

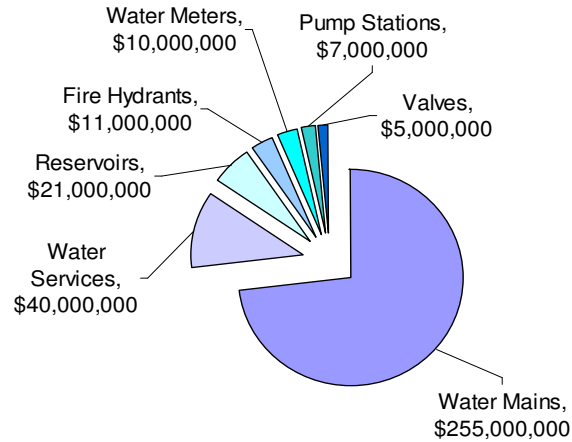
WATER CAPITAL

Saanich water infrastructure includes 541 km of water mains, 29,768 water services, 5 reservoirs, 18 pump stations, 7,883 valves and 2,177 fire hydrants valued at \$349 million.

The replacement of water mains, pump stations and reservoirs is based on an established multi year program to steadily increase core capital spending to sustainable levels.

In 2008 the core capital program funded from user charges will increase each year until reaching the target in approximately 2013.

The capital program for 2008 includes the second year commitment of a large project to replace the Rithet Reservoir Water Supply Main. When completed, the work will proceed to the next stage which is the seismic upgrading of the reservoir itself.



Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2008 \$)
Water mains	Varies	\$3,370,000
Water services	40	\$1,100,000
Reservoirs	100	\$230,000
Fire hydrants	80	\$150,000
Water meters	40	\$275,000
Pump stations	50	\$155,000
Valves	80	\$70,000
		\$5,350,000

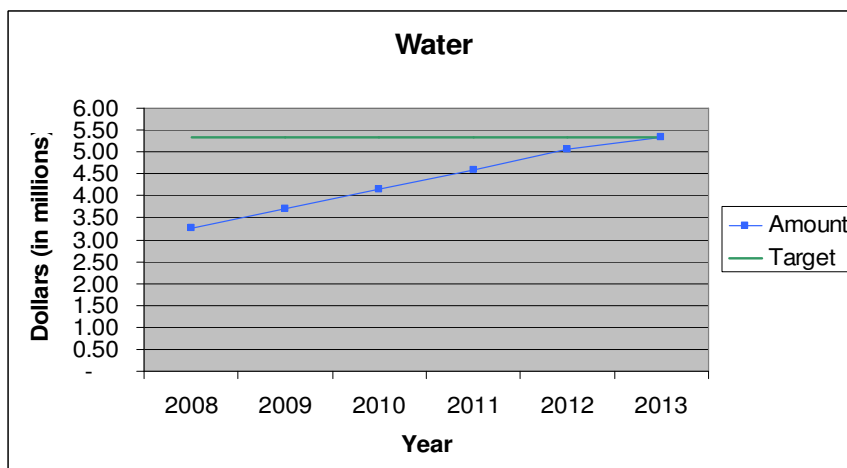
Current funding level: 3,549,300

Future Funding Target \$5,350,000

- Seismic upgrade of vulnerable reservoirs such as Rithet
- Replacement of AC mains
- Regular and on going end-of-life replacement of water mains, valves and water meters.

How do we work toward this target?

- Continue 'Pay as You Go' practice of increasing core capital spending on water infrastructure replacement with a minimum 3% rate increase each year



- Adjust funding target each year to take into account construction cost inflation.
- Supplement with Federal and/or Provincial Grants if possible.
- Supplement with reserves and borrowing if possible.

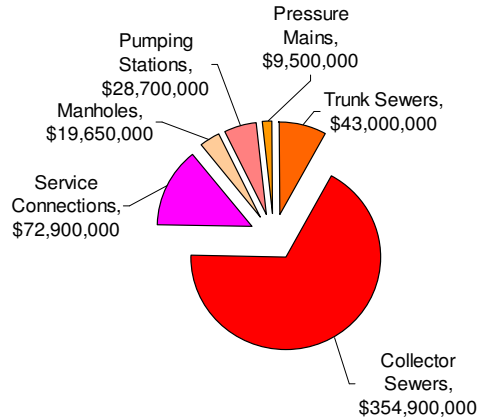
SEWER SYSTEMS

Saanich sewer infrastructure includes 43 km of trunk sewers, 507 km of collector sewers, 41 km of pressure mains, 29,706 service connections and 40 pumping stations valued at \$529 million dollars.

