

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

ESTABLISHED 1914

TO: Administration Boards (Water and Sewerage and Drainage)

FROM: Intergovernment and Communications Committee

DATE: July 4, 1996

RE: Policy Guidelines on the  
PROVISION OF WATER AND SEWER SERVICES  
OUTSIDE MUNICIPAL SERVICE AREAS

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## Committee Recommendations

- a) That the Board receive the report titled *Policy Guidelines on the Provision of Water and Sewer Services Outside Regional Service Areas*; dated July 4, 1996 with the word "asset" changed to the word "facility";
- b) That the Board adopt the process and policy considerations to review applications for provision of water and sewer services outside existing service areas;
- c) That the Board adopt the remaining recommendation of the report, *Land Lease for Lions Gate Sewage Treatment Plant*, as included in Appendix 3 (of the report referenced in (a) above).

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## 1. Purpose

To present proposed policy guidelines on the provision of water and sewer services outside existing municipal service areas.

## 2. Background

On September 13, 1995, the Intergovernment and Communications Committee approved staff recommendations to review and report on a policy for the provision of utility services to areas outside existing municipal service areas. This was in response to requests for extension of utility services by the Tsawwassen First Nation and Squamish First Nation. Also at this meeting, the *Provision of Utility Services* report was presented to outline some of the existing arrangements for the provision of utility services to non-members.

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On November 8, 1995, the Intergovernment and Communications Committee requested staff to prepare for discussion, a policy paper relative to the provision of utility services to areas outside the existing municipal service boundaries. The committee requested that the following considerations be included in the policy paper:

- Land use must be in compliance with the Livable Region Strategic Plan
- Identification of soft services cost

After considering the existing and potential service extension issues the Regional Administrative Advisory Committee (RAAC) at its February 7, 1996 meeting, advised staff that a *case-by-case with policy guidelines approach* provides a workable implementation policy. Subsequently, staff prepared a report, Provision of Water and Sewer Services Outside Municipal Service Area that was reviewed by a sub-committee established by RAAC. This report incorporates the subcommittee's recommendations.

### 3. Policy

At present, the decisions on the delivery of GVRD utility services to non-members are being made ~~on an ad hoc basis with due consideration of the impact on member municipalities.~~

### 4. Discussion

Current arrangements, potential service areas and interests of stakeholders relevant to the extension of services are outlined in Appendix 1, Provision of Water and Sewer Services Outside Municipal Service Areas: Current Arrangements

#### 4.1 Proposed Considerations

The region's projected population growth of one million by the year 2021, poses fiscal challenges for the GVRD and member municipalities. As a result, new considerations are required for the extension of regional services.

- **Local and Regional Plan Compliance**

The planning objectives of both local and regional governments are to achieve land uses that are compatible with those of adjacent land. Proposed service extensions must be for uses that are in compliance with local or regional plans.

#### **Official Community Plan (OCP)**

OCPs are an integral part of the municipal land use planning process and define the type of community citizens want to see in the future. They focus on compatible land use designations, and address both present and future land use needs. Balancing the development priorities with those of neighboring communities or the regional district is

critical in terms of infrastructure or other service costs that may arise from specific land uses.

Development proposals involving First Nations land in the region are considered in the OCPs. Except for those service extensions that are outside municipal boundaries, compliance with an OCP could be used as a requirement for service extension.

### **Livable Region Strategic Plan and Growth Strategies Statutes Amendment Act**

The Livable Region Strategic Plan (LRSP) and the Growth Strategies Statutes Amendment Act provide the region with a regional plan that includes policies and targets based upon four fundamental strategies: Protect the Green Zone, Build Complete Communities, Achieve a Compact Metropolitan Region and Increase Transportation Choice. The Growth Strategies Statutes Amendment Act requires planning efforts including infrastructure planning for the GVRD, GVS&DD and GVWD to be consistent with the adopted regional growth strategy.

