



SUNSHINE COAST REGIONAL DISTRICT



**SPECIAL EMERGENCY BOARD MEETING
TO BE HELD ELECTRONICALLY IN ACCORDANCE WITH
MINISTERIAL ORDER M192 AND TRANSMITTED VIA
THE BOARDROOM OF THE SUNSHINE COAST REGIONAL DISTRICT
OFFICES AT 1975 FIELD ROAD, SECHELT, B.C.**

TUESDAY, AUGUST 17, 2021

AGENDA

CALL TO ORDER 2:00 p.m.

AGENDA

1. Adoption of agenda

MINUTES

BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PRESENTATIONS AND DELEGATIONS

REPORTS

2. Temporary Moratorium on Chapman Creek Water Service
Connections - Chief Administrative Officer

Annex A
Pages 1 - 19

COMMUNICATIONS

MOTIONS

BYLAWS

3. *Sunshine Coast Regional District Water Rates and Regulations
Amendment Bylaw No. 422.38, 2021 - receipt of report
– first, second, third reading and adoption
(Voting – Participants – weighted vote: A-2, B-2, D-2, E-2,
F-2, Sechelt-6)*

Annex B
pp 20 – 23

DIRECTORS' REPORTS

NEW BUSINESS

IN CAMERA

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Special Emergency Board – August 17, 2021

AUTHOR: Dean McKinley, Chief Administrative Officer

SUBJECT: TEMPORARY MORATORIUM ON CHAPMAN CREEK WATER SERVICE CONNECTIONS

RECOMMENDATIONS

THAT the report titled Temporary Moratorium on Chapman Creek Water Service Connections be received for information;

AND THAT the SCRD write a letter to Katrine Conroy, the minister responsible for FLNRORD, outlining:

- a) that a water license for the Church Road well field was promised expediency by the previous minister at a 2019 UBCM meeting due to the health and safety concerns around ensuring an adequate water supply;
 - b) that climate change has resulted in challenges to our current ability to rely on Chapman and Edwards Lakes and watersheds, and that additional sources of supply are urgently needed;
 - c) that conservation alone is insufficient to meet the demands of our growing community.
-

BACKGROUND

Following discussion at the August 16, 2021 Special Board meeting, the following resolution was adopted:

Church Road Well
Field Licence

It was moved and seconded

222/21

THAT the following proposed motion be referred to the August 17, 2021 Special Emergency Board meeting:

THAT the SCRD, recognizing the pressures that climate change and recent growth have had on our regional water supply and the delays from the Provincial government in issuing a water license for the Church Road well field, implement a temporary moratorium on new water service connections in the Regional Water Service as serviced primarily by Chapman Creek effective September 14, 2021;

AND THAT the SCRD write a letter to Katrine Conroy, the minister responsible for FLNRORD, outlining:

- a) that a water license for the Church Road well field was promised expediency by the previous minister at a 2019 UBCM meeting

due to the health and safety concerns around ensuring an adequate water supply;

- b) that climate change has resulted in challenges to our current ability to rely on Chapman and Edwards Lakes and watersheds, and that additional sources of supply are urgently needed;
- c) that conservation alone is insufficient to meet the demands of our growing community;
- d) that without new sources of water being ultimately authorized by the Provincial government, the SCRD cannot in good conscience continue to accept increased demand on our strained water system;

AND FURTHER THAT that the temporary new connection moratorium stay in place until such time as the Provincial government has issued the long-awaited water license for the Church Road well field.

CARRIED

DISCUSSION

Previous staff reports were provided to directors in 2019 which examined options and opportunities for tools to manage growth related water demand which included some analysis on the potential for placing a moratorium on development. These previous reports are attached as appendix 1.

The May 16, 2019 staff report titled 'Managing Growth to Address Water Supply Deficit' explored various tools, precedents and considerations and for managing growth related water demand. Regarding the establishment of a moratorium on development approvals, the report noted on page three that *"The ability of local governments to manage growth is a complex consideration that depends, in large part, on the nature of the growth to be managed. There is no specific authority available to local governments through the Local Government Act, Community Charter or other legislation for a blanket moratorium on development approvals"*.

The October 2017 Staff report titled 'Analysis of Tools to Manage Water Demand from Growth' resulted in the following direction to staff:

AND THAT the review of Water Rates and Regulations Bylaw 422 scheduled for 2020 include a review of water conservation provisions and the service connection application process;

Update: This directive is currently being actioned by staff.

AND THAT the review of Subdivision Servicing Standards Bylaw 320 planned for 2021 incorporate water conservation measures;

Update: This directive has been delayed and is scheduled to be incorporated into the 2022 workplan.

AND FURTHER THAT the review of Development Cost Charges Bylaw 693 planned for 2023 incorporate a water conservation lens.

Staff will continue to move these directives forward.

STRATEGIC PLAN AND RELATED POLICIES

Continuing to work with the Province and Squamish Nation toward the issuance of a water license for the Church Road well field, is in accordance with the SCRD's strategic focus area 'Asset Stewardship', Strategy 2.1 to "plan for and ensure year-round water availability now and in the future."

