



**REPORT TO ELECTORAL AREA SERVICES COMMITTEE  
MEETING OF WEDNESDAY 04 NOVEMBER 2009**

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**SUBJECT**      **BYLAW NO. 3646 TO ESTABLISH THE PORT RENFREW WATER SERVICE NO. 3  
WITHIN THE ELECTORAL AREA OF JUAN DE FUCA**

**BYLAW NO. 3647 TO AUTHORIZE THE BORROWING OF FUNDS FOR THE  
CONSTRUCTION OF IMPROVEMENTS TO THE PORT RENFREW WATER SYSTEM**

**PURPOSE**

To present recommendations to establish a new Port Renfrew water service and to borrow funds to construct off-site improvements to the Port Renfrew water local service area (PRWLSA) water system and, when complete, to expand the boundaries of the PRWLSA to include new parcels. Note that in a concurrent report, recommendations are presented to establish a new Port Renfrew wastewater service and to borrow funds to construct off-site improvements to the Port Renfrew sewer local service area (PRSLSA) sewer system and, when complete, to expand the boundaries of the PRSLSA to include new parcels.

**BACKGROUND**

The owners of parcels of land, Three Point Properties (2006) Ltd., that abut the PRWLSA (see attached map), have been working with Environmental Services (ES) and Planning and Protective Services staff to identify requirements for the CRD to service the parcels with water. The CRD Port Renfrew water local service has, at present, no legal access to its groundwater supply and has insufficient capacity in its treatment system. Its pumping station has a non-standard electrical service and no means to operate during extended power outages. Its storage reservoir has insufficient storage volume to meet emergency requirements and insufficient elevation to provide adequate pressure to parts of its service area. ES staff and consulting engineers, engaged by the property owners, have developed a phased strategy to address issues with the existing PRWLSA water system which, if undertaken, will address the present deficiencies and provide a more secure water supply for the present water service area and allow the servicing of the proposed parcels contained in a new service area. The phased works, with a total estimated construction cost of \$2,986,000, are referenced in a Memorandum of Understanding (MOU), between the CRD and RTown Holdings ULC, and include, in general, the works listed below. The MOU is not binding on the CRD. Note that Three Point Properties (2006) Ltd. is the bare land trustee (registered owner of the land) and RTown Holdings ULC is the beneficial owner of the land (involved in the development of the lands).

1. To accommodate a subdivision of 42 parcels identified as the Phase 1 development:
  - Secure legal access for and construction of a new water supply well.
  - Interconnection of new and existing supply wells to a new water booster station and treatment facility.
  - Construction of a new water booster station and treatment facility with standby power, new control system, new electrical service and connection to the present water system.
  - Interim modifications to the existing water storage reservoir to allow control of the booster station and to provide domestic and fire service flows to the Phase 1 lands.

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2. To accommodate the development of the remainder of the lands identified as the Phase 2 development:
  - Relocation of the water reservoir to a higher elevation, upgrade of the tank to meet new seismic standards and increase storage capacity by approximately 50%.
  - Construction of new feeder main to the reservoir and a supply main from the reservoir to interconnect with the present system at Parkinson and Deering Road.
  - Construction of booster station on Deering Road to boost water to the reservoir.
  - Construction of pressure reducing station to control pressure to Beach Camp.

The timing of the Phase 2 works is undetermined at this time. The owners have registered a Section 219 covenant against title for the Phase 2 lands excluding one area which the owners propose to develop as an 18-lot strata. The covenant prohibits subdivision of or building on the parcels pending construction of the Phase 2 water system upgrade works. The location for the strata development location will allow servicing from the Port Renfrew water system once Phase 1 water system upgrade works are completed.

The owners have petitioned the CRD Board to establish a new service to fund the upgrade works and to borrow \$2,986,000 for upgrading of the system. The Board secretary has provided a Certificate of Sufficiency, copy attached.

