

Cowichan Bay Waterworks District

— PLANNING FOR THE FUTURE:
A COMMUNITY CONVERSATION AND DECISION

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— Purpose of this critical conversation

To bring important considerations of the limitations and **challenges** faced by Cowichan Bay Waterworks District to the community for **awareness, dialogue,** and **eventual decision making.**

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Cowichan Bay Waterworks Est. 1946

Infrastructure	Staff and Board	Financial Support
<ul style="list-style-type: none"> • 26 km of linear pipe • 3 reservoirs • 2 wells • 321,000 cubic meters annual water demand 	<ul style="list-style-type: none"> • 4 part time operational staff • 2 part time administrative staff • 5 volunteer Trustees 	<ul style="list-style-type: none"> • \$700,000 admin. & operational budget <ul style="list-style-type: none"> • \$668,150 annual revenue from tolls • \$1.7 million capital budget 2025 <ul style="list-style-type: none"> • \$350,000 annual revenue from parcel taxes • \$1,765,000 in reserves

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Key Challenges

1. **Renewal and expansion of infrastructure**
2. **Adequate staffing**
3. **Water supply and demand**
4. **Community based governance model**

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1. Renewal and Expansion of infrastructure

- We have an ageing water system and a growing community
- Considerable investment in maintenance program in recent years, some major projects remain undone – a single major project depletes our current reserve fund
- The only way to pay for capital projects is through Parcel Taxes (current rates are too low to fund the work)
- Improvement Districts are not qualified to apply for Provincial Grants
- Improvement Districts cannot access low interest municipal interest rates

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2. Adequate staffing

- A limited payroll budget and part-time hours hinder our ability to attract and retain highly qualified candidates. (workloads often exceed part time hours)
- CBWD is a level 3 water system, we must have a level 3 Senior Water Operator in charge of operations and to train two new operators
- Growing demands and limited resources are putting strain on the ops team
- District Administrator and Finance Officer have advised Trustees of their intent to resign (4th District Administrator in 9 years)

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3. Water Supply and Demand

- 2 wells just meeting current needs, regulatory restrictions reduce capacity
- CBWD needs a new well capable of producing the same as main well to keep up with demand, and to create back-up water should main well go offline
- Provincial water license issued in fall 2024 for 288,000 m³/year— issued based on 2016 usage, which doesn't account for 9 years of growth and doesn't allow us to connect any new users.
- In 2024 we drew over 321,000m³. (New wells/storage do not address this problem)

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4. Community Governance Model

- 5 volunteer trustees responsible for short (operational) and long-term (capital) decisions
- Significant responsibility that requires time and expertise— technical (understanding water system infrastructure) + good governance (strategy, risk, financial)
- Recruitment is difficult— generally little to no interest from the community to participate
- Most current Trustees would like to rotate off
- \$350 monthly honorarium not reflective of the responsibility taken on by Trustees

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Examples

Telegraph Reservoir

- Developing leaks
- \$80,000 + spent already in 2025 maintaining it

Village Watermain

- 70 years old, needs replacement
- Risk of sudden failure
- Many suspected leaks
- Need to meet fire flow requirements
- Approx. \$1.5 million (increases each time we defer)

New water source

- New well at a new location
- To meet growing demand and create a back-up water source for community safety
- Alternate: a new water reservoir to store more water
- Minimum cost \$500,000

Financial Pressure

- Infrastructure upgrade = parcel taxes
- Operations & maintenance = water tolls
- Limited access to grants and high borrowing rates
- Emergency costs: e.g. 2024 Wilmot/Prichard watermain break cost \$16,000

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Indicative projection of Parcel Taxes

- This is an indicative projection only for the purpose of discussion, parcel taxes may be higher or lower pending updated and more detailed understanding of costs year-over-year
- Projects to be done over next five years:

The Village Watermain	\$1.5 million
New Water Source	\$0.7 million
Telegraph Fire Flow Improvements	\$1.86 million
Approximate Total	\$4 million
Total revenue required from parcel taxes to fund over five years	\$0.8 million per year

- We are currently collecting \$0.35 million in parcel taxes - a 229% increase would be required beginning in 2026.

