



STAFF REPORT

TO: Council **MEETING DATE:** July 30, 2019
FROM: Lindsey Grist **FILE NO:** 4200-20
Director of Corporate Services
SUBJECT: Alternative Approval Process for Zone 3 Aquifer Expansion and General Watermain Replacements

RECOMMENDATIONS

THAT the Director of Corporate Services report titled Alternative Approval Process for Zone 3 Aquifer Expansion and General Watermain Replacements be received;

AND THAT Council approve an Alternate Approval Process for the Zone 3 Aquifer Expansion and General Watermain Replacements;

AND THAT the total number of eligible electors of the area be determined to be 3717; and the 10% threshold 372;

AND THAT Council directs Staff to hold two Public Information Sessions regarding the project on September 4, 2019 and September 19, 2019;

AND THAT the deadline for receiving elector responses be September 25, 2019;

AND FURTHER THAT the elector response form be established as presented.

BACKGROUND / PURPOSE

'Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw' has come before Council to commence the adoption process. The Bylaw received first, second and third readings at the April 30, 2019 Council meeting.

In accordance with Section 179 of the *Community Charter* the Bylaw was forwarded to the Inspector of Municipalities for approval and received said approval on July 17, 2019.

Council may now proceed with the alternative approval process in accordance with section 86 of the *Community Charter*.

SUMMARY

In addition to the approval of the Inspector of Municipalities, the *Community Charter* also requires that loan authorization bylaws receive approval of electors prior to being adopted. This can be accomplished through either a voting opportunity (referendum) or by an alternative approval process.

- A voting opportunity, known as a referendum, is a process conducted in the same manner as a municipal election and following the same rules as set out in Part 3, Division 1 of the Local Government Act. The main difference would be the information on the ballot; rather than asking residents to vote for an individual or individuals they would be asked to respond to a question to indicate their support or opposition to the question. The cost to conduct a referendum would be approximately \$30,000.
- An alternative approval process allows Council to proceed with an action unless at least 10% of the electors state their opposition within a prescribed period. If at least 10% of the electors state their opposition to the proposed action, the matter requires the assent of the electors if Council still wishes to proceed. This could be accomplished through a referendum.

DISCUSSION

A detailed description of the project is attached and can be located in the Information Package.

If an Alternative Approval Process (AAP) is desired, Council must:

- 1) Establish the deadline for receiving elector responses;
- 2) Establish elector response forms and;
- 3) Make a fair determination of the total number of electors of the area to which the approval process applies.

With respect to the deadline for receiving elector responses staff has developed the attached process timeframe and recommend a response deadline of September 25, 2019. This date accommodates the notice requirements set out in the *Community Charter*. A sample elector response form is also attached for your approval.

Staff have calculated the total number of eligible electors of the area to be 3717. The number of electors was calculated by using the total registered electors as determined by the 2018 Municipal Election and recorded on the Official Election Results. This determination was made by the Chief Election Officer on Tuesday October 23, 2018, at 1:30pm. This figure must be adopted by Council. Approval of the electors by alternative approval process is obtained if the

number of elector responses received by the established deadline is less than 10% of this total (372).

A detailed information package on the project has been developed and is attached to this Staff Report. The information package also includes a copy of the Loan Authorization Bylaw, the alternative approval process formal notice, and information on the Zone 3 Aquifer Expansion and General Watermain Replacements to be undertaken. This information will be posted on the Town of Gibsons' website and social media pages and made available at Town Hall.

Immediately after the deadline, the Corporate Officer must determine and certify whether elector approval has been obtained. This determination is final and conclusive and will be presented at the meeting of Council to be held on October 1, 2019 for the purpose of receiving the results of the Alternative Approval Process and adopting Bylaw 1265, 2019.

If approval of the electors is not obtained under the Alternative Approval Process, meaning at least 10% of the electors have stated their opposition, Council may choose to proceed with a referendum as outlined above, cancel the project specific to the debt funding, or delay the project until grant funding is available to allow the projects to continue.

COMMUNICATION

Staff will be providing statutory notice to residents in the Coast Reporter. Staff have also proposed dates for two Public Information Sessions, for September 4th and September 19th. In addition we will be utilizing our website and social media pages to inform the public. Information packages will also be available at the front counter at Town Hall.

