

# Comparison to Panorama Ski Resort (REV 3.1 June 26, 2020)

Edited for posting October 29, 2024

## Introduction

This brief compares the residential and commercial wastewater rates between Panorama Ski Village and Silver Star Mountain Resort. The brief also offers a comparison on the “Bed Units” used at Panorama against the “Pillows” used by Silverhawk Utilities at Silver Star.

Corix Multi-Utility Services Inc. (“CMUS”) owns and operates the water utility (“the Utility”) providing service to Panorama Mountain Village (“Panorama”). In addition to the water utility, CMUS also owns and operates the propane and wastewater utilities at Panorama.<sup>1</sup>

In 2017 Corix had 287 residential customers (making 1996 bed units), consumption of 24,027 m<sup>3</sup> and 37 Commercial customers (making 2438 bed units), consumption 78,216 m<sup>3</sup> for a total consumption **102,243m<sup>3</sup>** in 2017<sup>2</sup>

Silverhawk Utilities processed **122,485 m<sup>3</sup>** in 2016 at Silver Star, therefore both utilities processed similar volumes with the same seasonal factors.

We have compared two Strata condominium facilities at Silver Star using the values from the Panorama rate schedule and examining actual Panorama invoices from Corix. The two Silver Star commercial facilities that we used to compare represent the highest per cubic meter cost and one of the lowest per Silverhawk’s rate schedule and invoices. We also compared the single-family residential rates using actual billing information from Panorama.

Silverhawk offers a 5% reduction if paid on time, which was reduced last year from 15%. The comparison in this brief uses the rate schedule and does not account for the 5% on time payment.

## Executive Summary

- The bed count at Panorama supports our claim that the change in pillow count implemented by Silverhawk is unrealistic
- The calculation of the fixed fee by Corix is far more equitable amongst all ratepayers and provides a strong case that our fixed fees are covering more than the stated accounting practice by Silverhawk.
- The comparable Commercial calculations show how excessive the fees that are charged by Silverhawk are, even if monthly minimums are used.
- Despite inequitable minimums used at Panorama for residential accounts, the Residential Rates at Panorama are a favorable comparison for about half of the 414 Silver Star homeowners (those who use more than 75m<sup>3</sup> per year). The residential

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<sup>1</sup> [https://www.corix.com/docs/default-source/pdfs/panorama-pdfs/cmus-pmv-water-rate-application---2018-11-26.pdf?sfvrsn=8e61625d\\_0](https://www.corix.com/docs/default-source/pdfs/panorama-pdfs/cmus-pmv-water-rate-application---2018-11-26.pdf?sfvrsn=8e61625d_0) PDF PAGE 4 report page 1

<sup>2</sup> [https://www.corix.com/docs/default-source/pdfs/panorama-pdfs/cmus-pmv-water-rate-application---2018-11-26.pdf?sfvrsn=8e61625d\\_0](https://www.corix.com/docs/default-source/pdfs/panorama-pdfs/cmus-pmv-water-rate-application---2018-11-26.pdf?sfvrsn=8e61625d_0) PDF PAGE 13 report page 10

minimums used by Corix seem unreasonable. Without their high consumption minimums, annual residential fees would be half for those using a normal volume of 50m3.

- The Vacant lot fee at Silver Star is almost 3 times as high as at Panorama. This fee affects 137 ratepayers who pay \$835.82 (or in some cases of a duplex lot, twice that) compared to what we believe is the fixed fee of \$312.12 per year at Panorama.
- Residential Suites: using the “Panorama Bed Unit” schedule and a Corix 90m3 annual minimum it would have an **annual fee of \$462**. The actual use of our example suite was 35m3 and **it paid \$1108 at Silver Star**.
- Demands to Silverhawk should be to match Panorama’s residential fixed fee. The effect on Silver Star’s 550 residential accounts with the same fixed fee as Panorama would see a savings of \$523.70 per house or vacant lot which would equal \$288K per year in community savings.
- Fixed Fees along with total annual fees compare as follows:

