

Water Servicing Policy History and Options

History

Since adoption of the 2003 Regional Growth Strategy (RGS), limiting access to water services has been one of several tools used to manage growth outside the Regional Urban Containment Servicing Policy Area (RUCSPA). The limitations of using water servicing as a growth management tool have been noted previously (e.g., May 2007 report to Planning and Protective Services Committee regarding an amendment to the RGS in support of RUCSPA for the District of Highlands; RGS Review Report, March 2013).

Municipalities have had an opportunity through their Official Community Plans' (OCP) Regional Context Statements (RCS) to show the extent to which they are committed to managing growth – both by curtailing growth in rural areas and by focusing growth in specific areas.

The Capital Regional District (CRD) Board has accepted RCS from municipalities that have a variety of approaches to limiting growth beyond the RUCSPA (Map 1). This includes:

- Metchosin's RCS caps potential subdivision and development potential to that already in place and states that water services are intended to be provided throughout the municipality which is entirely outside the RUCSPA (growth containment area);
- Sooke's RCS which establishes a two-tier RUCSPA that identifies an area for growth and full urban services, establishes a minimum parcel size outside the full urban services area and allows for water service throughout the entire municipality; and
- North Saanich's RCS which refers to a servicing area (North Saanich Servicing Area - NSSA) but does not establish a RUCSPA. This area has been identified for residential, commercial and industrial uses. The RCS states that water and sewer services will not be extended beyond the NSSA.

In order for water service to be expanded in Juan de Fuca (JdF) Electoral Area (EA) communities, Board approval is required for:

1. Adoption of an OCP;
2. Adoption of a local service establishment bylaw; and
3. Adoption of a borrowing bylaw.

The *Local Government Act (LGA)* requires that all CRD services and bylaws adopted after adoption of a RGS must be consistent with the provisions of the strategy. The implication for JdF EA communities is that the Board may not adopt any bylaw that allows for the provision of water services unless the RGS policy is amended to allow for it. JdF OCPs are therefore required to meet a higher standard regarding policy alignment with the RSS than are municipalities. In comparison, municipalities submit a RCS for Board acceptance that outlines the relationship between the OCP and the RSS. The Board has approved OCPs for JdF communities of Otter Point and East Sooke that provide for potential access to water services. Implementation would require an amendment to the RGS. The required amendments were deferred for resolution through the RSS process. When advancing the East Sooke OCP, the Board indicated that it was willing to consider providing for water service extension to specific areas, to be defined through the OCP process.

The CRD provides water services in the region under three delivery models.

1. Bulk water is provided to the municipalities of Victoria, Saanich, Oak Bay and Esquimalt who then distribute the water through the Regional Water Supply Service.
2. Bulk water is provided to the Saanich Peninsula Water Service which in turn provides bulk water to the municipalities of Central Saanich, North Saanich and Sidney who distribute water within their communities.
3. The JdF Water Distribution Service provides water directly to residents and businesses within the municipalities of View Royal, Highlands, Colwood, Langford, Metchosin, Sooke and portions of the JdF EA (See Maps 2 and 3). The JdF Water Service Establishment Bylaw pre-dates the RGS and as such is not inconsistent with the requirements of the LGA, despite the reality that water services are provided for areas beyond the RUCSPA.

CRD service area establishment bylaws require the user of the service to pay the full-cost of all infrastructure costs associated with the water service. The RSS Actions 6.1.1 and 6.1.2 reinforce this approach.

In addition to CRD water service, private water service is provided through the Seagirt Water Improvement District (East Sooke), Kemp Lake Improvement District (Otter Point) and Sheringham Estates Water Improvement District (Shirley/Jordan River).

Many water distribution lines in rural areas pre-date the RGS, including those managed by municipalities, and extend throughout the region, although not all properties are connected. Many of these were installed as dead-end lines to serve areas for irrigation (seasonal use) or existing outlying pockets of housing. The current RGS policy can limit the ability of the water service provider to effectively and efficiently address operational challenges that arise due to the low volume of water use in rural areas (a small number of users, seasonal use for agriculture). When water lies stagnant in the lines, frequent flushing is required to ensure water quality meets potable standards. A more flexible policy approach that allows for minor water service extensions to 'loop' existing lines would decrease costs and increase water quality.