POLICY / PLAN IMPLICATIONS

Strategic Plan Implications

The strategic plan has not yet been adopted by Council

Financial Plan Implications

The amount of the total project funded by Reserves and Debt has been budgeted in the Town's 2019 5-Year Financial Plan.

Annual debt payments will increase by approximately \$182,000 (25-year term) as a result of the proposed debt. This will not have any impact on the 2019 budget but may affect future user rate increases.

Staff are estimated the bulk water savings at approximately \$200,000/year, although this amount is yet to be confirmed through discussions with the SCRD. This savings would offset

debt servicing and increased operations and maintenance of the new infrastructure. Additionally, future Water DCCs could be used to offset the payment of the principle of the debt.

Staff have applied for a grant for the booster station alone through the Investing in Canada Infrastructure Program but have yet to hear back as to whether we have been successful or not. There is no known timeline for this announcement. The maximum grant award would be \$850,000.

A detailed description of the project is attached.

NEXT STEPS

Approval has been received from the Inspector of Municipalities. If Council passes a Resolution to Approve the AAP Process, the next steps are below:

1. August 16 -The first notice will be posted in the newspaper, online, and physically at Town Hall
2. August 23 - The second notice will be posted one week after the first
3. August 26 - A 30 day response period begins the day after the 2nd Notice is posted
4. September 4 – Public Information Meeting
5. September 19 – Public Information Meeting
6. September 25 - Certify results and bylaw adoption after the 30 days period ends
7. October 25 - Month-long 'quashing period'
8. Provincial review and certificate of approval by the Inspector of Municipalities

RECOMMENDATIONS / ALTERNATIVES

If Council is satisfied with the information provided in this report and attached thereto, and is in favor of seeking approval of the electors through the Alternative Approval Process, the recommendation contained on page one of this report would be in order.

Attachments

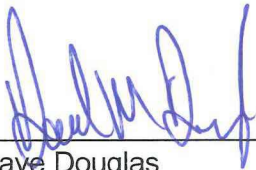
- Attachment A – Copy of Bylaw 1265, 2019
- Attachment B – AAP Formal Notice
- Attachment C – General Information on the Project

Respectfully Submitted,

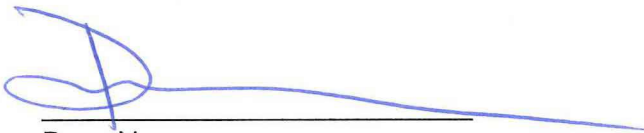


Lindsey Grist
Director of Corporate Services

Reviewed By:



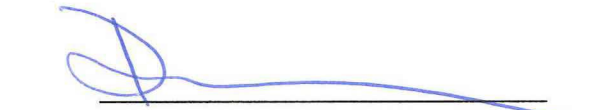
Dave Douglas
Director of Finance



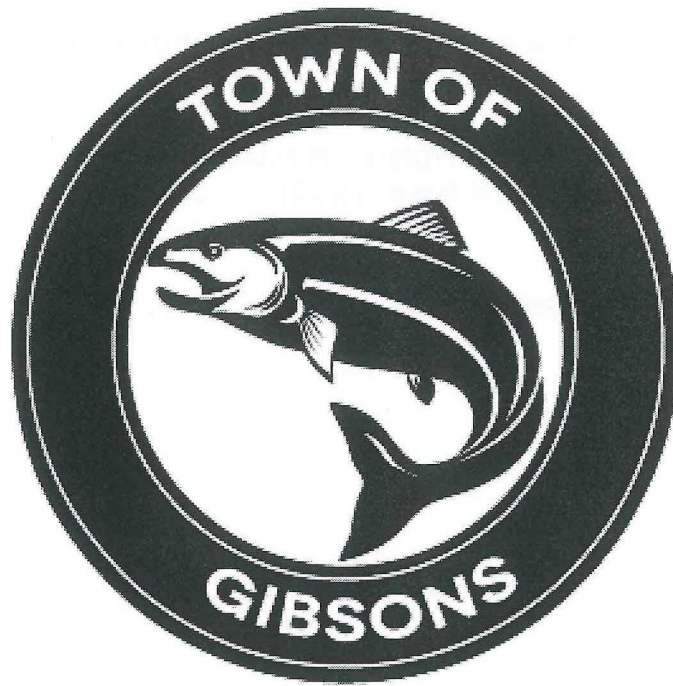
Dave Newman
Director of Infrastructure Services

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I have reviewed the report and support the recommendation(s).



