



Making a difference...together

Agenda Item #6  
REPORT #JWDC 2009 - 04

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION  
MEETING OF TUESDAY, 2 JUNE 2009**

---

SUBJECT      REQUEST FOR INTERIM PROVISION OF WATER SERVICE TO WESTHILLS  
DEVELOPMENT

PURPOSE

To present options for the possible interim servicing of the Westhills Development by Capital Regional District (CRD) Water Services.

BACKGROUND

The City of Langford has requested that the CRD provide interim water services to the initial phases of the Westhills development, a project which is outside the CRD water service area (Attachment 1). The developer is currently negotiating with Langford to create an integrated utility, a single corporate entity that would operate water, district heating, and potentially other utility services for the development. It is proposed that CRD operate the water system (installed by the developer) until the integrated utility is in a position to take it over in roughly one year's time.

In a letter dated May 13, 2009 (Attachment 2), staff set out several conditions to be met if interim servicing is to be provided by the CRD, including approval of the concept by the Juan de Fuca Water Distribution Commission.

ALTERNATIVES

Alternative 1. Approve interim servicing of the development.

Alternative 2. Do not approve interim servicing of the development. Under this alternative, servicing issues would remain unresolved for the Westhills development.

FINANCIAL IMPLICATIONS

Alternative 1.

Under the proposed interim servicing arrangement, the costs of operating the Westhills water system would be 100% recoverable.

Alternative 2.

No financial implications.

RECOMMENDATION

That the Juan de Fuca Water Distribution Commission:

1. Authorize the provision of interim water services to the Westhills development; and
2. Direct staff to negotiate an operating agreement with the City of Langford and the Westhills developer.

---

T. Tanton, P.Eng.  
Senior Manager, Planning & Engineering  
Water Services

CITY OF LANGFORD  
2<sup>nd</sup> Floor, 877 Goldstream Avenue  
Langford, BC  
V9B 2X8



ENGINEERING AND SUBDIVISION

Tel: (250) 474-0068  
Fax: (250) 391-3434  
engineering@cityoflangford.ca  
Website: www.cityoflangford.ca

5 May 2009

File No.: 5500-50 &  
3320-20 SUBWesthills

CRD Water services  
479 Island Highway  
Victoria, BC V9B 1H7

Attention: Jack Hull, P.Eng.

Dear Mr. Hull:

Subject: Interim provision of domestic water services to Westhills Development, Langford, BC

Further to our recent meeting regarding the interim provision of water services to the Westhills Community in Langford, please accept this letter as a request from the City of Langford to have Capital Regional District Water Services operate the water distribution system within the boundaries of the Westhills project, on behalf of the City of Langford, on an interim basis. As you are aware, the Westhills development area was excluded from the CRD water service area some months ago to facilitate the creation of an Integrated Utility, such that water, district heating, and potentially other utility services would be operated by a single corporate entity. Presently, the City is negotiating the creation of the integrated utility with Westhills Land Corp, and expect to have a franchise/operating agreement in place over the next year.

In the mean time, Westhills has made an application to subdivide some of their lands adjacent to Glen Lake and Parkdale Roads (see sketch). They are initially applying to subdivide 16 single family small lots, out of a total of about 70 lots in this area. It is expected that the first phase, and possibly additional phases of development may be complete before the City is in a position to fully implement the integrated utility for Westhills through our expected agreement with Westhills Land Corp. For this reason, the City is requesting that CRD Water Services operate the domestic water systems in Westhills, for those properties that are being subdivided, on an interim basis, until such time as the Integrated Utility is fully put into operation.

We suggest that the parties (City, CRD Water), enter into an operating agreement on the following suggested terms:

1. Westhills will construct the water distribution system to CRD water system standards, to the satisfaction of CRD Water Services;

2. Westhills would be responsible for delivering the distribution system to the CRD for operation, with the system flushed, tested, and chlorinated to CRD and Ministry of Health standards;
3. Domestic water would be supplied to the new lots in the same fashion as is being provided to other residents in Langford, at a retail metered rate equal to the rest of Langford;
4. CRD Water would read the water meters, issue bills to the customers, and collect all water rates;
5. CRD would pay to the City a proportion of the retail water rate, consisting of the capital works component of the retail rate, based on metered consumption, as CRD Water Services is not responsible for any capital costs of the water distribution system. Payment would be semi annually, or annually, at CRD water's discretion; all other billing revenue would be to CRD Water Services.
6. The operating agreement would be renewed annually;
7. Either party can terminate the agreement without additional compensation on 60 days notice.

If the above terms are acceptable to CRD Water Services, the City would be pleased to draft up a formal agreement for execution. Westhills has also asked that, while this agreement is being drafted, provision be made to permit the physical tie ins and related work to proceed in a timely manner, as the water tie-in is located in an area where road works are also required, and it is Westhills' and the City's desire to have these works complete in midsummer 2009.

Thank-you for your interest in assisting us with the Westhills Integrated Utility project.

Yours truly,



John Manson, P.Eng.  
City Engineer

Cc: Administrator  
Treasurer  
Mayor and Council  
Westhills



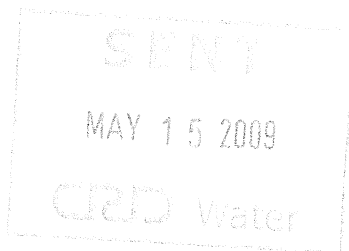


Water Services  
479 Island Highway  
Victoria, BC, Canada V9B 1H7

T: 250.474.9600  
F: 250.474.4012  
www.crd.bc.ca

May 13, 2009  
File: 175-04-10

Mr. John Manson, P.Eng.  
City Engineer  
City of Langford  
2<sup>nd</sup> Floor, 877 Goldstream Avenue  
VICTORIA, BC V9B 2X8



Dear Mr. Manson:

---

#### INTERIM PROVISION OF WATER SERVICE TO WESTHILLS DEVELOPMENT

---

Capital Regional District (CRD) Water Services is pleased to offer to provide operational services for the Parkdale Creek subdivision of the Westhills Development in accordance with the conditions outlined in your letter of May 5, 2009, and subject to the following additional conditions:

1. The retail meters must be compatible with the CRD's 'radio read' metering system.
2. The City of Langford will reimburse the CRD for any overdue water accounts at December 31 of each year. A \$40 administration fee will be added to the amount owing in accordance with current practice.
3. Owners will be required to apply for service using the same procedure as outlined in our Conditions of Service Bylaw.
4. Occupants/homeowners will be billed bi-monthly.
5. In the event of a water main failure, which is unlikely, the CRD will invoice Langford for the repair costs.
6. Provision of the service is subject to the approval of the Juan de Fuca Water Distribution Commission at its meeting on June 2.

It is expected that the provision of water service will be a short term arrangement, as the area to be serviced is outside the service area of our Conditions of Service Bylaw. That means we have no way to address situations that would be violations under the bylaw. Should the service be required for an extended period of time, we will have to revisit the terms of the agreement. As offered in your letter, please proceed with the drafting of an agreement.

We have advised Westhills that we will permit a tie-in pending execution of an agreement.

Yours truly,

J.A. (Jack) Hull, MBA, P.Eng.  
General Manager, Water Services

JAH:mm