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**To:** Mayor and Council  
**From:** Paul Gipps, CAO  
**Meeting Date:** March 3, 2026  
**Meeting Type:** Regular Council Meeting

**Prepared by:** Nick Van Dalen, Engineering Technician II  
**Department:** Infrastructure & Development Engineering

**Title:** Small-Scale Farming Policy 223, 2025 and Water Regulations and Rates Amendment Bylaw (Small-Scale Farming) 1320, 2026  
**Description:** Consideration of policy that allows small-scale farming operations to access agricultural water rates

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### **RECOMMENDATION**

THAT Small-Scale Farming Policy 223, 2025 be adopted;  
AND THAT Water Regulations and Rates Amendment Bylaw (Small-Scale Farming) 1320, 2026 (OPTION 1), be read a first, second, and third time.

### **EXECUTIVE SUMMARY**

The Small-Scale Farming Policy (Policy 223, 2025) provides a local mechanism to support legitimate small-scale agricultural operations on parcels 1 and 2 acres located within the Agricultural Land Reserve (ALR). These properties may face barriers to obtaining Class 9 Farm Status through BC Assessment, which in turn disqualifies them from receiving agricultural water rates, as per District bylaw.

The policy outlines eligibility criteria and a simplified application process for these properties to access agricultural water rates, provided that bona fide agricultural activity is confirmed through a completed CRA form T2042 – Statement of Farming Activities. The policy ensures that only qualifying operations benefit from discounted water rates while minimizing administrative burden by relying on standing practices.

The Water Services Advisory Committee (WSAC) recommended that staff develop this policy in response to concerns raised, and the draft has been developed, in consultation with the committee, to address those concerns while protecting the integrity of the water rate system.

If the Policy is adopted, amendments to the Water Regulations and Rates Bylaw are required to formally align eligible properties under the policy with agricultural water rates. The required bylaw amendments include deleting and replacing the definitions of “Farm Status” and “Agricultural Irrigation”

As part of the proposed bylaw update, additional housekeeping amendments are proposed to ensure cross connection controls are better aligned with current standards. The housekeeping changes amend section 14.5 by deleting and replacing “double check valve assembly (DCVA)” with “backflow prevention assembly” and section 14.6 by adding the text “the most updated version of the” [CSA].

Should Council adopt Small-Scale Farming Policy 223, 2025 the associated bylaw amendments (including housekeeping amendments) are shown in Bylaw 1320 Option 1. Should Council *not* wish to adopt Small-Sale Farming Policy, the bylaw amendments related only to the housekeeping changes are shown in Bylaw 1320 Option 2. The attached redline version of Water Regulation and Rates Bylaw 984 shows both amendments for the proposed bylaw and the housekeeping amendments.

## DISCUSSION/ANALYSIS

Under District bylaws, properties seeking agricultural water rates must have Class 9 Farm Status as determined by BC Assessment. However, farms under two acres must meet higher thresholds (e.g., revenue requirements) to qualify, which may present a challenge for small-scale producers actively engaged in legitimate agricultural practices.

In early 2024, a member of the WSAC raised the issue of small-scale farming within the District. In Fall 2024, staff presented background information on small-scale farming and the methodology used to determine agricultural water rates. At that time, WSAC requested additional analysis on what a small-scale farming policy may include, including which properties may qualify, the potential impacts on water consumption and rates, and how other water purveyors address similar situations. In Spring 2025, staff returned with further information, and WSAC passed a resolution directing staff to draft a small-scale farming policy. The draft Small-Scale Farming Policy 223, 2025 was presented in Fall 2025, at which time WSAC passed a motion *THAT the Water Services Advisory Committee recommends Council support the Small-Scale Farming Policy 223, 2025.*

Through work with the WSAC, the proposed Small-Scale Farming Policy addresses the gap of small agricultural operations accessing agricultural water rates by establishing a local, policy-based eligibility pathway for properties that:

- Are greater than or equal to 1 acre and less than 2 acres in size;
- Are located within the Agricultural Land Reserve (ALR) or zoned A1;
- Submit a CRA form T2042 – Statement of Farming Activity confirming bona fide farming activity.

Applicants are responsible for all metering and infrastructure costs, and the policy requires reapplication every three years to maintain eligibility. Verification through CRA Form T2042 – Statement of Farming Activities ensures that only legitimate agricultural operations qualify, without requiring detailed staff reviews or site inspections.

The policy has been structured to:

- Align with the District’s Water Regulation and Rates Bylaw by providing access to agricultural water rates for active agricultural uses;
- Maintain fairness and transparency in the application of agricultural water rates;
- Support sustainable, small-scale farming that contributes to local food production and economic activity.

Should Council adopt the policy, corresponding amendments to the Water Regulation and Rates Bylaw will be brought forward to formally implement agricultural water rates consistent with the policy. These amendments will also include updates to the cross-connection control section of the bylaw to reflect current standards and best practices.

## FINANCIAL IMPLICATIONS

None       Budget Previously Approved       Other (see below)

If approved, small-scale farming operations that align with the policy will now be able to access irrigation water at agricultural water rates, which are typically significantly lower than seasonal irrigation or residential rates. In staff’s analysis, only 43 properties would qualify under this policy. If all eligible properties took advantage of the policy it would result in a change of \$25,000, which is less than 0.5% of annual revenue. It is not expected that every qualifying property will apply for the small-scale farming exemption. Staff are recommending monitoring the impacts and uptake of the Small-Scale Farming policy and adjusting rates in the future, if necessary.

## COMMUNICATION

This policy was developed in consultation with the WSAC. The draft policy was also provided to the Lake Country Farmers Institute for comment, but no response has been received at this time.

**ALTERNATE RECOMMENDATION(S)**

1. THAT Small-Scale Farming Policy 223, 2025 be amended (as identified by Council)  
AND THAT Small-Scale Farming Policy 223, 2025 be adopted as amended.  
AND THAT Water Regulations and Rates Amendment (Small Scale Farming) Bylaw 1320, 2026 (OPTION 1), be read a first, second and third time
  
2. THAT Small-Scale Farming Policy 223, 2025 be deferred pending additional information identified by Council.  
AND THAT Water Regulations and Rates Amendment Bylaw 1320, 2026 (OPTION 2) be read a first, second, and third time.

Respectfully Submitted.

**Nick Van Dalen, Engineering Technician II**

## Report Approval Details

Document Title:	Small Scale Farming Policy 223, 2025.docx
Attachments:	<ul style="list-style-type: none"> <li>- Appendix A - Small-Scale Farming Policy 223 2025.pdf</li> <li>- Appendix B - Small-Scale Farming Application.pdf</li> <li>- Appendix C - Water Regulation and Rates Bylaw 984, 2016 - Redline.pdf</li> <li>- Appendix D - Amendment Bylaw 1320, 2026-OPTION 1.pdf</li> <li>- Appendix E - Amendment Bylaw 1320, 2026-OPTION 2.pdf</li> </ul>
Final Approval Date:	Feb 26, 2026

This report and all of its attachments were approved and signed as outlined below:

**Matthew Salmon, Infrastructure & Development Engineering Director - Feb 24, 2026 - 1:33 PM**

**Task assigned to Reyna Seabrook, Director of Corporate Services was completed by assistant Makayla Ablitt, Manager of Corporate Administration - Feb 24, 2026 - 1:47 PM**

**Paul Gipps, Chief Administrative Officer - Feb 26, 2026 - 7:32 AM**

**Task assigned to Makayla Ablitt, Manager of Corporate Administration was completed by assistant Shara Glenn, Legislative and FOI Coordinator - Feb 26, 2026 - 8:42 AM**