



BYLAW NO. 615

A BYLAW TO AUTHORIZE ENTERING INTO AN AGREEMENT FOR THE SUPPLY OF WATER TO SERVE ELECTORAL AREA D OF THE REGIONAL DISTRICT

WHEREAS the Regional District may, pursuant to s.263 of the Local Government Act, enter into an agreement with a public authority regarding works or services within the powers of a party to the agreement;

AND WHEREAS the Regional District wishes to enter into an agreement with the City of Campbell River for the bulk purchase of water to serve part of Electoral Area D;

AND WHEREAS the City of Campbell River has agreed to provide bulk water subject to certain conditions;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Funding Agreement Authorized

1. The Strathcona Regional District is hereby authorized to enter into an agreement with the City of Campbell River for the supply of bulk water to serve part of Electoral Area D.

Form and Substance

2. The agreement referenced in section 1 shall substantially comply in form and substance with Appendix 'A', attached to and forming part of this bylaw.

Source of Funding

3. Funding to meet the Regional District's financial commitments under the agreement shall be provided from the Electoral Area D water service established by Bylaw No. 2786 of the Comox-Strathcona Regional District.

Authority to Execute Agreement

4. Following the adoption of this bylaw, the Chair and Corporate Officer shall have full authority to execute the agreement and such further documents as may be necessary to give effect to the agreement.

Effective Date

5. This bylaw shall take effect on the date of adoption.

Citation

6. This bylaw may be cited for all purposes as Bylaw No. 615, being Electoral Area D Bulk Water Agreement Authorization Bylaw 2025.

READ A FIRST TIME ON THE 25TH DAY OF JUNE, 2025

READ A SECOND TIME ON THE 25TH DAY OF JUNE , 2025

READ A THIRD TIME ON THE 25TH DAY OF JUNE, 2025

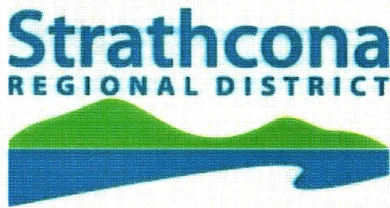
RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE 25TH DAY OF JUNE, 2025



Chair



Corporate Officer



Appendix 'A' – Water Supply Agreement

This Agreement dated for reference the _____ day of _____, 2025.

Between:

CITY OF CAMPBELL RIVER
301 St. Ann's Road
Campbell River, BC V9W 4C7

(hereinafter called the "City")

And:

STRATHCONA REGIONAL DISTRICT
990 Cedar Street
Campbell River, BC V9W 7Z8

(hereinafter called the "SRD")

WHEREAS:

A. The City is the purveyor of the City Water System (defined below), and the SRD wishes to purchase water in bulk from the City for the distribution within the SRD Water System (defined below) for the use and benefit of residents and others within the Electoral Area D Water Service Area;

B. The City is authorized under the Community Charter, including sections 8(1), 11(2), and 12(2), and SRD is authorized under the Local Government Act, including section 263, to enter into an agreement respecting the sale and purchase of water.

C. The Council of the City by resolution dated the _____ day of _____, 2025 has approved and consented to the terms and conditions hereinafter set out; and,

D. The Board of the SRD has approved and consented to the terms and conditions hereinafter set out by resolution dated the _____ day of _____ 2025;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein, the parties hereby covenant and agree each with the other as follows:

1.00 Definitions

1.01 In this Agreement:

- a) **"City Water System"** means the water treatment and distribution systems owned, operated, maintained and governed by the City of Campbell River.
- b) **"City"** means the City of Campbell River.
- c) **"Commencement Date"** has the meaning assigned in section 10.01.

d) **"Event of Default"** means:

- i. a failure by the SRD to pay a fee, cost or charge payable under this Agreement within thirty (30) days of the date such fee, cost or charge is payable by the SRD;
- ii. a failure by a party to carry out the remedial action required to remedy the deficiencies set out in a Notice to Correct within the time provided under section 8.01 or section 8.11, as applicable, or as ordered by the arbitrator appointed under section 8.05; or
- iii. a breach of any other provision of this Agreement.