**ALTERNATIVES**

1. That the Electoral Area Services Committee recommend to the CRD Board that:
  - Bylaw No. 3646, "Port Renfrew Water Service No. 3, Establishment Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time;
  - Bylaw No. 3647, "Port Renfrew Water Service No. 3, Loan Authorization Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time; and
  - A Memorandum of Understanding, between the CRD and property owners, which details the intended works to be constructed and funded by the new service area borrowing, be completed by the Board.
2. That Bylaw No. 3646 to establish a new Port Renfrew Water Service No. 3 and Bylaw No. 3647 to provide for borrowing for the service area not be considered by the CRD Board.

**FINANCIAL IMPLICATIONS**

1. The property owners petitioning the CRD Board wish the Board to create a new service area and to borrow funds to finance the upgrade of the Port Renfrew water system as a condition of the new service area receiving water service. The cost of debt servicing will be recovered from the new Port Renfrew Water Service No. 3 only and not from parcels existing within the PRWLSA. Owing to the extent of the borrowing for the project, the owners have agreed to provide security, in the form of an irrevocable letter of credit, at the time of borrowing of funds necessary to construct the works. The works constructed will form part of the CRD Port Renfrew water system and the CRD will recover costs for operation of the new and existing facilities from the existing PRWLSA and from the proposed Port Renfrew Water Service Area No. 3. Operating costs to PRWLSA residents are not expected to materially increase as a consequence of the upgrade works.
2. If the Board does not support the establishment of a new service area or authorize the borrowing of funds to upgrade the Port Renfrew water system as proposed, many of the upgrade works will continue to be required, however the costs for those works will need to be funded by the PRWLSA only, adding significantly to the annual costs charged to residents which for 2009 amounted to \$490.85.

**SUMMARY**

Property owners of lands adjacent to the Port Renfrew water local service area have petitioned the CRD Board to establish a new Port Renfrew Water Service No. 3 and to borrow \$2,986,000 to fund improvements to the Port Renfrew water system to allow water service to be available for the new parcels. A MOU has been developed which sets out the phasing, timing and extent of the works to be constructed. The construction of the water improvements is a condition to extend water service to a Phase 1, 42-parcel development. It is a condition of the subdivision, or building on the remainder of the parcels in the service area, that construction of the remaining Phase 2 water improvements be completed. A Section 219 Covenant has been registered on the Phase 2 lands to ensure this requirement. There will be no cost apportioned to the existing PRWLSA residents arising from the borrowing of funds to improve their water system. Without the project, the PRWLSA will need to plan for undertaking similar works to correct deficiencies in their system at their sole cost.


The CRD Port Renfrew Utility Services Committee has reviewed the report and recommends that the Electoral Area Services Committee forward the recommendation to the CRD Board.

**RECOMMENDATIONS**

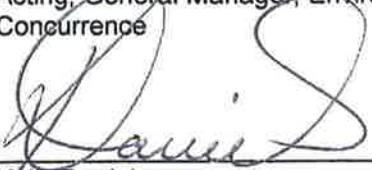
That the Electoral Area Services Committee recommend to the Capital Regional District (CRD) Board that:

1. Bylaw No. 3646, "Port Renfrew Water Service No. 3, Establishment Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time;
2. Bylaw No. 3647, "Port Renfrew Water Service No. 3, Loan Authorization Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time; and
3. A Memorandum of Understanding, between the CRD and RTown Holdings ULC, which details the intended works to be constructed and funded by the new service area borrowing, be signed by the Board.

