenance and changes to buildings, office layouts, meeting rooms, yard improvements, lab improvements and technology upgrades.	\$ 2,330,000	B	WU	\$ 300,000	\$ 580,000	\$ 200,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 1,020,000
17-01	Renewal	Voice Radio Upgrade	Replacement of end of life voice radio system repeaters, office, vehicle and handheld radios.	\$ 2,325,000	E	WU	\$ 200,000	\$ 350,000	\$ -		\$ -		\$ 350,000
24-01	Replacement	IT Core Infrastructure Replacement	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life	\$ 250,000	E	WU	\$ 205,000	\$ 215,000	\$ 25,000	\$ 6,000	\$ 4,000	\$ -	\$ 250,000
25-02	New	SCADA System Cybersecurity	Shared project budget to improve cyber security in the SCADA system.	\$ 400,000	E	Other	\$ 43,125	\$ 43,125	\$ -	\$ -	\$ -		\$ 43,125
26-01	New	479 Island Highway Autogates	Supply and installatin of autogates with intercom and FOB at 479 Island Highway Office.	\$ 150,000	E	WU	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Sub-Total System Replacement and Upgrades That Benefit Regional Water Supply and Juan de Fuca Distribution				\$ 5,455,000			\$ 748,125	\$ 1,338,125	\$ 225,000	\$ 86,000	\$ 84,000	\$ 80,000	\$ 1,813,125
ANNUAL PROVISIONAL CAPITAL ITEMS													
17-03	Replacement	Office Equipment, Upgrades and Replacements	Upgrade and replacement of office equipment as required.	\$ 450,000	E	WU	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 450,000
17-04	Replacement	Computer Upgrades	Annual upgrade and replacement program for computers, copiers, printers, network equipment as required.	\$ 950,000	E	WU	\$ -	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 950,000
17-06	Replacement	Small Equipment & Tool Replacement (Water Operations)	Replacement of tools and small equipment for Water Operations as required.	\$ 500,000	E	WU	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
17-07	Replacement	Small Equipment & Tool Replacement (Corporate Fleet)	Replacement of tools and small equipment for Fleet as required.	\$ 85,000	E	WU	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
24-02	Study	Capital Projects Delivery Optimization	Ongoing internal improvement of templates, tools and processes used in the delivery of capital projects.	\$ 425,000	S	WU	\$ -	\$ 150,000	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 450,000
Sub-Total for Annual Provisional Capital Items				\$ 2,410,000			\$ -	\$ 555,000	\$ 505,000	\$ 480,000	\$ 480,000	\$ 455,000	\$ 2,475,000
Grand Total				\$ 7,865,000			\$ 748,125	\$ 1,893,125	\$ 730,000	\$ 566,000	\$ 564,000	\$ 535,000	\$ 4,288,125

Service: **2.670/2.680** **Regional Water Supply & JDF Water Distribution Combo**

Project Number	16-01	Capital Project Title	Upgrades to Buildings at 479 Island Highway	Capital Project Description	Maintenance and changes to buildings, office layouts, meeting rooms, yard improvements, lab improvements and technology upgrades.
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Project Rationale The budget includes the following funds to upgrade and renew the buildings at 479 Island Highway, including:

- Improvements, Repairs, upgrades and changes to the buildings
- Painting of the buildings
- Repair and replacement of carpets, floors and walls
- Climate Action initiatives and feasibility studies
- Improvements to Meeting Rooms, including technology upgrades

Project Number	17-01	Capital Project Title	Voice Radio Upgrade	Capital Project Description	Replacement of end of life voice radio system repeaters, office, vehicle and handheld radios.
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Project Rationale Service Life and projected replacement:

- The service life of the mobile and portable units was forecast as 10 years at minimum, 15 years at maximum in 2005.
- The present radio models used in the system have just been taken out of production by the manufacturer, there will be no new units available for purchase as of July 1, 2015.
- Support for repairs and maintenance of the present radio will continue for the next 3 years at least.
- There are no pressing issues with equipment maintenance or repairs, present repair rates suggest we can maintain the system for the next few years, and perhaps reach a 12-15 year lifespan on the present equipment.

Project Number	17-03	Capital Project Title	Office Equipment, Upgrades and Replacements	Capital Project Description	Upgrade and replacement of office equipment as required.
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Project Rationale Funds will be used for the replacement and upgrading of office equipment and furniture, as required.

Service: **2.670/2.680** **Regional Water Supply & JDF Water Distribution Combo**

