



Cowichan Valley Regional District

Acknowledgement

We would like to recognize that we are on the unceded territories of the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, and Tsawout Nations, whose people have walked gently here for thousands of years.

Introductions

- Sierra Acton, Electoral Area Director, Area B Shawnigan Lake
- Darcy Mooney, CVRD, General Manager, Operations Department
- Vanessa Thomson, CVRD, Senior Manager, Utilities Division
- Todd Etherington, CVRD, Manager, Utility Operations
- Louise Knodel Joy, CVRD, Senior Engineering Technologist
- Rod and Sue Lidstone, Lidstech Holdings
- Ian Morrison, Electoral Area Director, Area F, Facilitator

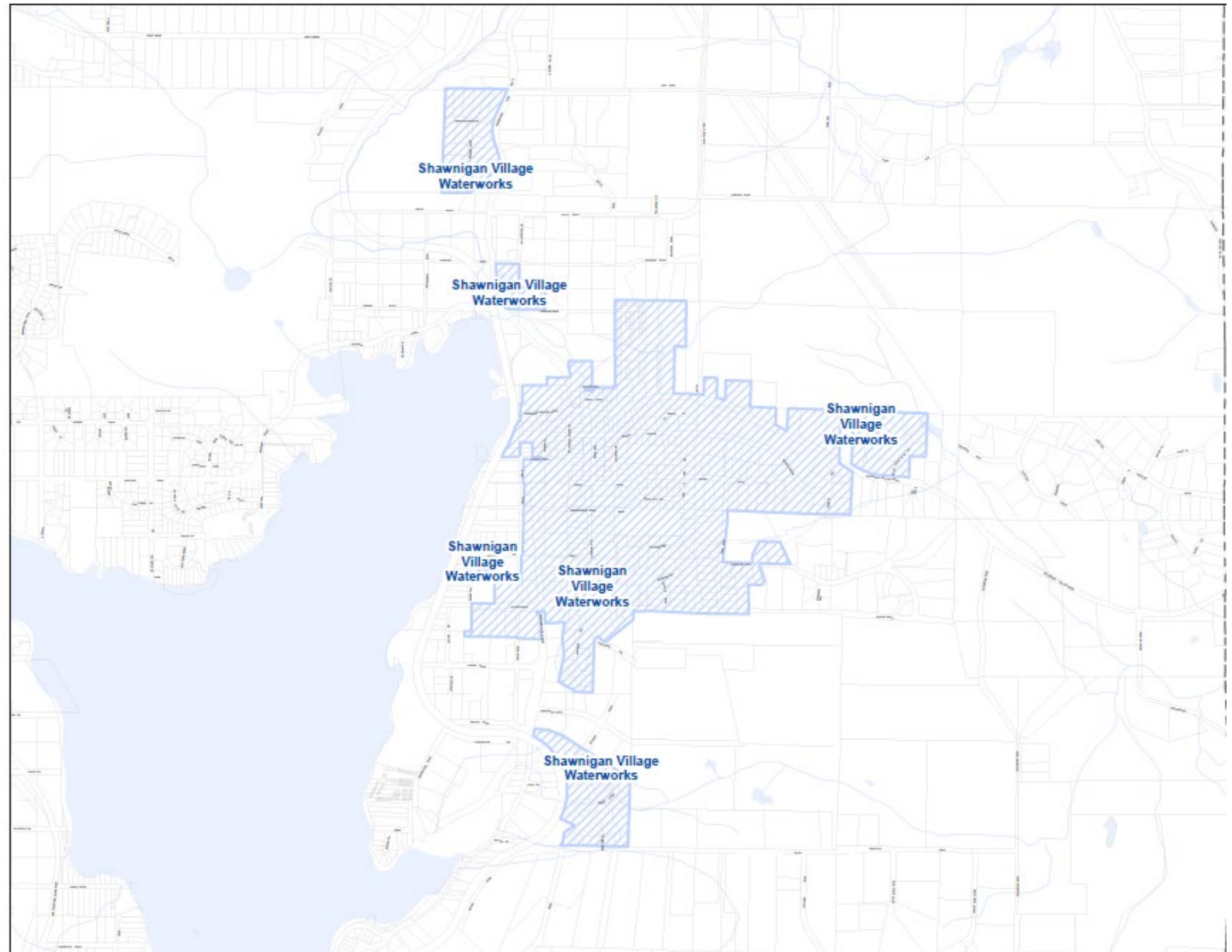
Agenda

- Shawnigan Village Waterworks Service
- Regional District Structure
- Why is CVRD Proposing Purchase?
- Proposed Rates
- Public Approval Process
- How to Stay Informed
- Question and Discussion Period

Shawnigan Village Waterworks Service

The system serves approximately 550 customers.

