

# August 2005 Newsletter – Revised Dates for Public Info Session



## Regulatory Changes to Water and Wastewater and their impact on Customer Rates

After Walkerton and North Battleford, governments and utilities throughout North America have been struggling how to provide safe drinking water to their customers and ensuring that their wastewater discharge into the environment does not negatively impact downstream water users.

To safeguard public health, the Government of British Columbia introduced and passed the Safe Drinking Water Act (<http://www.healthservices.gov.bc.ca/protect/water.html>). These changes have a major impact on Utility Operations and increased costs to provide water to our customers.

Long before mandatory treatment was required, Sun Peaks implemented advanced treatment systems that ensured our community would be safe and environmentally responsible. The fires of 2003 proved that Sun Peaks Utilities has the skills to react to emergencies and the ability to recover from the negative effects on the water and wastewater systems.

### Public Meeting to discuss proposed application to change rates

The Utility does understand that the proposed rates are substantial, but this reflects the reality of the cost of safe drinking water in 2005. Both utility operations and the regulatory environment are complex and not easily understood. To minimize confusion or misunderstanding, the Utility will be hosting an information meeting. After getting feed back from our customers, we have changed the session to a Saturday to allow more to attend.

#### Public Information Session

**10:00 am to 12:00 pm - Saturday, September 17, 2005**

**Burfield lodge Meeting Room**

Information on the applications will be available AFTER AUGUST 19, 2005 at the Utilities' Burfield Offices or at [www.sunpeaksutilities.com](http://www.sunpeaksutilities.com).

**Water Rate Changes** – The last change to water rates was May 1, 2002. Since that time, the Utility has managed to maintain water rates. However, to meet the upgraded regulatory requirements from the Provincial Government and the needs of the growing resort, the Utility has added two provincially certified field staff this year. This addition of more labour, expanded water quality testing and additional engineering requirements results in the need for the Utility to apply to the Comptroller of Water Rights for a rate increase as follows

<b>Current Water rate per cubic meter</b>	<b>\$1.36</b> (effective May 1, 2002)
<b>Proposed Water rate per cubic meter</b>	<b>\$1.95</b> (proposed to be effective December 1, 2005)

<b>Rate Change Impact on Customers</b>	<b>\$4.60 per month for an average town home / condo owner</b>
	<b>\$12.90 per month for an average detached single family home</b>

Based on the proposed rates, annual water and sewer costs at Sun Peaks will be in the mid range when compared with other BC resort communities.

The Comptroller may at their discretion grant an interim increase effective December 1, 2005. Regardless of whether the Comptroller grants an interim increase, they will conduct a detailed rate analysis covering the years 2005 to 2007. A copy of the Utility's submission and any comments or questions from the Comptroller will be available at the Utility's offices. We will also keep you informed via the Utilities' newsletters. Once the analysis is complete, the Comptroller may make any adjustments to the rates that the analysis shows are needed.

**Water Purveyor Permit Changes** – Due to the Safe Drinking Water Act, the conditions under which Sun Peaks Utilities is required to operate its water utility were changed in April 2005. The key changes that effect the operation of the Utility are:

1. The requirement to have continuous monitoring of the water disinfection process.
2. Bacteriological sampling from representative sites throughout the system must be done by accredited outside laboratories.

**Sun Peaks Utilities Co. Ltd.**

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1280 Alpine Road, Sun Peaks, BC V0E 5N0 Telephone: 250-578-5490 – Facsimile: 250-578-7223

Website: [www.sunpeaksutilities.com](http://www.sunpeaksutilities.com) E-mail: [utilities@sunpeaksresort.com](mailto:utilities@sunpeaksresort.com)

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3. Implement a Cross-Connection Control Program.
4. Provide a certified operator to operate the system.
5. Implement a five year maintenance program.
6. Provide monthly reports to the Drinking Water Officer on the Utilities' water quality monitoring program.
7. Maintain an Emergency Response Plan.

#### Wastewater (Sewer) Operational Changes

In March 2004, the Ministry of Water, Air and Land Protection (now Ministry of the Environment) changed the conditions under which Sun Peaks Utilities is required to operate its wastewater utility. Again, these changes impact the costs to provide wastewater treatment services to our customers.

Like the Water Utility, regulations and growth are affecting the Wastewater Utility in much the same way. While the Wastewater Utility is not currently regulated, the Utility has always taken the position that it will be and that the same financial tests and operational standards which apply to the Water and Gas Utilities, will apply to the Wastewater Utility. The additional costs of increased staffing, expanded wastewater treatment testing and the necessary work by professional engineers requires the Utility to implement a rate change.

<b>Current Sewer rate per cubic meter</b>	<b>\$2.17</b> (effective January 10, 1999)
<b>Proposed Sewer rate per cubic meter</b>	<b>\$2.80</b> (proposed to be effective December 1, 2005)
<b>Average Impact on Customers</b>	<b>\$4.31 per month for an average town home / condo owner</b> <b>\$12.88 per month for an average detached single family home</b>

The key changes that effect the operation of the Wastewater Utility are:

1. Requirement for Qualified Staff with a level of certification that meets the complexity of our wastewater treatment system.
2. More Effluent Testing and Monitoring.
3. An Annual Report on the Treatment Process and Discharge Results must be filed by a "qualified professional" (Engineer or Biologist)
4. Upgrade of the Composting Site from a trial to a fully permitted site is now required.

**Conservation Program** – We do understand that these proposed rate changes will impact customers and are working to introduce a water conservation retrofit program that may help to lower your water usage. We hope to have information available for you on this program at the Utilities' information meeting on September 13, 2005.

**Gas Rate Change** - Many of you are aware that the costs of all of carbon based fuels continue to rise. In the past, Sun Peaks Utilities has joined with other propane distribution utilities and pre-purchased the winter fuel supplies during the summer when prices are traditionally low. This year was going to be no exception to our strategy. However, this summer, prices do not appear to have decreased as much as they have in previous years.

Our buying group has instructed our broker to secure winter fuel supplies in 4 lots over the summer with the condition that if the price drops, to lock in all remaining fuel requirements. We expect to know by September 2005 what the winter fuel prices will be and will advise you at that time. However, based on current conditions, we do expect it will be necessary to file with the BC Utilities Commission for a rate change for both delivery and commodity prices.

**Copies of Rate Change Applications and Annual Reports** - A copy for reviewing of the rate applications, financial statements and annual reports will be available at the Utilities' Burfield offices at 1280 Alpine Road and in the case of the water rates, at the Comptroller's offices in Victoria after August 19, 2005. The gas rate application to the Utilities Commission should be ready for viewing in October once our winter propane fuel prices are known. We will keep you posted in future newsletters.

If you have questions regarding this matter or any other utility related issues, please contact the office at 250-578-5490 or via e-mail at [utilities@sunpeaksresort.com](mailto:utilities@sunpeaksresort.com).

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