

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: J. Zaffino, Chief Administrative Officer
DATE: January 23, 2025
RE: Petition to Enter Water Service Area – Electoral Area “E” (E2020.001-SAP)

Administrative Recommendation:

THAT the Naramata Water System Local Service Establishment Amendment Bylaw No. 2896, 2020, be read a third time.

Purpose: To extend Water System service to three (3) parcels in Naramata Folio: E-07171.100/.500/.600
Legal: Lots 4-5, Plan EPP60812, District Lot 2711, SDYD; and Lot A, Plan KAP59640, District Lot 3474, SDYD
Civic: 3440, 3580 & 3690 Arawana Forestry Road
OCP: Resource Area (RA) Zone: Resource Area Site Specific (RAs)

Purpose:

The applicant has submitted a petition to the Regional District seeking to include the subject properties within the Naramata Water Service, which provides for the supply, treatment, conveyance, storage and distribution of water within the community.

In support of this request, the applicant has stated, amongst other things, that:

- including these properties in the water service area will allow any future campground use to obtain water from a new upper-elevation water reservoir to be located on these same lands and that this water could also be used for wildfire suppression;
- that this new water reservoir is needed to service some of the lots being subdivided on the lower lands; and
- there would be no reason for Naramata Benchlands to construct an upper elevation water reservoir if these lands were not included in the water service area as they see this as potentially limiting their access to the reservoir and ability to service any future campground.

Statutory Requirements:

Under Section 347 (Consent on behalf of electoral participating area) of the *Local Government Act*, “participating area approval ... may be given by the electoral area director consenting in writing to adoption of the bylaw”.

If, however, “a director refuses to give consent ... the board may, by a resolution adopted by at least 2/3 of the votes cast, dispense with the consent of the electoral area director and give participating

area approval by consenting to adoption of the bylaw on behalf of the electors in the proposed participating area.”

Should the Board give participating area approval by consenting to adoption of the bylaw on behalf of the electors, “the director for the participating area may, within 14 days after the resolution, appeal to the minister for a review ...”

Site Context:

The Naramata Benchland Properties Limited holdings that are the subject of this service area request comprises three separate parcels that represent a land area of 111.54 ha (Lot 4 at 47.1 ha, Lot 5 at 44.2 ha and Lot A at 20.24 ha).

These lands are seen to be relatively undeveloped with access to the two easternmost parcels via a forestry service road. The surrounding pattern of development to the east is largely comprised of undeveloped Crown land and residential development to the west.

Background:

Under the Regional Growth Strategy (RGS) Bylaw No. 2770, 2017, the subject properties are not within a currently designated growth area. The RGS Bylaw speaks to supporting “efficient, effective and affordable infrastructure services ...” and, as an objective, to “direct development to areas with publicly operated services and infrastructure.” The RGS is currently under review.

Under the Electoral Area “E” Official Community Plan (OCP) Bylaw No. 3005, 2024, the parcels are currently designated Resource Area (RA), and are the subject of an Environmentally Sensitive Development Permit (ESDP) and Watercourse Development Permit (WDP) Area designations.

Under the Okanagan Valley Zoning Bylaw No. 2800, 2022, the parcels are currently zoned Resource Area Site Specific (RAs), which stipulates a minimum size for subdivision of 20.0 ha and permits extensive land uses such as forestry, natural resource extraction and agriculture, with the site specific regulation permitting campgrounds.

Board Consideration:

At its meeting of October 15, 2020, the Board resolved to give first and second reading to the Naramata Water System Local Service Establishment Amendment Bylaw No. 2896, 2020.

At this same meeting, the Board further resolved that, prior to consideration of third reading of Bylaw No. 2896, the following conditions be fulfilled:

- 1. That a detailed letter, with expectations and requirements of the Regional District to be fulfilled at the expense of the owner with respect to infrastructure upgrades to provide water service to the Lands be delivered to Naramata Benchland Properties Ltd.; and, that the letter contain a provision whereby the developer acknowledges receipt of the letter and agrees with the contents therein; and*
- 2. That to ensure any future owner has notice of the infrastructure requirements of the Regional District, and the costs to provide water service to the Lands and to mitigate potential liability with respect to any obligation of the Regional District to provide water service, that a “no-build/subdivision” covenant be registered against the Lands pursuant to Section 219 of the Land Title Act prior to inclusion of the Lands into the Naramata Water System Service Area. The*

Section 219 Covenant should also refer to the requirements of a development agreement being entered into prior to rezoning, subdivision or construction, if any.

Analysis:

With regard to the Board's conditions of October 15, 2020, the required infrastructure upgrades and access arrangements were confirmed as having been satisfied by the Public Works Division as of October 28, 2024. These conditions specifically included the following:

- 1. The water system must be able to supply water to the subject properties for the maximum potential water use sited within the existing zoning and with fire flows. The existing system does not have reservoirs at elevation nor does it have nearby water mains or the booster stations required.*
- 2. The Regional District must own the land, have right of ways, or be inside Provincial Ministry of Transportation road for all the infrastructure it is expected to own and maintain. This infrastructure includes water mains, reservoirs and booster stations.*
- 3. The Regional District must be able to access by vehicle the infrastructure it is expected to own under all weather conditions, at all hours.*
- 4. The infrastructure constructed must meet the all of the requirements of the subdivision servicing bylaw.*

Upon meeting all the requirements set out in the previous direction provided by the Board, Administration is recommending that the amendment bylaw read a third time and adopted.

Alternative:

It is noted that the subject properties are not situated within the Naramata Rural Growth Area under the RGS and Electoral Area "E" OCP bylaws and that the extension of service to this area is not currently contemplated by either of the land use plans.