## At Silver Star

## At Panorama

	FIXED	RATE \$7.79m3	USAGE	TOTAL	FIXED	RATE 6.53m3	USAGE	TOTAL
Comparison #1	\$68,822	6546m3	\$50,993	\$119,815	\$16,823	9763m3	\$63,785	\$80,608
Comparison #2	\$21,944	5973m3	\$46,530	\$68,473	\$9,160	5973m3	\$39,004	\$48,164
RESIDENTIAL	\$835.82	168m3	\$1308	\$2,144	\$312.12	168m3	\$1092.48	\$1,404
SUITE	\$835.82	90m3	\$701	\$1,537	\$132.12	90m3	\$330.40	\$462

Denotes minimum charges at Panorama

**At Silver Star, 163 accounts (or 39%) used less than 50m3, so their comparison is:**

## At Silver Star

## At Panorama

	FIXED	RATE \$7.79m3	USAGE	TOTAL	FIXED	RATE 6.53m3	USAGE	TOTAL
RESIDENTIAL	\$835.82	50m3	\$390	\$1225	\$312.12	168m3	\$1092.48	\$1,404
<b>WITH NO MINIMUMS</b>					\$312.12	50m3	326.50	\$638.62
SUITE	\$835.82	50m3	\$390	\$1225	\$132.12	90m3	\$330.40	\$462
VACANT LOT	\$835.82			\$835.82	\$312.12		Estimated	\$312.42

## 1. Bed Units at Panorama

From the WATER TARIFF NO. 4, TERMS AND CONDITIONS for WATER SERVICE at Panorama Village by Corix Multi-Utility Services Inc. for Panorama Water

(b) "Bed Unit" is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person.<sup>3</sup> The following Bed Units are assigned:

i. residential single-family dwelling = 10 Bed Units (beginning January 2011) unless notification received by Utility stating indicating smaller residence qualifying for 6 Bed Units

ii. residential condominium or townhouse:

(i) up to 55 square meters = 2 Bed Units (**up to 602sq ft**)

(ii) between 56 and 100 square meters = 3 Bed Units (**602sq ft -1076 sq ft**)

(iii) in excess of 100 square meters = 4 Bed Units (**over 1076 sq ft**)

iii. commercial customers according to size of water meter:

(i) 5/8" meter = 10 bed units

(ii) 1" meter = 25 bed units

(iii) 1 1/2" meter = 50 bed units

(iv) 2" or larger meter = 80 bed units

*(emphasis added)*

## 2. Silver Star Comparison No. 1

There are a total of 50 Studio units of the 144 total condo units. The other 94 range between 600 and 830 square ft and that falls in the condo size category of between 602 sq ft and 1076 sq ft making all 94 units fall in the "3 BED UNIT CATEGORY" for fixed fee assessment. The 50 Studios would be 2 BED UNITS.

**94 condos times 3 bed units = 282 bed units**

**50 Studios times 2 bed units = 100 bed units**

**TOTAL BED UNITS at Comparison #1 = 382**

382 times \$3.67 per bed unit per month = \$1,401.94 X 12 months = **\$16,823.32** as an annual fixed fee rate.

Comparison #1 was invoiced a fixed fee of **\$68,822.00** in 2019 ( \$65,380.90 if paid on time).

Corix uses a monthly minimum consumption and using the Panorama monthly minimum for 382 bed units X \$9.18 = \$3,506.76 / month. This equals 537 m3 per month for the 6 months of off-season usage which we are adding to the actual Comparison #1 annual volume for the 2018 calendar year of 6546 m3 which results in 6546m3 + 3,222 m3 at \$6.53/m3 = \$63,785. The Comparison #1 consumption would be about 1000 m3/month for the winter months, which is well above the monthly minimum of 537m3

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<sup>3</sup> A panorama bed unit is the same as a Silver Star "pillow"

If we add the annual consumption that includes the additional minimum consumption fee of \$63,785 to the Panorama fixed fee of \$16,823.32, the annual **Comparison #1** bill, if located in Panorama, would be **\$80,608**.

