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Agenda Item #7
REPORT #JWDC 2009 - 06

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, 3 NOVEMBER 2009**

SUBJECT WATER UTILITY OPERATING AGREEMENT BETWEEN THE CITY OF LANGFORD AND THE CAPITAL REGIONAL DISTRICT (CRD)

PURPOSE

To approve the agreement with the City of Langford for the interim servicing of the distribution system within the Westhills development.

BACKGROUND

At its meeting on June 2, 2009, the Juan de Fuca Water Distribution Commission agreed to the request from the City of Langford for operation of the distribution system within the Westhills development until an integrated utility has been established. Staff were authorized to negotiate an operating agreement with the City of Langford and the Westhills developer.

The attached agreement was prepared by the City of Langford and has been reviewed by CRD legal counsel.

ALTERNATIVES

Alternative 1. Approve the Water Utility Operating Agreement

Alternative 2. Do not approve the Water Utility Operating Agreement

FINANCIAL IMPLICATIONS

Alternative 1.

The customers in Westhills would be charged the same rate as customers in the Juan de Fuca Water Distribution Commission service area. However, as the CRD would have no responsibility for capital expenditures within Westhills, the difference between the retail rate and the retail rate less the capital component would be remitted to the City of Langford.

Alternative 2.

No financial implications.

RECOMMENDATION

That the Juan de Fuca Water Distribution Commission approve the Water Utility Operating Agreement between the City of Langford and the CRD.

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