
District of Lant
REPORT TO CHIEF ADMINI

Agenda Item 5c & 5d

Meeting Date: July 10, 2024

**SUBJECT: Initiation of the Petition Against Process
for “The Winds” Local Area Service Establishment**

PURPOSE

To obtain Council approval of the Public Notice of Intent and the Elector Response Form [Attachment 1] required to initiate the Petition Against process for the construction of a water service in “The Winds” as per Bylaws 299 and 336 [Attachments 2 and 3] AND to set the deadline date for residents to submit a response as per the provisions of the *Community Charter*.

RECOMMENDATIONS

THAT Council approve the Public Notice of Intent [Attachment 1] to be published on July 17 and 24, 2024, for the Petition Against process as required by the *Community Charter*; AND FURTHER THAT Council approve the Elector Response Form [Attachment 1]; AND FURTHER THAT Council approve the deadline for response of August 27, 2024.

COMMITTEE/COMMISSION RECOMMENDATION

N/A

ALTERNATIVES AND IMPLICATIONS

1. Other action as directed by Council.

BACKGROUND/RELEVANT HISTORY

The *Community Charter* (CC) provides that a Local Area Service (“a municipal service that is to be paid for in whole or in part by a local service tax”) may be proposed either by petition of the benefiting property owners or by the initiative of Council, for services that the Council considers provide particular benefit to part of the municipality or a business improvement area. A Local Area Service (LAS) is established by bylaw which also defines if the service will be paid for on a per parcel basis or on a frontage basis, and the term for repayment.

In 2017, the District determined that it was a priority to provide water service to an area known as “The Winds”, as defined in the map in Schedule A of the attached Bylaw 336 [Attachment 3]. This is a Council initiative as per Section 213 of the *Community Charter*. An associated Loan Authorization Bylaw [Attachment 2] is also required. Both of these bylaws [299 and 336] are at 3rd reading as of June 26, 2024, and a Petition Against process is the next step to continue toward the establishment of the Service. This was all made possible by a Provincial Grant awarded in 2023, which provides \$5,733,746 of funding. The remainder of the costs will be collected from the owners of the Local Area Service properties by Parcel Tax. If the Petition Against process results in the establishment of the Service, the District will also be required to then seek Ministry Approval and implement a Parcel Tax bylaw as per the requirements of the *Community Charter*. These timelines are summarized below:

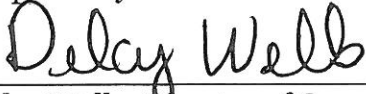
3. **Resources** N/A

4. **Financial/Budget Implications**

The funds required will be collected by a combination of the provincial grant and a parcel tax. The District is not paying any of these costs, so there are no financial implications for the construction itself. However, in the future, consideration for asset management and maintenance of the water system will need to be built into the financial plans of the District

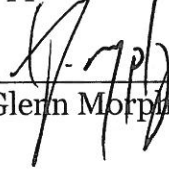
5. **Sustainability Implications** N/A

Prepared by:



Delcy Wells, Director of Corporate
Administration

Approved for submission to Council:



Glenn Morphy, Acting CAO

Date: July 9, 2024

Date: July 9, 2024

REVIEWED WITH:

<input checked="" type="checkbox"/> Corporate Administration	<input type="checkbox"/> Fire Rescue	<input checked="" type="checkbox"/> Public Works/Engineering	<input type="checkbox"/> RCMP
<input checked="" type="checkbox"/> Financial Services	<input type="checkbox"/> Planning	<input checked="" type="checkbox"/> Solicitor	<input type="checkbox"/> Committee:
<input type="checkbox"/> Other:			

COUNCIL AGENDA INFORMATION:

Meeting Type	Date	Agenda Item #
Regular	July 10, 2024	
Closed (In-Camera)		

File Number: 3900.20.336; 3900.20.299

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ELECTOR RESPONSE FORM

District of Lantzville Proposal to Establish “The Winds” Local Area Service and Borrow Funds to Provide for the Construction of a Water Service to “The Winds”

ATTENTION: Owners of Property within “The Winds” Local Area Service

*Please note that you are only required to sign and return this Elector Response Form if you are **opposed** to the establishment of “The Winds” Local Area Service.*

*If you are **in favour** of the adoption of “The Winds” Local Area Service, **no action is required**. **DO NOT SUBMIT THIS FORM**.*

DEADLINE TO RECEIVE YOUR FORM: Tuesday, August 27, 2024 AT 4:00 PM

An originally-signed Elector Response Form must be received by the Director of Corporate Administration, District Lantzville, 7192 Lantzville Road, PO Box 100, Lantzville, BC V0R 2H0, before 4:00 pm on Tuesday, August 27, 2024, to be considered.

