

**Regional District of Nanaimo Board – Meeting Date: November 26, 2024**

*This document contains closed ‘in-camera’ meeting decisions that have been released because they are no longer considered sensitive.*

**Bylaws Required for Latecomer-Style Agreement for Resident-Contributed Water Distribution Assets in the San Pareil Water Service Area**

The Regional District of Nanaimo Board voted to rise and report on the following:

That the Board direct staff to release the report once the three bylaws have been read in an open meeting.

Released: January 10, 2025



**BYLAWS REQUIRED FOR LATECOMER-STYLE AGREEMENT FOR RESIDENT-CONTRIBUTED WATER DISTRIBUTION ASSETS IN THE SAN PAREIL WATER SERVICE AREA**

**RECOMMENDATIONS**

That the Board receive the Bylaws Required for Latecomer-Style Agreement for Resident-Contributed Water Distribution Assets in the San Pareil Water Service Area report for information.

**BACKGROUND**

In response to an in-camera staff report in February 2024, the Regional District of Nanaimo (RDN) Board rose and reported the following:

*That the Regional District of Nanaimo Board direct staff to proceed with the development of a latecomer-style agreement for resident contributed water distribution assets in the San Pareil Water Service Area.*

Staff has been working with legal counsel since that time to develop the new and revised bylaws described below that would create such an agreement.

In 2020, a group of eight property owners in the San Pareil neighbourhood who were not serviced by the San Pareil Water Service Area (SPWSA) designed and constructed the water distribution infrastructure required to allow them to join the SPWSA. While this infrastructure has allowed those property owners to connect, it would also allow an additional 13 property owners to now elect to join the SPWSA without contributing financially to this enabling infrastructure. The purpose of the new and amended bylaws described below would provide a mechanism to allow the RDN to collect funds from any of these other properties. As this is quite complicated to explain, it is helpful to define some of the terms used in the bylaws described below.

- Class A Parcels are all the parcels that currently make up the SPWSA, including the Class B Parcels. Note that there are parcels in the San Pareil neighbourhood that can connect to the SPWSA without taking advantage of this contributed infrastructure. Those parcels are not part of this agreement in any way.
- Class B Parcels are the properties belonging to the eight owners responsible for contributing the water distribution infrastructure.
- Class C Parcels are the properties belonging to the thirteen owners that could join the SPWSA via a connection to the water distribution infrastructure contributed by the Class A Parcels. Any Class C Parcel that does join the SPWSA would become a Class A Parcel.
- Note that there are parcels in the San Pareil neighbourhood that can connect to the SPWSA without taking advantage of this contributed infrastructure. Those parcels are not part of this agreement in any way.

The bylaws required to make this agreement function are:

Bylaw No. 1170.09 San Pareil Water Service Area Establishment Amendment Bylaw This bylaw is amended to include the definition of the parcel classes defined above, and to set out how funds from the new Contributed Infrastructure Reserve Fund described below are to be used. Funds collected in the new reserve will be credited annually and proportionally to the parcel taxes payable by each of the Class B parcel owners, according to the percentages set out in the bylaw. This bylaw also sets the term for the collection and distribution of these funds as 15 years from the date of adoption.

Bylaw No. 1923, San Pareil Contributed Infrastructure Cost Subsidy Charge Bylaw. This new bylaw sets out a charge to be applied to Class C Parcels when they petition the RDN to join the SPWSA. Referred to as the Contributed Infrastructure Subsidy Charge (CISC), this charge is equal to what a share of the cost of the contributed infrastructure would be if all Class B and Class C Parcels had been involved in funding the contributed infrastructure equally.

Bylaw No. 1924, San Pareil Contributed Infrastructure Reserve Fund Bylaw. This new bylaw establishes a reserve fund to hold any funds collected under Bylaw No. 1923 San Pareil Contributed Infrastructure Cost Recovery Bylaw described above prior to annual distribution to Class B Parcel owners.