Potential for further subdivision and development in some rural areas exists whether or not the lands have access to water services. For example, in some of the JdF communities, zoning has been in place since the 1980s. The *existing* zoning provides for significant additional subdivision and development potential.

In the JdF area, recent (1999-2014) development rates have averaged 46 dwelling units per year. Long-term forecasts project an average of 25 dwelling units per year between 2011 and 2038 as per the most recent population projection scenario prepared by Urban Futures.

Options

Numerous policy options have been developed and discussed over the past 18 months. Options A - G were discussed with DPAC on March 4, 2015. None of the options received support from more than three planners. Subsequent to that meeting, two additional options (Options H and I) were developed. Those have not yet been discussed with DPAC.

Option A: Existing RGS policy:

The CRD and member municipalities agree not to further extend urban sewer and water services, or increase servicing capacity to encourage growth beyond designated OCP limits at the date of adoption of the RGS bylaw, outside the Regional Urban Containment and Servicing (RUCS) Policy Area generally described on Map 3, *except to address pressing public health*

and environmental issues, to provide fire suppression or to service agriculture. Where expansion or increased capacity of existing sewer and water services is proposed beyond the RUCS boundary, member municipalities agree to comply with the requirements of the Master Implementation Agreement prepared as required under Implementation measure 2, and to include guidelines for service expansion and extension in their Regional Context Statements, required by Implementation measure 4 [reach agreement on RCSs]. (pp. 7-8)

- Supported by 2 DPAC planners on March 4, 2015

Option B (as per Revised RSS Draft – October 2014): Allow for water extensions within municipal boundaries and selected areas of JdF

Restrict extensions of regional water systems beyond municipal boundaries except for the following Rural Settlement Areas in the JdF EA:

- East Sooke
- Otter Point
- Port Renfrew

To service existing and new development that does not increase the subdivision and development potential set out in the OCP at the time of adoption of the RSS. Exceptions to this action may be allowed to address a pressing public health, public safety environmental issue, for existing development or to serve agricultural activities.

- Supported by 1 DPAC planner on March 4, 2015

Option C: (Same as Option B except for highlighted changes)

~~Restrict~~ **Prohibit** extensions of regional water systems beyond municipal boundaries except for the following Rural Settlement Areas in the JdF EA:

- East Sooke
- Otter Point
- Port Renfrew

To service existing and new development that does not increase the subdivision and development potential set out in the OCP at the time of adoption of the RSS. Exceptions to this action may be allowed to address a pressing public health, public safety environmental issue **(based on peer-reviewed science)**, for existing development or to serve **non-urban** agricultural activities.

- Supported by three DPAC planners on March 4, 2015

Option D: Silent on Water Servicing

- Supported by 1 DPAC planner

Option E: (Same as Option B except for highlighted changes)

Restrict extensions of regional water systems beyond municipal boundaries except for the following Rural Settlement Areas in the JdF EA:

- East Sooke *
- Otter Point *
- Port Renfrew *

*** For a trial period of five years after adoption of the RSS**

To service existing and new development that does not increase the subdivision and development potential set out in the OCP at the time of adoption of the RSS. Exceptions to this action may be allowed to address a pressing public health, public safety environmental issue, for existing development or to serve agricultural activities.

- Supported by no DPAC planners

Option F: Define Growth Containment Area (GCA) to include East Sooke, Otter Point and Port Renfrew

- Supported by no DPAC planners

Option G: (Same as Option B except for highlighted changes)

Restrict extensions of regional water systems beyond municipal boundaries except for the following Rural Settlement Areas in the JdF EA:

- East Sooke *
- Otter Point *
- Port Renfrew *

*** And only if local employment opportunities are provided in balance**

To service existing and new development that does not increase the subdivision and development potential set out in the OCP at the time of adoption of the RSS. Exceptions to this action may be allowed to address a pressing public health, public safety environmental issue, for existing development or to serve agricultural activities.

