

April 24, 2018

**Regional District of Nanaimo Board Resolution #18-169**

**EPCOR Water Utility Update**

- The EPCOR Water West Utility is a private water utility in the French Creek area (including properties in Electoral Area 'G' and Town of Qualicum Beach) that serves approximately 2,000 connections with a population of approximately 4,000 residents.
- In 2016, a French Creek Residents' Association survey with over 600 respondents gave support for the concept of the Regional District of Nanaimo purchasing the water system if the costs did not exceed what they were currently paying.
- In December 2016, the Board directed staff to undertake a valuation process to determine a preliminary fair market value for the EPCOR Water West system.
- Through 2017, Regional District of Nanaimo staff worked with consultants and EPCOR utilizing historical information, and information presented in EPCOR's current 2018-2020 rate application filing submitted to the Comptroller of Water Rights in November 2017.
- The scope includes the entire area served by EPCOR, including properties in Electoral Area 'G' and Town of Qualicum Beach (Regional District of Nanaimo staff are in touch with Town of Qualicum Beach staff).
- Regional District of Nanaimo staff continue due diligence discussions with EPCOR, and those discussions are progressing. As is normal with purchase transactions, discussions are kept confidential between parties until complete. Regional District of Nanaimo staff anticipate more information will be available to the public in the next few months.
- Once staff have completed their assessments the Regional District of Nanaimo Board will consider moving forward with negotiations, and provide direction to staff.
- If mutually agreeable draft terms of sale are reached between the Regional District of Nanaimo and EPCOR, a process would be initiated seeking approval of the residents currently served by EPCOR to create a Regional District of Nanaimo Service Area and proceed with purchase. Residents would be provided details of the proposed service area creation and costs (including servicing the debt incurred by the purchase, and ongoing annual operating costs) as part of the process leading up to electoral approval.
- If the electoral approval process is successful, the Regional District of Nanaimo Board would then consider a decision on the purchase.

Questions about this Board Resolution can be directed to Randy Alexander, General Manager of Regional & Community Utilities at Ph. 250-390-6560 or Email [ralexander@rdn.bc.ca](mailto:ralexander@rdn.bc.ca).