

Mayor's Communiqué

MARCH 2013

Arrow Creek Water Services Cost Sharing Agreement

Water is one of our most valuable resources. For the Regional District of Central Kootenay's defined Areas "B" and "C" and the Town of Creston, our water is delivered from the Arrow Creek Water Treatment Plant. This plant is located over 10 kilometres away from municipal boundaries, and water is delivered through a mainline pipe that spans this distance.



It was back in 2002 that the Town agreed to participate in the Arrow Creek Water Treatment Plant, constructed with a grant from the Province. Cost sharing of this plant was originally based on a 50/50% split between the Rural Areas and the Town, as per existing bylaws in place at the time. In 2008, the Town agreed to increase its contribution for the Arrow Creek Water Service to 63%, with the RDCK paying the remaining 37%. This shift was based on an engineering report that estimated water consumption and was contingent upon two conditions: a governance review being conducted and acquiring improved water consumption data by having meters installed on the mainline. Neither of these conditions were met.



With both local governments feeling dissatisfied with the service arrangement, a Service Review was recommended. A Service Review is a mechanism of the Province, whereby local governments can review the terms and conditions of existing service arrangements. These reviews allow service delivery partners (local governments) to address their changing service needs, renegotiate the terms and conditions of an agreement and resolve differences internally.

In February 2012, a Service Review was initiated and in July of the same year Gary Wright (former RDCK Chairman and former Mayor of New Denver) was contracted as the mediator for the process. The goal was to create a stable and fair cost sharing arrangement that was in the best interests of all parties. Meetings were held in Creston throughout the fall and in December 2012 the RDCK Board approved the Cost Sharing Agreement, with all representatives of the service area voting in favour.

The recently signed 5 year Cost Sharing Agreement is based on improved water consumption data collected over the last four years and now better reflects actual usage (consumption of water). This arrangement aligns with the Provincial document entitled "Guide to Regional Service Arrangements and Service Review". This document notes that "USER FEES" are the typical approach to cost recovery for water - not property taxation based on assessed values.

As a next step in 2013, the Service Review Committee, made up of representatives from the Regional District of Central Kootenay's defined Areas "B" and "C" and the Town of Creston, will meet to address the outstanding governance issue. Installation of meters on the mainline pipe, to foster improved collection of water usage data, is also pending.



With all of the stakeholders in this process voting in favour of the approved Cost Sharing Agreement, this milestone hopefully paves the way for continued co-operative efforts between the Town and RDCK. By negotiating fair and equitable service agreements for all stakeholders, the citizens of the Valley as a whole become the clear winners.

Mayor's Trivia –

Supporting our local agricultural industry is key to economic development in the Creston Valley in its entirety. Did you know that current irrigation rates for our rural areas are approximately \$60 - \$65 per acre annually, compared to the annual Okanagan rates of \$80 to \$120 per acre? Great news!

I want to hear from you:

Please share your concerns, your experiences, and your issues (both positive and negative) on how we can improve the quality of life in our community (the Town and the Creston Valley).

Thanks
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