

September 21, 2018

Re: Potential RDN Acquisition of EPCOR Water (West) – September Update

- RDN staff have been in discussions with EPCOR leading to a letter of intent between the two parties. This letter of intent forms a non-binding offer to purchase, and was issued to EPCOR at the end of August 2018.
- If the letter of intent is agreed to by both parties, the RDN will complete further due diligence investigations and negotiations leading toward a conditional purchase agreement with EPCOR. The RDN anticipates these investigations and the conditional offer to purchase could be completed in early 2019.
- If the conditional offer to purchase is accepted by EPCOR, a process would be initiated to seek the approval of the residents currently served by EPCOR to create a RDN Service Area and to proceed with the purchase. As part of the process electoral approval, residents would be provided details of the proposed service area creation and costs (including servicing the debt incurred by the purchase and ongoing annual operating costs).
- Other conditions on the sale will require approval from the provincial Comptroller of Water Rights, the Ministry of Municipal Affairs and Housing, and the Vancouver Island Health Authority.
- RDN staff will work closely with Town of Qualicum Beach staff to establish the strategy for those Qualicum Beach residents currently supplied by EPCOR.
- The RDN Board would consider the results of the electoral approval process and make a decision on the purchase. The RDN anticipates the purchase could be complete by October 2019.

As is normal with purchase transactions, details are kept confidential between parties until complete. Questions about this Board Resolution can be directed to Murray Walters, Manager of Water Services at 250-390-6753 or mwalters@rdn.bc.ca.