

Understanding Your Water Rate

Regional Water Supply Service



Capital Regional District | 2023

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The Capital Regional District's Regional Water Supply water rate has been set to ensure sufficient funding to support the delivery of high quality, safe drinking water through a reliable and efficient drinking water system.

CRD Integrated Water Services operates the Regional Water Supply Service water supply areas and reservoirs, water treatment, and transmission systems and supplies drinking water to over 390,000 people through water distribution systems that deliver water directly to customers across Greater Victoria. The Regional Water Supply Service provides bulk water at a wholesale rate to the District of Oak Bay, the District of Saanich, the City of Victoria/Township of Esquimalt (combined system), the CRD Juan de Fuca Water Distribution System (serving 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, Beecher Bay First Nation, Esquimalt First Nation, Songhees First Nation, T'Souke First Nation), and the CRD Saanich Peninsula Water System (serving District of Central Saanich, District of North Saanich, Town of Sidney).

What is the wholesale water rate?

The Regional Water Supply wholesale water rate accounts for a portion of the price residents pay for water. The water purveyors or 'distributors' listed above determine their own 'retail' water rates to ensure sufficient funding to support the operation, maintenance, and safe delivery of drinking water through the distribution systems.

The 2023 CRD Regional Water Supply wholesale water rate is \$0.7698 per cubic metre. Retail water rates around the region typically range from \$1.50 to \$2.55 per cubic metre (which includes the wholesale rate portion).

How is the wholesale water rate calculated?

The wholesale water rate is calculated by dividing the annual revenue requirement to fund the Regional Water Supply Service by the estimated annual water demand, and covers the full cost of delivering the service.

What does it pay for?

The costs of operating and maintaining the extensive Regional Water Supply System and continually upgrading, repairing and renewing the capital infrastructure are funded entirely through the sale of drinking water to our municipal customers. The capital expenditures also include paying down debt associated with previous major projects such as raising the Sooke Lake Reservoir dam, the Japan Gulch Ultraviolet Disinfection Facility, the Sooke River Road Disinfection Facility, and acquiring the Leech Water Supply Area lands. A portion of the rate also provides funding for the Regional Agricultural Water Rate.

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

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- Extensive water quality testing, monitoring, analysis and reporting
- Operation and maintenance of the water supply system infrastructure by certified utility operations staff
- Supply system infrastructure upgrading and renewal and long term expansion planning
- Demand management and cross connection control

Why did the Regional Water Supply wholesale water rate increase in 2023?

The rate increase is necessary as a result of:

- Increases in operating expenses associated with water supply system operation, maintenance and repair costs
- 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 \$41.3 million in capital project investment and the five year capital plan is currently valued at \$222 million
- The major projects in 2023 include carry forward projects from 2022, most of which are in-stream, multi-year projects such as replacing the gatehouse at Goldstream, continuing dam safety related capital work including instrumentation and upgrades, the Transmission Mains No. 3 and No. 4 segments replacements project, the Goldstream Water Treatment Plant ultraviolet system replacement project and the Watershed Field Office building project
- New initiatives to provide water to First Nations at wholesale rates
- Accounting for depreciation of existing system infrastructure
- Agricultural water rate funding to support the Agricultural Water Rate of \$0.2105 per cubic metre