

MEDIA RELEASE

FOR IMMEDIATE RELEASE

City of White Rock and EPCOR Agree Upon Final Purchase Price for Water Utility, EPCOR to Reimburse White Rock \$600,000

WHITE ROCK – After 24 months of owning and operating the water utility which serves our community, the City of White Rock and EPCOR have agreed on a final purchase price of \$13.4 million.

[The City acquired the water utility on October 30, 2015.](#) At that time, the City made an advance payment of \$14 million to EPCOR White Rock Water Inc. This was an advance payment, and did not represent the final purchase price, only an approximation.

“Negotiating the final purchase price for the water utility took a lot longer than White Rock Council wanted, but we also had the best interest of White Rock taxpayers in mind,” said Wayne Baldwin, Mayor of the City of White Rock. “Even though we were in negotiations over the past two years, as owners, we have taken many steps to improve the infrastructure and water quality as we worked towards securing a final purchase price that was lower than the original advance payment,” Mayor Baldwin went on to say.

White Rock Council resolved to release documents which related to the acquisition and negotiation when a final purchase price was reached. The documents were only withheld because they had the potential to jeopardize the City’s position in the negotiation. As seen in the business case, which is attached in full, the City had valued the water system assets at \$15 million, and had that information been released before negotiations were completed, the White Rock Water customers could have had to pay \$1.6 million more than what was negotiated.

The City remains committed to improving the water quality for White Rock residents and will continue to take proactive steps to accomplish its operational and water quality goals.

For information on steps the City is taking to improve White Rock’s water quality, please visit www.whiterockcity.ca/mywater.

Cost Savings for White Rock Water Customers

- Since the City now owns and operates the water utility, there is no need for our water customers to pay EPCOR an annual profit only to see that profit go to Edmonton instead of stay

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in the City to benefit White Rock residents. It was projected by EPCOR that in 2017 this annual profit would have been nearly \$800,000.

- EPCOR's cost of borrowing to pay off their internal debt was 6%, whereas the City is only paying 2.6% to 2.8% on money borrowed for the water utility.
- As a result, White Rock customers are being charged less for water services since the City acquired the water utility than they would have been had EPCOR continued to own it.
- White Rock customers will experience even greater savings in future years as the City was able to reduce the \$14 million cost of arsenic and manganese removal by obtaining a historic grant for \$12 million through the Clean Water and Wastewater Fund (CWWF), not available to private companies. As a result, EPCOR was not eligible for the grant and would have required the customers to repay the entire cost of the \$14 million loan through their water bills.

Quick Facts:

- Water supply in the City of White Rock had previously been under the control of private operators during the City's entire existence.
- The City of White Rock acquired the Water Utility from EPCOR on October 30, 2015.
- The City made an advance payment to EPCOR for \$14 million, which does not reflect the final purchase price.
- Since taking over the water utility, in 2015, the City has been providing secondary disinfection to the entire system (as mandated by the Fraser Health Authority), and is working towards building treatment processes to address the naturally occurring arsenic and manganese in the water.
- In 2016, the City of White Rock launched a partnership with RES'EAU WaterNET and utilized their Mobile Water Treatment Pilot Plant in order to test various combinations of technologies to find a system that will address and improve the water quality.
- Water asset security is a serious concern for the City which is why, in 2016, the City also conducted major security and IT infrastructure work in the water facilities since the system in the facilities were outdated or non-existent.

Released City Documents:

[2013 06 10 Closed Corporate Report \(Business Case\)](#) - Acquisition of EPCOR White Rock Water

[2013 02 25 Closed Corporate Report - Purchase of Water Utility](#)

[2013 03 15 Letter from Fraser Health](#)

[2013 06 17 Email from CAO to Comptroller of Water Rights](#)

[2013 10 15 Executed EPCOR Two Way Confidentiality Agreement](#)

[2015 08 28 EPCOR Asset Purchase Agreement](#) – (minor redactions due to personal information and harmful financial information about a third party)

[2015 10 26 Drinking Water Permit Application](#)

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