

CORIX UTILITIES
PRESENTATION TO CANADIAN LAKEVIEW ESTATES RESIDENTS
OCTOBER 22, 2019

The meeting was well attended with 39 homes represented or 65+ residents. Sean Twomey, Vice-President of CORIX, began his presentation with a brief history of the company, per the handout now posted on LECA's website for your additional information. This information can also be accessed on CORIX's website at www.corix.com. The company is stable and growing, with emphasis on running a sustainable Utility.

Quick Facts:

- All company engineering needs are contracted out;
- Proactive approach on all company matters;
- AMR – automated meter reading will be considered in time;
- Water is financially regulated by BC Water Comptroller;
- Wastewater – is environmentally regulated by Ministry of the Environment;
- The current CLE wastewater system is good, but will not last another 20 years;
- The water advisory signs posted in the neighbourhood are due to turbidity in the lake which usually happens in Spring from run-off into the lake. This situation has continued longer this year, no clear explanation why;
- The water system was recently flushed;
- The company has 5 staff/operators at the Kelowna office and 4 at the Kamloops office;
- Billings are out of the Kelowna office, which also has a website FYI;
- Operators work Monday to Friday. An Emergency line is available, 24 hr on-call;

Next Steps:

- CORIX has had 0% boil water advisory on any of their Utilities except for Panorama Mountain Resort which was just resolved by building a new system;
- The company plans to proceed with a Feasibility Study in the coming year to determine the exact needs/improvements to be done to the existing CLE Utilities such as a UV System, Turbidity Monitor and Filtration System. The total project work will be in the \$1M to \$1.5M range, to be amortized over 25 yrs. This process will be a very public one with ongoing communication with residents;
- Current estimates is that the CLE Utility is sustainable to 2022, then it will require work/improvements/replacements. Approval will be required at every step to allow CORIX to proceed. IHA approval will be needed as well.

- The current rate design in CLE varies, there is no consistent service agreement at present. That will be changed to make it more equitable, standardized rates.

The floor was then open to questions and both Sean Twomey and Paul Burgess, Manager of Operations, Kelowna, provided answers.

Q: Current waste water rates for CLE are at the top of what City of Vernon residents pay, would encourage you not to raise rates.

A: There's no indication the company will raise rates but the company has to be profitable.

Q: Do you have any plans to make improvements to the water capacity. Is the present capacity going to meet the needs/expectations of the community?

A: Reservoir is in good shape, no problems now, if there's a lot of growth, shouldn't be a resulting rate increase – don't see a huge issue with capacity.

Q: There's been water rationing every summer for years and always described as a capacity issue.

A: There's no rationing due to capacity, we take the lead on limiting irrigation from the City of Vernon. There's nothing more than what the City of Vernon sets out. CORIX agree it's good practice to conserve water usage during dry periods in summer. This item will also be reviewed under the feasibility report.

Q: There's a sense that there needs to be a minimum amount of water in the reservoir in case of fires, especially here in this inter-face area.

A: There is a minimum amount set (% of reservoir volume), we'll make sure we address that in our report.

Q: Serious issues with the equitability of water rates. I've gone to different Vernon residents outside this community and I pay 2x more than a Vernon resident, I don't like our rate structure here, it should be metered. What plans do you have to address that?

A: That will be addressed through the feasibility study, water usage measured in cubic meters which is what the City of Vernon does.

Q: I pay a family rate for water in Peregrine, I live in a townhouse, just my wife and I, minimal water usage and I pay the same as people with pools and saunas, that'll be corrected?

A: The Developer set out the rate design for CLE. Meters will be considered in the future, it'll be included as a budget item in the feasibility study.

Q: There's been an increase with forest fires in Western Canada in recent years and insurance companies have problems with paying out private utilities. Do you have information on that?

A: Corix's mandate is not for funding to fight wild fires. Utility needs to be registered with Fire Underwriters Service (FUS). I'll check to make sure we're registered.

Q: I've been paying water and sewer costs on empty land since 2011, it's a double lot and I pay on each lot. Why am I paying for that, not using the services, why can't the lots be amalgamated?

A: The arrangement was put out that way by the Developer, (in that all vacant lots pay reduced sewer and water rates) we have it down as a vacant lot.

