

DATE: September 11, 2019**FILE:** 5210-01**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative OfficerR. Dyson**RE: Electoral Area – Water/Sewer Servicing****Purpose**

The purpose of this report is to provide information to the Electoral Areas Services Committee on water and sewer servicing for development in the electoral areas, in response to a request from the Committee for further information.

Recommendation from the Chief Administrative Officer:

That staff be directed to update the existing Comox Valley Regional District Board Policy 5600-00 “Transfer of water systems to regional district” to include wastewater systems in its scope, and to incorporate current best practices.

Executive Summary

There are many types of small community water and wastewater systems in the Comox Valley Regional District (CVRD) electoral areas, ranging from small private systems that service very few homes, to those owned and operated by the CVRD or an improvement district. A search of provincial government records confirms there are over 80 non-CVRD domestic water suppliers and more than 10 non-CVRD wastewater treatment providers regulated under the *Environmental Management Act* (EMA). This does not include community wastewater treatment providers that are regulated under the *Sewerage System Regulation* (SSR), of which an unknown number exist.

Future development in the electoral areas is supported by Regional Growth Strategy (RGS) policies that establish settlement nodes as the primary growth areas and set expectations regarding water and sewer servicing within these nodes. Should this servicing not be provided by the CVRD or another public body, private delivery of services may continue to be relied upon, at a time when many existing small water and wastewater utilities in BC struggle to provide reliable service in a sustainable fashion.

Regulation and approval of small water and wastewater systems rests with the provincial government. Small drinking water systems are approved by Island Health, in accordance with the *Drinking Water Protection Regulation* (DWPR), while approval of wastewater systems is dependent upon the size of the system. Systems designed to service fewer than approximately 17 homes are regulated under the SSR, while larger wastewater systems are regulated under the EMA. Subdivision applications in the rural areas are approved by the Provincial Approving Officer (PAO). Subdivision applicants have to demonstrate to the PAO that potable water supply and appropriate wastewater management options are available for each proposed lot (either public or private).

Regional district involvement in water or wastewater system approval can range from almost none to almost full control, dependent upon the regulatory bylaws and supporting policies that have been adopted by the regional district.

- Current regulatory bylaws and supporting policies in place in the CVRD, including land use policies of the RGS, Official Community Plan (OCP) and zoning bylaw, provide for a minimal level of involvement in water or wastewater system approval in the electoral areas.
- Additional tools, such as a subdivision servicing bylaw or a liquid waste management plan (LWMP) for the electoral areas, would require significant time and resources to pursue, and would have limitations on the extent of control they would provide, particularly as the CVRD electoral areas have no access to public wastewater utilities.
- One viable option to enhance CVRD influence over water or wastewater systems in the electoral areas is to update the existing CVRD Board Policy 5600-00 “Transfer of water systems to regional district” to include wastewater systems in its scope, and incorporate current best practices and the CVRD’s experiences with recent water and wastewater utility acquisitions.

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Background/Current Situation

In early 2019, in response to questions from the Committee, the Chief Administrative Officer directed staff to prepare an information report for a future Electoral Areas Services Committee meeting that discusses water and sewer options open for developers, including current and potential future roles for the CVRD.

Context and Local Examples

Provision of water/sewer services in the electoral areas of the CVRD can take many forms, ranging from private on-lot systems (domestic water well & onsite wastewater) in lower density neighborhoods to connection to a water service and/or small community wastewater system in some higher density areas. Within the electoral areas, the CVRD currently owns and operates four water systems and two small wastewater systems. Other water suppliers include private enterprises (i.e. campgrounds, resorts, food producers), strata corporations, improvement districts and waterworks societies. Community wastewater treatment providers include private enterprises and strata corporations. A search of provincial government records confirms there are almost 80 non-CVRD domestic water suppliers and over 10 non-CVRD wastewater treatment providers (with a Ministry of Environment and Climate Change Strategy (MoE) discharge permit) in the electoral areas, as summarized in Table 1 below.

