

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Finance Committee (Round 1 Budget) – November 25-26, 2024

**AUTHOR:** Shane Walkey, Manager, Utility Services  
Jesse Waldorf, Manager, Capital Projects

**SUBJECT:** **2025 ROUND 1 BUDGET PROPOSAL FOR WATER SERVICES [365 / 366 / 370]**

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### RECOMMENDATION(S)

**THAT** the report titled **2025 Round 1 Budget Proposal for Water Services [365 / 366 / 370]** be received for information;

**AND THAT** for 2026 budget deliberations staff develop for a short-term capital work plan to support Minor Capital for the North Pender Harbour Water Service and South Pender Harbour Water Service.

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### BACKGROUND

As part of the Budget Process staff report potential budget adjustments to the Board. Budget Proposals provide the detail to support the potential adjustment and allow the Board to make informed decisions regarding funding projects or service enhancements, as well as ways to reduce the budget.

### DISCUSSION

#### **2025 R1 Budget Proposals**

1	<i>Function Number – Project Title:</i>	[365] – North Pender Harbour Water Service Minor Capital
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase Requests
	<i>Geographic Areas Affected:</i>	A
	<i>2025 Funding Required:</i>	\$30,000
	<i>Funding Source(s):</i>	Capital Reserves
	<i>Rationale / Service Impacts:</i>	As per SCR D any purchase of an asset over \$5,000 is considered to be a capital asset and is to be funded from Capital Reserves. Board approval for any such expenditures can be provide in several ways: 1) by approval a Capital

		<p>plan that include those expenditures, 2) with stand-alone approvals or 3) by allocating an annual amount of capital reserves to be spend on minor capital expenditures.</p> <p>The Regional Water Service annual base Minor Capital budget is utilized to fund asset replacements and/or minor capital works that are typically over \$5,000. The North Pender Harbour (NPH) Water Service Area has not established a base Minor Capital budget, however, due to rising costs associated with replacing minor capital components of various mid-life assets such as the Garden Bay UV Treatment Plant, as well as aging Pump Stations, PRVs and Reservoirs within the service area, establishing a base Minor Capital budget would allow for expedited procurement and efficiencies.</p> <p><u>Option 1:</u> The establishment of a base Minor Capital budget for the NPH service area of \$30,000 until such time that the capital plan for this service has been adopted by the Board or the maximum value included within the Tangible Capital Asset policy has been updated.</p> <p><u>Option 2:</u> The establishment of a base Minor Capital budget for the NPH service area of \$30,000 for 2025 only.</p> <p>Presenting individual budget proposals is not a feasible option as that might not allow for replacement of essential assets within a timeline manner to avoid service interruptions.</p>
	<p><i>HR Implications</i></p>	<p><input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE  <input checked="" type="checkbox"/> No Additional FTE or Resourcing  <input type="checkbox"/> Term or Student (TIME)</p>
	<p><i>Future Financial Implications and Life Cycle Cost Breakdown</i></p>	<p>The capital plan under development for this water system will consider all current capital assets.</p> <p>If Option 1 is approved: 2026 Financial Implications: \$30,000 (ongoing)</p> <p>If Option 2 is approved, it will result in a temporary one time increase to the annual capital budget for the NPH water service area.</p>
	<p><i>Asset Management Implications:</i></p>	<p>5.0 Asset Governance</p>

		This budget proposal will allow for a more efficient governance of existing assets.
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

2	<i>Function Number – Project Title:</i>	[365] – North Pender Harbour Water Service Base Budget Increase
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase Requests
	<i>Geographic Areas Affected:</i>	A
	<i>2025 Funding Required:</i>	\$30,000
	<i>Funding Source(s):</i>	User Fees
	<i>Rationale / Service Impacts:</i>	Staff have reviewed the base operating budget for the North Pender Harbor Water Service Area and due to rising material and contracted services costs and other miscellaneous expenditures (i.e. Bank Fees, Permits) the existing base budget is not sufficient and requires an increase.
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	2026 Financial Implications: \$30,000 (ongoing)  The base budget increase will provide ongoing operational funding.
		N/A - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

