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Deferred to Agenda of
August 4, 2015

**REPORT TO PORT RENFREW UTILITY SERVICES COMMITTEE
MEETING OF MONDAY, JUNE 22, 2015**

SUBJECT WATER AND SEWER INCLUSION REQUEST - PARKINSON ROAD

ISSUE

An application for water and sewer service connections and an inclusion request for a potential 42 lot phased subdivision into the Beach Camp Water Service Area was received by the Capital Regional District (CRD) and is brought forward for consideration by the Port Renfrew Utility Services Committee. In addition, it has been requested that covenants be removed from specific land titles that were created in 2009.

BACKGROUND

An application for a water service connection was received by the CRD for a future parcel fronting Parkinson Road to the east and adjacent to 16967 Parkinson Road (refer to Figure 1 for the location). The application was supplemented with a letter from MSR Solutions (MSR) agent to the applicant and further details were identified at meetings held between MSR and the CRD staff. In addition, WealthTerra Capital Management Inc. has requested that covenants related to a Memorandum of Understand (MoU) and development strategy be removed from the land titles (refer to MSR letter of March 11, 2015).

Generally, the applicant is making the following requests:

1. That Covenant #FB320966 be removed from the land titles for PID's 000-468-291, 009-565-787, 009-592-423 and 009-565-752 and Covenant #FB320964 be removed from PID's 000-468-291 and 009-565-787,
2. That the water service area be revised to include a proposed 42 lot subdivision for a location south of Parkinson Road (between Deering Road and Wichanninish Road on PID's 000-468-291 and 009-565-787), and that the sewer service area be revised to include one future lot fronting Parkinson Road, and
3. That approval of water and sewer service connections for the future lot (not yet subdivided), be included in the requested service area revision noted above.

Further, the MSR letter offers on the behalf of the developer financial contributions for off-site water and sewer system improvements (refer to MSR for details).

This potential subdivision is the similar as that referred to the CRD IWS in 2011 from the Ministry of Transportation and Infrastructure (MoTI) the subdivision approval authority. In the CRD's response letter to the MoTI approving officer of February 24, 2011, it was noted that the parcels were not included in the water and sewer services areas and therefore not eligible for service.

These existing parcels were the subject of the proposed development plans of the former owners Three Point Properties (TPP). In 2009, TPP and the CRD created a MoU whereby the developer would make contributions to have the water and sewer systems improved in order to provide service to the proposed development. No action was taken on the MOU and the borrowing bylaws have expired. At the request of the land owner the CRD is working on the

removal of the covenant and related MOU from each land title. The CRD staff and the land owner will pursue the removal of the covenant and related MOU from land titles. There is no involvement or resolution required from the PRUSC on this matter.

Review and Discussion of Developer's Request

The CRD staff have reviewed the application for service and inclusion request and the following information identifies the issues and potential way forward specifically related to the water and sewer systems of Port Renfrew Committee.

Other issues related to land use, subdivision approval, building permits, building codes, etc. have not been considered in this report, and must be considered by the appropriate regulatory authority having jurisdiction.

Water and Sewer Service Connection (one lot) – The applicant desires to create one residential lot by subdividing parcel 000-468-291. This future lot is not within either the Port Renfrew Water and Sewer Service Areas and therefore, it is not eligible for water nor sewer service.

In order to include the lot(s) within the service areas, it would have to be first subdivided and then application made to have the Port Renfrew water and sewer service establishment bylaws revised to include the lot(s). The CRD IWS is not aware of any current subdivision referral from MoTI. Further, it is understood that subdivision can't occur until the MOU and covenants are removed from the land titles.

In order to revise the service establishment bylaws the applicant will have to pay for the administration costs to prepare the draft bylaws and related reports, presentation to the PRUSC, EASC and CRD for initial bylaw reading, submission to the Inspector of Municipalities and return to the CRD for final reading and adoption.

The applicant has noted that water and sewer services (distribution and collection mains) were installed along Parkinson Road and a water service pipe extends to the property line. Although the mains and water service was installed with foresight, again, the future lot(s) is not within either of the service areas and therefore, is not eligible for water nor sewer service.