- Supported by 3 DPAC planners on March 4, 2015

Option H (Map 2):

Approve a new water service establishment bylaw for areas outside the GCA only where:

- i. the bylaw applies to lands within municipal boundaries; or
- ii. the bylaw pertains to the JdF EA except for lands encompassed in the Rural Resources Lands OCP, zoned Resource Lands, to allow for the potential to service existing and new development that does not exceed subdivision and development limits set out in the OCP at the time of adoption of the RSS; or

- iii. the bylaw is required to address a pressing: public health, public safety, or environmental issue relating to existing development; or
- iv. the bylaw is required to service agricultural activities.

Further, it is proposed that this policy be accompanied by an implementation agreement or other appropriate approach that would require Board approval of JdF OCP and zoning amendment consistent with the existing procedures bylaw for the JdF EA.

The above policy wording would also be accompanied by replacement of RSS Maps 3 and 9 with mapping that designates lands within the JdF as shown on the map in Attachment 10 of the Committee of the Whole (CoW) April 29 staff report.

Option I (Map 3):

Approve a new water service establishment bylaw for areas outside the GCA only where:

- i. the bylaw applies to lands within municipal boundaries; or
- ii. the bylaw pertains to the East Sooke or Otter Point Rural Settlement Areas in JdF and will service existing and potential new development that does not exceed subdivision and development limits set out in the OCP at the time of adoption of the RSS; or
- iii. the bylaw is required to address a pressing: public health, public safety, or environmental issue relating to existing development; or
- iv. the bylaw is required to service agricultural activities.

Further, it is proposed that this policy be accompanied by an implementation agreement or other appropriate approach that would require Board approval of JdF OCP and zoning amendments consistent with the existing procedures bylaw for the JdF EA.

The above policy wording would also be accompanied by replacement of RSS Maps 3 and 9 with mapping that designates lands within the JdF as shown on the map in Attachment 10 of the CoW April 29 staff report.

Summary

Implementation of the RGS policy has been responsive to the varied needs of municipalities through acceptance of RCS that provide for access to water services for areas outside the RUCSPA as shown on Attachment 9 Map 1. As well, the JdF Water Servicing Area includes significant areas that lie outside the RUCSPA boundary established in the RGS. The RSS provides an opportunity to update the water servicing policy to acknowledge past decisions and existing water service area bylaws.

Option I is a refined version of Option B above - the proposal that is in the Revised RSS Draft – October 2014 (Action 3.1.3) which provides for water within municipal boundaries (either within or outside the GCA) as well as to Port Renfrew and portions of Otter Point and East Sooke. Compared to the Revised RSS Draft – October 2014, Option I has been modified to show Port Renfrew within the GCA (rather than as a Rural Settlement Area) and the Rural Settlement Areas for Otter Point and East Sooke have been reduced in size to show only those areas that were approved through the OCPs for settlement and remaining areas (that are neither Capital Green Lands or Natural Resource Lands) are now shown as Rural Lands (Attachment 10 of the staff report). Under this option, water services would ONLY be provided to those areas where the applicable JdF OCP provided for such. Option I is consistent with Board approvals of RCSs and adoption of the Comprehensive Community Plan Bylaw for Port Renfrew (which acknowledges the existence of both water and sewer services within the community), and the

OCPs for Otter Point and East Sooke. Further, it is proposed that this policy be accompanied by an implementation agreement or other appropriate approach that would require Board approval of JdF OCP and zoning amendments consistent with the existing procedures bylaw for the JdF EA.

This approach:

- Acknowledges principles of the RGS with respect to limiting growth outside the GCA
- Acknowledges current policy context given historical decisions
- Provides for municipal flexibility – it is consistent with past decisions of the Board regarding RCSs and the changes that are being recommended in regard to municipal flexibility for other portions of the RSS document. It allows for municipal control of water servicing within municipal boundaries. Municipalities that wish to do so can limit water servicing within their boundaries through their OCP policies including through the RCS.

Municipalities with lands that are outside the GCA, would need to declare through their RCS whether or not they want water services outside the GCA. In such cases, the RCS would need to demonstrate that growth outside the GCA is being limited to that allowable in their OCP at the date of adoption of the RSS. As part of the RCS acceptance process, the Board would have an opportunity to satisfy itself that growth outside the GCA was being managed appropriately. Changes to the water servicing provisions of the RCS would require the municipality to resubmit their RCS for acceptance by the Board. An amendment to the RSS would not be triggered through this process.

