

Understanding Your Water Rate

Juan de Fuca Water Distribution Service



Capital Regional District | 2023

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The Capital Regional District's Juan de Fuca Water Distribution Service water rate has been set to ensure sufficient funding to support distribution of high quality, safe drinking water through a reliable and efficient drinking water system.

CRD Integrated Water Services operates the Juan de Fuca Water Distribution System which provides water directly to over 22,000 properties in the Town of View Royal, City of Colwood, City of Langford, District of Metchosin, District of Highlands, District of Sooke, East Sooke in the Juan de Fuca Electoral Area, and to the Beecher Bay First Nation, Esquimalt First Nation, Songhees First Nation, and T'Souke First Nation.

What is the JDF Water Distribution Service water rate?

The CRD sets the distribution or 'retail' water rate annually to ensure sufficient funding to support the operation, maintenance, and safe delivery of drinking water throughout the extensive distribution system. The retail water rate includes the 'wholesale' water rate portion which is the cost of purchasing the bulk water from the Regional Water Supply Service.

The 2023 CRD JDF Water Distribution Service retail water rate is \$ 2.5466 per cubic metre.

How is the JDF Water Distribution Service water rate calculated?

The water rate is calculated by dividing the annual revenue requirement to fund the Juan de Fuca Water Distribution Service, by the estimated annual demand, and covers the full cost of delivering the service.

What does it pay for?

The costs of operating and maintaining the extensive Juan de Fuca Water Distribution System and continually upgrading, repairing and renewing the capital infrastructure are funded entirely through the sale of drinking water to the service area customers. The capital expenditures also include paying down debt associated with previous major projects such as the long-term asbestos cement water main replacement project and the system-wide fire flow upgrade program. The system maintenance program includes water main flushing, reservoir cleaning, water meter and service maintenance and repairs, fire hydrant maintenance and repairs, pump station and pressure regulating station operation and maintenance.

As previously noted, the retail water rate includes the wholesale water rate portion which is the cost of purchasing the bulk water from the Regional Water Supply Service, currently \$0.7698 per cubic meter.

The provision of high quality, safe drinking water depends on our Regional Water Supply operational programs, including:

- Protection and rehabilitation of the 20,549 hectares of CRD owned water supply areas
- Primary and secondary treatment of drinking water utilizing ultraviolet light and chloramination
- Extensive water quality testing, monitoring, analysis and reporting
- Operation and maintenance of the water supply system infrastructure by certified utility operations staff

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- Supply system infrastructure upgrading and renewal and long term expansion planning
- Demand management and cross connection control

It should be noted that the costs of extending new water distribution system infrastructure to serve new housing or business development are funded by the developers themselves, either through paying for the design and construction directly, or through building projects identified in the Juan de Fuca Water Development Cost Charge Program which is fully funded by development cost charge payments collected as development occurs across the service area.

Why did the Juan de Fuca Water Distribution water rate increase in 2023?

The rate increase is necessary as a result of:

- Increases in operating expenses associated with water distribution system operation, maintenance and repair costs
- Increased bulk water purchase expense due to increasing Regional Water Supply Wholesale water rate in 2023
- Annual capital funding and debt expenditures associated with on-going capital infrastructure upgrades and renewal and previous project funding requirements
- The 2023 capital plan anticipates \$26.9 million in capital projects, including \$18.6 million in projects that are in progress or are multi-year projects, \$2.29 million in project costs shared with the Regional Water Supply Service, plus \$6.2 million in Development Cost Charge (DCC) projects. The five year capital plan is currently valued at \$84.7 million
- The major projects planned for 2023 include accelerated asbestos cement water main replacement including the Goldstream Avenue main replacement from Veterans Memorial Parkway to Spencer Road, reservoir upgrades at Rocky Point Reservoir and Sun River Reservoir, pumpstation upgrades at Rocky Point Pumpstation and Ludlow Pumpstation, and residential service line and water meter replacements. Under the DCC program, 2023 construction is planned to continue at the McCallum Pumpstation and South Skirt Mountain Tank 4 and Pumpstation 7
- Accounting for depreciation of existing system infrastructure