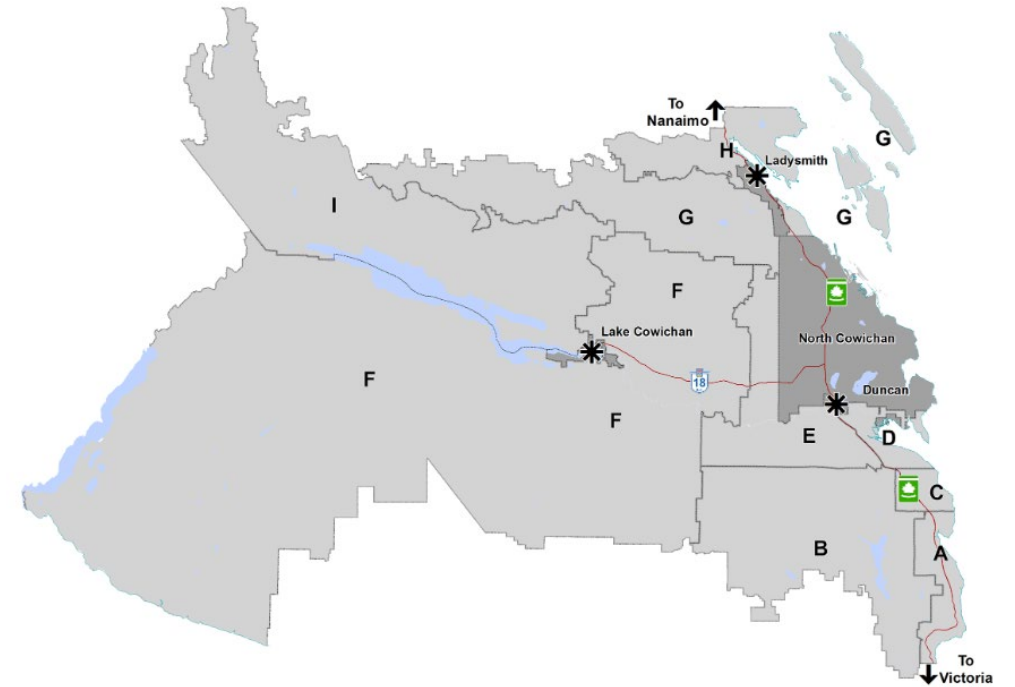
Water source for the system is Shawnigan Lake.



Regional Districts

The Cowichan Valley Regional District (CVRD) is governed by a 16-member Board of Directors from four municipalities; the Town of Lake Cowichan, the Town of Ladysmith, the City of Duncan and the Municipality of North Cowichan, and an elected director from each of the nine electoral areas.

The regional district provides a wide range of services to its residents. Some of these services are mandated by the Province (solid waste, emergency planning, land use planning), but the majority of services provided are determined by the Board and can only be provided with the approval of the electors who will receive the service. A water system is an example of a CVRD service that is provided following approval of the electors.



Regional District Funding

Funds required to operate the various regional district services are generated through property taxes, fees and charges. Unlike municipalities, regional districts are required to match the costs and benefits of its services to the residents that benefit from them; this means residents pay for the services they receive.

CVRD Water System Funding

Funding for the ongoing operation and maintenance of each utility system is generated exclusively by the customers of that particular system. Funding is not pooled or shared between utility systems; customers of one utility system may not pay for the operation of another.

Why is the CVRD Proposing to Purchase Shawnigan Village Waterworks?

- The owners, Rod and Sue Lidstone, would like to retire after operating the water system for 30 years.
- Engineering assessments determined value and condition of assets, required upgrades and possibility of amalgamation with other CVRD water systems.
- Public ownership provides the best option for long-term water sustainability for the community.
- Negotiations resulted in a mutually agreed upon purchase price and timeline. Public approval is still required.



Our File: 2241-21165-00

TECHNICAL MEMO – AMALGAMATION STUDY UPDATE

To Lisa Daugenet, ASCT Senior Engineering Technologist, CVRD	From Chris Lucas, P.Eng. Municipal Division Manager
Re Shawnigan Lake North and Shawnigan Water Works System Amalgamation	Date February 1, 2022

1. Context

The Shawnigan Water Works water system (aka the Lidstech System) is a privately owned water distribution system currently serving approximately 500 residential equivalents. The system consists of a lake intake, a water treatment plant (WTP) that houses cartridge filters, chlorination, and UV treatment, and the water distribution system fed by three reservoirs.