Silverhawk's total invoice was for **\$119,815.34**

Using Panorama rates would **save Comparison #1 \$39K in 2019**.

**Comparison #1 paid Silverhawk \$832 per condo unit**

Total Cost per m3 for 6546 m3 (Comparison #1's actual annual usage) using:

Panorama rates:  $\$80,608/6546\text{m}^3 =$  **\$12.31/m3**.

At Silver Star, Comparison #1 was charged **\$18.30/ m3**

### **3. Silver Star Comparison No. 2**

The second comparison at Silver Star has 40 units larger than 100 m2 (1076 ft2) and 16 units between 56 m2 and 100 m2.

Comparison #2's fixed rate would be 40 X 4 bed units and 16 X 3 bed units for 208 bed units.

The Corix minimum monthly usage is  $208 \times \$9.18 / \$6.53 = 292$  cubic metres per month.

Comparison #2 used 5973 m3 which is the equivalent of 498 cubic metres per month; well above the Corix minimum

A Panorama fixed fee would be  $208 \times \$3.67 \times 12 \text{ months} =$  **\$9,160**

In 2019 Comparison #2 was invoiced a fixed fee of **\$21,944**

Using Panorama rates Comparison #2's total annual cost would have been:

$5973\text{m}^3$  (the 2018 calendar year's consumption)  $\times \$6.58/\text{m}^3 =$  \$39,302

plus, the \$9160 fixed fee = **\$48,462**.

We are assuming that the 5973m3, averaged over 12 months, equals 498m3 per month. Corix's minimum monthly usage would be calculated at 293m3, so we have assumed Comparison #2 exceeded the minimum every month.

Silverhawk billed Comparison #2 **\$68,473 in 2019**. That is **\$20K MORE** than what they would pay at Panorama's rates.

**Comparison #2 paid \$1222 per condo unit**

Total Cost per m3 for 5973 m3 (Comparison #2's actual annual usage) using:

Panorama rates:  $\$48,462/ 5973\text{m}^3 =$  **\$8.11 m3**

At Silver Star Comparison #2 was charged **\$11.46/m3**

## 4. Residential Comparison to Panorama (the catch, Corix uses minimums)

The Fixed or Basic Residential Fee @ Panorama is \$26.01 per month or \$312.12 per year; at Silver Star it is \$835.82 or 2.68 times as much. The water rate schedule (noted in section #1 above) shows that a single-family residence is assigned 10 bed units, however the \$26.01 monthly charge divided by the commercial bed unit factor of \$3.67 = 7.09, so there seems to be a discrepancy in the residential bed units used, is it 7 or 10? We address this in more detail in section 7.

Consumption Rate @ Panorama is \$6.53/m<sup>3</sup> compared to Silver Star at \$7.79/m<sup>3</sup> which is 19% higher than Panorama

Corix however have instituted a minimum consumption of \$91.04 per month which is the equivalent of 14m<sup>3</sup> per month. Typical seasonal use at Silver Star is about 50m<sup>3</sup> per ski season or just under the 10m<sup>3</sup> per month so a residential house would be paying the minimum all year using Panorama rates.

**A residential minimum sewer bill would be \$1404.60 at Panorama's rates.**

Our example bill at Silver Star last year was \$835.82 plus 47m<sup>3</sup> X \$7.79 = **\$1201.95.**

At \$1404.60 (using Panorama's rate schedule) the example 47m<sup>3</sup> would cost **\$29.89/m<sup>3</sup>.**

The residential example that we used paid **\$25.57/m<sup>3</sup>** at Silver Star.