CONCLUSION

Based on a previous legal review and attached staff reports that noted "*There is no specific authority available to local governments through the Local Government Act, Community Charter or other legislation for a blanket moratorium on development approvals*", a moratorium on new development is not recommended by staff. Staff, if so directed, could write a letter to Katrine Conroy, the minister responsible for FLNRORD highlighting:

- a) that a water license for the Church Road well field was promised expediency by the previous minister at a 2019 UBCM meeting due to the health and safety concerns around ensuring an adequate water supply;
- b) that climate change has resulted in challenges to our current ability to rely on Chapman and Edwards Lakes and watersheds, and that additional sources of supply are urgently needed;
- c) that conservation alone is insufficient to meet the demands of our growing community.

Should the Board wish to direct staff to either accelerate work already planned or do additional research/exploration/consideration of additional tools, including a potential moratorium, staff would need to divert resources from other projects and initiatives that are currently underway.

Appendix 1: Bylaw Opportunities for Water Conservation Staff Report - October 17, 2019:
Attachment A: Analysis of Tools to Manage Water Demand from Growth - Oct 17, 2019
Attachment B: Managing Growth to Address Water Supply Deficit Report - May 16, 2019

Reviewed by:			
Manager		Finance	
GM	X – R. Rosenboom	Legislative	X – S. Reid
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – October 17, 2019

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services
Ian Hall, General Manager, Planning and Community Development Services

SUBJECT: BYLAW OPPORTUNITIES FOR WATER CONSERVATION

RECOMMENDATION(S)

THAT the report titled **Bylaw Opportunities for Water Conservation** be received;

AND THAT the review of **Water Rates and Regulations Bylaw 422** scheduled for 2020 include a review of water conservation provisions and the service connection application process;

AND THAT the review of **Subdivision Servicing Standards Bylaw 320** planned for 2021 incorporate water conservation measures;

AND FURTHER THAT the review of **Development Cost Charges Bylaw 693** planned for 2023 incorporate a water conservation lens.

BACKGROUND

Following discussion at the June 20, 2019 Infrastructure Services Committee meeting, the following resolution was adopted at the June 27, 2019, regular Board meeting:

181/19 **Recommendation No. 9** *Managing Growth to Address Water Supply Deficit*

THAT staff report to a future Committee on the scope of influence on water conservation measures that the SCRD can implement in its bylaws related to subdivision servicing and zoning.

This directive followed discussion of a staff report that provided a high-level scan of tools for managing growth to address water supply deficit, included for ease of reference as Attachment B.

Planned bylaw reviews were evaluated for opportunities where scope could be expanded to include water conservation.

This report focuses on bylaw tools. Programs the SCRD could develop to further promote water conservation will be addressed in a forthcoming report.

DISCUSSION

Staff have prepared further analysis on water conservation measures and how bylaw tools may incentivize these measures in subdivision servicing and zoning.

Bylaw tools can foster different water conservation measures. These measures will target different water uses. The discussion first outlines water conservation measures and examples of how they can influence water demand. A summary of specific bylaw tools follows. Finally, analysis of applicability of the bylaw tools to the water conservation measures as well as further considerations is found in the table in Attachment A.

Water Conservation Measures

1. **Summer Irrigation and Landscaping** are the primary contributors to the doubling of water demand in summer compared to winter. These outdoor water uses have been the primary focus of the Drought Management Plan's water conservation regulations. Many specific measures may be taken to reduce water demand in this area. Some examples include:

- Regulating what plant and what watering method may be used;
- Requiring drought tolerant landscaping, also known as xeriscaping;
- Requiring 8" of topsoil or composted yard waste as finish grading for new developments;
- Regulating permanently installed sprinkling systems;
- Requiring Low Impact Development (LID) landscaping, which may include features such as vegetative swales and permeable surfaces to maximize groundwater infiltration; and
- Limiting forest cover removal to protect resilience of hydrological cycle.

These measures may include co-benefits such as stormwater management and avoided deforestation or reforestation to help address climate change.

2. **Appliances** are large water users. Washing machines specifically account for 15% to 40% of indoor water demand in an average household. More efficient models exist but capital cost barriers prevent more widespread adoption.
3. **Fixtures** are another large water user in a house. Toilets can account for 24% of indoor water use while faucets can account for 19%. This category describes measures targeting low flow shower heads and toilets as well as tap aerators. The long standing Toilet Rebate Program and the Fixture Replacement Program were the focus of these water uses. Low flow toilets are required in Bylaw 422 as well as the Provincial Building Code. Low flow fixtures are not currently regulated locally.
4. **Greywater and Composting Toilets** are measures with water conservation potential. These systems are allowed but have capital and maintenance costs. Greywater systems use a parallel purple pipe plumbing system and in many cases, need filtration. Composting toilets, like all septic systems, need approvals from a certified Wastewater Practitioner and Vancouver Coastal Health, which would lead to Building Inspector sign off.

