

**REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 03 JANUARY 2007**

SUBJECT **FUNDING FOR THE CREATION OF NEW WILDERNESS MOUNTAIN WATER SERVICE FROM THE FEASIBILITY RESERVE FUND**

PURPOSE

To seek approval of the Electoral Area Services committee to provide funding from the feasibility reserve fund for purposes of obtaining the assent of the electors of the Wilderness Mountain water area, East Sooke, by petition to the Board, to form a new water service through the Capital Regional District (CRD) and to transfer the assets of the private owner of the system to the CRD.

BACKGROUND

CRD staff have been converting local improvement districts and private water systems to new services of the CRD at the rate of two per year for the past several years. CRD first undertakes a feasibility or takeover study with assistance from the improvement district and from infrastructure planning grants from the province. After filing the study with the improvement district and the Ministry of Community Services, the CRD will work with the improvement district to obtain the assent of the electors to create the necessary service. Often, if there is an infrastructure grant program in place, CRD also makes application for an infrastructure grant to offset the necessary capital cost for improvement for the system. In the case of Wilderness Mountain water, the Province of BC has awarded the CRD an infrastructure grant under the *BC Community Water Improvement Program*, subject to the residents of Wilderness Mountain agreeing to become a service of the CRD. The cost to obtain this assent is typically in the order of \$5,000 and covers the cost of preparing the Petition to the CRD Board, researching land ownership, and updating of capital and operating costs. This cost is funded from the feasibility fund with a recovery to the fund if/when the new service is established. The work will be undertaken by Water Services and Environmental Services staff.

FINANCIAL IMPLICATIONS

There is considerable interest in the project by residents of the area. The province has agreed to pay up to two thirds of the capital costs for improvements to the system. If the Petition fails, the feasibility fund would not be able to recover the expended funds.

ALTERNATIVES

The residents of the water area could request the CRD Board to obtain the assent through a referendum process, however the referendum process involves the expenditure of additional funds to retain the returning officer, host the referendum, advertise the process etc.

SUMMARY/CONCLUSIONS

The Wilderness Mountain Water Corporation has agreed to turn over the assets of the water company to the CRD if residents of the area also agree to have the CRD Board establish a new water service. The new service would take over the assets of the company, make improvements to the infrastructure and own and operate the water system. The cost for staff to provide support to the residents of the area, to

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prepare the petition, provide support to the group during the petition process and to prepare the necessary bylaws and details of transfer is estimated to be in the order of \$5,000, which staff seek to have funded from the feasibility reserve fund. If the service is created, the cost of this work is recoverable from the newly created service.

RECOMMENDATION

That the Electoral Area Services committee:

1. approve funding for the approval process to gain the assent of the electors of the Wilderness Mountain water area to form a new service of the Capital Regional District at a cost of \$5,000; and
2. direct Environmental Services staff to proceed with the work.

Gary Hendren, ASCT
Local Services Engineering Coordinator

Dwayne Kalynchuk, PEng
General Manager, Environmental Services
Concurrence

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