



Beaver Creek Water Advisory Committee Meeting
Tuesday, December 5, 2023

Zoom/Board Room (Hybrid) – 3008 Fifth Avenue, Port Alberni, BC
10:00 am

Regular Agenda

Watch the meeting live at <https://www.acrd.bc.ca/events/5-12-2023/>

Register to participate via Zoom Webinar at: https://acrd-bc-ca.zoom.us/webinar/register/WN_5OQXGzSkRO-4Ff7umoE8mg

- | | PAGE # |
|---|---------------|
| 1. <u>CALL TO ORDER</u> | |
| Recognition of Territories. | |
| Notice to attendees and delegates that this meeting is being recorded and livestreamed to YouTube on the Regional District Website. | |
| Introductions - Committee Members and Staff present in the Boardroom and via Zoom. | |
| 2. <u>APPROVAL OF AGENDA</u> | |
| <i>(motion to approve, including late items requires 2/3 majority vote)</i> | |
| 3. <u>MINUTES</u> | |
| a. Beaver Creek Water Advisory Committee Meeting held May 31, 2023 | 3-6 |
| <i>THAT the minutes of the Beaver Creek Water Advisory Committee meeting held on May 31, 2023 be received.</i> | |
| 4. <u>PETITIONS, DELEGATIONS & PRESENTATIONS (10 minute maximum)</u> | |
| 5. <u>CORRESPONDENCE FOR ACTION/INFORMATION</u> | |
| 6. <u>REQUEST FOR DECISIONS</u> | |
| a. REQUEST FOR DECISION | 7-11 |
| CPA Bulk Water Agreement Rate Letter | |

THAT the Beaver Creek Water Advisory Committee recommend that the ACRD Board of Director direct staff to continue to work with the City of Port Alberni on the City's Water Master Planning and rate structure update as well as work towards drafting an updated Bulk Water Agreement for consideration.

THAT the Beaver Creek Water Advisory Committee support the ACRD Board of Director's resolution to engage an engineering consultant feasibility study in 2024, at a cost not to exceed \$50,000, to confirm the cost implications on both capital and operating requirements to re-establish the previous water source on the Stamp River Water or pursue a new alternative water source.

7. REPORTS

- a. BCWS Monthly vs. Quarterly Meter Read Comparison

12-13

THAT the Beaver Creek Water Advisory Committee receive this report.

8. LATE BUSINESS

(requires 2/3 majority vote)

9. QUESTION PERIOD

Questions/Comments from the public:

- Participating in Person in the Board Room
- Participating in the Zoom meeting
- Emailed to the ACRD at responses@acrd.bc.ca

10. ADJOURN



Alberni-Clayoquot Regional District

MINUTES OF THE BEAVER CREEK WATER ADVISORY COMMITTEE MEETING HELD ON WEDNESDAY, MAY 31, 2023, 10:00 AM

Via Zoom

MEMBERS Susan Roth, Chairperson, Director, Electoral Area "E" (Beaver Creek)

PRESENT: Mike Kobus
Gord Blakey
Harold Carlson
Kevin Gaudet

REGRETS: Pam Craig

STAFF PRESENT: Jenny Brunn, General Manager of Community Services
Eddie Kunderman, Operations Manager
Matt McLeod, Water Utilities Leadhand

The meeting can be viewed on the Alberni-Clayoquot Regional District website at <https://www.acrd.bc.ca/events/31-5-2023/7389>

1. **CALL TO ORDER**

The Chairperson called the meeting to order at 10:12 am.

The Chairperson recognized the meeting this afternoon is being held throughout the Nuuchahnulth territories.

The Chairperson reported this meeting is being recorded and livestreamed to YouTube on the Regional District website.

2. **APPROVAL OF AGENDA**

MOVED: G. Blakey

SECONDED: H. Carlson

THAT the agenda be approved as circulated.

CARRIED

3. **ADOPTION OF MINUTES**

a. **Beaver Creek Water Advisory Committee Meeting held February 27, 2023**

MOVED: H. Carlson

SECONDED: G. Blakey

THAT the minutes of the Beaver Creek Water Advisory Committee Meeting held on February 27th, 2023, be adopted.

CARRIED

4. PETITIONS, DELEGATIONS & PRESENTATIONS

5. CORRESPONDENCE FOR ACTION/INFORMATION

6. REQUEST FOR DECISIONS & BYLAWS

- a. **Request for Decision regarding Boundary extension of the Beaver Creek Water System Local Service Area**

MOVED: G. Blakey

SECONDED: H. Carlson

THAT the Beaver Creek Water Advisory Committee recommend that the Alberni-Clayoquot Regional District Board of Directors approve a Beaver Creek Water System Local Service Area boundary extension to include Lots 21 & 23, Loop Farms, as shown on the attached maps.