The District has circulated the attached Public Notice of Intent to create “The Winds” Local Area Service pursuant to sections 210, 211, 213 and 217 of the *Community Charter*, to construct utilities to bring water service to the 141 parcels within the proposed Local Service Area as shown on the attached map. Council intends to:

- undertake, on its own initiative and subject to Petition Against as per Section 213 of the *Community Charter*, a bylaw to establish “District of Lantzville Water System Expansion (The Winds) Local Area Service Establishment Bylaw No. 336, 2023” for the local area service to construct a water system for the benefit of a specified area of the District to bring water service to the 141 properties located within “The Winds” local service area;
- adopt “District of Lantzville Loan Authorization Bylaw No. 299, 2022” to authorize:
 - borrowing up to \$3,598,388 towards the construction of “The Winds” Water System (WWS) to be recovered entirely by a local service tax assessed to property owners within “The Winds” local service area, with a maximum term of debentures of thirty years;
 - acquiring real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of “The Winds” water service.

The total maximum principal cost per property is \$25,521 to be paid by each of the 141 property owners which they may elect to pay as a one-time charge. A Parcel Tax will be levied on the remaining properties choosing not to pay the principal cost as a one-time charge. The Parcel Tax will be sufficient to cover the annual cost to repay the actual principal cost plus interest for the 30-year term of borrowing. The estimated annual parcel tax, based on the \$25,521 maximum principal, would be approximately \$1,405 for the 30-year term.

ELECTOR RESPONSE FORM



DISTRICT OF LANTZVILLE WATER SYSTEM EXPANSION (THE WINDS)
LOCAL AREA SERVICE ESTABLISHMENT BYLAW NO. 336, 2023

- AND -

DISTRICT OF LANTZVILLE LOAN AUTHORIZATION BYLAW NO. 299, 2022

DEADLINE TO SUBMIT: Tuesday, August 27, 2024, AT 4:00 PM

By my signature below, I (We), as owner(s) of the parcel of land identified below and located within "The Winds" Water System Local Area Service, hereby petition the Council of the District of Lantzville to NOT adopt and the "District of Lantzville "The Winds" Local Area Service Establishment Bylaw No. 336, 2023" AND "District of Lantzville Loan Authorization Bylaw No. 299, 2022".

Street Address: _____

Parcel Identifier (PID): ____ - ____ - ____

Legal Description: _____

**** Majority of registered owners on the property title must sign this petition.**

Full Name of Property Owner/Occupier (please print):

(Individual: Print First, Middle and Last Name in full – no initials. Company: Print Full Company Name & Print Name of each Person Signing On Behalf of Corporation)

Mailing Address of Owner/Occupier:

Signature

Date

Full Name of Property Owner/Occupier (please print):

(Individual: Print First, Middle and Last Name in full – no initials. Company: Print Full Company Name & Print Name of each Person Signing On Behalf of Corporation)

Mailing Address of Owner/Occupier:

Signature

Date

[illegible]

**DISTRICT OF LANTZVILLE
LOAN AUTHORIZATION BYLAW NO. 299, 2022**

**A BYLAW TO AUTHORIZE THE LONG-TERM BORROWING OF THE ESTIMATED COST
OF WATER SERVICING TO THE NORTH AND SOUTH WIND RESIDENTIAL AREAS**

WHEREAS it is deemed desirable to provide Lantzville Water Servicing to the North and South Wind Residential Areas,

AND WHEREAS the estimated cost of infrastructure and construction to provide water service to the North and South Wind Residential Area's including expenses incidental thereto is estimated to be the sum of **Nine Million, Two Hundred and Ninety Six Thousand Five Hundred and Six Dollars (\$9,296,506)** of which the sum of up to **Three Million, Five Hundred and Ninety Eight Thousand and Three Hundred and Eighty Eight Dollars (\$3,598,388)** is the amount of debt intended to be borrowed by this bylaw;

AND WHEREAS the borrowing has been proposed by council initiative in accordance with sections 217(1)(b) and 213 of the *Community Charter*,

AND WHEREAS application to the Inspector of Municipalities and the electoral approval process are conditional upon approval of infrastructure grant funding through the Investing in Canada Infrastructure Environmental Quality Program.

