

DATE: November 15, 2017

FILE: 5600-20 /Denman Island

TO: Chair and Directors
Electoral Area Services Committee

FROM: Marc Rutten
Acting Chief Administrative Officer

Supported by Marc Rutten Acting Chief Administrative Officer M. RUTTEN

RE: Denman Island Water Local Service Area – Revised Water Service Agreement and Change in Rates

Purpose

To revise the water service agreement and amend user rates for the Denman Island Water Local Service Area (DIWLSA) to provide a normalized rate structure between DIWLSA users and Graham Lake Improvement District (GLID) users.

Recommendations from the Acting Chief Administrative Officer

1. THAT the revised water service agreement attached as Appendix A be approved;

AND FURTHER THAT the Chair and Corporate Officer be authorized to execute the agreement.
2. THAT the Board amend Bylaw No.1920 being the “Denman Island Water Regulation and Rates Bylaw No.1920, 1997” to the revised bylaw attached as Appendix A;

AND FURTHER THAT an amendment to Bylaw No.1920 be considered for first, second third and fourth readings at the November 28, 2017 Board meeting.
3. THAT the Board rescind Bylaw No. 1919 being the “Denman Island Water Local Service Area Parcel Tax Bylaw, 1997”

Executive Summary

The viability of the DIWLSA is being threatened by a significant and consistent decline in consumption, largely driven by rapidly increasing volumetric user rates resulting from the following:

- GLID supplies water to DIWLSA through a water servicing agreement in which GLID recovers part of its costs for the service through the bulk water rate.
- As the rates go up consumption goes down, and the bulk water rate that GLID has to set to recover costs goes up and further drives down consumption.
- This situation has led to significant inequality between how much metered DIWLSA users pay compared to non-metered GLID users.

Since GLID brought attention to this inequality, the Comox Valley Regional District (CVRD) has been working closely with them to develop an alternative. The proposed alternative includes the following:

- The GLID will manage day-to-day operations of DIWLSA to help improve CVRD operations challenges and to significantly reduce CVRD overhead.

- The CVRD will charge DIWLSA users using the same flat rate structure applied to GLID users, and shall pay to GLID the revenue collected from DIWLSA users per the above
- The CVRD will invoice the GLID at the end of the year for overhead costs still incurred by the CVRD with the GLID operation of the DIWLSA system.
- The GLID and the CVRD will continue to work together towards assimilation of the two systems into a single system.

To implement the above changes a revised water service agreement is required. The GLID Board of Trustees has reviewed and approved the revised agreement attached as Appendix A. Additionally changes to the water fees and charges bylaw are required to change the rates to reflect that of GLID, and staff are recommending that the existing parcel tax bylaw be rescinded.

Prepared by:

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Stakeholder Distribution (Upon Agenda Publication)

Graham Lake Improvement District	•
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Background/Current Situation

The Denman Island Water Service is located on the east coast of Denman Island. The original water system was constructed in 1969 by a developer to service a 23 lot subdivision along East Road and was taken over by the Comox-Strathcona Regional District in 1972. Source water for the system was initially provided by two wells and did not meet a number of the parameters of the *Canadian Drinking Water Quality Guidelines* and the system was on a permanent boil water advisory. Since 2009 significant work has been completed to resolve the longstanding boil water advisory including the following:

- In 2009 the CVRD completed a study that recommended changing the source water supply by connecting to the GLID Water System.
- Also in 2009 the CVRD was successful in obtaining grant funding for the connection project
- In 2010 the CVRD worked with the GLID to evaluate several different interconnection alternatives and in early 2011 water quality testing was completed to better understand the re-chlorination requirement.
- Testing revealed that a higher than acceptable level of total trihalomethanes (THM) existed in the GLID treated drinking water.
- The interconnection project was completed in 2012 and the boil water advisory was subsequently removed.

The 2015-2019 financial plan for the service included funding to facilitate a solution to the water quality problems and in the fall/winter of 2015 upgrades to the GLID water treatment plant were substantially completed and in the commissioning process. The new upgrades provide treatment to the water to keep THM levels within the allowable parameters of the drinking water guidelines. Commissioning of the upgrades to the GLID Water Treatment Plant has been continually delayed due to jurisdictional and operation issues and additional Community Works Funds (CWF) were allocated in 2016 and again in 2017 to complete the project. Operations of the water treatment technology continue to effectively treat the water, however commissioning and subsequent

completion of the chloramination project has been put on hold as Island Health has indicated to GLID that the current treatment process does not meet the *Drinking Water Treatment Objectives for Surface Water Sources* and as such additional upgrades are required to the treatment system to meet these guidelines, including installation of filtration equipment. The chloramination system is not likely to be necessary after the filtration equipment is operational.

