

**CCRD Governance & Service Delivery Study
Fact Sheets
September 2016**

WATER SERVICE

➤ **What service is provided?**

The Central Coast Regional District operates one water system within the region, located in Area E. The Bella Coola Waterworks service provides drinking water to 93 customers in the Bella Coola Townsite area (see Figure 1). The Regional District inherited the water system (as well as the fire service and street lights) when the Bella Coola Waterworks District was dissolved in 1992.

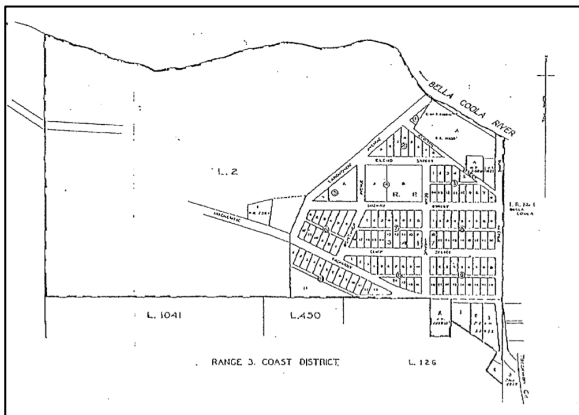


Figure 1: Bella Coola Water Service Area

The Bella Coola Waterworks system was created in 1944 and serves 51 residential and 42 commercial connections within the Townsite, and consists of 3.3 km of pipe. The water supply is provided by the Nuxalk First Nation from wells designed to supply the community's reserve lands. The Nuxalk supply their own community, including both the Bella Coola Main Village and Four Mile Village, and expanded their system to service the Bella Coola Waterworks system.

When the Bella Coola system was inherited in 1992, significant upgrades were required due to the need for a better quality water supply. Although drilling of new wells was investigated as an option, the resulting water still required expensive treatment. The best solution was determined to be

sharing the Nuxalk's existing wells, which had additional capacity and a high quality of water. In 1997 the system underwent \$1.2 million in upgrades and connected to the Nuxalk supply. Although there is a bulk water meter that records flows to the system, the CCRD pays the Nuxalk First Nation a flat rate for the water supply.

In addition to the CCRD, there are several other water providers within the region. The Nuxalk First Nation supplies water to their reserve lands, and the Heiltsuk and Wuikinuxv (also known as Oweekeno) First Nations supply their own communities with water. There are three improvement districts in the region that supply water – the Hagensborg Waterworks District, the Noosatsum Waterworks District and Ocean Falls Improvement District. Water is supplied to Denny Island privately by the Shearwater Marine Resort. Many other properties are served by individual private wells.

The Hagensborg system is the largest system, with 235 connections, while Noosatsum has 82 connections. The Hagensborg waterworks system has the distinction of being the longest small water system in BC, with approximately 14 km of pipe. The Hagensborg, Ocean Falls and Denny Island systems have been issued boil water notices by the Vancouver Coastal Health authority (VCH). Boil water notices are issued when the VCH determines there to be a health risk in the drinking water. The VCH issued a boil water notice for the Hagensborg system in 1992 for non-compliance with potable water quality standards, and both Ocean Falls and Denny Island have been under a boil water notice since 2002 for insufficient water treatment.

A total of 19 water systems have boil water notices within the CCRD. Several systems serving remote individual fishing lodges have been under boil water notices for about 10 years, including 10

lodges in the remote areas around Rivers Inlet, Calvert Island and Hakai Pass.

➤ Who makes decisions?

Decisions regarding the Bella Coola Waterworks Service are made by the full Board of Directors, due to the fact that a Board director cannot make decisions alone regarding a service where there is only one participating area.

Decisions regarding water supply and distribution for each of the other water systems, including decisions regarding expansion, rates, operations and maintenance, are made by the improvement district board of trustees, or by the private utilities that provide the service. Improvement districts must follow provincial legislation (*Local Government Act*). Every improvement district is governed by a board of trustees elected by area property owners. The board of trustees makes resolutions, enacts bylaws, and assesses and collects taxes in accordance with the legislation.

Private utilities are regulated through the Comptroller of Water Rights, under the *Water Utility Act* and the *Utilities Commission Act*. The Province's Utility Regulation Section ensures that water systems are properly designed and constructed prior to the sale of lots and that utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient to operate their water systems sustainably.