The Shawnigan Lake North Water System (Shawnigan Lake North System), managed by the Cowichan Valley Regional District (CVRD), currently serves approximately 730 residential equivalents. The system consists of a lake intake, chlorination, and water distribution system fed by two reservoirs located at the far end of the water distribution system. In addition to surface water, Shawnigan Lake North's water is supplemented by two groundwater wells, one of which is used under a shared agreement with Shawnigan Lake School. Secondary chlorination systems are used at these wells, after which water is fed to the reservoirs. Currently, this system does not meet the surface water treatment requirements and requires an upgrade.

The technical assessment of the Lidstech System provided in this memorandum has been prepared in support of the contemplated integration of the two water distribution systems summarized above, with potential takeover of the integrated system by the CVRD.

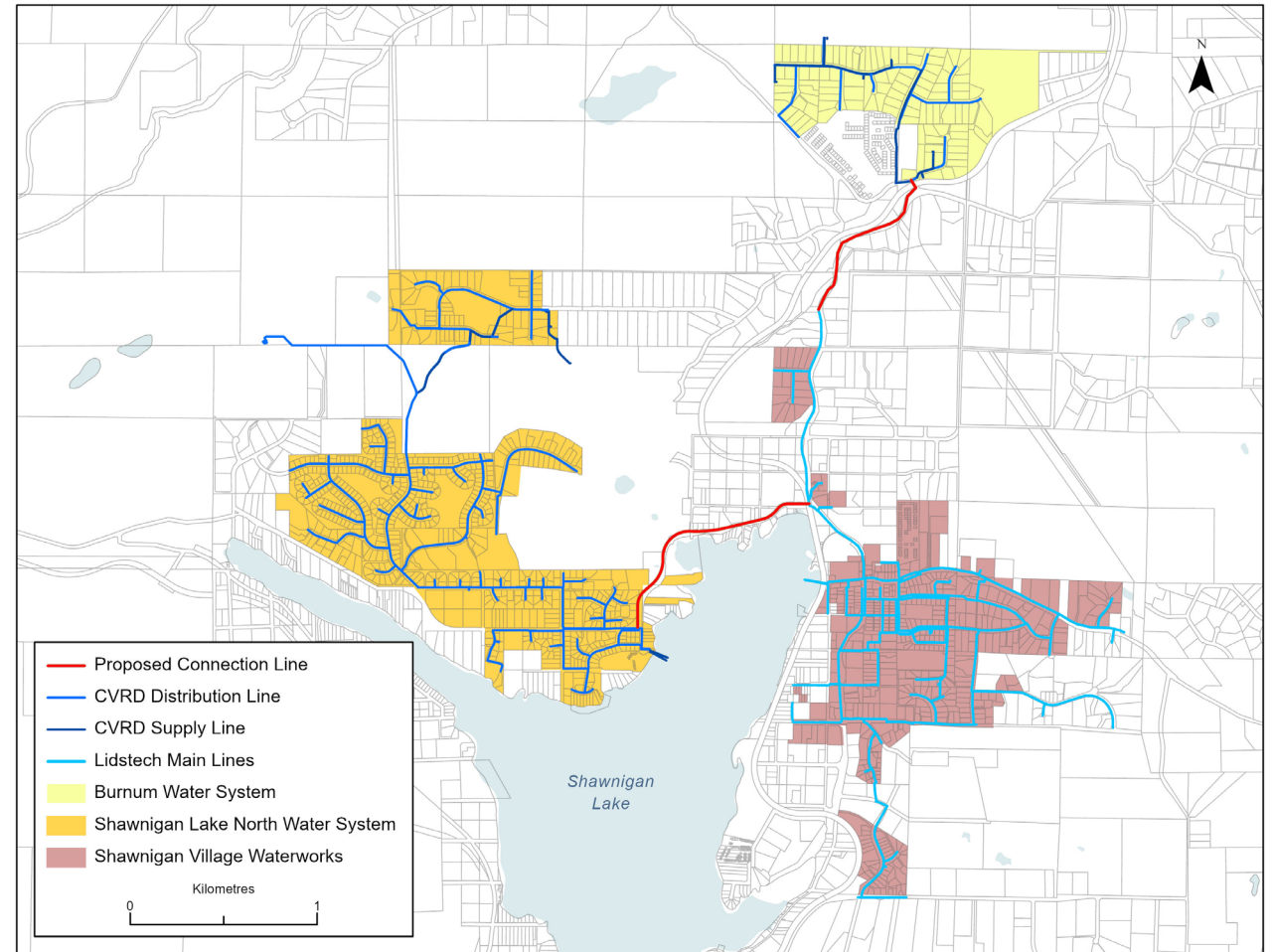
The CVRD also requested feasibility evaluation and inclusion of the Burnum service area into the overall water distribution system. This assessment will be provided under separate cover.