System Ownership	# of water systems (by # of connections)			# of wastewater systems
	<15	15-300	>300	
Improvement District		5	1	
Community (Strata, water society, mobile home park)	2	8	1	6
Resort / Campground	19			5
Institutional, Commercial, Industrial	42			1

This table does not include community wastewater treatment providers that fall below the MoE permitting threshold (servicing fewer than approximately 17 homes) that are regulated by the Ministry of Health under the Sewerage Systems Regulation (SSR). There is no searchable database of records available for these types of systems; therefore an unknown number of them exist in the electoral areas.

Population densities in the CVRD electoral areas have historically not supported widespread implementation of publicly owned water/sewer servicing, though policies in the RGS suggest a movement to this model to support higher densities in the Union Bay and Saratoga Beach settlement nodes. (The third settlement node, Mount Washington, provides its own water and sewer servicing.) Should these services not be provided by the CVRD or another public body, existing models of service delivery could take hold, with limited ability for CVRD influence under current bylaws and policies.

This would come at a time when many existing small water and wastewater utilities in BC struggle to provide safe and reliable drinking water and environmentally sound wastewater treatment, due in part to the challenges listed below.

- Current regulatory requirements – many utilities were developed at a time when regulatory requirements were less stringent than they are now. This strains the organizational and financial capacity of small utilities as they attempt to meet new standards.
- Economies of scale – fixed capital and operating costs for drinking water and wastewater treatment can result in per connection costs for smaller systems exceeding those for larger systems. This can also make it challenging for small utilities to build the capital reserves necessary for proper asset management, threatening the long term sustainability of providing the service.
- Lack of qualified operators – with enhanced standards comes the need for operators knowledgeable in operating utilities in compliance with current standards. Smaller systems in remote locations may have a harder time securing these qualified operators than larger (i.e. municipal) systems.
- Access to funding – local governments often secure senior government grants to assist with funding upgrades to their water and wastewater systems; these grants are often provided to address regulatory changes. Other water and wastewater service providers may not have access to this funding source, instead having to raise funds solely from the fees charged to their users.

In recent years, these challenges have manifested themselves locally, with the conversion of the former Royston Improvement District water service, Sandwick water service and King Coho wastewater service to CVRD services, and with the Watutco water service in Saratoga Beach currently seeking approval to become a CVRD service.

A significant development is currently underway in the Union Bay settlement node, and the Saratoga Beach settlement node is also experiencing growth pressures. The designation of these two areas as settlement nodes has resulted in several recent rezoning applications with the expectation of approval for increased density. Water servicing in these areas is mostly provided by public utilities (i.e. CVRD, Union Bay Improvement District), with a portion of Saratoga Beach receiving water servicing from the private Watutco water service. Neither of these settlement nodes currently has any form of public wastewater treatment servicing, though master development agreements in place for Union Bay Estates ([link](#)) and Saratoga Beach Estates ([link](#)) include the provision of community wastewater treatment infrastructure, the potential future expansion of this infrastructure into neighboring areas, and the potential transfer of this infrastructure to the CVRD. Each developer's consultants are currently studying wastewater treatment and discharge options for each respective

development. The *Municipal Wastewater Regulation* registration process that these proposed facilities fall under provides limited or no opportunity for public or regional district input.

Other Local Government Examples

The challenges small water/sewer systems face (regulatory, financial, personnel) and their impact on regional districts is not unique to the Comox Valley. In 2016, the Cowichan Valley Regional District (CowVRD) commissioned a study ([link](#)) on the multitude of small-scale water & wastewater system services it provides, the results of which can be informative should there be an increase in these types of systems in the Comox Valley, and a potential resulting demand to have these systems convert to CVRD services.

The CowVRD currently manages 35 small to medium sized water and wastewater services (for comparison, the CVRD manages six small water/wastewater services), and the report identifies an additional 28 utilities that could seek approval to be converted to CowVRD services in the future. The existing and future governance and resourcing challenges associated with providing these services in a sustainable, fair and equitable fashion has resulted in a current moratorium on converting existing private utilities to CowVRD services; only new utilities constructed to meet current standards are considered for conversion. Many of the CowVRD's utilities were developed and taken on by the district at a time when standards were less stringent than they currently are, resulting in funding shortfalls, challenges in meeting current standards and concerns from utility users that may not be willing to pay the higher fees necessary to properly manage the service. The report also identifies that many of the CowVRD's small wastewater utilities do not meet current standards, and suggests that this is likely the case for most small wastewater utilities across BC.

