

**REPORT TO PORT RENFREW UTILITY SERVICES COMMITTEE
MEETING OF TUESDAY, JUNE 24, 2025**

SUBJECT **Request for Modifications to Covenant CA9549685 by Port Renfrew Management Ltd.**

ISSUE SUMMARY

To update the covenant restriction on the number of Single Family Equivalents on Port Renfrew Management Ltd. (PRM) lands.

BACKGROUND

In 2019, a group of Developers entered into an Agreement with the Capital Regional District (CRD) to construct new water storage tanks to increase storage and water system capacity within the Port Renfrew Water Service Area. The Developers included PRM, Port Renfrew Business Park Ltd., and Pacific Gateway Marina and Sport Fishing Inc. Specific lands owned by these Developers were included into the Port Renfrew Water Service Area, contingent on the construction of the new water storage tanks. The Agreement between CRD and the Developers included the allocation of a total of 72 Single Family Equivalents (SFEs) which were allocated as follows:

- Port Renfrew Management Ltd. – 32 SFEs
- Port Renfrew Business Park Ltd. – 8 SFEs
- Pacific Gateway Marina and Sport Fishing Inc. – 32 SFEs

The Agreement is attached as Appendix A.

The water storage tanks construction was completed in 2020 and upon completion, provided additional theoretical capacity of 151 SFEs to the Port Renfrew Water Service Area. With 72 SFEs allocated to the contributing Developers, the remaining uncommitted 79 SFEs would be available to the community on a first-come, first-serve basis. As carried by the Port Renfrew Utility Services Committee (PRUSC) at the June 29, 2021, PRUSC meeting, the additional 79 SFE water connections should contribute \$10,000 per SFE to the PRUSC reserve fund. It should be noted that there is currently no formal way to receive these funds as there is no Development Cost Charge Bylaw within the Port Renfrew Water System. To date, developers have typically undertaken upgrades to the water system in lieu of \$10,000 per SFE.

In 2021, a covenant (CA9549685) was established between PRM and the CRD that assigned the limit of 40 SFEs to a specific land area within the Port Renfrew Water Service Area. This allocation included the 32 SFEs for PRM and 8 SFEs for Port Renfrew Business Park Ltd. This Covenant was requested by the PRUSC at the time to ensure PRM lands, newly included in the Water Service Area, did not exceed the capacity of the water system and to allow the remaining SFE's be available to the existing community. Any additional requested SFEs would require further review and approval by PRUSC to remove or alter the covenant. The covenant and boundary area are attached in Appendix B and C.

Since the construction of the water storage tanks, 15 SFEs have been added to the Port Renfrew Water Service Area, excluding the covenant CA9549685 area. This means that of the 79 non-allocated SFEs created by the additional water storage tanks, 15 SFEs have been used and a theoretical capacity for 64 SFEs remain within the Port Renfrew Water Service Area.

Based on the drawing applications reviewed by CRD Infrastructure and Water Services, 18 lots have been accepted for connection to the water system within the covenant CA9549685 area (specifically Beachview Rise Phase 1 and Phase 2). If all planned lots are connected at 1 SFE per lot, then there will be 22 SFEs remaining out of the 40 allocated SFEs in the covenant CA9549685 area.

In 2025, PRM requested to amend the existing water covenant CA9549685 and to remove the restriction of 40 SFEs. The formal request letter dated April 11, 2025, from PRM to PRUSC is attached in Appendix D. PRM's letter:

- includes proposed language to amend section 3 and 4 of covenant CA9549685 including the removal the 40 SFE restriction;
- recognizes that the changes do not entitle PRM or its affiliates to automatically access the full available capacity of the water system; and
- notes applications within the Water Service area must still be assessed based on available water system capacity and be in accordance with regulatory and planning requirements.

ALTERNATIVES

Alternative 1

The Port Renfrew Utility Services Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:

That Port Renfrew Management Ltd.'s request for amendments to the existing covenant CA9549685, as noted in the letter addressed to the Port Renfrew Utility Services Committee and dated April 11, 2025, be approved.

Alternative 2

The Port Renfrew Utility Services Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:

That Port Renfrew Management Ltd.'s request for amendments to the existing covenant CA9549685, as noted in the letter addressed to the Port Renfrew Utility Services Committee and dated April 11, 2025, be denied.

Alternative 3

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

If the covenant restricting PRM lands to 40 SFEs is removed, any additional SFEs sought above the allocated 40 should incur a fee of \$10,000 per SFE and will also contribute additional user

fees and parcel taxes that can be used to fund and offset operating and long-term capital costs. Requests for additional SFEs will require a system capacity assessment, and larger developments needing many SFEs will necessitate servicing plans to be submitted to the CRD to evaluate infrastructure needs and improve funding planning.

Service Delivery Implications

Given that the Port Renfrew water system has a theoretical remaining capacity of 64 SFEs and that only 15 SFEs were added to the system over the last five years, excluding PRM lands under covenant CA9549685, there remains capacity for growth within the Water Service Area.

If the covenant restricting PRM lands to 40 SFEs is removed and PRM seeks additional SFEs within their lands, additional growth could occur on PRM lands. However, this may limit development opportunities for existing properties within the water system that are not part of PRM lands. If the covenant restricting PRM lands to 40 SFEs is not amended, growth will be restricted on PRM lands.

Removing the 40 SFE restriction on PRM lands will not guarantee allocation of the remaining system capacity to PRM, but it may limit development opportunities for other existing properties within the water system if PRM lands grow much faster than other areas. Any additional SFEs requested by PRM beyond the originally allocated 40 SFEs would undergo the same processes as any other development referral affecting the water system and would require a submittal of a detailed servicing plan to assess water system capacity.

Additionally, CRD staff are currently undertaking a Water and Sewer Master Plan to assess the existing water and sewer system capacity and identify the necessary upgrades to accommodate growth based on the Port Renfrew Official Community Plan. This project is expected to be completed by the end of 2025 and will provide insights into the current and future water system capacity, allowing for more confident allocation of additional SFEs to the water system in the near future.

CONCLUSION

The construction of a new water storage tank in 2020 increased the theoretical capacity of the Port Renfrew Water Service Area, allowing for the allocation of 72 SFEs to contributing developers and 79 SFEs to the community. The covenant CA9549685 established in 2021 limited Port Renfrew Management Ltd. (PRM) lands to 40 SFEs and PRM has recently requested to amend this covenant to remove this restriction. If the amendment is approved, CRD will still require detailed servicing plans of future development to ensure adequate water system capacity.

RECOMMENDATION

The Port Renfrew Utility Services Committee recommends that the Electoral Areas Committee recommends to the Capital Regional District Board:

That Port Renfrew Management Ltd.'s request for amendments to the existing covenant CA9549685, as noted in the letter addressed to the Port Renfrew Utility Services Committee and dated April 11, 2025, be approved.

Submitted by:	Natalie Tokgoz, P. Eng., Manager, Water Distribution Engineering and Planning
Concurrence:	Joseph Marr, P. Eng., Senior Manager, Infrastructure Engineering
Concurrence:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

- Appendix A: Water Works Extension Agreement between CRD and Developers for Water Storage Tank Construction in Port Renfrew.
- Appendix B: Covenant CA9549685
- Appendix C: Port Renfrew Water Service Area Boundary and Covenant CA9549685 Area
- Appendix D: Request letter to Amend Covenant CA9549685 to PRUSC from Port Renfrew Management Ltd.