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Indicative projection of Tolls/Water Rates

- This is an indicative projection only for the purpose of discussion, tolls/rates will be set annually through governance process
- Anticipated increases to meet admin. & operations needs 2026

Additional Administrative Needs	\$150,000
Additional Operations/Maintenance	\$150,000
Current Budget	\$700,000
Total for 2026	\$1,000,000
Percent rate/toll increase required	43% increase

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Options

A: Seek Conversion to CVRD

Intent: ensure long-term sustainability, improve access to funding for needed investments, and ensure continued high-quality service for our community

B: Continue as an Improvement District

Intent: maintain local control in recognition that all required investments and increasing operational costs would have to be made through increased water tolls and parcel taxes, and increased community participation required

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Option C???

If the community comes up with another solution, we are open to hearing ideas and collaborating on the best possible solution

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What does conversion to CVRD mean?

- Responsibility for providing service transfers to the CVRD, along with any related buildings, equipment, and financial commitments
- Billing, governance, and customer support would shift to the CVRD
- CVRD would determine policies and procedures related to service

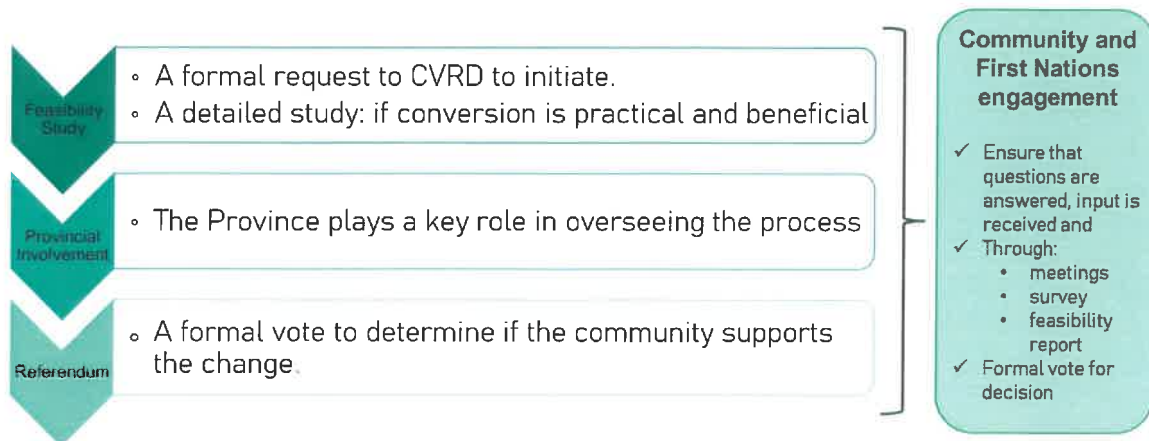
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What Does Conversion to CVRD Mean?–Continued

- Direct line of accountability to rate payers through Area Director (vs. Trustees)
- A lengthy and multi-step process
- Cowichan Bay's water system gains access to resources and tools of a Regional District

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Exploring Conversion: The Process



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Basic Timeline of Process



**More detailed timeline to be developed and shared as we learn more, including a community engagement plan

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Next Steps

Initial community engagement

- Discussion at AGM
- First community feedback period- June 2025 (prior to submitting letter of request to CVRD in July)
 - Written feedback – via email (info@cowichanbaywater.com)
 - focus of feedback: what are your key questions that we can work to answer?
- Survey to be distributed in July billing period

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Request to CVRD

- CBWD will submit a formal request to initiate the feasibility study in July, following the June written feedback period. Our request will reflect the community's key questions and perspectives
- The feasibility study is essential for the community to make an informed decision on the future of CBWD

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Discussion Questions

1. What are your key questions that you would need answered to decide what to do?
2. This is an important community-based decision, what are your key considerations? (e.g. local control, financial capacity and access to funds, governance)
3. What is your perspective on exploring CVRD conversion?
4. Are you interested in supporting the exploration process – volunteer your time to support communication and community engagement, for example.
 - we welcome a community working committee, if there is interest.
5. Are you interested in the commitment and responsibility of becoming a CBWD Trustee?

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Appendix

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Improvement Districts

- An Improvement District in BC is a local government body that provides one or more specific services to a local community
 - focused on specific services (such as water), while municipalities and regional district provide a wider range of services.
 - smaller, more limited in scope than municipalities, and are governed by trustees, not mayors or councils.
- Cowichan Bay Waterworks District manages part of the water system in Cowichan Bay, BC
 - Incorporated on August 12, 1946, under the Water Act
 - funded through parcel taxes and water tolls only
 - governed by an elected board of volunteer trustees (community members) who make day-to-day decisions about services and operations
 - Major decisions – like bylaws or borrowing – must be approved by the provincial government through the Inspector of Municipalities

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