CARRIED

- b. **Request for Decision regarding Leak Policy Update**

MOVED: H. Carlson

SECONDED: G. Blakey

THAT the Beaver Creek Water Advisory Committee recommend that the Alberni-Clayoquot Regional District Board of Directors amend the leak policy, as presented.

CARRIED

MOVED: G. Blakey

SECONDED: M. Kobus

THAT the Beaver Creek Water Advisory Committee recommend to the ACRD Board of Directors to direct staff to research the costs of monthly meter reads.

CARRIED

7. REPORTS

- a. BCWS Development Cost Charge Amendment Bylaw F1133-1

MOVED: M. Kobus

SECONDED: G. Blakey

THAT the Beaver Creek Water Advisory Committee receives this Report.

CARRIED

- b. BCWS Capital Plan Update

MOVED: H. Carlson

SECONDED: G. Blakey

THAT the Beaver Creek Water Advisory Committee receives this Report.

CARRIED

8. LATE BUSINESS

(requires 2/3 majority vote)

- a. Beaver Creek Water and Food Security

MOVED: M. Kobus

SECONDED: H. Carlson

THAT the Beaver Creek Water Advisory Committee recommend to the ACRD Board of Directors to direct staff to investigate alternate billing and rate options for the water system.

CARRIED

9. QUESTION PERIOD

Questions/Comments from the public. There were no questions or comments respecting an agenda topic from public:

- Participating in the Zoom webinar
- Submissions received by email at responses@acrd.bc.ca.

10. ADJOURN

MOVED: H. Carlson

SECONDED: G. Blakey

THAT this meeting be adjourned at 11:13 am.

CARRIED

Certified Correct:

Susan Roth

Susan Roth,
Chairperson

Wendy Hayes

Wendy Hayes,
Community Services Assistant



To: Beaver Creek Water Advisory Committee

From: Jenny Brunn, General Manager of Community Services

Meeting Date: December 5, 2023

Subject: CPA Bulk Water Agreement Rate Letter

Recommendation:

THAT the Beaver Creek Water Advisory Committee recommend that the ACRD Board of Director direct staff to continue to work with the City of Port Alberni on the City's Water Master Planning and rate structure update as well as work towards drafting an updated Bulk Water Agreement for consideration.

THAT the Beaver Creek Water Advisory Committee support the ACRD Board of Director's resolution to engage an engineering consultant feasibility study in 2024, at a cost not to exceed \$50,000, to confirm the cost implications on both capital and operating requirements to re-establish the previous water source on the Stamp River Water or pursue a new alternative water source.

Background:

The Alberni-Clayoquot Regional District (ACRD) was petitioned in early spring by property owners of 2 lots currently just outside the local service area for inclusion in the Beaver Creek Water System (BCWS). The Beaver Creek Water Advisory Committee (BCWAC) supported this boundary extension and staff sent a request letter to the City of Port Alberni (CPA) to request permission to update the Bulk Water Agreement (BWA) to include these properties.

In response, the ACRD received the attached in-camera letter from the CPA on August 24th, 2023 stating that CPA Council resolved to provide termination notice for the current BWA but is willing to amend the agreement if the ACRD is open to a renegotiation of the bulk water rate to match the City's current residential water rate. ACRD staff brought this letter in-camera to the September 13th ACRD Board of Directors meeting and recommended that ACRD and CPA staff meet to clarify/confirm the concerns and intentions from the letter, request that the matter be brought out of in-camera, discuss potential options for moving forward and then report back to the BCWAC and Board.

At that meeting the following resolutions were passed and reported out in open meeting:

THAT the Board of Directors engage an engineering consultant feasibility study in 2024, at a cost not to exceed \$50,000, to confirm the cost implications on both capital and operating

requirements to re-establish the previous water source on the Stamp River Water or pursue a new alternative water source.

THAT the Board of Directors refer the above motion to the Beaver Creek Water Advisory Committee for their consideration and recommendation.