The three bylaws are included on the Open Board agenda for the Board’s consideration, after receiving this report and discussion regarding legal advice received. It is staff’s recommendation that if this report is received, the Board reconvene the open portion of the meeting to consider reading the bylaws. The bylaws must be read in an open meeting.

### **FINANCIAL IMPLICATIONS**

These bylaws will have no direct financial effect on the San Pareil Water Service Area. Any funds collected via the CISC will be held in the reserve fund until it can be credited to the Class B Parcels in accordance with the amended Service Establishing Bylaw 1170, 1999.

Any credits applied to Class B property owners will reduce their parcel taxes in an effort to be equitable in providing access to the community water system.

Administering this new bylaw and the Class B credits will place a small additional load on RDN Finance staff.

### **STRATEGIC PLAN ALIGNMENT**

Water Security - Understand our water resources and their risks, to manage our water resources effectively and sustainably.

### **REVIEWED BY:**

- T. Moore, Chief Finance Officer
- S. Snelgrove, Assistant Manager, Legislative Services
- D. Holmes, Chief Administrative Officer

### **ATTACHMENTS**

1. Bylaw No. 1170.09 San Pareil Water Service Area Establishment Amendment Bylaw

2. Bylaw No. 1923, San Pareil Contributed Infrastructure Cost Subsidy Charge Bylaw
3. Bylaw No. 1924, San Pareil Contributed Infrastructure Reserve Fund Bylaw

**RISE AND REPORT- MEMBER MUNICIPALITIES IN CAMERA**

None recommended.

**RISE AND REPORT- PUBLIC**

That the Board direct staff to release the report once the three bylaws have been read in an open meeting.

## REGIONAL DISTRICT OF NANAIMO

### BYLAW NO. 1170.09

#### A BYLAW TO AMEND

#### SAN PAREIL WATER SUPPLY LOCAL SERVICE AREA ESTABLISHMENT BYLAW NO. 1170, 1999

WHEREAS, the Board of the Regional District of Nanaimo (the “Board”) previously adopted “San Pareil Water Supply Local Service Area Establishment Bylaw No. 1170, 1999” (the “Establishment Bylaw”) and amended the same from time to time thereafter; and

AND WHEREAS, the Board deems it expedient to further amend the Establishment Bylaw;

NOW THEREFORE, the Board, in open meeting assembled, enacts as follows:

#### TITLE

1. This bylaw may be cited for all purposes as “San Pareil Water Supply Local Service Area Amendment Bylaw No. 1170.09, 2024”.

#### INTERPRETATION

2. Except as otherwise defined in this Bylaw, words and phrases used herein have the same meaning as in the *Local Government Act*, the *Community Charter* and the *Interpretation Act* as the context and circumstances require. A reference to a statute refers to a statute of the Province of British Columbia unless otherwise indicated, and a reference to any enactment refers to that enactment as it may be amended or replaced from time to time. Words in the singular include the plural, and words in the plural include the singular.

#### SCHEDULES

3. The following schedules are attached to and form a part of this Bylaw:
  - a. Schedule ‘A’ – Map of San Pareil Water Supply Local Service Area.
  - b. Schedule ‘B’ – Allocation of the Class B Credit

#### AMENDMENTS

“San Pareil Water Supply Local Service Area Establishment Bylaw No. 1170, 1999” is amended as follows:

1. By inserting the following as Section 7:
  - “7. Each parcel in the local service area shall belong to “Class A”, “Class B”, or “Class C” as follows:
    - (a) “Class A” shall consist of each “Class A Parcel” which means each parcel within the local service area that is not a part of Class B or Class C;

- (b) "Class B" shall consist of each "Class B Parcel" which means each parcel within the local service area shown as a 'Class B Parcel' in Schedule 'A'; and
- (c) "Class C" shall consist of each "Class C Parcel" which means each parcel that is:
  - a. within the area shown as 'Class C' in Schedule 'A'; and
  - b. added to the local service area after "San Pareil Water Supply Local Service Area Amendment Bylaw No. 1170.09, 2024" is adopted and before the date that is 15 years thereafter."

