



# COMMITTEE OF THE WHOLE REPORT

- TO:** Chair and Directors
- SUBJECT:** Water Utility Acquisition Policy W-4 Strategy Review and Update
- DESCRIPTION:** Report from Ben Van Nostrand, General Manager, Environmental and Utility Services, dated May 21, 2025. A report to update the Committee of the Whole on the proposed changes and updates to the Water Utility Acquisition Policy W-4.
- RECOMMENDATION:** THAT: the Committee of the Whole recommend to the Board of Directors to direct staff to present an updated Water Utility Acquisition Policy W-4 at the July 17, 2025 Regular Board Meeting.

## BACKGROUND:

At the [July 18, 2024](#) Regular Board meeting, a recommendation to place a moratorium on the CSR D acquiring new water systems was endorsed. The same report authorized the use \$20,000 from the CSR D's Special Projects fund to hire a consultant to review department priorities, including a full review of the [Water Utility Acquisition Policy W-4](#) and the options for removing the moratorium on accepting new applications.

In 2024/25 a thorough review of the CSR D's Water Utility Acquisition Strategies and related Policies was carried out by the Utility Services Department (USD) and John Weninger Infrastructure Planning (JWIP) resulting in a number of minor housekeeping changes and some more significant changes that reflect how the Policy will actually be implemented. In general, there were several Sections that referred to planning/subdivision standards, which are not deemed relevant to the acquisition of a system. Furthermore, there are several Sections related to actions required of the CSR D's USD, which are considerations for service delivery but not relevant to an application for acquisition.

The most significant proposed change to the Policy is the rewording of the Section 1-4 and the deletion of Section 7, which are all related to the specifics around the prioritization of an acquisition of a water system and the number of assessments in the "queue". So although the Limit to the Number of Assessments (Section 7) has been removed, Sections 1-4 have been reworded to focus the priority on systems that:

- a) pose significant health risks to users;
- b) Existing systems that prove to be financially viable;
- c) New systems that benefit the CSR D in terms of addressing existing health issues;
- d) New systems that provide economies of scale, that are beneficial to other systems; and,
- e) Number of residents benefiting from the service.

In addition, it was determined that in order to assess applications for take over, that a tool be developed to help staff prioritize the acquisition of water systems. The results of these efforts is a Memorandum from JWIP entitled Water System Acquisition Prioritization (see attached). Using a ranking system, which includes assigning a numerical value to factors related health and financial benefits, along with a reach factor (the number of residents the service would benefit), staff will be able to better prioritize future incoming applications. Using the prioritization tool, the existing backlog of water systems in the "queue" was assessed by the USD, guided by JWIP, resulting in the following:

## SCORING EXAMPLE

To evaluate the framework, it has been applied to seven applications in the queue.

	UPPER SORRENTO	WILDROSE BAY	COPPER COVE	TALANA	SHELTER BAY	OSPREY	KETTLESON
HEALTH REACH POINTS =	75	318	108	153	50	50	54
HEALTH BENEFIT POINTS =	3	0	0	0	0	0	0
TOTAL HEALTH SCORE =	225	0	0	0	0	0	0
ECONOMIC REACH POINTS =	1341	318	394	439	50	220	54
ECONOMIC BENEFIT POINTS =	0.5	1	1	1	1	1.5	1
TOTAL ECONOMIC SCORE =	670.5	318	394	439	50	330	54
<b>GRAND TOTAL =</b>	<b>895.5</b>	<b>318</b>	<b>394</b>	<b>439</b>	<b>50</b>	<b>330</b>	<b>54</b>

The results of the prioritization evaluation shows that the Upper Sorrento expansion project should continue to be a priority for the CSR. In addition, staff will be following up with the Wildrose Bay, Talana, Copper Cove and Osprey applications in 2025. Furthermore, the evaluation shows that Shelter Bay and Kettleston rank too low (<100) to likely be considered for acquisition.

Overall the revised Water Utility Acquisition Policy W-4 will allow the USD to focus on systems that require assistance, while also ensuring that developers looking to offload new systems build to a standard that will ensure minimal operational challenges and maximum financial viability to the CSR. Furthermore, the prioritization tool will allow staff to share results with applicants and provide realistic expectations for accepting applications and timelines for service delivery. A complete list of changes and updates to the strategy, from the 2013 version, has been attached to this report.

### NEXT STEPS:

The purpose of this report was to highlight the changes and updates to the Water Utility Acquisition Policy W-4. Given the last update to the Policy was in 2013 and the constraints of USD, the review and updates are timely and will help the department and the organization overall deliver better services. This report coincides with the report which provided the Committee with an overview of the USD and the recommendation to budget for a new Full Time Equivalent in the 2026 budgeting cycle. The existing moratorium on accepting new applications under the updated Water Utility Acquisition Policy W-4 will remain in place until staffing levels are in place to meet the demands of the department.

**Report Approval Details**

Document Title:	2025-06-05_COW_EUS_Water_Aquisition_Strategy_Review_Recommendations.docx
Attachments :	<ul style="list-style-type: none"><li>- 2013_W-04 Water Utility Acquisition.pdf</li><li>- Appendix A - Water System Acquisition Prioritization.pdf</li><li>- Water Aquisition Policy_Change Summary.pdf</li><li>- Appendix B - Terms of Reference for Water System Acquisition.pdf</li><li>- 2025_Policy W-04 Water Utility Acquisition.pdf</li></ul>
Final Approval Date:	May 29, 2025

This report and all of its attachments were approved and signed as outlined below:



Gerald Christie

**No Signature - Task assigned to Jodi Pierce was completed by delegate Sheena Haines**

Jodi Pierce



Jennifer Sham

**No Signature - Task assigned to John MacLean was completed by assistant Jennifer Sham**

John MacLean