5. **Rainwater Harvesting** is gaining popularity. Previous reports have discussed rainwater harvesting, leading to SCRD's Rainwater Harvesting Rebate Program. Rainwater harvesting contributes to resilience of local gardens and behavioral change. Its contribution to reducing water demand depends on how the system is used and maintained.
6. **Institutional, Commercial, and Industrial (ICI) Water** can describe many different uses such as hospitals, beverage industries, concrete manufacturing, and restaurants. A large use in some ICI sites is single flow through cooling systems. By replacing the one at the Sunshine Coast Arena with a closed loop system, the Arena reduced water demand by approximately 85%.
7. **Water Service Connection Refusal** could be a measure to limit demand, specifically from growth. Discussion on how growth is correlated to water demand was included in the previous report in Attachment B.
8. **Densification** generally leads to lower per capita water demand in part due to less irrigation demand. Lower servicing costs are a water related co-benefit. Densification also has the potential to reduce land-use changes, which impact the hydrological cycle and climate change.
9. **Volumetric Rate Structure** could be introduced when all water meters are installed in a water system. It is proven that such a rate structure could result in a substantial reduction of water demand.

Related factors influencing hydrological cycle

Although not specifically targeting demand, source protection ensures sources are protected and supply deficits are not exacerbated or created. Natural asset identification and protection can complement source protection efforts and mitigate demand by maintaining a healthy hydrological cycle as well as help with climate adaptation. Natural Assets will be included in the SCRD's Asset Management approach in the upcoming years.

Bylaw Tools

1. **Water Conservation Regulations.** These regulations lie within the Water Rates and Regulations Bylaw 422. They include four relevant aspects to this discussion: a) specific conservation provisions; b) the Drought Management Plan's (DMP) Stages; c) applications for water service connections; and d) water rates.

Specific provisions include measures such as low flow toilets, now required by the Building Code, and rain sensors on irrigation systems. Other jurisdictions, such as Abbotsford, regulate once-through cooling systems. Should these requirements be expanded, they could provide enforceable definitions that can be used in various ways, including the Utility Services Comments on Referrals for Subdivisions. There may also be an avenue for greater engagement with applicants for Building Permits. These areas could be explored further as part of a planned review of Bylaw 422 in 2020.

The Drought Management Plan, as outlined in Schedule J of the Bylaw, outlines allowable uses for water at different stages. The purpose of the DMP is to create an escalating mechanism for mandatory water conservation to manage demand in periods of drought or unforeseen water supply interruption. A public consultation on this year's

drought approach is currently taking place. A summary of the consultation for the Board's review will be forthcoming.

The Bylaw outlines procedural steps for water service connection applications. There are no requirements, thresholds, or triggers for Board input or service connection refusal. Integrating processes and thresholds for Board approval of water service connections could be explored during a Bylaw 422 review.

Lastly, the Bylaw defines the rate structures and sets the actual rates. In order for a volumetric rate structure to be contemplated water meters would need to be installed at all service connections and a water system specific asset management plan would need to be developed. For the North and South Pender Water systems the review of the rate structure is currently scheduled for 2021 and for the Regional Water system in 2022.

Actions:

- Drought Management Plan review currently underway;
- Recommended: review of conservation provisions and service connection application process as part of 2020 Bylaw review;
- Rate structure review in 2021 for the North and South Pender water systems and in 2022 for the Regional water system.

2. **Subdivision Servicing Standards** are outlined in the Subdivision Servicing Bylaw No. 320 and applies to new subdivisions.

The purpose is to outline requirements for infrastructure that the Regional District will adopt. For example water main extensions and fire hydrants or other aspects outside of private properties.

Utility Services' comments generally include extension of watermain but can also require modeling and requirements for maintaining pressure for fire flows. In addition to requirements, Utility Services has recommendations such as encouraging Low Impact Development landscaping, xeriscaping, rainwater harvesting, and other best practices.

This Bylaw also authorizes the SCRD to refuse to service a new development if it lies beyond the service area or is in too high of altitude and cannot be serviced. As previously outlined in the report in Attachment B, available supply in the water system is a requirement for the establishment of a new service connection but has not been enforced.

The Subdivision Servicing Standards Bylaw is planned for review in 2021 and could include a review of water conservation measures.

Action:

- Recommended: inclusion of water conservation measures in the 2021 Bylaw 320 review.

3. **Development Cost Charges** are collected as per Development Cost Charges Bylaw No. 693 at the time of subdivision or building permit if applicable.

Their purpose is to raise funds to pay for the capital costs of providing, constructing, altering or expanding water facilities to service, directly or indirectly, the development for which the charge is being imposed. Development Cost Charges (DCC) currently apply

per dwelling unit as defined by a kitchen and bathroom, per bed in a care facility, or per square meter of floor space in a commercial or industrial building.

A revised DCC could offer a rebate or a surcharge for specific measures. The measures long term savings and resulting diminished impact on the water system would have to be demonstrated and guaranteed to justify a DCC rebate. This could be done through modeling but may be challenging given the impact user behaviors have on water demand. DCC could also use different criteria such as square footage of residential dwelling units.

The current DCC rates are based on a subset of costs for implementing the Comprehensive Regional Water Plan. Changes to the supply expansion projects and associated costs, combined with greater understanding of the scale of supply expansion needs mean targeted DCC revenue was under-estimated. Therefore, DCC rates will have to be reviewed. An interim review of the DCC rates is proposed in 2020 once more insight in the costs for the major supply expansion projects is available. A more in-depth review of Bylaw 693 is planned following completion of the asset management plan and a rate structure review, and is currently scheduled to take place in 2023. The in-depth review could be done with a conservation lens.

Action:

- Recommended: inclusion of a water conservation lens in the 2023 Bylaw 693 review.