It has been recognized for years and in essence was the reason for the MOU, that the Port Renfrew water and sewer services had issues related to capacity. Until such time that water and sewer system improvements are completed then additional services should not be considered. The CRD is working on a strategy for consideration of the PRUSC to potentially address the capacity issues. This may include short-term contributions and in the long-term the implementation of a legislative means to impose charges on development to fund the infrastructure associated with growth.

Future Subdivision/Revision of Water and Sewer Service Areas

Although the submitted application form does not include the proposed 42 lot subdivision (strata) the letter and subsequent discussions with MSR indicate that there is a desire to have the subdivision serviced with water only from the Port Renfrew water system and requested that the proposed 42 lot subdivision be included in the water service area. The developer plans to service the development with a private sewer system. As part of the subdivision or 42 lots, the developer proposes to remove the existing storage tank to allow for the creation of two lots. The developer plans to create a new storage tank at another location to be determined.

Again, there is no current subdivision referral before the CRD IWS and although there was a similar response in 2011, indicating that the parcel is not within either the water or sewer services areas and therefore, ineligible to receive sewer and water service.

Developer/Applicant Offering:

The MSR letter identifies a proposed phased contribution of \$150,000 in exchange for water and sewer service as summarized below for the 20 lot subdivision:

- A contribution of \$30,000 to future reservoir improvements to be held by the PRUSC and contributed back to the developer when the works are undertaken, as the proposed development would see the demolition of the existing storage tank to facilitate two lots of the subdivision.
- Installation of additional tankage at the existing reservoir site consisting of two 55,000 litre “poly tanks” and related works for \$120,000 although polyethylene is not an appropriate material for this application in accordance with CRD engineering standards.
- To support the fee simple one lot subdivision a contribution of \$10,000 plus costs associated with a sewer connection although the sewer system is at its theoretical capacity.
- In addition the developer would contribute by preparing supporting documentation including reports and sketches related to future planning of the water utility.

The applicant is suggesting “an approximate valuation of \$7,500 per SFE”, however, the CRD is in the process of determining the actual proposed water development cost charges.

ALTERNATIVES

Alternative 1

That the Port Renfrew Utility Services Committee:

- A) Approve in principle a water service connection only for the future one lot fronting Parkinson Road, subject to the following conditions:
1. That the water service complies with all relevant bylaws and applicable codes for servicing (CRD land use approvals, building code, MOTI, etc.).
 2. That the applicant provides amenity contributions to water capacity improvements on a component by component basis or contribution through a future development cost charge (DCC) (subject to adoption of a DCC bylaw), and the applicant addresses the sewer issue separately (private sewer system).
 3. That the covenants, bylaws and MOU are mutually discharged and the developer pays for the associated costs.
 4. That the MoTI approves the subdivision.
 5. That the PRUSC approve a revision to the existing water service area to include the proposed subdivision and the developer pays the associated costs.

- B) Approve in principle a water main extension to service the first phase (20 lots) of the 42 lot proposed subdivision from Deering Road, subject to the following conditions:
1. Developer to provide a conceptual plan of the proposed future development related to the water system.
 2. That the water main extension complies with all relevant bylaws and applicable codes for servicing (CRD land use approvals, building code, MOTI, etc.).
 3. That the applicant provides amenity contributions to water capacity improvements on a component by component basis or contribution through a future development cost charge (DCC) (subject to adoption of a DCC bylaw), and the applicant addresses the sewer issue separately (private sewer system).
 4. That the covenants, bylaws and MOU are discharged and the applicant pays for the associated costs.
 5. That the MoTI approves the subdivision.
 6. That the PRUSC approve a revision to the existing water service area to include the proposed subdivision and the applicant pays the associated costs.
 7. That the applicant provides suitable water storage tanks to the CRD engineering standards.