Project Number	17-04	Capital Project Title	Computer Upgrades	Capital Project Description	Annual upgrade and replacement program for computers, copiers, printers, network equipment as required.
Project Rationale	This is an annual upgrading and replacement program of computers, photocopiers, network, monitoring and associated equipment, as required. This item has been increased from \$160,000 to \$170,000 annually to reflect actual costs. Capital Budget Network Switch Maintenance \$10,000 Additional Wireless Access Points and Maintenance \$15,000 Photocopier Replacement \$20,000 Additional Data Storage \$15,000 Replacement Computers \$75,000 Equipment Maintenance (contingency) \$23,000 Replace Access Control System - Gates/ Video Cameras \$12,000 Total Capital \$170,000				
Project Number	17-06	Capital Project Title	Small Equipment & Tool Replacement (Water Operations)	Capital Project Description	Replacement of tools and small equipment for Water Operations as required.
Project Rationale	Funds will be used for replacement of a variety of Operations and Welding equipment such as cutting saws, portable generators, gas detectors, Hilti drills, plasma cutter, wire welder, etc.				
Project Number	17-07	Capital Project Title	Small Equipment & Tool Replacement (Corporate Fleet)	Capital Project Description	Replacement of tools and small equipment for Fleet as required.
Project Rationale	Funds will be used for replacement of a variety of Fleet small equipment and tools as required. This includes provision to replace the Vehicle OBD reader for reading engine codes and the shop air compressor.				
Project Number	24-01	Capital Project Title	IT Core Infrastructure Replacement	Capital Project Description	Replacement of Core IT infrastructure such as servers, network switches, UPS, etc for equipment end of life
Project Rationale	Ongoing end of life replacement program for IT Core Infrastructure, including servers, network switches, UPS, and other equipment.				

Service: 2.670/2.680 Regional Water Supply & JDF Water Distribution Combo			
Project Number	24-02	Capital Project Title	Capital Projects Delivery Optimization
		Capital Project Description	Ongoing internal improvement of templates, tools and processes used in the delivery of capital projects.
Project Rationale	Ongoing program for small scale optimization of project delivery methods and tools.		
Project Number	25-02	Capital Project Title	SCADA System Cybersecurity
		Capital Project Description	Shared project budget to improve cyber security in the SCADA system.
Project Rationale	Project budget to improve cyber security in the SCADA System. CRD IT Department to lead and provide implementation support.		
Project Number	26-01	Capital Project Title	479 Island Highway Autogates
		Capital Project Description	Supply and installatin of autogates with intercom and FOB at 479 Island Highway Office.
Project Rationale			

2.680 Juan de Fuca Water Distribution
Summary Schedule
2026 - 2030 Financial Plan

Asset Profile

Juan de Fuca Water Distribution

Juan de Fuca assets include lands, office buildings, pump stations, pipe lines, meters, equipment, vehicles and other infrastructure.

Reserve/Fund Summary

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
DCC Reserve Account						
Equipment Replacement Fund	21,622,587	22,259,487	25,153,587	27,879,387	30,773,487	33,743,787
					1,403,808	2,184,298
Total	22,117,801	22,836,905	25,877,405	28,725,605	32,177,295	35,928,085

**2.680 Juan de Fuca Water Distribution
Development Cost Charges
2026 - 2030 Financial Plan**

Development Cost Charges Reserve Schedule

Reserve Fund: Development Cost Charges for Juan de Fuca Water Distribution (Bylaw # 2758)

Fund: 1055 Fund Center: 101532

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	18,318,687	21,622,587	22,259,487	25,153,587	27,879,387	30,773,487
Transfer from Operating Budget	15,900	23,900	1,100	2,800	1,100	300
Transfer to Cap Fund to fund DCC projects	(312,000)	(2,387,000)	(107,000)	(277,000)	(107,000)	(30,000)
DCC's received From Member Municipalities	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Interest Income*	600,000					
Ending Balance \$	21,622,587	22,259,487	25,153,587	27,879,387	30,773,487	33,743,787

General Comments:

Development Cost Charges Reserve Funds for Juan de Fuca Water Distribution was adopted in year 2000 for the purpose of providing funds for the capital costs of water facilities in the service areas.

These Reserve funds are received from Member Municipalities as Development Cost Charges (DCC's) to provide for the capital costs attributable to water sytem capacity improvements projects specified in the DCC capital expenditure program. Municipalities collect these DCC charges through building permits that are issued to developers for subdivision development.

Future years DCC's received from member municipalities are difficult to predict, due to unknown development activity in the Municipalities, influenced by market conditions. Estimates based on recent annual collections of DCCs, and the cyclical nature of property development.

**2.680 Juan de Fuca Water Distribution
Equipment Replacement Reserve
2026 - 2030 Financial Plan**

Equipment Replacement Reserve Schedule

Reserve Fund: Juan de Fuca Distribution Equipment Replacement Reserve (covered by CRD-ERF Bylaw)

Fund: 1022 Fund Center: 101630

	Estimated	Budget				
	2025	2026	2027	2028	2029	2030
Beginning Balance	774,133	495,214	577,418	723,818	846,218	1,403,808
Equipment purchases (Based on Capital Plan)	(991,492)	(774,000)	(710,000)	(750,000)	(250,000)	-
Transfer from Operating Budget	661,564	740,104	749,900	759,900	770,090	780,490
Proceeds on disposals	46,807	116,100	106,500	112,500	37,500	-
Transfer from Other (MFA etc.)	-	-	-	-	-	-
Interest Income*	4,203					
Ending Balance \$	495,214	577,418	723,818	846,218	1,403,808	2,184,298

General Comments:

Reserve Fund is used for the purpose of replacing fleet vehicles including heavy equipment and associated mobile components, as outlined in the capital plan. Proceeds from disposals are estimated at 15% of replacement equipment purchases. Note not all vehicles are sold within the year in which they are replaced.