The invoice we examined from Panorama showed the water consumption exceeded the 14m<sup>3</sup> minimum for 3 months, being 24, 33 and 31 m<sup>3</sup>. Their annual sewer bill would be \$574 for the 3 months consumption and 9 months at the minimum of \$91.04 = \$819 plus the fixed fee of \$312 for a total of \$1705.

Their total annual consumption was 192m<sup>3</sup> so at Panorama they paid **\$8.88/ m<sup>3</sup>**. At Silver Star we would pay **\$12.14/m<sup>3</sup>** for the same 192m<sup>3</sup> (\$2331 for the year) so the comparison depends on consumption.

Residential suites at Silver Star pay the same fixed fee as a single-family residence.: If a 2-bedroom suite is 920 ft<sup>2</sup>, using the "Panorama Bed Unit" in section 1, it would have:

3 bed units X \$3.67 X 12 months = fixed fee of \$132.12 and a minimum consumption fee of \$9.18 X 3 X 12 = \$330.40 (7.5m<sup>3</sup> per month minimum) for an **annual fee of \$462**. The actual use of our Silver Star example suite was 35m<sup>3</sup> and it **paid \$1108 at Silver Star**.

**5. The Commercial Cost Comparison to Residential Rates per cubic meter based on 2017 and 2019 invoiced volumes at Silver Star are:**

	2017 per m3	2019 per m3
<b>Comparison #1</b>	\$17.73	\$18.30
<b>Comparison #2</b>	\$11.03	\$11.46
<b>Residential (100m3)</b>	\$15.38	\$16.14

The Panorama residential invoice would be: \$312.12 plus \$1092.48 for minimum consumption per year (the minimum of 14m3/ month) = \$1404.60

Using 100m3 per year, the rate at Panorama would be **\$14.05 per m3** which is **\$2.09/ m3 less** than the same “per cubic metre cost” for usage of 100m3 at Silver Star in 2019.

**6. The Commercial Comparison from Panorama (again the catch, Corix minimums)**

The commercial invoice from Panorama that we reviewed is for a 258-unit strata complex made up of 43 units under 55m2, 36 over 100m2 and 173 units between 56-100m2 totalling 253 residential condo units

There is also an office, retail business, and a 634m2 restaurant.

So, the bed count for the 252 living units is 749. Their basic fee is 749 X \$3.67 = \$2,748.83

The monthly minimum charge for consumption is \$9.18 per bed unit X 749 = \$6875.82 (or the equivalent of 1053m3 per month)

Condo owners must annually spend a minimum of \$9024.65 X 12 = \$108,295.80

**This is \$430 per condo unit per year.**

**7. The residential minimums are the problem at Panorama**

Corix invoices the 287 residential customers X the 14m3 minimum X 12 months which equals 48,216 m3 per year (assuming no resident uses more than 14m3 per month)

Corix processes (according to their reports to the Water Comptroller) a residential consumption of 24,027 m3, only half of the amount prescribed by the minimums on the invoices. The annual consumption of 24,027 divided by the 287 residential customers produces an average of 84m3 per year per customer, way below the 168m3 minimum that Corix is mandating, and charging for.

Additionally, if we compare the minimum consumption for a 3-bedroom condominium over 100m2 in size (4 BED UNITS) their volume would be 4 X \$9.18 = \$36.72 (which equals 5.62m3) compared to a 3-bedroom house paying \$91.04 (14m3) per month. **The similar sized Condominium would pay \$617 per year. A residential minimum sewer bill would be \$1404.60**

The 37 Commercial buildings (condominium owners) at Panorama (making 2438 bed units), are charged 2438 bed units X \$9.18 minimum X 12 months = \$268,570

The \$268,570 is the equivalent of processing 41,129 m<sup>3</sup> (@ \$6.53/m<sup>3</sup>). The actual consumption at Panorama is 78,216 m<sup>3</sup> per year. The commercial minimums - at 53% of the actual processed amount - seems much more reasonable than the residential ratio noted above.