4. **Zoning** Bylaw implements the policies of an OCP. It regulates density of dwellings and appropriate land uses in each zone. Since the SCRD Zoning Bylaw 310 is being reviewed at this time and includes many considerations outlined in this report, this tool was not included in the table.

The Zoning Bylaw review presents a regulatory opportunity to increase protection of the hydrological cycle from development impacts. Increasing the resilience of the hydrological cycle will ensure water resources are available for the future and limit increases in demand that come from topsoil removal, tree removal, or damages to riparian areas. For example, this could be done by including requirements to Zoning Bylaws 310 and 337 to meet or exceed provincial riparian regulations.

Another subset of zoning is Groundwater Management Zones, where requirements to protect groundwater are enacted. Staff will collaborate with the Town of Gibsons on expanding the Town's framework onto lands under SCRD jurisdiction as directed in the March 22, 2018 recommendation.

107/18

Recommendation No. 1

Regional Groundwater

AND THAT the SCRD collaborate on a framework with the Town of Gibsons to establish a Groundwater Management Zone related to the Gibsons Aquifer and that staff bring forward a future report;

Actions:

- Bylaw 310 review currently underway;
- Groundwater Management Zone development work planned for 2020.

5. **Water Conservation Development Permit Area.** A development permit area (DPA) can be applied to an area that matches a water service area. It would be implemented through an amendment to Official Community Plans and apply to all new construction, building alterations, or parcel subdivisions within the DPA.

The purpose of a Water Conservation DPA is to set requirements that can assist with water conservation. Requirements can apply to landscaping, specific features in the development, or systems external to buildings and other structures.

Precedents include the City of Fort St. John regarding landscaping and stormwater infiltration, the District of Lake Country regarding landscaping, and the Resort Municipality of Whistler regarding roof design for rainwater collection.

Developing, administering, and enforcing a Water Conservation DPA may not be the most impactful use of public resources since existing tools may be expanded to incentivize similar measures. Enforcing development permits requires court injunctions and is without precedent at the SCRD. The Universal Water Metering Program may also incentivize many of the measures a DPA would target.

Action:

- Staff do not recommend developing a Water Conservation Development Permit Area at the current time.

Organizational and Intergovernmental Implications

Incremental resources are required for the review of Bylaw 422 in 2020 and will be reflected in a 2020 budget proposal.

In addition to the specific bylaw revisions, there are opportunities to increase cross-departmental and inter-governmental collaboration, simplify the development regulatory process, and increase clarity of water conservation expectations with developers. These opportunities will be pursued in 2020.

STRATEGIC PLAN AND RELATED POLICIES

Pursuing water conservation through various bylaw tools will contribute to the Strategic Plan priorities of securing a sustainable water supply as well as developing and implementing asset management plans including natural assets.

Specifically, the bylaw revisions outlined can contribute to the following tactics:

- Feasibility study and decision on implementation of water supply related growth management tools (link with growth management approach);
- Expand water conservation programs and increase engagement with residents and stakeholders on water conservation;
- Develop strategic watershed protection action plan;
- Incorporate Natural Asset Management into Corporate and Departmental Asset Management Plans.

CONCLUSION

Staff were requested to bring back information on the scope of influence of Bylaw tools on water conservation measures. Upcoming Bylaw reviews provide an opportunity to expand the revision process with a water conservation lens.

The Water Rates and Regulations Bylaw 422's Drought Management Plan is currently the subject of a public consultation. Bylaw 422 is also scheduled for more in-depth review in 2020 and could include a review of conservation provisions and service connection application process. A review of the rate structure is currently scheduled for 2021 for the North and South Pender water systems and for 2022 for the Regional water system.

The Subdivision Servicing Bylaw 320 is planned for review in 2021 and could include a review of opportunities for water conservation measures.

The Development Cost Charge Bylaw 693 will need an in-depth review once the asset management plan and rate structure review are completed in 2023. This could be undertaken with a water conservation lens.

The current Zoning Bylaw 310 review process has an opportunity to enhance protections of the hydrological cycle possibly contributing to demand management and source protection.

Finally, developing, administering, and enforcing a Water Conservation DPA may not be the most impactful use of public resources at this time.

Attachments:

Attachment A: Analysis of Tools to Manage Water Demand from Growth – October 17, 2019

Attachment B: Managing Growth to Address Water Supply Deficit – May 16, 2019

Reviewed by:			
Manager		Finance	X-T-Perreault
GM		Legislative	X – S. Reid
Interim CAO	X – M. Brown	Other	X – R. Shay

Analysis of Tools to Manage Water Demand from Growth (October 17, 2019)

