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**MEETING TYPE:** Regular Council Meeting  
**MEETING DATE:** May 21, 2024  
**AUTHOR:** Kiel Wilkie, Utilities Manager  
**DEPARTMENT:** Utilities  
**ITEM TITLE:** Carr's Landing Water Servicing Strategy – LSA Preference  
**DESCRIPTION:** Consideration of Local Service Area Petition Process and Funding Options

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#### PURPOSE

To consider the preferred local service area (LSA) petition process and funding methodology prior to initiating public consultation process.

#### RECOMMENDATION

THAT Staff be directed to proceed with public engagement regarding the establishment of a Carr's Landing Local Service Area, as generally outlined in the Carr's Landing Water Servicing Area (Attachment A);  
AND THAT the preferred process for establishing the local service area is through **petition for local area service** in accordance with section 212 of the *Community Charter* and the preferred cost recovery method is through a **single amount per parcel** in accordance with section 202(2)(a) of the *Community Charter*, subject to public feedback and establishment of a local service area bylaw.

#### EXECUTIVE SUMMARY

A central element of the District's 2023 Water Master Plan was the development of a servicing concept for the Carr's Landing area (Attachment A). This Council initiative was driven by ageing infrastructure, water quality uncompliant with IHA standards, and inadequate fire protection from the existing water systems in that part of the community.

In 2023, the District launched the Carr's Landing Local Service Area (LSA) strategy. The objective was to explore the extension of the District's public water system into the area to address these known deficiencies. A crucial part of this initiative involves public engagement to inform residents about the area's issues, the proposed solutions by the District, and the expectation that project costs will be funded by the benefiting residents, in line with the LSA process of the Community Charter.

Once the water system issues and the benefits of extending the public water system are explained to residents in the servicing area, it will be important to communicate Council's preferences regarding the petition and funding processes. It's essential to note that the decision is not final until an LSA bylaw is adopted by Council.

#### LSA Petition Options:

Petition for Service: More than 50% of properties and land value must vote in favor.

Petition Against: More than 50% of properties and land value must oppose.

Assent Voting: More than 50% in a referendum, with one vote per resident or non-resident property elector.

#### LSA Funding Options:

##### Parcel Tax:

- Single amount for each parcel
- Taxable area of a parcel
- Taxable frontage of each parcel

Property value tax: Calculated by applying a set tax rate to the assessed property value.

\*Note that a combination of a parcel tax and property value tax is also possible.

While Council could use any of the above options, given the nature of the potential LSA, providing water service to individual homes, management feels that either using a parcel tax with a single amount for each parcel or a property value tax would be the most appropriate.

Staff is seeking Council preferred process prior to initiating public engagement.

#### **DISCUSSION/ANALYSIS**

Effective communication with residents is crucial for the Carr's Landing LSA. A comprehensive communications plan will enable residents to make informed decisions. Key questions that the public may ask include:

What are the water issues?

What is the proposed solution?

What is the process?

How much will this cost?

While the answers to the process and cost questions will be finalized by Council upon the adoption of an LSA bylaw, it's important for staff to convey Council's preferences regarding the petition process and cost recovery during public engagement.

#### **APPLICABLE LEGISLATION, BYLAWS AND POLICY**

The LSA petition process and taxation methods are governed by Part 7, Division 5 of the Community Charter.

#### **IMPACT ON INFRASTRUCTURE, SERVICES AND STAFF CAPACITY (if applicable)**

The Carr's Landing LSA process and potential project will have significant impacts on infrastructure, services, and staff capacity. However, the impacts of this discussion are not considered significant to staff capacity in context of the overall process.

#### **FINANCIAL IMPLICATIONS**

☐ None      ☐ Budget Previously Approved      ☒ Other (see below)

Presently, the project is estimated to cost around \$20 million, covering 371 parcels, resulting in a cost of approximately \$53,908 per parcel. Property owners would have the ability to commute their portion (pay up front), or pay their amount owing along with property taxes, amortized (typically over 20 years) with interest on a Municipal Finance Authority loan. The current 20 year MFA rate is 4.81%. A \$20,000,000 loan at 4.81% would result in \$33,096,159 of total principal and interest payments, or \$89,208 per parcel or approximately \$4,460 per parcel per year.

