

MEDIA RELEASE

For Immediate Release

Date: January 11, 2024

CRD's \$2 Billion Water Plan Lacks Diligence, Public Consultation

Victoria – The Capital Regional District's (CRD) Regional Water Supply Master Plan lacks technical and financial due diligence, exposing residents to a potential 500%+ increase in water charges with expected cost overruns and adding thousands of dollars to the price of every new home, according to a new report by Jonathan Huggett, consulting engineer.

Huggett says the CRD is proposing a \$2 billion upgrade to the water supply system, including a \$1 billion filtration plant based on flawed projections and other questionable data. He advises that the plan fails to implement sound fiscal management practices and does not address soaring capital costs, particularly since the pandemic, risking significant project cost overruns.

"My report outlines a wide range of concerns, including flawed water demand and population projections, inadequate watershed management and water quality data, and poor financial risk management strategies," said Huggett.

John Ranns, retired eight-term mayor and CRD regional director agrees. "Any master plan is a broad look into the future and is never intended to be implemented as presented on day one. This plan contains a number of practical future projects, but the filtration plant option makes no sense whatsoever. Our gravity fed water supply system is the envy of North America and eliminating it to accommodate unneeded filtration will add huge operational costs and complexities. If this proceeds the only winners will be the engineering companies and the losers, as usual, will be our beleaguered residents." Ranns added that he would never have voted for it if he knew there would be no further scrutiny, and neither should the Municipalities.

"The 2022 Master Plan recommends large, costly engineering projects based on questionable assumptions, as did the 1994 Long Term Water Supply Plan," said Jack Hull, former General Manager, CRD Integrated Water Services. "Demand management, a non-engineering approach, was prioritized allowing the large, costly engineering projects to be deferred for decades. The non-engineering approach gets scant consideration in the current plan."

After a short on-line public engagement in mid-summer of 2022, where only 22 residents responded, the CRD Regional Water Supply Commission adopted the plan. Then, only weeks later, and despite the lack of public consultation and a flawed plan, the CRD Board approved the plan at what was virtually their last meeting before the October 2022 elections. The CRD is now moving forward with implementation.

Huggett's report was commissioned by four housing industry associations alarmed by the plan's flawed data and poor consultation. The Urban Development Institute - Capital Region, Victoria Residential Builders Association, West Shore Developers Association, and Sooke Builders Association discovered that due to this plan, the CRD is now fast-tracking more costs onto new housing during a housing affordability crisis. The plan will add additional Development Cost Charges of \$9,044 per new single-family home, and \$7,914 for each 'missing-middle housing' townhouse and duplex. For a 50-unit multi-family building, these new charges alone would add over \$250,000 to the build.

"Residential water users in Greater Victoria are not aware that the CRD plan will result in unprecedented rate increases," said Ben Mycroft, Chair of the Urban Development Institute - Capital Region. "There is no broad public awareness of this plan which will dramatically impact the cost of living for current and future residents. We are asking the CRD and municipalities to reconsider this plan and undertake a greater consultation process with the public."

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