The remaining CWFs have been reallocated from the chloramination project to the completion of a water study for GLID to identify water treatment technologies that will meet Island Health’s requirements. These upgrades are expected to come with a significant price tag and will be required to be funded by GLID, with the CVRD contributing either through the current bulk water rate charged by GLID or by an alternative rate structure as described within the report.

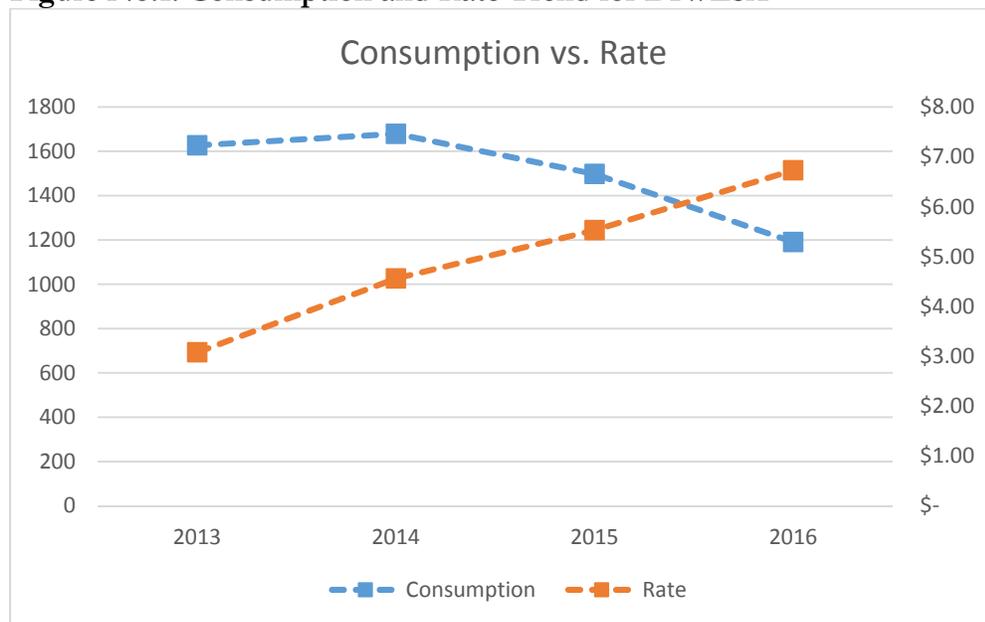
Water Service Agreement

At the time of connection of the two systems a water servicing agreement was signed between both parties. The agreement lays out the supply requirements and the billing structure for how GLID shall bill the CVRD for the supply of bulk water to DIWLSA.

The current service agreement states that GLID shall set their cubic meter rate for water to recover costs from DIWLSA. The cubic meter rate incorporates reserve contributions to the GLID tangible asset reserve and pump house reserve fund.

The current problem with this rate structure is as capital expenditures for GLID increase to meet changing regulations, GLID increases the bulk water rate for DIWLSA to cover their share of the costs. As the per cubic meter rate for water increases, consumption by DIWLSA users decreases, creating a cycle as rates continue to increase and consumption continues to decrease. In 2017 the rate has increased from \$6.73/m³ to \$9.50/m³, further driving down consumption. The volumetric rate anticipated for 2018 should this alternate rate structure not be approved is approximately \$15 /m³. Figure No.1 below illustrates the connection between water rates and consumption.

Figure No.1: Consumption and Rate Trend for DIWLSA



This structure has led to an unsustainable situation for DIWLSA and because this year’s rates are calculated assuming last year’s consumption, an inequality exists between what DIWLSA and GLID users contribute to the costs of operating the system.

Since GLID identified this inequality, CVRD Staff have been working with GLID Trustees and have drafted a revised water service agreement that changes the billing relationship between GLID and the CVRD. The revised water service agreement has been approved by the GLID Board of Trustees. The proposed changes to the water service agreement are as follows, the full redline draft of the agreement is supplied in Appendix A:

- The GLID will manage day-to-day operations of DIWLSA to help improve CVRD operations challenges and to significantly reduce CVRD overhead.
- The CVRD will charge DIWLSA users using the same flat rate structure applied to GLID users, and shall pay to GLID the revenue collected from DIWLSA users per the above
- The CVRD will invoice the GLID at the end of the year for overhead costs still incurred with the GLID operation of the DIWLSA system.
- The GLID and the CVRD will continue to work together towards assimilation of the two systems into a single system.

Amalgamation of the Two Systems

The GLID system supplies water to 67 users and is overseen by a Board of Trustees and a manager that are all volunteers and consumers of Graham Lake water. The GLID system also has an operator that completes daily monitoring and inspection of the GLID system. Whereas the DIWLSA is expensive and challenging for the CVRD to operate due to its remote island location. Continued operation of these two systems independently from one another is not a sustainable long-term solution.