Cost recovery through a property value tax allocates costs based on the properties assessed value. The collective value of the 371 properties stands at \$752,452,089, with an average property value of \$2,028,173. Using a property value tax, the average homeowner would still contribute \$53,908 (\$89,208 if paid over 20 years). However, properties with above-average values would pay more, while those with lower values would pay less.

The owners of higher-valued properties may perceive this method as unjust and may oppose the project, potentially leading to these properties not supporting the project. Since land value is a factor in the petition equation, this could impact the petition process being successful.

The highest value property currently in the LSA is \$11,362,000. This property's cost allocation would be \$301,999 if commuted and higher if paid back over 20 years.

#### **CONSULTATION (Internal referrals, External Agencies, Committees, Stakeholders)**

N/A

### COMMUNICATIONS (if applicable)

Effective communication with residents is crucial for making informed decisions. Communicating Council's preferences resulting from this discussion will assist the community and Council in making informed decisions when the petition process is initiated later on.

### ALIGNMENT WITH COUNCIL STRATEGIC PRIORITIES

- ☐ Create and Support Opportunities for a Healthy, Active and Inclusive Community
- ☒ Create Infrastructure That Meets Community Needs
- ☐ Encourage Growth of the Downtown Core
- ☒ Ensure Sustainable Water Service Delivery for the Community
- ☐ Explore Opportunities to Engage With Regional Local Governments for the Betterment of the Community
- ☐ Honour Reconciliation by Strengthening Relationships and Inclusiveness With Our Indigenous Partners
- ☐ Identify and support improvements to the Development Process
- ☐ Implement the Agricultural Plan
- ☐ Preserve, Protect and Enhance Our Natural Environment
- ☐ Secure long term wastewater service delivery for our community
- ☐ Support Opportunities to Diversify Lake Country's Tax Base

### ALIGNMENT WITH MASTER PLANS

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|--|--|
| <input type="checkbox"/> Agricultural Plan                             | <input type="checkbox"/> Official Community Plan                           |
| <input type="checkbox"/> Climate Action Charter                        | <input type="checkbox"/> Parks & Recreation Master Plan 2019               |
| <input type="checkbox"/> Housing Needs Report                          | <input type="checkbox"/> Sanitary Sewer System Map                         |
| <input type="checkbox"/> Liquid Waste Management Plan Stage 1/2 Report | <input type="checkbox"/> Transit Future Plan-Central Okanagan Region-DRAFT |
| <input type="checkbox"/> McCoubrey Plateau Area Structure Plan         | <input type="checkbox"/> Transportation for Tomorrow                       |
| <input type="checkbox"/> Mobility Master Plan                          | <input checked="" type="checkbox"/> Water Master Plan                      |

### OPTIONS

THAT Staff be directed to proceed with public engagement regarding the establishment of a Carr's Landing Local Service Area, as generally outlined in the Carr's Landing Water Servicing Area (Attachment A);  
 AND THAT the preferred process for establishing the local service area is through **(X)** in accordance with section 212 of the *Community Charter* and the preferred cost recovery method is through a **(Y)** in accordance with section 202(2)(a) of the *Community Charter*, subject to public feedback and establishment of a local service area bylaw.

X= Petition for Service **OR** Petition Against **OR** Assent Voting

Y = single amount per parcel **OR** by way of a property value tax in accordance with Part 7, Division 3 of the *Community Charter*

Respectfully Submitted,  
 Kiel Wilkie, Utilities Manager

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**Report Approval Details**

Document Title:	Carr's Landing Water Servicing Strategy - LSA Preference.docx
Attachments:	- Attachment A- Carr's Landing Water Servicing Area.pdf
Final Approval Date:	May 16, 2024

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

**Reyna Seabrook, Director of Corporate Services - May 9, 2024 - 1:30 PM**

**No Signature found**

**Trevor James, CFO, Director of Finance & Administration - May 9, 2024 - 3:43 PM**

**Paul Gipps, Chief Administrative Officer - May 16, 2024 - 1:58 PM**