Other CVRD Water Systems in the Area

Why is this important?

Amalgamation of smaller systems increases the group size that pay into a larger system.

- This maintains more stable rates, provides better economic value to the group and increases overall efficiencies.



Potential Future Connections



Benefits to Public Ownership

Not for Profit

- CVRD operates its water systems with public health as the priority

Experience and knowledge

- The CVRD operates 20 water systems within the region. The Utility Operators are qualified under the BC Environmental Operators' Certification Program supported by professional technologists and engineers

Continuous Monitoring

- The CVRD water systems use continuous electronic monitoring of all critical infrastructure enabling an immediate response to a problem 24 hours per day, 7-days a week.

Long-term planning

- The CVRD integrates land use planning and the Official Community Plan into the decision-making process for utility servicing and expansion of service areas.

Municipal Finance Authority and Municipal Insurance Association

- The CVRD can apply for grant funding programs for system upgrades and has access to lower interest loans through the Municipal Finance Authority.
- The Municipal Insurance Association of BC provides stable rates for liability and property insurance and provides resources for risk management.

What is the Purchase Price?

\$3.2 Million

The purchase price includes:

- Approximately \$9 million in assets that include:
 - Approximately 8.4 km of watermain
 - Fire hydrants
 - Water service connections
 - Pressure reducing station
 - Two pump stations
 - Three water storage reservoirs
 - Water treatment building, treatment system and land

What are the proposed rates?

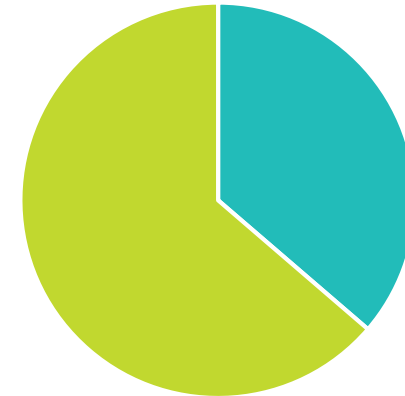
2024/2025 customer rates would be \$1300/year*

The CVRD must borrow the funds to buy the system. A 25-year term is anticipated to be used to repay the funds.

Borrowing over 25 years at an estimated 5.2% interest rate will equate to \$472/year in debt repayment and \$828/year for operating and maintaining the system

