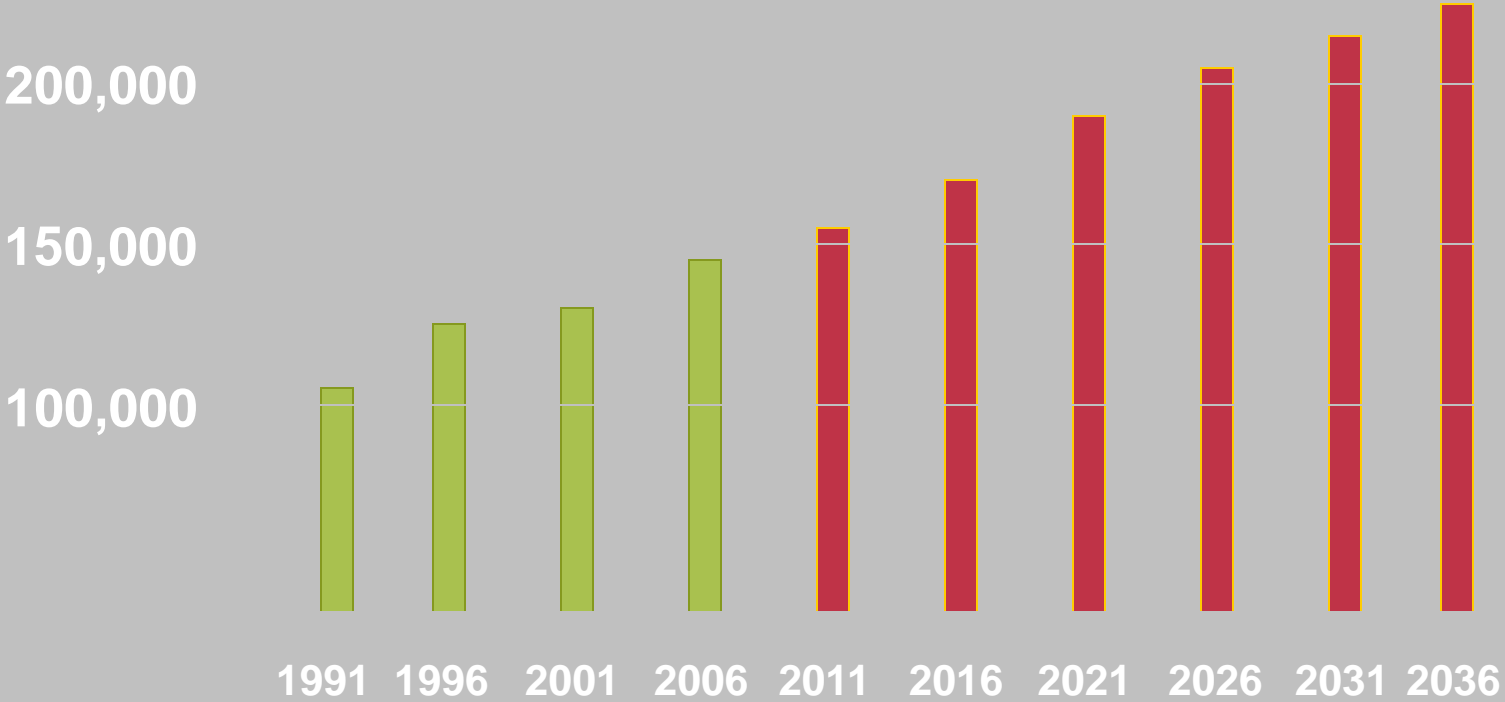


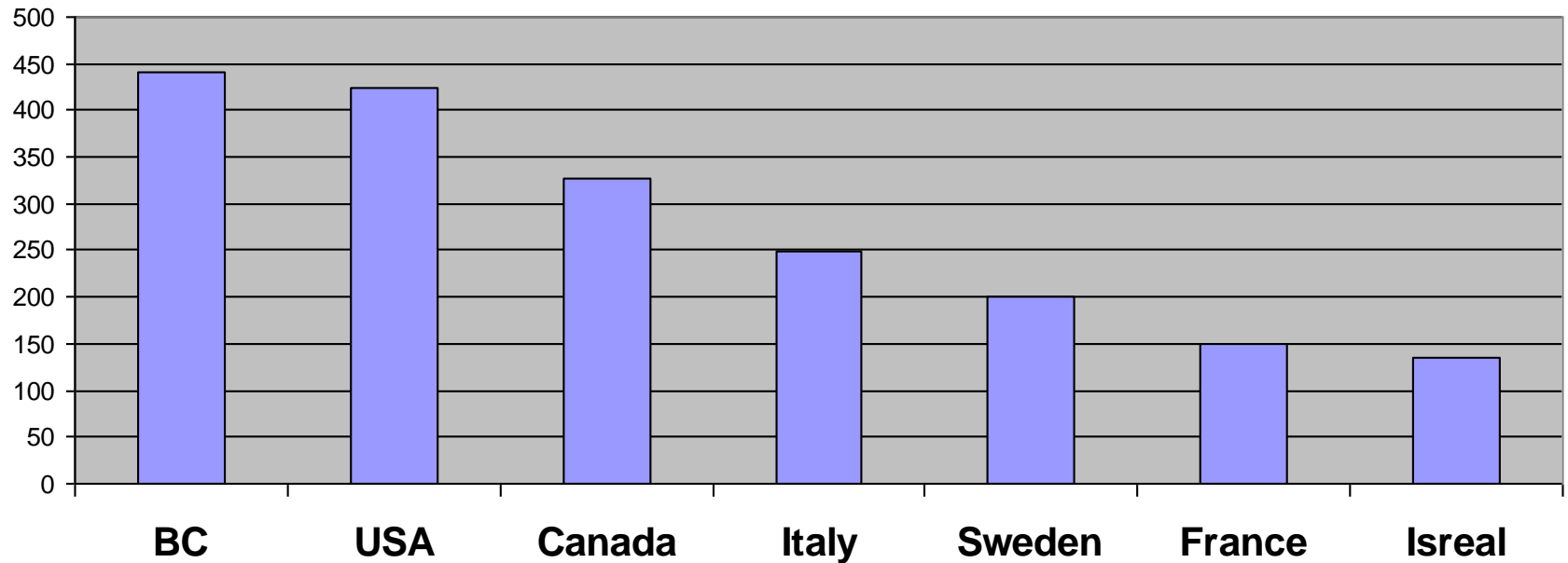
Drinking Water and Watershed Protection
&
Water Utility Pricing