If a JdF community wants to provide for water servicing in areas beyond those provided for with adoption of existing OCPs, they would need to bring forward an OCP amendment to the Board. If the Board is in agreement, then a process could be initiated to amend the RSS to acknowledge additional JdF areas as being eligible. This would allow the Board to first satisfy itself that adequate growth management measures are in place.

Option I represents a compromise between the most restrictive water servicing policy (e.g., current RGS) and the most permissive options. It is not as restrictive as the RGS RUCSPA policy which limits water servicing extensions to lands within the RUCSPA boundary with limited exceptions. On the other hand, Option I is not as permissive as either Option D (which in essence allows for water servicing throughout the Growth Management Planning Area (GMPA)) or Option H which allows for water servicing throughout the GMPA with the exception of the lands zoned Resource Lands in the JdF Rural Resource Lands OCP (Map 2). It is a further variation of Option B and its variations (Options C, E, and G) that were reviewed by DPAC members during the March 4, 2015 meeting. Majority support for any one option was not achieved at the meeting. Option I has not had the benefit of review and comment from DPAC members as it has evolved subsequent to their last meeting.

Public, stakeholder and municipal feedback on the October (revised) draft RSS indicated concern regarding growth management and the potential for water service extensions to set the stage for urban sprawl. Option I, which is reflected in the Alternative 1 recommendation (1h) responds to those concerns by, in comparison to the policy included in the October (revised) draft RSS, further limiting the areas eligible for water servicing to those areas within the JdF EA where the Board has already, through OCP approvals, supported water servicing. This approach will likely be seen by some as being too generous in that it provides for servicing outside the growth boundary (within municipal boundaries and within the identified JdF communities) and may facilitate more development in rural areas than would otherwise be the case. Others will likely consider the policy too restrictive as there will remain areas that are

ineligible for piped CRD water. There are those who feel strongly that piped water should be available to all, especially if the users were to pay the full costs of the service.

A number of policy options have been identified that address legal, technical, procedural and planning considerations. There remain differences of opinion as to whether water service extensions should be restricted to manage growth. Choosing among the options will require a weighing of concerns about sprawl against arguments relating to rights to piped water. That weighting process is inherently a political decision and political direction is therefore now required in order to solidify RSS direction on this matter.

Regardless of the option chosen, at a minimum, the RSS will need to acknowledge areas where water service area bylaws already exist.