*Rates for a single family dwelling

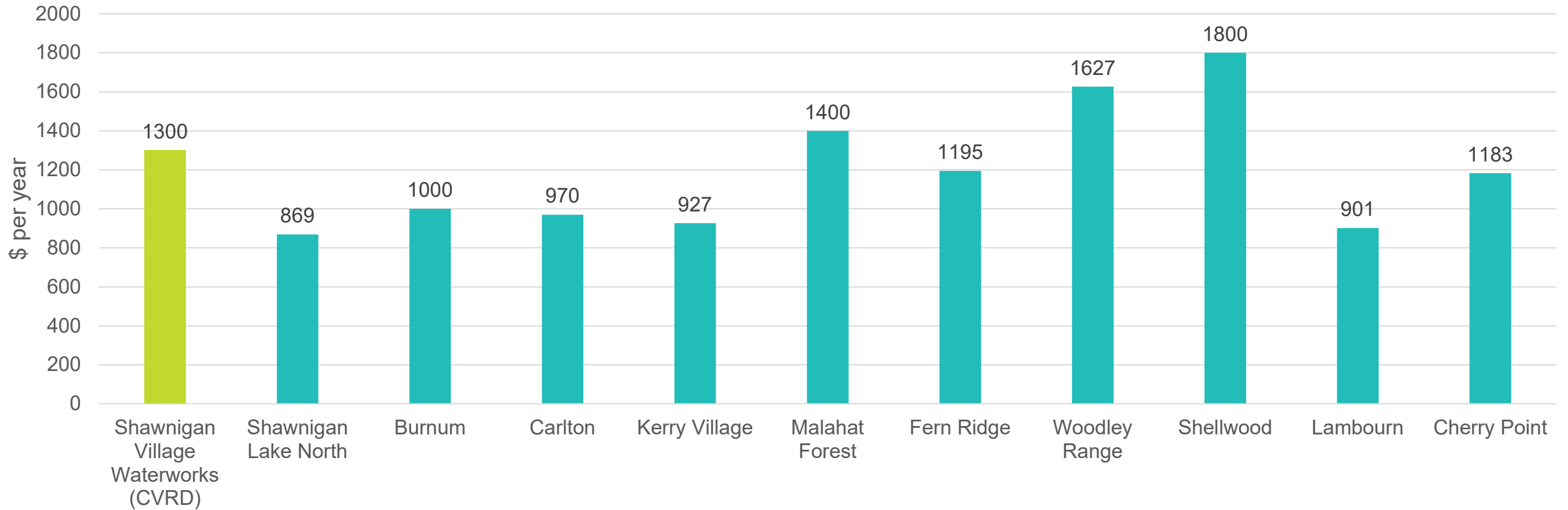
\$1300/year Customer Charges



■ Borrowing (\$472)

■ Operation/Maintenance/Reserves (\$828)

How do the rates compare?



*Current Shawnigan Village Waterworks rates are \$948/yr. Rod & Sue have indicated operating expenses have increased by approximately 40% and immediate rate increases are required to continue to operate the system.



Two ways the CVRD would collect the fees:

1. Semi-annual User Fees \$600/year*
2024-2025 rate (minimum charge)

Based on metered rates. Minimum allotment of water for 6 months would be 200m³ (43,993 Imp Gal). Metered rates for consumption over 200m³ would follow the inclined block rate structure as shown on the right.

2. Parcel Tax (collected through Property Tax)
\$700/year 2024/2025 rate

*Rates for single family dwelling

Inclined Block Metered Rates – every 6 months

Shawnigan Lake Village									
CLASSIFICATION	USER CHARGES								
	Water Use			Charge					
Group A									
Single Family Dwelling: Per Dwelling	0	-	200	m ³	\$ 300.00				
Laundromat: Minimum charge for each washing machine	201	-	300	m ³	\$ 300.00	+	1.00	per m ³ over	200
Elementary/Middle School: Min. charge per 20 students or portion thereof	301	-	400	m ³	\$ 400.00	+	1.50	per m ³ over	300
Firehall, Park	over	400		m ³	\$ 550.00	+	2.25	per m ³ over	400
Group B									
Apartment: Per Unit	161	-	240	m ³	\$ 225.00	+	1.00	per m ³ over	160
Mobile/Modular Home Park: Per Unit	241	-	320	m ³	\$ 305.00	+	1.50	per m ³ over	240
	over	320		m ³	\$ 425.00	+	2.25	per m ³ over	320
Group C									
Commercial: Minimum charge for each 10 employees or portion thereof per shift	131	-	195	m ³	\$ 180.00	+	1.00	per m ³ over	130
Meeting Room/Hall - minimum charge for each 100 seats	196	-	260	m ³	\$ 245.00	+	1.50	per m ³ over	195
	over	260		m ³	\$ 342.50	+	2.25	per m ³ over	260

What about the Reserve Fund Money?

As of February 2024 Shawnigan Village Waterworks has just over \$1,169,000 in funds held in trust with the Comptroller of Water Rights.

- If the purchase is finalized, the funds will be transferred to the CVRD and kept in the capital reserve for this water system.
- Some of the funds will be used on upgrades identified in the feasibility study. The remaining funds will be kept in the reserve fund for the water system.

Is the Purchase a Done Deal?

NO!

As per the *Community Charter and Local Government Act*, if a local government wants to borrow for a term longer than 5 years, or establish a new service, it has to adopt bylaws and those bylaws has to be **approved** by the **electors** or **property owners** of the system.

The legislation is very specific on how a regional district can secure this public approval.

How Customer Approval may be Obtained

Alternative Approval Process (AAP)*

An AAP is a form of approval process that allows **electors** to indicate they are **against** moving ahead with a proposal. It is the people who **do not** support the CVRD acquisition that must sign an 'elector response form' indicating their opposition.