Current Regulatory Environment

Land development is typically enabled by subdivision, which is in turn enabled by the minimum lot area requirements of local government zoning bylaws. Applications for rezoning to facilitate smaller lot sizes are assessed by the CVRD against the policies of the RGS and the Rural CVRD OCP. In CVRD electoral areas, fee simple and bare land strata subdivisions are approved by the PAO, situated in the Ministry of Transportation and Infrastructure, as is the case in unincorporated areas throughout BC. Subdivision applications and associated proposed water and sewer infrastructure are referred by the PAO to applicable local governments and other agencies such as health authorities, MoE, and Fisheries and Oceans Canada. Referral agency comments are considered in the PAO's review of a subdivision application, and may inform subdivision approval conditions. The subdivision applicant will have to confirm water supply for each proposed lot (either through individual private wells or connection to an approved waterworks system), and that an appropriate wastewater management option is available. PAO's act independently to ensure that the subdivision complies with Provincial Acts and Regulations as well as local government bylaws, and to protect the best interests of the public.

Water Servicing

For water servicing, Island Health approval is required for any system that services more than one single family home, in accordance with the DWPR under the *Drinking Water Protection Act* (DWPA). Drinking Water Officers with Island Health work with water suppliers to ensure compliance with regulatory requirements. The regulation does not restrict ownership of water supply systems, meaning owners could range from individuals to local governments as evidenced by the multitude of water supplier types in the CVRD; however, Island Health's subdivision standards ([link](#)) recommend that water supply systems be owned by improvement districts, local governments, strata corporations or utility corporations. There are many steps to Island Health's approval process, including approval of the water source, constructing the system in accordance with requirements,

providing a qualified operator, providing emergency response plans and providing a water quality monitoring plan.

In addition to meeting the requirements of the DWPA, privately-owned water utilities, defined as such in the *Water Utility Act*, also fall under the authority of the Comptroller of Water Rights, and as such require a Certificate of Public Convenience and Necessity (CPCN) prior to their establishment. The Comptroller is to consider opportunities to provide service publicly or by the expansion of an adjacent utility or public system. If a privately-owned water system is proposed for a new rural subdivision, a CPCN will likely be included as a listed condition of subdivision.

Wastewater Servicing

For wastewater servicing, the approval process differs significantly dependent on the size of the system. Smaller systems designed to treat flows of less than 22,700 litres per day (the sewage flow from approximately 17 three-bedroom dwelling units) must meet the requirements of the SSR under the BC *Public Health Act*. Larger systems designed to treat flows greater than 22,700 litres per day are regulated under the *Environmental Management Act* (EMA). The federal *Wastewater Systems Effluent Regulations* (WSER) under the Fisheries Act, regulates wastewater discharge for community systems designed to collect an average wastewater volume of 100,000 litres per day or more; therefore this regulation generally does not apply to the scale of systems discussed in this report.

The SSR was enacted in 2005, replacing the prior Sewage Disposal Regulation, resulting in a change from a government oversight approach to a professional reliance model. The SSR requires that the construction of onsite sewage systems be completed by an Authorized Person (AP), who could be a Registered Onsite Wastewater Practitioner (ROWP) or a Professional (P.Eng. or P.Geo.) that is competent in the area of sewerage system design. ROWP's can design and install systems with a design flow up to 9,100 litres per day; systems larger than this must be designed and installed under the direction of a Professional. While the BC Ministry of Health provides guidance on planning, installing and maintaining onsite sewage systems through the Sewerage System Standard Practice Manual, it is the responsibility of the AP to ensure that systems are planned, installed and maintained in accordance with standard practice. Figure 1 (Appendix A) outlines the roles and responsibilities of parties under the SSR.

The EMA, administered through MoE, regulates the discharge of waste to the environment. Under the EMA, authorization to discharge liquid waste in British Columbia can be obtained through an approved LWMP or by registration under the *Municipal Wastewater Regulation* (MWR). While development of a LWMP can only be completed by a local government, registration under the MWR is available to local governments and other entities.

