

New Shop Facility

In 2012 the Waterworks completed our much-needed new shop facility. Located next to the District office on Upper Ganges Road, this facility gives us the space to store all required inventory and complete repair projects in a properly equipped shop.



The building's main structure is made from 90% recycled materials, complete with energy efficient lighting. The building includes an office and washroom and was sized to meet the District's needs well into the future.

Looking to the Future

Since beginning with a simple wood-stave system consisting of a reservoir tank on Ganges Hill and a wood-stave main into Ganges in 1913, North Salt Spring Waterworks District has gradually expanded over the years to become the largest of 15 community water systems on Salt Spring, supplying water to residential, commercial, industrial and

institutional users. Our service area covers about 2,938 hectares (7,262 acres) encompassing 2,058 properties with 1,732 metered connections extending from Southey Point in the north to near Cusheon Lake in the south, and includes Ganges, Vesuvius, and Channel Ridge, as well as many rural properties.

Historically our rates have been among the lowest on the island, and still are. This has been great for our ratepayers in the short-term when relating to their monthly expenses, but short-sighted on behalf of the District infrastructure.

Over the years we have managed to keep our rates fairly low compared to other districts, and have increased our revenues instead by contracting ourselves out to several other island districts as operators. This has had the side benefit of allowing us to keep a stable and well-qualified work force as we are able to provide the training and on-going work experience on the variety of water systems equipment necessary for our operators to become and/or remain fully qualified and licensed.



Our District Operations Staff

In order to plan and grow our future capacity and mandated treatment requirements the District Trustees and management realized in the early 2000s that rates were not sufficient to properly meet current operating costs, as we sometimes experienced operating shortfalls, let alone build the Capital Expenditure Charge (CEC) fund. In fact, the rates were held too low for too long, forcing us to catch-up, both on rates and projects, consequently the CEC fund is nowhere near where we would like it to be.

Beginning in 2006 parcel rates have been increased at 10% a year. This increase has enabled us to complete some much needed upgrades to mains and buildings, and to have the capital to incur and repay long-term debt on our loan for the aerators, to build our much-

needed new shop, and to begin building a capital base. Now that the immediate projects are complete we hope to begin to see more growth in our capital funds this year.

Future Planning

Projected Projects

Immediate Priorities

- 1 Relief Valve for Cranberry Pump House & upgrades to the Ganges Hill Tanks
- 2 Upgrades to Forest Hill tanks

Long Term Priorities

- 1 Raise the level of the St. Mary weir
- 2 New St. Mary Lake treatment plant
- 3 New Maxwell Lake treatment plant

Although we have always built with the future in mind, two considerations stand at the forefront of our future planning:

1. *Our aging infrastructure:* All things wear out with time, and our infrastructure is definitely showing signs of age, with sections of our mains and systems now being over 50 years old. Nor do they all meet the needs of our water volume capacity for such things as fire hydrant flow.
2. *New government regulations and a mandate regarding our water treatment capabilities:* With the quality of drinking water in our nation brought to the forefront with the terrible tragedy in Walkerton, Ontario, Health Canada has introduced even more stringent guidelines for water treatment and the Vancouver Island Health Authority (VIHA) mandate states that we must build new treatment plants at both St. Mary Lake and Maxwell Lake. We are already behind on beginning construction.

While our current treatment system meets our present needs and water quality requirements, the issues with algae blooms in St. Mary Lake continue to plague us. A new, more sophisticated treatment process will eliminate odours and provide even better bacteriological control when dealing with algae blooms and any other water quality issues, and to meet our regulated mandate.

To achieve our goals we will need to spend an estimated \$7-12 million over the next 10 - 20 years to replace the aging infrastructure, to upgrade and/or replace existing facilities to meet regulatory requirements, and possibly acquire a new site in order to relocate the St. Mary treatment plant. The longer we delay, the higher the cost will be due to continually rising material and labour costs.

How are we limited?

Our biggest issue is money. How do we raise it and when.

Currently, by law, to cover our operating and capital costs, we are allowed to collect money in three ways:

1. By charging an annual Parcel Tax on the property in our District.
2. By charging a fee for the water used.
3. By collecting other miscellaneous charges such as Capital Expenditure Charges (CEC), the one-time amount a homeowner or developer must pay to have water main service provided to a lot or lots before building on it/them, meter connection charges, bulk water fees, or for services provided to another district.

In order to commence projects we need a parcel tax and toll structure that will enable us to finance the projects that will come on line over the next decade. Our CEC fund is low and we are not anticipating an increase in development that would increase it.

While the Board of Trustees has already delayed some projects, our

funding options remain limited. As an improvement district, we do not qualify for government grants that would help us finance infrastructure improvements, so our options are:

1. Borrow a substantial amount of money, making us subject to long-term payments and a substantial increase in user costs.
2. Raise our toll and tax rates to build our capital fund as a 'down payment' so we borrow a lesser, but still significant amount.
3. Join the CRD and have access to greater funding, including grants, but at substantially higher toll and tax costs to our ratepayers henceforth, as they would become CRD ratepayers.

The philosophy of improvement districts has always been that those benefiting should pay, but with such significant costs to be incurred, we feel we would best serve our rate payers by borrowing less. Therefore, the Board's recommended preference is Option #2. However, regardless of which option we favour, it will ultimately be up to our ratepayers as they must approve the process of raising additional funds through our ratepayer approval process.

Going Forward

Going forward we need a clear goal and financial mandate, with an effective plan in place agreed on by all. We look forward to our ratepayer input as we begin this exciting new phase development and change.

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We're on the web!

www.northsaltspringwaterworks.ca