



# qathet REGIONAL DISTRICT

## Myrtle Pond Water System Capital Inclusion Charge Bylaw

### Frequently Asked Questions

#### GENERAL INFORMATION

On occasion, property owners adjacent to the Myrtle Pond Water System have asked the qRD if they could be added to the Myrtle Pond Water System. As the Myrtle Pond Water System is designed to only supply water to properties within the current water system boundary the answer has always been that new properties could not be added to the service. The qRD is not proposing an expansion of the Myrtle Pond Water System at this time. The Proposed Myrtle Pond Capital Inclusion Charge Bylaw is only setting the rates for properties that wish to be added to the service. The inclusion charge would not be charged until a property owner, or group of property owners decide to formally join the system, and the service area boundary is expanded through a formal service area expansion bylaw. The intention of engagement is to provide Myrtle Pond service users and those surrounding the area with this information on inclusion rates which are based on the studies prepared by industry professionals. These rates are intended to provide information so that property owners that want to consider joining the Myrtle Pond Water System can make informed decisions. Feedback on the bylaw is welcomed.

## FREQUENTLY ASKED QUESTIONS

### **What is the Myrtle Pond Water System Capital Inclusion Charge Bylaw?**

This bylaw establishes fees that must be paid by prospective developers and property owners who are not currently part of the system but that wish to potentially join the system. These fees are designed to contribute to the capital costs associated with expanding the infrastructure needed to accommodate the growth of the service. Essentially, it provides transparency about the cost of joining the system for those who are not currently part of it, but it does not automatically include properties that are not already part of the system. The bylaw does not mean that property owners outside of the current water system boundary would be charged the fee – the bylaw just sets up a fee that would be charged to property owners that decide that they do want to join the system.

### **What is the objective of the Open Houses on September 26?**

The objective of the meetings on September 26 are to let property owners, within the Myrtle Pond Water System, and owners of properties adjacent to the water system, know about an inclusion charge that the qRD is considering putting into place. The Myrtle Pond Water System currently provides potable water to 82 developed and two undeveloped lots that are within the water service boundary.

A study of the water system concluded that there is enough water to supply an additional 81 residential lots which are currently not within the system's boundary and are currently not connected to the water system. While the quantity of water was deemed to be sufficient the infrastructure and water treatment is not currently in place to supply potable water to these potential new users.

Properties adjacent to the water system that are not connected to the Myrtle Pond Water System currently receive water from the Centennial Drive Water System or from their own wells. Once the Capital Inclusion Charge Bylaw is adopted property owners that are not currently within the Myrtle Pond Water System boundary will continue to receive water from the Centennial Drive Water System or from their own wells.

The meetings are simply to inform property owners about the process that was undertaken to develop the inclusion charge. The inclusion charge is being developed in order to provide an appropriate fee to charge property owners, or groups of properties owners, that want to join the system. Currently, in the absence of this bylaw, if a property owner adjacent to the water system wants to join the water system, the qRD does not have a mechanism to allow the property owner to be added to the system. This bylaw would provide that mechanism but is in no way intended to force property owners to join the system.

### **What will be the outcome and actions following the meeting?**

Following the meeting staff will review and address any unanswered questions that were submitted at the meeting and will prepare a report to the qathet Regional District Board. The Board will review the report and decide whether the bylaw should be adopted or if further work is needed.

## **What is the approval process for the extension of the service and for bylaw adoption?**

If property owners within the Traffe Road area or Centennial Drive areas want to be included and hooked up to the Myrtle Pond Water System the group of owners would need to submit a petition for service to the qathet Regional District. If the petition is sufficient the qathet Regional District Board would consider expanding the service boundary and would need to adopt a bylaw to expand the service area boundary. As noted above, it is generally preferable for the qRD to provide assistance to a group of property owners in petitioning for a service, to ensure the petition is valid after all the work of collecting signatures. If a group of property owners informally determines that they are ready to proceed with a petition, they will need to have a clear understanding of the implications of success and of failure of the petition. In this case, the implications of success would presumably be that the RD board would pass a service area amending bylaw, levy each taxable folio owner in the area the inclusion charge, build the extension, and begin charging regular fees for service.

If most owners in the extension area prefer to amortize the inclusion charge over time, a local area service can be established for the extension area and the petition can include assent for the qRD to borrow the project cost and recover it through a parcel tax typically over 15-25 years. That tax would be in addition to taxes and fees throughout the water service area, until the debenture is retired. Some RDs give individual property owners a choice of paying their share up front or participating in the debenture, but that would be addressed if the qRD received a petition for service.

## **What is the timeline for financial obligations from the homeowner point of view?**

Once the Board has adopted the bylaw to expand the service area boundary is when the inclusion charge would be levied and payable. After the participants are included in the system boundary then annual parcel or frontage taxes would also start at that time as well as user fees once a building on the parcel has been connected to the water system.

**The reports include levies based on year of inclusion, though it appears the first possible year of inclusion is 2022 and that the works related to the potential extension to Traffe are targeted for 2035. Can you reconcile the timelines?**

There is no commitment or guarantee that either area will decide to join the Myrtle Pond Water System. These dates were estimated based on the interest that property owners adjacent to the system have expressed to qRD staff. These estimated dates provide the sequencing of the projected work in order to prepare the capital cost estimates. The timing in the report is somewhat hypothetical. The dates are not important to the cost calculations as everything is in constant 2021 dollars based on cost estimates.

**If a group of owners from one of the potential service areas, outside of the Myrtle Pond Water Service, submitted a petition for service would all of the property owners in the service area need to pay the capital inclusion charge?**

This bylaw sets out the fee that would be charged if the qRD received a valid petition for properties to be added to the Myrtle Pond Water Service area. The qRD is not required to proceed with a service even if it receives a valid petition. In order to be valid the petition would need to be signed by at least 50% of the parcel owners that represent at least 50% of the assessed property values in the potential service area. If the board does approve the petition and the service area is expanded each property owner in the expanded service area would need to pay the inclusion charge. Whether the fee is paid up front or debt financed would be sorted out if a valid petition was received.

A petition for service could be submitted even without having the capital inclusion charge bylaw in place. If the bylaw was not in place and a petition for service is received the qRD would need to study whether the area could be added and what the cost would be. This bylaw lets property owners know the cost up front, before they even consider asking to be included in the service area.

### **Where can I get more information?**

Visit the project page to learn more at [qathet.ca/ myrtle-pond-water-system-capital-inclusion-charge-bylaw/](https://qathet.ca/myrtle-pond-water-system-capital-inclusion-charge-bylaw/)

If you have any questions, please contact Lind Greenan, Manager of Financial Services, at 604-485-2260 or email [finance@qathet.ca](mailto:finance@qathet.ca).