2. By inserting the following as Section 8:

- "8. If costs are to be recovered from the owners of the Class B Parcels under Section 4(a) or (b), then:
- (a) funds from the Regional District of Nanaimo's San Pareil Water Supply Local Service Contributed Infrastructure Subsidy Charge Reserve Fund (the "Reserve Fund") shall be used to pay such costs to the extent that funds are available in the Reserve Fund;
  - (b) the total amount to be recovered from the owners of the Class B Parcels under Section 4(a) or (b) for such costs shall be reduced by the amount of any funds paid from the Reserve Fund under Section 8(a) (the "Class B Credit"); and
  - (c) the Class B Credit shall be allocated, to the extent possible, among the owners of the Class B Parcels in accordance with the percentages set out in Schedule 'B'."

3. By replacing Schedule 'A' with Schedule 'A' attached to and forming part of this Bylaw.

4. By inserting Schedule 'B' attached to and forming part of this Bylaw to follow Schedule 'A'.

**SEVERABILITY**

5. If any section, subsection, sentence clause or phrase of this Bylaw is for any reason found invalid by decision of any court of competent jurisdiction, the decision will not affect the validity of the remaining portions of this Bylaw.

Introduced and read three times this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Received Inspector of Municipalities approval this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
CHAIR

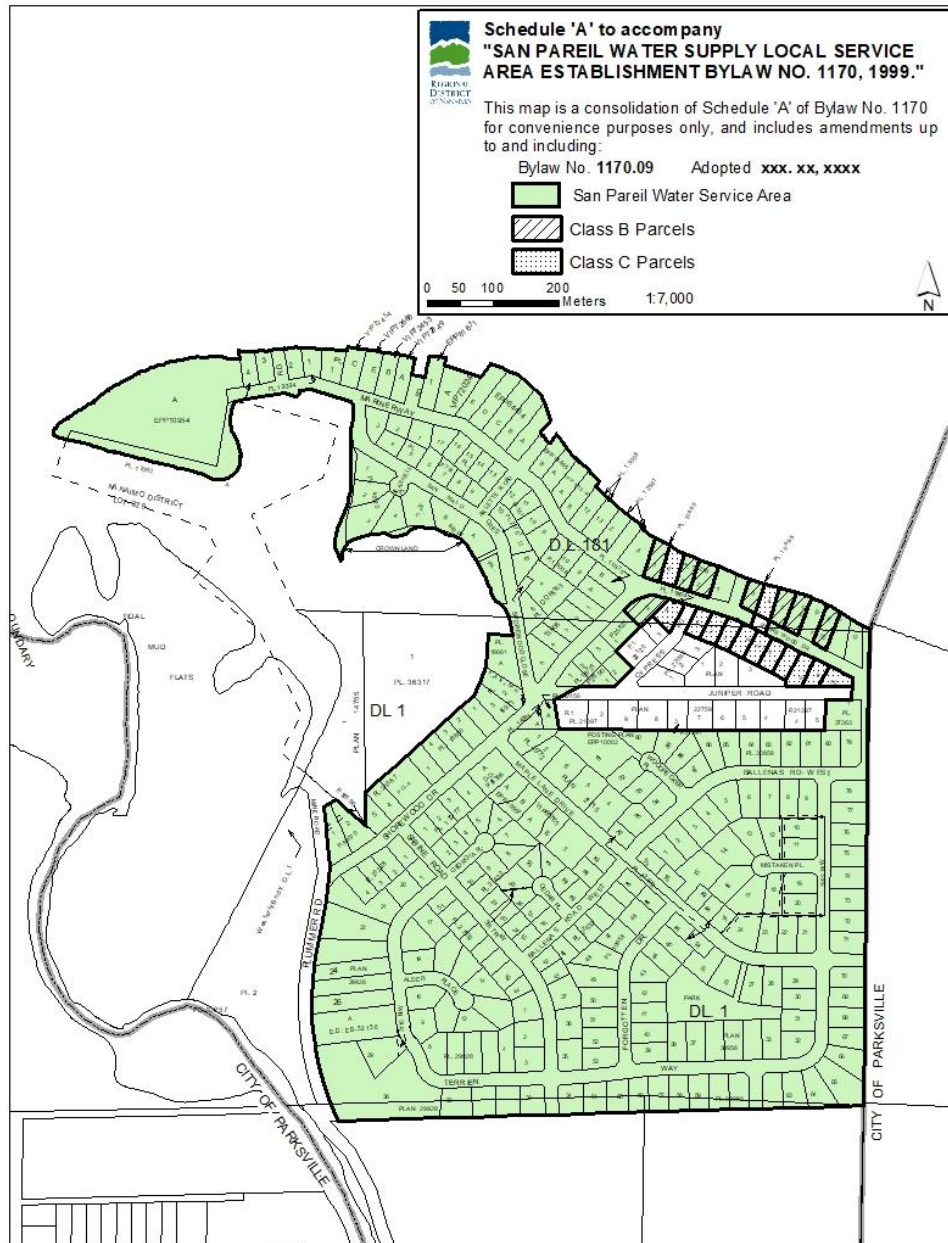
\_\_\_\_\_  
CORPORATE OFFICER

Schedule 'A' to accompany "San Pareil  
Water Supply Local Service Area  
Amendment Bylaw No. 1170.09, 2024"

Chair

Corporate Officer

**SCHEDULE 'A'**



Schedule 'B' to accompany "San Pareil  
Water Supply Local Service Area  
Amendment Bylaw No. 1170.09, 2024"

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Chair

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Corporate Officer

**SCHEDULE 'B'**

<b>PID</b>	<b>Percentage of Class B Credit</b>