AC pipe service life is not likely more than 50 years (64% of system). About 30% of inspected manholes require moderate rehabilitation such as infiltration, defective pipe/joints and cracked concrete. Pumping station electrical, mechanical and structural components are nearing their end of useful life (some pumps and electrical are over 20 years old)

In 2008, the Core Capital Replacement Program will continue to be increased in accordance with Council's authorized minimum increase in the annual sewer charge dedicated to infrastructure replacement. This 'pay as you go' approach is being supplemented by borrowing and reserves from time to time in the case of the larger projects as funds become available.

An assessment of the impact of CRD treatment and distribution costs and mandated local inflow and infiltration work is also being evaluated.



Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2008 \$)
Trunk Sewers	100	\$ 350,000
Collector Sewers	Varies	\$ 3,000,000
Sewer Connections	100	\$ 654,000
Manholes	100	\$ 196,000
Pressure Mains	100	\$ 95,000
Pump stations	50	\$ 475,000
		\$ 4,770,000

Current funding level is \$1,136,800

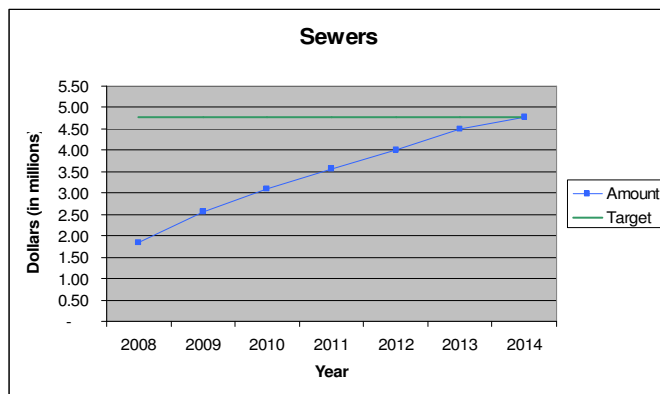
Future funding target \$4,770,000:

What is needed?

- Replacing AC pipe is a priority
- Accelerate manhole inspection program
- Prepare a detailed pump station upgrade and pump replacement plan to reduce risk of pump station failure, lower maintenance costs, and ensure station capacities meet sewer and I & I flow demands

How do we work toward this target?

- Continue 'Pay as you Go' practice of increasing core capital spending on sewer infrastructure replacement each year, adjusted to take into account construction cost inflation year to year.
- Supplement with borrowing, Federal and/or Provincial Grants.



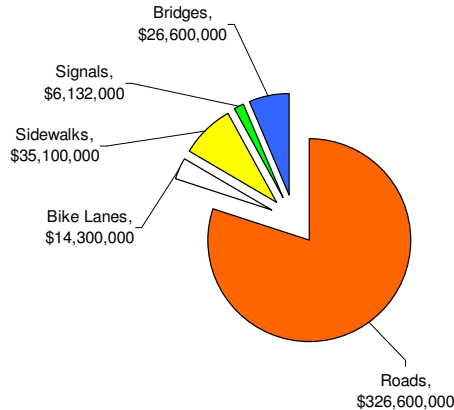
Transportation

Saanich transportation infrastructure includes 559 km of major or collector roads, 90km of bike lanes, 213 km of sidewalks and 32 bridges valued at \$408 million dollars.

A recent pavement condition assessment of major and collector roads indicate a rating of 70 – 75 out of 100. To maintain the current condition of our major and collector roads requires \$3.9 million annually for repairs.

An increased focus on sidewalk replacement is needed.

A structural assessment of several bridges was completed in 2007. Colquitz Bridge on Admirals road is currently in design and will be constructed in 2008/2009.



