

DATE: February 19, 2019**FILE:** 5600-20/Denman Island**TO:** Chair and Directors
Electoral Areas Services CommitteeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer*R. Dyson***RE: Removal of Graham Lake Improvement District Extension Property from the Denman Island Water Local Service Area**

Purpose

To request that the Board remove one Graham Lake Improvement District Extension (GLIDE) property included into the Denman Island Water Local Service Area (DIWLSA) in 2018, in response to a request from the property owner.

Recommendation from the Chief Administrative Officer:

THAT the Board consider three readings of an amendment to Bylaw No. 1567 being the “Denman Island Water Local Service Area Conversion and Establishment Bylaw No. 1567, 1993” to exclude the property within the Denman Island Water Local Service Area indicated on the map provided as Appendix A to the staff report dated February 19, 2019;

AND FURTHER THAT the Electoral Area Director for Baynes Sound – Denman/Hornby Islands (Electoral Area A), as the participant in the Denman Island Water Local Service, consent to the amendment of the service establishment bylaw in writing;

AND FINALLY THAT the Board consider adoption of the amending bylaw.

Executive Summary

The DIWLSA receives water from the Graham Lake Improvement District (GLID). The water main that supplies water from GLID to DIWLSA fronts 16 properties that are referred to as GLIDE. In spring 2018, the Comox Valley Regional District (CVRD) offered water servicing to any property located within GLIDE that wished to be connected to the water system. At such time, an informal letter was sent to all GLIDE members outlining the costs associated with connections and requiring property owners to complete a formal petition should they wish to become connected to the DIWLSA.

Upon receipt of the initial letter, three GLIDE members completed a formal petition to be included within the DIWLSA and an amendment to the service establishment bylaw was adopted in June 2018. In September 2018, one of the three properties was excluded from the service area due to the unexpectedly high costs associated with becoming connected to the water system. A second property is now wishing to be removed from the service. The situation is summarized below:

- The current property was up for sale when inclusion was requested, the current owner at the time initiated the inclusion process by signing the formal petition.
- Upon the sale of the property the new owners decided to proceed with connection to the DIWLSA system, based on the understanding of the potential concerns with water supply.

Connection to the DIWLSA system was planned for January 2019 as no prorating of the \$1,400 annual water charge is allowable.

- Since such time the property owners have assessed the potential for water for their system and have decided that with a few modifications, their current system will be sufficient and costs will be significantly less.
- There are a number of costs associated with connection to DIWLSA, including a \$2,000 capital improvement cost charge, a \$1,400 annual bill for water and the cost of the physical water service connection.
- The watermain that services DIWLSA runs along the East side of East Road and the connection for this property needs to be tunnelled under the road to service their property that is on the West side of East Road.
- A connection on the West side of East Road was likely to cost \$7,500 due to the island location.
- If the property owners remained in the service area they would now be required to pay a flat rate of \$500 a year for no water.

Considering the reason the original property owner petitioned to join the service was based on the premise of receiving water and the new owners no longer consider it necessary, they are requesting to be removed from the service area. All DIWLSA properties pay the same flat rate as GLID properties; removal of this one property that was recently added is not expected to have an impact on the rates for the DIWLSA.

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Stakeholder Distribution (Upon Agenda Publication)

Graham Lake Improvement District	
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Attachments: Appendix A – “Map of Property Requesting Removal”

