

DATE: August 7, 2019

FILE: 5600-20/Watutco

TO: Chair and Director
Black Creek-Oyster Bay Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: **Timing for Watutco Water System Decision**

Purpose

To provide an update on the timing and proposed path forward for decisions regarding conversion of the Watutco Water System to a Comox Valley Regional District (CVRD) service.

Recommendation from the Chief Administrative Officer:

For information purposes only.

Executive Summary

In April 2019, a staff report was presented to the Black Creek-Oyster Bay (BCOB) Services Committee meeting presenting the findings of the feasibility and governance study completed for the conversion of Watutco to a CVRD service. As part of the staff report a number of options for Watutco were discussed, as summarized below:

1. Watutco remaining an independent private utility;
2. Watutco becoming an independent service area owned and operated by the CVRD; or
3. Watutco becoming part of the BCOB Water Local Service Area (WLSA), wherein source water from Watutco's river infiltration gallery is supplied to the existing BCOB system and Watutco becomes connected to the BCOB WLSA. Concern was expressed by the BCOB that the Watutco system not be a burden to the BCOB service area.

For the two options wherein Watutco becomes a CVRD service, the committee managing the service would differ:

- In option two, Watutco would become its own service area separate of BCOB resulting in management of the Watutco water system falling under the Electoral Areas Services Committee.
- For option three, Watutco would be managed by the BCOB Services Committee; it would provide additional source water to the BCOB Water System that is experiencing water capacity challenges and the existing Watutco infrastructure would not become a financial burden to the BCOB.

CVRD staff are working towards developing cost per connection information for the two CVRD options as detailed above and will be presenting the information to the BCOB Services Committee in September in a staff report detailing the following:

- Costs to Watutco users for connection to the BCOB WLSA, including capital improvement cost charges to join BCOB.
- Timing of the next steps and recommended assent process.
- Recommendation for Watutco becoming a CVRD service.

Watutco has a deadline of December 2020 to comply with the *Surface Water Treatment Objectives*, which leaves limited time for a decision on servicing and construction of the necessary upgrades that are needed. The proposed next steps are summarized below:

- **September 2019:** Staff report presented to the BCOB Services Committee for decision on proceeding with connection to the BCOB WLSA.
- **September/October 2019:** Complete a second neighborhood information meeting, providing cost per connection information for each option available to residents.
- **December 2019:** If conversion is supported by the Electoral Areas Services Committee and/or BCOB Services Committee, complete an electoral assent process to transition the Watutco System to a CVRD service. Provide results of the process to respective committees and update on the specific next steps.
- **December 2019-2020:** For either servicing option, work on engineering and construction of the necessary improvements to meet Island Health requirements.

To ensure the schedule as detailed above can be met, a decision by the BCOB services committee is necessary at the September 2019 meeting.

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Watutco Water System	✓
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