NOW THEREFORE, the Council of the District of Lantzville, in open meeting assembled, enacts as follows:

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Lantzville Water System to the Winds residential areas generally in accordance with general plans on file in the municipal office 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 District a sum not exceeding **Three Million, Five Hundred and Ninety Eight Thousand and Three Hundred and Eighty Eight Dollars (\$3,598,388)** towards the construction of expansion of the Lantzville Water System to the Winds Area, which borrowed amounts are to be recovered by a local service tax.
 - b. To acquire all such real property, easements, rights-of-way, licences, rights, or authorities as may be requisite or desirable for or in connection with the construction of the said water system to the North and South Winds residential areas.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is thirty (30) years.

DISTRICT OF LANTZVILLE
BYLAW NO. 336, 2023
A BYLAW TO ESTABLISH A LOCAL AREA SERVICE FOR THE CONSTRUCTION OF
A WATER SERVICE SYSTEM BENEFITING PART OF THE MUNICIPALITY

WHEREAS Section 210 of the *Community Charter* provides authority for local area services, a municipal service that is to be paid for in whole or in part by a local service tax under Section 216 for services that the Council considers provide particular benefit to part of the municipality;

AND WHEREAS Section 211(1)(b) of the *Community Charter* authorizes Council to establish a local area service by bylaw, if the service and its cost recovery methods have been proposed by Council initiative subject to a Petition Against process by the property owners subject to the local service tax;

AND WHEREAS Council has initiated a local area service subject to a Petition Against process to extend water service to an area to be known as The Winds, pursuant to Section 213 of the *Community Charter*;

AND WHEREAS the *Community Charter* provides for a part of the cost to be borne by property owners benefitting from a local area service and for the levy and imposition of a local service tax to be imposed on benefitting properties to recover the owners' portion of the costs;

AND WHEREAS the Corporate Officer has certified that the Petition Against process does not constitute a sufficient petition signed by at least 50 percent of the owners, representing at least half of the assessed value of the parcels that would be subject to the local service tax;

NOW THEREFORE, the Council of the District of Lantzville,
in open meeting assembled, enacts as follows:

Citation

1. This Bylaw may be cited as "District of Lantzville Water System Expansion (The Winds) Local Area Service Establishment Bylaw No. 336, 2023".

Establishment of Local Area Service

2. The District hereby establishes a local area service under the provisions of Section 211 of the *Community Charter* to be known as the "The Winds" Water System Local Area Service.

Description of Service

3. The description of the local area service is the construction of a water system to serve a specified local service area.

