

Municipality of the District of Lunenburg

By-law Details	
Name	Potable Water Supply Upgrade Lending Program
Number	047
Legislative Authority	Municipal Government Act, Section 81A(1)(c)
Effective Date	December 17, 2025

Title

1 This By-law is titled the Potable Water Supply Upgrade Lending Program By-law.

General

- 2 (1) Sections 81A(1)(c) of the **Municipal Government Act** permits the Municipality of the District of Lunenburg to provide financing to eligible property owners for improving the supply of potable water to properties within the Municipality.
- (2) Council recognizes that southwest Nova Scotia has a high rate of shallow wells and that the impacts of human-caused climate change have resulted in longer and more pronounced dry periods, which has a greater impact on homes with shallow wells.
- (3) To help address this issue, council hereby enacts the Potable Water Supply Upgrade Lending Program By-law, to facilitate the upgrade of potable water supply systems in residences in the Municipality.

Definitions

- 3 (1) In this By-law,
- (a) **CAO** means the Chief Administrative Officer for the Municipality, or their designate.
 - (b) **Contractor** means an insured person or corporation licensed by the Department of Environment and retained by the Qualifying Property Owner to complete the Water Supply Upgrade.
 - (c) **Director of Finance** means the Director of Finance & Treasurer for the Municipality, or their designate.
 - (d) **Financing Agreement** means a written, signed agreement between the owner of a Qualifying Property and the Municipality for financing of a Water Supply Upgrade.

- (e) **Maximum Eligible Amount** means the maximum amount that the Municipality will lend to a Qualifying Property Owner for a Water Supply Upgrade which is set at the lesser of \$20,000 or 15% of the total assessed value of the Qualifying Property.
- (f) **Municipality** means the Municipality of the District of Lunenburg, and includes its employees, agents, or designated third party contractor.
- (g) **Qualifying Property** means an existing, owner-occupied single unit or two-unit residential property, or a building owned by not-for-profit organization, located within the Municipality that meets the eligibility criteria for participation in the Water Supply Upgrade Lending Program. Multi-unit residential buildings with more than two units, new construction, and business/industrial premises are **not** eligible for this Program.
- (h) **Qualifying Property Owner** means the individual, individuals, or entity in possession of the title for the Qualifying Property. The Qualifying Property Owner may also be the person responsible for paying taxes in relation to the Qualifying Property.
- (i) **Water Supply Upgrade** means the installation and/or construction of equipment or systems to improve the supply of potable water to the property including: the digging of a new well, installation of rainwater collection and/or storage systems and equipment (e.g. cisterns); installation of a well pump, water line, and/or electrical connection to support the function of a water system; or other systems and equipment designed to improve the supply, use, and conservation of potable water.
- (j) **Water Supply Upgrade Loan** means the local improvement charge levied on the Qualifying Property pursuant to section 81A of the **Municipal Government Act**.
- (k) **Hardship Criteria** means the local improvement charge levied on the Qualifying Property pursuant to section 81A of the **Municipal Government Act**.
- (l) **Hardship Extension** means a repayment term of ten (10) years for a Water Supply Upgrade Loan, approved in accordance with section 4(7)(a).

Administration

- 4 (1) A Property Owner may apply to the Municipality for financing of a Water Supply Upgrade to a Qualifying Property within the Municipality.
- (2) Lending will be subject to the approval and agreement in writing of the Director of Finance on behalf of the Municipality, which will be subject to the execution of a Financing Agreement and the following conditions:

- (a) The Qualifying Property Owner is not in default of any municipal taxes, rates or charges;
 - (b) The property currently does not have any other municipal financing that is active on the property (e.g. Clean Energy Financing, LaHave program septic system);
 - (c) the proposed Water Supply Upgrade must follow applicable provincial and/or federal regulations;
 - (d) the proposed Contractor must have a valid Department of Environment license to carry out a Water Supply Upgrade as applicable;
 - (e) compliance with other conditions as shown in the Financing Agreement; and
 - (f) a signed statement by the Qualifying Property Owner outlining the Qualifying Property's potable water issues, that the Water Supply Upgrade is necessary.
- (3) The Water Supply Upgrade Loan may consist of:
- (a) The cost of the Water Supply Upgrade and all associated labour costs, permit fees, and applicable taxes;
 - (b) interest charges, including any additional interest arising due to any default of payment; and
 - (c) an administrative fee as set by council to cover costs of administering the program.
- (4) The Water Supply Upgrade Loan is provided for the benefit of the Qualifying Property Owner in the form of the Municipality paying all eligible Contractor invoices for the completed work up to the Maximum Eligible Amount. The Qualifying Property Owner will sign the Contractor's invoices and submit them to the Municipality for payment. As the Municipality pays the Water Supply Upgrade invoices, the resulting loan amount advanced to date is a lien against the Qualifying Property.
- (5) Interest will begin accruing on any approved Water Supply Upgrade invoice paid by the Municipality thirty (30) days from the date that the Municipality paid that invoice.
- (6) The Water Supply Upgrade Loan will become payable on the completion of the contract for the installation of the Water Supply Upgrade in accordance with the Financing Agreement and on the Director of Finance's receipt of the dated and signed Certificate of Completion.