Tool	Jurisdiction	Bylaw Authority	Scope of Influence	Tool Development & Additional Considerations								
				Summer irrigation / landscaping	Low flow appliances	Low flow fixtures	Greywater / Composting toilets	Rainwater	Commercial process water	Water service connection refusal	Densification	
Water Conservation Regulations	Regional Water Service Area	Water Rates and Regulations Bylaw No. 422	All water users (current and future)	Yes	No	Yes	No	No	Yes	Yes	No	-Commercial process water can be regulated. For example, water bottling could be made illegal everywhere. Single flow through cooling systems or other inefficient equipment can also be prohibited. -The Drought Management Plan section of the Bylaw will be reviewed in the Fall and Winter of 2019. This could generate other suggestions for Board consideration. -Water Rate Structure review as part of Universal Water Metering Program may incentivize conservation. -Water Service Connection application details are part of this Bylaw and could be expanded with terms and conditions or include a threshold beyond which a Board review process is triggered.
Subdivision Servicing Standards	Regional Water Service area	Subdivision Servicing Bylaw No. 320	Subdivisions only	Yes	No	No	No	Yes	No	Yes	No	-Could require a water demand model or water conservation plan.
Development Cost Charges	Regional Water Service Area	Development Cost Charges Bylaw No. 693	All new development (subdivisions or building permits)	Yes	No	Yes	Yes	Yes	No	No	Yes	-Charges in Bylaw 693, as well as Bylaws 65, 72, 73, 74, 79 and 87 for North and South Pender Water Systems, will need to be reviewed. A review of demand management measures could be undertaken in parallel. -Could be a points system to demonstrate lower impact and qualify for lower DCC (demand based pricing). -Additional study of unintended consequences should be explored. For example, as it relates to affordability. -There is a risk that the incentivized measures would be short term. For example, landscaping can be changed and rainwater systems depend on user maintenance and operation. Covenants may be a tool to ensure longer lifespan of measure but would have challenging enforcement implications. -The Local Government Act restricts local governments from providing assistance to a business.
Water Conservation Development Permit Area (DPA)	Planning jurisdiction (i.e. SCRD, DoS, ToG, SIGD, Islands Trust)	Official Community Plan Bylaws (multiple)	All new construction, building alterations, or parcel subdivisions within DPA (which could be matched to regional water service area)	Yes	No	No	No	Yes	No	Yes	No	-Tool development would require collaboration with other local governments as well as stakeholder engagement to better understand costs, measurable benefits, lifecycle costs of implementation, ongoing operational requirements, and risks of unintended consequences. -Could be in the form of a checklist requiring the implementation of a certain number of measures.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee, May 16, 2019

AUTHOR: Angie Legault, Interim Chief Administrative Officer
Ian Hall, General Manager, Planning & Community Development
Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: **MANAGING GROWTH TO ADDRESS WATER SUPPLY DEFICIT**

RECOMMENDATION(S)

THAT the report titled Managing Growth to Address Water Supply Deficit be received for information.

BACKGROUND

The SCRD Board adopted the following resolution at the January 10, 2019 Board meeting:

003/19 **Recommendation No. 10** *Growth Management Options*

THAT staff provide a report to a Committee in Q1 2019 regarding tools, options, and approaches related to the management of growth and development on the Sunshine Coast in the context of a water supply deficit.

At the December 13, 2018 Planning and Community Development Committee the report titled Regional Growth Strategy - Options Report was received for information. The purpose of that report was to outline “the current framework [for regional growth management] contained in the *Local Government Act*, a chronology of discussions on the Sunshine Coast and current practices”.

The purpose of this report is to provide an overview of tools, options and approaches to manage growth to address the water supply deficit and to seek direction on next steps.

DISCUSSION

As stated in the Regional Growth Strategy - Options Report there are growth pressures facing the Sunshine Coast beyond water supply management, many of which are external to SCRD authority. Highway capacity, ferry service, housing prices and availability, residential and forestry interfaces are examples of additional growth pressures. A comprehensive regional review of growth trends and pressures in co-operation with other levels of government would be beneficial for the SCRD. Such a review could inform the development of a more comprehensive regional growth management approach.

Issue Definition

There is a community narrative that growth and water demand are directly linked. This linkage is implied in the question considered by this report. In order to ensure that any growth management strategy that is applied in an effort to ensure adequate community water supply meets its aim, the scope and nature of this link should be explored.

Key considerations:

- Recent growth trends: 2016 Census data shows continued moderate (less than 1.1% annually) growth in the resident population of the entire Sunshine Coast from 2011. The District of Sechelt had a 10% growth in population over this time period (2% per year).
- Exact seasonal population and tourism figures are unknown but are a factor requiring further analysis.
- Despite the above-mentioned resident and tourism growth the recent trends in water demand are: Over the last 8 years, the annual average daily water use remains at 13,500m³ per day. The maximum daily demand during the summer months has fallen from 28,000m³ per day in 2009 to 21,500m³ per day in 2017 – a reduction of 23% that can largely be attributed to water conservation initiatives.
- Based on the best available information about local water use, significant water demands not related to new residential or business growth are (in no particular order) – (1) water use by tourist and seasonal residents, (2) water used for residential irrigation, especially of ornamental lawns, (3) water demand associated with leaks on private properties (especially in unmetered areas), (4) potable water used for applications where alternatives may be available.
- Presently only areas served by the Chapman Creek and Eastbourne water systems are impacted by a water supply deficit. These service areas include areas within the District of Sechelt, Town of Gibsons, Islands Trust, and Sechelt Indian Government District (all lands not under SCRD planning and development jurisdiction), as well as four of the five rural electoral areas.

Based on these considerations it can be concluded that while every individual development results in an increased water demand, the total water demand on the Chapman Creek Water System has declined in the summer months over the last decade. The current water supply deficit is caused by a significantly longer period of little or no rain during the summer months and an improved protection of aquatic ecosystems during those months.

