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**REPORT TO PORT RENFREW UTILITY SERVICES COMMITTEE
MEETING OF THURSDAY 22 OCTOBER 2009**

**SUBJECT BYLAW NO. 3644 TO ESTABLISH THE PORT RENFREW WASTEWATER SERVICE NO. 2
 WITHIN THE ELECTORAL AREA OF JUAN DE FUCA**

**BYLAW NO. 3645 TO AUTHORIZE THE BORROWING OF FUNDS FOR THE
CONSTRUCTION OF IMPROVEMENTS TO THE PORT RENFREW SEWER SYSTEM**

PURPOSE

To present recommendations 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. Note that in a concurrent report, recommendations are presented 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.

BACKGROUND

The owners of parcels of land, Three Point Properties (2006) Ltd., that abut the PRSLSA (see attached map), have been working with Environmental Services (ES) and Planning and Protective Services staff to identify requirements for the Capital Regional District (CRD) to service the parcels with sewer. The CRD Port Renfrew sewer local service has, at present, limited capacity in its wastewater treatment plant owing predominantly to excessive inflow of stormwater and infiltration of groundwater (I&I). Its wastewater treatment plant infrastructure is aging and, at present, the effluent discharge to the marine environment is not disinfected. In addition, the depth of the outfall at the point of discharge is inadequate to meet current regulations. ES staff and consulting engineers, engaged by the property owners, have developed a phased strategy to address issues with the existing PRSLSA sewer collection and treatment system which, if undertaken, will mitigate the high levels of I&I and provide additional treatment capacity and higher effluent standards for discharge in the short term and a full replacement plant and outfall in the long term. These upgrades will be a significant benefit to the present service area and will allow the servicing of the proposed parcels contained in a new service area. The phased works, with a total estimated construction cost of \$5,740,000, are referenced in a Memorandum of Understanding (MOU) between the CRD and RTown Holdings ULC and include, in general, the works listed below. 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:
 - Evaluation of sources of I&I in the present sewer collection system.
 - Mitigation of I&I to levels acceptable to the Ministry of Environment through manhole remediation and possible relining of gravity sewers.
 - Interim modifications to the existing Port Renfrew wastewater treatment plant to provide for a new parallel treatment process to accommodate additional domestic flow, an upgraded electrical service, influent screening, sludge thickening and ultraviolet disinfection of effluent.

2. To accommodate the development of the remainder of the lands identified as the Phase 2 development:
 - Construction of a new wastewater treatment facility with influent pumping, screening, flow equalization, advanced treatment by membrane bioreactor, sludge storage and thickening and control building.
 - Construction of new wastewater disposal outfall and interconnecting main from the plant.

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- Construction of new forcemain from the existing Port Renfrew plant to the new facility and upgrade of the wastewater pump station, to transfer all wastewater received at the current facility to the new.

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 with onsite wastewater disposal. The covenant prohibits subdivision of or building on the parcels pending construction of the Phase 2 wastewater system upgrade works. On completion of the Phase 2 upgrade works, the 18-lot strata development would be reconnected to the new wastewater treatment plant and pay the same operating costs for the new facility as will others in the combined wastewater service areas.

The owners have petitioned the CRD Board to establish a new service to fund the upgrade works and to borrow \$5,740,000 for upgrading of the system. The Board secretary has advised the Petition is sufficient.

ALTERNATIVES

1. That the Port Renfrew Utility Services Committee recommend to the Electoral Area Services Committee that the following be recommended to the CRD Board:
 - Bylaw No. 3644, "Port Renfrew Wastewater Service No. 2, Establishment Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time;
 - Bylaw No. 3645, "Port Renfrew Wastewater Service No. 2, 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. 3644 to establish a new Port Renfrew Wastewater Service No. 2 and Bylaw No. 3645 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 sewer system as a condition of the new service area receiving sewer service. The cost of debt servicing will be recovered from the new Port Renfrew Wastewater Service No. 2 only and not from parcels existing within the PRSLSA. 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 sewer system and the CRD will recover costs for operation of the new and existing facilities from the existing PRSLSA and from the proposed Port Renfrew Wastewater Service Area No. 2. Operating costs to PRSLSA residents may increase during the initial years of operation of the replacement plant but will be mitigated as new parcels and connections are added to the system from the new service area.
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 sewer system as proposed, in time, the upgrade and/or replacement of the existing wastewater plant will become necessary with the costs for the works funded by the PRSLSA on its own. This borrowing cost would add significantly to the annual costs charged to residents which for 2009 amounted to \$686.48.