Making the Connection

Population Growth in our Region

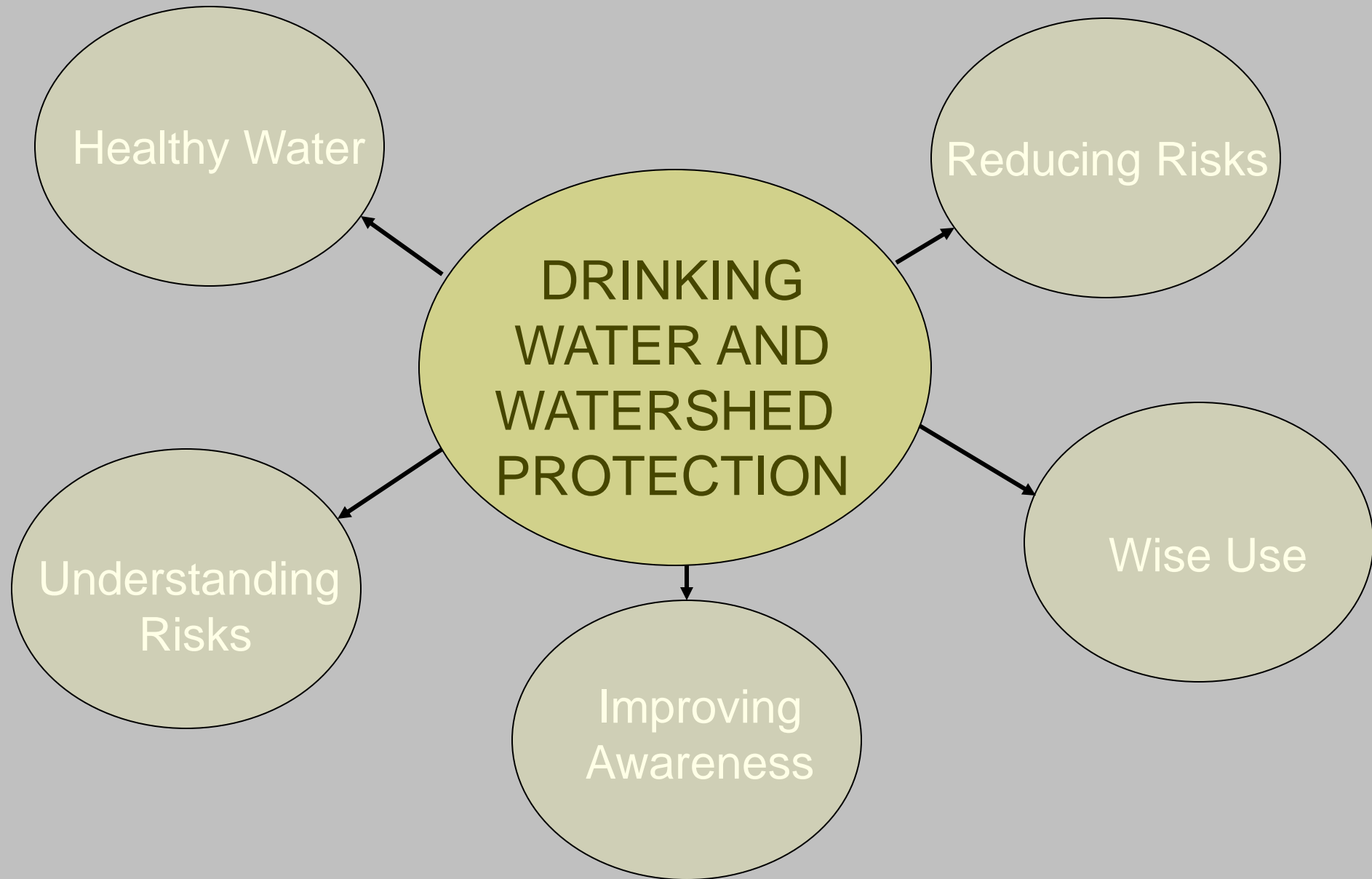


Daily Use Per Capita



Our Water Use

- On average we are at 320 litres per day per person.
- BC Average is 440
- Canada's average is 326
- In BC we use more water on average than they do in the USA, the top water consumers on the planet.



DWWP Activity

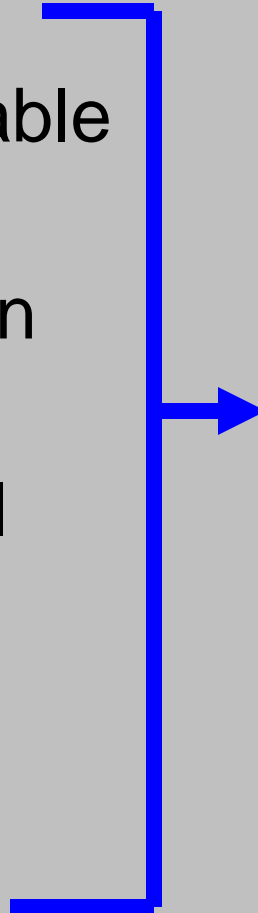
- Ground water vulnerability mapping
- Observation well network expansion
- Team WaterSMART program expansion
- Surface Water Quality monitoring program
- WellSMART program development
- Comprehensive community consultation

