

## ADMINISTRATIVE REPORT



**TO:** Planning & Development Committee

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** June 19, 2025

**RE:** Regulating the creation of new private utilities (X2023.011-ZONE)

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### **Administrative Recommendation:**

THAT the land use bylaw amendments related to the regulation of private utilities be amended to provide an exemption for community water or community sewer systems in Electoral Areas "C", "E" and "H" in order to not exclude a system owned and operated by a strata corporation, private water utility or business corporation.

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### **Purpose:**

The purpose of this report is to provide options in relation to the regulation of private water and sewer utilities.

### **Background:**

On February 6, 2025, the Planning and Development Committee considered proposed amendment to the Electoral Area Official Community Plan (OCP) Bylaws, Zoning Bylaws, Subdivision and Development Servicing (SDS) Bylaw and Development Procedures Bylaw and resolved that "staff be directed to bring this item to the next Board meeting with a recommendation".

At its regular meeting of March 6, 2025, the Regional District Board resolved to approve first and second readings of the various amendment bylaws and scheduled a public hearing ahead of its meeting of March 20, 2025.

A Public Hearing was subsequently held on March 20, 2025, where approximately ten (10) members of the public attended, followed by Board consideration of third reading of the various amendment bylaws.

The Board subsequently resolved that the various "amendment bylaws to regulate the creation of new private utilities be postponed to a future meeting allow staff to gather further information."

### **Analysis:**

It has been the Regional District's experience that "system owners often find that they no longer have the financial ability or technical expertise required to meet current regulations" and there have been prominent examples (e.g. Vintage Views Development Sewer System) where the Regional District has been requested to acquire these systems.

Further, it has been a long-standing policy direction of the Regional District Board that "essential services are best provided by government, where citizens can elect representatives interested in their well-being and will operate the service in the most effective and efficient manner possible."

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For this reason, Administration maintains its position that there is a strong argument for the Board to regulate, going forward, in favour of publicly operated utility systems versus those operated by business or strata corporations or other private water or sewer utilities.

“Further Information”:

Further to the direction provided by the Board at its meeting of March 20, 2025, it is Administration’s understanding that a number of Directors do not wish for the proposed regulation of private utilities to be applied in their Electoral Areas.

In response, it is being proposed that the amendment bylaws previously considered by the Board generally proceed unchanged, but that a new Exemption be introduced, specifically:

*.XX Despite Section X.0 (Definitions), in Electoral Areas “C”, “E” and “H” a community water system or community sewer system does not exclude a system owned and operated by a strata corporation, private water utility or business corporation.*

Administration considers that this will allow for those Electoral Areas wishing to regulate the creation of new private utilities to do so, while exempting those that do not. The list of Electoral Areas contained in the proposed Exemption is based on Director comments recorded at the March 20, 2025, Board meeting.

Board Consideration of Future Private Utility Proposals:

For those Electoral Areas that elect to regulate the creation of new private utilities, new proposals seeking to create a private water and/or sewer system will be brought forward for review by the Board and assessed against the criteria contained in the proposed amendments to the Development Procedures Bylaw.

This will include the submission by the applicant of a “Utility Condition Assessment” prepared by a qualified engineering confirming the following:

- the system has been designed and constructed to specified standards;
- the current state of any existing works (e.g., in the event it is proposed to expand an existing system); and
- a certification that the system has the capacity to support the proposed development.

In addition to this information, Administration would include information on likely staffing resources required to operate such a system if it was to be acquired by the Regional District as well as financial implications (e.g., annual rates).

This is intended to provide the Board with a full-picture of the costs of potentially taking-on a new private utility (if proposed) and whether it might be better run privately – which could be accommodated through a development variance permit (DVP).

Alternatives

Conversely, the status quo remains an option and would require the abandonment of the current amendment bylaws. This approach is not preferred as OCP policies discouraging private utilities will continue to have little effect without supportive regulations implemented in the Regional District’s land use bylaws.

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Alternately, the option of proceeding with the amendment bylaws as approved at second reading also remains available to the Board but may require the scheduling of a second public hearing.

### Summary

Administration maintains its position that there is a strong argument for the Board to regulate in favour of publicly operated utility systems versus those operated by business or strata corporations or other private water or sewer utilities.

Moreover, the merits of this approach warrant it being applied regionally across all Electoral Areas of the Regional District, however, the proposed Exemption is seen to provide flexibility.

### **Financial Implications:**

Financial implications have been considered and none were found.

### **Communication Strategy:**

The proposed bylaw amendments have been notified in accordance with the requirements of the *Local Government Act* as well as the Regional District's Development Procedures Bylaw No. 2500, 2011.

### **Alternatives:**

1. THAT the Electoral Area Official Community Plan Amendment Bylaw No. 3045, 2025, the Zoning Amendment Bylaw No. 3046, 2025, the Subdivision Servicing and Development Amendment Bylaw No. 2900.01, 2025, and the Development Procedures Amendment Bylaw No. 2500.34, 2025, be brought forward for consideration of third reading.

Will a PowerPoint presentation be presented at the meeting?      No

### **Respectfully submitted:**



Christopher Garrish MCIP, RPP  
Senior Manager of Planning

### **Endorsed By:**



A. Fillion  
Managing Director, Dev. & Infrastructure