SUMMARY

Property owners of lands adjacent to the Port Renfrew sewer local service area have petitioned the CRD Board to establish a new Port Renfrew Wastewater Service No. 2 and to borrow \$5,740,000 to fund improvements to the Port Renfrew sewer system to allow sewer service to be available for the new parcels. An MOU, although not binding to the CRD, has been developed to set out the phasing, timing and extent of the works to be constructed. Construction of the sewer improvements is a condition to extend sewer service to the 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 wastewater 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 PRSLSA residents arising from the borrowing of funds to improve their sewer system. Without the project, the PRSLSA will need to plan for undertaking similar works to correct deficiencies in their system.

The CRD Electoral Area Services Committee will receive the report, together with the recommendation from the Port Renfrew Utility Services Committee, at its meeting on November 4, 2009 and, after review, will forward recommendations to the CRD Board.

RECOMMENDATIONS

That the Port Renfrew Utility Services Committee recommend to the Electoral Area Services Committee that the following be recommended to the Capital Regional District (CRD) Board:

1. Bylaw No. 3644, "Port Renfrew Wastewater Service No. 2, Establishment Bylaw No. 1, 2009", be introduced and read a first time, read a second time and read a third time;
2. Bylaw No. 3645, "Port Renfrew Wastewater Service No. 2, 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 and RTown Holdings ULC.



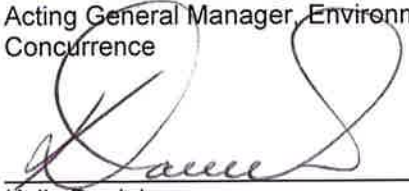
Ted Robbins, BSc, CTech
A/Senior Manager, Operations and Local Services



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



Robert Lapham, MCIP
General Manager, Planning and Protective Services
Concurrence



Kelly Daniels
CAO Concurrence

COMMENTS

GH/TR:ls
Attachments: 3

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3644

A BYLAW TO ESTABLISH THE PORT RENFREW WASTEWATER SERVICE NO. 2

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 waste water treatment and disposal 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 Wastewater Service No. 2 Service (the "Service") for the purposes of constructing new off-site wastewater works and related works as an expansion of and upgrade to the Port Renfrew Sewer System, including a system of waste water collection, conveyance, treatment, control, and disposal works for the Service Area, borrowing for the costs of constructing these new waste water works 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) \$634,000.00; or
- (b) an amount equal to the amount that could be raised by a property value tax rate of \$211.83 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 Wastewater Service No. 2, 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 3644 Schedule A

**Port Renfrew
Wastewater Service
No. 2 Establishment
Bylaw No. 1, 2009**



Properties included in Bylaw

Other Lot Boundaries

Park

Roads

1:10,000



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

DISCLAIMER: This map is for general information purposes only. The Coastal Regional District (CRD) 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 CRD 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 CRD at any time.

October 2009 | @Awassa4_PRRWastWater_2009.mxd | gis@crd.bc.ca



CAPITAL REGIONAL DISTRICT

BYLAW NO. 3645

A BYLAW TO AUTHORIZE THE BORROWING OF
FIVE MILLION SEVEN HUNDRED FORTY THOUSAND DOLLARS (\$5,740,000)
FOR CONSTRUCTING NEW OFF-SITE WASTEWATER WORKS AS AN EXPANSION AND
UPGRADE TO THE PORT RENFREW SEWER SYSTEM

WHEREAS:

- A. Under Bylaw No. 3644, "Port Renfrew Wastewater Service No. 2 Establishment Bylaw No. 1, 2009", the Capital Regional District established a local service for the purposes of constructing new off-site wastewater works and related works as an expansion of and upgrade to the Port Renfrew Sewer System, including a system of wastewater collection, conveyance, treatment, control, and disposal works for the Service Area, borrowing for the costs of constructing these new wastewater works 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 wastewater facilities hereunder described in accordance with the service of wastewater collection, conveyance, treatment, control and disposal;
- D. The work shall include an expansion and upgrading of the existing wastewater distribution facilities and construction of new off-site wastewater works, treatment plant and ancillary works by the planning, study, design and construction of a system of wastewater conveyance, treatment, control, disposal 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 Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) which is the amount of debt intended to be authorized by this bylaw;
- G. It is proposed that the financing of the said wastewater 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 Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000);

