

Minutes of the meeting of the Comox Valley Water Management Advisory Committee held on Thursday, February 1, 2024 via Zoom commencing at 9:35 am

PRESENT:

K. Shaw, Director of Public Works	City of Courtenay
A. Langenmaier, Director of Financial Services	City of Courtenay
C. Perry, Engineering Manager	Town of Comox
M. Rutten, General Manager of Engineering Services	CVRD
K. La Rose, Senior Manager of Water/Wastewater Services	CVRD
M. Herschmiller, Manager of Water Services	CVRD
Z. Berkey, Senior Engineering Analyst	CVRD
Z. Norcross-Nu'u, Watershed Protection Coordinator	CVRD
K. Broughton, Senior Accounting Technician – Financial Planning and Analysis	CVRD
M. Briggs, Branch Assistant – Engineering Services	CVRD

ITEMS:

Management Report

The committee reviewed the January 2024 Comox Valley Water Management Advisory Committee management report.

Minutes

The committee reviewed the minutes of the November 16, 2023 Water Management Advisory Committee and no errors or omissions were noted.

Draft Staff Report: Conservation Plan for Lands at Comox Lake and Perseverance Creek

Z. Norcross-Nu'u gave an overview of the staff report. Since last presented at the November advisory meeting, the plan has been reviewed by the Coal Beach subcommittee and Watershed Advisory Group. Plan is being brought back for review by advisory committee before presentation to Village of Cumberland council and the Water Committee later this month.

Advisory comments:

There were no comments or questions from the advisory committee.

2024-2028 CVWS Financial Plan Presentation

K. La Rose and M. Herschmiller presented on the 2024-2028 Comox Valley Water System (CVWS) financial plan. Gave a summary of projects completed and goals accomplished for the CVWS, watershed protection plan and water treatment plant during 2023, and detailed the work planned for 2024. New subfunctions, 303 and 304, created for shared water distribution costs and shared water treatment costs respectively, which covers costs shared between multiple CVRD water systems. Noted challenges with supply chain issues and increasing costs, but adopting more innovative ideas to save costs. Strategic priorities identified by the board include the Water South Extension Project (WSEP), the Water Master Plan and the Corporate Energy and Emissions Plan. Explained distribution of human resources between functions, with plan in place to reduce overtime assigned to function 302, and new engineering analyst proposed for 2024 and IT position for 2025. Gave an overview of proposed and projected expenses and revenue for 2024, as well as debt servicing. Provided an update on asset management. Summarized 2024-2028 capital plan and 2029-2033 long-term capital plan, noting that WSEP will be paid by project partners and not through function 300. Gave an overview of the reserves, which are recovering after completion of water treatment plant. Presentation and detailed budget information are also available on CVRD website.

Advisory comments:

City of Courtenay staff asked if it is realistic to not forecast an increase to bulk water rate for next five years.

The Water Master Plan may highlight the need for higher reserve contributions or future capital works. Staff will have a better idea if the current rate is feasible during next year's budget cycle or the following year's once that planning process is complete.

City staff requested more information on how the City will pay for WSEP. Will the City receive a single bill? Is there a subfunction for this project? Is debt being taken on for the project?

Staff are working on a proposal for the CVRD's involvement in taking on debt to help fund the City's share of the project.

City staff stated that the City will need to establish a service through a bylaw. Expect the debt to be serviced by the CVRD, with the City to be invoiced for debt repayments.

CVRD staff will meet with the City's finance department to discuss a payment plan.

City and Town staff expressed interest in meeting with CVRD staff to discuss the CVRD's new safe work procedures.

City staff noted that the service's revenue is mostly generated through the sale of bulk water. Recognizing that the service has fixed costs and with conservation measures increasing, could that see an impact to revenue generation? Are staff anticipating an increase in cost of water in relation to cost of the service, or are staff looking at splitting future revenue requirements between a fixed and variable rate structure?

Staff are not anticipating a change at this time. If consumption starts decreasing, can start looking at splitting revenue by adding a fixed component. The CVRD has adopted similar methods for smaller systems, but not currently an issue with the CVWS, with last year's water usage breaking records.

City staff informed the committee that the City council had discussed enhanced water restrictions in summer tied to drought conditions and is supportive of increased conservation measures. Noted that the Comox Valley is an anomaly due to higher availability of water compared to population. New lake intake, combined with no longer being tied to the annual penstock shutdowns, has reduced the number of times Stage 3 restrictions have been implemented. Universal metering would also provide for better estimates of usage and to project revenue, especially with high peaking factors.

Staff acknowledged that the new lake intake has reduced the number of times Stage 3 restrictions have been implemented due to BC Hydro dam maintenance, but remains the same for climate related instances. Will need board direction to proceed with changes to water restrictions process. Difference between average flows and peaking factor is significant.

City staff advised the committee that the City council did enquire as to whether the City would be able to enact its own water restrictions stages. The City is also looking into the feasibility of introducing universal metering, which is anticipated to cost in the ~\$20 million range. Town staff added that the Town's universal metering project was anticipated to cost \$8 million for the remaining unmetered properties.

Staff will present a staff report in the spring to discuss how water conservation and restrictions are handled.

Comox Valley Water Supply System Consumption Report

The committee reviewed the December 2023 water supply consumption report. The consumption reports will be adjusted for 2024 to add baseline, monthly average and peaking factor. There were no comments or questions from the advisory committee.

Municipal Service/Project Updates

No updates were provided.

NEW BUSINESS:

None.

GENERAL:

The next Water Management Advisory Committee meeting will be held on February 15, 2024 commencing at 9:00 am via Zoom, but may be cancelled due to a lack of agenda items.

TERMINATION:

The meeting terminated at 10:35 am.

Recorded by:

M. Briggs

Michael Briggs
Branch Assistant – Engineering
Services

Certified correct:

M. Rutten

Marc Rutten, P.Eng.
General Manager of Engineering
Services