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## REPORT TO ELECTORAL AREA SERVICES COMMITTEE MEETING OF WEDNESDAY, 21 NOVEMBER 2012

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**SUBJECT**      **LEAK ADJUSTMENT TERMS AND CONDITIONS FOR WATER AND SEWER SERVICES IN THE ELECTORAL AREAS.**

### **ISSUE**

Establishment of leak adjustment terms and conditions for water and sewer services in the electoral areas

### **BACKGROUND**

The Capital Regional District (CRD) has been applying the Fernwood Water Local Service Commission's leak adjustment policy to deal with leak adjustments related to water and sewer services in the electoral areas. Under this policy, the CRD waives the cost of the water supplied from the time the leak is detected to the time the leak is fixed. According to Section 363 of the *Local Government Act*, the authority to issue rebates must be established in a bylaw.

The CRD Board can establish the authority to administer leak adjustment rebates by adding leak adjustment terms and conditions to the electoral area utility services fees and charges bylaws. Leak adjustment rebates will compensate for leaks that occur due to circumstances beyond customers' control, such as a break in a service line, a mechanical malfunction, water theft, vandalism, or other unusual conditions. No rebates will be issued for leaks that relate to internal plumbing systems and fixtures (e.g. leaking faucets, toilets, and hot water tanks), external taps, hoses, and irrigation systems on customers' property.

The proposed bylaws include leak adjustment terms and conditions. In addition, for administrative efficiency, these bylaws are now updated to include their respective amendments since they were originally adopted.

### **ALTERNATIVES**

1.    a) That Bylaw No. 3847, cited as "Southern Gulf Islands and Juan de Fuca Electoral Areas Utilities and Street Lighting Fees and Charges Bylaw No. 1, 2012" be introduced and read a first and second time, read a third time, and adopted.  
  
      b) That Bylaw No. 3864, cited as "Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012" be introduced and read a first and second time, read a third time, and adopted.
2.    That the bylaws be referred back to staff for further review.

### **IMPLICATIONS**

#### Administrative

The CRD needs to establish, by bylaw, the authority to issue leak adjustment rebates. The terms and conditions for dealing with leak adjustments need to be specified; adding these to the electoral area utility services fees and charges bylaws is the most appropriate way to establish the CRD's authority to issue leak adjustment rebates. Administration of clearly specified leak adjustment terms and conditions will ensure that the CRD issues rebates in a fair and consistent manner, and exclusively for leaks relating to circumstances beyond customers' control. This will also improve accountability by both the CRD and its customers for attending to water and sewer system leak issues promptly.

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Financial

Water leaks need to be carefully managed given their financial impact on CRD water and sewer service budgets. Historically, the CRD has issued rebates for leaks resulting from both CRD service system and customer property issues. In 2011 and 2012 (Jan - June), lost revenue due to leak adjustment rebates totaled \$30,441 and \$8,216 respectively for water services with a consumption based fee structure.

Environmental

Water leaks, if severe, can significantly reduce a reservoir's level; consequently, it is important for service providers and users alike to share in the responsibility of keeping publicly and privately owned systems and fixtures affecting water consumption in good working order. For customers, this involves heightened awareness and diligence in fixing problems that occur on their property, and promptly reporting to the CRD leak issues they observe which are beyond their control.

**CONCLUSION**

The CRD Board needs to establish, by bylaw, terms and conditions for processing leak adjustments relating to the water and sewer services in the electoral areas. These terms and conditions can be added to the existing electoral area utility services fees and charges bylaws.

Administration of clearly specified leak adjustment terms and conditions will ensure that the CRD issues rebates in a fair and consistent manner, and exclusively for leaks relating to circumstances beyond customers' control. It will eliminate rebates for water leaks related to customers' property, as well as their negative impact on service revenues. Finally, it will heighten awareness and accountability by service providers and customers alike to help avert the potentially harmful environmental and financial impact that severe reservoir-depleting leaks can cause.

**RECOMMENDATION**

That the Electoral Area Services Committee recommends to the CRD Board:

1. a) That Bylaw No. 3847, cited as "Southern Gulf Islands and Juan de Fuca Electoral Areas Utilities and Street Lighting Fees and Charges Bylaw No. 1, 2012" be introduced and read a first time and second time, read a third time, and adopted.
- b) That Bylaw No. 3864, cited as "Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012" be introduced and read a first time and second time, read a third time, and adopted.

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Donna Costin, CMA  
Manager, Revenue Services

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Diana E. Lokken, Dip Bus Admin, CMA  
General Manager Corporate Services  
Concurrence

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Ted Robbins, BSC, C. Tech.  
Acting General Manager, Integrated Water Services  
Concurrence

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Kelly Daniels  
Chief Administrative Officer  
Concurrence