The physical interpretation of the LRSP is reflected in the growth management component of the plan. ~~Growth targets for households, population and employment were established~~ for the region using a zonal system. This covers the whole region, including First Nations. However, it is important to note that the Reserves were not treated as separate entities in the zonal system, and that allocations at the zonal system or municipal level are not a formal part of the plan.

#### **• Infrastructure and Services**

The provision of services such as parks, roads, recreation, waste collection, fire and police is one of the primary interests and functions of local government. Local governments also set standards and conduct planning for future service and infrastructure development.

Extending the service area of utilities should not result in an additional tax burden on existing property owners as the demand for infrastructure increases from neighboring areas. As well, the standards and quality of infrastructure in these areas, where the utility is extended, should be compatible with those of the local government.

Some believe that utility services should only be extended when soft services requirements are resolved. This requirement is constrained by the difficulty of quantifying cost, quality of service and service thresholds. Implementing this will require the following:

- ◇ A constantly updated management information system to track usage volume,
- ◇ A data base to set levels of service for specific facilities. This will include developing service boundaries and level of services for defined boundaries.
- ◇ A capital facilities progress report that is supported by funding sources as an indication of future services.

- ◇ A report on service levels that indicates “backlog” levels due to possible overuse.

## 4.2 Process and Policy Considerations

A more comprehensive assessment of service extension outside existing service areas should entail the following:

- *A defined process for handling requests for services outside existing service areas.*
- *A set of policy considerations to guide a decision making process.*

### 4.2.1 A Defined Process

A clearly defined and agreed upon process will allow various interests to be considered. Key features of the process will include:

- ◇ **Balanced Decision-Making.** The process should allow for joint decision-making fostered by information exchange at all stages between stakeholders (the applicant, adjacent municipality and the GVRD).
- ◇ **Specific Timelines.** The process should include timeframes to ensure an efficient and predictable process. Timelines for receipt, review and analysis will enable stakeholders to target specific areas of interest and to estimate the duration of their participation.
- ◇ **Staged Review.** Stages of the process should be defined. The process should provide flexibility in relation to the complexity of the issue.

In addition, key to the implementation of the process is the definition of the lead agency without jeopardizing a balanced decision making.

#### Process

Two types of applications were identified calling for two distinct processes:

- **Process 1.** Applications for service *within the boundaries* of a member of the GVS&DD and/or the GVWD.

Applications for service *within the boundaries* of a member of the GVS&DD and/or the GVWD will be through the municipal system. The municipality as the lead agency will consider the application and inform the Region of its decision. The Region will review a municipal decision specifically if it impacts a *regional facility*. When a regional asset is involved, the Region will then become the lead agency.

- **Process 2.** Applications for service *outside the boundaries* of members of the GVS&DD and/or the GVWD.

Applications for service outside the boundaries of members of the GVS&DD and/or the GVWD will be made through the GVRD. The Region may redirect the application to the municipality if a regional interest is not identified.

The following outlines the two processes:

	<b>Process 1.</b> Application for service <i>Within the Boundaries</i> of a Member of the GVS&DD and/or GVWD.	<b>Process 2.</b> Application for service <i>Outside the Boundaries</i> of a Member of the GVS&DD and/or GVWD
<b>Application</b>	1. The application for service outside the municipal service area, but within the boundaries of a member of the GVS&DD and/or the GVWD will be made <i>through a member municipality</i> .	1. The application for service outside the boundaries of a member of the GVS&DD and/or the GVWD will be made <i>through the GVRD</i> .
<b>Preliminary Municipal Review</b>	2. The request for extension of services would be reviewed in the municipal context.	
<b>GVRD Preliminary Review</b>	3. The focus of the preliminary review may vary according to the municipal decision: - If the municipality has rejected the application this review will be limited to determining whether a <i>regional facility</i> is threatened. - If the municipality recommends acceptance of the application this review would assess the technical feasibility and regional implications of the required utility extension.	2. This review must take into consideration the concern of affected member municipality(s), technical feasibility, and regional implications of the requested utility extension.
<b>Initial Board Consideration</b>	4. The GVRD Board may decide to accept the proposal, refer for further consideration, or reject it.	3. The GVRD Board may decide to accept the proposal, refer for further consideration, or reject it.