**The residential monthly minimum at Panorama is inequitable.** We note in section 4 of this brief that a factor of 7 seems to be a denominator that more accurately reflects a single-family home bed unit. If one uses a factor of 7, the Corix minimum consumption becomes  $7 \times \$9.18 = \$64.26$  and adding the residential fixed fee of \$26.01/month = a total of \$90.27/month or \$1083 per year. Note that the preceding formula, using the factor of 7, yields a "Total Monthly Minimum" that is almost exactly what is on the rate schedule as the "Residential Minimum" - not a residential CONSUMPTION minimum. Perhaps Corix should only be charging  $\$91.04 \times 12$  months = \$1092.48/year, which was our first interpretation of the rate schedule, until we saw an invoice. We note that Corix charges Canadian Lakeview Estates customers (located in Vernon) an annual total flat sewer fee of \$1464.00, which is comparable to the Panorama residential minimum.

We note that the Panorama water utility that Corix operates (which is regulated) has no minimums on their water rates.

The issue of unfair sewage minimums at Panorama would be useful for submission to a regulator, if wastewater utilities were to be regulated. Using Corix minimums as a residential comparator to a Silver Star total annual invoice is unfavorable for anyone using less than 74 m<sup>3</sup> per year (the equivalent of a \$1404 per year minimum annual fee at Panorama). In 2018, 58% of Silver Star residential customers at Silver Star used less than 75m<sup>3</sup> per year

Demands to Silverhawk should be to match Panorama's residential fixed fee. The effect on Silver Star's 550 residential accounts with the same fixed fee as Panorama would see a savings of \$523.70 per house or vacant lot which would equal \$288K per year in community savings. The minimums at Panorama are inequitable, however the use of reasonable minimums may be a solution.

## 8. The residential Vacant Lot Fee at Panorama

From the Corix Water Tariff:

### **Schedule "F" - Availability of Service Charge as per Rent Charge Agreement(s)**

**Applicability:** To the owners of all lots that have a Rent Charge Agreement registered on title. As of January 1, 2019:

1. A fixed **Rent Charge** **\$ 45** per bed unit per annum

At 10 bed units the vacant lot fee would be \$450.00. The Basic Fee is \$312 per year which we would assume would be the appropriate Vacant Lot Fee. If one divides the \$312 fixed fee by \$45, we get the similar factor of 7.13 that we describe in section 4 of 7.09 for the single family residential basic fee.

## Epilogue: a 2024 update

In April, 2024, **Corix Utilities** merged its water and wastewater operations with Southwest Water, forming the Nexus Water Group. Together, they now serve over 1.3 million people in communities across North America.

As part of this transition, the Corix Canadian water and wastewater services underwent a change of name, to become "**Bluestem Utilities**". Bluestem Utilities operates and maintains the potable water, wastewater, and propane services for the Panorama Mountain community.

The January 1, 2023, Corix Water Tarif showed an amendment to the Bed Unit Schedule that this report used in 2019.

### The new Corix Schedule:

(b) "Bed Unit" is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person. The following Bed Units are assigned:

**i. residential single-family dwelling** = 10 Bed Units (beginning January 2011) unless notification received by Utility stating indicating smaller residence qualifying for 6 Bed Units

**ii. residential condominium or townhouse:**

(i) up to 55 square meters = 2 Bed Units

(ii) between 56 and 100 square meters = 3 Bed Units

(iii) between 101 and 150 square meters = 4 Bed Units

(iv) between 151 and 200 square meters = 5 Bed Units

(v) in excess of 200 square meters = 6 Bed Units

The change was the addition of bed units for larger units that were previously capped at 4 bed units. The new Schedule, if applied to the SSPOA 2019 comparison would yield 6 additional bed units for Comparison #2 and no change for Comparison #1. The effect on our Comparison #2 would have seen a 2.9% increase had it been in effect in 2019.

It is interesting to note that "in excess of 200 square metres" (more than 2153 sq ft) is the equivalent of many single-family residences.