e) **"Force Majeure"** means any prevention, delay, stoppage, or interruption in the performance of any obligation of a party due to strike, lockout, labour dispute, act of God, inability to obtain labour or materials, laws, ordinances, rules, regulations or orders of governmental authorities, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond the reasonable control of the party obligated to perform, but shall not include any inability by that party to perform because of its lack of funds.

f) **"SRD"** means the Strathcona Regional District.

g) **"SRD Water System"** means the water distribution system owned, operated, maintained and governed by the Strathcona Regional District within the Electoral Area D Water Service Area.

h) **"Water Service Area"** means those parts of Electoral Area D of the Strathcona Regional District shown in heavy outline on the plans attached to this Agreement as Schedule "A".

i) **"Water Shortage"** means meteorological or other severe circumstances beyond the reasonable control of the City (including an event of Force Majeure) resulting in a decline in the availability of water to meet the peak water needs of persons served by the City Water System and the SRD Water System.

2.00 Supply and Quality of Water

2.01 The City shall from and after the Commencement Date, provide water in bulk to the SRD Water System so that the SRD may serve the Water Service Area in accordance with this Agreement at a flow rate not exceeding;

- Peak Hour Volume not to exceed 260 cubic metres (m3) over a 1 hour period;
- Peak Day Volume not to exceed 4,100 cubic metres (m3) over a 24 hour period; and,
- Annual Volume not to exceed 750,000 cubic metres (m3) over any single calendar year.

2.02 The City and the SRD acknowledge and agree that while the City is not obligated to supply more water than the amounts detailed in Section 2.01, actual amounts of water supplied by the City under this Agreement may exceed those amounts and the SRD shall be obligated to pay for any excess water supplied in accordance with Section 3.09.

2.03 The City will provide water in bulk to the points of connection with the SRD Water System, as shown on Schedule "A".

2.04 The City shall make all reasonable efforts to ensure that the water provided to the SRD under this Agreement meets all of the requirements of the BC Drinking Water Protection Act at the points of connection as shown on Schedule "A", subject to section 3.05.

2.05 The SRD will be solely responsible for ensuring that water quality within the SRD Water System continues to meet all requirements of the BC Drinking Water Protection Act, beginning at the points of connection with the City Water System as shown on Schedule "A".

2.06 The City will provide to the SRD an annual Comprehensive Water Quality Report, including a full chemical analysis of the water in bulk that is delivered to the SRD Water System, as sampled from the sampling point locations shown on Schedule 'A'.

2.07 The City will provide weekly water quality reports, sampled from two sample stations as shown on Schedule 'A' , testing at a minimum for Chlorine (free and total), Conductivity, pH, Temperature, and Turbidity.

2.08 The City will provide, at the expense of the SRD, additional water quality monitoring results as requested by the SRD within 3 working days of their availability.

3.00 SRD Covenants

3.01 The SRD agrees that all construction, operation and maintenance of the SRD Water System will be in accordance with good engineering practices and in accordance with all applicable federal and provincial regulations.

3.02 The SRD shall use all water received under this Agreement for purposes of the present and future users of the Water Service Area and for no other purpose. Without limiting the generality of the foregoing, the SRD shall not use or permit the use of water received under this Agreement for bottling or bulk re-sale purposes. The SRD will ensure, to the extent that it reasonably can, that water received under this Agreement is used by users in the Water Service Area in a reasonable and non-wasteful manner.

3.03 The SRD insofar as it lawfully can, shall do all acts, matters and things necessary to ensure that the users of water in the Water Service Area are bound by the same restrictions imposed by the City for its users, which restrictions may from time to time, be put in effect by the City as a result of drought, accident, low pressure or volume of water or other unforeseen circumstances. Nothing in this section shall prohibit the SRD from imposing more stringent requirements on the users of the Water Service Area. Without limiting the foregoing, the SRD and the City both agree to meet at least annually while this Agreement remains in effect for the purpose of discussing and coordinating water conservation efforts and water use restrictions to be imposed on users of water in the City and in the Water Service Area.