The MWR provides standards and requirements for the treatment, reuse and discharge of domestic sewage, wastewater or municipal liquid waste in order to protect public health and the environment. Regardless of how a discharge is authorized (LWMP or registration) ongoing compliance with the regulation must be demonstrated. An environmental impact study (EIS) is required in order to determine whether the discharge of effluent, the use of reclaimed water or the siting and construction of a new wastewater treatment facility will adversely affect human health and the environment. A qualified professional with expertise and experience in conducting environmental assessments must be retained to complete the EIS. Public consultation is not included as part of the EIS process and is not required as part of the MWR registration process. As the land-use authority, the CVRD is required to be notified of any intent by a potential discharger (i.e. developer, strata corporation, etc.) to register a discharge under the MWR; this notification is primarily intended to confirm that the proposed facility conforms to land-use requirements that fall within the CVRD's jurisdiction.

CVRD Involvement with Water/Sewer Servicing Decisions

As approval of subdivision is a responsibility of the Provincial Approving Officer, there may be instances where there is limited opportunity for local government involvement in water/sewer servicing decisions for new development. Below is some discussion of current CVRD policy guidelines and regulatory tools and how they impact water/sewer servicing decisions for new development.

Regional Growth Strategy

The “Comox Valley Regional Growth Strategy Bylaw No. 120, 2010” has established policy framework around where development should be directed and how future development should be serviced. Directing the bulk of future growth in the rural areas to settlement nodes, where some public water servicing exists and where future public sewer servicing is anticipated, is expected to contribute to the future sustainability of efficient water and sewer service delivery. However, as discussed earlier in this report, this designation is currently resulting in significant development pressure in these areas in advance of public wastewater servicing being available. As the provision of public sewer servicing in these areas hasn’t yet proceeded as was expected at the time the RGS was adopted, this interest in development may be challenging to accommodate. Engineering and Planning and Development staff will continue to work together to manage expectations about development potential in the settlement nodes.

Development Approval Information Bylaw

Development Approval Information (DAI) bylaws are identified as a best practice in the UBCM publication “Best Practice Guidelines for Approving New Small Water Systems” ([link](#)), due to their ability to require information on an applicant’s development plans, including proposed water and sewer servicing, early on in the development process, allowing for adjustments to better meet regulatory authority expectations.

In 2015, the CVRD Board adopted “Comox Valley Regional District Development Approval Information Bylaw No. 369, 2015”, which applies to all areas in the CVRD that are subject to select planning applications or permits. DAI can apply to zoning bylaw amendments, temporary use permit applications and applicable development permit applications. Where a proposed development does not require any of these applications, DAI does not apply (i.e. subdivision). The requirements of the CVRD’s DAI bylaw have been used to require drainage studies for rezoning proposals. The bylaw could also be used to obtain studies regarding proposals for private water and sewer systems. Revisions to the DAI section of the OCP are in development and will be brought forward for consideration in the coming months.

Zoning Bylaw

The “Comox Valley Zoning Bylaw No. 2781, 2005” stipulates minimum lot sizes. The absolute minimum lot size identified in the bylaw for properties connected to community water or sewer is 0.2 hectares (0.5 acres) for the Residential One-D (R-1D) zone. Where there is no community water or sewer available, the minimum lot area for all residential zones is 1.0 hectares (2.5 acres). These minimum lot areas are generally in alignment with Island Health’s subdivision standards, assuming ideal hydrogeological conditions. The current proposed zoning bylaw mirrors this minimum standard.

Board Policy – Transfer of Water Systems to Regional District

In 2004, the CVRD Board adopted the “Transfer of water systems to regional district” Board Policy 5600-00, outlining the conditions that must be met and the procedures to follow for the transfer of non-CVRD water systems to the CVRD. This type of policy is also identified as a best practice in

the UBCM publication referenced above, as it helps to guide decision making around the acquisition of existing water systems. A handful of BC regional districts have expanded the scope of their acquisition policies to include both water and wastewater systems, such as this example from the Regional District of Central Okanagan ([link](#)).