Q: I get nothing for the fee for wastewater, I pay as much as my City property taxes, which give me services, roads, fire protection, ambulance, police for those taxes.

A: Will put that away for review.

Q: Water main breaks are an issue in most cities, I suspect our Utility is marginal, whose responsibility is it when there's a break?

A: If it's evident on the homeowner's property, it's the homeowner's responsibility. If not on homeowner's property, (at the curb), then Corix is responsible. Corix will assist homeowner with information on getting repairs.

Q: There have been difficulties in locating the water main on a number of properties.

A: We're marking each property where the water main is and we have marked the streets throughout the neighbourhood. We need to review all of this once we have all our information, rate schedule, etc.

Q: 3 yrs ago there was a considerable rate increase to boost the reserves. Have those funds all been used when Corix acquired the utility?

A: The money is in a regulated account, Replacement Reserve Trust Fund (RRTS) to protect your interests, any withdrawals have to be documented prior to any withdrawal and approved by the Water Comptroller. If it's all been used there would be a record.

Q: Are you putting everyone in CLE on the sewer system, even those on septic?

A: No

Q: BC Firesmart standards- is there sufficient generator power in case of fires?

A: The system meets full capacity for fires, info submitted to Fire Service and City of Vernon who set those requirements. We also have an off-site diesel generator that we

can bring in.

Q: But you can't get in if there's a fire, the road will be closed, we leave from the beach by boat.

A: We're not mandated to protect communities from forest fires. We're mandated for levels of protection, to provide power. The water capacity set aside for fires has to satisfy the fire department.

Q: Chapman put in a stand-by generator some yrs back, is it still operational?

A: That's a built-in generator. We can get power to you to make sure there's water available.

Q: The current water advisory has been in place for the past 6-8 months, is it safe to wash our fruits, brush our teeth, drink it?

A: Yes

Q: Will you install a filtration system to address these problems?

A: Yes. That's part of the feasibility study.

Q: In 2006 that came up as a concern and we sit here today being told that it'll take 3 more years to have those protections in place. If the Utility wasn't in compliance, you got a rate decrease. It won't be in compliance until 2022.

A: We need to address the water advisory issue, we hope in 2020. There's no cash requirement right now from homeowners. Corix is looking to recover its investment over the next 25 yrs, not immediately. A lot of Utilities are not being penalized for non-compliance, a lot are being ignored.

Q: Our water access was extended quite a bit into the lake, did it work? There's a large brown area on the lake that wasn't there before.

A: We looked it is, something has changed, will have to check that.

Q: In 1997, the person looking after the Utility just added chlorine. Is that process set up properly?

A: Chlorine is measured daily on the intake and pumps. It's measured on a daily basis at 2 different places and controlled on automated system for chlorine injections.

Q: At times we get a heavy smell of chlorine. If the pressure pump is down and the chlorine pump is on full pressure, it releases full chlorine the pump won't shut off.

A: Right now, that doesn't exist, the pumps are fully coordinated and chlorine will automatically shut off.

Q: What could you do when you have an advisory? Do you address that now?

A: Due to filtration, can't address that now, following IHA mandate.

Comment: It was good of you to come here and talk to us. We had no information on the Utilities in the past. Hopefully issues raised here today will be addressed.

A: We'll give you transparency on all concerns, your rates, will tell you why, stand by that.

Comment: Good, there's no incentive for conservation with the current rate design.

There were a number of administrative type enquiries from attendees regarding billing issues by CORIX, residents not receiving their billing statements in a timely manner. Paul Burgess advised he would review and address the matter.

Thank you to the CORIX staff for taking the time to travel to Vernon to provide this worthwhile informational exchange and thank you to all those who attended the meeting.

Your LECA Board

DISCLAIMER:

LECA has summarized the answers provided by Corix at our meeting on October 22, 2019. LECA is not responsible for any errors in the answers given by Corix, nor for any errors or omissions made by LECA in summarizing those answers. Anyone using or relying on the information contained in this summary does so at their own risk, and without recourse against LECA. LECA recommends that anyone wishing to verify or rely upon the information set out below contact Corix directly to confirm its accuracy.