DWWP PROGRAM

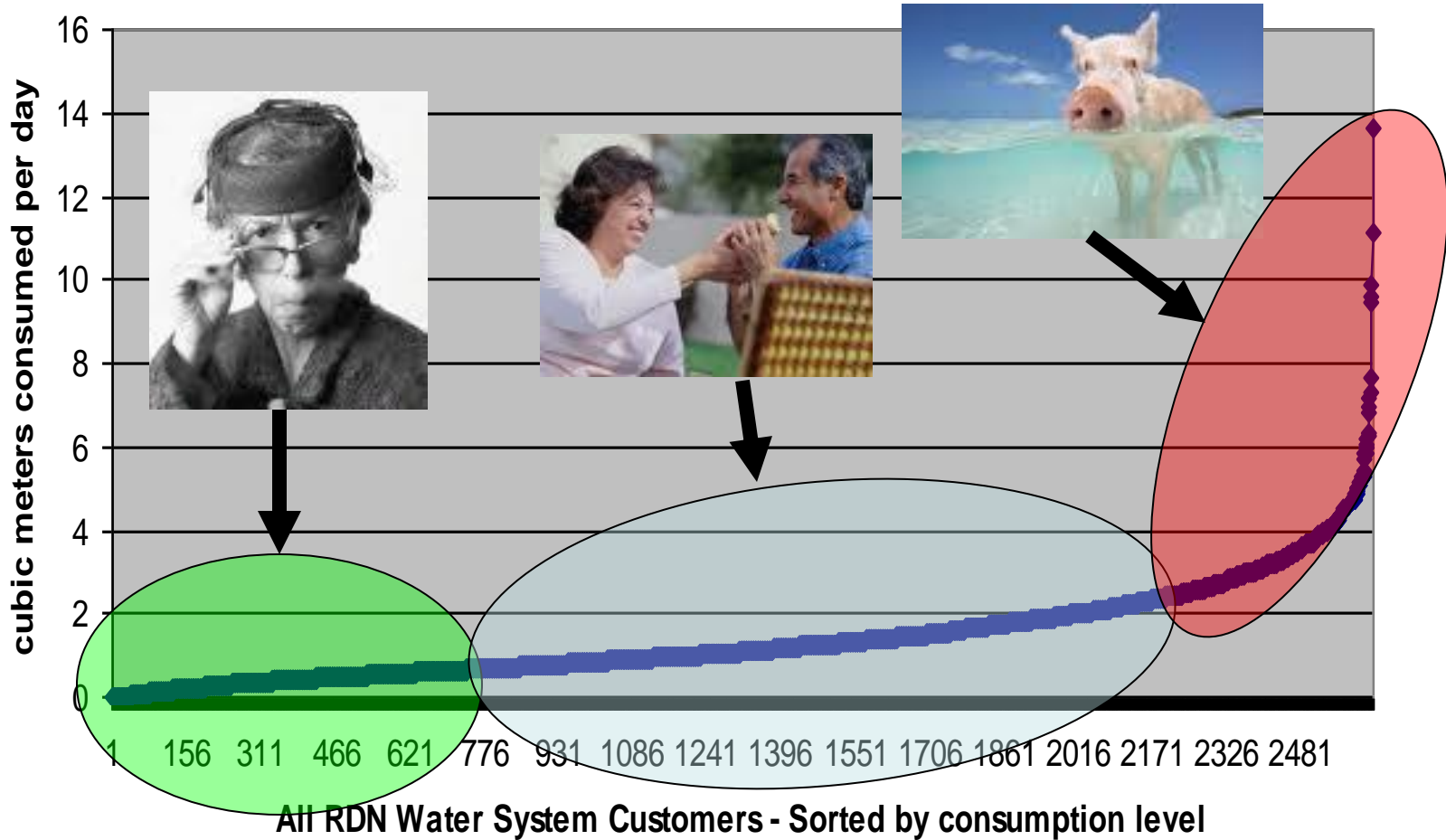
- Provide a sustainable water supply
- Reduce impacts on water resources
- Reduce ecological impacts
- Improve land-use decision making

WATER PRICING

- Set rates to cover costs, present and future
- Reduce demand to minimize capital costs
- Places a value on water