The attached letter has since been brought out of in-camera and CPA and ACRD staff met on November 28th, 2023 to discuss the core issues and concerns with the existing agreement. The discussion clarified and highlighted the following:

The City was concerned that the current agreement lacked clear language around regular renewal and review of the agreement terms and rates. They are currently reviewing many of their long-standing contracts in an effort to improve their standard agreement language throughout their services. They are interested in updating/replacing the current agreement with a more modern agreement and have provided termination notice in order to work on developing a new agreement. The existing agreement states that if either party provides written termination notice before October 31 of the current year, the agreement will expire on December 31st in the second year following the year in which notice was given. This means that the current agreement will remain in effect until December 31, 2025.

The CPA is also concerned that their current water rates, including the rates charged to the BCWS through the Bulk Water agreement, may not be fair, equitable and full-cost recovery. There is a perceived inequity between City residents who pay 100% of the residential rate and BCWS residents who pay 75% of that rate (as well as the costs to operate the BCWS system). The City is looking to determine the full cost of water system operations to ensure sustainable service delivery and good governance of this service. To this end, the City is going to be issuing an RFP in early 2024 to undertake a Master Planning process for the water system that will identify all of their future capital works and determine a rate structure that covers the capital, operating and administrative costs involved with water system operations. They will be assessing the costs associated with delivery of water to the Beaver Creek Water System and are considering the establishment of a base rate with consumption charges. They will be including the ACRD staff in the Master Planning process and rate structure discussion.

The offer in the attached letter to increase water rates to 100% of the residential rate was intended as an expedited option to renew the agreement immediately. In the staff discussions, the intent to work together on the Water Master Plan, new rate structure and an updated/modern bulk water agreement was agreed to be the next best step from both sides. Staff are recommending that the Water Advisory Committee support this next step which is expected to take the better part of a year with staff providing regular updates on the progress of these discussions to the Water Advisory Committee.

Time Requirements – Staff & Elected Officials:

Approximately 100 hours of staff time is anticipated to meet with City staff and be involved in the Master Planning update, rate review and agreement update.

Approximately 120 hours of staff time is anticipated to undertake an engineering feasibility study of re-instating the stamp river water source or finding an alternate source.

Financial:

The agreement specifies that the BCWS bulk water rate will be 75% of the City's residential rate. The CPA current single family residential rate is 0.64/m³ for consumption under 60 m³ and \$0.85/m³ for consumption over 60 m³. The BCWS currently pays \$0.48/m³ which is 75% of the lower single family residential rate.

In 2022, the BCWS used 406,734 m³ for the year, which is the equivalent of 382 lpcd (litre per capita per day). This consumption is below the provincial average but above the target of 350 lpcd and there is room for reduced water consumption if conservation efforts are implemented. The 2022 bulk water purchase costs were \$195,232 for the year. This represents approximately 16% of the total yearly costs of \$1,216,264 in 2022 which includes operating and capital contributions. If the bulk water rate were to increase to \$0.64/m³ the increase would result in an estimated \$65,077 per year which would represent a 5% cost increase.

A common conservation focused rate system employed in other water systems is an increasing block rate, where price per m³ increases at pre-set volumes. This is similar to the rate structure in place in the CPA where single family residential pay \$0.64/m³ below 60 m³ and \$0.85/m³ above 60 m³. Employing this type of rate system is likely to result in reduced average consumption and consequently reduced bulk water costs.

The alternative to purchasing bulk water from the CPA would be to re-establish the previous water source at Stamp Falls or pursue a new treated water source. The magnitude of costs for the first option would be in the range of \$10-15M to address the current deficiencies of the existing pump station and add in treatment to meet the Island Health requirements. It should be noted that asset management requires amortization of treatment plants for 50 years, meaning that the annual capital contribution alone for construction/replacement for this asset would be in the range of \$200,000 - \$300,000. An expected \$150,000 -200,000 in additional operating costs would be expected. A preliminary options and costing report would need to be undertaken to confirm the real cost implication on both capital and operating requirements. Approximately \$50K is anticipated to engage an engineering consultant to complete the report.

Strategic Plan Implications:

This approach supports objective 2.3 Infrastructure climate resiliency; specifically a review and further study options available for the Beaver Creek Water System, and a review of options available for maintaining the long-term security of public water sources and watersheds .