Boundaries of Local Service Area

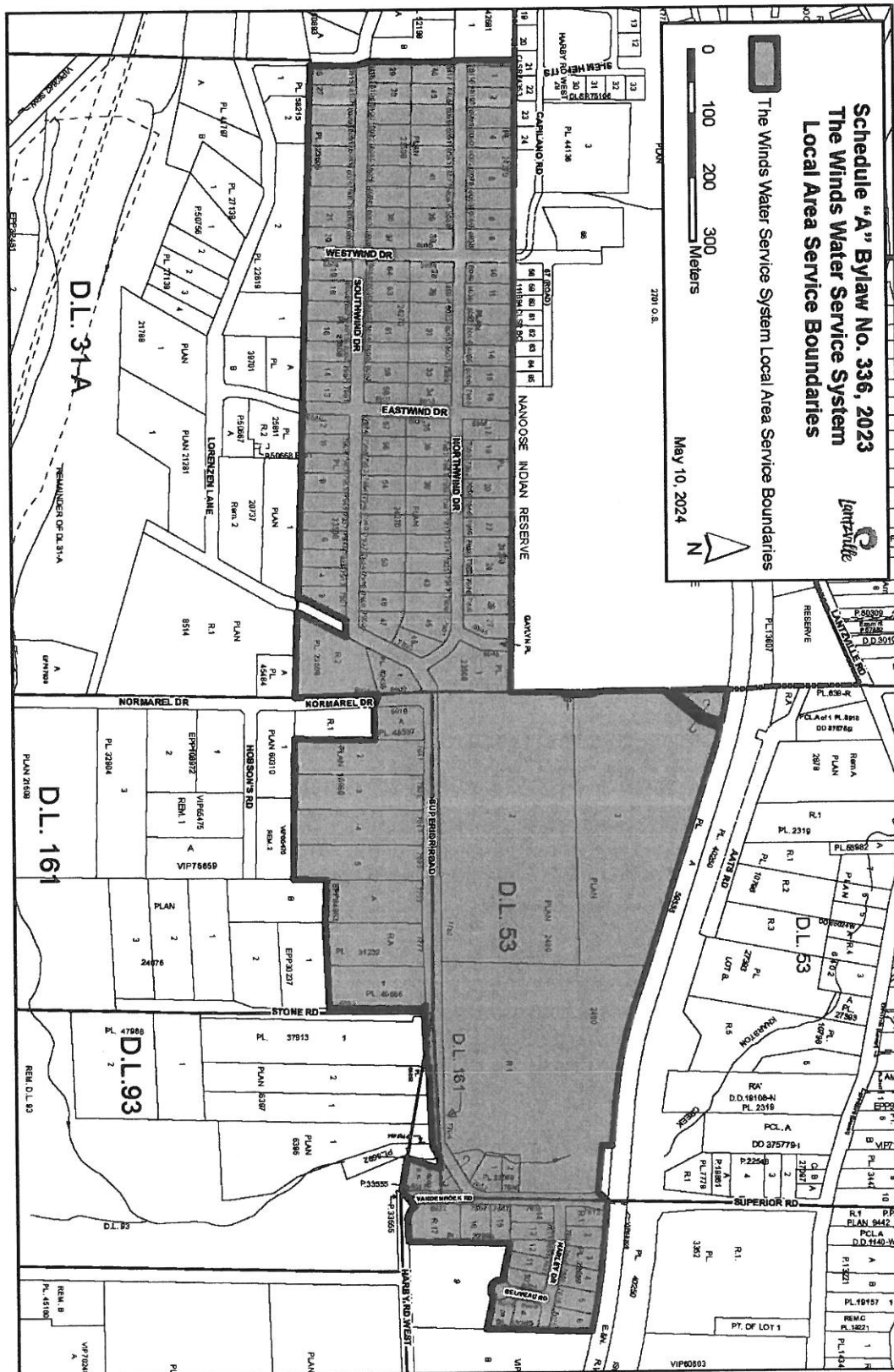
4. The Winds Water System Local Service Area includes all of the parcels within the area outlined in heavy dashed black line on the plan attached to and forming part of this bylaw as Schedule 'A' – Bylaw No. 336 - The Winds Water Service System Local Area Service Boundaries (the "Local Service Area").

Method of Cost Recovery

5. The cost recovery method for an amount not exceeding \$3,598,388, which is a portion of the estimated total construction cost of \$9,296,506 for constructing the water system, plus the cost of borrowing up to \$3,598,388 and interest, that is the subject of the local area service established under this bylaw, shall be recovered by way of a parcel tax under Division 4 of Part 7 of the *Community Charter* imposed only within the Local Service Area on the basis of a single amount for each parcel.

As an alternative to the preceding cost recovery method, an owner of a parcel within the Local Service Area may elect to pay their portion of the Local Area Service charge levied for their parcel in the form of a one-time cash payment.

SCHEDULE “A”
The Winds Water Service System Local Area Service Boundaries
(the “Local Service Area”)





District of Lantzville THE WINDS WATER SYSTEM LOCAL AREA SERVICE PROJECT QUESTIONS & ANSWERS (Q&A)

The Winds Water System Local Area Service Establishment will be subject to a Petition Against process with a closing date of August 27, 2024. In addition to the information previously distributed (view on the [District website](#)), this Q&A is to respond to questions about the project. For regular information updates visit www.lantzville.ca, [under the Business tab, then the Current Projects tab titled The Winds Water Service July 20, 2024], email district@lantzville.ca or call the Municipal Hall (250.933.8082) with your questions.