Alternative 2

That the Port Renfrew Utility Services Committee direct the CRD staff to respond to the water and sewer service requests stating that neither the future one lot subdivision nor the 42 lot subdivision are within either of the established water or sewer services areas and therefore are not eligible for service.

IMPLICATIONS

Alternative 1 – By approving a water service connection in principle subject to the conditions as noted, the one lot could be serviced with water only, provided that improvements are made to increase the capacity of the system for which the applicant is offering.

In addition, by approving a water main extension in principle subject to the conditions as noted, the first phase of the subdivision could be serviced with water provided that improvements are made to increase the capacity of the system for which the applicant is offering.

Alternative 2 – By not approving a water and sewer service connections, the water and sewer services will not be burdened with an increase in demand.

CONCLUSION

The proposed future lot and 42 lot subdivision neither exist and are required to be approved through the MoTI subdivision approval process. Further, for Port Renfrew to provide services the existing service establishment bylaws would have to be revised.

Both of the water and sewer systems are at theoretical capacity and until tangible improvements are completed to both services, additional services should not be approved for connection.

At the request of the land owner, the covenants and MOU are in the process of being removed from land titles with the associated costs to be paid by the land owner.

RECOMMENDATION

That the Port Renfrew Utility Services Committee:

- A) Approve in principle a water service connection only for the future one lot fronting Parkinson Road, subject to the following conditions:
1. That the water service complies with all relevant bylaws and applicable codes for servicing (CRD land use approvals, building code, MOTI, etc.).
 2. That the applicant provides amenity contributions to water capacity improvements on a component by component basis or contribution through a future development cost charge (DCC) (subject to adoption of a DCC bylaw), and the applicant addresses the sewer issue separately (private sewer system).
 3. That the covenants, bylaws and MOU are mutually discharged and the developer pays for the associated costs.
 4. That the MoTI approves the subdivision.
 5. That the PRUSC approve a revision to the existing water service area to include the proposed subdivision and the developer pays the associated costs.
- B) Approve in principle a water main extension to service the first phase (20 lots) of the 42 lot proposed subdivision from Deering Road, subject to the following conditions:
1. Developer to provide a conceptual plan of the proposed future development related to the water system.
 2. That the water main extension complies with all relevant bylaws and applicable codes for servicing (CRD land use approvals, building code, MOTI, etc.).
 3. That the applicant provides amenity contributions to water capacity improvements on a component by component basis or contribution through a future development cost charge (DCC) (subject to adoption of a DCC bylaw), and the applicant addresses the sewer issue separately (private sewer system).
 4. That the covenants, bylaws and MOU are discharged and the applicant pays for the associated costs.
 5. That the MoTI approves the subdivision.
 6. That the PRUSC approve a revision to the existing water service area to include the proposed subdivision and the applicant pays the associated costs.
 7. That the applicant provides suitable water storage tanks to the CRD engineering standards.

