

DATE: March 7, 2019**FILE:** 5600-20/Denman Island**TO:** Chair and Directors
Electoral Area Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: Denman Island - Bulk Water Sale Feasibility Review****Purpose**

The purpose of this report is to obtain approval for the allocation of feasibility funds to complete a legal review and feasibility study in regards to the Comox Valley Regional District (CVRD) providing a bulk water service on Denman Island.

Recommendation from the Chief Administrative Officer:

THAT up to \$5,000 of Baynes Sound – Denman/Hornby Islands (Electoral Area A) feasibility study funds, function 154, be allocated to assess the potential for the Comox Valley Regional District to provide a bulk water service on Denman Island.

Executive Summary

The Graham Lake Improvement District (GLID) is located on Denman Island and provides water in bulk to the Denman Island Water Local Service Area (DIWLSA) and historically to local water haulers on Denman Island.

GLID has changed their position in regards to supplying water in bulk to haulers, the situation is as follows:

- Located on Denman Island is a bulk water hauler(s) that provides water to residents on the island that aren't within the GLID or DIWLSA water service area boundaries but face water quantity or quality challenges.
- GLID used to provide water haulers with the option to purchase water in bulk from their system via a standpipe located within GLID.
- In 2018, GLID determined that the liability associated with selling water to haulers was too great and implemented a policy to only sell bulk water to entities with a water licence on Graham Lake and the financial capacity to defend against lawsuits.
- Water haulers located on Denman Island have limited alternative options and as a result may be required to source bulk water off Denman Island. This will result in significantly increased costs for Denman Island residents that receive bulk water from the water haulers.

The DIWLSA also receives water in bulk from GLID and there is the potential to develop a bulk water filling station on the DIWLSA system, however further review on the liabilities associated with supplying bulk water and the feasibility of doing so needs to be completed. The proposed scope of work is to include the following:

- A legal review of the liability associated with supplying bulk water from DIWLSA infrastructure.
- Review of the service area/ governance requirements for bulk water sales.

- Continued consultation and discussion with GLID and Denman Island residents.
- A review of the infrastructure requirements and associated costs.

Prepared by:

Z. Berkey

Zoe Berkey, EIT
Engineering Analyst

Concurrence:

K. La Rose

Kris La Rose, P.Eng
Senior Manager of Water/
Wastewater Services

Concurrence:

M. Rutten

Marc Rutten, P.Eng
General Manager of
Engineering Services**Stakeholder Distribution (Upon Agenda Publication)**

Graham Lake Improvement District	
----------------------------------	--