

Metro worried B.C.'s water is becoming a hot commodity

Province's revision of Water Act expected to boost cost to municipalities

BY KELLY SINOSKI, VANCOUVER SUN JULY 25, 2014



Metro directors argue everyone should pay the same water rate and say they hope the issue will be raised at the Union of B.C. Municipalities convention this September.

Photograph by: VOISHMEL, AFP/Getty Images

As demand increases in the drought-stricken U.S. and among water bottling companies and resource-based industries, Metro Vancouver worries B.C.'s pristine water is at risk of becoming a hot global commodity.

The provincial government is in the midst of overhauling its 1909 Water Act in a bid to respond to current and future pressures, climate change and expanding resource development.

The **revised act, slated to come into effect next spring**, is expected to boost the cost of water across the province to "support sustainable water management and generate sufficient revenues to recover the costs of managing the water resource," a four-page public discussion paper notes.

But **Metro Vancouver argues the plan is flawed** in that municipalities, which use, treat and return clean water, pay far more than those who export it to directly the U.S., or oil and gas companies that end up destroying the resource for human consumption through fracking and other uses.

Directors argue everyone should pay the same water rate and say they hope the issue will be raised at the Union of B.C. Municipalities convention this September.

The water pricing review does not include water rentals associated with hydroelectric power generation because they are linked to B.C. energy policy, according to the public discussion paper.

"We are worried," said Darrell Mussatto, mayor of North Vancouver City and chairman of Metro's

utilities committee. "Nestlé could come in and purchase water at a cheaper rate. There are inequities with the pricing. Why does one sector get more subsidies than us? There might be a good reason behind it. But they've never explained that to us."

Metro Vancouver's water district already pays the province \$1.10 per 1,000 cubic metres of water — equivalent to one million litres or enough to fill a 25-metre swimming pool — for water it receives from the three watersheds fed by the Seymour and Capilano rivers and Coquitlam Lake to sell to local municipalities.

This compares with just 85 cents for industrial and commercial users, eight cents for fish farms, 65 cents for mining and petroleum companies and 60 cents for agriculture.

Institutions with "individual domestic" licenses also pay 60 cents per 1,000 cubic metre of water. A Metro staff report suggests this is particularly problematic, noting a large institution with an individual domestic water license to extract water directly from a surface water source would pay a much lower rate than a similar-sized institution getting water from a municipality.

Burnaby Mayor Derek Corrigan warned Metro directors Friday that the province's move could further the commoditization of B.C.'s water, especially in the face of increased demands from the U.S. and bottling companies.

He said comments by the head of Pepsi-Cola Inc., who suggested water is not a free human right, should be considered a warning shot across the bow.

See 2010 UN resolution on human right to water: http://www.un.org/waterforlifedecade/human_right_to_water.shtml

"This has traditionally been free to citizens. Just like air is free, and the private sector hasn't found the way to bottle it and export it," Corrigan said. "What has traditionally been something the public believed they have a right to is now becoming a commodity — something that can be exploited like oil or gas or minerals."

Note: Metro pays \$1.10 per 1000 cubic metres for water. This is only \$0.0011 per 1000 litres. The charge to households is 63 cents per 1,000 litres - a markup of about 60,000%. Alternatively, if Metro charges go up 10 fold the price to households would only increase from 63 to 64 cents! -cjk

Metro Vancouver, which last year diverted about 390 million cubic metres of water from its three watersheds, has budgeted \$430,000 for water this year. It typically charges households 63 cents per 1,000 litres of water, which usually covers the cost of infrastructure to get the water from the mountains to the tap, Corrigan said.

"This beautiful pristine water we have is desirable all over the world. People will pay \$1.49 a litre for it when it's in a plastic bottle. What they will then be arguing is what they are paying for it we should pay for it."

However, the province argues in its discussion paper that while many people who commented on its new Water Sustainability Act say B.C.'s water is an important natural resource, it is "undervalued and current prices are too low, particularly for commercial and industrial uses."

B.C.'s highest annual water rental rates are the lowest in Canada, it added, noting the water portion of most utility bills amounts to about \$1 per year per household.

Meanwhile, Delta Mayor Lois Jackson suggested Metro Vancouver poll farmers to understand what the impact may be on food production.

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As the above figures show - increasing the price of bulk water - even 10 fold, would have minimal impact on the price households pay for their water.