Average Daily Summer Water Use - All RDN Water Systems



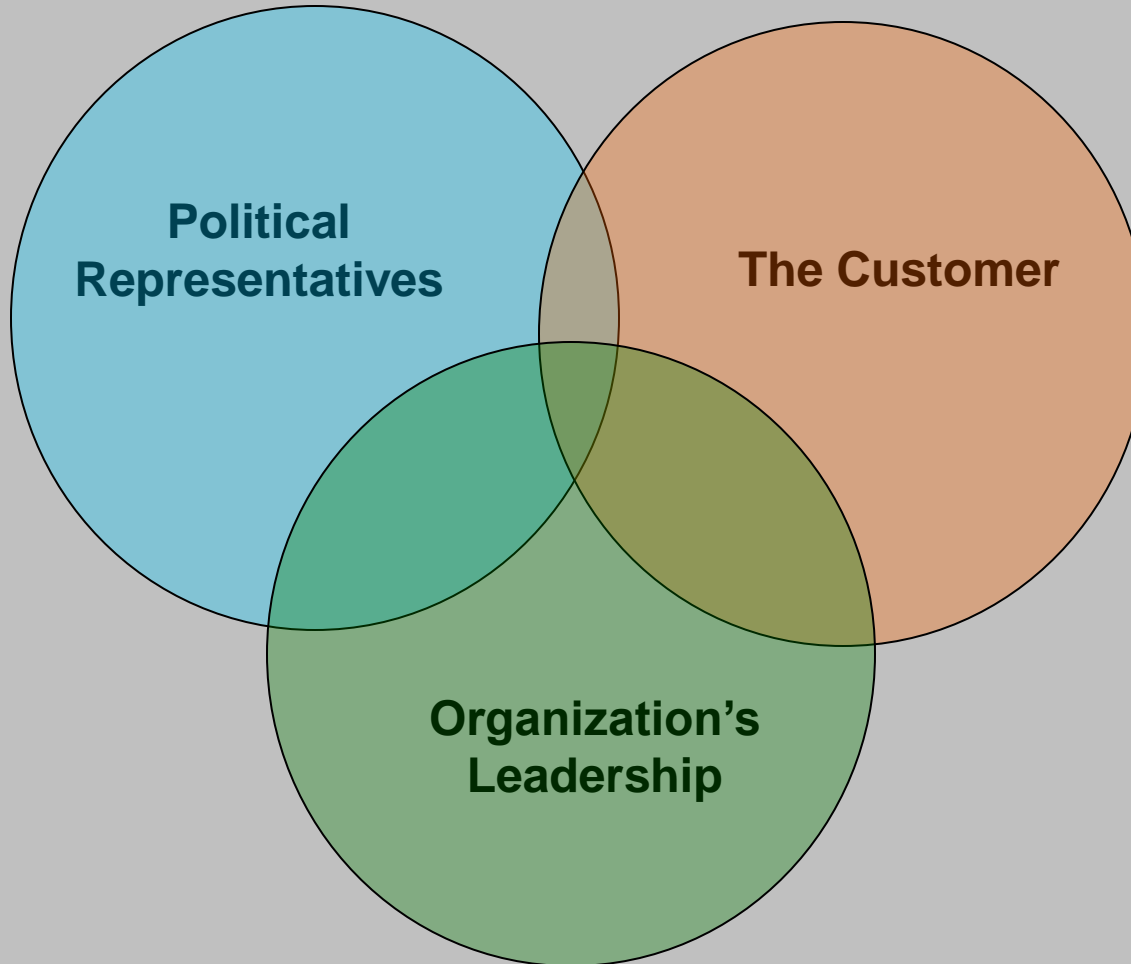
Rate Setting Goals

- 75/25 User Rate vs Parcel Tax
- Inclined block structure
- Incentive to reduce use
- Higher pricing for higher users
- Managed increases where necessary
- Standardized pricing based on avg. cost to deliver water (75% x 1.15)

Some things to remember

- People don't like change
- People respond to fairness and clarity
- People don't give a fig about heavy water users

