



Every Drop Counts

North Salt Spring Waterworks District

Be water savvy – Use only what you need.

July 2017

NSSWD Board Favours Incorporation as the Best Long-Term Option

The Board of Trustees of the North Salt Spring Waterworks District (NSSWD) unanimously voted in favour of incorporation for Salt Spring as being in the best interests of the NSSWD's ratepayers at the May 24th Trustee's meeting.

Trustees of the NSSWD are duly elected officials and have a fiduciary responsibility to consider the overall health and financial viability of the entire organization. As such, the Board must take a broad and strategic view of the NSSWD in both the near and long term.

The Board is aware that the incorporation of Salt Spring as an island municipality is a contentious issue, with many islanders wondering what incorporation would mean to them, while others are firmly entrenched on either the 'yes' or 'no' side of the question. Our objective is to inform our ratepayers as to what the three options available to the NSSWD would mean to ratepayers, in order that when you make your choice as to how you vote, you are fully informed on how changes in the governance of the district, or not, may affect you.

Three Options Available

As a Board, we believe that we must recommend incorporation as the #1 and best option for the long-term financial viability of the NSSWD and accountability to its ratepayers. The other two options are: 2) become a service area of the CRD, or 3) remain as we are.

NSSWD has approximately \$50 million in assets including land and pumps, pipes, buildings, tools, trucks to operate, repair and replace. Although the NSSWD is continuing to upgrade various parts of the infrastructure annually, the needs far exceed the available financial resources. This is not a consequence of mismanagement but, rather, is typical within any municipality or local service provider when faced with capital projects such as water, wastewater, transportation construction and other upgrades.

Public Infrastructure Under-Funded in All Communities

According to a report entitled "*Danger Ahead*", prepared for the Federation of Canadian Municipalities by Saed Mirza, PH.D., ING Professor of Civil Engineering and Applied Mechanics at McGill University, public infrastructure has been under-funded in all communities across Canada by an estimated shortfall of \$123 billion. This is just one of many reports on the issue of public infrastructure funding. The NSSWD is facing the same challenges as other public water suppliers across the country but, as an improvement district, is at an even greater funding disadvantage.

The federal and provincial governments have long recognised that the taxation authority of local governments does not match their responsibility for service delivery. As a result, senior governments have made available infrastructure grants and gas tax funding programs to local governments as mechanisms for providing financial assistance for capital projects.

As discussed in more detail below, the Province has, by policy, determined that the NSSWD along with all other improvement districts in the Province are not eligible to apply for these infrastructure grants or receive any funds from these programs. These infrastructure grants would be directly available to the Salt Spring Island Municipality should a decision be made by islanders to support incorporation.

Gas Tax Agreement Strategic Priorities Fund Assists Communities

It is important to consider that NSSWD ratepayers and other SSI residents contribute to these funding programs via the taxes they pay to the provincial and federal governments and that, to be fair, their share of this money should be returned to the community to support such projects. This is how all other communities fund major projects and how to achieve sustainable service delivery.

For example, the Gas Tax Agreement Strategic Priorities Fund is designed to assist communities in funding exactly the type of critical infrastructure projects that the NSSWD must undertake. If the NSSWD were part of an



incorporated municipality, projects such as the St. Mary Lake water treatment plant, raising of the Duck Creek weir, and the water treatment plant that will eventually need to be built at Maxwell Lake would be eligible for funding that could cover up to 100% of the project cost up to a maximum of \$6 million.

NSSWD Currently Not Eligible for Any Grants

It is also important to note that these projects are for critical infrastructure renewal and replacement, and will need to be done regardless of grant availability or the level of growth and new development that occurs within the NSSWD. Unfortunately, NSSWD, as an improvement district, is not eligible to apply for gas tax funds either. The long-standing policy of the provincial government is that if improvement districts want access to any type of senior government funding, then they must convert to a service area of the regional district (Option #2) or become part of a municipality (Option #1). NSSWD has repeatedly asked for exceptions to this policy, but to no avail.

Taxes and Metered Tolls Close to Limit

The NSSWD has maximized all revenue streams currently available to it. Taxes and metered tolls are being reviewed annually but are at or near justifiable limits. Under Option #3, as a Board, we do not believe we could increase the rates to the levels required to fund the required infrastructure renewal and the mandatory building of a second treatment plant at Maxwell Lake as they would be unaffordable to our ratepayers. This leaves external funding, especially direct access to infrastructure grants, as the only remaining option to address the triple-threat of infrastructure replacement, increasing regulatory requirements, and climate change adaptation.

Funding Priorities Need to be Decided Locally

The Board of Trustees agrees that the municipal option best meets the needs of the NSSWD because decisions on the priority of infrastructure projects for funding applications will be made locally with the best interests of the island in general, in mind. This differs from the process that would happen if the NSSWD converted to the Capital Regional District as a service area. The Capital Regional District's decisions are made off island and must consider the needs of the entire regional district. This would mean that NSSWD projects would have to compete for funding priority against many others attempting to address a wide range of regional needs.

The natural environment and quality of life most people enjoy on Salt Spring is to a large degree underpinned by

the existing public infrastructure including roads, water and wastewater systems. If this critical infrastructure is allowed to deteriorate, the entire community will suffer, even those that are not direct recipients of those services. We can't continue to do it alone, and what we do benefits all.

The financial advantages of municipal incorporation to NSSWD ratepayers are clear, and we hope that we have provided you with food for thought before you cast your individual votes on September 9th.

Level 2 Conservation Remains in Effect

**Level 3
Coming
Soon!**

Annual Level 2 Conservation Regulations per District Bylaw 274 went into effect on May 1st and will remain in effect through August 31st unless conditions change. According to the Environment Canada seasonal

forecast for our region, July and August are likely to have higher than normal temperatures and lower than normal precipitation. With no rain in the forecast and the likelihood of a hot, dry summer ahead, it is likely that the District will move to Level 3 soon.

Visit the District's website for information on Conservation Levels, the District's Leak Allowance Policy, summer watering restrictions, special watering permit applications, and water-saving tips.

Fire Danger at Maxwell High

North Salt Spring Waterworks (NSSWD) staff and the RCMP recently located a campsite in the Maxwell Lake watershed lands. The site included a fire pit that had been very recently used.

The Maxwell Lake watershed lands are an important asset of enormous value while in their natural state. The ratepayers and greater island community are fortunate to have such a valuable resource. The risk of wildfire in the watershed is real and the consequences could be catastrophic. A wildfire in the watershed lands could render the lake unsuitable for drinking for weeks, months, or even years.

Outdoor recreational activities in the watershed also negatively impact water quality. Nutrients are more easily washed into receiving streams and eventually into the lake when on the imperious pathways that have been created. For this reason, activities such as swimming, hiking, mountain biking, motorcycles and ATVs are restricted from the watershed lands.

Please support the District in caring for, and maintaining the integrity of this pristine watershed.