



In This Issue

- Water Suppliers' Liability Insurance Update
- Reviewing Water Rates
- About the Sustainable Infrastructure Society

Key Benefits of SIS-sponsored Liability Insurance:

- High policy limit: \$5 Million for the basic policy (higher limits available upon request)
- Volunteers are automatically covered
- Broad Form Fire Fighting expenses are included
- No Failure to Supply exclusion
- No Health Hazard exclusion

For More Information:

www.SustainIS.org

Official website of the Sustainable Infrastructure Society. Visit this site to learn more about the Sustainable Infrastructure Society, its mandate, projects, and goals.

See Overleaf

Affordable Liability Insurance Now Available for BC Water Suppliers!

By JEAN-PIERRE JOLY
Friday, September 5, 2006 | Posted at 13:29 PST

In partnership, the Sustainable Infrastructure Society (SIS), Capri Insurance and AON Reed Stenhouse have developed an affordable liability insurance program. The program provides the broadest coverage available to British Columbia's community water suppliers.

"I am confident that this SIS-sponsored Liability Insurance program is the broadest in coverage available to community water suppliers in BC" says Chris Flint, Vice President for Aon Reed Stenhouse in Victoria. "Under the SIS-sponsored policy the insured will enjoy benefits that are unavailable through other liability insurance policies."

Community water suppliers may wish to compare their current policy to the SIS-sponsored policy. The list at left highlights key benefits, many of which are not available with other programs. An explanation of these and other benefits is found on the SIS web site. Small well-managed water suppliers may enjoy these benefits for as little as \$1500 in annual premiums.

Small well-managed water suppliers may enjoy liability insurance for as little as \$1500 in annual premiums.

Continued on Page 2

Reviewing Water Rates

By Vernon Rogers

Many community water systems are faced with financial challenges. They must satisfy the requirements of recent legislation, meet increasing operating costs, and find money to replace aging infrastructure. Often revenues are insufficient to meet both operating costs and to provide for system renewal.

The solution may lie in a revision of the rates charged for water. Many community water systems in BC are undercharging for the water they supply. Water rates in BC are lower than in other parts of Canada, and substantially lower than in most other areas of the developed world.

Continued on page 2

About the Sustainable Infrastructure Society (SIS)

The Sustainable Infrastructure Society (SIS) was incorporated in 2005 as a non-profit society in British Columbia, with sponsorship from the BC Ministry of Health. Our advisory board includes representatives from the key BC water organizations: BCWWA, CWSA, GWABC, SWUABC and WSABC.

Our Mandate includes the development and application of technology and resources for building the managerial, financial, and operational capacity of community water suppliers in British Columbia.

Visit

www.GreenBC.org

GreenBC.org is affiliated with the Sustainable Infrastructure Society (SIS). Our directory of suppliers and consultants is conveniently available online.

Managers of water supply organizations and other industry members frequently use the directory when they are seeking products and services.

[GreenBC.org](http://www.GreenBC.org)

Add your company to our online directory now!

Contact Us:

By Mail:

P.O. Box 3075 STN CSC
R-Hut McKenzie Avenue
University of Victoria, BC
Canada V8W 3W2

By Phone:

(250) 472-4327

By Email:

contact1@SustainIS.org

Website:

www.SustainIS.org

A New Reason to Review Your Rates?

A recent report to the provincial government contains the following recommendation:

"Develop full cost pricing of small water system operations to include the value of volunteer time and donated resources and communicate the true value of water supply costs to customers."

Affordable Insurance *(from page 1)*

The absence of a "Failure to Supply" exclusion is a major benefit of the SIS-sponsored policy. The policy will respond if the water supplier is legally liable for bodily injury or property damage as a result of failure to supply water: for example, if a building is destroyed by a fire because there was no water at the fire hydrant. In this case, the SIS-sponsored policy provides protection, including coverage of legal fees. Policies which have a *Failure to Supply* exclusion provide no such protection.

The absence of a *Health Hazards* exclusion in the SIS-sponsored policy is also a major benefit. For example, if a water supplier experiences a Cryptosporidium outbreak which causes bodily harm, it may be open to a charge of negligence. The SIS-sponsored policy provides protection. Policies which have a *Health Hazards* exclusion provide no such protection.

The application process for the SIS sponsored program is straightforward, and response is rapid. Managers of community water suppliers are asked to go to <http://www.SustainIS.org> to become a Registered User with the SIS, and then apply for the insurance online. It takes about 15 minutes to complete the application. Those who do not have access to the Internet are asked to phone the Sustainable Infrastructure Society to request an application form.

It takes about 15 minutes to complete the application.

Access to affordable liability insurance is a top priority for community water suppliers in British Columbia. Many of these organizations have experienced significant increases in premiums or are unable to access insurance coverage in the first place. Community water suppliers include water users' communities, improvement districts, regulated utilities and other unregulated private systems of all sizes. Liability insurance provides protection against the risk of an organization being found liable when bodily injury or property damage occurs to a third party resulting from negligence on the part of the organization. Negligence is defined as a failure to do or not to do what a prudent person or organization would do in a similar circumstance. For more information, please visit the SIS website at:

www.SustainIS.org

Water Rates *(from page 1)*

Increasing rates may not be an easy thing to do. We all resist increases in our costs of living. However, supplying safe, reliable and sustainable drinking water involves a wide range of costs. When these costs increase, there should be a corresponding increase in the charges made to customers. Postponing the required increases can lead to problems: the gap between the revenues required for prudent management, and the revenues actually received, grows to the point where very substantial increases are suddenly required. This may alarm customers greatly!

A systematic program of rate review, involving full communication with customers, is a better way to go! The Sustainable Infrastructure Society is now able to help community water systems with rate reviews. We can arrange access to use of the WaterWorth™ rate-setting model. WaterWorth™ can be applied in a wide range of organizations: for example it has helped both a regional district and an improvement district to efficiently review water rates and taxes, and explore a range of rate-setting options.

We know that reviews of rates and taxes can be a challenging process involving technical, economic and community considerations. It can be done most effectively when experienced assistance is available. A rate review will provide you with substantial benefits. You have greater assurance that your revenues will enable you to provide safe, reliable and sustainable supplies to your customers for the foreseeable future. This is a winning situation for you and for your customers!

For more information, please email: Contact1@SustainIS.org