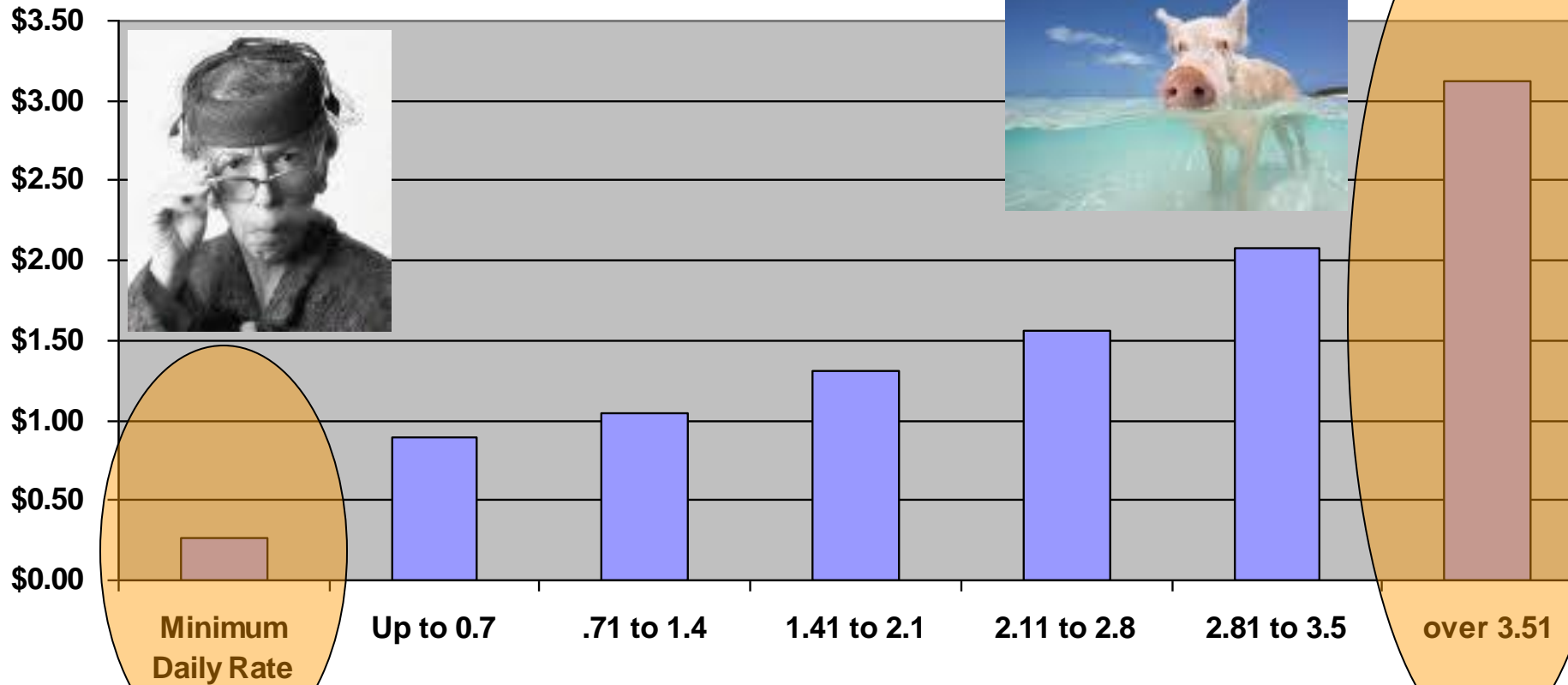
Your Audience



PREVIOUS RATE STRUCTURES

Service Area	Minimum Daily Rate	Rate per Cubic Meter Per Day				
		Up to 0.9	.91 to 2.0	2.01 to 3.0	3.01 to 4.0	over 4.0
French Creek	\$0.15	\$0.35	\$0.65	\$1.01	\$1.98	\$2.35
Surfside	\$0.15	\$0.35	\$0.65	\$1.01	\$1.98	\$2.35
Nanoose Bay Peninsula	\$0.24	\$0.54	\$1.08	\$1.62	\$1.98	\$2.35
Decourcey	\$0.24	\$0.54	\$1.08	\$1.62	\$1.98	\$2.35
San Pareil	\$0.93	\$0.55	\$1.10	\$1.65	\$2.20	\$2.75
Englishman River	\$0.82	\$1.06	\$1.37	\$1.87	\$2.80	\$4.00

