

April 8, 2014

To Whom It May Concern:

RE: MoE Consultation on Water Pricing

I am pleased to submit the following input to the Ministry of Environment regarding the consultation on Water Pricing as related to implementation of the proposed *Water Sustainability Act*.

Unfortunately, the brief consultation period did not allow for a fulsome discussion with the Fraser Basin Council Board of Directors; however, I have attempted to collate input based on recent research undertaken by FBC staff and I am presenting this information in a way that is consistent with the Council's vision, mission, mandate and principles of sustainability.

First, I want to express support for the seven principles identified in the discussion paper including: simplicity, fairness and equity, implications for water users, impact on the water resource, cost recovery, efficiency, and food security and public health. While further analysis is required to determine the positive and negative policy implications in the implementation of these principles as well as potential conflicts between the principles, the seven principles provide a sound framework.

I also offer the following recommendations for further consideration based on research and consultation undertaken within the Watersheds and Water Resources Program of the Fraser Basin Council:

- There is a need for government to increase revenue to strengthen its ability to manage water and watershed resources for long-term environmental, social and economic sustainability.
- There are excellent opportunities throughout BC for government to collaborate with local and regional partners in the delivery of water and watershed management activities. Therefore, government should consider increasing the amount of revenue available to enhance the capacity of local, regional and province-wide organizations to advance watershed sustainability in a way that complements government management functions and leverages additional resources beyond the capacity of government. This is particularly important in circumstances where alternative governance arrangements may be enabled through the *Water Sustainability Act*.

- Those who are being asked to pay updated water prices, fees, or rentals are more likely to support the increased costs if the funds are kept separate from general revenue and are specifically dedicated for reinvestment in the sustainable management of water resources. Support for increased water prices might be strengthened further if the proposed re-investments were specifically made in the geographic community or region where the funds are generated. While this may not be practical in all cases and there would also be merit in distributing revenues throughout the province, the concept of local fees supporting local management is worth consideration.
- Watershed sustainability will only be achieved through a combination of several types of water and watershed management activities, many of which would benefit from increased financial support. These include, but are not limited to:
 - Water license administration
 - Monitoring regulatory compliance and enforcement
 - Monitoring water flows, water use and water quality
 - Water conservation
 - Water and watershed planning
 - Alternative governance arrangements at local and regional scales
 - Collaboration and conflict resolution
 - Implementing best management practices in all sectors
 - Outreach and public education
 - Science and technical studies
- The price structure for water resources should provide incentives for good water management as well as disincentives for poor management practices. Volume-based pricing is one price structure that would encourage efficient water use and conservation.
- It may be beneficial to give consideration to more innovative ways to recover costs associated with delivering the *Water Sustainability Act* such as user fees for activities that may adversely affect watersheds. This can include the following:
 - Stumpage fees for logging Crown land within watersheds;
 - Grazing leases and licences for cattle grazing;
 - Mining licenses or fees;
 - Camping, golf green fees, parking or other outdoor recreation fees;
 - Subdivision development charges;
 - Septic system approvals;
 - Water licence fees for surface water. This will translate into increased water rates for those receiving drinking water from a licenced water supply system;
 - Water licence fees for bottled water operations; and,



- All tickets, fines and penalties associated with enforcement under the *Water Sustainability Act*.

Thank you for the opportunity to provide this input to the consultation on water pricing as part of the *Water Sustainability Act*. Please do not hesitate to contact me if you have any questions or would like more information about any of these recommendations. I may be reached at 604-488-5358 or slitke@fraserbasin.bc.ca.

Yours truly,

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