Since connection of the two systems in 2012, the CVRD has worked closely with GLID to perform system upgrades, including installation of a chloramination system. The CVRD and GLID have both been working together to determine a long term solution for the operation of both systems on Denman. Both the CVRD and GLID recognize that GLID is best placed to deliver water in this area through a single water supply and distribution system. As such both the CVRD and GLID are in favour of amalgamation into a single system.

One option is the transfer of DIWLSA to GLID, however this approach requires approval from the Ministry of Community, Sport and Cultural Development. Although this is a departure from the Ministries usual approach of dissolving improvement districts, the CVRD feels that there is just cause for the Ministry to consider GLID operating DIWLSA. GLID has an organized and dedicated Board of Trustees and operation by GLID provides economic advantages to DIWLSA by reducing operating costs for DIWLSA users. Preliminary discussions with the Ministry were initiated in 2015 and further discussions are planned.

Proposed Change in Rates

In the interim, the CVRD and GLID have been in discussion regarding operations of DIWLSA and changes to the rates to address the inequality between DIWLSA and GLID rates. DIWLSA revenues are derived from a combination of user fees and parcel taxes and residents are charged on a per cubic meter basis for water. GLID revenues are derived from a tax and a toll, and residents currently pay either \$500/year for no water or \$1400/year for unlimited water. Table No.1 below illustrates GLID and DIWLSA rates.

Table No.1: Comparison of GLID and DIWLSA Rates

	DIWLSA Current Rates	GLID Rates
User Rates		
<i>Flat Rate</i>	\$25.00/month	\$900/year for
<i>Over 1m³</i>	\$6.73/m ³	unlimited water
Parcel Tax	\$271/year	\$500/year
Comparison of Rates		
No Water Use	\$571/ year	\$500/ year
Average User (54m³)	\$935/year	\$1400/year
Highest User (198m³)	\$1904/year	\$1400/year

At this time the CVRD is recommending to amend the DIWLSA metered rate structure to reflect the GLID rates. If approved, GLID will begin to complete the day-to-day operations of DIWLSA to minimize CVRD overhead. CVRD will also begin charging DIWLSA users using the same rate structure as applied to GLID users, which the CVRD will pass on to GLID. The CVRD will invoice GLID for any overhead incurred, up to a maximum of \$1,000 per year.

Feedback from Residents

In late September, a letter was sent to DIWLSA users informing them of the potential change to rates and asking for their feedback and if they would choose to pay \$1400/year for unlimited water. Response to the letter was high with 19 of the 22 residents responding. The main comments received from residents is summarized below:

- \$1,400 a year for water seems very high.
- Many residents like the current structure as it promotes conservation and you pay for what you use.
- Many seasonal homes, who only use a few cubic meters a year when they are at their property.
- New rate structure is challenging decision as residents need water but it is now coming with a big price tag.

In the preliminary discussion with residents, 10 of the 19 responses said they would most likely pay the \$1400 a year for water, four were maybes and five would not use water and pay the minimum \$500 per year charge.

Policy Analysis

Bylaw No. 1920, being the “Denman Island Water Regulation, Fees and Charges Bylaw No.1920, 1997” regulates the fees and charges, terms and conditions under which water may be supplied and used in the DIWLSA.

Bylaw No. 1919, being the “Denman Island Water Local Service Area Parcel Tax Bylaw No. 1919, 1997” sets an annual tax per parcel.

Options

The Electoral Area Services Committee has the following options:

1. Adopt the new water service agreement and revise the water rates for DIWLSA.
2. To not adopt the new water service agreement and water rates.

The flat rate structure will help to ensure that DIWLSA users are contributing equally to the system that provides water for both GLID and DIWLSA and will help to ensure long term viability for both systems. Operation of DIWLSA by GLID will also help to improve operations of the two

systems and reduce CVRD overhead as GLID is operated directly from Denman. As such only Option No.1 above is recommended.

Financial Factors

Revenues for the Denman Island Water Service are derived from user fees and parcel tax. User fees have been increasing steadily to compensate for increases to the water usage rate charged by GLID. The user rates collected in the system are to match the water usage fees paid to the GLID, while the parcel tax and monthly flat rate fees are targeted to cover all other costs.

A departure from this structure to a flat rate structure similar to GLID's will help to ensure all users of the system are contributing more equitably. In addition, to maximize contributions to GLID for the treatment system upgrades, GLID will begin to complete the day-to-day operations of DIWLSA, minimizing CVRD overhead. CVRD involvement with DIWLSA will be limited primarily to issuing of DIWLSA residents annual water bill, with this significant reduction in involvement CVRD overhead for the service is expected to be less than \$1,000 per year.

