

# Staff Report for Decision

DATE OF MEETING | August 8, 2018 |

AUTHORED BY | LAURA MERCER, MANAGER, ACCOUNTING SERVICES |

SUBJECT | **SNUNEYMUXW FIRST NATION WATER AND SEWER  
CONNECTION FEE CREDIT AGREEMENT** |

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval of the Water and Sewer Connection Fee Credit Agreement between the Snuneymuxw First Nation and the City of Nanaimo. |

### **Recommendation**

That the Finance and Audit Committee recommend that Council approve the Water and Sewer Connection Fee Credit Agreement between the Snuneymuxw First Nation and the City of Nanaimo.

## **BACKGROUND**

The Snuneymuxw First Nation (SFN) is expanding development at the Snuneymuxw Indian Reserve Nanaimo River 4 (IR4). In doing this development, the SFN will need to pay the City of Nanaimo connection fees. The connection fees relate to any new connection fee in respect of IR4 and that is payable by the SFN to the City under the Water Servicing Agreement or the Sewer Use Agreement at a rate that is equivalent to the City's rate charged under its DCC Bylaw No 7252.

Indigenous and Northern Affairs Canada (INAC) will advance all of the connection fees upfront on behalf of the SFN and requested that the City of Nanaimo hold custody of the funds until such time as the fees are payable by the SFN to the City of Nanaimo.

The City of Nanaimo has drafted a Water and Sewer Connection Fee Credit Agreement to facilitate the SFN and INAC requirements. The money would be held by the City in a Treasurer's Trust account and accumulate interest until such time as all the connection fees are paid. The City shall only use the connection fee allocation to cover the cost of connection fees with respect to IR4 that are properly charged to the SFN by the City pursuant to the provisions of the Water Servicing Agreement or the Sewer Use Agreement.

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council approve the Water and Sewer Connection Fee Credit Agreement between the Snuneymuxw First Nation and the City of Nanaimo.
  - **Budget Implication:** Money will already be received when connection fees become payable.

- **Political Implication:** Fosters a co-operative relationship with the Snuneymuxw First Nation.
2. Deny approval of the Water and Sewer Connection Fee Credit Agreement between the Snuneymuxw First Nation and the City of Nanaimo.
- **Political Implication:** Could be harmful to fostering a co-operative relationship with the Snuneymuxw First Nation. |

### **SUMMARY POINTS**

- Snuneymuxw First Nation are expanding development at IR4.
- Water and sewer connection fees will be owed to City of Nanaimo when development starts.
- INAC will advance the total connection fee for all proposed development and requested that the City of Nanaimo hold custody of the funds until the connection fees are owing.
- City of Nanaimo has drafted a Water and Sewer Connection Fee Credit Agreement to hold custody of the money until the connection fees become owing by the SFN to the City of Nanaimo.
- City of Nanaimo will pay interest on the money held and will be payable to the SFN. |

### **ATTACHMENTS**

Water and Sewer Connection Fee Credit Agreement |

#### **Submitted by:**

Laura Mercer  
Manager, Accounting Services |

#### **Concurrence by:**

Dale Lindsay  
Director, Community Development |

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