Both the improvement districts and private utilities must also meet the requirements of the *Drinking Water Protection Act* as enforced by the Coastal Health Authority. The Vancouver Coastal Health Authority requires 3 different permits to provide drinking water: Drinking Water Source Assessment, Construction Permits and Operating Permits.

Provincial water regulations do not apply to communities located on First Nations reserves. Legislative authority for the provision of drinking water to on-reserve First Nations communities rests with the federal government. In British Columbia, the First Nations Health Authority has assumed Health Canada's role in drinking water safety and monitoring on reserves.

➤ Who delivers the service?

As noted above, the CCRD operates only one water distribution system. The water supply to the system is owned and managed by the Nuxalk First Nation, and regulated by the federal government. The remaining improvement districts and private systems deliver water services elsewhere.

➤ What is spent by CCRD on the service?

Operation costs of the Bella Coola Waterworks service in 2015 was approximately \$47,500, although for 2016 they are budgeted at \$80,483 due to the availability of some prior years' surplus funds, which are funding some additional maintenance (replacement of a hydrant), shared purchase of GPS, and a leak detection study.

In 1997 the regional district borrowed \$405,000 to complete a \$1.2 million upgrade to the water system. The debt is scheduled to be retired by November 2022. Although it cannot be paid off prematurely, the CCRD will have collected sufficient funds from parcel taxes to eliminate the debt as early as the end of 2017. In addition to those two services (water operations and water capital fund), the waterworks undertook an infrastructure survey in 2016, which was funded separately through the Community Works Fund.

The 2016 service costs are shown in Figure 2.

Figure 2
Bella Coola Waterworks Service
2016

Service Component	Cost ¹
BC Waterworks Operating Costs ²	\$80,483
BC Waterworks Capital Costs	\$19,521
BC Waterworks Infrastructure Survey ³	\$15,000
Total	\$115,004

1 Costs are from 2016-2020 Financial Plan
2 Operating costs were higher than usual for 2016, due to the availability of prior years' surplus (used for a leak detection study, replacement of a hydrant, some capital works)
3 Infrastructure Survey was funded separately by the Community Works Fund in 2016

Other water systems not under the CCRD authority have varying budgets, depending on the size, condition and circumstances of each system. The operating costs of each of the three improvement district water systems are shown in Figure 2 below. Because improvement districts do not have the ability to secure senior government grants (provincial or federal funding), nor can they borrow at low interest rates from the Municipal Finance Authority (which are only available to regional districts and municipalities), improvement districts are forced to build reserves to enable large infrastructure upgrades or replacements. For instance, the Hagensborg Waterworks District had just over \$400,000 in its Waterworks Water Act Compliance Reserve at the end of 2015.

Figure 3
Improvement District Water Operating Costs
2015

Service Component	Cost ¹
Hagensborg Waterworks	\$118,235
Noosatsum Waterworks	\$17,460
Ocean Falls Water ²	\$49,903

¹ Costs are from 2015 financial statements
² Ocean Falls Improvement District 2015 Financial Statements were not available. Info shown is from 2014 Financial Statement

➤ **How are the costs recovered?**

Operations for the Bella Coola waterworks service are recovered through user fees, which remain unchanged since 1997. Rates depend on the land use (single-family, multi-family, commercial, institutional) as well as the service line size. In addition, each parcel that receives water pays a \$475 parcel tax (\$500 when the provincial surveyor of taxes fee is included) that covers the cost of borrowing for the infrastructure upgrades undertaken in 1997. Prior years' surplus is also used, when available, to fund operations.

➤ **What is the cost to a typical residence?**

The net cost of the CCRD waterworks service is recovered from Area E taxpayers through user fees (water tolls) and parcel taxes. The cost to a typical single-family residence is shown in Figure 4 below.

Figure 4
Cost Impact on Typical Residence¹
2016

Service	User Fee	Parcel Tax ³	Total
BC Waterworks ²	\$140	\$475	\$615
Total			\$615

¹ Impact is calculated on a home assessed at \$150,000
² Portion of Electoral Area E only
³ Parcel tax excludes 5.25% Surveyor of Taxes fee