If 10% or more of eligible electors complete and submit the response form, then the CVRD must either abandon the bylaws or put them to Referendum. If less than 10% of eligible electors complete and submit the response form, then elector approval is received and the purchase can be finalized.

* Preferred method

Petition Process

A Petition Process requires **registered owners** to sign a petition if they are **in favour** of the CVRD borrowing funds to acquire the Shawnigan Village Waterworks System. The Petition Process is successful if 50% of registered owners that would be responsible to pay for the proposed service representing 50% of the assessed value of all land and improvements within the proposed service area sign a petition in favour of the proposed service.

Referendum

A referendum is the same as an Election and must be conducted in the same manner. Cost for holding an referendum would be much higher than conducting an AAP or Petition Process. Costs for holding a Referendum separate from the General Local Elections are estimated at \$80,000 to \$100,000.

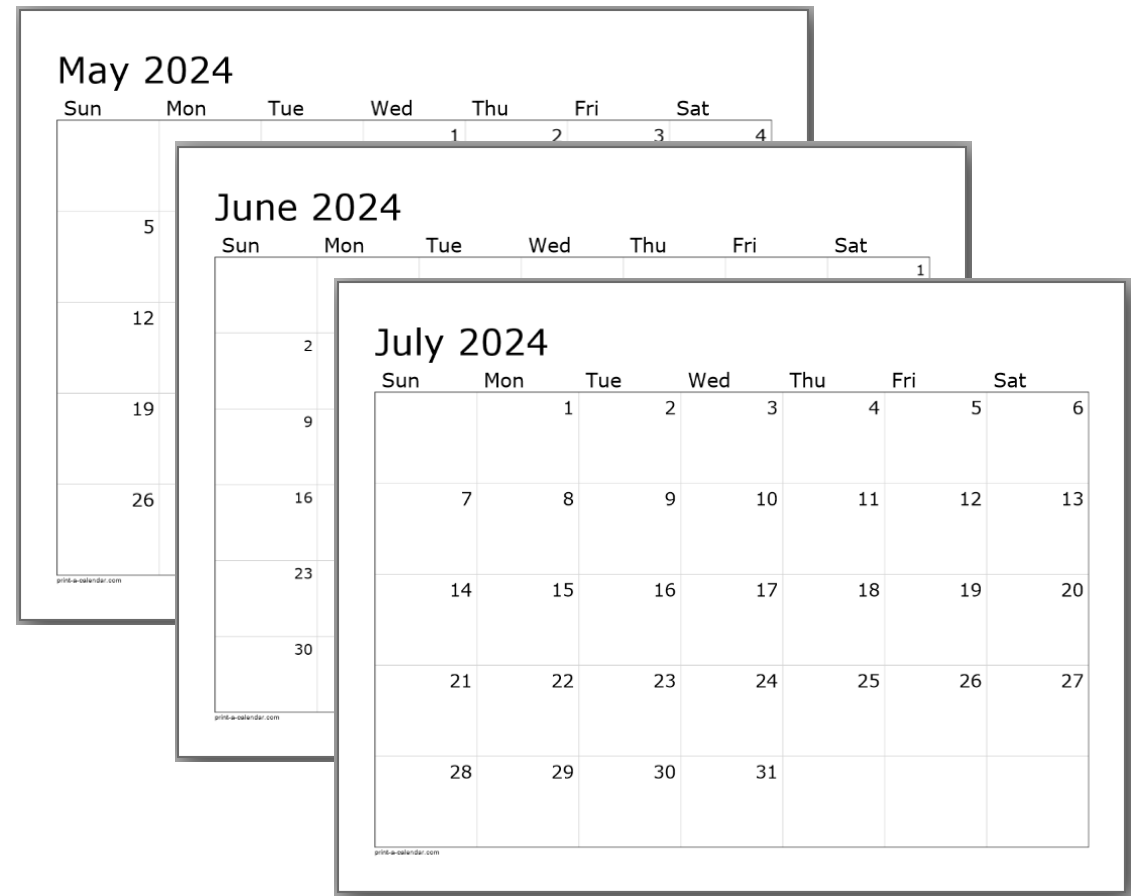


When will the CVRD ask for Customer Approval?

We are planning to conduct the Alternative Approval Process between May and July 2024*.

The AAP response period will be a minimum of 30 days.