Combined, the above factors point to the need for a nuanced approach to looking at how growth relates to water demand. For example, a subdivision leading to development of new dwellings that are water efficient, and which replaces a former sprinkler-based irrigation system with xeriscaping or with tree plantings may result in a net increase year-round but a decrease in water demand during dry summer months.

Legislative Authority

The ability of local governments to manage growth is a complex consideration that depends, in large part, on the nature of the growth to be managed. There is no specific authority available to local governments through the *Local Government Act*, *Community Charter* or other legislation for a blanket moratorium on development approvals.

By considering specific categories of development applications it is possible to identify potential growth management mechanisms. Broadly speaking, these are:

1. Building permits – an applicant for a building permit is entitled, as of right, to a building permit if they comply with the zoning bylaw, building bylaw and building code and so one would have to look to any provisions in the two building enactments regarding water supply as a basis to refuse a building permit. Staff suggest this would be an especially challenging approach to regulation.
2. Development permits – the only authority for refusal of a development permit relates to conditions or guidelines set out in the Official Community Plan and in the absence of that, there is no general discretion on a broad level to refuse based on water supply issues. See below for additional discussion of development permit areas and Development Cost Charges.
3. Zoning amendments – land use decisions are within the discretion of the Board and so a concern over water supply would be an acceptable rationale for not approving rezoning to a more water-intensive use or amending the zoning to a less water-intensive use.
4. Subdivision approval – a refusal to approve a subdivision based on clear statutory grounds (for example excess cost to local government) or the residual discretion (contrary to the public interest) by an approving officer would have a reasonably strong chance of withstanding any judicial challenge. SCRD is not the subdivision authority for electoral areas; staff provide input to the Ministry of Transportation and Infrastructure Approving Officer.
5. Water Service Application for subdivisions – an applicant for new water service connections resulting from a subdivision has to meet all terms and conditions of Subdivision Servicing Bylaw No. 320. Not meeting all these terms and conditions could be grounds for the SCRD to refuse a water service connection associated with a subdivision within the water supply service area. The current bylaw includes a section 302 (1) (1.1) which states that:

“An extension to a water system shall only be connected to an existing community water system if the water sources used for the combined system are adequate to serve each parcel to be served by the combined system with at least 2,500 litres of water per day year round.”

To date no new service connection has been refused based on this bylaw provision. While the intent of this section is to balance growth with water supply availability, the wording of this section is considered to be insufficient to withstand a judicial challenge.

Water Service for undeveloped property for which the water parcel tax is being paid, could not be refused as long as all technical requirements are met.

6. Water Rates and Regulations – Bylaw No. 422 regulates the actual allowable use of water provided by the SCRD, including during drought conditions. While the allowable water uses during drought conditions are reviewed annually (Drought Management Plan), this is not the case for the more general water use provisions.

Precedents

There is precedent in other jurisdictions for managing growth to maintain water service levels.

The **North Salt Spring** Waterworks District Board of Trustees (improvement district) significantly restricted all new, large-scale development in 2014. Undeveloped properties paying parcel taxes are limited to one 19mm service connection for a single residential or single commercial unit, regardless of zoning. Given the impact to the community this moratorium is not supported by the local municipality.

The **Town of Okotoks**, Alberta has a Water Allocation Policy to maintain service levels while accommodating growth. Developers are required to transfer a provincial water license to the Town with sufficient capacity to support increased population prior to development approvals. The Water Allocation Policy applies to lands that have not yet been serviced by municipal water service but considered for expanding urban development.

The **Municipality of Gig Harbor** through authority of Washington State's Growth Management Act, requires all developments and redevelopments to empirically show there is water, sewer, and transportation capacity available to serve their needs. Should capacity be lacking, applicants are required to provide service expansion (for example, develop and licence a ground water source) prior to the granting of land use approvals or building permits.

Considerations Related to Approach

With regard to regulating development, generally, key considerations are:

- Transparency – any policy or regulation respecting ability/restriction of development should be clear, easy to understand, and widely known.
- Equity – consistent, fair treatment must be provided for all citizens, property owners, or water users (as applicable) based on defensible criteria and established process.
- Unintended Consequences – restricting growth generally, or in a specific area, or of a specific type may have unplanned results including impacts on property values, economic effects, social effects, etc. Consideration of possible impacts and mitigating strategies may be required.

These considerations are variously prescribed by legislation, core values of good governance and/or prudent risk management to avoid legal challenges.

