

WATER INFRASTRUCTURE FAQs



1. What is water infrastructure and what is a water utility?

Water infrastructure includes not only the pipes, pumps, wells, reservoirs and meters, but also natural assets such as the Gibsons Aquifer, that move water from the environment and deliver it to your tap.

In addition to the water infrastructure, a water *utility* includes the staff and equipment required to operate and maintain the infrastructure as well as supporting water research and conservation programs.

2. What do water charges pay for?

Water charges are comprised of user fees, which are determined by the amount of water you consume, and a water parcel tax. Together, these charges contribute to funding the water utility. For example, they cover system maintenance, replacement of aging infrastructure, purchasing bulk water from the Sunshine Coast Regional District, and scientific studies related to the Gibsons Aquifer.

3. Why are rates increasing?

Rates are increasing to pay for the maintenance and replacement of aging water infrastructure, which will improve reliability and reduce the amount of water lost through leaky pipes. Recent studies found that the Town loses approximately 25% of the water pumped through its distribution network because of leaks. An investment in our water supply is an investment in our community. The Town conducts ongoing replacement programs and other infrastructure upgrades to reduce these losses.

4. Why is it important to invest in our infrastructure?

Infrastructure has a lifespan and much of our infrastructure is old. For example, 10 km of our 42 km distribution network is reaching the end of its useful life within in the next 5-10 years. It is estimated to cost at least \$7 million to replace these pipes. Delaying this replacement will result in main breaks and interrupted services, which will cost more to address in the long run.



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5. What are the funding sources for the Town's water utility?

The water utility is funded by water parcel taxes, grants from the provincial and federal governments, borrowed funds, and water user fees. However, grants are becoming less dependable. The Town is moving toward a financial model that relies less on unpredictable external funding and debt to ensure our water supply is sustainable in the long-term.

6. What is the water utility budget for 2020?

In 2020, the Town has budgeted to spend \$1.8 million on its water utility operations. This includes costs associated with water administration, wells & reservoirs, water transmission and distribution, and ongoing water infrastructure maintenance. It also includes a \$200,000 transfer to the Water Operating Reserve to restore the operating reserve to its minimum recommended level of \$425,000 and a \$162,905 transfer to our Capital Reserve to fund future capital related expenditures.

7. How are the annual water rates determined?

In 2012, the Town worked with a consulting company to assess the infrastructure and revenues of our water utility. This study concluded that we needed to significantly increase our water rates in order to move closer to financial sustainability - that is, in order to have the funds required to perform essential work, and reduce the risk of system failures and service interruptions.

Accordingly, the Town raised its annual water rates by between 10% and 13% during 2012 - 2017 and by 5% in 2018, 2019 and 2020. Going forward, as our water utility infrastructure is nearing financial sustainability, we expect to be able to hold annual increases to fees and charges at 5% until 2027. That said, Council will continue to revisit water rates each spring to determine what adjustments need to be made to ensure adequate funding is in place to responsibly operate our water utility.

8. What is the Town doing to keep rates as low as possible?

The Town is investing in infrastructure replacement, which will reduce water losses and avoid the expenses associated with system failures in the future. As well, the Town is reviewing operational practices and looking for improvements in system efficiencies. This includes carefully tracking of water use and budgeting for long-term system sustainability.



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9. Are these increases related to metering?

No, the installation of water meters has assisted the Town in tracking and repairing significant leaks. This has resulted in reduced water use, which also saves the associated costs of storage and distribution. By decreasing the overall water demand, metering actually helps to keep costs low for everyone. It also provides a fair way to distribute those costs amongst customers.

10. What can residents and businesses do to lower their water user charges?

Customers pay for the water they use. Implementing effective watering practices for lawns and gardens, installing low-flow toilets and showerheads, and using high-efficiency washing machines could save both water and money.

For businesses, using high-efficiency appliances and equipping facilities with low-flow faucets are easy ways to conserve water. For more individualized recommendations, including estimated returns on investment, businesses may consider conducting a review of their water use, as well as measures to reduce consumption.

For more ideas, visit our website: gibsons.ca/water-conservation/

11. I grow my own food and it's going to cost more if water rates increase. What can I do to reduce my costs?

A good place to start is to ensure that you follow water wise gardening practices. You can also capture rainwater to irrigate the food in your garden instead of using water supplied by the Town.

Additional tips can be found on our website: gibsons.ca/water-conservation/

12. How are businesses affected by rate increases?

There is a significant range in the amount of water used by different commercial customers. Metering allows each business to pay for their fair share, as they pay for what they use. This also means that investment in conservation saves money. Businesses that install efficient fixtures and practice water smart behaviours will have lower water usage and may also have a lower energy bill due to reduced hot water consumption.



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13. How do water charges help to protect our aquifer?

Aquifer monitoring and protection are part of our water utility management. Water charges contribute to paying for studies (such as the aquifer mapping project), analyzing water quality, and monitoring the level of the aquifer.

For more information on the aquifer, visit: gibsons.ca/the-gibsons-aquifer/

14. How much money does the Town put aside for aquifer protection?

This amount varies from year to year. The Town's budgeting process ensures money is spent strategically to consistently provide safe, high-quality water services. Projects related to the aquifer are prioritized and funded in the same way as maintenance and engineering activities.

15. Where can I find more information?

Information about our water utility (and all of the Town's assets) is posted on the Town's website at gibsons.ca/asset-management. As well, our staff can respond to any questions you may have. Drop by for a visit or give us a call.



visit gibsons.ca