



# Nicola Lakeshore Water Utility Co. Ltd.

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March 23, 2022

NLSE Residents  
Monck Park Road

## **Re : Questions regarding Water Tariff Rate increase Application**

- Can you please detail the reasons for the increase in costs?

The rate increase is to generate sufficient revenue to cover the cost of increased operating expenses and set aside sufficient monies in the Replacement Reserve Trust Fund (“RRTF”). Significant inflationary pressure has been increasing the costs of water treatment chemicals/consumables, fuel for truck, wages for operators, professionals and also government with the new ground water rent and applications. Unfortunately as supply chains continue to tighten we anticipate these increases to continue into the next few fiscal periods. The Utility anticipates Water Treatment upgrades to Arsenic Treatment plant. The estimated expenditure is \$15,000. The Utility has an additional operator being trained and that expense is shared amongst the water, sewer and general maintenance program.

We have been working at full capacity trying to keep the plant functioning properly which has resulted in increased operating cost. There has been increase in Service contractor’s costs (Emcon, Tibar) with the increase of labour and material cost that they also have experienced. Increased cost of fuel, parts and repairs have further burdened utility with extra costs. Water samples are collected every week for testing transported to Interior Health for Canadian drinking water standard testing conducted at a private lab. As noted above we had to apply for permits from the Water management section of The Ministry of Land Water and Forestry for a groundwater use permit which has instituted groundwater fee for every cubic meter of water pumped from our two wells which is a new expense which we did not have to pay in the past. Any one who has been on our system for awhile will recognize that the Utility charges have been static for the last two years but unfortunately our operating costs have increased in that time period. Some will recall the problem we experienced in the water treatment plant this past year, we had a pressure failure of four connections in the arsenic treatment piping at the plant. The repairs took three very long hour days days to complete and required special fittings from suppliers in Kamloops. We continue to work at containing costs and recently have sourced out a more reasonable chlorine supplier.

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- Explain the increase in “rent” and what that includes with a breakdown?

Rent is the annual water portion(Highlighted) paid to Nicola lakeshore Water Utility out of the total utility bill you receive . Current breakdown for monthly utility payment is as follows :

Fire	\$ 4.00
Garbage	\$21.02
Sewer	\$41.13
Water	\$28.73
Sewer Replacement Trust Fund	\$19.87
Water replacement Trust Fund	\$16.27
Total Monthly Utility	\$131.02

Nicola Lakeshore Water Utility co Ltd have submitted an application for increase in water portion(Highlighted) of utility payment. Current water payment is \$45 (\$28.73 + \$16.27) per month and annual rent calculates to  $\$45 \times 12 = \$540$ . Approved increase will increase water portion to \$53(Water + WRTF) OR \$636/year. With an approved increase monthly utility bill will be increased from \$131.02 to \$139.02 . The term rent charge is used to allow us to apply for unpaid fees through small claims court should a client not pay .

So in summary the water portion of the utility is proposed to increase from \$45/month to \$53 per month and increase again in a one and two years .

If you have any further questions please contact Gurpreet Chahal 250-378-4176 ext 307 or email [small.companies@emconservices.ca](mailto:small.companies@emconservices.ca)

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