



## Peninsula & Area Agricultural Commission

c/o Saanich Municipal Hall  
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Secretary: Isobel Hoffmann, [isobel.hoffmann@saanich.ca](mailto:isobel.hoffmann@saanich.ca)  
Co-Chairs: Jack Mar & Phil Christie

May 13, 2019

Mr. Ted Robbins, General Manager  
Integrated Water Services  
Capital Regional District  
479 Island Highway  
Victoria, BC V9B 1H7

Dear Mr. Robbins:

The Peninsula and Area Agricultural Commission has recently completed an evaluation of farm water charges and reconciliation from the three main agricultural water user municipalities (Saanich, Central Saanich, North Saanich). We found that there could be ways to simplify and reduce the administrative burden for all parties as it pertains to the CRD's accounting of payments. (See description of variables starting on page 2)

We anticipate the CRD and the municipalities would work together to provide a final cohesive plan for the planting season 2020.

### Special notes to:

- **Saanich:** in the interest of fairness, PAAC recommends that Saanich, like the other municipalities, not charge and then rebate the AG farmer fixed per meter tri annual charges.
- **North Saanich:** In the interest of fairness that North Saanich get the rebate from the CRD from AG meters equivalent to the fixed meter charges charged by the other municipalities.
- **Extra Note using 2017 data:** Due to the difference of the bulk wholesale price of water \$0.6375 per m3 for Saanich and \$0.9111 per m3 for both Central and North Saanich, North Saanich pays an extra \$56,176 and Central Saanich pays an extra \$190,592 for wholesale water compared to Saanich. This should be addressed by reducing the wholesale bulk water rate for all Agricultural use through the Saanich Peninsula distribution system to match the rate paid by Saanich. This would be similar to the reduced bulk wholesale rate currently paid by the Center for Plant Health.

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Member Municipalities:  
Districts of Saanich, Central Saanich, North Saanich & Metchosin

Central Saanich Example				Saanich example			
municipality pays	0.9111 m3	wholesale from CRD		municipality pays	0.6375 m3	wholesale from CRD	
farmer rate	0.2015 m3	from municipality		farmer rate	0.2015 m3	from municipality	
retail rate	1.557 m3	from residential customers		retail rate	1.560 m3	from residential customers	
differential	1.356	CRD pays diff of farmer rate and retail rate to municipality		differential	1.359	CRD pays diff of farmer rate and retail rate to municipality	
farmer uses	1	m3		farmer uses	1	m3	
farmer pays	0.2015	m3		farmer pays	0.2015	m3	
muni pays	0.9111	m3		muni pays	0.6375	m3	
muni the hole for	-0.7096	m3		muni the hole for	-0.4360	m3	
CRD pays muni	1.356	m3		CRD pays muni	1.359	m3	
Final rebate less cost of bulk water				0.6459 m3 for farm water(345 connections)	Final rebate less cost of bulk water		
					0.9225 m3 for farm water(130 connections)		

PAAC supports farm water rates for food and feed-producing lands whereby the water use and farm production, especially for AR accounts, should be monitored and adjudicated by a professional agrologist/farmer. It is only at the pleasure of the CRD and its member municipalities, which have continued to support food and feed production in the region, that this financial support is available.

This regional only rebate does not fall under the same set of farming rules as applied by both the ALC and the BC Assessment Authority. It is also recommended that some of the money rebated to Municipalities be available for new and/or upgraded meters, back-flow preventers and a comprehensive review and implementation of water balancing and availability in the system to ensure current and expected future demand is available to accredited farmers. This will encourage more food production from both new and established farms.

#### Working with 2017 data:

##### Central Saanich: Troy Ziegler contact

- Residential retail rate is a fixed per meter and consumption tri-annual charge.
- AG accounts do not pay a fixed per meter charge. The fixed per meter charge is calculated by CS annually and is rebated to the district from the CRD annually.
- AG accounts pay the agricultural consumption rate of \$.2105 per m3 . Central Saanich is rebated annually from the CRD the difference between the retail consumption rate and the ag consumption rate for their total consumption (on their bills it states the retail rate but the actual calculation does not reflect this).
- AR accounts pay the fixed per meter tri-annual charge and it is not rebated from the CRD to the district.
- AR accounts pay retail rates up to 455 m3 usage annually and the agricultural consumption rate thereafter. Central Saanich is rebated annually from the CRD the difference between the retail rate and the AG consumption rate for their total agricultural consumption only.
- Central Saanich has a discount of 10% if bill paid on or before due date.

**Additional comments from Central Saanich**

- The amount paid from CRD to Central Saanich (CS) for AG fixed charge and all AG consumption, I would call it a subsidy to CS through the CRD.
- As you know the CRD collects monies from all CRD municipalities/residents in order to subsidize agricultural water charges and rates. That way all CRD residents share the cost of agricultural water subsidy and not just residents in those agricultural communities.
- We refer to the bills as tri-annual billings (every 4 months).
- The 2018 retail water rate was \$1.635 m3.
- All bills paid by the due date receive a 10% discount.

**North Saanich: Meghan Mason contact**

- Residential retail rate is a yearly fixed per parcel charge only and a consumption tri-annual charge.
- Both AG and AR accounts pay a yearly fixed per parcel charge only (no fixed per meter charges and no CRD rebates).
- AG accounts pay the agricultural consumption rate of \$.2105 to North Saanich who in turn get rebated from the CRD the difference between this rate and the retail rate on a tri-annual basis.
- AR accounts pay residential retail rates up to 455 m3 annually (divided by 3) and the agricultural consumption rate thereafter on a tri-annual basis.
- The agricultural portion is rebated as above to North Saanich by the CRD on a tri-annual basis.

**Additional Comments from North Saanich:**

- The North Saanich section is correct, with the exception of the 455 m3 note. The threshold is actually 152 m3 per trimester.

**Saanich: Ann Tetley contact**

- Residential retail rate is a fixed per meter (varies depending on size of meter) and retail consumption tri-annual charge.
- AG accounts pay the fixed charge per meter (varies depending on size of meter) and the agricultural consumption charge of \$.2105 per m3 tri-annually.
- The district rebates the account annually for fixed per meter charges.
- The CRD rebates the district the fixed per meter charges and the difference of the retail and agricultural consumption rate annually.
- AR accounts pay the fixed charge per meter (varies depending on size of meter) and the retail consumption charge tri-annually and the district rebates the account annually for consumption charges over 455 m3 as per above formula.
- The CRD rebates the district the difference of the retail and agricultural rate for agricultural consumption annually. The fixed charge is not rebated from CRD to the district nor from the District to the account

- **Additional comments from Saanich**  
The residential rate is set as per category (residential, agricultural, farm) and the rate is applied to usage. In addition to this rate there is a monthly charge for each water connection that varies depending on the size of the meter.
- The District receives a credit from the CRD for the fixed meter charges and the difference between the retail and agricultural rate. The fixed charge amount is refunded to the customer, but the District retains the credit for the difference in consumption between the residential and the agricultural rate.
- The customer has not paid the retail rate to the District - they have been charged the CRD agricultural rate (our farm rate) of \$.2105 throughout the year.

Respectfully submitted for your consideration. We look forward to receiving your response.

*"Phil Christie & Jack Mar"*

Jack Mar and Phil Christie  
Co-Chairs, Peninsula & Area Agricultural Commission

cc: Mayor Haynes and Councillors, District of Saanich  
Mayor Windsor and Councillors, District of Central Saanich  
Mayor Orr and Councillors, District of North Saanich