  
Ted Robbins, BSc, CTech  
Acting, Senior Manager, Operations and Local Services

  
Larisa Hutcheson, PEng,  
Acting, General Manager, Environmental Services  
Concurrence

  
Robert Lapham, MCIP  
General Manager, Planning and Protective Services

  
Kelly Daniels  
CAO Concurrence  
Concurrence

**COMMENTS**

GH/TR:ls  
Attachments: 4



CAPITAL REGIONAL DISTRICT

BYLAW NO. 3646

\*\*\*\*\*  
A BYLAW TO ESTABLISH THE PORT RENFREW WATER SERVICE NO. 3  
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WHEREAS:

- A. Under section 796 of the *Local Government Act* a Regional District may operate any service the Board considers necessary or desirable for all or part of the Regional District;
- B. The Capital Regional District Board has been requested, by Petition under the provisions of sections 797.4, 801.5 and 823.11 of the *Local Government Act* to establish and operate a water supply and treatment system for the benefit of property owners in the Port Renfrew area of the Juan de Fuca Electoral Area;
- C. The sufficiency of the Petition has been certified under section 797.4 of the *Local Government Act*;
- D. Participating area approval of the participating area has been obtained under section 801.5 of the *Local Government Act*; and
- E. The approval of the Inspector of Municipalities has been obtained under section 801 of the *Local Government Act*.

~~NOW THEREFORE~~ the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Service

The service established by this Bylaw is the Port Renfrew Water Service No. 3 Service (the "Service") for the purposes of constructing new waterworks and related works as an expansion of and upgrade to the Port Renfrew Water System, including a system of water supply, conveyance, treatment, control, storage and distribution works for the Service Area, borrowing for the cost of constructing these new waterworks and paying the debt servicing costs associated with the borrowing.

2. Boundaries

The boundaries of the Service Area are the parcels shown outlined on the Plan attached as Schedule "A" to this Bylaw within the Juan de Fuca Electoral Area (the "Service Area").

3. Participating Areas

Only the Juan de Fuca Electoral Area includes a participating area for this Service.

4. Cost Recovery

As provided in section 803 of the *Local Government Act*, the annual cost of providing the Service shall be recovered by one or more of the following:

- (a) parcel taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;

- (b) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;
- (c) fees and charges imposed under section 363 of the *Local Government Act*;
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act; and
- (e) revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. **Maximum Requisition**

In accordance with section 800.1(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

- (a) \$331,000.00; or
- (b) an amount equal to the amount that could be raised by a property value tax rate of \$110.00 per \$1,000 applied to the net taxable value of land and improvements in the Service Area.

6. **Citation**

This Bylaw may be cited for all purposes as the "Port Renfrew Water Service No. 3, Establishment Bylaw No. 1, 2009".

READ A FIRST TIME THIS	day of	2009
READ A SECOND TIME THIS	day of	2009
READ A THIRD TIME THIS	day of	2009
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2009
ADOPTED THIS	day of	2009

\_\_\_\_\_  
CHAIR





\_\_\_\_\_  
SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS                      day of                      2009