Q1: *Why is the District of Lantzville proposing undertaking The Winds Water System (TWWS) Local Area Service project at this time?*

A1: In December 2021, the District applied under the “Investing in Canada Infrastructure Program (Green Infrastructure – Environmental Quality Sub-Stream)” to expand municipal water service to the Winds Residential Area, which would facilitate water connections for approximately 140 currently unserved households. Grants from the Federal and Provincial governments will fund 70% of the estimated \$9,296,506 project. The District of Lantzville commits to funding the remaining 30% (up to \$3, 598,388 plus borrowing interest) all of which would be funded through a Local Area Service (with benefitting property owners repaying the District through an annual water parcel tax for a pre-set term), subject to a petition against by the property owners. It is important that the District is ready to proceed with the project, as the grant was approved in 2023.

Q2: *What is the advantage to hooking up to the municipal water system?*

A2: Advantages to hooking up to municipal water system includes:

- Reduced risk of contamination due to well failures
- Improved environmental conditions
- If the well is decommissioned, there are no further maintenance costs
- Peace of mind

Q3: *When will owners of property within The Winds Water System Local Service Area be able to connect to water if it is approved?*

A3: Many steps in this complex project still need to occur before connection would be possible, e.g., approval of bylaws, grant approval, interim borrowing, detailed design, acquiring rights of way where required, construction, borrowing, parcel tax roll, etc. If approvals are received, the connection date is estimated to be in 2026.

Q4: *Once water becomes available, how long do owners of property within The Winds Water System Local Service Area have to connect?*

A4: All properties with improvements within The Winds Water Service System Local Service Area must be connected within one year after completion of The Winds water line construction.

Q5: *What is the timing for The Winds water line construction work to begin?*

A5: The District anticipates starting The Winds water line construction in mid to late-2025; however, this is subject to the timing of other steps that must occur first, e.g., receiving approval from the Province for the borrowing bylaw, development of the detailed design, acquiring rights of way where required, finalization of the detailed design, and awarding of the construction contract.

Q6: *Do you have a plan that would show where the water line is going to go in relation to my property located within The Winds Water Service System Local Service Area?*

A6: A preliminary plan will be available on the District’s website. During detailed design (after bylaws are approved), the District will consult with the property owner about the most convenient location for the water connection at the property line.

Q7: *Is it a must that I connect to the utility service installed under the LAS?*

A7: Yes, you must connect your property within one year of completion of The Winds water line construction. The only exception would be for bare land, where connection would be delayed until an improvement is constructed.

Q8: *Can I keep my existing well?? Is it a must that it be decommissioned?*

A8: Yes, you can keep your existing well ONLY for irrigation use as it will not be potable water. If you choose to keep your existing well, at time of connection, you will be required to prove that a check valve/backflow preventor assembly has been installed.

Q9: *Will property owners have to pay the Water Parcel Tax if they petition against the project?*

A9: If the Petition Against fails, yes.

Q10: *My property is vacant, do I still pay the Water Parcel Tax?*

A10: Yes.

Q11: (a) *What is included in the Water Parcel Tax (not to exceed \$25,521 up front or estimated at \$1,405 annually over thirty years, subject to borrowing and interest costs)? Is this just to tie into the system or does this cover the cost for us to dig and run the line from our home?*

A11: (a) The grant and the Water Parcel Tax will cover the District's construction cost to bring the water line and connection points to the property line of properties identified within The Winds Water Service System Local Service Area. The cost of digging and running the line from your home or business to the property line/connection point is the responsibility of the property owner.

Q11: (b) *What additional costs will be required? Is this just to tie into the system or does this cover the cost for us to dig and run the line from our home?*

A11: (b) There is also a Water Connection Permit Application Fee of \$5,912.26 and an Inspection Fee of \$200.00 as well as the items identified in the chart below:

Description	One-time Cost	Ongoing Cost	Paid by Property Owner To	When Payment Required
Construction of water line from house to property line to connect to water line	Unknown. <i>Subject to location of house, length of water pipe, depth of water line, soil condition and amount of excavation. Obtain a cost estimate from a contractor.</i>	nil	A Contractor selected by the property owner to construct the water line on your property	When property connecting to the water line, i.e. within one year after construction completion
RDN Building Permit & Inspection of Water Connection Works Cost (includes title search fee)	\$115 if within one year of completion OR \$265, if later	nil	Regional District of Nanaimo	At time of Building Permit Water Connection application. Property owner/ contractor to schedule and call for water connection works inspection at least two business days prior to proposed inspection time.
Utility Billing – water user fee (<i>funds the operation and maintenance of the water supply and distribution system</i>)	nil	Current minimum quarterly water rate of \$94 (<i>per consolidated Water Rates & Regulations Bylaw No. 66, 2007, subject to amendment</i>)	District of Lantzville	Billed Quarterly – to each property owner after connected to the system. Your water user fee is based on water consumption; however, it is subject to a minimum charge of \$94 per quarter. High water use = higher water fee. This charge will appear on your utility invoice, once connected to the system.

