



Memo

TO: Chair, Committee of the Whole

SUBJECT: Local Area Service for providing Sewer Service to Greendale Properties

DATE: September 8, 2023

FROM: Chief Administrative Officer

BACKGROUND

The properties in the Greendale area were annexed by the Town in 2008 through property owners initiating that process. The Town then took over full responsibility for a substandard water system that it subsequently upgraded at no cost to the affected residents. The property owners were also aware at the time that they would be wholly responsible for the entire costs of being connected to the Town's sewer system (see attachment).

The property owners of the Town (excluding those in the Greendale area) have funded the existing sewer system through user fees and parcel taxes. In fact, they are still fully responsible financially for the sewer system capital upgrades. The property owners of the Greendale area, however, have not to date been financially responsible for either the maintenance or capital upgrades of the Town's sewer utility system.

The Town has the authority to initiate a service such as sewer to a specific area such as the Greendale area. Once the Council has been given the green light to proceed with extending sewer main to Greendale, all related costs of that extension, and only to the property lines, will be apportioned and be borne by the property owners whether connected to the service or not. Owners would be responsible for servicing their private properties from the property line.

Letters outlining the intent of the sewer extension were mailed to the affected property owners in December 2019 and no written responses either for or against were received.

PROCESS

As the council is initiating the local area service for sewer the Town may use one of following two methods to ascertain the will of the affected owners/electors:

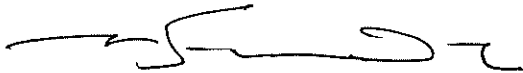
- 1. Council initiative – petition against**
 - Council needs to give the property owners an opportunity to petition against the proposed service by mailing notice of council's intent to all the owners of parcels that would be subject to the local service tax;
 - The notice would have to include as a minimum the information as outlined in the attached letter and would also have to be published in accordance with section 94 of the *Community Charter*; and

Local Area Service for providing Sewer Service to Greendale Road Properties

- The local area service bylaw cannot be adopted if at least 50 percent of owners representing at least 50 percent of the assessed value of land and improvements that would be subject to the local tax sign a petition opposing the local area service.
- 2. Council initiative - subject to assent voting**
- The other alternative is for a municipal council to initiate a local area service by providing the electors of the affected service area an opportunity for assent voting (referendum). The procedures for assent voting as outlined in Part 4 of the *Local Government Act* needs to be followed. If the vote is in favour of the service, the local service area bylaw can then be adopted by council.
- 3. Borrowing for Local Area Service Capital Works**
- A municipality may borrow money for capital works required by a local area service through a loan authorization bylaw. If all of the costs of borrowing for a local area service are to be recovered by a local service tax, the loan bylaw does not require the approval of the broader municipality. However, the loan bylaw does require the approval of the owners/electors within the local service area through petition, council initiative, or assent voting.
 - The loan authorization will require the approval of the Inspector of Municipalities before assent from the affected owners/electors are sought.

Recommendation

For both the local area bylaw and the loan authorization bylaw it would be prudent to rely on direct input from the affected owners rather than seeking approval through assent voting. After all it is the affected property owner that would be bearing the cost of the upgrades. If council is agreeable the "petition against" method will be used unless council prefers to use the "assent voting" method. Council's direction on this matter is sought.



Joseph A. Fernandez

No free ride for Greendale, town says

Property owners wanting to join Lake Cowichan will have to pay for upgrades

By LEXI BAINAS
CITIZEN STAFF

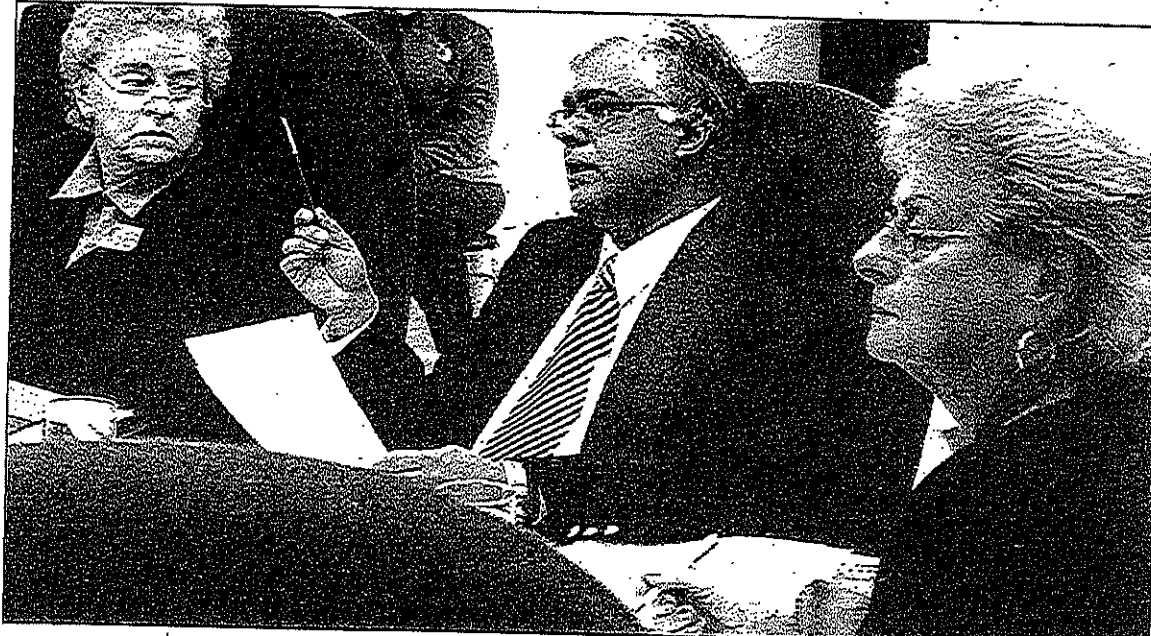
Lake Cowichan ratepayers are worried homeowners outside the community will get a free ride to municipal services while townspeople are stuck with the bill.

But they were reassured by town council last week that that's not in the cards.

About 30 Greendale Road residents living just east of the town boundaries have applied to join Lake Cowichan.

Town council has suggested the homeowners get a break on taxes over the next five years and not be expected to hook up to the town sewer system immediately in return for getting additional tax revenue for the town.

Rod Peters, chair of the Lake Cowichan Ratepayers Association, wondered why the town agreed to a five-year tax freeze, why anyone should be allowed to avoid hooking up to the sewer system, what the cost of running a sewer line to



LEXI BAINAS/CITIZEN

Lake Cowichan Administrator Joe Fernandez, flanked by town councillors Pat Foster (left) and Pat Weaver, assures members of the Lake Cowichan Ratepayers Association that the town's taxpayers won't be paying for sewer upgrades to accommodate incoming Greendale Road residents.

Greendale Road will be and who will upgrade Greendale Road itself.

Chief Administrative Officer Joe Fernandez said the town is offering a five-year phase-in so it can secure the tax money the area is now paying for Lake Cowichan, rather than seeing it go to the

Cowichan Valley Regional District.

The Greendale residents, said Coun. Pat Foster, "are already hooked up to town water but, because they are outside the town boundaries, they pay more than the townspeople for the service. It (their water use) is also metered,

so we know how much they are using.

"When the sewer system goes out there," she said, "if (the expansion of the village to include Greendale) all goes through, it is at their cost. The taxpayers of the town will not be picking up the cost of putting in the sewer system

or the lift station."

Fernandez said that so far the Ministry of Transportation has not expressed any interest in paying for repairs to Greendale Road.

Coun. Pat Weaver reminded the ratepayers that talks are still at a preliminary stage.

"The answers have raised more questions," said LCRA member Don Gordon. "I think we have a problem here. Obviously you don't have the financial information."

There are also concerns about overloading the sewer system, Gordon said, saying the sewer lagoons must now be almost at capacity.

"The cost of upgrading will be very substantial and we'll probably be back to some kind of parcel tax," he said. "I think it's great if areas like that wish to come in, but my feeling is they should pay their fair share, including the same amount of taxes."

Greendale property owners will benefit from being serviced with town water and sewer, as well as seeing insurance costs drop, according to Gordon.

He called for a meeting to get accurate information to the public.

September 13th, 2023

«name_»
«mailing»
«city», «prov» «postal»

Dear Property Owner(s) of «F6» «F7»:

Re: Local Area Service Establishment for Sanitary Sewer Local Area for Greendale

The Town has initiated the process to undertake the extension of the sanitary sewer system to a specific area within the community under the authority of section 213 of the Community Charter. The Town can proceed with this service unless a formal petition or letter against the Local Area Service is signed by each property owner representing at least half of the assessed value of the properties in the benefitting area by no later than 4:30 pm on Tuesday, November 14th, 2023 is received.

The Town is planning on extending the sewer main service to the Greendale area in 2024. The cost of the extension is estimated at approximately over \$2,200,000 plus interest with the repayment to be structured and recovered over a 25-year period through a local area tax that would be based on your land assessment values.

The local area service area that is benefitting from the service would be wholly responsible for paying the costs of the new service. The owners' portion of the cost of a local area service tax is 100% of the actual cost to be levied and recovered over 25 years.

Owners whose parcels benefit from, or abut the proposed works and who are subject to being specially charged, may commute, by a one-time payment, the special charges imposed on them. The commuted value is the unamortized proportionate share of the owners' portion of the cost, as determined by the Officer assigned responsibility for financial administration.

Only once the sewer service is extended, can the Town plan on road improvements on Greendale Road. After construction of the sewer service extension, the Town would assume the responsibility of operating and maintaining those portions of the Local Area Service works that become part of the municipal infrastructure.

Yours truly,

Joseph A. Fernandez
Chief Administrative Officer