002-687-666	6.43%
003-887-375	6.43%
005-179-700	10.11%
001-018-141	13.78%
005-239-583	13.22%
005-239-613	15.29%
005-084-768	16.33%
005-084-911	18.40%



## REGIONAL DISTRICT OF NANAIMO

### BYLAW NO. 1923

#### A BYLAW TO IMPOSE CONTRIBUTED INFRASTRUCTURE SUBSIDY CHARGES FOR SAN PAREIL WATER SUPPLY LOCAL SERVICE AREA

WHEREAS, by “San Pareil Water Supply Local Service Area Establishment Bylaw No. 1170, 1999” (the “**Establishment Bylaw**”), the Board of the Regional District of Nanaimo (the “**Board**”) established a local service for the purpose of supply, treatment, conveyance, storage, and distribution of water;

AND WHEREAS, section 397 of the *Local Government Act* authorizes the board of a regional district to, by bylaw, impose a fee or charge payable in respect of all or part of a service of the regional district; and

AND WHEREAS, capital improvements were made to provide the service to certain additional customers and therefore, the Board desires to impose a charge on such additional customers who desire to be added to the local service area;

NOW THEREFORE, the Board, in open meeting assembled, enacts as follows:

#### TITLE

1. This bylaw may be cited for all purposes as the “San Pareil Water Supply Local Service Area Contributed Infrastructure Subsidy Charge Bylaw No. 1923, 2024”.

#### INTERPRETATION

2. Except as otherwise defined in this Bylaw, words and phrases used herein have the same meaning as in the *Local Government Act*, the *Community Charter* and the *Interpretation Act* as the context and circumstances require. A reference to a statute refers to a statute of the Province of British Columbia unless otherwise indicated, and a reference to any enactment refers to that enactment as it may be amended or replaced from time to time. Words in the singular include the plural, and words in the plural include the singular.
3. “**Class C Parcel**” has the same meaning as that set out in the Establishment Bylaw.