Q12: *If we choose the 30-year payment option for the Water Parcel Tax, is that amount deferrable or would we have to pay it each year like the garbage and recycling user fee?*

A12: For BC homeowners who qualify for the Provincial Property Tax Deferment Program for their principal residence, the Water Parcel Tax for their principal residence can be deferred. However, like the garbage and recycling fee, the quarterly Water User Fee is not deferrable (current fee is based on water consumption and is subject to a minimum charge of \$94 per quarter).

Q13: *If we do not pay the up-front \$25,521 cost and choose the 30-year parcel tax payment, can this be paid off at any given time during the 30 years with no penalty?*

A13: No. There is no option to pay off the balance during the 30-year term; the only lump sum payment option is at the beginning, before the 30-year Water Parcel Tax payments begin.

Q14: *Will disruption or damage to my property (paved or concrete driveways, fencing, trees, lawn, decks, and patios) during installation of water system be repaired or costs covered by the District of Lantzville?*

A14: a) Work conducted on your property will be by your contractor, within your control and any related damage or costs are the responsibility of the property owner and/or for you to claim from your contractor subject to the terms of your contract. The District is not responsible for costs on private property. Two exceptions are:

- i) If you are located on one of the properties across which the District will be seeking a right of way to run The Winds water line. In this case, any damage caused by work conducted by the District will be repaired to the state that it was in prior to construction, or better.
- ii) Damage caused during the installation within the road right of way in which case the District shall repair it to match to existing standard.

Q15: *Can the property owner use any contractor to connect their house to the municipal water line?*

A15: Yes. We recommend that you ensure that your contractor is fully knowledgeable of the Regional District of Nanaimo (RDN) specifications and BC Building Code associated with installing the water connection works on your property, as you/your contractor will be applying to the RDN for a Building Permit-Water Connection, the RDN will be inspecting the works, and, after passing inspection, your contractor will connect your line to the municipal water line.

Please note: Applicant must contact the RDN Building Department to request inspections at least 48 hours (two business days) prior to proposed inspection time. Water lines must be inspected prior to backfilling and the connection will be completed after inspection is approved. Obtain copy of 'final' approval from RDN (following pass of inspection).

NOTE: Should you require further clarification, please contact the RDN Building Inspection Department at 250.390.6530.

Q16: *When will property within The Winds Water Service System Local Service Area start being levied the Water Parcel Tax?*

A16: The Water Parcel Tax (based on actual construction cost, **not to exceed \$25,521 up front or estimated at \$1,405 annually over thirty years**, subject to borrowing and interest costs) will be levied as soon as possible after The Winds water line construction is completed and the system is operational, estimated to be 2026. Prior to levying the Water Parcel Tax, the District will inform property owners of the amount and of the opportunity to pay the cost up-front if they so choose.

Q17: *When should I pay, and should I pay at once? (Water Parcel Tax)*

A17: At the end of the The Winds water line construction project, the actual cost attributed to each property will be determined (per Bylaw No. 336 it must not exceed \$25,521) and added to the tax roll. Owners can either pay in full at once or choose to pay over 30 years. The decision lies with the property owner.

Q18: *Can a property owner withdraw their Petition Against form after it was submitted to the District?*

A18: A property owner can write to the Director of Corporate Administration requesting that their name be removed from the Petition Against prior to the August 27, 2024, Petition Against deadline. If this happens, their original Petition Against form will not be counted when the Director of Corporate Administration certifies the results. A property owner cannot request removal after the Petition Against deadline has passed.

Q19: *Can the number of responses received while the Petition Against is underway be released to the public?*

A19: No. Releasing the information could alter the outcome of the Petition Against process, as property owners may base their decision on the number of response forms already submitted and whether the threshold has been met (Petition Against signed by more than 50% of property owners of properties within "The Winds" AND with a total assessed value of 50 percent of the land and improvements in the Service Area). The appropriate time to release the number of responses is after the deadline for submissions has passed and when the Director of Corporate Administration has certified the results and provided the report to Council.

Produced: July 10, 2024