



**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION  
MEETING OF TUESDAY, DECEMBER 4, 2012**

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**SUBJECT**      **WATER RATE REDUCTION FOR SPECIFIC USER CLASSES IN THE JUAN DE FUCA WATER DISTRIBUTION AREA**

**ISSUE**

To consider the request for a water rate reduction from the BC SPCA Wild Animal Rehabilitation Centre (Wild ARC).

**BACKGROUND**

The BC SPCA operates the Wild ARC, a non-profit organization, at 1020 Malloch Road in the District of Metchosin. The Wild ARC recently funded an extension of the distribution system to provide water service to the property. At the meeting of the Juan de Fuca Water Distribution Commission on September 4, 2012, the Wild ARC requested that the Commission consider amending the fees and charges bylaw for the service to make provision for a reduced water rate for Wild ARC, rather than the retail water rate for water consumption.

The *Local Government Act* states the basis on which a regional district may 'discriminate' in its fee structures. This includes setting fees and charges that are different on the basis of "different classes of persons, property, businesses and activities". With respect to this request, it has been determined that the water rate class for Wild ARC would have to be described as 'non-profit organizations' and could not be refined any further, as it could be considered an effort to isolate a single user for the benefit of, in this case, the Wild ARC. Allowing a reduced water rate in the Juan de Fuca water distribution fees and charges bylaw for a 'non-profit organizations' class would entitle all non-profit organizations in the service area to the reduced rate, resulting in a potentially significant revenue impact for the service.

The Juan de Fuca water distribution fees and charges bylaw does define one water rate class other than the retail rate, and that is 'community allotment gardens'. It is expected, over time, there will be very few properties under this class and therefore, very little impact on revenue for the service.

**ALTERNATIVES**

1. That the Juan de Fuca Water Distribution Commission direct staff to advise the Wild ARC that a water rate reduction will not be granted for their property at 1020 Malloch Road, and that the water consumption will continue to be charged at the retail water rate defined in the Juan de Fuca water distribution fees and charges bylaw.
2. That the Juan de Fuca Water Distribution Commission direct staff to pursue establishing a 'non-profit organizations' water rate class in the Juan de Fuca water distribution fees and charges bylaw, and determine the revenue impact based on entitlement, of two rate options, wholesale and agricultural.

**IMPLICATIONS**

Alternative 1: Requiring the Wild ARC to pay the retail water rate for water consumption may be considered a financial hardship for the organization. All other non-profit organizations in the Juan de Fuca water distribution service area are currently paying the retail water rate.

Alternative 2: Establishing a 'non-profit organizations' water rate class could result in a potentially significant revenue impact as all non-profit organizations in the service area would be entitled to the reduced water rate.

**CONCLUSION**

Considering the legislation, defining a 'non-profit organizations' water rate class in the Juan de Fuca water distribution fee and charge bylaw would entitle all non-profit organizations in the service area to the reduced rate, resulting in a potentially significant revenue impact for the service.

**RECOMMENDATION**

That the Juan de Fuca Water Distribution Commission direct staff to advise the Wild ARC that a water rate reduction will not be granted for their property at 1020 Malloch Road, and that the water consumption will continue to be charged at the retail water rate defined in the Juan de Fuca water distribution fees and charges bylaw.

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