Specific Tools to Consider

Beyond the ability to plan for growth through Official Community Plans and Regional Growth Strategies, local government tools to manage growth include:

1. **Water Conservation Development Permit Area:** In 2008 the Province of BC adopted the *Local Government (Green Communities) Statutes Amendment Act*, which added additional development permit area possibilities including the establishment of development permit areas to promote water conservation. This particular development permit area has not yet been utilized on the Sunshine Coast specifically and would only apply to the areas within the planning jurisdiction of the SCRD while the majority of the growth is occurring outside of the SCRD jurisdiction.
2. **Development Cost Charges:** The Development Cost Charges Bylaw No. 693 allows the SCRD to collect Development Cost Charges (DCCs) for approved subdivisions or issued building permits which impose a capital cost burden on the regional water system. This bylaw applies to the entire regional water supply service area and is hence not restricted to the area the SCRD has planning jurisdiction over. Updating this bylaw would not allow for a direct regulation of the water use of new developments but could do so indirectly. It could promote water conservation through financial incentives for low water use developments or location-based fees that could result in increased DCC revenue to support development of water service(s).
3. **Regulating Water Use:** Expanding water use regulations within Water Rates and Regulations Bylaw No. 422 could impact both new use resulting from growth as well as existing uses. Updates could include a review of both the Zoning Bylaw and Bylaw 422 to look at a combination of blanket restrictions on certain allowable uses and/or placing terms and conditions on other uses e.g. establishing a maximum allowable volume per residential property or a ban on using water for certain commercial uses like water bottling or cannabis production. Bylaw 422 applies to the entire water supply service area and is hence not restricted to the area the SCRD has planning jurisdiction over. If this option was pursued, a careful review of the issues that might arise would be required to avoid any legal challenges.
4. **Subdivision Servicing Standards:** Updating Subdivision Servicing Bylaw No. 320 could result in additional terms and conditions to be set for applicants for new water service connections associated with subdivisions. This bylaw applies to all water supply service areas and is hence not restricted to the area the SCRD has planning jurisdiction over.
5. **Resolution for Comments on Subdivision:** The SCRD could develop a standard resolution for comments on subdivision referrals indicating that subdivision applications within the water supply service area should not be approved by the Approving Officers as that would result in excessive cost to the SCRD in water supply management and also not be in the general Public Interest.

Analysis of Tools

Aspects that should be considered in the selection or design of any of these tools are:

- Time to develop
- Cost to develop
- Cost to administer
- Jurisdiction – SCRD rural electoral areas only or shared with member/other Local Governments
- Enforceability
- Complexity / possibility of unintended consequences
- Effect on cost of housing
- Effect on economic development
- Community acceptance
- Precedent/proven/legally acceptable
- Fairness/equity
- Effectiveness and efficiency in achieving water demand reduction, especially during dry months

Developing a recommendation or making a decision on a preferred approach requires intergovernmental dialogue and would benefit from public participation. Questions to explore are:

1. What is the specific water demand target(s) in a service area?
2. What interest is there in cooperating/coordinating tools across jurisdictions? Would tools that are fully within the SCRD's jurisdiction be preferred?
3. From the community perspective, what are the costs and benefits associated with tools that change (1) allowable land use (planning-driven); (2) water use (infrastructure-driven) or (3) development costs?
4. What level of impact on the cost of housing and/or economic development is acceptable?
5. What are the costs and benefits of an approach that applies to all development versus a specific focus on subdivisions?

Staff recommend that if the Board directs that growth management to address the water supply deficit be further explored then these and other relevant questions form part of upcoming public participation opportunities related to water. Subsequently they can be discussed with other local governments on the Sunshine Coast.

Organizational and Intergovernmental Implications

Recent amendments were made to SCRD rural area official community plans for density strategies to promote affordable housing. This was a consistent policy applied to several official community plans. A similar consistent approach across OCPs could be undertaken to create a development permit area for water conservation. It would have to be determined under which condition this would apply; building permit, subdivision, etc. and whether it would apply to both rural area and municipal OCPs. SCRD does not have authority to amend municipal OCPs, however this initiative could be undertaken concurrently by local governments if each agrees.

In addition to policy development of when, where and how to apply any of the described tools, consideration must also be given to the additional resource pressure associated with these proposed changes, such as review of applications, record management and enforcement.

Financial Implications

Changes to growth trends/patterns could have financial implications for SCRD related to revenue from permits, DCCs and applications. Additional lenses/requirements applied as part of any of the growth related application processes could require additional staff time with commensurate impacts to fees, per SCRD's Financial Sustainability Policy.

Further financial analysis should be undertaken as part of considering application of any particular tool.

Timeline for next steps or estimated completion date

To be determined based on Board direction.

Communications Strategy

Refining of options, specific tools, and recommendations for action related to growth management could have significant impact for a broad constituency of stakeholders. SCRD's Public Participation Framework would support a participation strategy prior to decision making.

STRATEGIC PLAN AND RELATED POLICIES

The SCRD has a mission of providing leadership and quality services to our community through effective and responsive government. Prioritizing water uses in a way that respects the organization's values of collaboration, environmental leadership, and transparency contributes to this mission.

The SCRD's strategic priority to Embed Environmental Leadership is supported by the Region's overall water supply strategy, as outlined in the Comprehensive Regional Water Plan (2013) and furthering the SCRD's goal to reduce water consumption by 33% relative to 2010 levels by 2020.

CONCLUSION

There are nuances to the linkage between growth and water demand. As well, local government authority to manage/restrict growth is provided through a variety of tools that have specific and different constraints on application, areas of jurisdiction, social impacts, etc.

If the Board directs further exploration of growth management to address water supply deficit, intergovernmental dialogue and public participation are recommended to occur. There are possible financial implications to the selection of any particular approach.