3.04 The SRD will not expand the boundaries of the Water Service Area unless it has first consulted with the City and, the SRD and the City have agreed in writing to the terms and conditions under which the boundaries of the Water Service Area may be expanded.

3.05 The SRD agrees that if by reason of any drought, accident or any other unforeseen circumstances including Force Majeure, the City is, at any time, unable to supply the SRD with the quantity or quality of water which the SRD, for the duration of the agreement, requires under this Agreement then so long as such inability continues, the obligations hereunder of the City shall cease without compensation to the SRD.

3.06 Without limiting section 3.05, the SRD acknowledges and agrees that the City is entitled to reduce or temporarily terminate the supply of water on a basis consistent with other users within an affected distribution area without compensation to the SRD in the event of:

- a) a Water Shortage;
- b) an event of Force Majeure;
- c) repair, maintenance or construction of the City Water System that necessitates a temporary interruption in the supply of water.

3.07 Where the City anticipates that there will be a Water Shortage, the City shall advise the SRD of this circumstance without undue delay and shall appoint representatives to meet with representatives of the SRD to discuss solutions.

3.08 The SRD and the City, recognizing the importance of coordinated response in times of emergency or unforeseen disruptions, shall collaborate to update the requirements and processes related to water restrictions. Furthermore, both parties agree to remain fully informed of each other's response plans in the event of a force majeure event that impacts the water supply, including, but not limited to, drought, natural disaster, or infrastructure failure. In such circumstances, the SRD and the City shall participate in joint emergency response, seek alternative water sources where necessary, and share resources and assets to the extent feasible. Each party shall track and bear its own costs associated with these efforts unless alternative funding sources become available.

3.09 The SRD agrees to pay the negotiated water rates of :

- \$1.68 per cubic meter commencing January 1st 2025
- \$1.70 per cubic meter commencing January 1st 2026- December 31st 2026

3.10 The SRD agrees that it will be solely responsible for the capital costs of constructing improvements to the Water Service Area system for the purpose of maintaining appropriate domestic pressure, flows and water quality within the Water Service Area.

3.11 The SRD agrees that it will be solely responsible to maintain the kiosks containing the water meters, the cross connection control devices and all other appurtenances contained within the kiosks, except the bulk meters, which are considered the property of the City, at all points of connection from the City Water System and the SRD Water System, as shown on Schedule "A" and further agrees to provide the City with annual reports, (unless provided under a separate agreement) confirming to the City's satisfaction that the cross connection control devices have been properly inspected and maintained in accordance with industry best practices and City standards and Bylaws.

3.12 The SRD agrees that it will be solely responsible to maintain adequate pressures and flows within the Water Service Area for fire protection purposes.

4.00 City Covenants

4.01 The City shall provide water in bulk to the SRD Water System in accordance with good engineering practices subject to the limitations of this Agreement.

4.02 The City will, at its sole discretion, be responsible for maintaining and replacing, as necessary, the bulk water meters located at all points of connection between the City Water System and the SRD Water System, as shown on Schedule 'A', for the supply of water in bulk to the Water Service Area.

4.03 The City shall invoice the SRD for all water delivered to the SRD Water System as measured by water meters located at the points of connection with the SRD Water System as shown on Schedule "A".

4.04 The City shall inspect the water meters at least once per year and provide a report to the SRD. Upon request by the SRD, the City will perform one additional inspection per year at no additional cost, should the SRD have concerns regarding the accuracy of the readings. If, by reason of a malfunction of a water meter, the water in bulk supplied to the SRD Water System cannot be accurately measured, the quantity will be determined by the City through an estimate based on the average use for the 12 months immediately preceding the date upon which such meter was last found to be in order, or such other period as is reasonable in the circumstances.

4.05 If requested by the SRD, the City will, at the expense of the SRD, conduct additional re-reads, and/or testing of the water meters located at the points of connection as shown on Schedule "A" to confirm the accuracy of the quantity of water measured.