3	<i>Function Number – Project Title:</i>	[366] – South Pender Harbour Water Service Minor Capital
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase Requests
	<i>Geographic Areas Affected:</i>	A

	<i>2025 Funding Required:</i>	\$50,000 (One-time)
	<i>Funding Source(s):</i>	Capital Reserves
	<i>Rationale / Service Impacts:</i>	<p>As per SCRD any purchase of an asset over \$5,000 is considered to be a capital asset and is to be funded from Capital Reserves. Board approval for any such expenditures can be provide in several ways: 1) by approval a Capital plan that include those expenditures, 2) with stand-alone approvals or 3) by allocating an annual amount of capital reserves to be spend on minor capital expenditures.</p> <p>The Regional Water Service annual base Minor Capital budget is utilized to fund asset replacements and/or minor capital works that are typically over \$5,000. The South Pender Harbour (SPH) Water Service Area has not established a base Minor Capital budget, however, due to rising costs associated with replacing minor capital components of various mid-life assets such as the Garden Bay UV Treatment Plant, as well as aging Pump Stations, PRVs and Reservoirs within the service area, establishing a base Minor Capital budget would allow for expedited procurement and efficiencies.</p> <p><u>Option 1:</u> The establishment of a base Minor Capital budget for the SPH service area of \$50,000 until such time that the capital plan for this service has been adopted by the Board or the maximum value included within the Tangible Capital Asset policy has been updated.</p> <p><u>Option 2 :</u> The establishment of a base Minor Capital budget for the SPH service area of \$50,000 for 2025 only</p> <p>Presenting individual budget proposals is not a feasible options option as that might not allow or replacement of essential assets within a timeline manner to avoid service interruptions.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	The capital plan under development for this water system will consider all current capital assets.

		<p>If Option 1 approved: 2026 Financial Implications: \$50,000 (ongoing)</p> <p>If Option 2 is approved, it will result in a temporary one-time increase to the annual capital budget for the SPH water service area.</p>
	<i>Asset Management Implications:</i>	<p>5.0 Asset Governance</p> <p>This budget proposal allows for a more efficient governance of the assets.</p>
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

4	<i>Function Number – Project Title:</i>	[366] – South Pender Harbour Water Service Base Budget Increase
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase Requests
	<i>Geographic Areas Affected:</i>	A
	<i>2025 Funding Required:</i>	\$44,000
	<i>Funding Source(s):</i>	User Fees
	<i>Rationale / Service Impacts:</i>	Staff have reviewed the base operating budget for the South Pender Harbour Water Service Area and due to rising material and contracted services costs and other miscellaneous expenditures (i.e., Deliveries) the existing base budget is not sufficient and requires an increase.
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	<p>2026 Financial Implications: \$44,000 (ongoing)</p> <p>The base budget increase will provide ongoing operational funding.</p>
	<i>Asset Management Implications:</i>	n/a - Operational
<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a	

5	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – Water Supervisory Control Data Acquisition (SCADA) Upgrades (Treatment, Pumpstations, Reservoirs) - Phase 2 <b>Extraordinary</b>
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Strategic Plan Related
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$362,230
	<i>Funding Source(s):</i>	Capital Reserves
	<i>Rationale / Service Impacts:</i>	<p>Supervisory Control Data Acquisition (SCADA) is a system that monitors and controls field devices at remote sites. Current Situation:                  The SCRD’s SCADA systems, responsible for managing water and wastewater infrastructure, are outdated, unsupported, and increasingly unmaintainable due to obsolete technology. Many components, including communication protocols, controllers, and servers are at risk of failure without readily available replacements.</p> <p>Phase 1 of the SCADA Upgrade Project, currently in progress, involves working with MPE, a consulting firm, to develop a Master Plan and provide recommendations for modernizing the system. This plan will serve as the foundation for the upcoming Phase 1B (already budgeted for in 2024), which will involve the procurement and installation of hardware and software to ensure system stability, security, and scalability.</p> <p>Previously approved budget for this work was \$500,000.00 in 2023 carried into 2024.</p> <p>Phase 2 (2024 – 2025): Implementation of the Master Plan recommendations, including the purchase of new server hardware and software. This phase will also prioritize upgrades for critical hardware at key locations, focusing on enhancing system reliability and reducing cybersecurity risks.</p> <p>Phases 3 (2026) will focus on replacement of older and non-redundant PLCs and</p>