Reviewed by:			
Manager	X - A. Allen X - S. Walkey	Finance	
GM	X - I. Hall X - R. Rosenboom	Legislative	X - A. Legault
Interim CAO	X - A. Legault	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Board Meeting – August 17, 2021

AUTHOR: Remko Rosenboom, General Manager Infrastructure Services

SUBJECT: **CONSIDERATION AND IMPLICATIONS OF STAGE 4 WATER RESTRICTION EXEMPTIONS FOR PROPERTIES WITH FARM CLASS STATUS**

RECOMMENDATION(S)

THAT the report titled Consideration and Implications of Stage 4 Water Restriction Exemptions for Properties with Farm Class Status be received for information.

BACKGROUND

At the August 16, 2021 Special Board meeting, the following resolution was adopted:

221/21 THAT a Special Emergency Board meeting be called for August 17, 2021 at 2:00 p.m. to proceed with a bylaw amendment to grant registered farms a temporary two-week exemption from the SCRD Stage 4 water restrictions.

Staff committed to bringing forward information on the water use by the farms with Farm Class status under the *British Columbia Assessment Authority Act* in relation to a potential exemption from the Stage 4 Water Conservation Regulations. In addition, a bylaw amendment has been drafted for the Board's consideration.

The Drought Response Plan (DRP) is a technical guide that provides direction for managing the water supply during times of supply challenges or seasonal droughts. Changes have been made to the DRP in the past to reflect changing community values and priorities as well as to provide greater clarity.

On one end of the spectrum, Stage 1 describes “normal” conditions where regulations limit demand peaks on water treatment and distribution infrastructure as well as foster conservation habits. On the other end of the spectrum, Stage 4 describes a “severe” situation where water supplies are at risk of not meeting needs. At Stage 4, water is prioritized only for the essential uses of human health, environmental flow needs (EFN), and fire protection.

The purpose of this report is to provide the requested information and to bring forward Sunshine Coast Regional District Water Rates and Regulations Amendment Bylaw No. 422.38 for consideration. The amendment includes a two-week exemption from Stage 4 Water Conservation Regulations to farms with Farm Class status under the *British Columbia Assessment Authority Act*.

DISCUSSION

Impacts on water supply farm exemption

For the purpose of this analysis we used an historical list of 16 farms with Farm Class status under the *British Columbia Assessment Authority Act* within the Chapman Water System.

The total amount of water these 16 farms used in July is approximately 179 m³ per day (179,000 litres per day). It is important to note that the daily usage per farm ranges from 1.42 m³ per day to 60.50 m³ per day.

There are other farms with farm class status under the *British Columbia Assessment Authority Act* beyond the ones that the SCRD is currently aware of and that are included in this analysis. For the purpose of this analyses we used that this is resulting in an increase usage of 33%.

Hence, a two-week exemption could result in a total usage of approximately 3,329 m³.

Based on average daily demand from the entire community of approximately 12,000 m³ per day, granting a 14-day exemption to the Stage 4 Water Conservation regulations could result in a 7-hour reduction in the availability of water for the entire Chapman Water System.

Potential implications on other users

It is anticipated that an exemption solely for farms with Farm Class status will result in more commercial and residential growers of food to start watering their crops again, including small growers with no Farm Class status and residents who grow their own food production as they cannot afford to purchase them. The extent of this increased non-compliance with the regulations, and associated reduction in water supply of the Chapman Water System is difficult to predict.

It is of note that nurseries have also requested an exemption to the Stage 4 regulation given the impact it is having on their operations.

Organizational implications

The inquiries, complaints and enforcement actions associated with the exemption, along with the potential for additional non-compliance will increase the work load for staff.

Timeline for Next steps

Farms that would like to qualify for the exemption to the Stage 4 regulations currently under consideration should call the SCRD to confirm their status under the *British Columbia Assessment Authority Act* prior to using any outdoor water.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

Granting a 14-day exemption to farms with Farm Class status under the *Assessment Act* could reduce the water supply for the Chapman water system by approximately 7 hours; however, the

actual reduction could be higher due to the anticipated increase in non-compliance resulting from such an exemption.

Reviewed by:			
Manager		Finance	
GM		Legislative	X – S. Reid
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422.38

A bylaw to amend Sunshine Coast Regional District
Revised Water Rates and Regulations Bylaw No. 422, 1995

The Board of the Sunshine Coast Regional District in open meeting assembled enacts as follows:

1. This Bylaw may be cited as *Sunshine Coast Regional District Water Rates and Regulations Amendment Bylaw No. 422.38, 2021*.
2. *Sunshine Coast Regional District Revised Water Rates and Regulations Bylaw No. 422, 1995* is hereby amended as follows:

a) Add a new section 4.3 to Schedule J “Water Conservation Stages” as follows:

4.3 Despite section 4.1 above, where land is classified as farm land for taxation purposes under the *British Columbia Assessment Authority Act*, and where notification of the farm classification has been provided to the Regional District in accordance with section 24.8 of this bylaw, those farms will be exempt from Stage 4 water restrictions, for the two-week period commencing August 17, 2021 up to and including August 31, 2021.

READ A FIRST TIME	this	17 th	day of	August, 2021
READ A SECOND TIME	this	17 th	day of	August, 2021
READ A THIRD TIME	this	17 th	day of	August, 2021
ADOPTED	this	17 th	day of	August, 2021

CORPORATE OFFICER

CHAIR