Liquid Waste Management Plan

Local governments considering options for sewer servicing may choose to develop a LWMP. An approved LWMP can impose requirements on wastewater facilities regulated under the MWR; however, language in the MWR (Section 5(2)) suggests that an LWMP may not be able to impose similar requirements on sewerage systems installed under the SSR. At a minimum, due to the fact that a LWMP is approved by the Ministry of Environment and the SSR is administered by the Ministry of Health, if an LWMP were proposing to impose requirements on systems covered under the SSR, these requirements would likely require some level of endorsement from the Ministry of Health.

Development of a LWMP is a time and resource intensive process, with the provincial guidance document on LWMP's suggesting a timeframe of two to three years to complete an LWMP. Due to the technical analysis and public consultation required, significant staff and consultant capacity is needed. The CVRD is currently involved in a LWMP process for the existing Comox Valley Sewerage Service, and has in the past initiated LWMP's for the electoral areas, including in the Saratoga Beach and Union Bay settlement nodes. To date, the CVRD has not completed a Stage 3 LWMP for approval by MoE.

Additional Available Tools for Improved CVRD Oversight

There are additional regulatory tools and best practices that the CVRD may choose to implement that could improve oversight of development water & sewer servicing. Schedule A of this report provides an overview of these tools and practices, and how they may influence water/sewer servicing for developments.

Policy Analysis

The *Local Government Act* (LGA) and *Community Charter* enable local governments to provide drinking water and wastewater services. Drinking water is regulated in BC under the DWPA and the DWPR. Wastewater is regulated in BC under the EMA and the MWR for community wastewater systems that treat more than 22,700 litres per day. The *Fisheries Act* and the WSER also regulate wastewater discharge for community systems designed to treat more than 100,000 litres per day. Sewerage systems that treat less than 22,700 litres per day are regulated under the *Public Health Act* and the SSR.

Section 306 of the LGA (“Special drainage and sewerage authority”) states the following:

A board may, by bylaw,

- a) regulate and prohibit the design and installation of drainage and sewerage works provided by persons other than the regional district, and
- b) require owners of real property to connect their buildings and structures to the appropriate sewer or drain connections in the manner specified in the bylaw.

Section 506 of the LGA (“Subdivision servicing requirements”) grants local governments the authority, by bylaw, to require that, within a subdivision, water distribution, sewage collection, sewage disposal, drainage collection or drainage disposal systems be provided, located and constructed in accordance with the standards established in the bylaw.

Bylaw No. 337 being the “Rural Comox Valley Official Community Plan, 2014” includes the following policy:

For lands designated as settlement nodes, facilitate the provision of water and sewer services, where possible, in order to meet the needs of existing residents within the settlement nodes, and to protect public health and the natural environment in situations where onsite and privately owned systems are deemed to be insufficient.

The “Comox Valley Regional District Development Approval Information Bylaw No. 369, 2015” enables the CVRD to require DAI from an applicant for rezoning, development permit or temporary use permit. Water supply and sewage infrastructure impacts are one category of information that can be requested under this bylaw.

CVRD Board Policy 5600-00 (Appendix B), approved in 2004, requires specific steps to confirm due diligence is performed and the CVRD understands the condition of infrastructure that may be transferred as the result of a water system transfer to the CVRD.

Options

The current regulatory environment for approval of water and wastewater systems in the CVRD electoral areas has several potential areas of concern as described below:

- The current *Municipal Wastewater Regulation* registration process provides limited or no opportunity for public or regional district input into new proposed discharges.
- Information on community wastewater systems installed under the *Sewerage System Regulation* is not available in a publicly searchable database. This makes quantifying the number of systems and their potential public and environmental health impacts difficult.
- Regional Growth Strategy policies regarding public ownership of water and wastewater utilities have not been adopted into regulatory bylaws or dedicated policies.
 - CVRD Board Policy 5600-00 “Transfer of water systems to regional district” does not include wastewater systems in its scope. Some regional districts have adopted comprehensive utility acquisition policies that include water and wastewater systems, and clear guidelines regarding public acquisition of water and wastewater utilities.
 - Design and construction standards for community water and wastewater systems in rural areas of the CVRD are not currently regulated by bylaw. While systems that provide servicing to fee simple developments could be regulated under a subdivision and development servicing bylaw, similar requirements cannot be imposed on a strata development.