<p><b>Further Staff Review</b></p>	<p>5. The GVRD staff will prepare a report which considers and incorporates the interests of the applicant, affected member municipalities and the Region. Opportunities will be provided for the various stakeholders to be involved in defining and affirming policy considerations contained in the staff report.</p> <p>In the event that a member municipalities are being adversely affected, the GVRD staff report will identify means by which the member municipality's concern can be mitigated. Resolution of member municipality's or municipalities' concern will be central to the Board decision making process.</p>	<p>4. The GVRD staff will prepare a report which considers and incorporates the interests of the applicant, affected member municipalities and the Region. Opportunities will be provided for the various stakeholders to be involved in defining and affirming policy considerations contained in the staff report.</p> <p>In the event that a member municipalities are being adversely affected, the GVRD staff report will identify means by which the member municipality's concern may be mitigated. Resolution of member municipality's or municipalities' concern will be central to the Board decision making process.</p>
<p><b>Refer to Committees</b></p>	<p>6. The GVRD staff report will be referred to the relevant Board committees. The committees input will be incorporated into the report for presentation to the Board.</p>	<p>5. The GVRD staff report will be referred to the relevant Board committees. The committees input will be incorporated into the report for presentation to the Board.</p>
<p><b>Final Board Report/Decision</b></p>	<p>7. The Board will consider the report and decide whether to refer it back for further information, accept or reject the application.</p>	<p>6. The Board will consider the report and decide whether to refer it back for further information, accept or reject the application.</p>

**4.2.2 Policy Considerations**

The following policy considerations must be examined from a regional and municipal perspective before a decision and conditions for service extension can be made:

- ◊ **Financial.** Financial impact can come as a direct result of the extension of services or as a consequence of development such as the cost of increased used of hard and soft services. Considerations can include whether there are financial consequences to existing serviced areas; the cost of soft services; and the cost sharing financial arrangement.

- ◇ **Technical and Operational.** Infrastructure design should be able to meet defined current and future capacities. The municipal facility's capacity may be limited or may be sensitive to site locations. Considerations can include whether current infrastructure design can meet present and future capacity; whether there are issues concerning technical and operational feasibility that cannot be addressed; and whether there is a valid development process to estimate future capacities.
- ◇ **Land Use Compliance.** Compliance to existing municipal and regional plans ensures assessment of current and infrastructure needs as well as land use compatibility.
- ◇ **Service Levels.** Extension of utility services that promotes development should not degrade service levels of existing serviced areas. Considerations can include whether it is possible to provide service level needs of newly serviced areas; what services are included in the development area; and whether the service level standards and quality are compatible with the levels of the neighboring area.
- ◇ **Local and Community Interests.** Extension of utility services that encourages development may impact an adjacent municipality or community. Interests of these communities should be considered in the assessment process. Considerations can include the community's concerns regarding extension of utility services to the adjacent area; and whether these concerns can be addressed.
- ◇ **Regional Interests.** In the negotiation process on service extensions, provision of rights-of-way, taxation, and future expansion of regional facilities should be considered. It is also in the region's interest that water and sewerage services be available to all residents of the region because of the social benefits, such as public health, that result from a clean environment.

## 5. Options

- a) The Board could decide that requests for service outside the municipal service areas be initiated only through the adjacent or affected municipality. This means that a municipality may reject the request.
- b) The Board could adopt a process and policy considerations to review applications for provision of water and sewer services outside service areas, as outlined in *Section 4.2* of this report.  
This is the recommended option.

## 6. Financial Implications

The financial implications for the District and member municipalities are one of the major considerations in the evaluation of extensions of water and sewer services outside the service area. Properly carried out, there should be no negative financial impact to existing members.

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## **7. Livable Region Strategic Plan**

The Livable Region Strategic Plan, through the Growth Strategies Statutes Amendment Act, provides principles for consideration in the location of growth in households, population and employment. It, therefore, establishes the framework for the location of water and sewer services including extension of current service areas.