4.06 The City acknowledges that the rates charged per cubic meter include allowances for maintenance and capital upgrades within its system. Accordingly, the City agrees not to request additional contributions for any future upgrades or improvements to its system.

5.00 The Right of Entry for Inspection

5.01 The SRD hereby authorizes the City to enter the Water Service Area during normal business hours in the company of a designated SRD representative and with reasonable notification to inspect the SRD Water System to determine whether or not the requirements of this Agreement are being met.

5.02 The City may at all reasonable times inspect all accessible portions of the SRD Water System for the purpose of monitoring or auditing the performance of the SRD Water System.

6.00 Notice to Repair or Maintain

6.01 The City may, at any time, give the SRD notice that in the opinion of the City the SRD is not operating, maintaining or repairing the SRD Water System in accordance with this Agreement or as otherwise required for the purpose of ensuring that the SRD Water System will not cause damage to persons or property or to the City Water System or affect the proper and permitted operation of the City Water System (a "Notice to Correct") together with copies of reports or other information upon which the City relied in making the Notice to Correct.

6.02 The SRD may, at any time, give the City notice that in the opinion of the SRD the City is not operating, maintaining or repairing the City Water System in accordance with this Agreement or as otherwise required for the purpose of ensuring that the City Water System will not cause damage to persons or property or to the SRD Water System or affect the proper and permitted operation of the SRD Water System (a "Notice to Correct") together with copies of reports or other information upon which the SRD relied in making the Notice to Correct.

7.00 Repair Responsibilities

7.01 The City shall not be responsible for the construction, repair, operation or maintenance of the SRD Water System, unless services are a provision of a separate agreement.

7.02 The SRD shall not be responsible for the construction, repair, operation or maintenance of the City Water System.

8.00 Remedial Action

8.01 Subject to 8.03, upon receipt of a Notice to Correct, the party receiving the Notice to Correct (the "**Receiving Party**") will within 30 days carry out such remedial action as is required to remedy the deficiencies set out in the Notice to Correct except that in the case of an emergency, such remedial action shall be carried out immediately.

8.02 If the Receiving Party fails to carry out remedial action to remedy the deficiencies set out in the Notice to Correct, the Receiving Party shall indemnify and save harmless the other party from any and all cost, fines, fees, expenses, actions and other expenditures that result from the unremedied deficiency, subject to the right to issue a Dispute Notice under section 8.03.

8.03 Within ten days of receiving the Notice to Correct the Receiving Party may, if it is of the opinion that the Notice to Correct should not have been issued, issue to the other party a notice protesting the Notice to Correct (the "**Dispute Notice**") containing an outline of the reasons on which the Dispute Notice is based.

8.04 Within 14 days of the giving of a Dispute Notice, representatives of the parties shall meet to attempt to resolve the dispute.

8.05 If the parties cannot resolve the dispute between themselves then the dispute shall be settled by an arbitrator to be chosen by the parties within 10 days of the issuance of the Dispute Notice. If the parties are unable to agree upon an arbitrator within the time, the arbitrator shall be selected by a Judge of the Supreme Court of British Columbia.

8.06 The Parties shall immediately forward to the arbitrator the Notice to Correct, Dispute Notice, reports and other relevant information.

8.07 The arbitrator shall select a time and place for a meeting to be held amongst the parties to be not more than thirty (30) days after receiving the material referred to in section 8.06 at which time the parties may appear and be heard regarding the dispute.

8.08 The decision of the arbitrator shall be made not more than thirty (30) days after the meeting referred to in section 8.07.

8.09 The decision of the arbitrator shall be final and binding on the parties.

8.10 Unless otherwise determined by the arbitrator, costs of arbitration shall be shared jointly.

8.11 Despite section 8.01, if the Receiving Party reasonably requires more than thirty (30) days to carry out the remedial action required by the Notice to Correct, the Receiving Party shall not be in default if the remedial action required takes longer than thirty (30) days to carry out, provided that the curing of the default is promptly commenced upon receipt by the Receiving Party of the Notice of Default, and with due diligence is thereafter continuously prosecuted to completion and is completed within a reasonable period of time, and provided that the Receiving Party keeps the other party well informed at all times of its progress in carrying out the remedial work.

