

Policy Title: Transfer of water or wastewater systems to regional district		Policy Number: P16
Policy Category: Engineering Services		
Approval Date: June 28, 2004	Policy Owner: Engineering Services	
Approved by: Board	File Reference: 5600-00	

POLICY

THAT, further to those policies of the Comox Valley Regional Growth Strategy, Bylaw No. 120, supporting public ownership of water and sewer infrastructure, any transfer of the infrastructure, water licenses, assets, permits and financial reserves of a water improvement district, a private non-profit community water system or a private for profit water or wastewater system to the Comox Valley Regional District (CVRD), be predicated upon:

1. Proof, via assessment by a qualified professional, that the system:
 - a. to the satisfaction of the regional district, meets applicable standards for the construction of water supply or wastewater systems as amended from time to time;
 - b. is operating in compliance with applicable provincial and/or federal licenses, permits, authorizations and regulations; and
 - c. can be sustainably operated in accordance with asset management practices.
2. Payment by the owners and/or users of the water or wastewater system being transferred to the regional district of the incremental cost of any required upgrades to an adjacent regional water or wastewater service if the system is to be connected to that service.
3. Where it cannot be demonstrated that the infrastructure under consideration for transfer meets the applicable standards, as accepted by the regional district, for the construction of water supply or wastewater systems, or is in compliance with applicable licenses, permits, authorizations and regulations:
 - a. the owners and/or users of the water improvement district, private water system or private for profit water or wastewater system shall consent at the time of establishment of the new regional district local service area that incorporates within its boundaries the water improvement district, private water system or private for profit water or wastewater system to:
 - i. pay the full cost of repairing, upgrading, constructing or re-constructing the existing infrastructure used to supply water or treat wastewater to applicable standards, as accepted by the regional district, for the construction of water supply or wastewater systems and as amended from time to time;
 - ii. pay the costs of repairing, upgrading, constructing or re-constructing the water or wastewater infrastructure necessary to operate in compliance with applicable permits, authorizations and regulations;
 - iii. pay the incremental cost of any required upgrades to an adjacent regional water or wastewater service if the newly created service area is to be connected to that service; and
 - iv. pay the ongoing costs required to sustainably operate the system in accordance with asset management principles.

4. Payment of applicable Capital Improvement Cost Charges (CICC) by the utility users if the utility will be joining an existing CVRD water or wastewater service area.

PROCEDURE

1. Transfer process initiation

The utility transfer process can be initiated upon request from utility customers and/or utility owners (including developers). Evidence of sufficient support for the transfer must be provided to the CVRD; for example through an informal petition signed by customers requesting that the CVRD investigate the feasibility of transferring the utility to the regional district. The request will be considered by the applicable CVRD committee, and a decision on whether to proceed with further investigation will be made by the CVRD Board based on committee direction.

2. Utility system assessment

Should the CVRD Board support continued investigation of the transfer of the utility, the CVRD will retain a professional consultant to prepare an assessment of the utility. The cost of this assessment shall be paid by the owners and/or users of the utility. The CVRD may apply for grant funding to assist with the cost of the assessment, or provide assistance through feasibility study funds if available. A key outcome of the assessment will be a clear picture of the condition of all existing utility infrastructure assets, costs of required upgrades to the infrastructure, and costs to operate and maintain the utility in accordance with applicable standards and asset management practices. The results of the assessment will inform the development of sample capital and operating budgets and property tax/user fee rates for utility customers.

3. Consultation with customers/owners

The CVRD will engage with utility customers to share the results of the assessment and sample budget process, answer questions and gauge level of support for utility transfer. If level of support is sufficiently high, a recommendation to proceed with public assent process will be considered by the applicable CVRD committee for endorsement by the CVRD Board.

4. Assent process

The assent of the owners and/or users of the water improvement district, private water system or private for profit water or wastewater system shall be obtained by either an alternate approval process, a petition process or a referendum and the authority for selecting the method of seeking assent shall rest solely with the regional board.

The cost of the assent process shall be recovered from the owners and/or users of the water improvement district, private water system or private for profit water or wastewater system.

5. Transfer of utility to regional district

Transfer of all capital and financial assets, land, records, permits, authorizations and licenses to the CVRD, and establishment of statutory rights of way as required to permit CVRD access for operations and maintenance of the utility.

6. Complete required upgrades and commence CVRD operations

CVRD completes required upgrades as identified in the assessment, and commences ongoing operation and maintenance of the utility. Utility customers commence payment of utility costs to CVRD, including operations/maintenance, capital upgrades and CICC (if applicable).

REVISION HISTORY

Approval Date	Approved By	Description of Change
September 29, 2020	Board	N/A