#### SCHEDULES

4. The following schedules are attached to and form a part of this Bylaw:
  - a. Schedule “A” – Contributed Infrastructure Subsidy Charge.

#### CONTRIBUTED INFRASTRUCTURE SUBSIDY CHARGE

5. The owner of each parcel of land that is shown on Schedule “A” of the Establishment Bylaw within the area shown as “Class C”, whether such parcel is later combined with one or more other parcels, and that is proposed to be added to the San Pareil Water Supply Local Service Area as a Class C Parcel must pay to the Regional District of Nanaimo, the applicable charge set out in Schedule “A” attached to this Bylaw (a “**Contributed Infrastructure Subsidy Charge**”).

6. A Contributed Infrastructure Subsidy Charge must be paid to the Regional District of Nanaimo prior to any physical connection being made to the San Pareil Water Supply Local Service Area system.

**SEVERABILITY**

7. If any section, subsection, sentence clause or phrase of this Bylaw is for any reason found invalid by decision of any court of competent jurisdiction, the decision will not affect the validity of the remaining portions of this Bylaw.

Introduced and read three times this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

Schedule 'A' to accompany "San Pareil  
Water Supply Local Service Area  
Contributed Infrastructure Subsidy  
Charge Bylaw No. 1923, 2024"

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Chair

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Corporate Officer

### **SCHEDULE "A"**

#### **Contributed Infrastructure Subsidy Charge:**

Fourteen Thousand Fifty-One and 37/100 Dollars (\$14,051.37)

## REGIONAL DISTRICT OF NANAIMO

### BYLAW NO. 1924

#### A BYLAW TO ESTABLISH THE SAN PAREIL WATER SUPPLY LOCAL SERVICE AREA CONTRIBUTED INFRASTRUCTURE RESERVE FUND

WHEREAS, by “San Pareil Water Supply Local Service Area Establishment Bylaw No. 1170, 1999” (the “Establishment Bylaw”), the Board of the Regional District of Nanaimo (the “Board”) established a local service for the purpose of supply, treatment, conveyance, storage, and distribution of water; and

AND WHEREAS, section 377(1)(e) of the *Local Government Act* and section 188 of the *Community Charter* authorizes the board of a regional district to, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

NOW THEREFORE, the Board, in open meeting assembled, enacts as follows:

#### TITLE

1. This bylaw may be cited for all purposes as the “San Pareil Water Supply Local Service Area Contributed Infrastructure Subsidy Reserve Fund Bylaw No. 1924, 2024”.

#### INTERPRETATION

2. Except as otherwise defined in this Bylaw, words and phrases used herein have the same meaning as in the *Local Government Act*, the *Community Charter* and the *Interpretation Act* as the context and circumstances require. A reference to a statute refers to a statute of the Province of British Columbia unless otherwise indicated, and a reference to any enactment refers to that enactment as it may be amended or replaced from time to time. Words in the singular include the plural, and words in the plural include the singular.
3. “**Class B Parcel**” has the same meaning as that set out in the Establishment Bylaw.

#### RESERVE FUND

4. The following reserve fund is hereby established:
  - a. The Contributed Infrastructure Subsidy Charge Reserve Fund (the “CISC Reserve Fund”).
5. The CISC Reserve Fund is established for the purpose of paying costs to otherwise be recovered from the owners of each Class B Parcel under Section 4(a) or (b) of the Establishment Bylaw.
6. Money received by the Regional District of Nanaimo as a Contributed Infrastructure Subsidy Charge under the “San Pareil Water Supply Local Service Area Contributed Infrastructure Subsidy Charge Bylaw No. 1923, 2024” shall be deposited into the CISC Reserve Fund.

**SEVERABILITY**

7. If any section, subsection, sentence clause or phrase of this Bylaw is for any reason found invalid by decision of any court of competent jurisdiction, the decision will not affect the validity of the remaining portions of this Bylaw.

Introduced and read three times this \_\_\_ day of \_\_\_\_\_, 20\_\_.

Adopted this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER