



# Missezula Lake Waterworks District - Public Meeting

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# Agenda

- Purpose
- How Does the RDOS Work
- Advantages/Disadvantages RDOS
- Improvements Required by Province
- Cost Comparison
- Next steps
- Questions



# Purpose

The purpose of this meeting is to help residents to make an informed choice on whether they would like to convert their water system (the Missezula Lake Waterworks District) to a Regional District Service



# How Does a RD Function Work

- The Regional District operates by creating service areas.
- Assets of the service area stay the assets the service area. You will not lose any reserves, land etc. if you become a RD function
- Debt of a service area stays the cost of a service area.

# How Does a RD Function Work

- All costs associated with providing service are those of the residents receiving service. Monies are not moved in or out of a service (no profits, no subsidies)
- Some costs are shared. These are apportioned. Administration (finance, hr, overhead), Insurance, etc.
- Infrastructure grants are applied for.
- Borrowing will only be for the amounts spent



# Advantages

- Access to Provincial and Federal grants for capital improvements to the utility. Grants can vary in value depending on the program and availability. Typically cover 66% of capital cost.
- Insurance. The Regional District carries up to \$40M in liability, errors and omissions insurance and \$72M for property, equipment and vandalism insurance. Coverage is comprehensive is very affordable.
- Borrowing rates. The RDOS is part of the Municipal Finance Association and typically has long term borrowing rates lower than any bank.



# Advantages

- Professional work force. The Regional District has a work force with Professional Engineers, Engineering Technologists, Chartered Professional Accountants, and Level 1 to 4 Water and Sewer Operators. Because we own and operate a large number of water and sewer systems we can provide professional services in house.
- Economies of scale. RDOS equipment, resources, telemetry and systems in place allow the shared use of common resources. This has the affect of reducing costs for any new users.



# Advantages

- 24 hours a day 7 day a week coverage. The RDOS has staff available during normal office hours, but also has staff on standby during weekends, holidays and at night. This means we are able to deliver service to any emergency 24hours a day, seven days a week.
- Improvement Districts often depend on volunteers or community members with very low stipends in order to be viable.
- It is very difficult to get qualified operators in rural areas.





# Disadvantages

- Our staff are not volunteers.
- Financial decisions are made at the Board with consultation from your Area Director.



# Provincial Regulation

- The Province requires that all a surface water meet the 4-3-2-1-0 water treatment standard
  - 4 log reduction or inactivation of viruses and bacteria
  - 3 log reduction or inactivation of giardia and cryptosporidium
  - Minimum of 2 forms of water treatment
  - Less than or equal to 1 NTU (turbidity)
  - 0 total/fecal coliform



# Improvements Req. to Meet Reg.

- MLWD water comes from Missezula Lake and is only chlorinated.
- Water occasionally exceeds 1NTU and does not have 2 forms of treatment
- Filtration Treatment is req. (Approx. \$1.5M)
- Min. Level 2 EOCP classification for water treatment and operator
- Higher utility costs (electricity, solids, cartridges)



# Cost Comparison

- The current 2019 MLWD budget is \$95K per annum or \$500 per home per annum.
- In order for the RDOS to operate MLWD a budget of \$122K per annum or \$644 per home per annum is estimated.



# Cost Comparison

- The current 2019 MLWD budget plus the construction of a filtration plant is \$198K per annum or \$1,044 per home per annum.
- The RDOS to operate MLWD plus the construction of a filtration plant with no grant is \$228K per annum or \$1,202 per home per annum.
- The RDOS to operate MLWD plus the construction of a filtration plant with a 66% grant is \$163K per annum or \$863 per home per annum.



# Next Steps

- The community votes on whether they would like to become a RDOS function and fund the upgrades required by the Province
- Information goes to the Province for review
- Information goes to the RDOS to review



# Next Steps

- Cabinet order issued to transfer ownership (assuming public in favor)
- Likely January 1, 2020 will be the transfer date
- RDOS applies for grants (if residents vote in favor)
- Improvements made once grant received. Borrowing will only be for community share of amounts spent.



# Questions

Thank You

