

DATE: October 30, 2019**FILE:** 5600-01/CVWS**TO:** Chair and Directors
Comox Valley Water Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: Comox Valley Water System – Increases to Bulk Water Rates****Purpose**

To increase the bulk water rates for the Comox Valley Water System (CVWS) for 2020 and 2021 as outlined in the current five year financial plan and supported by the 2016 Bulk Water Rate Strategy.

Recommendation from the Chief Administrative Officer:

THAT Bylaw No.190 being the “Comox Valley Water Supply System Bulk Water Rates Bylaw No.190, 2011” be amended as per the revised bylaw attached as Appendix A to the staff report dated October 30, 2019.

Executive Summary

The CVWS is funded through a bulk water rate, which is charged to users on a per cubic meter basis for the amount of water consumed. The bulk water rate is derived from three main factors:

1. Projected future water demand;
2. Operating and maintenance costs; and
3. Capital project requirements for the service.

In October 2016, a staff report was brought forward to the Comox Valley Water Committee that presented a strategy for the CVWS bulk water rate. The report included a comprehensive review of future water demand at the time, changes to operating and maintenance costs, along with the development of a number of bulk water rate schedules based on various funding scenarios for the water treatment project.

The report outlined the following increases to the bulk water rate should the project receive 50 per cent funding and in 2016 as part of the report, the bulk water rate bylaw was amended to include increases to the rates for 2017, 2018 and 2019 as detailed in Table No.1 below.

Table No.1: Proposed Bulk Water Rates for 50 Per Cent for Water Treatment Project

Year	Rate (\$/m ³)
2017	0.71
2018	0.75
2019	0.80
2020	0.83
2021	0.85

Within the 2019-2023 financial plan the water revenues were again estimated using the above bulk water rate schedule and no further increases were predicted. In 2018, the water treatment project

successfully secured 50 per cent grant funding and a review of revenue requirements for the project in 2019 confirmed that the above bulk water rates would be sufficient. Should future changes to water consumption change dramatically a review of the bulk water rate may be required.

An amendment to the bulk water rate bylaw is needed to include rate increases to \$0.83/m³ for 2020 and \$0.85/m³ for 2021 to match the bulk water rate schedule as detailed in Table No.1 above and reflected within the current financial plan. In addition the ‘other than local government’ rate is also increased proportionally.

Prepared by:

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Concurrence:

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Senior Manager of Water/
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Concurrence:

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Attachments: Appendix A – “Redline draft of proposed amendments to the Bylaw No.190”



Appendix A

COMOX VALLEY WATER SUPPLY SYSTEM BULK WATER RATES

The following is a consolidated copy of the Comox Valley water supply system bulk water rates bylaw and includes the following bylaws:

Bylaw No.	Bylaw Name	Adopted	Purpose
190	Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011	October 25, 2011	To set the bulk water rates and charges and enable collection of such fees and charges
410	Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011, Amendment No. 1	March 22, 2016	To update the bulk water rates to be effective April 1, 2016 and January 1, 2018
452	Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011, Amendment No. 2	November 29, 2016	To establish bulk water rates to be effective January 1, 2017 and January 1, 2019
464	Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011, Amendment No. 3	August 29, 2017	To incorporate the Sandwick water service into this bylaw, following the Sandwick Waterworks District conversion and subsequent connection to the Comox Valley water supply system
590	Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011, Amendment No. 4	October 1, 2019	To amend the bulk water rate for 'other than local government' users effective April 1, 2020.
	<u>Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011, Amendment No. 5</u>		<u>To update the bulk water rates to be effective January 1, 2020 and January 1, 2021.</u>

This bylaw may not be complete due to pending updates or revisions and therefore is provided for reference purposes only. THIS BYLAW SHOULD NOT BE USED FOR ANY LEGAL PURPOSES. Please contact the corporate legislative officer at the Comox Valley Regional District to view the complete bylaw when required.

COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 190

A bylaw to adopt regulations for the Comox Valley water supply system to set the bulk water rates and charges and enable collection of such fees and charges

WHEREAS the board adopted Bylaw No. 1783 being "Water Local Service Establishment Bylaw, 1995" on the 12th day of December 1996 to convert the water supply service to a local service for that portion of the regional district located within the boundaries of the City of Courtenay, the Town of Comox and Electoral Areas A, B and C of the regional district;

AND WHEREAS the board may, by bylaw, regulate the activities under the service;

NOW THEREFORE the board of the Comox Valley Regional District in open meeting assembled enacts as follows:

Citation

1. This Bylaw No. 190 may be cited as the "Comox Valley Water Supply System Bulk Water Rates Bylaw No. 190, 2011".

Rates

2. The rates set out in Schedule A of this bylaw are applicable to all water supplied in bulk to the participating member municipalities and electoral areas.

Meters

3.
 - (1) Bulk water supplied to each participating member municipality and electoral area shall be recorded by meters installed at each point of connection of a distribution system to the Comox Valley water supply system.
 - (2) Billing for water supplied shall be made monthly and shall be payable within thirty (30) days of the date of the billing.
 - (3) Where a meter is found not to register, or access is not available, charges shall be estimated on the basis of the amount of water used during a similar period of time when the meter was working or from other information or sources which can be obtained, and such amount so computed shall be paid by the member municipality or electoral area service area.

Repeal

4. Bylaw No. 2631 being "Comox Valley Water Supply System Bulk Water Rates Bylaw No. 2631, 2004" and all amendments hereto are repealed upon the adoption of this bylaw.

Schedule A
Comox Valley Water Supply System Bulk Water Rates

The following bulk water rates are effective as of the date shown

Member Municipality	<u>For each cubic meter of water supplied</u>		
	Effective January 1, 2019	<u>Effective January 1, 2020</u>	<u>Effective January 1, 2021</u>
Town of Comox	\$0.80	<u>\$0.83</u>	<u>\$0.85</u>
City of Courtenay	\$0.80	<u>\$0.83</u>	<u>\$0.85</u>

Water Service Area	<u>For each cubic meter of water supplied</u>		
	Effective January 1, 2019	<u>Effective January 1, 2020</u>	<u>Effective January 1, 2021</u>
<u>Arden</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>
Comox Valley	\$0.80	<u>\$0.83</u>	<u>\$0.85</u>
<u>K'ómoks First Nation (by agreement)</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>
<u>England Road</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>
<u>Greaves Crescent</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>
<u>Marsden/Cameo</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>
<u>Sandwich</u>	<u>\$0.80</u>	<u>\$0.83</u>	<u>\$0.85</u>

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<u>K'ómoks First Nation (by agreement)</u>	<u>\$0.66</u>	<u>\$0.74</u>	<u>\$0.75</u>
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User	<u>For each cubic meter of water supplied</u>		
	Effective January 1, 2019	<u>Effective January 1, 2020</u>	<u>Effective January 1, 2021</u>
Local government	\$0.80	<u>\$0.83</u>	<u>\$0.85</u>

User	<u>For each cubic meter of water supplied</u>		
	Effective January 1, 2019	Effective April 1, 2020	<u>Effective</u> <u>January 1, 2021</u>
Other than local government	\$1.42	\$3.91	<u>\$4.00</u>