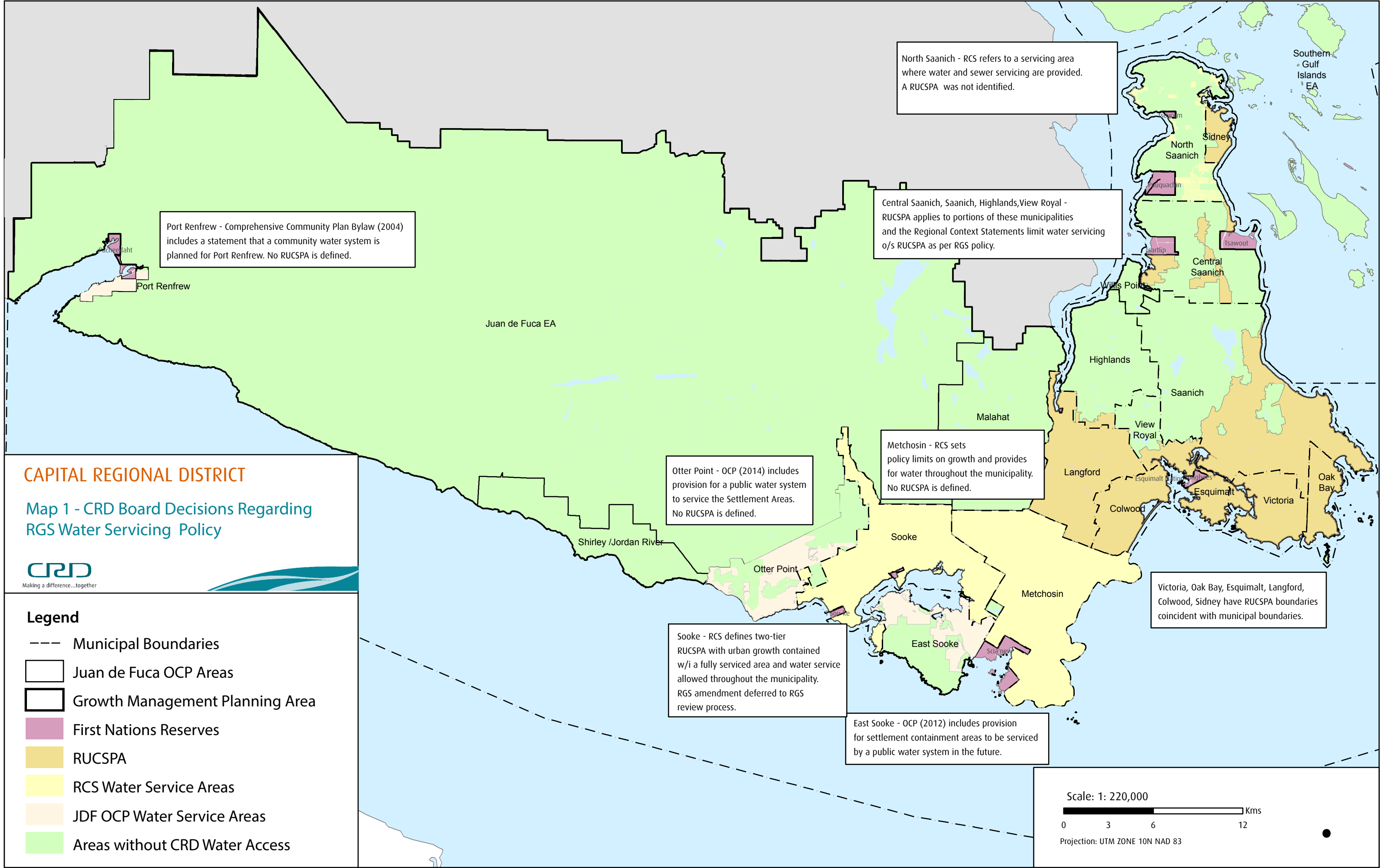
CAPITAL REGIONAL DISTRICT

Map 1 - CRD Board Decisions Regarding
RGS Water Servicing Policy



Legend

- Municipal Boundaries
- Juan de Fuca OCP Areas
- Growth Management Planning Area
- First Nations Reserves
- RUCSPA
- RCS Water Service Areas
- JDF OCP Water Service Areas
- Areas without CRD Water Access



Port Renfrew - Comprehensive Community Plan Bylaw (2004) includes a statement that a community water system is planned for Port Renfrew. No RUCSPA is defined.

North Saanich - RCS refers to a servicing area where water and sewer servicing are provided. A RUCSPA was not identified.

Central Saanich, Saanich, Highlands, View Royal - RUCSPA applies to portions of these municipalities and the Regional Context Statements limit water servicing o/s RUCSPA as per RGS policy.

Otter Point - OCP (2014) includes provision for a public water system to service the Settlement Areas. No RUCSPA is defined.

Metchosin - RCS sets policy limits on growth and provides for water throughout the municipality. No RUCSPA is defined.

Victoria, Oak Bay, Esquimalt, Langford, Colwood, Sidney have RUCSPA boundaries coincident with municipal boundaries.

Sooke - RCS defines two-tier RUCSPA with urban growth contained w/i a fully serviced area and water service allowed throughout the municipality. RGS amendment deferred to RGS review process.