Scott Mason, B.Sc., P.Eng.
Manager, Water Engineering and Planning

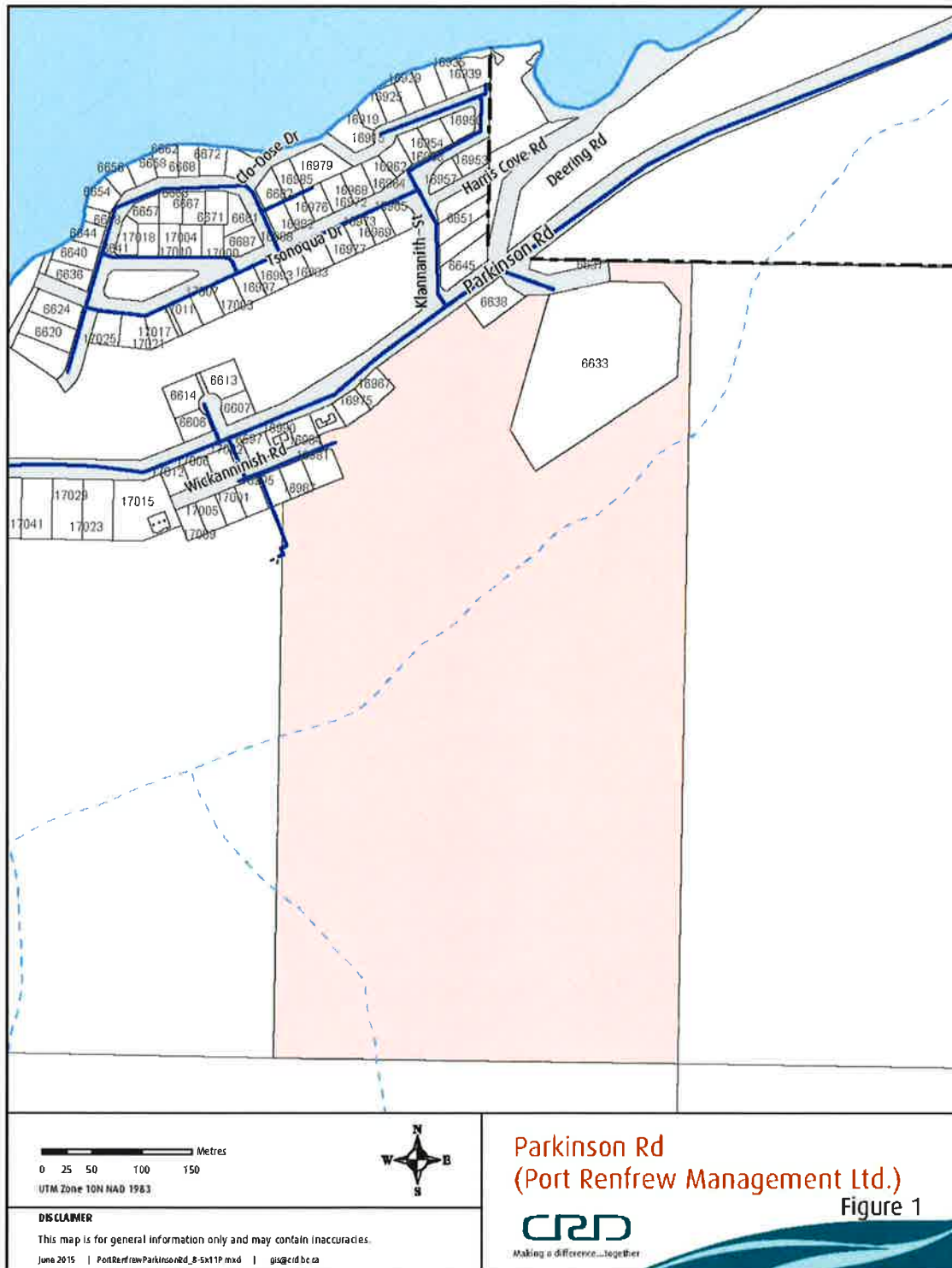
Peter Sparanese, P.Eng.
Senior Manager, Infrastructure Engineering
and Operations
Concurrence

Ted Robbins, B.Sc., C. Tech
General Manager, Integrated Water Services
Concurrence

JM/SM:ls

Attachments –

- Figure 1 – Subject Property
- MSR letter of March 11, 2015
- MSR letter of April 24, 2015



MSR SOLUTIONS INC.



March 11, 2015

File: 14-190

Capital Regional District
Integrated Water Services
479 Island Highway
Victoria, BC, V9B 1H7

By email: sparanese@crd.bc.ca

Attention: Peter Sparanese, P.Eng., Senior Manager

Reference: Port Renfrew Sewer and Water Systems – Discharge of Covenants

Thank you for the opportunity to meet with you and the CRD Integrated Water Services on October 24, 2014 and again most recently on March 9, 2015 with respect to developments in the Port Renfrew area, and the potential impact to the Beach Camp sewer service area, and the Beach Camp and Snuggery Cove water service area. MSR Solutions Inc. has been retained by WealthTerra Capital Management Inc. (WealthTerra) to assist in addressing their sewer and water needs for the phased development of their proposed 42 lot subdivision which has previously received Preliminary Layout Approval (PLA) from the Ministry of Transportation and Infrastructure (MoT).