		communications systems across the remaining water assets.
	<i>HR Implications</i>	<input checked="" type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
		FTE Count: 0.09 (Existing) Cost (2025): \$ 13,062  Additional FTE Count: 0.08 Cost (2025): \$ 9,164  Total FTE 0.17 Cost (2025) \$22,227
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	2026 Phase 3 funding required to complete the project is \$232,840
	<i>Asset Management Implications:</i>	2.0 O&M and Capital Planning
		SCADA equipment will be added to the Utilities Capital Asset Registry.
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

6	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – SCRD Water Service Climate Change Resilience Analysis <b>Extraordinary</b>
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Strategic Plan Related
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$90,000
	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	<p><b>*Staff recommend deferring this project to 2026</b></p> <p>The project will be conducted by a professional consultant with expertise in water utilities and climate change. The project will be led by Utilities with support from Sustainable Development. The analysis will focus on the SCRD Water Service Areas, including Chapman, Gray, and McNeill Watersheds, as well as Garden Bay, Waugh</p>

		<p>Lake, and Mt. Elphinstone Watersheds. The key components of the analysis are detailed below:</p> <ol style="list-style-type: none"> <li>1. Risk Assessment Recommendations</li> <li>2. Review of Current Data Collection Activities</li> <li>3. Identifying Data Gaps and Redundancies</li> <li>4. Review of Climate Change Risks to Built Infrastructure</li> <li>5. Review of Programs and Policies for Climate Change Adaptation</li> <li>6. Overview of Industry Best Practices and Key Performance Indicators (KPIs)</li> <li>7. Public-Facing Executive Summary</li> </ol>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	N/A – One-time operating expenditure
	<i>Asset Management Implications:</i>	n/a - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	Goal 6: Water systems are resilient to increasing temperatures, recurring, and worsening drought.

7	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – Leak Detection Equipment Phase 2
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Strategic Plan Related
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$75,000
	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	<p>In 2022, the SCRD purchased several pieces of leak detection and correlation equipment that allows for the identification and diagnosing of water loss within the water distribution network. This pilot program has been successful as a first step in establishing a knowledge base and technological proficiency in water leak identification and remediation, and staff have utilized the existing equipment to help identify</p>



		<p>and resolve numerous leaks within various water service areas on the Sunshine Coast.</p> <p>Phase 2 of this program involves expanding the leak detection equipment inventory to include more sophisticated and efficient equipment that will further help staff identify and remediate larger distribution system leaks. This equipment would include the purchase of numerous remote monitoring sensor equipment that could be installed on valving and left overnight in the field. Staff could then remotely access the diagnostic data and determine if a leak is present, and then further investigate the location(s) using existing equipment. In addition, to support these remote monitoring sensors, a more advanced ground microphone system as well as power transmitters and computing equipment and software would be required. Also included in this project would be 2-3 days of in class and in field training for staff to familiarize themselves with and demonstrate the new equipment and sensors.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	Maintenance and replacement of infrastructure related to this endeavor may require future funding.
	<i>Asset Management Implications:</i>	2.0 O&M and Capital Planning Leak detection equipment will be added to the Utilities Capital Asset Registry.
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

8	<i>Function Number – Project Title:</i>	[366 / 370] – Concrete Reservoir Maintenance (leaking)
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Strategic Plan Related
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$416,000

	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	<p>The Selma 2 reservoir located at the Chapman WTP is the main reservoir for all of the Chapman water system supplying water and ensuring that pressure is maintained to Zone 1 and 2 within the system. An inspection on the concrete noted several areas where the concrete was leaking water to the underdrain system. Staff have repaired cracks and constructed a leak capture system to reuse the leaking water resulting in increased operational costs and inefficiencies.</p> <p>Francis Peninsula reservoir is an integral part of the South Pender Harbour water system, the reservoir ensures water is conveyed to residents within the Francis Peninsula area at adequate pressure. There are no drawings of the reservoir, but historical knowledge of the system operations dates the reservoir to the mid 1980's. In mid-2023, the SCRCD hired divers to perform an inspection of the reservoir. The inspection noted several areas where there is rebar partially exposed. Additionally, there are several large cracks near the top of the reservoir where water seeps from the reservoir when it is full.</p> <p>This project is to mitigate all leakage from the Selma 2 reservoir by repairing all cracks and coating all seams and the bottom of the reservoir with an epoxy coating. The Francis Peninsula reservoir will need to be sand blasted to prep the service for epoxy coating that will both seal the cracks and cover the exposed rebar.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	N/A
	<i>Asset Management Implications:</i>	2.0 O&M and Capital Planning
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

9	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – Bylaw 320 Update - Additional Funding <b>Extraordinary</b>
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Board Directed or Business Continuity
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$60,000
	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	<p>The SCRD is reviewing and updating the <i>Subdivision and Development Servicing Bylaw No. 320</i>. As an SCRD OCP update is considered, there is a need to ensure the standards and content of the Draft Bylaw are consistent with the update to the OCP, including new provincial regulations.</p> <p>The main project objective is to review the current Subdivision and Servicing Bylaw in conjunction with the Draft Bylaw and update and finalize the Draft Bylaw in order for the SCRD to finalize a new Subdivision Servicing Bylaw. The update must ensure subdivision and development requirements are supportive of the principals and draft policies of the OCP update that are currently being developed and new provincial development regulations. Standard engineering drawings are to be updated and included in the updated Subdivision Servicing Bylaw. The existing budget is insufficient to complete the remaining work to update this bylaw.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	Future upgrades to the bylaw will be required.
	<i>Asset Management Implications:</i>	n/a - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

10	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – Preliminary Service Review - Utility Services <b>Extraordinary</b>
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Board Directed or Business Continuity
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$75,000
	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	<p>The Infrastructure Services Department is responsible for the provision of water and wastewater services within the SCRD. The delivery of these services has been challenging over the last several years due to a combination of factors including, the impacts of climate change, increased expectations from the community, increased regulatory requirements, community growth, aging infrastructure, decades of insufficient asset management, increased focus on reconciliation with the local First Nations, and increasing costs. While the number of staff working on all aspects of these services have significantly been increased, there are still challenges with the adequate delivery of these services resulting in staff high workloads, elevated stress levels, and reduced moral while simultaneously there is an ongoing substantial backlog of operational and capital projects to be completed, regular (preventative) maintenance work and planning, and policy development. While the high-level service levels for these services are often determined by regulatory requirements, more clearly defined operational service levels are lacking.</p> <p>The objectives of the service review for Utility Services are:</p> <ul style="list-style-type: none"> <li>- Providing an overview of the regulatory set service levels.</li> <li>- Defining the relevant operational service levels.</li> <li>- An assessment of the current staffing levels, organization structure, staff scheduling, staff recruitment, sick leave rates, and relevant</li> </ul>

		<p>policies and procedures associated with the delivery of these services.</p> <p>- Providing recommendations on actions to be taken to improve the delivery of these services such that the service levels as defined in this study can be achieved.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	N/A - Operational
	<i>Asset Management Implications:</i>	n/a
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

11	<i>Function Number – Project Title:</i>	[365 / 366 / 370] – Commercial Food-Growing Farms Policy Development <b>Extraordinary</b>
	<i>Risk Factor:</i>	LOW: Minimal / None
	<i>Category:</i>	Non-Mandatory Board Directed or Business Continuity
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$85,000
	<i>Funding Source(s):</i>	Grant
	<i>Rationale / Service Impacts:</i>	<p><b>*Staff recommend deferring to 2026</b></p> <p>This project aims to complete the following SCRD Board directive:</p> <p>AND THAT staff work in collaboration with the Farmers Institute to develop a budget proposal for 2025 funded by the Agricultural Amenities Fund that would develop water use and OCP-related policy to support commercial food-growing farms in the Sunshine Coast Regional District.</p> <p>After consultation with the Sunshine Coast Farmers Institute the project is to include a review and comparison of existing and potential agricultural water and land use policies and their benefits and implications and would be</p>

		undertaken by a consultant. This review will involve SCRD staff and representatives from the commercial farming community. This could include: an assessment of the contributions by these farms to the Sunshine Coast community, an agricultural water rate review, agriculture specific water use regulations, agricultural land use designations, or expansion of rainwater harvesting programming. The consultant is expected to recommend strategic policy direction on how to approach water supply for commercial farms growing food and associated tools that could be developed and implemented.
	<i>HR Implications</i>	<input checked="" type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
		FTE Count: 0.15 (Existing) Cost (2025): \$ 17,906  Additional FTE Count: 0.15 Cost (2025): \$ 16,523  Total FTE 0.30 Cost (2025) \$34,429
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	N/A
	<i>Asset Management Implications:</i>	N/A - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	Goal 6: Water systems are resilient to increasing temperatures, recurring, and worsening drought.

12	<i>Function Number – Project Title:</i>	[366] – McNeill Lake Instrumentation
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Board Directed or Business Continuity
	<i>Geographic Areas Affected:</i>	A
	<i>2025 Funding Required:</i>	\$20,125
	<i>Funding Source(s):</i>	Capital Reserves
	<i>Rationale / Service Impacts:</i>	This project aims to significantly modernize and enhance the environmental monitoring

		<p>capabilities of McNeill Lake by modernizing and automating the recording of vital environmental data. The goal is to improve data accuracy, streamline reporting processes, and seamlessly integrate these advancements into our Supervisory Control Data Acquisition (SCADA) system.</p> <p>This project will focus on automatization of expending the monitoring systems for rainwater measurements, lake levels, and lake and air temperatures.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	Ongoing operation and maintenance may require future operational funding.
	<i>Asset Management Implications:</i>	2.0 O&M and Capital Planning
		Instrumentation equipment will be added to the Utilities Capital Asset Registry.
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	Goal 6: Water systems are resilient to increasing temperatures, recurring, and worsening drought.

13	<i>Function Number – Project Title:</i>	[365, 366, 370] – Cross Connection Control Program <b>Extraordinary</b>
	<i>Risk Factor:</i>	HIGH RISK: Urgent - Service Level Impact
	<i>Category:</i>	Non-Mandatory Discretionary
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$90,000
	<i>Funding Source(s):</i>	Operating Reserves
	<i>Rationale / Service Impacts:</i>	Legally the SCRD is obligated to have a program to prevent contamination of our drinking water systems due to water flowing back into our system from large connections. This is called a Backflow Prevention Program. An internal review of the current program has found it to be inadequate and is not compliant with the provincial regulations and exposes the SCRD to

		<p>legal and financial risks. The proposal is to develop and implement an updated program in 3 years.</p> <p>Option 1: 2025 program development and Phase 1 of implementation. Based on results of Phase 1 a subsequent budget proposal will be presented for a second implementation phase. Total cost \$90,000.</p> <p>Option 2: 2025 program development only (\$40,000). Separate budget proposals would be required for the implementation phases.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input checked="" type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	Ongoing staffing and operation costs will be minimal
	<i>Asset Management Implications:</i>	n/a - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a