Emanuel Machado
Chief Administrative Officer



***Zone 3 Aquifer Expansion and General
Watermain Replacements***

Loan Authorization Bylaw No. 1265, 2019

Information Package

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Information on the Purpose of the Proposed Debt

2019 WATER PROJECTS

Current Year Funding Source

	2019	User Fees	Reserves for FE/Accumulated Surplus	Debt	Gas Tax - Annual
Zone 3 Aquifer Expansion and General Watermain Replacements	\$ 3,620,000	\$ 68,384	\$ 87,416	\$ 3,329,000	\$ 135,200

ZONE 3 INITIATIVE

The option of supplying Zone 3 with aquifer water as an alternative to relying on the SCRD for supplying water to this zone is not a new idea. However, the Town's water strategies to date have been consistent with the status quo of supplying Zones 1 and 2 with water from the aquifer and supplying Zone 3 with water from the SCRD. Some of the reasons behind the Town's strategy of relying on two water sources included limited data regarding the projected capacity of the aquifer, lack of infrastructure to address required pressure and water reserves, and vulnerability with reliance on only one water source.

While the above concerns and constraints are still valid, the current SCRD water crisis is prompting the need to re-examine the Town's water strategies, pursue a collaborative approach to regional water supplies, and explore some options to secure adequate water from the aquifer for the Town's use as well as potentially assisting the SCRD with their water capacity issues. In addition, through the monitoring program initiated in 2009 as well as a significant reduction in Town water use (800 lcd in 2008 reduced to 350 lcd in 2016 and 2017) it is forecast that, with the information that the Town has at present, it is likely that the aquifer has enough capacity to serve the Town's ultimate population of 10,000. The Aquifer Mapping study took a conservative approach in determining the projected capacity of the aquifer, taking into account a one-metre rise in sea level as well as other climate changes.

In January 2018, Urban Systems completed a feasibility study examining the possibility of providing Zone 3 with aquifer water supply until the capacity of the aquifer is reached or until buildout, whichever comes first. This would provide the SCRD with at least short-term (decades) reduction in water demand from Gibsons which would assist in providing the SCRD with additional time to explore and implement additional supply options for supplementing the Chapman Creek water supply, including groundwater from other areas outside of the Gibsons Aquifer. Although the bulk of the water supplying Zone 3 would be from the aquifer, the Town would still be reliant on the SCRD for peak hour demand, fire flow, and emergency storage.

The SCRD chlorinates their water supply and Vancouver Coastal Health will not allow the dilution of the chlorine concentrations through mixing with an unchlorinated water source. As

the Town will be continue to be reliant on SCRD water from time to time, the Town will need to install chlorination equipment to maintain ongoing chlorine residuals in Zone 3.

Work Completed To Date

As directed by Council on November 21, 2017, staff engaged Urban Systems to complete a feasibility study to explore the option of extending the Gibsons Aquifer service area into Zone 3. Three scenarios of varying independence from SCRD water were examined in comparison to the current long-term servicing plans. On January 9, 2018 Council supported the option involving constructing a pump station and drilling a new well, with an estimated reduction in reliance on the SCRD water supply of 95% to 98%. The intent is that the Town would provide the average daily demand and maximum daily demand to Zone 3 from the Gibsons Aquifer but would still rely on the SCRD for peak hour water use during the summer, emergency storage, and fire flow.

The above proposal for expanding the aquifer supply in the Town was presented to elected officials from the District Sechelt, SCRD, and the Sechelt Indian Government at a Water Information Session meeting hosted by the Town of Gibsons on March 12, 2018.

Subsequently, on December 4, 2018 Council instructed staff to issue a Request for Proposals for siting of new monitoring wells and the detailed design of a new pump station and supply well. This project was awarded to Urban Systems on July 24, 2018.

As per the Council award, in early 2019 two new monitoring wells were drilled in Lower Gibsons to monitor aquifer pressure and signs of saltwater intrusion, bringing the total of Town-owned monitoring wells to seven. One supply well was also drilled to provide the required additional water necessary to expand the aquifer service area into Zone 3 (Upper Gibsons). Unfortunately, the new supply well did not produce the amount of water required so an additional well is being drilled at the west end of Oceanmount Boulevard to allow reliable service into Zone 3.