Legal Factors

Amalgamation of the two systems will require approval from the Ministry of Community, Sport and Cultural Development. Discussions with the Ministry were initiated in 2015 and further discussions are planned.

Regional Growth Strategy Implications

The shift from metered rates to a flat rate for the DIWLSA is a departure from the CVRD's existing practices of metering water for all residential properties. Metering helps to promote water conservation as identified as a goal within the Regional Growth Strategy. However in the case of the DIWLSA, changing the rates is necessary in order to ensure the very viability of the system for the long-term.

Intergovernmental Factors

The CVRD has been working closely with GLID for the improvement of the current system and in discussions regarding the potential future of both systems. This close working relationship will continue until such time that GLID takes over operations of DIWLSA.

Interdepartmental Involvement

The Engineering Services Branch is leading this work with help from Financial Services for the analysis of rates and help from Corporate Services for the development of potential changes to the fees and charges bylaw.

Continued support from Corporate Services is expected for assistance in the assimilation process of DIWLSA into GLID.

Citizen/Public Relations

The change in rates from a metered rate to flat rate will require continued communications with residents. An open-house was held in July with three residents from DIWLSA attending. A follow-up letter was sent in September, notifying residents of the potential change in rates. Continued communications as the change in rates and potential for amalgamation will be required to keep residents informed of the changes.

Attachments: Appendix A – “Draft of the Water Service Agreement”
Appendix B -- “Redline Draft of Bylaw No.1920”

Appendix A

**Comox Valley Regional District / Graham Lake Improvement District
WATER SUPPLY AGREEMENT**

THIS AGREEMENT made this _____ day of _____, 20__

BETWEEN:

COMOX VALLEY REGIONAL DISTRICT

600 Comox Road
Courtenay, BC V9N 3P6

(hereinafter called "CVRD")
OF THE FIRST PART

AND:

GRAHAM LAKE IMPROVEMENT DISTRICT

3567 East Road
Denman Island, BC V0R 1T0

(hereinafter called "GLID")
OF THE SECOND PART

WHEREAS:

- A. The GLID provides water in bulk to the Denman Island Water Local Service Area (DIWLSA);
- B. It is agreed by both parties that an agreement is required to set the terms and conditions which regulate the supply and sale of water from the GLID to the CVRD.
- C. It is agreed by both parties that an agreement is required to set the terms and conditions which regulate the operation and maintenance of the DIWLSA by the GLID.
- D. The CVRD and the GLID are working towards the joining of the GLID and the DIWLSA into a single water system.
- E. The Trustees of the GLID pursuant to resolution dated _____, 2017 has approved and consented to the terms and conditions hereinafter set out; and
- F. The Board of the CVRD has agreed to enter into this agreement with the GLID for the provision of water services to the DIWLSA and operation of the distribution system by resolution dated _____, 2017.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein the parties hereby covenant and agree each with the other as follows:

1.0 Definitions

1.1 In this agreement:

- a. "GLID" means the Graham Lake Improvement District
- b. "CVRD" means the Comox Valley Regional District
- c. "DIWLSA" means the Denman Island Water Local Service Area as outlined on the plan attached to this agreement as Schedule 'A'.

- d. "Year" means any twelve (12) month period during the agreement commencing on January 1 and ending on December 31

2.0 Supply and Quality of Water

- 2.1 The GLID shall provide the CVRD water from Graham Lake to the DIWLSA so that the CVRD may serve the DIWLSA in accordance with this agreement.
- 2.2 The GLID will provide the CVRD treated water to the DIWLSA that meets all of the requirements of the BC Drinking Water Protection Act in relation to water quality monitoring.
- 2.3 The GLID will provide results of the water quality monitoring, at the point of connection, to the CVRD at a minimum of once annually.
- 2.4 The GLID will provide, at the request of the CVRD, available water quality results within 3 working days to the CVRD.

3.0 CVRD Covenants

- 3.1 The CVRD agrees that all construction of the DIWLSA will be in accordance with good engineering practices and in accordance with all applicable federal and provincial regulations.
- 3.2 The CVRD shall use all water received under this agreement for domestic purposes only for DIWLSA users and for no other purpose. The CVRD will ensure, to the extent that it reasonably can, that water received under this agreement is used by users in the DIWLSA in a reasonable and un-wasteful manner.
- 3.3 The CVRD agrees that it will be solely responsible for the capital costs of constructing improvements to or repairing the DIWLSA system for the purpose of maintaining appropriate pressure and flow to the DIWLSA.
- 3.4 The CVRD agrees to indemnify and save harmless the GLID and GLID employed operators from any and all causes of action or claims for any loss caused by a "shut off" of the water supply furthermore the GLID is not liable for interruptions in service or supply.
- 3.5 The CVRD agrees that it will remit to GLID the total anticipated revenue to be received from DIWLSA properties within one month of GLID invoice date.
- 3.6 The CVRD will provide an invoice to GLID by the end of October each year for all remaining overhead costs related to the DIWLSA for an amount not to exceed \$1,000 per year.