- (7) For Financing Agreements entered into on or after December 9, 2025, the Qualifying Property Owner will make equal payments of the principal over a standard repayment term of five (5) years to repay the outstanding Water Supply Upgrade Loan, on which interest will be payable as set out in the Financing Agreement.
- (a) For Financing Agreements entered into on or after December 9, 2025, where the Qualifying Property Owner meets the Hardship Criteria, the Director of Finance may approve a Hardship Extension so that the repayment term is extended to a repayment term of ten (10) years, with equal payments of principal over that term. In determining eligibility, the Director of Finance may require the Qualifying Property Owner to provide the same type of income documentation as required under MODL Policy 049 Property Tax Rebate, or such other reasonable documentation as the Director of Finance may request.
- (b) Financing Agreements entered into before December 9, 2025 remain subject to the repayment terms set out in the applicable Financing Agreement that was in effect at the time that the agreement was signed.
- (8) The Municipality will not be responsible for ongoing maintenance and operating costs of the Water Supply Upgrade. The Water Supply Upgrade is owned and maintained by the Qualifying Property.
- (9) The Director of Finance will maintain a separate account of all monies due for the Water Supply Upgrade Loan, identifying the following for the Qualifying Property:
- (a) The names of the property owners, assessment account number, PID, and civic addresses;
- (b) the original amount of the Water Supply Upgrade Loan advanced;
- (c) the scheduled amounts paid to the Municipality to repay the Water Supply Upgrade Loan, with principal and interest paid clearly distinguished; and
- (d) an annual statement of account on the anniversary date of the Water Supply Upgrade Loan, showing the principal balance owing at the end of the previous year, total amount paid during the year, amount of interest included in the payments, and balance of the principal owing at the end of the year.

Lien

- 5 (1) The Water Supply Upgrade Loan advanced in the form of the Municipality paying the Contractor's invoices when submitted for payment will become a lien levied on the Qualifying Property in accordance with the **Municipal Government Act**.

(2) The Water Supply Upgrade Loan advanced pursuant to this By-law constitutes a first lien on the property and has the same effect as rates and taxes under the **Assessment Act**.


(3) The lien provided for in this By-law will remain in effect until the total Water Supply Upgrade Loan, including any accrued interest and administrative charges, has been paid in full.

(4) In the event of default, the Water Supply Upgrade Loan will be collected in the same way as overdue taxes in accordance with the **Municipal Government Act**.

Interest

6 (1) Interest will begin accruing on any portion of the Water Supply Upgrade Loan thirty (30) days from the date that the Municipality pays the Contractor invoice for that portion.

(2) Interest is payable on the amount of the Water Supply Upgrade Loan deemed outstanding at the rate set out in Policy 058 Fees, as amended from time to time.

By-law Adoption	
Effective date of original by-law	July 19, 2023
Date of first reading	November 25, 2025
Date of advertisement of notice of intent to consider	Nov 25 & Dec 3, 2025
Date of second reading	December 9, 2025
Date of advertisement of passage of by-law Effective date of the by-law unless otherwise specified in the text of this by-law.	December 17, 2025
Date of mailing a certified copy of by-law to Minister	December 17, 2025
I certify that By-law 047 Potable Water Supply Upgrade Lending Program was adopted by Municipal Council and published as indicated above.	
Signature of Municipal Clerk 	Date December 17, 2025

Version	Amendment Description	Approval Date
Original	Potable Water Supply Upgrade Lending Program	July 19, 2023
V2	Establish a 5-year repayment term for new agreements, including hardship clause, effective December 9, 2025; remove stacking provision with Clean Energy Financing and align with by-law 031; housekeeping amendments.	Dec 17, 2025