# Bylaw 3646 Schedule A

## Port Renfrew Water Service No. 3 Establishment Bylaw No. 1, 2009



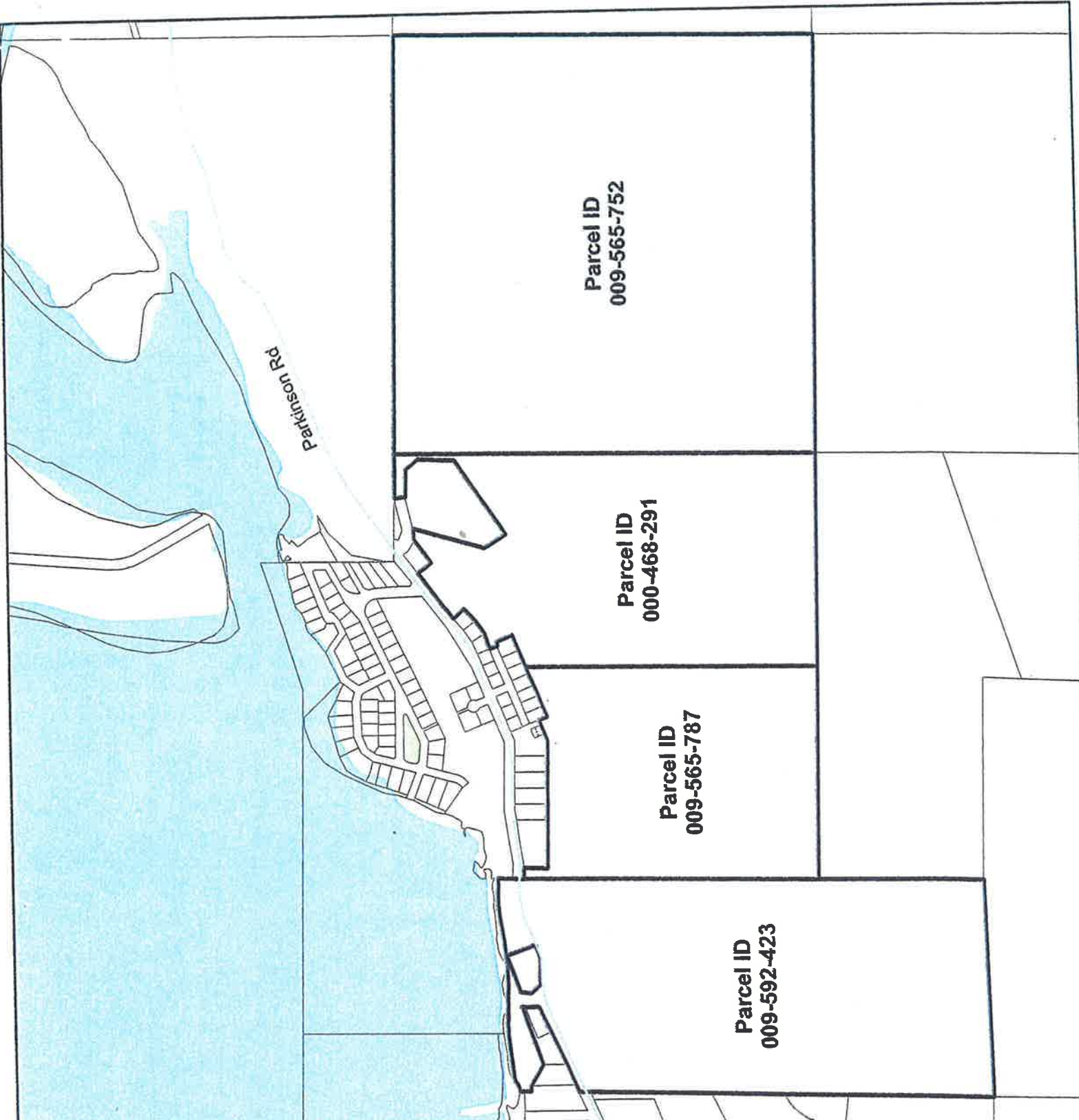
-  Properties included in Bylaw
-  Other Lot Boundaries
-  Park
-  Roads



Projection: Universal Transverse Mercator, Zone 10, North, North American Datum 83.

**DISCLAIMER**  
Important: This map is for general information purposes only. The Capital Regional Board (CRB) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. This map is not for navigation. The CRB will not be liable for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRB at any time.

October 2009 | #revelation\_presentation\_2009.mxd | gsd@crb.ca



**CAPITAL REGIONAL DISTRICT**

**BYLAW NO. 3647**

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**A BYLAW TO AUTHORIZE THE BORROWING OF  
TWO MILLION NINE HUNDRED EIGHTY-SIX THOUSAND DOLLARS (\$2,986,000)  
FOR CONSTRUCTING NEW WATER WORKS AS AN EXPANSION AND UPGRADE TO THE PORT  
RENFREW WATER SYSTEM**  
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**WHEREAS:**

