

December 17, 2021

To Our Valued Customers,

The North Shore Water Utility Ltd. (NSWU) has applied to the Comptroller of Water Rights for a rate increase to come into effect January 2022. The notice is part of the formal application process outlined by the Deputy Comptroller of Water Rights, B.C. Utilities Commission (BCUS) to set new water rates.

The North Shore Water Utility has not had a rate increase applied since 2014 (6.5 years). The rate increase was delayed in 2020/2021 due to the pandemic, however a rate increase is now necessary. The proposed rate increase will be effective once approved by the Water Comptroller in January, 2022.

Annual Water Rate Increase for 2022:

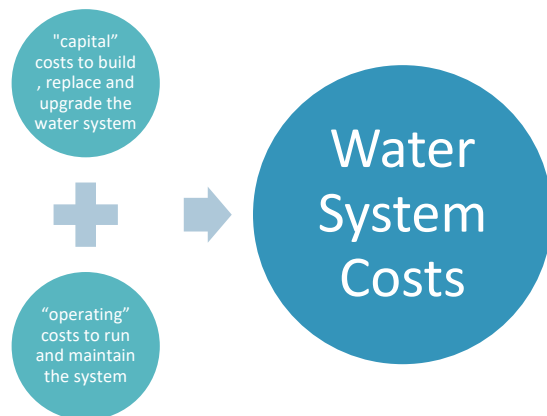
The proposed increase will allow the utility to plan for future infrastructure upgrades in a financially sustainable way. The implementation of the proposed rate increase is required to fund future replacement of existing aging infrastructure. This is achieved by increasing the Replacement Reserve Fund (RRF) contribution.

Currently, the NSWU contributes \$3,000 per year to the RRF (9%), this amount does not reflect the true cost of the water service. The proposed increase will allow the NSWU to contribute \$5,000 per year (%30). This increase will reduce the time required to build up the necessary capital reserves for the identified future capital replacements.

Rates for a Typical NSWU Customer:

The cost of your water service includes: expenses to operate, administer, maintain, and repair the system, as well as the eventual replacement and renewal of infrastructure.

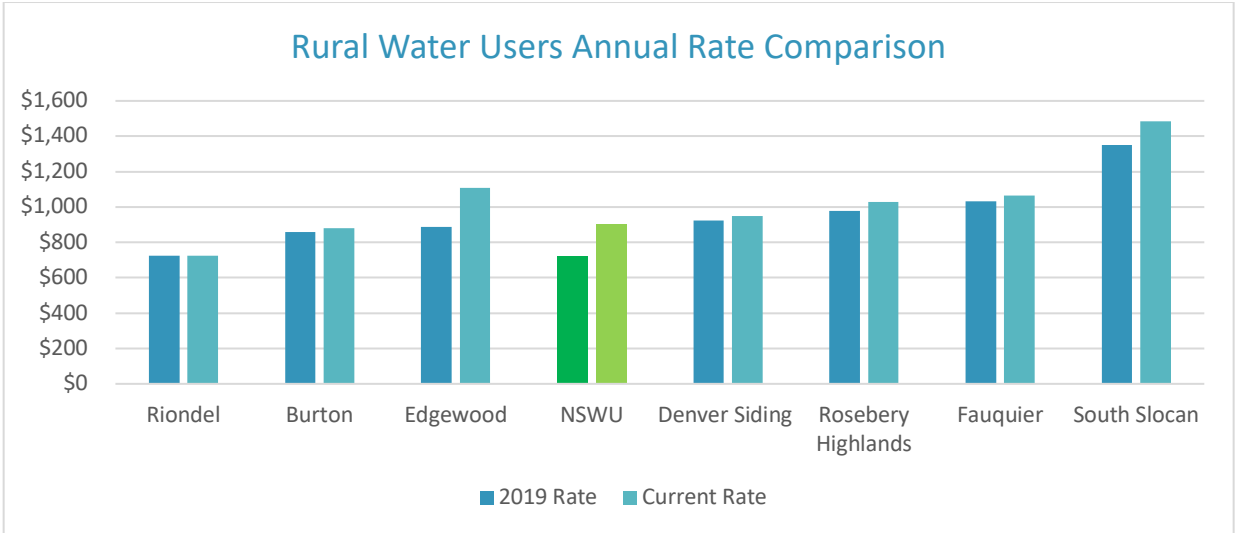
The NSWU is committed to developing phased strategies when implementing infrastructure replacement and water system improvements to minimize the financial impact to customers.



The North Shore Water Utility (NSWU) is currently operating under Water Tariff No. 5, effective date May 15, 2014. Under this tariff, a typical residential customer’s NSWU bill is \$732 per year or \$61 per month. Once approved by the Water Comptroller; the new water rate, effective January 2022 would be \$924 per year or \$77 per month.

NSWU Rates Comparison

In recent years, water system managers have realised that they need to set aside a larger portion of annual revenue to pay for capital replacement costs. The rate increase proposed will bring the NSWU rates in line with similar sized water systems while also ensuring that there are adequate reserves to replace infrastructure as it reaches the end of its useful life.



Questions about the proposed rate increase?

Contact: Chris McMillan, Secretary to the Deputy Comptroller of Water Rights, PO Box 9340 STN PROV GOVT, Victoria, BC V8W 9M1, or by email: Chris.McMillan@gov.bc.ca

Information about amendments to the Water Tariff

The rates and charges recorded in this tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his own motion, or on complaint of the Utility or other interested persons that the existing rates in effect and collected or any rates charged or attempted to be charged for service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the *Water Utility Act*, regulations or law, may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates.

The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to

¹ All systems are part of the RDCK service area and are based on a *Single-Family Dwelling* designation that is charged at a flat rate annually. The full RDCK Bylaw No. 2713 can be viewed here: https://rdck.ca/assets/Services/Water~and~Wastewater/2713-RPL-2670-Utility_Rates_Fees_Charges.pdf

its customers and other interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

For disputes please contact:

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