The property along Parkinson Road and Wickanninish Road is generally identified as PID: 000-468-291, The Easterly 1/2 of the North West 1/4 of Section 36, Township 13, Renfrew District, and PID: 009-565-787, The West 1/2 of the North West 1/4 of Section 36, Township 13, Renfrew District.

Proceeding with the subdivision will require approval from the CRD Integrated Water Services for connection to the Port Renfrew sewer and water systems. The CRD are unable to provide connection at this time, as they believe works and services are required to meet regulatory objectives, before additional connections can be successfully accommodated. There are also existing covenants on the property, which stipulate borrowing, works and services on the part of the Owner, and the CRD, which have not been implemented, effectively precluding an approval. We have been directed by WealthTerra to seek removal of the covenants with the CRD. Based on this, we note the following.

Covenant (Charge #FB320964)

A loan authorization bylaw was established for the service. But as of this date the loan authorization has expired. In order to comply with the agreement the CRD would need to adopt a new loan authorization bylaw. Subject to 2.13 of the Covenant, the Owner does not

want the CRD to pursue a replacement Loan Authorization Bylaw as of this date. A discharge of the covenant from all properties is requested.

Covenant (Charge #FB320966)

The CRD has not adopted a Security Issuing Bylaw nor obtained Temporary Borrowing necessary to construct as per Section 2.14 of the Covenant. Although a Loan Authorization Bylaw was adopted with no borrowings initiated and the bylaw has expired, the Owner is abandoning its intent to pursue a replacement Loan Authorization Bylaw as of this date. A discharge of the covenant from all properties is requested.

We trust this is sufficient to meet requirements of the CRD to proceed with the administrative issues related to cancelling of the covenants and the opportunity to seek alternative means to accommodate sewer and water needs for existing and future development in Port Renfrew.

If you have any questions, or require additional information, please contact the undersigned, or Mr. Karl Ablack directly.

Sincerely,

MSR SOLUTIONS INC.



Mike Seymour, ASCT, Eng. L.
Manager, Water & Wastewater Systems

cc WealthTerra Capital Management Inc., Mr. Karl Ablack (CSC)
CRD Juan de Fuca Electoral Area Planning Services, Ms. June Klassen

April 24, 2015

File: 14-190

Capital Regional District
Integrated Water Services
479 Island Highway
Victoria, BC, V9B 1H7

By email: sparanese@crd.bc.ca

Attention: Peter Sparanese, P.Eng., Senior Manager
Reference: Port Renfrew Management Ltd. – Request for Water Services

INTRODUCTION

Further to our various meetings with the Capital Regional District, Integrated Water Services, and the Juan de Fuca Local Area Director, Mr. Mike Hicks, we are requesting on behalf of Port Renfrew Management Ltd., to apply to the Port Renfrew Utility Services Committee to be included within the Beach Camp Water Service Area. The property is part of a potential 42 lot subdivision along Parkinson Road and Wickanninish Road identified as PID: 000-468-291, and PID: 009-565-787. It is currently outside of the Beach Camp Water Service Area.

We are also requesting an opportunity to allow one fee simple lot into both the water and sewer service to permit the early construction of a home form the long-time Port Renfrew resident, Deanna Blake.