Many of these potential areas of concern are outside the CVRD’s jurisdiction and current capacity, particularly with respect to wastewater treatment as outside of two small service areas, the CVRD electoral areas have no access to public wastewater utilities. That said, updating the “Transfer of water systems to regional district” to include wastewater systems would be a viable first step at enhancing CVRD influence over water and wastewater systems in the CVRD electoral areas. An updated policy could clarify expectations regarding service delivery, cost recovery and the process to consider acquisition of candidate water and wastewater utilities. The following options are therefore presented for consideration:

1. That staff be directed to update the existing CVRD Board Policy 5600-00 “Transfer of water systems to regional district” to include wastewater systems in its scope, and to incorporate current best practices.
2. That the existing policy remain unchanged.

Staff are recommending Option 1. The policy could also be reviewed and revised to incorporate current best practices, based on similar policies from other regional districts and the CVRD's experience with recent water and wastewater system acquisitions. An updated policy would provide clearer guidance for developers, staff, elected officials and the public.

Financial Factors

Lack of financial capacity to sustainably operate small water/sewer services is typically a contributing factor to system owners seeking approval to transfer ownership and operations to a regional district. The CVRD Board Policy 5600-00 "Transfer of water systems to regional district" includes a requirement that all costs associated with the transfer be borne by the owners and/or users of the water system.

Options such as a subdivision and development servicing bylaw or a liquid waste management plan for the electoral areas would require significant financial resources to complete the technical analysis necessary to support implementation, with consulting fees to develop a LWMP likely exceeding \$100,000.

Enhanced oversight over approval of water and wastewater systems in CVRD electoral areas would require additional ongoing technical and administrative capacity. The financial impact of this additional capacity would be dependent upon the types of measures implemented. As an example, assessing the compliance of development proposals with a subdivision and development servicing bylaw could consume approximately 0.1FTE staffing capacity.

Legal Factors

Should the CVRD wish to take on a greater role in oversight of water/sewer system approval in the electoral areas, the legal authority to do so would be contingent upon the adoption of requisite bylaws and policies, informed by the powers granted to local governments under the LGA.

Challenges in meeting current regulatory requirements are another contributing factor to small water/sewer systems seeking approval to transfer ownership and operations to a regional district. Should an acquired system continue to be out of compliance with regulatory requirements, the potential for enforcement action could create legal and financial risks for the CVRD.

Regional Growth Strategy Implications

The RGS includes the following policies relating to public ownership of water and sewer infrastructure:

- Policy 1D-1 – Direct the majority of new housing to areas that are or will be serviced through publicly owned water and sewer systems.
- Policy 5A-1 – The majority of growth should be focused in *Core Settlement Areas* where appropriate publicly owned water servicing systems already exist.
- Policy 5A-2 – For existing developments outside *Core Settlement Areas*, where there are demonstrated onsite health related issues, publicly owned water services should be made available.
- Policy 5D-1 – The majority of growth should be focused in *Core Settlement Areas* where appropriate sewer servicing already exists.
- Policy 5D-4 – For existing developments outside *Core Settlement Areas*, where there are demonstrated onsite health related issues, publicly owned sanitary sewer services should be made available.

Generally, the intent of the RGS growth management framework is to publicly service new development in core settlement areas and to limit growth outside of the core settlement areas to that

which can be sustainably serviced to a rural standard over the long-term. Managing growth in this way is an important aspect of asset management and preservation of rural lands for rural uses and densities. Adopting the policies described above is the first step – implementation requires the adoption of supporting regulatory bylaws and requisite standards.

Intergovernmental Factors

The provincial government and its agencies are the authorities typically responsible for the regulation and approval of water and sewer services in the rural areas of the CVRD. Any future regulatory measures anticipated by the CVRD would seek the input of the provincial government.

Interdepartmental Involvement

The Engineering Services Branch led the development of this report in cooperation with the Planning and Development Services Branch

Citizen/Public Relations

At early stages of development where private systems are sometimes proposed as a means to facilitate higher density development outside of existing service areas, public impressions of the CVRD's ability and perceived obligation to take on responsibility for failing small water/sewer systems may not align with existing organizational capacity.

