SHERINGHAM WATER WORKS LTD
"A community owned and operated utility."

2876 Woodhaven Road
Shirley BC V9Z 1G6

August 13, 2026

Comptroller of Water Rights
Water Utility Regulation Section
Province of British Columbia

Re: Sheringham Water Works – Application for Approval of One-Time Reservoir Replacement Special Capital Charge

Sheringham Water Works ("SWW") is requesting approval to amend its Water Tariff to permit a one-time Reservoir Replacement Special Capital Charge to raise a total of $50,000 from customers of the SWW water system.

The SWW Board has approved the submission of this application. A copy of the Board resolution authorizing the application is enclosed as **Item 1**.

The charge is required to complete the funding for SWW's reservoir replacement project, which is currently underway. The new 379 cubic metre reservoir is expected to be delivered and installed this fall, with the remaining project and tank payments occurring over the next several months and the additional funds required by November 2026.

SWW has updated its estimated project costs and sources of funding based on the latest available information. The current estimated total project cost is $729,047. The updated estimate includes additional piping-related costs of approximately $50,000 and approximately $23,000 of GST that had not previously been included in the project funding requirements.

The project is being funded through a combination of SWW's existing Replacement Reserve Trust Fund ("RRTF"), required 2026 RRTF contributions, funding provided by the Capital Regional District under the Community Works Fund, and the proposed $50,000 special capital charge.

The Updated Estimated Project Costs and Sources of Funding, including the schedule of expected RRTF draws for the remaining reservoir payment milestones, is enclosed as **Item 2**. The proposed allocation of the special capital charge among SWW customer accounts is provided as **Item 3**.

The SWW Board has approved applying to the Comptroller for authority to raise the additional $50,000 through a one-time special capital charge. The charge would be allocated among all applicable SWW customer accounts in accordance with the tariff amendment approved by the Comptroller.

Given that the reservoir replacement is already underway and the funds will be required by November, SWW would appreciate an expedited review of this application. We would also appreciate direction on any customer-notification or other procedural requirements that must be completed before the charge can be invoiced.

2025 and 2026 RRTF Treatment

SWW would also appreciate direction regarding the appropriate treatment and documentation of its 2025 and 2026 RRTF contributions in light of the timing of the reservoir project.

The 2026 RRTF contribution is being collected during the same period in which reservoir replacement expenditures are being incurred. As a result, the timing may not permit the funds to first be deposited into the RRTF and subsequently released before the project expenditures must be paid.

SWW wants to ensure that the required 2026 RRTF contribution is properly recognized and documented in its records. SWW would therefore appreciate the Comptroller's direction on the appropriate accounting and RRTF treatment of the contribution given the timing of the project expenditures.

A portion of the amount to be raised through the proposed special capital charge also relates to SWW's 2025 RRTF contribution. As with the 2026 contribution, the timing of the collection of the special charge and the reservoir expenditures will not permit SWW to collect all these funds in advance, deposit them into the RRTF and subsequently obtain their release before they are required for the project.

SWW therefore requests direction on the appropriate treatment and documentation of the 2025 RRTF contribution while allowing the funds to be applied to the reservoir replacement project as they are collected.

Special Capital Charge Cash Flow

The proposed $50,000 special capital charge will be collected from customers while reservoir replacement expenditures are being incurred. SWW will therefore need to apply the proceeds directly to project expenditures as they are received, rather than waiting until the full $50,000 has been collected.

SWW would appreciate confirmation that the proceeds of the approved special capital charge may be applied directly to reservoir replacement expenditures as they are collected.

By the end of 2026, SWW expects that the only project-related funds remaining in the RRTF will be any unused portion of the project contingency. SWW will then commence its regular RRTF funding cycle for 2027.

Customer Payment Flexibility

SWW recognizes that payment of a one-time capital charge may create financial difficulty for some customers. While SWW requires the majority of the funds during the fall of 2026, it may be possible to provide limited additional time for customers who require it.

SWW would appreciate advice as to whether the approved tariff amendment may provide reasonable instalment-payment flexibility and, if so, how such arrangements should be structured to ensure that they are administered consistently among customers.