**Financial Implications**

<b>Five-Year Capital Reserve Plan (or longer, if applicable)</b>					
<b>(use table illustrating capital contributions and expenditures, if available)</b>					
365 - North Pender Harbour	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 962,541	\$ 1,027,067	\$ 1,203,694	\$ 1,418,948	\$ 1,634,802
Contributions Surplus	\$ 148,860	\$ 211,553	\$ 215,254	\$ 215,854	\$ 322,113
2025 Budget Proposal	-\$ 84,334	-\$ 34,926	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 1,027,067	\$ 1,203,694	\$ 1,418,948	\$ 1,634,802	\$ 1,956,915

  

366 - South Pender Harbour	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 913,441	\$ 952,152	\$ 1,171,332	\$ 1,456,773	\$ 1,743,115
Contributions Surplus	\$ 179,268	\$ 277,389	\$ 285,441	\$ 286,342	\$ 538,923
2025 Budget Proposal	-\$ 140,557	-\$ 58,209	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 952,152	\$ 1,171,332	\$ 1,456,773	\$ 1,743,115	\$ 2,282,038

  

370 - Regional	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 7,563,770	\$ 7,988,765	\$ 8,803,061	\$ 9,975,600	\$11,171,531
Contributions Surplus	\$ 1,085,203	\$ 1,126,159	\$ 1,238,594	\$ 1,253,780	\$ 3,766,342
2025 Budget Proposal	-\$ 660,208	-\$ 311,862	-\$ 66,055	-\$ 57,849	-\$ 50,817
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 7,988,765	\$ 8,803,061	\$ 9,975,600	\$11,171,531	\$14,887,056

<b>Five-Year Operating Reserve Plan (or longer, if applicable)</b>					
<b>(use table illustrating capital contributions and expenditures, if available)</b>					
365 - North Pender Harbour	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Reserve	\$ 517,973	\$ 506,156	\$ 563,017	\$ 617,650	\$ 669,710
2024 Operating Surplus	\$ 117,193	\$ -	\$ -	\$ -	\$ -
2025 Budget Proposals	-\$ 121,500	-\$ 2,500	-\$ 50	-\$ 50	\$ -
Contribution to Reserve	-\$ 7,510	\$ 59,361	\$ 54,683	\$ 52,110	\$ 397,291
Closing Balance in Reserve	\$ 506,156	\$ 563,017	\$ 617,650	\$ 669,710	\$ 1,067,001

  

366 - South Pender Harbour	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Reserve	\$ 858,993	\$ 637,548	\$ 647,466	\$ 655,533	\$ 658,452
2024 Operating Surplus	\$ 184,928	\$ -	\$ -	\$ -	\$ -
2025 Budget Proposals	-\$ 350,125	-\$ 5,000	-\$ 100	-\$ 100	-\$ 100
Contribution to Reserve	-\$ 56,248	\$ 14,918	\$ 8,167	\$ 3,019	\$ 560,965
Closing Balance in Reserve	\$ 637,548	\$ 647,466	\$ 655,533	\$ 658,452	\$ 1,219,317

  

370 - Regional	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Reserve	\$ 3,822,889	\$ 5,846,695	\$ 7,044,747	\$ 8,381,032	\$ 9,673,566
2024 Operating Surplus	\$ 1,272,327	\$ -	\$ -	\$ -	\$ -
2025 Budget Proposals	-\$ 1,084,089	-\$ 175,832	-\$ 136,705	-\$ 136,705	-\$ 136,705
Contribution to Reserve	\$ 1,835,568	\$ 1,373,884	\$ 1,472,990	\$ 1,429,238	\$ 5,854,483
Closing Balance in Reserve	\$ 5,846,695	\$ 7,044,747	\$ 8,381,032	\$ 9,673,566	\$ 15,391,344

Reviewed by:			
CAO / CFO		Legislative	
Finance		Manager	
GM		Other Staff	