



**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, 09 JANUARY 2008**

**SUBJECT BYLAW NO. 3503 TO ESTABLISH THE WILDERNESS MOUNTAIN WATER SERVICE
WITHIN THE JUAN DE FUCA ELECTORAL AREA**

**BYLAW NO. 3504 TO AUTHORIZE THE BORROWING OF FUNDS FOR THE
IMPROVEMENT OF THE WILDERNESS MOUNTAIN WATER SERVICE**

PURPOSE

The property owners in the Wilderness Mountain water area have petitioned the Capital Regional District (CRD) Board to establish, by bylaw, a new water service to take over the private Wilderness Mountain water system on Mt. Matheson in the Juan de Fuca Electoral Area and to authorize the CRD to borrow funds to implement a water system upgrade project.

BACKGROUND

The Wilderness Mountain water system is a privately owned water utility offering service to some 81 properties. The owner no longer wishes to operate the water system, residents within the water area wished to acquire the assets of the water system from the owner and both groups had, on separate occasions, approached CRD staff to inquire about transfer of the assets of the water system to the CRD. The province has offered an infrastructure grant under the BC Community Water Improvement program to assist with the installation of water treatment, subject to the water community agreeing to become a service of the CRD. A majority of property owners in the area have petitioned the Board to establish the service and to borrow \$281,000 towards the upgrade of the system. The Board secretary has provided a Certificate of Sufficiency, copy attached. The water system owner has agreed to the transfer of the water system to the CRD for a nominal sum.

The Board Chair received a letter from a solicitor representing a resident of the subject water area, requesting the Board decline the petition on the basis the proposed service method contravenes the regional growth strategy. The Electoral Area Services committee, on receiving input from staff, a member of the Wilderness Mountain Water committee and an opinion from the CRD solicitor, recommended the Board proceed with the establishing and loan authorization bylaws associated with creation of the new service.

ALTERNATIVES

1. That the Board accept the petition submitted by Wilderness Mountain water area property owners and that:
 - (a) Bylaw No. 3503, "Wilderness Mountain Water Service Establishment Bylaw No. 1, 2008", be introduced and read a first time, read a second time and read a third time; and
 - (b) Bylaw No. 3504, "Wilderness Mountain Water Service Loan Authorization Bylaw No. 1, 2008", be introduced and read a first time, read a second time and read a third time.
2. That the Board not accept the petition submitted by Wilderness Mountain area property owners; however, the action would preclude the owners within the Wilderness Mountain water area from receiving an infrastructure grant from the province for the upgrade of their water system.

FINANCIAL IMPLICATIONS

There is expected to be a delay into 2008 for the province to approve the transfer of the private system to the CRD and for the CRD and the private owner to complete the agreement to facilitate transfer of the assets of the water district. On this basis, there will not be a budget prepared for the approval of the Board by year-end; rather, the budget will need to be brought to the Board as a separate item later in the spring of 2008. A borrowing bylaw, in the amount of \$281,000, is forwarded to the Board in concert with this establishing bylaw.

SUMMARY/CONCLUSIONS

A majority of the property owners within the Wilderness Mountain water area have petitioned the CRD Board to establish a new Wilderness Mountain water service and to borrow two hundred and eighty-one thousand dollars (\$281,000) to fund approximately one-third of a total project to improve the water system, with the remaining two-thirds of the costs to be raised by a grant from the Province of BC, Community Water Improvement program.

RECOMMENDATIONS

That:

1. Bylaw No. 3503, "Wilderness Mountain Water Service Establishment Bylaw No. 1, 2008", be introduced and read a first time, read a second time and read a third time; and
2. Bylaw No. 3504, "Wilderness Mountain Water Service Loan Authorization Bylaw No. 1, 2008", be introduced and read a first time, read a second time and read a third time.

Gary Hendren, AScT
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Concurrence

Kelly Daniels
CAO Concurrence

COMMENTS

GH:ls
Attachments: 3