4.0 GLID Covenants

- 4.1 The GLID shall provide bulk water to the DIWLSA in accordance with good engineering practices subject to the limitations of this agreement.
- 4.2 If, by any reason, the GLID experiences a reduction in water quality of the bulk water supply system the CVRD is to be immediately notified of such reduction.
- 4.3 The GLID will remedy such interruptions as expeditiously as reasonably possible. The GLID agrees to notify the CVRD and DIWLSA residents of any interruption in service and/or water quality concern, and provide the expected time for return to service.
- 4.4 The GLID agrees to manage operation of the DIWLSA system in accordance with good engineering practices with all applicable federal and provincial regulations, including:

- water quality sampling
- meter reading as required
- communications relating to water quantity, quality and conservation
- operation and maintenance of the sample kiosk and flushing and de-chlorination chamber,
- responding to complaints regarding water quality/availability (and forwarding complaints regarding leaks to the CVRD)
- responding to and repairing leaks, main breaks and other necessary repairs, at CVRD expense.

4.5 The GLID shall communicate water use restrictions to the users of the DIWLSA to match those imposed by GLID for its users.

4.6 The GLID agrees to provide information and notice of the upcoming year's annual water rate schedule effective January 1st of each year for the DIWLSA by October 31 of the preceding year. GLID agrees to provide the CVRD with a 5 year capital works plan for projects that are required for the continued supply of bulk water to the CVRD with estimates of projected water rate implications. The GLID agrees to strive for a longer term water rate schedule.

4.7 The GLID agrees to provide information regarding its reserve fund balance and planned reserve fund expenditures by October 31st each year.

4.8 The GLID will reimburse the CVRD for overhead costs referred to in section 3.6 before the end of November each year.

5.0 The Right of Entry for Inspection

5.1 The GLID may at all reasonable times inspect all accessible portions of the DIWLSA water system.

6.0 Payments

6.1 The CVRD will remit to GLID and in turn the GLID will remit to the CVRD the amounts as detailed in Appendix A.

6.2 Payments to both parties shall be paid within 30 days of receipt of invoices.

7.0 Assignment

7.1 No party to this agreement may assign its interest in this agreement without the consent of the other party first in writing.

8.0 Miscellaneous

8.1 This Agreement shall come into force as of the date of its execution by the parties and shall terminate on the 31st day of December 2019, unless the Parties mutually agree to an earlier termination date. This Agreement may be renewable in one year increments by mutual agreement of the Parties.

8.2 This agreement shall supersede the previous agreement dated the 11th day of June 2012.

8.3 This agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise, and no agreement collateral to this agreement other than as expressly set forth or referred to in this agreement.

- 8.4 Nothing contained or implied herein shall prejudice or affect the rights and powers of the CVRD and the GLID in the exercise of their respective functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised as if this agreement had not been executed and delivered by the parties and the interpretation of this agreement shall be subject to and consistent with statutory restrictions imposed on the CVRD and the GLID under the *Local Government Act* or the *Community Charter* as the case may be.
- 9.5 An expression of time expressed as a period of days in this agreement shall mean calendar days.
- 9.6 Nothing in this agreement shall be interpreted as creating an agency, partnership or joint ventureship between the CVRD and the GLID.
- 9.7 The headings in this agreement are inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this agreement or any provision of it.
- 9.8 This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.
- 9.9 This agreement shall come into force as of the date of its execution by the parties and shall terminate on the 31st day of December 2018, unless the parties mutually agree to an earlier termination date. This agreement may be renewable in one year increments by mutual agreements of the parties.

IN WITNESS WHEREOF the parties hereto have set their hands as of the day and year first above written.

COMOX VALLEY REGIONAL DISTRICT

Chair

Corporate Legislative Officer

GRAHAM LAKE IMPROVEMENT DISTRICT

Appendix A

1. Properties not using any water within the Year will be charged \$500 each.
2. Properties using any water within the Year will be charged an additional \$900 each.
3. There will be no pro-rating of water usage charges, properties using water at any point in the year will incur the additional \$900 charge.
4. The GLID will invoice CVRD for each year's revenue in January based on DIWLSA property owners signalling of intent to use or not use water for the year
5. The CVRD will remit payment to GLID in anticipation of the revenue from DIWLSA users within one month of receiving the invoice from GLID
6. The CVRD will bill DIWLSA users in May
7. GLID will reimburse the CVRD for overhead costs for the DIWLSA by the end of November each year, in an amount not to exceed \$1,000.