## **8. Member Municipalities**

Member municipalities are all stakeholders in the provision of water and sewer services outside service areas. Municipal administrators of member municipalities were consulted in the development of *Policy Guidelines on the Provision of Water and Sewer Services Outside Municipal Service Areas* through the Regional Administrative Advisory Committee (RAAC). Their input and recommendations are incorporated in this report.

## **11. Staff Recommendations:**

- a) That the Board receive the report titled *Policy Guidelines on the Provision of Water and Sewer Services Outside Regional Service Areas*.

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- b) That the Board adopt the process and policy considerations to review applications for provision of water and sewer services outside existing service areas, as outlined in *Section 4.2* of this report.
- c) That the Board adopt the remaining recommendation of the report, *Land Lease for Lions Gate Sewage Treatment Plant*, as included in Appendix 3.

## **12. Committee Comments**

The Regional Administrative Advisory Committee at its July 3, 1996 meeting, considered the report, *Policy Guidelines on the Provision of Water and Sewer Services Outside Municipal Service*, and endorsed staff recommendations.

## **13. Committee Recommendations**

The Intergovernment and Communications Committee endorsed staff recommendations with some clarification changes to the report.

The Intergovernment and Communications Committee recommend:

- a) That the Board receive the report titled *Policy Guidelines on the Provision of Water and Sewer Services Outside Regional Service Areas*; dated July 4, 1996 with the word "asset" changed to the word "facility";

- b) That the Board adopt the process and policy considerations to review applications for provision of water and sewer services outside existing service areas:
  - c) That the Board adopt the remaining recommendation of the report, *Land Lease for Lions Gate Sewage Treatment Plant*, as included in Appendix 3 (of the report referenced in (a) above).
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## Appendix I

### Provision of Water and Sewer Services Outside Municipal Service Areas: Current Arrangements

#### Existing and Potential Service Arrangements

The GVWD and the GVS&DD have, in the past provided regional utilities outside the existing service areas. A review of existing services outside municipal boundaries shows that arrangements were made, either with the serviced area directly or through the adjacent member municipalities. Arrangements through member municipalities were made in cases where municipal distribution systems were used.

#### *Direct Arrangement*

(a) Point Roberts Water Supply

This arrangement involved the transfer of water across international boundaries and therefore required federal and provincial approval. The GVWD Act was also amended to specifically include the supply of water to Point Roberts. While the agreement was between GVWD and Point Roberts, a separate agreement was made between Delta and the GVWD to protect Delta's interests.

(b) University Endowment Lands Water Supply (UEL)

The Endowment Lands receive water as a non-member of the District at a surcharge.

(c) University of British Columbia (UBC) Sewage Services

#### *Through Member Municipality*

The following are supply arrangements made through member municipalities:

(a) Katzie Band (Barnston Island) Water Supply, through Surrey

(b) Musqueam Reserves Water and Sewer Services, through City of Vancouver

The diversity of service arrangements of the above cases is also reflected in the potential areas for service extension. About 22 areas in the region were identified as potential service extension outside existing service areas (Appendix 2). Key consideration in the development of a servicing policy is its geographic and jurisdictional characteristics, that is, service arrangements that are within district boundaries differ to those outside the district boundaries. Of the 22 areas, four geographic and jurisdictional variations were identified:

(a) Areas within municipal/district boundaries, outside service area.

(b) Areas within municipal/district boundaries, outside service area, First Nations Reserve. (e.g. Squamish Cut-off Land)

(c) Areas within municipal/district boundaries, within service area, First Nations Reserve. (e.g. Musqueam, Katzie)

(d) Areas outside municipal/district boundaries, outside service area. (e.g. Point Roberts, Belcarra, Anmore.)

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## Legal Implications

The Greater Vancouver Water District Act makes the following references to water service to non-municipal service areas.