In addition to the well, through further investigation with the SCRD and Urban Systems, it was determined that, to facilitate the aquifer supply of Zone 3, a replacement water main would be required to be constructed on Reed Road between Payne Road and North Road.

The Town watermain along Reed Road conveys water to portions of both Zone 3 and SCRD customers. In order to facilitate the separation of Town water from SCRD water, this main will need to be twinned, providing the SCRD with one main and the Town with the second. In early 2019, funding for the replacement of the Town's annual watermain replacement program was redirected to finance the drilling of the Oceanmount well which will provide water to Zone 3. As the funds set aside for the annual watermain replacement program have now been used elsewhere, the replacement of this infrastructure is being proposed to be funded via debt.

Summary

The estimated 2019 cost to complete the Zone 3 project is now \$3.4 million. This includes the provision of a booster pump station, a new water main, and an additional well. An additional estimated \$1.4 million will be required over the next 30 years to complete the necessary infrastructure to full buildout. The Net Present Value of the status quo (relying on SCRD water for Zone 3) versus the proposed expansion is \$44.7 million and \$29.5 million, respectively, showing that the expansion into Zone 3 continues to be financially supportable.

In order to complete the 2019 expansion, debt in the amount of \$3,329,000 will need to be incurred as the Town does not have adequate reserve funds to finance this project.

TOWN OF GIBSONS

Loan Authorization Bylaw No. 1265

A bylaw to authorize the borrowing of the estimated cost
of constructing water improvements to the Town's infrastructure

WHEREAS it is deemed desirable and expedient to construct capital improvements to the water fund infrastructure servicing the Town of Gibsons;

AND WHEREAS the estimated cost of constructing the capital improvements including expenses incidental thereto is \$3,329,000 which is the amount of intended debt created by this bylaw;

NOW THEREFORE the Council of the Town of Gibsons in open meeting assembled, enacts as follows:

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of improvements to the water infrastructure in the amount of \$3,329,000 in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
 - (a) to borrow upon the credit of the Municipality a sum not exceeding \$3,329,000.
 - (b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of the said improvements.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.
3. This bylaw may be cited as "Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw".

READ a First Time this	30th	day of	April	2019
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READ a Second Time this	30th	day of	April	2019
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READ a Third Time this	30th	day of	April	2019
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RESCINDED third reading this	18th	day of	June	2019
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READ a third time as amended this

18th day of

June 2019

RECEIVED the approval of the
Inspector of Municipalities this

17th day of

July 2019



Town of Gibsons

NOTICE OF ALTERNATIVE APPROVAL PROCESS

NOTICE IS HEREBY GIVEN THAT pursuant to the *Community Charter*, the Council of the Town of Gibsons proposes to adopt “*Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw*” for the main purpose of expanding Gibsons Aquifer water to Zone 3 residents, referred to as the Zone 3 Aquifer Expansion and General Watermain Replacements Project. Bylaw No. 1265 proposes to borrow, by way of debenture, no more than \$3,329,000 with such debt to be repaid within a twenty-five year period from the date of issue of the debenture. As the project pertains to the entire municipality, the cost of borrowing will be borne by the municipality as a whole. The overall cost of the works will be \$3,620,000 and the amount of the works funded by debt is \$3,329,000.

2019 WATER PROJECTS

Current Year Funding Source

	2019	User Fees	Reserves for FE/Accumulated Surplus	Debt	Gas Tax - Annual
Zone 3 Aquifer Expansion and General Watermain Replacements	\$ 3,620,000	\$ 68,384	\$ 87,416	\$ 3,329,000	\$ 135,200

FURTHER NOTICE IS HEREBY GIVEN THAT, the Council of the Town of Gibsons may adopt “*Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw*” and proceed with the projects as noted above if, after the deadline, elector response forms are certified by the Corporate Officer as having been signed by less than 10% of the eligible electors in the Town of Gibsons. Alternately, if after the deadline, elector response forms are certified by the Corporate Officer as having been signed by at least 10% of the eligible electors in the Town of Gibsons, the Council may not adopt “*Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw*” and may not proceed with the project unless it receives assent of the electors in a voting proceeding.

10% of the eligible electors has been calculated as 372 electors. The Council may not proceed with “*Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw*”, if at least 372 eligible electors sign elector response forms and submit them to the Corporate Officer.

