



Ministry of Environment Water Stewardship Division

New Water Rental Rates Effective January 1st 2006 (General Licences)

On January 1st, 2006, new water rental rates came into effect for water licences and supporting permits on Crown land. The last change in rental rates was in 1994.

British Columbia's water rental rates were out of date and required a major overhaul to bring into balance water conservation, equitable water use pricing and the provision of key water management services. The new rates strike a balance between appropriately pricing the water resource and supporting economic development.

The new rental rates will have a minimal impact on domestic users and small-scale irrigators.

The majority of water licence holders have water volumes which will result in the new minimum rent being applied. For example, the typical domestic user rate will increase from \$19.00 to \$25.00 annually (or \$0.50 a month). Small-scale irrigation rates will increase from \$22.00 to \$25.00.

As a large number of water rental rates under the former system are being consolidated there will be both increases and decreases to annual rental charges.

The new rent structure also simplifies billing by reducing the number of water user categories from 90 to 9, shifts measurement from imperial to metric and replaces several flat fee rentals with volume-based fees.

Unlike the old system, similar water users will now have the same rate. For example, agriculture, nurseries and greenhouses will have the same rate. Table 1, on the following page, summarizes the new sector-based rent structure.

Table 1: New Annual Water Licence Rental Rate Structure

| New Sector | New Annual Rental Rate Based on Volume (per 1,000 cubic metres) | Minimum Annual Rent for Sector |
|---|---|--------------------------------|
| Agriculture | \$0.60 | \$25.00 |
| Aquaculture | \$0.08 | \$100.00 |
| Conservation & Land Improvement | \$0.01 | \$25.00 |
| Domestic | \$0.60 | \$25.00 |
| Industrial/Commercial | \$0.85 | \$100.00 |
| Mining and Petroleum | \$1.10 | \$100.00 |
| Storage | \$0.01 | \$25.00 |
| Waterworks (water supply) | \$1.10 | \$100.00 |
| Water Residential (supplied by the landowner) | \$0.01 | \$100.00 |

Higher volume users will be billed above the minimum rent. Most rent increases above the minimum rent will be phased in over a four-year period (2006 to 2009).

Licence holders who are currently within a three-year billing cycle will continue to be charged the former annual rental rate until the cycle is completed.

The annual rental rates for permits over Crown land, which support dam sites, works and flooding authorized by a water licence, have also been revised. Refer to Table 2.

Table 2: New Annual Rental Rate Structure for Permits Over Crown Land

| Crown Land Permit Type | New Annual Rental Rate Based on Area (per hectare) | Minimum Annual Rent |
|------------------------|--|---------------------|
| Dam Sites | \$120.00 | \$50.00 |
| Flooding and Works | \$7.50 | \$10.00 |

A single rental rate is now being applied for all water licences which provide water storage. Refer to Table 1. The former water rent structure contained separate rental rates for storage licences which supported waterpower as well as non-waterpower water use (e.g. irrigation). The new storage rental rate will also be phased in over a four-year period (2006 to 2009).

Water licence rents which are applied to large-scale commercial and general hydro-electric generation are not included in the new water rent structure. However, as mentioned previously, the new annual water rental rate for all storage licences will be applied.