DRAFT

The following is a consolidated copy of the Denman Island Water Regulation, Fees and Charges Bylaw, 1997 and includes the following bylaws:

Bylaw No.	Bylaw Name	Adopted	Purpose
1920	Denman Island Water Regulation, Fees and Charges Bylaw, 1997	March 24, 1997	<input type="checkbox"/> To fix and regulate the fees and charges, terms and conditions under which water may be supplied and used in the Denman Island Water Local Service Area
2265	Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 1	June 26, 2000	<input type="checkbox"/> To establish a rebate policy and to increase connection fees <input type="checkbox"/> Adds Section 8.1 and amends Schedule B.
2507	Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 2	October 28, 2002	<input type="checkbox"/> To include a charge for water hauled by a water hauling service. <input type="checkbox"/> Amends Schedule B
2527	Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 3	January 27, 2003	<input type="checkbox"/> Amends meter rates for water used. (Amends Schedule B).
296	Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 4	November 26, 2013	Amends the Denman Island water supply service to increase the metered water rate from \$3.30 per cubic meter to \$4.56 per cubic meter, effective January 1, 2014
409	Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 5	March 22, 2016	To update the residential and non-residential meter rates to be effective April 1, 2016 and delete section 8.1.
	<u>Denman Island Water Regulation, Fees and Charges Bylaw, 1997, Amendment Bylaw No. 6</u>		<u>To update the billing schedule and amend Schedule B.</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.

REGIONAL DISTRICT OF COMOX-STRATHCONA

BYLAW NO. 1920

**A Bylaw to fix and regulate the rates, terms and conditions
under which water may be supplied and used in the
Denman Island Water Local Service Area**

WHEREAS the Regional Board of the Regional District established the “Denman Island Water Local Service Area” through the adoption of Bylaw No. 1567, being “Denman Island Water Local Service Area Conversion and Establishment Bylaw No. 1, 1993”

AND WHEREAS the Regional Board of the Regional District is now desirous of regulating the rates, terms and conditions under which water may be supplied and used in the “Denman Island Water Local Service Area”.

NOW THEREFORE the Regional Board of the Regional district in open meeting assembled enacts as follows:

1. For the purpose of this Bylaw, the following definitions shall apply:

"APARTMENT" means any building, which is designed, built, rented, leased, let or hired out to be occupied, or which is occupied, as the home or residence of three or more families living independently of each other and doing their own cooking within their apartment or suite.

"APPLICANT" means an owner, or his agent making application for a water connection to provide him with a supply of water from the system.

"BOARD" means the Regional Board of the Regional District.

"CONSUMER" means a person to whom water is supplied under this bylaw.

"DISCONNECTION" means the turning off, or complete removal, of a water connection.

"DUPLEX" means any building used or designed to be used by two families.

"PARCEL OF LAND" means any lot, block or other area in which land is held or into which it is subdivided but does not include a highway.

"PREMISES" includes land, buildings & structures.

"PRIVATE RESIDENCE" means a detached building having independent exterior walls and designed or used exclusively for residential purposes by not more than one person or family.

"REGIONAL DISTRICT" means the Regional District of Comox-Strathcona, the Regional Board or persons duly authorized to represent the Regional Board in respect to this Bylaw.

"RESORT COMMERCIAL" means those properties which provide only seasonal, transient, recreational accommodation and maintain a single year-round on-site owners' residential dwelling.

"SUPERVISOR FIELD SERVICES" means the Supervisor, Waterworks Field Services of the Regional District and includes any person appointed or designated by him to act on his behalf.

"SYSTEM" means the distribution system of the water Local Service Area and operated by the Regional District.

"WATER SERVICE CONNECTION" means a 20 mm (¾") connection or larger, to a main supply line and extending to the property line of the customer for the purpose of conveying water to the said customer and may or may not include a water meter but shall include a shut-off valve and shall be the property of the Regional District.

"WATER LOCAL SERVICE AREA" means the "Denman Island Water Local Service Area".

APPLICATIONS TO CONNECT

2. Applications for of a water service connection in the Water Local Service Area shall be:
 - a) made to the Regional District in the form of Schedule "A" of this Bylaw;
 - b) accompanied by the proper fee as specified in Schedule "B" of this Bylaw.

