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Attachments: Corix Submission on the Water Act Modernization April 2010....pdf

Attached is the Corix submission on the Ministry's Water Act Modernization process.

Regards,

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Corix Submission on the Water Act Modernization

Corix is a Vancouver based company involved in the provision of sustainable water and wastewater services to communities in British Columbia, including the operation of water and wastewater utilities and treatment facilities. As part of our operations we hold provincially regulated water licenses and permits required to provide service to our customers. Corix supports the efforts to modernize the Water Act and welcomes the opportunity to provide comments.

Corix has reviewed the materials available on line and those made available at the Vancouver Water Act Modernization Workshop. We are encouraged by the efforts of the Ministry of Environment staff in providing an open and inclusive process where all stakeholders are afforded the opportunity to provide input into framing the future direction of water policy in the province.

Corix believes that a revised Water Act needs to be consistent with promoting sustainable practices – environmental, economic and social - for developing and operating utility infrastructure in all communities in the province. To achieve this, the Act and policies arising from the Act need to address the following issues:

- The governance and regulation of water and water projects must be clearly separated from the operations related to the delivery of water service. Where governance and operations are not clearly separated, a conflict of interest exists that is inconsistent with the delivery of effective, efficient and longer term sustainable service provision.
- The processes developed for governance and regulation need to have clearly defined requirements and timelines to ensure effective review of and decisions on proposed projects.
- Water needs to be priced in a manner that recognizes the full costs of delivery so that the water resource will be used in the most efficient and sustainable manner. Failure to price water at its true cost leads to wasteful use and water shortages.
- To ensure the most effective and efficient delivery of safe and reliable water services, all parties whether in the public sector or in the private sector, need to be treated and have projects evaluated in a consistent manner, including:
 - fair treatment of tax in evaluating municipal versus private sector service provision, recognising that taxes that private entities pay are used in part to fund municipal projects and services;
 - equal treatment of all parties with respect to access to government funding sources; and,

- equal treatment of all parties with respect to requirements for environmental insurance for spills and liability for protection of the ecosystem.
- Credit should be given for returning water to the environment in an as clean or cleaner state than when it was extracted, and this needs to be built into policies to encourage best water use practices.

Based on our review of materials and participation in discussions at the Vancouver Workshop, Corix offers the following specific comments related to the principles, goals and objectives of the Water Act Modernization process.

A. Principles

Corix agrees with the 8 principles contained in the Discussion Paper, and we propose an additional principle that in order for water to be used in a sustainable manner, water needs to be measured on a full lifecycle basis and priced to reflect its true cost of supply. For the purposes of allocation, measurement of water on a full lifecycle basis recognizes that wastewater that is recovered and treated to acceptable standards and returned to the natural environment, whether that be a stream or an aquifer, is a sustainable practice to be encouraged. Along with lifecycle measurement, water needs to be priced at a rate that reflects its true cost of supply if it is to be used in a sustainable manner. Proper measurement and costing support and are consistent with all 8 principles. Corix proposes a 9th principle to ensure that measurement and pricing is specifically incorporated into future legislation:

9. All water allocated for water licenses and/or used for commercial and domestic purposes is measured on a lifecycle basis and priced to encourage sustainable practices.

B. Goals

1. Protect stream health and aquatic environments

In this section three Objectives for protecting stream health and aquatic environments are discussed:

1. Environmental flow needs are considered in all water allocation decisions to protect stream health
2. Watershed or aquifer-based water allocation plans include environmental flows and the water available for consumptive use
3. Habitat and riparian area protection provisions are enhanced

Specific to Objective 1, Corix supports the use of environmental flow guidelines that provide a site specific evaluation, administrative flexibility and which will result in more effective protection of the water environment compared to a more prescribed approach.

Specific to Objective 2, Corix supports the use of water allocation plans in instances where the Regional Water Manager request such a plan and where the information that such a plan would provide is required for making decisions concerning water allocation issues and maintaining the biological health of the water system.

Specific to Objective 3, Corix supports an amendment to the Water Act that would prohibit the dumping into a stream of defined substances that are proven to be detrimental to the health the stream, and that persons responsible for such dumping are held responsible for restoration.

2. Improve water governance arrangements

Three Objectives are proposed for improving water governance:

1. Governance roles and accountabilities are clarified in relation to the allocation of water and the protection of stream health – includes roles for First nations, industry, local communities and non-government organizations in planning and decision making.
2. Governance arrangements are flexible and responsive to future needs and values
3. Management is coordinated with neighbouring jurisdictions across all levels of government and those with a major interest in the watershed

Corix supports these objectives, and would emphasis the need ensure the governance process is workable to ensure efficient and effective review of applications and decision making. Specifically, the governance process should include a prescribed set of steps and timelines that applicants can expect in the review of submissions related to water projects.