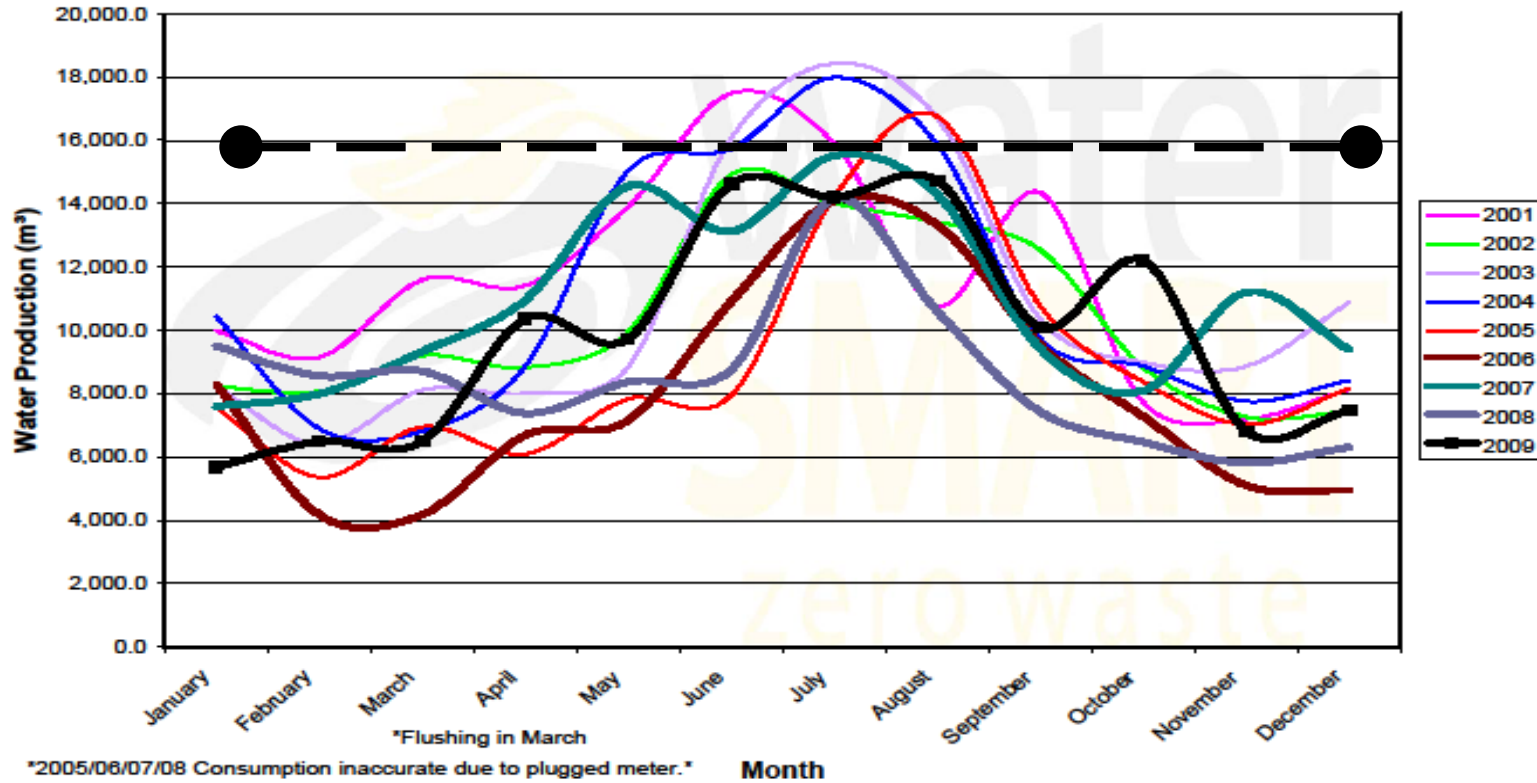
New Rate Structure



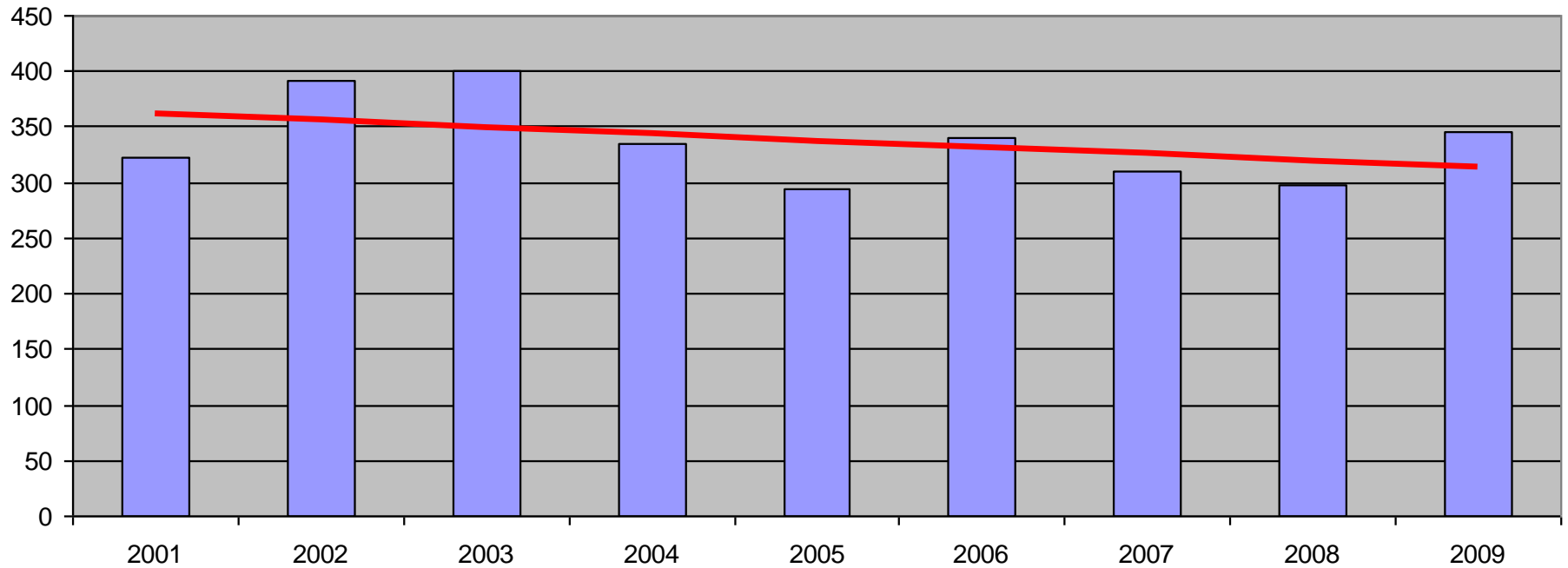
Rate Increase Impact

Users	M3 per Day		Old Rates	New Rates	Parcel Tax	Total	Incr.
	Winter	Summer					
Low	0.25	0.5	\$93	\$114	\$260	\$374	6%
Medium	0.5	1.3	\$189	\$256	\$260	\$516	13%
High	1	3	\$547	\$679	\$260	\$939	14%

San Pareil Well Production 2001-2009



Daily Use per Capita (litres)



What did we achieve?

- 😊 75/25 split, user rates and parcel tax
- 😊 Inclined block modified
- 😊 Good incentive to reduce use
- 😊 Higher pricing for higher users
- 😊 Standardized pricing based on avg. cost to deliver water (75% x 1.15), was 45% of cost.

What we aren't sure about

- ☹️ Will it reduce consumption over the long term?
- ☹️ Will it produce price bumps with reduced use?
- ☹️ Are the price points adequate?

What can I take away?

1. Conservation based pricing seems to work
2. Relating the price of water to the cost to provide it makes sense to people
3. Higher prices for higher users gets support
4. Providing a low daily rate helps encourage conservation and supports low income families