- A. Under Bylaw No. 3646, "Port Renfrew Water Service No. 3 Establishment Bylaw No. 1, 2009", the Capital Regional District established a local service for the purposes of constructing new waterworks and related works as an expansion of and upgrade to the Port Renfrew Water System, including a system of water supply, conveyance, treatment, control, storage and distribution works for the Service Area, borrowing for the costs of constructing these new waterworks and paying the debt servicing costs associated with the borrowing;
- B. Participating area approval of the participating area has been obtained under section 801.5 of the *Local Government Act*;
- C. It is deemed desirable to provide proper water facilities hereunder described in accordance with the service of water supply, conveyance, treatment, control, storage and distribution;
- D. The work shall include an expansion and upgrading of the existing water distribution facilities and construction of new waterworks, treatment plant and ancillary works by the planning, study, design and construction of a system of water supply, conveyance, treatment, control, storage, distribution and other related works, facilities and equipment purchases;
- E. Other funding sources may be used to fund part of the desired works;
- F. The estimated cost of the works, facilities and equipment, including expenses incidental thereto to be funded from debt servicing, is the sum of Two Million Nine Hundred Eighty-Six Thousand Dollars (\$2,986,000) which is the amount of debt intended to be authorized by this bylaw;
- G. It is proposed that the financing of the said water facilities is to be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between that Authority and the Capital Regional District;

**NOW THEREFORE** the Board of the Capital Regional District in open meeting assembled enacts as follows:

- 1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design and construction of works for the provision of the facilities and equipment herein before described and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
  - (a) to borrow upon the credit of the Regional District a sum not exceeding Two Million Nine Hundred Eighty-Six Thousand Dollars (\$2,986,000);





**Certificate of Sufficiency for Petitions to Establish and Operate Port Renfrew Wastewater Service No. 2 and Port Renfrew Water Service No. 3**

**WHEREAS** petitions have been submitted under the provisions of section 212(4) to (6) of the *Community Charter* and sections 797.4 and 801.5 of the *Local Government Act*:

**1. For Port Renfrew Wastewater Service No. 2 to:**

- establish and operate a new service to construct off-site waste water works and related works as an expansion of and upgrade to the Port Renfrew Sewer system;
- define the boundaries for the proposed service area as shown on the Plan attached to the petition;
- provide that the maximum amount that may be requisitioned for the Service will be a sum not to exceed \$634,000 or \$211.83 per one thousand dollars per annum;
- borrow upon the credit of the Capital Regional District a sum not to exceed \$5,740,000 to construct the Works;
- provide for the annual operating and debt servicing costs for the service to be recovered within the service area as set out in the petition; and

**2. For Port Renfrew Water Service No. 3 to:**

- to establish and operate a new service to construct new water works and related works as an expansion and upgrade to the Port Renfrew Water system;
- define the boundaries for the proposed service area as shown on the Plan attached to the petition
- provide that the maximum amount that may be requisitioned for the Service will be a sum not to exceed \$331,000 or \$111 per one thousand dollars per annum;
- borrow upon the credit of the Capital Regional District a sum not to exceed \$2,986,000 to construct the Works;
- provide for the annual operating and debt servicing costs for the service to be recovered within the service area as set out in the petition.

**AND WHEREAS** to be sufficient under the above sections of the *Community Charter* and the *Local Government Act* a petition must meet the following conditions:

- (a) It must be signed by at least 50% of the owners of parcels liable to be specifically charged for the debt servicing costs for the proposed service;
- (b) It must be signed by a sufficient number of owners of parcels liable to be charged for the proposed service that the total value of their parcels represents at least 50% of the net taxable value of all land and improvements within the proposed service area;

**AND WHEREAS** the petitions that have been received have been signed by 100% of the owners of the parcels liable to be charged for the annual debt servicing costs for the proposed services and the total value of their parcels represents 100% of the value of all land and improvements within the service areas as shown on the Plans attached to the petitions;

**THEREFORE** the petitions are sufficient petitions under the provisions of section 212(4) to (6) of the *Community Charter* and section 797.4 of the *Local Government Act*.

Dated this 15th day of October, 2009.

  
Carmen Thiel  
Corporate Officer