

Water Rate Review

Royston Water Local Service Area

Through 2022 and 2023, the Comox Valley Regional District (CVRD) completed a Water Rate Review, which maps out the future needs of four water service areas, and identifies the funds required to ensure their continued success. The four service areas affected are: Union Bay, Royston, Comox Valley and Black Creek-Oyster Bay.

Why a Water Rate Review?



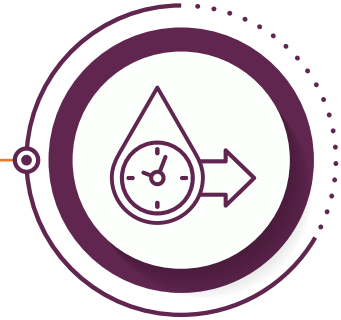
Reliability and Sustainability

Our water systems are aging – and to ensure they are able to continue to reliably provide service, plans have to be made for the long-term replacement and upkeep.



Budgeting for Replacement

A majority of water mains require replacement over the next 10-20 years. The CVRD needs to begin planning and budgeting to replace them.



Fairness to Current and Future Users

If we don't save for the future replacement now, our ability to provide safe, affordable drinking water into the future will be challenged. Preparing ensures fairness for users throughout the system's lifecycle.

About Water Rate Reviews

To understand how much residents should be paying for water service, the CVRD did a deep dive into current infrastructure and future costs.



Asset Inventory and Management Plan

First, the CVRD did an asset management plan, which included an inventory of current infrastructure - its age, condition and risk level to develop a replacement schedule.



Financial Planning

With an Asset Management Plan in place, a financial plan was prepared that would meet the revenue requirements for future asset replacement.



Rate Increase Options

Once the cost of upgrades and timing for replacement was clear, three options were developed offering different degrees of rate increase to meet the required levels.



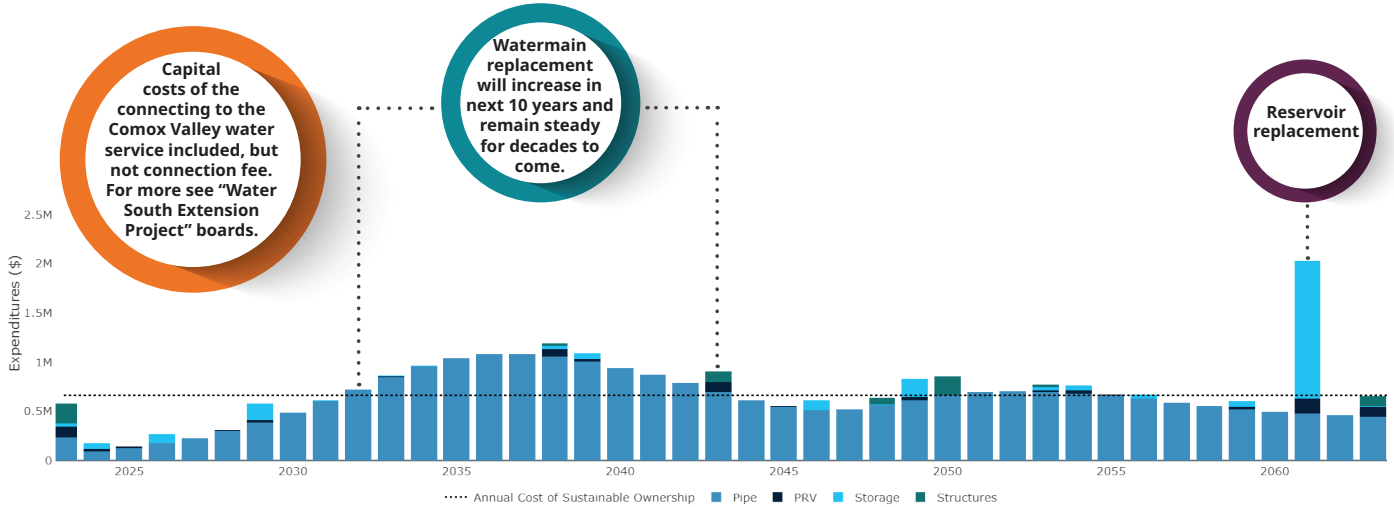
Workshop and Option Selection

Working with Electoral Area Directors, a preferred rate increase option was selected for each of the four impacted areas.

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Asset Replacement Schedule – 40 Years

This graph shows the schedule for when assets (infrastructure) should be scheduled to be replaced, based on their expected lifespan.



The Royston service's assets include:

- Two reservoirs
- Six pressure reducing valves to manage the water coming down the hill.
- A re-chlorination station
- About 44 km in water mains.



Did You Know?

Operations and maintenance are paid for by user fees, while capital projects (like construction of new/replacement infrastructure) are paid for by parcel taxes.

Expected Rate Increases

The CVRD understands that any rate increase is difficult for ratepayers. A key focus throughout this process has been on how to prepare for the future costs, while minimizing the impact of costs on residents. See the below table for how each will be increased to meet future needs of service. Rates will be reviewed every four years.

Rate Component	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
User Rates	7%	7%	7%	7%	7%	2.5% per year matching inflation									
Parcel Tax	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	7.9%	7.9%	7.9%	7.9%	7.9%

Total Costs of Water (with inflation)

	Current	2024	2025	2026	2027	2028
Parcel Tax	\$200	\$230	\$265	\$304	\$350	\$402
User Rate (Avg. 248m3/yr)	\$605	\$647	\$692	\$741	\$792	\$848
CICC: Water Extension South	-	-	-	-	\$450	\$450
TOTAL COST	\$805	\$877	\$957	\$1,045	\$1,592	\$1,700