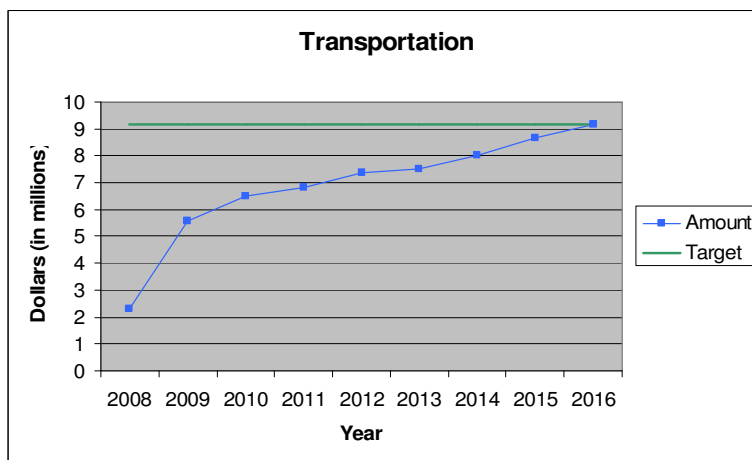
Asset	Component	Estimated Asset Life	Average Annual Replacement Cost (2008 \$)
Roads	Major & Collectors	25-35	\$3,980,000
	Residential	50-60	\$2,400,000
Sidewalks	Concrete & asphalt pedestrian facilities	70	\$ 580,000
Bridges	Timber, concrete	50-75	\$2,225,000
Total:			\$9,185,000

Current funding level is \$ 2,100,000

Future funding target is \$ 9,185,000:

How do we work toward this target?

- Bridge replacement or major rehabilitation: Reorganize existing debt budgets to fund \$2.7 million Colquitz Bridge in 2008. Establish a \$600,000 per year base in 2009 and increase this base debt allocation by a minimum \$200,000 per year thereafter.
- Allocate all Federal Gas Tax to eligible major and collector road rehabilitation projects and reorganize existing debt funding to provide an extra \$1,200,000 in 2008 and \$2,700,000 in 2009.
- Increase residential road replacement budget if Federal Gas Tax revenues increase and eligibility criteria is changed in 2010. Reorganize debt funding to add \$600,000 per year for 5 years on a 1/3 - 2/3 share if Federal/Provincial funding is available.



- Reorganize existing debt funding and allocate a portion of gas tax funding to accelerate the Sidewalk Replacement program by \$200,000 in 2008.
- Pursue emerging technologies which may lower replacement costs or extend useful life.

Drainage

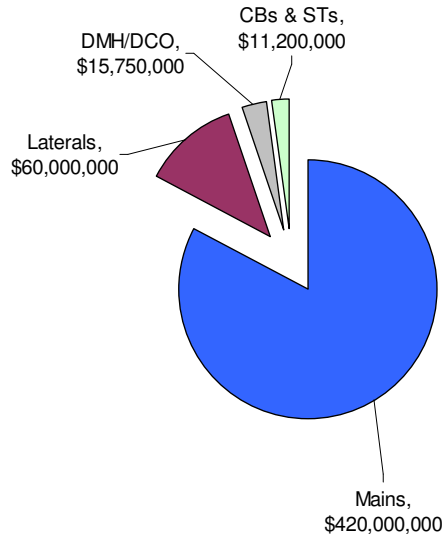
Saanich storm drainage infrastructure includes 600 km of main drains, 30,000 laterals and 14,000 catch basins valued at \$507 million dollars.

The majority of the municipal drainage system is in 'fair' condition.

Pipe installed prior to 1975 (approx 168 km) is in varying degrees of decline.

Twenty km of wood stave pipe is our primary concern. Failing small diameter substandard drains a secondary concern.

Current trend sees increasing use of capital budgets for repair work due to failures.



Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2008 \$)
Wood Staves	16	\$ 1,375,000
All other mains	Varies	\$ 780,000
Laterals	40	\$ 1,650,000
DMH / DCO	50	\$ 345,000
CBs & STs	50	\$ 250,000
		\$ 4,400,000

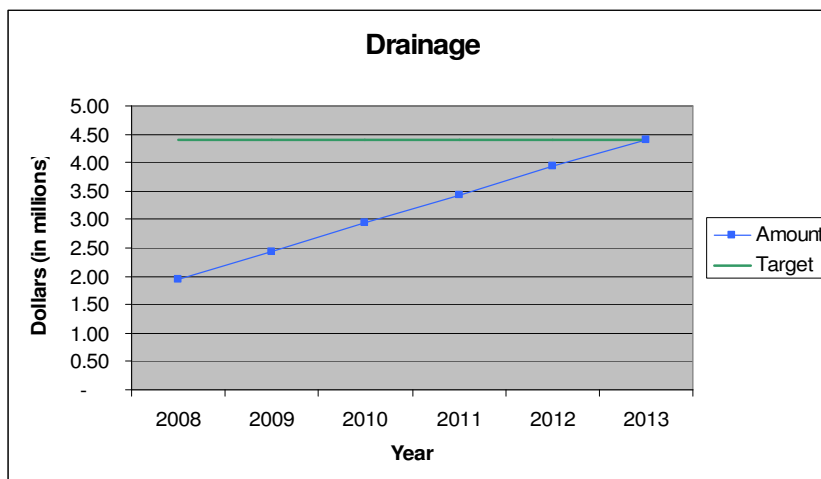
Current funding level: \$1,500,000

What needs to be done?