9.00 Interest on Unpaid Account

9.01 Interest will be paid in accordance with Section 1. (f) of the User Fees and Charges Bylaw No. 3271, 2006.

10.00 Duration of this Agreement and Termination

10.01 The term of this Agreement commences January 1, 2025 (the "**Commencement Date**") and expires on December 31, 2026.

10.02 In the event the SRD or the City shall desire to renew this Agreement for the supply of water in bulk, the SRD or the City shall, no later than June 1, 2026, commence discussion of the terms and conditions of any subsequent Agreement.

10.03 If the parties fail to renew this Agreement, the Agreement shall terminate on December 31, 2026, and the City shall not be obligated to provide any further water in bulk after the termination, notwithstanding any common law rule to the contrary, except during the six (6) month period following the date of termination. During that six (6) month period, the City shall continue to provide water in bulk if requested by SRD to do so, on the terms and conditions of this Agreement. If further extension or renewal is not agreed to in that six (6) month period, the City may terminate the provision of water in bulk at the end of the six (6) month period.

10.04 Either party may terminate this Agreement on six (6) months' written notice to the other party (the "**Defaulting Party**") in the case of an Event of Default which has not been cured within sixty (60) days of notice of the default being delivered to the Defaulting Party.

11.00 Assignment

11.01 No party to this Agreement may assign its interest in this Agreement without the consent of the other party first had in writing.

12.00 Indemnification

12.01 The City will indemnify and save harmless the SRD, its elected officials, officers, employees, contractors and agents against and from any and all actions, causes or action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, fees, fines, claims or demands arising from the City's breach of this Agreement, or the negligence or wrongful act of the City, its officers, employees, subcontractors, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of the SRD, or others for whom the SRD is responsible at law.

12.02 The SRD will indemnify and save harmless the City, its elected officials, officers, employees, contractors and agents against and from any and all actions, causes or action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, fees, fines, claims or demands arising from the SRD's breach of this Agreement, or the negligence or wrongful act of the SRD, its officers, employees, subcontractors, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of the City, or others for whom the City is responsible at law.

12.03 Sections 12.01 and 12.02 shall survive the expiry or earlier termination of this Agreement.

13.00 Miscellaneous

13.01 The parties hereto shall execute such further and other documents and do such further and other things as might be necessary to carry out and give effect to the intent of this Agreement.

13.02 This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise, and no agreement collateral to this Agreement other than as expressly set forth or referred to in this Agreement.

13.03 Nothing contained or implied herein shall prejudice or affect the rights and powers of the SRD and the City in the exercise of their respective functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised as if this Agreement had not been executed and delivered by the parties and the interpretation of this Agreement shall be subject to and consistent with statutory restrictions imposed on the SRD and the City under the Local Government Act or the Community Charter as the case may be.

13.04 An expression of time expressed as a period of days in this Agreement shall mean calendar days.

13.05 Nothing in this Agreement shall be interpreted as creating an agency, governance structure, partnership or joint ventureship between the SRD and the City.

13.06 Time shall be the essence of this Agreement.

13.07 The headings in this Agreement are inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

13.08 No waiver or any term or condition of this Agreement or of a breach of any term or condition of this Agreement by either party hereto shall be effective unless it is in writing and no waiver of breach even if in writing shall be construed as a waiver of any future breach.