CRD COSTS AND DESIGN FLOW CHARACTERIZATION

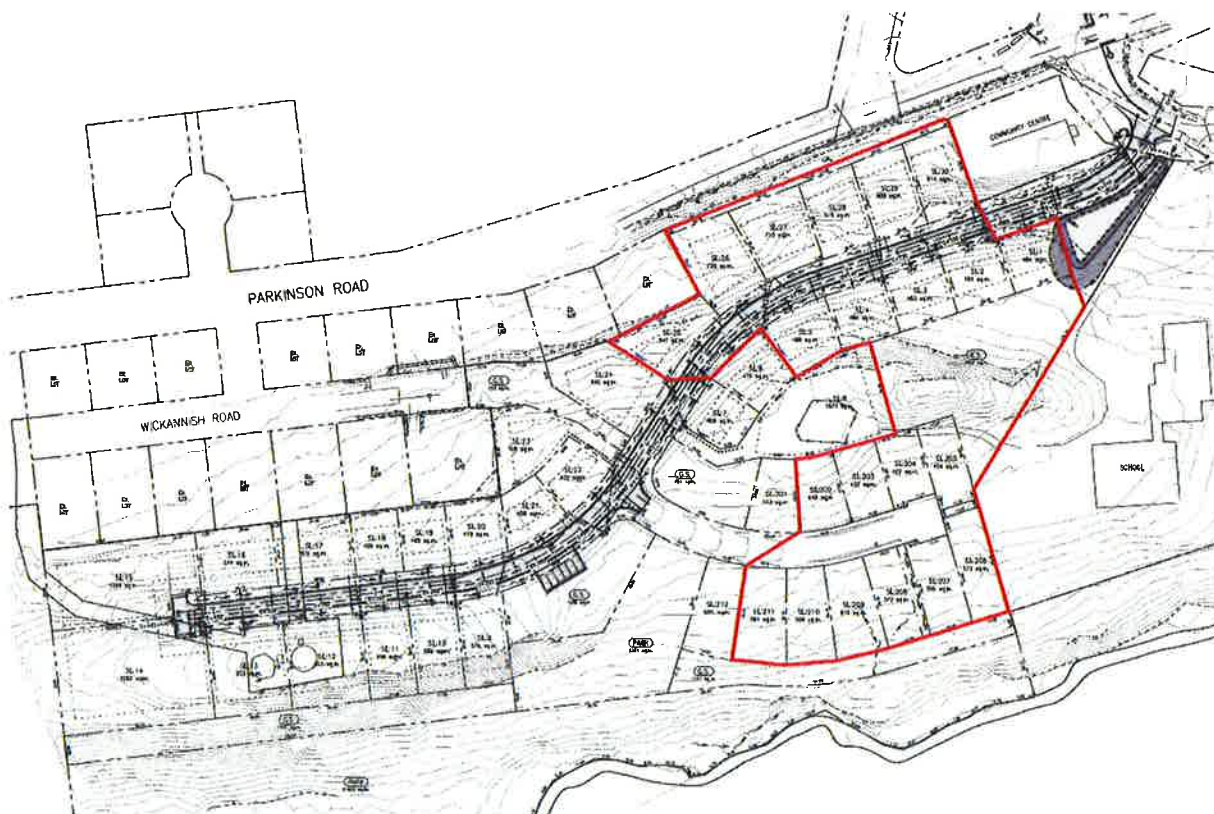
The CRD establishes water consumption based on a single family home typical usage or Single Family Equivalent (SFE). The CRD references their Bylaw No. 3847 (*A Bylaw to Provide for Fees and Charges Payable for Utilities and Street Lighting within the Southern Gulf Islands and Juan de Fuca Electoral Areas*). The Bylaw establishes service connection fees as costs of engineering design, approvals and inspections; construction costs to complete the works; and administration costs of an additional 15%. The minimum connection charge is noted at \$400, and an annual user charge of \$203.38, per single family home.

WORKS REQUIRED FOR CONNECTION TO WATER SYSTEM**ONSITE WORKS APPROVED**

No onsite works have yet been approved or constructed on the property, as it is still subject to the conditions of the Preliminary Layout Approval (PLA) File 01-001-25599 issued by the Ministry of Transportation and Infrastructure (MoT) in 2008, and any updated requirements. These works require inclusion of the property into the Port Renfrew water system and approval by Island Health of the water system extension. Sewer works would be by an onsite system.