*“55. (1) The Corporation shall not within the district sell or supply water to private persons or corporations, or otherwise than in bulk to municipalities: but the Corporation may sell and supply water to any municipality not a member of the Corporation or to corporations or persons, for use outside the district.*

*(2) The Corporation may sell and supply water to the Crown for use within or without the district.*

*(3) The Corporation may, pursuant to an agreement made under section 5 (1), sell and supply water in bulk to Point Roberts Water District No. 4.*

*56. It shall be lawful for any municipality within the district having or possessing a distribution system of water- mains of its own to assume the duty of delivering water in bulk (supplied to it by the Corporation) to any other municipality or area within or without the district upon such terms and for such period of time as shall be arranged between the municipality and the other municipality or parties interested, subject always to the approval of the Board.”*

The supply of sewer services to non-municipal service areas is not clearly covered by the Greater Vancouver Sewerage and Drainage District Act.

## Issues and Interests

The District as a regional utility provider considers the following in the extension of services:

- **Service Capacities**

Water and sewerage facilities are, by the nature of the service, designed to meet long term development needs. The region's system is generally designed to handle capacity based on a time horizon. Capacity therefore is not a major constraint in the decision to service more areas. The proximity of the proposed and existing service areas to major service trunk lines makes the servicing of these areas of no constraint to regional facilities. However, municipal facilities may be limited by capacities or may be sensitive to site locations. Proximity to District's water and sewer systems may allow direct connection rather than through the municipal system.

- **Cost Allocation**

As in the case of new municipalities joining the District, the policy is such that service should not have any adverse impact in the cost to the region and its members by servicing

a larger area. The policy on volume-based cost allocation allows for user-pay based implementation and will have no impact on current members.

- **Land Use**

Land use is a major consideration in the extension of utility services as this indicates current and future development necessary in the design of infrastructure capacities. However, municipal compliance to a municipal or regional plan in the past has not been a criterion in the delivery of regional utility services.

- **Environmental Benefits**

One important reason for the District's provision of water and sewerage services is that such goods and services involves external economies -- that is, it benefits all the residents in the region not only those who avail of the service but indirectly also those who do not. Public health that results from a clean environment are some of the external benefits of water and sewerage infrastructure. It is for this same reason that extensions of services outside service areas are considered.

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- **Current Issues**

- Rights-of-way and Permit Agreements.**

There are nine permits held by GVS&DD granted in its favour pursuant to Section 28(2) of the Indian Act. These rights-of-way were granted for water and sewerage services and for the period of time as the right-of-way is required for those purposes. Compensation for such rights varied from \$90 to \$900 dollars.

The GVS&DD has filed an Application to Intervene in the Opetchesht case in the Supreme Court of Canada. This application was made in response to the decision of the Supreme Court of British Columbia to declare B.C. Hydro's permit invalid following the interpretation of Section 28(2) of the Indian Act authorizing the grant of a permit for a specified period of years and not a period of time as defined in relation to event (i.e. "as required for the purposes of sewerage....."). The GVS&DD holds nine permits of similar nature.

In addition, a lawsuit was initiated by the Musqueam Indian Band regarding a dispute on a right-of-way held by the GVS&DD.

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### **Lions Gate Waste Water Treatment Plant (LGWWTP)**

The Lease Agreement for the LGWWTP located on the Squamish First Nation land, a potential service extension area, was signed on January 13, 1966, for the purposes of locating the region's waste water treatment plant.

An important future consideration is the need to expand the waste treatment plant to service an increasing population in the area. In recent negotiations with the Squamish First Nations regarding the delivery of water and sewer services, the North Shore Mayors and the GVS&DD and GVWD agreed to include provision of rights-of-way, taxation and future expansion of facilities as negotiation considerations.

In the 1931 Right-of-Way Agreement with the Squamish First Nations, water supply was also part of the agreement with certain restrictions.

- **Community Interests**

Community interests have been represented through the involvement of the adjacent municipality ~~since supply arrangements are often through the same member municipality.~~ In the case of direct water service (not through a municipality), consultation with the adjacent municipality has often been part of the process.

Appendix 2  
Existing and Potential Service Areas