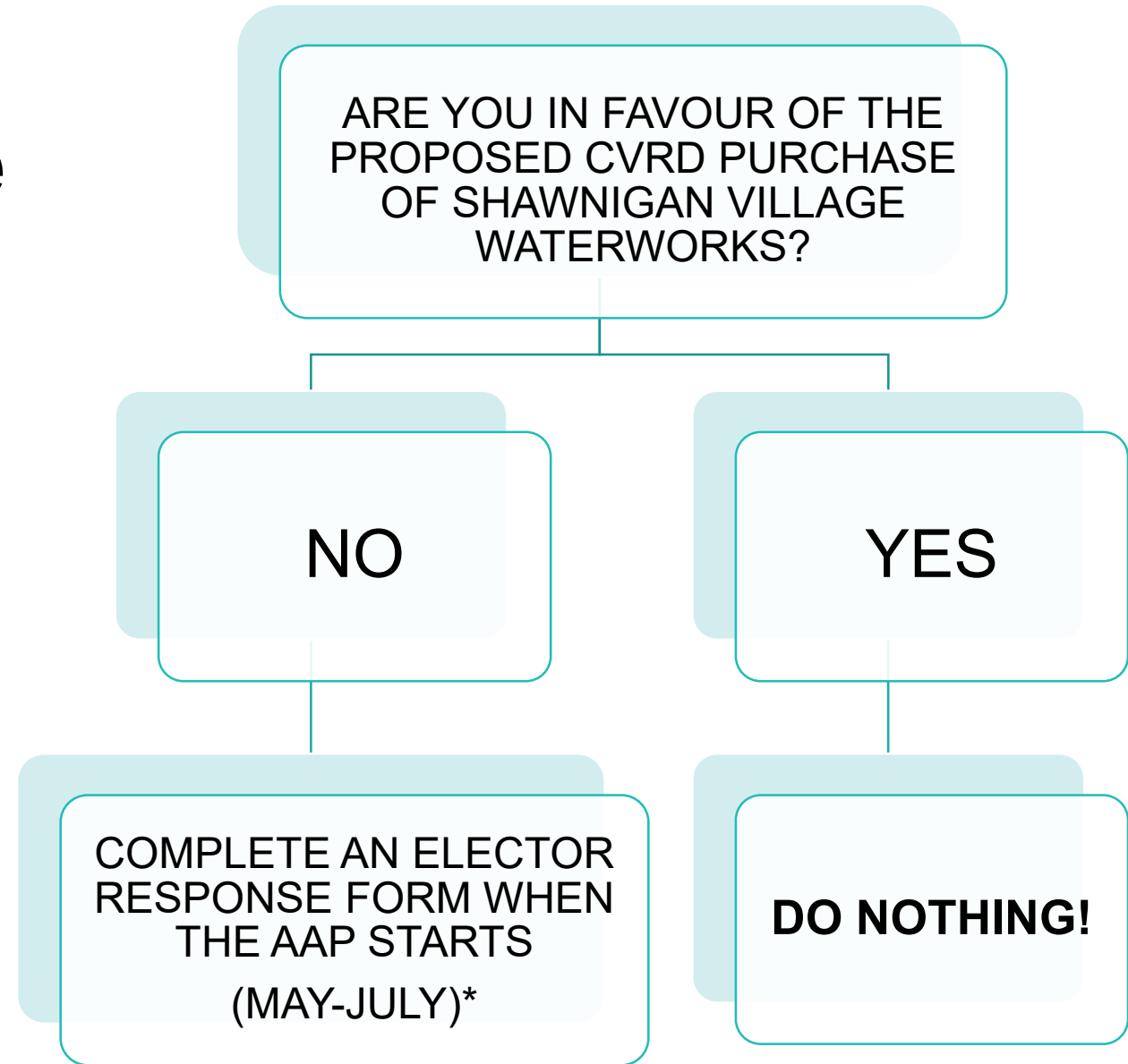
*Following approval of bylaws by the Province





How to Vote for the Proposed CVRD Purchase

*Elector Response Forms will be available on the CVRD website or in person at the CVRD office



How will I know when it is time for the AAP?

➤ Information Letter

- Details and timeline of the AAP mailed to property owners prior to start of the AAP. (April/May 2024)

➤ Newspaper

- Advertisements published in the Cowichan Citizen two weeks prior to the start of the AAP and weekly during the elector response period.