Port Renfrew Management Ltd. is considering the following development stages for the property, subject to compliance with the Preliminary Layout Approval (PLA) from the Ministry of Transportation (MoT)

- Submission of a building permit to allow construction of one home on the property to meet the needs of existing Port Renfrew resident, Ms Deanne Blake, and would consider the existing water connection provided to the property, as well as one sewer connection.
- A phased subdivision of 20 lots with access off Deering Road. These parcels are all within the hydraulic gradient for fire protection from the existing water reservoir site as noted in the original subdivision below and delineated by the red outline.
- The internal servicing would negate replacement of the Asbestos Cement (AC) water system along the frontage of Parkinson Road. This is cause for concern due to the pipe condition, as well as both traffic interruptions and water interruptions required to support this work during the busy summer tourism season.
- Works would include improvements at the intersection of Parkinson Road and Deering Road, at West Coast Road. This will benefit traffic flow and sight lines in the area on behalf of existing residents and visiting guests.



- A separate discussion will be held with the CRD for lands beyond this subdivision of the parcel, including potential for a separate reservoir and water supply system, which could be turned over to the CRD at a future date if desired.

CRD OFFSITE WORKS

In discussions with CRD Integrated Water Services, they have noted the ability to provide water to the site subject to various upgrading requirements. The water system is currently considered to be operating at capacity due to restrictions at the groundwater well (\$20,000 to upgrade) and the booster pump (\$40,000 to upgrade), which with improvements, would provide additional water supply for upwards of 287 SFE. With additional water, other improvements would be required at the water treatment plant for associated controls (\$20,000) to better regulate flows at the reservoir. The proposed works if completed, would increase the water supply from the current 4.5 L/s (70 USgpm) to the capacity of the H2S scrubber at 7.3 L/s (115 USgpm). This is more than sufficient for development within the hydraulic service limits of the existing reservoir.

The CRD has recommended an additional storage capacity requirement of 85,000 Litres (22,500 US gallons). They have suggested costs at about \$385,000, which would include for a new reservoir. However, there is no allowance for a new reservoir location or additional piping in this cost, or impacts to pressure changes on the AC pipe infrastructure.

PROPOSAL FOR CONSIDERATION BY UTILITY COMMISSION

The Port Renfrew Utility Commission has extended the Beach Camp Water Service Area around the Port Renfrew Developments property, and has sited the reservoir on the property. It is a reasonable extension to consider the portion of the property which could be serviced by the existing reservoir into the water service area.

The Beach Camp sewers extend past the subject property, which as a result, contributes to calculations of flows based on inflow and infiltration, and would have negligible impact with one service connection for an existing resident to allow for a new home.

With the additional 20 lots added to the Beach Camp Water Service Area, Port Renfrew Management Ltd. is proposing a phased contribution of \$150,000 towards water system improvements as follows:

- A contribution of \$30,000 to future reservoir improvements to be held by the Utility Commission for contribution back when the works are undertaken.
- Installation of additional tankage at the existing reservoir site consisting of two – 55,000 Litre (15,000 US gallon) poly tanks (NSF 61 rated), including associated piping interconnects at an estimated cost of \$120,000 including engineering and taxes. This work would be completed no later than June 2016.
- To support the fee simple lot for Ms. Deanne Blake, Port Renfrew Developments would provide a \$10,000 sewer connection contribution, plus costs associated with a subsequent sewer connection to the property. The contribution would support further studies on longer term sewer improvements for the Beach Camp system.

In addition to the above, Port Renfrew Management Ltd. will prepare supporting documentation including reports and sketches in accordance with CRD Integrated Water Services requirements for a new reservoir site and supply/distribution system. This will include potential interconnects at a pressure reducing station to allow removal of the existing reservoir and completion of the subdivision of that area.

Port Renfrew Management Ltd. will be responsible for all costs associated with the supply of potable water to the internal subdivision including servicing of the properties fronting Parkinson Road from the internal strata road to negate replacement of that section of AC pipe across the Parkinson Road property frontage.

In return, the PRUC will agree to provide Port Renfrew Management Ltd. with one fee simple lot on Parkinson Road including sewer and water connections subject to an interim Service Area adjustment. PRUC will expand the Beach Camp Service Area to allow the strata subdivision off Deering Road, with completion of the reservoir addition. This equates to an approximate valuation of \$7,500 for a SFE connection to the PRUC, in addition to servicing costs associated with extending of service to the site.