The decisions maker's regulatory role, including the setting of rates, the approvals process, determining fines and other compliance issues, must be clearly separated from that of the entities undertaking water projects and delivering water services. This separation of roles is essential to achieving effective governance.

Corix also supports improved alignment of provincial and federal agencies dealing with water to increase consistency and streamline decision making.

Three provincial models for water governance are proposed:

- a centralized approach (status quo)
- a shared approach which would increase involvement of local stakeholders at the watershed level
- a delegated approach which would see the establishment of a separate water governance entity

Of the three models for water governance Corix believes that each has advantages and disadvantages, but that the shared approach, which maintains a strong role for the

provincial government in setting basic policy and guidelines and in providing information and support to regional authorities is an approach that can work well. This approach would allow consistency across all jurisdictions of the province while addressing unique aspects specific to particular regions and communities. As pointed out in the Discussion Paper, the shared approach could also make better use of established planning resources by including water issues in Official Community Plans, and Regional Growth Strategies and provincial and First Nations land and resource plans.

Managing water resources at the watershed level is a logical approach. However, adopting this approach will require a well defined set of basic criteria and governing standards set at the provincial level and which are clearly set out as guidelines for all stakeholders. This is particularly true where the water shed crosses First Nations/regional district/municipal boundaries and where decisions will involve multiple stakeholders.

Any additional costs that may result in setting up and administering this more decentralized “shared approach” could be funded through a small per unit charge on all water consumed in the province.

3. Introduce more flexibility and efficiency in the water allocation system

The discussion paper discusses three ways for improving the water allocation process in the province: improving the ability to review license terms and conditions to respond to changing conditions; consider the actual impacts on watersheds as a whole when making decisions under the Water Act; and encourage users to maximize efficiency in using the water resource.

Four Objectives are proposed:

1. The water allocation system emphasizes and encourages efficiencies in both water use and the administration of water as a natural resource
2. Flexibility is provided to water users and decision makers to quickly adapt to changing environmental, economic and social conditions
3. The water allocation system integrates the management of groundwater and surface water resources where required in problem areas
4. Water users will be required to conserve water during drought or when stream health is threatened

Specific to Objective 1, Corix would support the development of codes, such as are currently in place in some municipalities for domestic water use, to encourage efficient infrastructure practices to ensure that each sector uses the water resource in an optimal manner. Corix strongly supports the use of economic incentives and pricing structures, which we believe are a key factor in encouraging the most efficient use of the water resource. To encourage administrative efficiency, Corix believes that permitted uses should be consistently defined across the province, and that self-registration should be a requirement under this category of use. To improve decision making times and enforcement for existing water license holders, Corix would support requirements for

providing measurement data on actual water consumption, including data from regulated groundwater users.

Specific to Objective 3, Corix would support a transition for the current FITFIR approach to one of priority of use, particularly in areas where there are competing interests for water allocation. In addition to priority of use criteria, including a pricing mechanism that reflects the true value of the water resource would go a long way to resolving water use conflicts and ensuring adequate water supplies for all users.

Specific to Objective 4, Corix believes that in times of severe water shortages, the specific interests and needs of local communities need to be taken into account, and that a discretionary approach is preferred in these situations. Pricing water at its true value would go a long way to mitigating problems associated with periodic droughts and longer term water scarcity.

The Water Act needs to specifically recognise and reward practices that manage the water resource in an efficient and responsible manner. For example, water that is consumed domestically, but then treated to acceptable standards and returned to aquifers or surface water bodies is a sustainable use of the resource. The full lifecycle use of water needs to be considered when measuring and charging for water.

Corix believes that while a fair approach needs to be used to address allocation issues, particularly in areas subject to seasonal water shortage, a transition needs to occur that includes a clear policy for pricing water both in licensing allocations and for actual water consumption. Only when water consumption in the province, particularly in areas with competing interests, is measured and priced to reflect its true value will the water resource be used in the most effective and efficient manner for the benefit of both human requirements and natural ecosystems.

4. Regulated Groundwater Extraction and Use

The discussion paper proposes the specific Objective:
Groundwater extraction and use is regulated in priority (critical) areas and for all large withdrawals.

Corix supports the concept of including the regulation groundwater where the extraction has an impact on surface water or in critical areas where there is heavy extraction and/or multiple users for the scarce resource. Pricing of the water resource, whether surface or ground water, would provide the necessary incentives to ensure water is used in a responsible and efficient manner.