



# REGIONAL DISTRICT of Fraser-Fort George

Main Office: 155 George Street, Prince George, BC V2L 1P8  
Telephone: (250) 960-4400 / Fax: (250) 563-7520  
Toll Free: 1-800-667-1959 / <http://www.rdffg.ca>

## 2025 BUDGET CONSIDERATION Azú Water System 8005

- ATTACHMENT(S): 1. 2025 Proposed Budget  
2. 2025 – 2029 Financial Plan

### SERVICE DESCRIPTION:

The Azú Community Drinking Water System is supplied by three (3) wells from two (2) different groundwater aquifers, one reservoir, and a network of underground watermains that distribute potable water to both residential and commercial properties. The Regional District is the purveyor of this system and is responsible to ensure that drinking water is supplied in compliance with the *Drinking Water Protection Act*.

Currently, there are thirty-four (34) residential properties and a commercial ski resort operation (day lodge, group accommodations, and office building) supplied by the system with sixty-four (64) parcel tax properties and one (1) exempt.

This service is funded by a combination of user fees, and a parcel tax levied against each parcel liable to taxation for Regional Hospital District purposes.

### STRATEGIC PRIORITIES ALIGNMENT:

- |  |   |  |   |
|--|---|--|---|
| <input type="checkbox"/> Indigenous and Intergovernmental Partnerships | <input type="checkbox"/> Organizational Strength and Adaptability | <input checked="" type="checkbox"/> Quality Community Services | <input type="checkbox"/> Environmental Stewardship and Climate Action |
| <input type="checkbox"/> Awareness and Engagement                      | <input checked="" type="checkbox"/> Statutory or Routine Business |  |   |

### SERVICE DETAILS:

No. of Connections: Thirty-seven (37) residential and commercial customers  
 Annual User Fees: \$183.48 (residential), \$1,834.68 to \$18,462.00 (commercial)  
 Participants: Sixty-four (64) properties including the Powder King Ski Resort in Electoral Area G and one (1) exempt property  
 Parcel Tax Limit: \$ 70,560 (current rate is \$40.63 annually per parcel)  
 Debt Balance: None

### SERVICE WORKPLAN:

- Monitor, operate, and maintain pumphouse, reservoir and underground watermain infrastructure;
- Conduct monthly drinking water sampling and liability inspections to meet permit requirements;
- Prepare Annual Operational Summary report for the Ministry of Environment and Parks;
- Modem and connectivity upgrades to allow Environmental Services Administration to monitor water system parameters remotely;
- Asset management planning implementation including asset inventory, condition assessments, and refurbishment and replacement capital projects; and,
- Work with consultant to complete an onsite condition assessment of wells 1-3 and pumphouse.

**CAPITAL PROJECTS:**

Project	Cost Estimate	Notes
Electrical panel replacement and CPU programming	\$ 65,000	Funded from reserves.
Total:	<u>\$ 65,000</u>	

**OVERALL FINANCIAL IMPACT:**

	2024	2025	\$ Change	% Change
Total Expenditure:	\$ 195,500	\$ 187,910	\$ (7,590)	(3.9) %
Parcel Tax:	\$ 2,600	\$ 2,600	\$ 0	0.0 %

**BUDGET INFLUENCES/SIGNIFICANT VARIANCES:**

- Administration has reviewed the community water and sewer system bylaws with respect to the current rates and fees and the 2025 budgets have been adjusted to reflect the proposed changes.
  - Actuals may be lower in past years as there have been discounts identified in the bylaws that are proposed to be removed in 2025.
- User fee rates and total parcel taxes have remained the same since 1994. With increasing costs of operating and maintaining a drinking water system, more stringent regulations (increasing monitoring and sampling), and aging infrastructure; it is necessary to increase both the user fee and parcel taxes.
  - It is proposed that the user fees will have a 10% increase each year over the next five-year financial plan;
  - Parcel taxes are proposed to be increased starting in 2026 once communications have occurred with the Local Area Service Participants.
- Future budgets will need to consider asset management replacement and refurbishment costs and provide funds each year to reserves so that when capital costs are needed that there are the appropriate reserve funds available to cover these expenses.
- An onsite condition assessment for wells 1-3 and the pumphouse will be completed in 2025 to substantiate the estimates provided in the 2024 desktop assessments (\$75,000).
- Major and minor capital projects have been included in the five (5) year financial plan based on the desktop facility condition assessments completed in 2024.
  - Projects in 2025:
    - Electrical panel replacement and CPU programming (\$65,000)
    - Replacement of flowmeter, pump controls, and transducers (\$10,000)
- Wells 1 & 2 are budgeted for refurbishment/replacement in 2027 and 2029 respectively. Rehabilitation of the SCADA system is budgeted for 2028.

Respectfully submitted,

***“Gina Layte Liston”***

Gina Layte Liston  
 Senior Manager of Environmental Services

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