DISCONNECTION

3.
 - a) If a person wishes to be disconnected from the system an application to disconnect must be made in writing and delivered to the Regional District by the owner/agent of the premises. Applications for a water service disconnection from the water main shall be accompanied by the proper fee as specified in Schedule "B" of this bylaw.
 - b) The Regional District may, without notice, disconnect the Water Service to any premises for any of the following reasons:
 - i) failure by the consumer to obey any direction of the Board under section 9 of this bylaw;
 - ii) non-payment of rates and charges outlined as in Schedule "B" of this Bylaw, after the rates are overdue for a period of sixty (60) days or more;
 - iii) failure to repair or replace defective pipes, fittings, valves, or tanks which are leaking or are otherwise not in good state of repair and which are or may become a cause of waste of water.
 - iv) use of a pump, booster or other device in a manner outlined in Section 10(d).
 - c) The Regional District shall not be liable for damages by reason of discontinuing water service for the reasons outlined in Section 3(b) above.

4. The Regional District shall prescribe all standards pertaining to:
 - a) the connection with or the attachment to the waterworks of the Regional District of any water mains, pipes or service; and
 - b) the repair or alteration of any such water connection with the waterworks of the Regional District.

METERS

Installation/Size

5.
 - a) The Regional District may direct that the supply of water to any premises in the Water Local Service Area be metered and the ~~meter~~ rates specified in Schedule "B" of this bylaw, shall apply and be payable as soon as the meter is installed.
 - b) The Regional District shall:
 - i) determine the size of meter required; and
 - ii) supply the meter to the owner or his agent for installation.
 - c) The Regional District may install meters, on a supply line if requested to do so in writing, and the total installation cost shall be borne by the applicant and thereupon the applicant shall pay, in lieu of the flat rate set forth in Section 1 of Schedule "B" hereof, the rate for meters according to the rates contained in Section 2 of Schedule "B" hereof.
 - d) Where the service is to a single building, the meter may be located in the building as close as possible to the entrance point of the water service into the building and before any take off points. If the water service is to a distribution system not solely for fire protection purposes, the meter shall be located upstream of any distribution point and as close as possible to the property line.
 - e) If no building or structure exists at the location where the meter is to be installed, the property owner shall be responsible for constructing and maintaining the meter vault in accordance with the standards issued by the Regional District.
 - f) Unless determined otherwise by the Regional District, all commercial, industrial, residential, multiple family and institutional consumers with a service connection in excess of 25 mm (1") in size, shall install a water meter complete with bypass and isolation valves in a location easily accessible to the Regional District for inspection and reading of the meter.

Access

6.
 - a) The owner/agent or tenant of a premises must permit the Regional District access to the water meter for the purpose of reading and maintenance of the meter and inspecting the water pipes, fixtures and fittings used in connection with such water supply, during the hours of 8:30 a.m. to 4:30 p.m., Monday to Friday, inclusive.
 - b) Failure to provide access shall result in an extra charge per call after the first call as specified in Schedule "B" of this Bylaw.

7. The owner/agent or tenant of a premises to whom water is supplied shall:
 - a) keep the service pipes, stop cocks, fixtures and fittings on their premises in good order and repair, and protect them from frost at their own risk and expense; and
 - b) and turn off the stop cock when the premise is vacated.

RATES AND CHARGES

8.
 - a) The rates and charges specified in Schedule "B" of this Bylaw are hereby imposed and levied for water services supplied by the Regional District.
 - b) All rates and charges shall be billed ~~semi~~ annually and shall be due and payable on the ~~thirty-first~~^{thirtieth} (31st) day of ~~May~~^{June} and the ~~thirty-first~~ (31st) day of ~~December~~.
 - c) Water service disconnected pursuant to this Bylaw shall not be reconnected unless the following has been paid to the Regional District:
 - i) the rates and charges that are overdue;
 - ii) the sum of \$25.00 to cover the cost of turning the water on; and
 - iii) any additional cost incurred by the Regional District in order to prevent the improper use of water after the same shall have been turned off.

RESTRICTION OF WATER USE

9. If at any time the Board considers it to be in the public interest, it may direct that the use of water by any or all of the consumers be reduced or discontinued until the Board considers it advisable to permit full use of water. Notice of water use restrictions may be hand delivered to the consumer or be published in a newspaper circulating in the Water Local Service Area at least seven (7) days prior to the commencement of the restriction.

