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To: Living Water Smart ENV:EX
Subject: Water Sustainability Act

The Honourable Mary Polak
Minister of the Environment
Government of British Columbia

I am happy to see that the BC Government is taking action to better manage our water resources and more specifically looking at pricing water more efficiently. It wasn't so many ago that economics textbooks compared water and diamonds and concluded that water was free because there was so much of it and diamonds so expensive because they were scarce. Now we know that diamonds are expensive because of controlled supply and that water is becoming so scarce all over the world that water wars are being predicted in the not so distant future.

Most of Canada still has quite a bit of water, but there are shortages in some areas, including BC areas and a continued lack of water stewardship will only come to haunt us and our children. Water should be treated with the respect that it deserves. It should be protected from pollution and people should pay for its use. However, because water is essential to life, it is a resource that must be provided free to each and every human being in sufficient quantity for life to be preserved. Quantities of water used in excess of that need should be paid for at a price that is set so that reserves are depleted no faster than they are being naturally replenished. An appropriate economic strategy for setting water prices will also stimulate the adoption of cost-effective water saving technologies. Moreover, funds collected from water pricing can be used to reduce inefficient taxation. Water pricing strategies and management should adopt the following principles:

- Pricing strategies are administratively feasible.
- Each individual in the province should be allotted a basic free allowance of water sufficient to sustain life.
- Water pricing should reflect opportunity costs and the price should be sufficiently high that available water does not decline over time.
- Agriculture water prices should be sufficiently low to promote sustainable agriculture geared to meet local needs and long-term food security, yet sufficiently high to prevent excessive withdrawals in regions with water shortages.
- Water allowances for other extractive industries should not be subsidized – in fact, negative externalities generating industries should be appropriately penalized for their negative externalities.
- Water rights should remain under the exclusive control of government for the benefit of the common good.

More specifically and in addition to the above, the following are priority areas for improvement that need to be in a new Water Sustainability Act this coming spring:

- The protection of water flows for fish and other environmental values must be made mandatory in all new and existing licences.
- Essential household needs must be prioritized over other uses.
- Water licences must not be traded in markets and must remain under the exclusive control of government.
- There should be no exemptions for forestry or oil and gas.

- Water licenses should be reviewed every 5 years. Thirty years between licence reviews is far too long.
- All issued licenses should be subject to review at the government's discretion to address unexpected shortages or other claims.
- Fee schedules for both groundwater and surface water must cover government's opportunity costs and ensure water resources are available for future generations.
- The public should be given a forum to participate in the granting of water licenses and the setting and monitoring of environmental flows.
- BC also needs independent oversight of water and watershed management with the resources and expertise to do it right.
- The commitment to shared governance in local watersheds is a positive step, and it must ensure local watershed groups have a clear mandate and the resources to engage responsibly.

I look forward to seeing the BC Government properly manage our water for this and future generations.

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