SUMMARY

The proposed reservoir expansion on the Port Renfrew Management Ltd. site will provide a long term resolution of capacity requirements for the Snuggery Cove and Beach Camp Water Service Areas and amended boundaries including the proposed 20 lot development.

The agreement of using the existing water connection and allowing one additional sewer connection will support a long time Port Renfrew resident in meeting their desire for a new home, which has been on hold for more than a year, while solutions have been sought by all parties.

The ability to complete the subdivision with connection to the Beach Camp Water Service Area will allow for required improvements at the main town intersection, benefiting all residents and visitors.

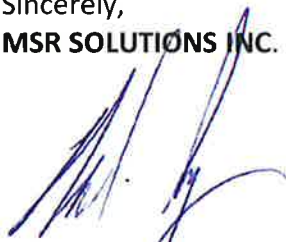
There is an opportunity for the both parties to accept the above noted solutions which will provide long term benefits to the Port Renfrew water system at no additional expense to the existing water users. The developments, will provide an immediate boost to the community and lifestyle, which will help in the longer term of creating a vibrant and sustainable Port Renfrew.

We believe the above is a workable solution, and request the CRD to support the Port Renfrew Utility Commission and Local Area Director in allowing the contributions to be provided by Port Renfrew Developments Ltd., as noted above, and the improvements to be installed.

We would be pleased to meet with you at your convenience to discuss and finalize an interim agreement with the various parties, such that the temporary water service can be provided now, and the remaining works pursued through the regulatory approval channels.

If you have any questions, or require additional information, please contact the undersigned.

Sincerely,
MSR SOLUTIONS INC.



Mike Seymour, ASCT, Eng. L.
Manager, Water & Wastewater Systems

cc Port Renfrew Management Ltd., Mr. Karl Ablack (CSC)
Juan de Fuca Local Area Director, Mr. Mike Hicks

Capital Regional District Application for Connection to Sewer/Water Utility

PLEASE PRESS HARD YOU ARE MAKING FOUR (4) COPIES

Pursuant to the regulations applicable to the Utility indicated below

I, Miko Seymour (PSE Solutions Inc.), being the owner or acting with the owner's consent hereby make application for a utility connection to the property indicated below.

I agree to be subject to all Bylaws, Rules and Regulations and to pay such rates as are thereby specified.

Name of Owner <u>Port Renfrew Management Ltd</u>		Name of Contractor <u>Troy Dornier</u>	
M A D I L D R E S S	Street <u>96 Glenora View</u>	Street <u>Beard Road</u>	
	City <u>Cochrane</u>	City, Village <u>Port Renfrew</u>	
	Prov. <u>BC</u> Postal Code <u>T4C 1P2</u>	Prov. <u>BC</u> Postal Code _____	
	Phone No. <u>250-388-0269</u>	Phone No. _____	

Utility/Utilities to which a connection is requested.

SEWER UTILITIES

- Magic Lake Estates
- Ganges
- Malview Estates
- Port Renfrew
- Other (specify) _____

WATER UTILITIES

- Magic Lake Estates
- Fernwood
- Highland
- Port Renfrew
- Lyall Harbour/Boot Cove
- Other (specify) _____


Description of Property to which a connection is requested.

Street Address (if applicable) Parkinson Road and Deering Road

Legal Description - Lot Number NW 1/4 Section 36 Plan No. _____

Tax Assessment Folio Number 000-468-291 and 009-565-787

INTENDED USE OF PROPERTY Single Family

Date April 24 2015 Signature of applicant 

FOR OFFICE USE ONLY

Date application received _____ Drawings received: Yes _____ No _____

Application reviewed by _____ Date payment received _____

Date work order issued _____ Date installation complete _____

Your application for a utility connection has been approved as detailed below. This connection will be installed upon receipt of the connection fee and necessary approvals. The fee for this connection is: \$ _____

Details of Connection: _____

Approved by: _____ Date: _____