Prepared by: *Jenny Brunn*
Jenny Brunn, General Manager of Community Services

Reviewed by: *Wendy Thomson*
Wendy Thomson, General Manager of Administrative Services

Approved by: *Daniel Sailland*
Daniel Sailland, MBA, Chief Administrative Officer



CITY OF PORT ALBERNI

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Our File No. 0400-60-ACRD

August 23, 2023

Alberni Clayoquot Regional District
3008 5th Avenue
Port Alberni, BC V9Y 2E3
by email: dsailland@acrd.bc.ca

Attn: Daniel Sailland, Chief Administrative Officer

Dear Mr. Sailland

Re: Boundary Extension | Beaver Creek Water System Local Service Area

We write to advise that at it's In-Camera meeting of Monday, August 14, 2023, Council considered the request of the Alberni Clayoquot Regional District to extend the Beaver Creek Water System Local Service Area and resolved as follows:

THAT Council direct staff to enact clause 13. Termination, and provide notice of cancellation of the Beaver Creek Water Agreement to the Alberni-Clayoquot Regional District on or before October 31, 2023;

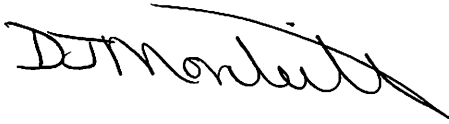
AND FURTHER, THAT Council direct staff to draft a new Beaver Creek Water Agreement between the Alberni-Clayoquot Regional District and the City of Port Alberni.
CARRIED | Res. No. IC23-64

THAT Council direct staff to offer the Alberni-Clayoquot Regional District the option to consensually amend the Beaver Creek Water Agreement to include increasing the water rates under section 7. Water Rates to that of equal to Schedule "A" Single Family Residential under the current "Waterworks Regulation Bylaw No 4494" (including all amendments), in exchange for the approval of the boundary extension request to extend the Beaver Creek Water System Local Service Area to include Lots 21, Loop Farms, Alberni District, Plan 1297 Except that part in Plan VIP65074 and Lot 23, Loop Farms, Alberni District, Plan 1297.

CARRIED | Res. No. IC23-65

Following consideration of the above, we invite you to contact Mike Fox, CAO directly at 250.720.2824 or mike_fox@portalberni.ca for further discussion.

Yours truly
CITY OF PORT ALBERNI



Donna Monteith
Director of Corporate Services

c: M. Fox, CAO
S. Smith, Director of Development Services | Deputy CAO
W. Thomson, General Manager of Administrative Services [ACRD]
E. Kunderman, Operations Manager [ACRD]

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To: Beaver Creek Water Advisory Committee

From: Jenny Brunn, General Manager of Community Services

Meeting Date: December 5th, 2023

Subject: BCWS Monthly vs. Quarterly Meter Read Comparison

Summary:

At the May 31, 2023 Beaver Creek Water Advisory Committee (BCWAC) meeting, the following resolution was passed, that was subsequently resolved by the Board on June 28th, 2023:

THAT the Alberni-Clayoquot Board of Directors direct staff to research the costs of monthly meter reads.

A detailed costing of the current hours and costs for quarterly meter reading was undertaken which determined that it requires approximately 108 hours per year from the operations and finance staff to complete quarterly water meter reading with an equivalent cost of just over \$5,000/year. If meter reading was increased to monthly, an additional 324 hours and approximately \$15,000/year would be required. The current staff time is fully allocated, and additional or auxiliary staff would be required to undertake this work.

Staff also looked at leakage from services for the past two years. The ACRD had 22 service leaks in the last 2 years with an estimated 12,000 m³ of water lost to leakage from leaks on homeowners' properties (6,000 m³/year). If monthly meter reading had been in place over this period, an average of 2/3rds of the leaks may have been resolved sooner. This could have resulted in an estimated reduction in water loss of 8,000 m³, which would have saved the water system approximately \$4,000. However, there is no guarantee that homeowners would have fixed their leaks sooner.

We are not aware of any other water system that undertakes monthly manual water meter reading. It is also to be noted that the City of Port Alberni (CPA) reads tri-annually (3 times yearly). Best practices are to remind homeowners that they can check their water meter at anytime themselves to ensure they do not have any leaks occurring. Under our current bylaw it is the responsibility of the homeowner to ensure that they keep their own water connection including indoor plumbing in good working order. Staff will provide detailed instructions on the next newsletter on how homeowners can check their meter and send this reminder out at least annually.

The cost to the water system related to leakage is primarily from breaks and slow leaks on transmission mains and distribution lines. A greater benefit and cost savings related to leak reduction would be realized by focusing efforts on water system leak detection and replacement of aging water mains.

Prepared by: Jenny Brunn
Jenny Brunn, General Manager of Community Services

Reviewed by: Wendy Thomson
Wendy Thomson, General Manager of Administrative Services

Approved by: Daniel Sailland
Daniel Sailland, MBA, Chief Administrative Officer