ILLEGAL CONNECTION/USE

10.
 - a) No person shall connect or allow to remain connected to the System, any Premises without first obtaining the required permits or written authorization from the Supervisor of Field Services and in accordance with the provisions of this bylaw.
 - b) No person shall use or allow to be used water supplied by the System except in accordance with the provisions of this bylaw.
 - c) No person shall use or allow to be used water supplied by the System contrary to a direction of the Board under Section 9 of this bylaw.
 - d) No person shall use a water pump, booster or other device, for the purpose of, or having the effect of, increasing water pressure in service lines without permission in writing from the Regional District to a higher pressure than the normal water pressure in the said water service lines.
 - e) No person shall, without first obtaining permission from the Regional District:
 - i) undertake work that is connected with the system on or under any street or land within the Water Local Service Area;

- ii) in any way, interfere or tamper with any water meter, sealed bypass valve, pipe, fixture or fitting or appliance of or connection with the waterworks whether on his own premises or elsewhere within the Water Local Service Area.
 - f) No person shall obstruct at any time or in any manner the access.
11. Every person who offends against any of the provisions of this Bylaw or suffers or permits any act or things to be done in contravention of or violation of any of the provisions of this Bylaw, or neglects to do or refrains from doing anything required to be done under this Bylaw or who does any act or things which violates any of the provisions of this Bylaw, shall be deemed to have committed an offense under this Bylaw and shall be liable on summary conviction to a penalty not exceeding the sum of Two Thousand Dollars (\$2,000.00).
 12. Nothing contained in this Bylaw shall be construed to impose any liability on the Regional District to give a continuous supply of water to any person or premises.
 13. If any provision of this Bylaw is found invalid by any Court of competent jurisdiction, such decision shall not effect the validity of the remaining portions of this Bylaw.
 14. Bylaw No. 1569 cited as “Denman Island Water Local Service Area Regulation and Rates Bylaw, 1993” and Bylaw No. 1661 cited as “Denman Island Water Regulation and Rates Bylaw, Amendment No. 1” are hereby repealed.
 14. This Bylaw may be cited as "**Denman Island Water Regulation And Rates Bylaw, 1997**".

SCHEDULE "A"

APPLICATION FOR SERVICE AND AGREEMENT

I, _____, of _____

being the owner (or duly authorized agent of the owner) of the lands and premises described as follows (legal description and street address):

hereby apply to the Regional District of Comox-Strathcona for a supply of water through a ¾ inch (20 mm) connection to the said premises, and, in the event of this application being granted, covenant and agree to be bound by all the regulations, charges, terms and conditions set out and imposed by the Regional District of Comox-Strathcona from time to time, and further agree that the said Regional District of Comox-Strathcona shall in no case be liable for shortage or failure of water supply.

It is declared that this agreement shall be binding upon my heirs, executors and administrators and that all charges payable in respect of the above premises shall constitute a charge against said premises, pursuant to the provisions in that behalf contained in the "Municipal Act".

Date

Signature Of Owner/Agent

SCHEDULE "B"

1. METER-NON METERED WATER RATES

- a) Non-metered fees and charges pursuant to this bylaw for the Denman Island Water Local Service Area are as follows:

Annual Rates

<u>Flat Fee (No Water Use)</u>	<u>\$500.00</u>
<u>Annual Water Use Charge</u>	<u>\$900.00</u>

Non-Residential

~~All non-residential metered accounts, except Resort Commercial, are subject to a monthly minimum charge. The charge for the quantity of water used each month shall be calculated at the following rates and where the supply of water requires more than one water meter to an individual customer, the minimum rates shall apply to the first water meter:~~

Quantity of water used	Charge Effective January 1, 2014	Charge Effective April 1, 2016
Active Service	\$5.00 per month (minimum charge)	\$25.00 per month (minimum charge)
1.0 m³ and over	\$4.56 for each 1.0 m³ (220 gallons)	\$6.73 for each 1.0 m³ (220 gallons)

b) Residential

~~All residential (private residence, duplex, or apartment) metered accounts are subject to a monthly minimum charge. The charge for the quantity of water used shall be calculated at the following rate and where the supply of water requires more than one water meter to an individual customer, the minimum rate shall apply to the first water meter:~~

Quantity of water used	Charge Effective January 1, 2014	Charge Effective April 1, 2016
Active Service	\$5.00 per month (minimum charge)	\$25.00 per month (minimum charge)
1.0 m³ and over	\$4.56 for each 1.0 m³ (220 gallons)	\$6.73 for each 1.0 m³ (220 gallons)

2. EXTRA CHARGES- FAILURE TO PROVIDE ACCESS

- e) ~~Where a meter is found not to register, then charges shall be computed on the basis of the amount of water used during the time the meter was working or from any other information or source which can be obtained, and such charges shall be paid by the owner/agent of the premises.~~

- a) Each call after the first of each month if access has not be provided is charged at \$25.00 per call.

3. CONNECTION CHARGES

- a) The following charges apply to service connections:

- (i) At cost (\$850.00 minimum)

- ~~b) _____~~

4. TURN ON/TURN OFF CHARGES

- a) The following charges apply to turning on OR turning off water supply at the service connection and do not preclude payment of the minimum charge in Schedule B.

- (i) Turn on- \$25.00

- ~~(ii) Turn off-\$25.00Reconnection of any water service disconnected pursuant to this bylaw \$25.00.~~