Transfer of failing small water/sewer systems to regional district operation can present challenges to system users, who may not be willing to pay the necessary costs to upgrade and operate the system to municipal standards, particularly when they may assume the CVRD already has the necessary resources in place to manage their system.

As has been recently experienced with the King Coho wastewater and Sandwich water utility conversion projects, significant engagement efforts with system users are required as part of any utility acquisition process.

Attachments: Appendix A – “*Sewerage System Regulation Roles & Responsibilities*”
Appendix B – “CVRD Board Policy 5600-00”

Schedule A – “Local Government Tools to Control Types of Water/Sewer Systems”

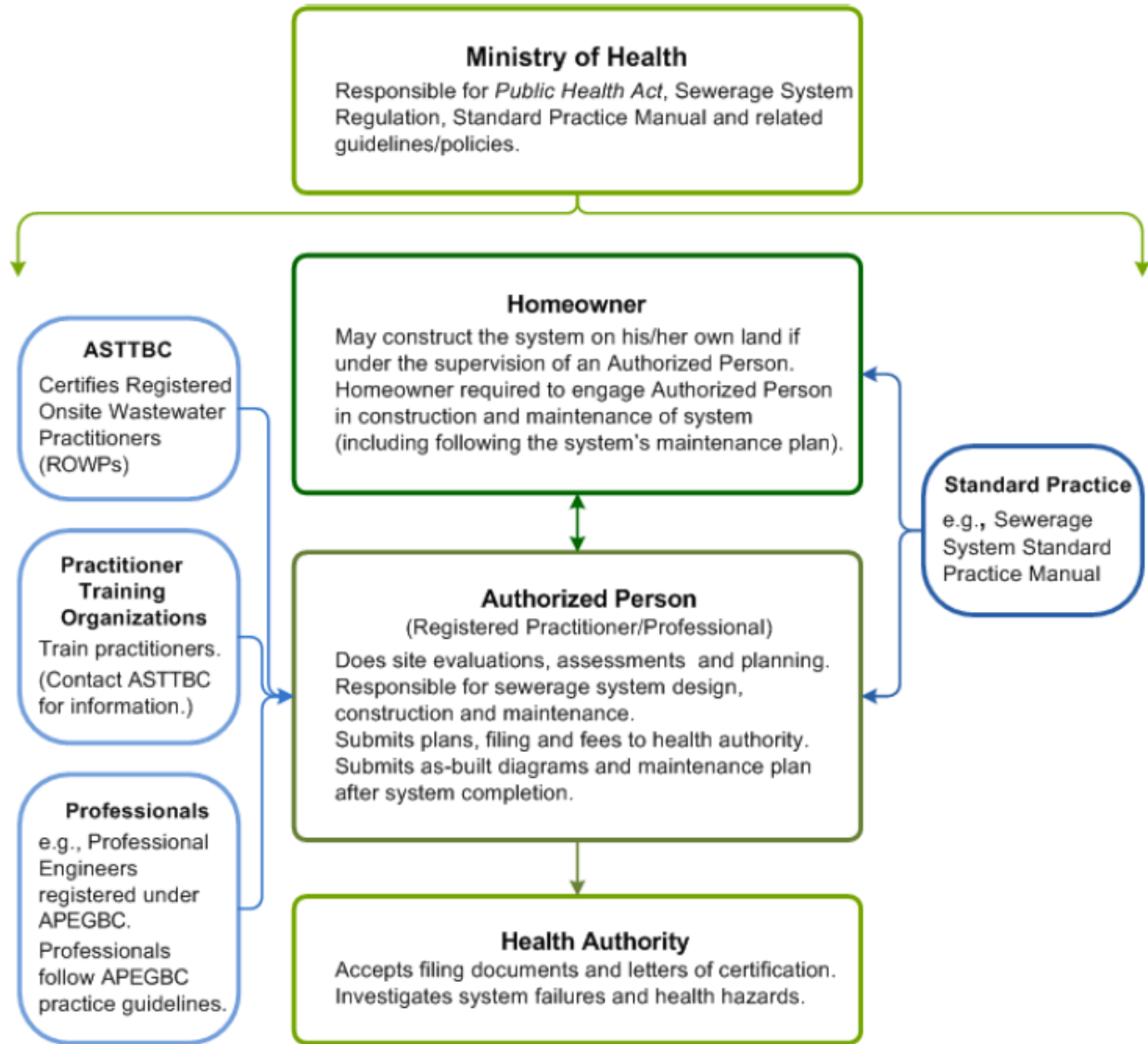


Figure 1: Sewerage System Regulation Roles & Responsibilities
(Source: Sewerage System Standard Practice Manual Version 3, September 2014)

