

May 26, 2026

**Attention Property Owner(s) in the Graham Lake Water Local Service Area on Denman Island:**

**This letter contains important information regarding changes to your water service for your property at «Property\_Address», Denman Island**

**RE: Graham Lake Water Service – Water Treatment Borrowing Petition**

Your consideration of the enclosed petition form is requested. Please review the information enclosed and consider completing and returning the petition form by **4:30 pm on July 10, 2026.**

The provincial drinking water treatment regulations require that the Graham Lake Water System undertake significant upgrades to ensure the system meets current health standards and can provide safe, high quality drinking water into the future. Cost impacts for residents are top of mind for this service, and a great deal of care has gone into keeping cost impacts as low as possible, including securing grant funding for the project and applying for additional funding.

Thank you to residents who participated in the recent webinar, open house, and online poll regarding the fire infrastructure upgrades. As a majority of residents were not supportive of the additional costs to upgrade the fire suppression capacity of the water system, the Comox Valley Regional District (CVRD) Electoral Areas Services Committee (EASC) has decided to proceed with a petition to borrow only the amount to complete the water treatment project at this time. The CVRD recognizes that the fire improvements are still important. The water treatment plant will be designed to incorporate these upgrades in the future should there be a change in circumstances and community support.

Construction of the required water treatment project is estimated at \$4.4 million. The project will be funded through a combination of \$1.8 million from grant funding and up to \$2.7 million in long-term borrowing.

The cost per connection impact associated with the long-term borrowing for the project is estimated at \$2,126 per household per year, over a maximum of 25 years. The cost of borrowing for the treatment plant was included as part of the rate review completed for the service in 2023 and the water rates are not anticipated to change significantly from what was previously presented; however, this will be evaluated in the next rate review expected in 2028. By increasing the rates incrementally over time and borrowing up to 25 years the cost is shared over decades rather than falling entirely on today's residents.

Long term borrowing requires approval through electoral assent which the CVRD has chosen to obtain through a formal petition. If the petition process is not successful in achieving approval for the borrowing, the CVRD will need to revisit the financing of the project and there is a real risk that the grant funding for the project would be lost. Not proceeding with the treatment project is not an option due to regulatory compliance requirements and would mean significantly higher annual costs to residents to continue building reserves until no borrowing is required and the upgrades can be constructed.

The CVRD has applied for a deadline extension of the existing grant, however this is not guaranteed, and even a generous 2-year extension would not be enough time to build adequate reserves. Without securing borrowing, the existing grant is at risk of being lost. Should this occur, the cost increases to residents over what is already planned would be very significant, in the order of at least an additional \$1,400 per year.

### **HOW THE PETITION PROCESS WORKS:**

All property owners will receive a petition attached to this letter. Properties owned in the names of individuals and businesses are all eligible to submit petitions.

### **If you DO support the proposal to borrow for the treatment project:**

If you support the borrowing, sign the attached petition and return it by the deadline of **4:30 on July 10, 2026** by:

- Mail: in the enclosed stamped envelope;
- In person: drop off at the regional district office at 770 Harmston Ave., Courtenay at the front counter or in the mail slot;
- Email: Scans or photos of signed petitions may be submitted by email to [corporateservices@comoxvalleyrd.ca](mailto:corporateservices@comoxvalleyrd.ca).

### **If you DO NOT support the proposal to borrow for the treatment project:**

If you do not support the proposal, do not sign the petitions and do not return them to the CVRD.

### **Who can sign the petitions?**

- Only registered owners of property within the proposed service area may sign a petition.
- For properties owned by multiple owners, the majority of owners must sign the petition form to be valid.
- For a property with two owners, both owners must sign the petition form.

### **Determining Results**

In order for the petition process to be successful, the CVRD must receive a signed petition form from the owners of at least 50 percent of the proposed service area parcels, and that in total represent greater than 50 percent of the net taxable value of all land and

improvements within the service area. This approval threshold is set by provincial legislation. Petitions must be signed and returned to the CVRD by the **July 10, 2026** deadline per above instructions.

<b>Details of Area/Petitions</b>	
Total # of Parcels in the Petition Area	91
Total Area Assessment Value	\$81,627,100
<b>Requirement for Sufficient Petition Process</b>	
Total # of Petitions (divided by two)	46
Total Assessment Value (divided by two)	\$40,813,550

If the required number of petitions is not received by the deadline, the borrowing will not be able to be secured and the CVRD will be required to reevaluate the financing of the treatment project.

### **Where can I get further information?**

Up-to-date information, including details on the treatment project and costs, can be found on the project page on the CVRD website at <https://www.comoxvalleyrd.ca/grahamlake>.

If you have any questions relating to the Graham Lake Water System and the proposed upgrades they may be directed to Caley Leimert, Water/Wastewater Analyst at [engineering@comoxvalleyrd.ca](mailto:engineering@comoxvalleyrd.ca) or 250-334-6028.

Any questions regarding the petition process may be directed to Lisa Dennis, Manager of Legislative Services at [ldennis@comoxvalleyrd.ca](mailto:ldennis@comoxvalleyrd.ca) or 250-334-6052.

Sincerely,

***K. La Rose***

Kris La Rose, P.Eng.  
General Manager of Engineering Services  
Comox Valley Regional District

Encl. Petition form  
Draft Bylaw No. 907 being "Graham Lake Water Treatment Loan Authorization Bylaw No. 907"