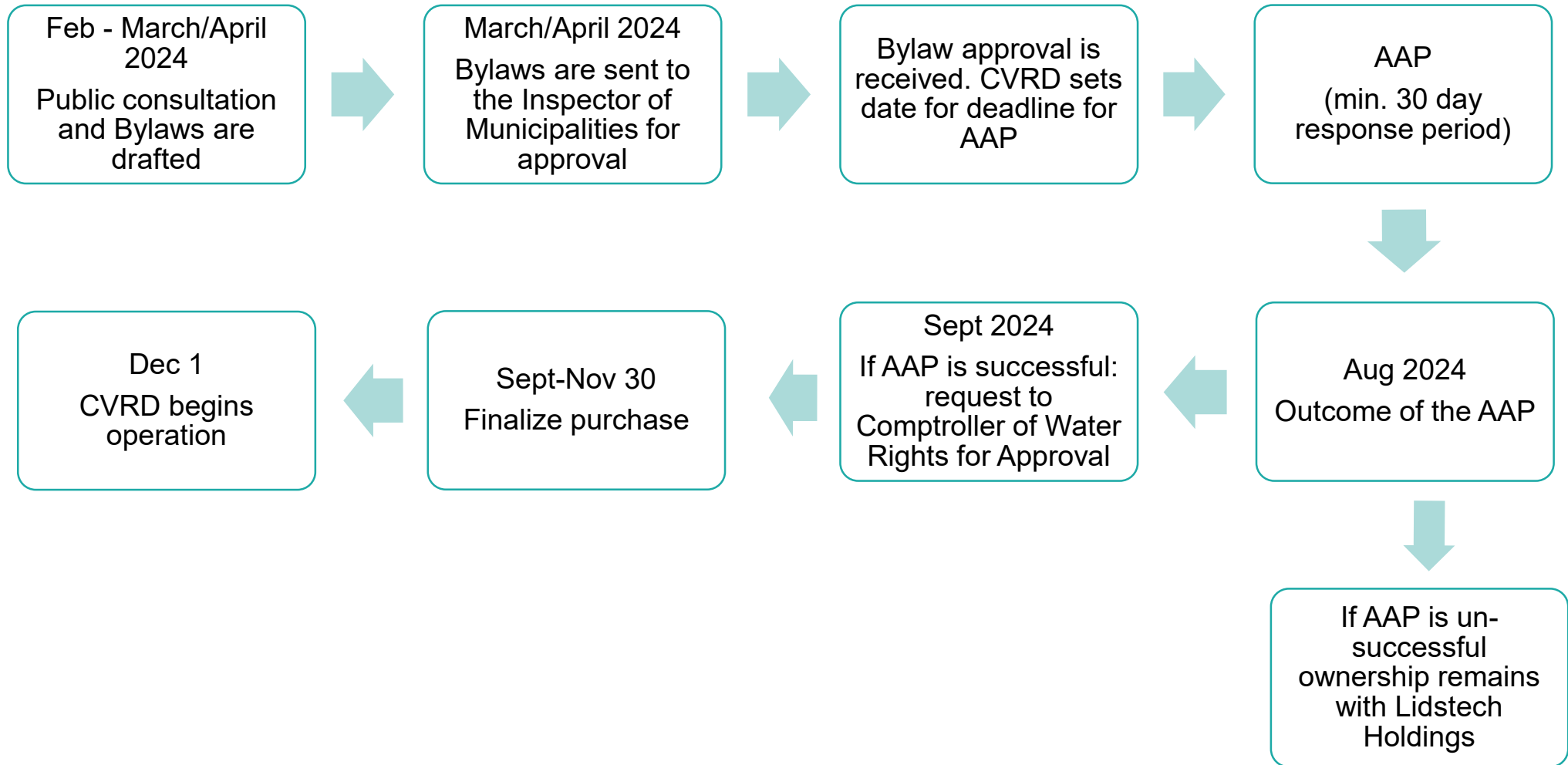
➤ Website

- Information on the AAP including important dates and further details will be on the CVRD webpage.
www.planyourcowichan.ca/shawnigan-village-water

➤ Subscribe

- Sign-up for updates by e-mail on the CVRD webpage.

Next Steps



Where can I learn more?

planyourcowichan.ca

Live Projects



**SHAWNIGAN VILLAGE
WATERWORKS PROPOSAL**

**Shawnigan Village Waterworks
Proposal**

Explore information on the proposed CVRD acquisition of
Shawnigan Village Waterworks.

[View Project](#)

- Frequently Asked Questions
- Proposal Timeline
- Documents
- Contact Information
- Subscribe for updates



Thank You



Contact Us

Phone

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Website: www.planyourcowichan.ca/shawnigan-village-water