Moreover, since the Board last considered this development, the Electoral Area "E" OCP Bylaw has been reviewed and speaks to maintaining the existing rural character of the community by preventing rural sprawl on the hillsides.

The extension of infrastructure such as water and sewer services is generally a precursor of increased development, be it residential, commercial or industrial, and the current Resource Area (RA) designation of these lands speaks to maintaining these as rural "with limited to no community services and infrastructure."

This is because the extension of "urban-type services can become unaffordable when they are provided in low density rural areas" as there are simply not enough rate-payers to support the service and related infrastructure in a sustainable, long-term manner (source: Asset Management BC).

Monies spent extending an existing water system into a low density rural area with limited capacity for further development also occurs at the expense of other priority areas, such as those identified in the RGS (e.g. Naramata Rural Growth Area).

It is also noted that the subject parcels are remote and large enough to sustain groundwater wells for single family domestic and other uses and do not require a connection to a community water system.

Should a higher density development be envisioned in the future, a plan of subdivision would be filed, rezoning would need to occur and public consultation would be required.

While the establishment bylaw does not prescribe any limits on where within the community of Naramata the water service can be provided, it does not include parcels zoned Resource Area (RA).

The Regional District is not obliged to provide a service upon receipt of a petition from a land owner, particularly if the Board has concerns about the request for service.

Communication Strategy:

This request is not subject to notification requirements under the *Local Government Act*.

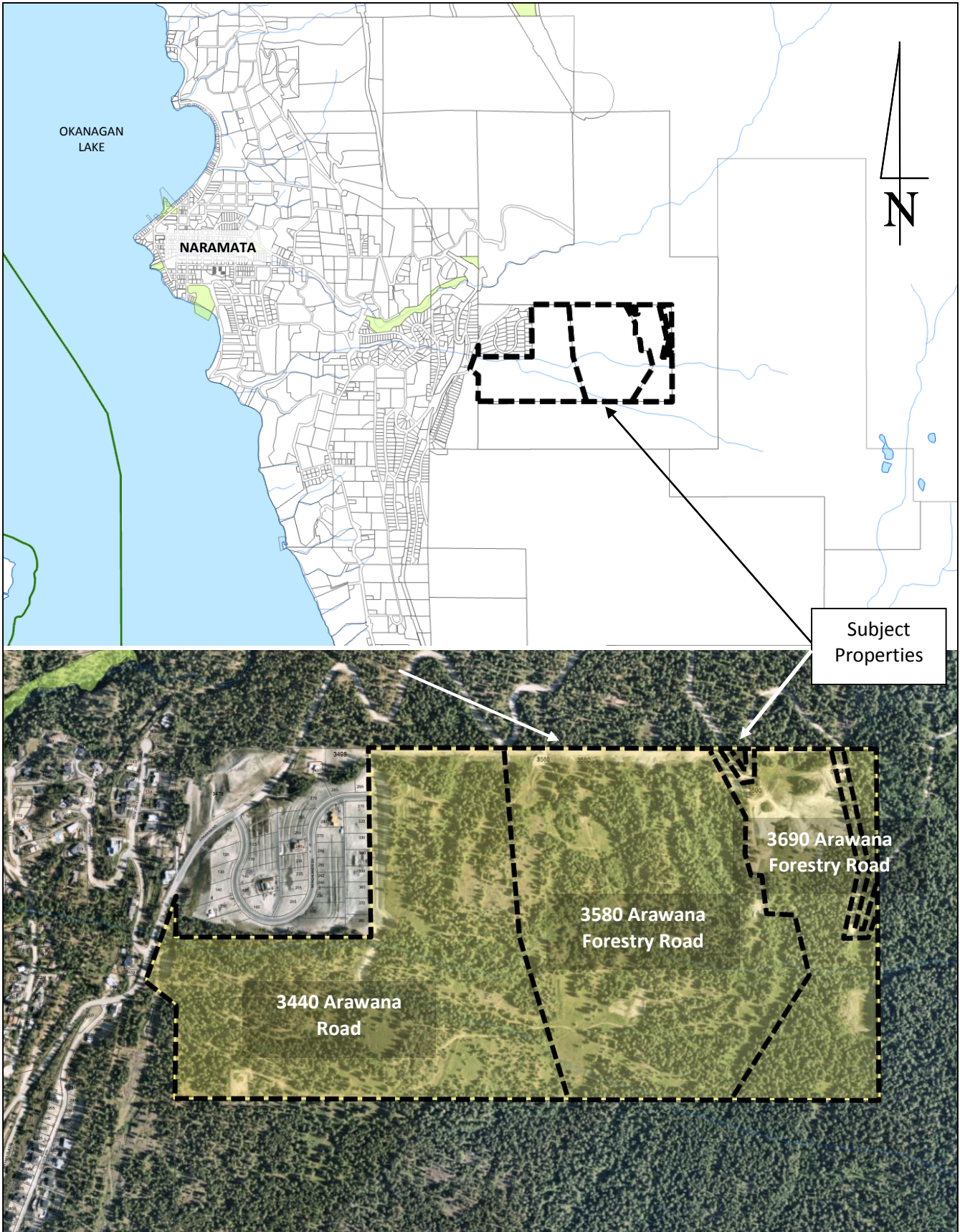
Alternatives:

1. THAT first and second reading of the Naramata Water System Local Service Establishment Amendment Bylaw No. 2896, 2020, be rescinded and the bylaw abandoned.

Attachments: No. 1 – Context Maps

No. 2 – Applicant’s Service Area Petition Request (Water)

Attachment No. 1 – Context Maps



Attachment No. 2 – Applicant’s Service Area Petition Request (Water)