13.09 This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have set their hands on the dates set out below.

STRATHCONA REGIONAL DISTRICT

by its authorized signatories:

Chair

Corporate Officer

Dated

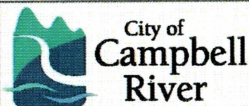
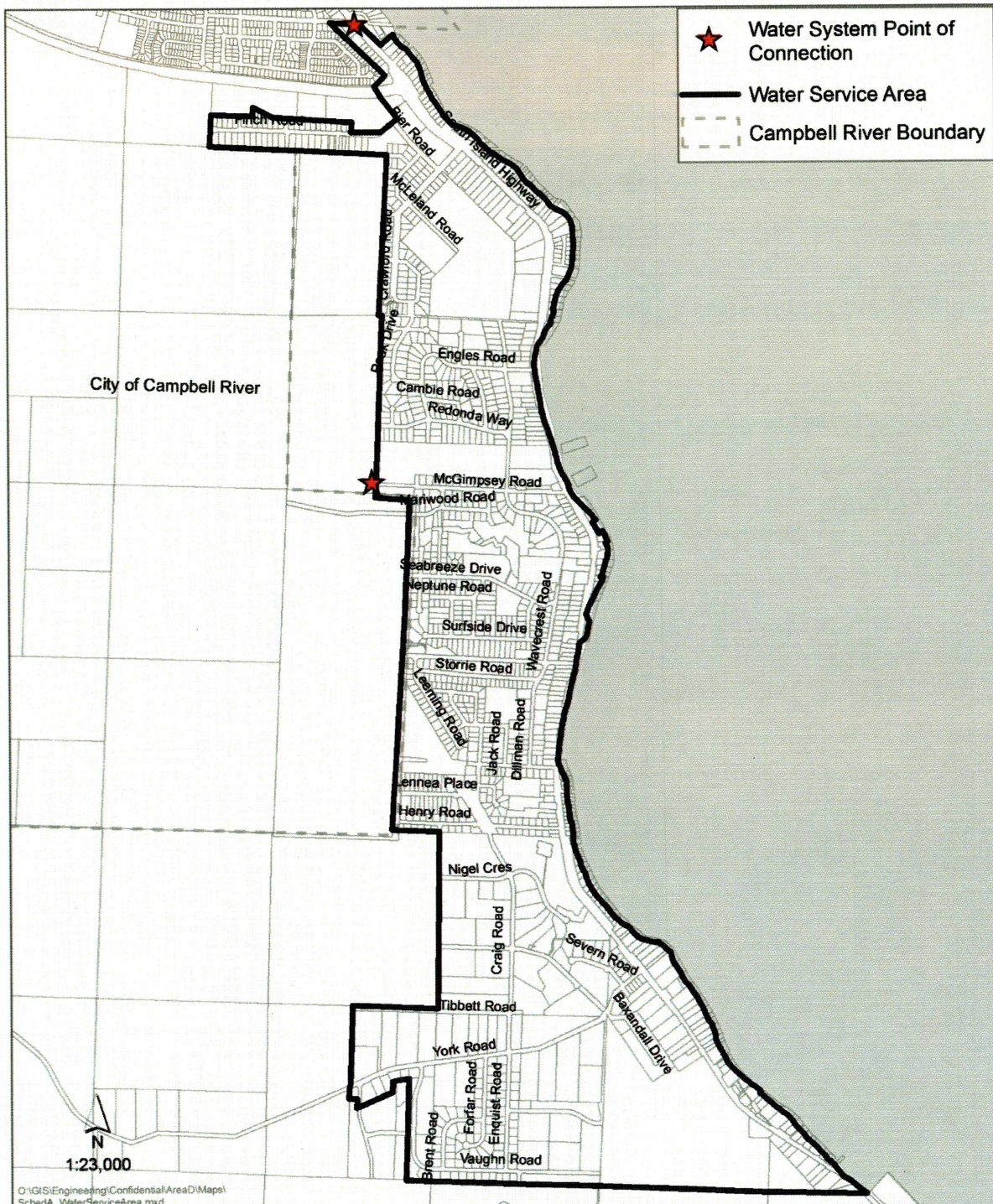
CITY OF CAMPBELL RIVER

by its authorized signatories

Mayor

Clerk

Dated



SCHEDULE A WATER SERVICE AREA

The map indicates parcel relationships only, and should not be used to establish legal lot size or dimensions.

DATE: 24-JULY-2019