Requested Approval and Direction

SWW is therefore requesting:

1. approval to amend its Water Tariff to permit a one-time Reservoir Replacement Special Capital Charge raising $50,000 in total from SWW customers;
2. direction regarding the required customer-notification and approval process and, given the timing of the project, the most expeditious process available;
3. confirmation of the appropriate accounting and RRTF treatment of SWW's 2025 and 2026 RRTF contributions, given the timing of the reservoir expenditures;
4. confirmation that proceeds from the special capital charge may be applied directly to reservoir replacement expenditures as they are collected; and
5. direction on whether reasonable instalment arrangements for customers requiring additional time to pay may be incorporated into the tariff amendment.
6.

Please let us know if any additional information or documentation is required. Given the timing of the remaining reservoir payments, we would be pleased to provide any additional information immediately.

Yours truly,

Nastazja Pedersen
Administrator

Enclosures:

1. Board Resolution – Reservoir Replacement Special Capital Charge
2. Updated Estimated Project Costs and Sources of Funding – August 9, 2026
3. Special Capital Charge – Customer Allocation Schedule
4. Current Approved SWW Water Tariff (sent as a separate attachment)

1 – Board Resolution - – Reservoir Replacement Special Capital Charge

Reservoir Replacement Special Capital Charge

WHEREAS Sheringham Water Works is undertaking the replacement of its existing water reservoir with a new 379 cubic metre reservoir;

AND WHEREAS the updated estimated total cost of the reservoir replacement project is $729,047 and additional funding of $50,000 is required to complete the project funding;

BE IT RESOLVED THAT:

1. The Board of Sheringham Water Works approves an application to the Comptroller of Water Rights for an amendment to SWW's Water Tariff authorizing a one-time Reservoir Replacement Special Capital Charge to raise a total of $50,000 from customers of the SWW water system.
2. The $50,000 total amount will be allocated among applicable SWW customer accounts in accordance with the tariff amendment approved by the Comptroller of Water Rights.
3. Funds collected through the special capital charge will be used for costs associated with the reservoir replacement project.
4. SWW is authorized to request that the tariff amendment provide reasonable payment flexibility for customers requiring additional time to pay, subject to the approval of the Comptroller of Water Rights.
5. SWW's authorized representatives are directed to submit the application and supporting documentation to the Comptroller of Water Rights and to provide such additional information or make such non-substantive amendments as may be required to obtain regulatory approval, provided that the total amount to be raised through the special capital charge does not exceed $50,000 without further Board approval.

Approved by the Board of Sheringham Water Works on August 12, 2026.

2 – Updated Estimated Project Costs and Sources of Funding

Estimated Project Costs

Item	Description	Amount
1	379 cubic metre Glass Fused Bolted Steel Reservoir – H2Flow Tanks & Systems Inc	$459,651
2	Site Preparation - TBD	$15,000
Sub-total:	**Construction Cost Estimate (A)**	**$474,651**
3	16% Engineering – MSR, Coast and Structural Engineer (TBD)	$74,945
4	4% Regulatory approvals	$18,986
5	10% Contingency Allowance	$47,465
Sub-total:	**Engineering, Approval and Contingency (B)**	**$141,396**
Sub-total:	**Project Costs to be Incurred (A + B)**	**$616,047**
	Engineering Costs Already Spent	$40,000
	Additional Costs Relating to Piping, including $35,000 to H2FLOW - $50,000	$50,000
	GST charges on water tank not previously included	$23,000
Total:	**Total Project Costs**	**$729,047**

Sources of Funding

Item	Description	(Net GST)
1	Utility's RRTF Account Balance at February 10, 2026	$359,228
2	Required from 2026 RRTF Contributions (from 2026 receivables)	$28,819
3	Remaining grant funds provide by the Capital Regional District (CRD) under the Community Works Fund	$228,000
Sub-total	**Funding available for project costs to be incurred**	**$616,047**
	CRD Grant Funds Spent to Date	$40,000
	Reservoir Replacement Special Capital Charge to be invoiced*	$50,000
	Required from 2026 RRTF additional to above and applied directly to project ($38,000 less $28,819 identified previously)	$9,181
	Contingency allowance or from 2026 operations	$13,819
Total	**Total Funding Sources for Project**	**$729,047**

3- Special Capital Charge – Customer Allocation Schedule

Description	Value
Amount Required	$50,000.00
Number of Houses on SWW System	105
Charge per House	$477.00
Allocation Summary	
Number of Houses	105
Charge per House	$477.00
Total Charges to All Houses	$50,085.00
Reconciliation	
Required Amount	$50,000.00
Total Charges to All Houses	$50,085.00
Difference	-$85.00