Subject: Transfer of water systems to regional district	
Category: Property services (water services)	Procedure Reference: 5600-00

POLICY

THAT any transfer of the infrastructure, water licenses, assets and financial reserves of a water improvement district, a private non-profit community water system or a private for profit water system to the Comox Valley Regional District, be predicated upon:

1. proof that the system meets the regional district’s standards for the construction of water supply systems as amended from time to time and;
2. payment by the owners and/or users of the water system being transferred to the regional district of the incremental cost of any upgrades to an adjacent regional water service area if that area is to be the source of supply for the newly created water service area;
3. where it cannot be demonstrated that the infrastructure under consideration for transfer meets the regional district’s standards for the construction of water supply systems;
 - a. the owners and/or users of the water improvement district, private water system or private for profit water system shall consent at the time of establishment of the new regional district water service area which incorporates within its boundaries the water improvement district, private water system or private for profit water system to:
 - i. pay the full cost of repairing, upgrading, constructing or re-constructing the existing infrastructure used to supply water to regional district’s standards for the construction of water supply systems as amended from time to time and;
 - ii. pay the incremental cost of any upgrades to an adjacent regional water service area if that area is to be the source of supply for the newly created water service area.

PROCEDURE

The assent of the owners and/or users of the water improvement district, private water system or private for profit water system shall be obtained by either an alternate approval process, a petition process or a referendum and the authority for selecting the method of seeking assent shall rest solely with the regional board.

The cost of the assent process shall be recovered from the owners and/or users of the water improvement district, private water system or private for profit water system

APPROVAL HISTORY

Policy approved:	June 28, 2004
Amended:	

Schedule A – Local Government Tools to Control Types of Water/Sewer Systems

Tool Name	Description	Advantages	Disadvantages/Limitations
Subdivision and Development Servicing Bylaw (LGA 506.1.c)	Establishes standards for development infrastructure, including sewer and water servicing.	<ul style="list-style-type: none"> • Ensures water and sewer infrastructure is constructed to up-to-date standards, as defined in the bylaw. • Can define levels of service based on land use type. • Can also include standards for other infrastructure (transportation, rainwater management). • Compliance would be required as a condition of subdivision & building permit approval. 	<ul style="list-style-type: none"> • In the absence of a service, doesn't prevent the proliferation of private systems. • Will require additional resources for review and approval of infrastructure proposals. • Cannot be imposed on a strata subdivision.
Water / Sewer system ownership policies	Formal policy regarding water/sewer system acquisition, public ownership, financing and service delivery.	<ul style="list-style-type: none"> • Sets expectations regarding conditions for utilities seeking public acquisition • Can require comprehensive assessment prior to system acquisition. • Can include financial conditions. 	<ul style="list-style-type: none"> • Does not resolve issues with past utility acquisitions • Could result in some residents having to continue to rely upon sub-optimal utilities.
Land Use requirements (i.e. Regional Growth Strategy, Official Community Plan, Zoning Bylaw)	Direct development to areas with existing or anticipated public water/sewer infrastructure.	<ul style="list-style-type: none"> • RGS sets out policies directing growth to serviced areas. • Zoning bylaw can establish water/sewer servicing requirements for each zone. 	<ul style="list-style-type: none"> • High-level policies may not always result in development unfolding as originally envisioned; need implementation follow through.
Establish Regional District Subdivision Approval (Land Title Act 77.1)	Have the regional district take over the role of Approving Officer, currently situated within the Ministry of Transportation and Infrastructure.	<ul style="list-style-type: none"> • Could establish greater regional district control over development, ensuring that subdivisions meet CVRD objectives. 	<ul style="list-style-type: none"> • No regional districts have to date taken on the role of approving officer, potentially due to concerns regarding cost, capacity and liability.