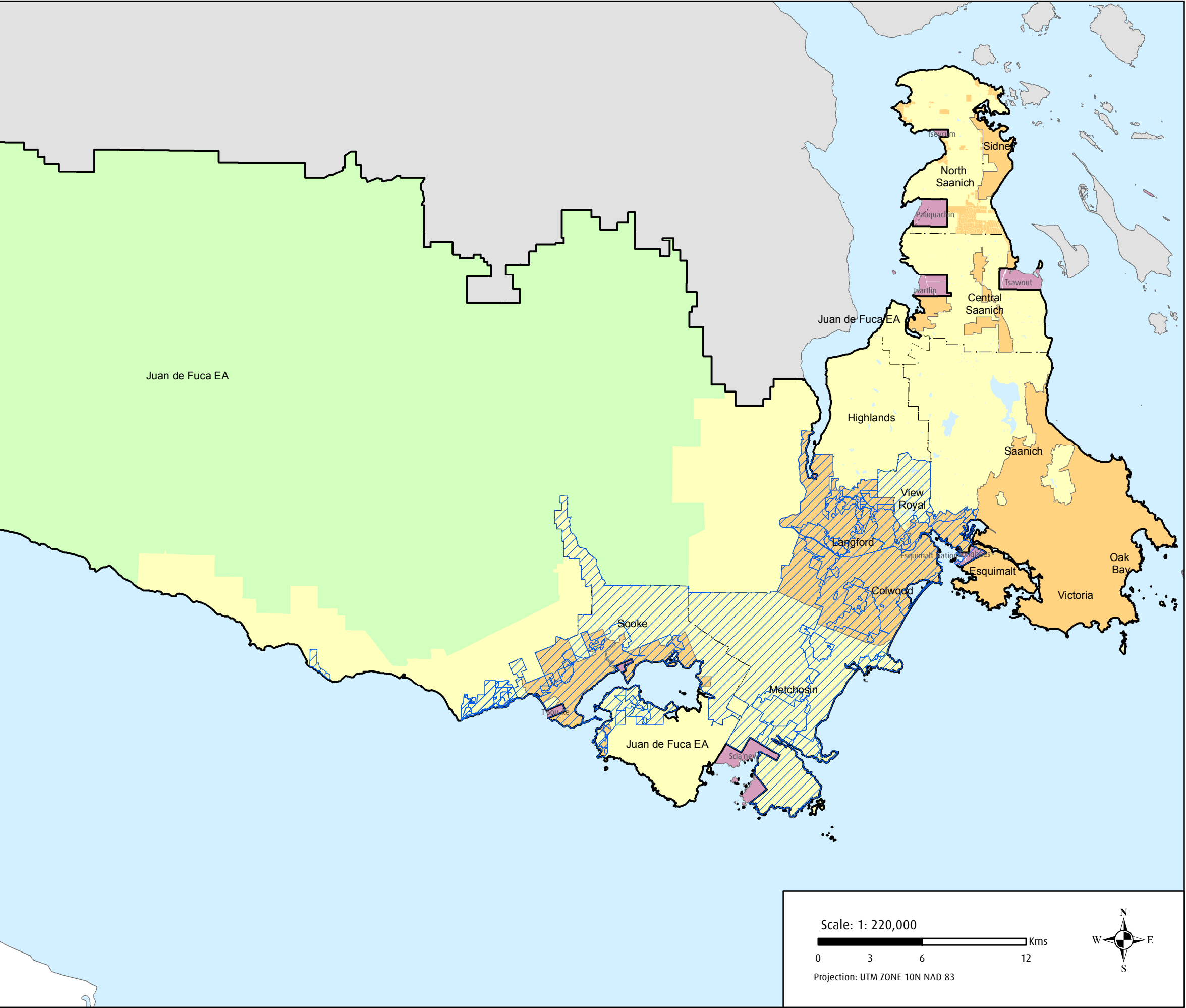
East Sooke - OCP (2012) includes provision for settlement containment areas to be serviced by a public water system in the future.

CAPITAL REGIONAL DISTRICT

Map 2 - Water Service Area Options -
Option H



- Municipal Boundaries
- Growth Management Planning Area
- ▨ Existing JDF Water Service Area & West Shore Private Systems
- Proposed Potential Water Service Areas (as per Option H Policy)
- Growth Containment Area
- JDF OCP Rural Resource Lands Resource Land Zone (water services not permitted)
- First Nations Reserves



Scale: 1: 220,000

0 3 6 12 Kms

Projection: UTM ZONE 10N NAD 83