Begin a more aggressive replacement of wood stave and substandard drain system to avoid higher construction costs and neighborhood inconvenience.

Investigate environmentally sensitive methods of storm water collection, conveyance, and treatment.

How much will this cost: \$4,400,000



How do we work toward this target?

- Continue 'Pay as you Go' practice to incrementally increase drain replacement by \$500,000 each year for the next 6 years funded from current property taxes or new construction property taxes generated each year.
- Research the Storm Water Utility Funding Model

- This has the potential to reach target levels in approximately 4 to 5 years, depending on construction cost inflation.

Community Facilities

Saanich owns and operates a variety of facilities: the Municipal Hall, Public Safety Building, libraries, fire halls, a public works yard, many park structures, several recreation centres and a golf course.

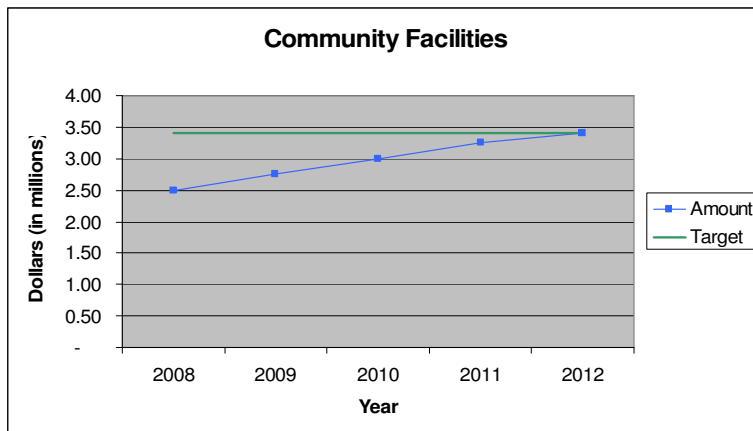
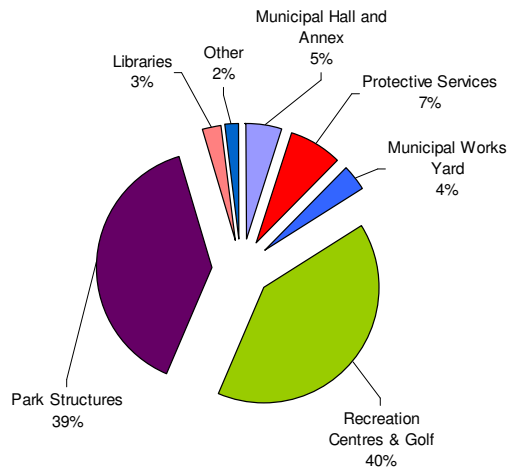
Total square footage is in excess of 588,000 square feet with a replacement cost of \$225 million dollars.

Facilities are in relatively good condition for occupancy but conditions vary considerably.

Most buildings need upgrading to survive large seismic events e.g. Public Works Yard – Space Needs Evaluation “not conducive to efficient operations and it likely will not be available for use after a large seismic event”

Current Funding Level is \$1,100,000 per year supplemented by one time approvals averaging \$1,300,000 during annual budget process.

Industry standard is a minimum of 1 to 1.5% of current replacement value which equals to approximately \$3,400,000 annually.



What needs to be done?

- Continue repairing high priority items as they become known (Such as SCP Ozone Equipment)
- Continue park structure replacements
- Continue seismic analysis and upgrades
- Complete an Inventory and Condition Assessment

How do we work toward this?

- Reallocate debt funding from land acquisition to major facility rehabilitation which will provide an additional \$200,000 in 2008 rising to \$500,000 per year in 2009.
- Increase core budget for minor renovation or repairs to reduce reliance on one time annual funding resource requests each.
- Top up budgets each year by allocating additional one time annual funding from GST Revenues, one time borrowing room, surplus or reserves through the annual budget process.
- Increase this \$500,000 allocation in 2009 by \$50,000 per year for a minimum of five years.