Elector Response Forms

The response of the electors must be in the form established by the Town of Gibsons. Forms are available for pick up at the Town office located at 474 S. Fletcher Road. Elector response forms must meet the following conditions:

- only eligible electors of the Town of Gibsons are entitled to sign an elector response form;
- the full name of the elector must be stated;
- the residential address of the elector must be stated;
- the elector must sign the elector response form;
- if applicable, the address of the property in relation to which the person is entitled to vote as a non-resident property elector must be stated; and,
- the elector response form must be submitted to the Corporate Officer before the deadline.

Forms may be submitted in person or by mail to be received by the Corporate Officer at Town Hall, 474 South Fletcher Road **NO LATER THAN 4:00 P.M. ON WEDNESDAY, September 25, 2019.** Elector response forms must be in the possession of the Corporate Officer by this time as postmarks WILL NOT be accepted as date of submission. Accurate reproductions of the form are also acceptable.

Eligible Elector

An eligible elector for the purpose of this Alternative Approval Process is a resident who meets the following criteria:

- is age eighteen or older;
- is a Canadian citizen;
- has been a resident of British Columbia for at least six months;
- has been a resident of the Town of Gibsons for at least thirty days; and,
- is not disqualified from voting by the *Local Government Act* or any other act.

A non-resident property elector who meets the following criteria is also an eligible elector:

- is not entitled to register as a resident elector for the Town of Gibsons;
- is age eighteen or older;
- is a Canadian citizen;
- has been a resident of British Columbia for at least six months;
- has been a registered owner of the real property within the Town of Gibsons for at least thirty days; and,
- is not disqualified from voting by the *Local Government Act* or any other act.

Note: Corporations are not entitled to vote nor is land held in a corporate name eligible to vote. In the case of multiple owners of a parcel, only one person may vote as a non-resident property elector.

More information may be obtained by contacting Lindsey Grist, Corporate Officer, at the Town of Gibsons office at 474 S. Fletcher Road, by telephone at 604.886.2274, by email at lgrist@gibsons.ca or at the Town website at www.Gibsons.ca.

Lindsey Grist
Corporate Officer

474 South Fletcher Road, P O Box 340
Gibsons, BC V0N 1V0
P: 604-886-2274
F: 604-886-9735
www.gibsons.ca

Calculation of Eligible Electors

The total number of electors of the area to which the approval process applies (the Town of Gibsons has been calculated at **3717**.

The number of electors was calculated by using the total registered electors as determined by the 2018 Municipal Election and recorded on the Official Election Results. This determination was made by the Chief Election Officer on Tuesday October 23, 2018, at 1:30pm.

The number of electors was calculated as follows:

- The number of resident electors on the Provincial voters list in the Service Area, at the time of the November 2018 General Local Government Election (**3,668**)

Plus

- The number of non-resident property electors currently registered for properties within the Service Area (**49**)

Approval of the electors by alternative approval process is obtained if the number of elector responses received by the established deadline is less than 10% of this total (**372**).

**TOWN OF GIBSONS
ELECTOR RESPONSE FORM****Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw**

Pursuant to the section 86 of the *Community Charter*, I am **OPPOSED** to the Council of the Town of Gibsons borrowing, by way of adopting "Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw", a sum not exceeding \$3,329,000 to be repaid within twenty years for the purpose of funding the 2019 Water Infrastructure Projects within the Town of Gibsons without first obtaining the assent of the electors in a voting proceeding, *and*

I, the undersigned, hereby certify that:

- ✓ I am eighteen years of age or older; and
- ✓ I am a Canadian Citizen; and
- ✓ I have resided in British Columbia for at least six months; and
- ✓ I have resided in, OR have been a registered owner in the Town of Gibsons for at least 30 days; and
- ✓ I am not disqualified by law from voting in local elections; and
- ✓ I am entitled to sign this elector response form, and have not previously signed an elector response form related to Bylaw No. 1265, 2019.

Elector's Full Name (print)	
Residential Address ¹	
AND mailing address if different from residential address	
Signature of Elector	

See the reverse side of this form for further information regarding the petition process.

Personal Information provided on this form is collected in compliance with the *Freedom of Information and Protection of Privacy Act (FOIPPA)* and will be used only for the purposes of the Town of Gibsons Alternative Approval Process. If you require further information regarding *FOIPPA*, please contact the Corporate Officer and FOI Coordinator at 604.886.2274 or the Information and Privacy Commissioner at 1.800.663.7867.

Pursuant to Section 180 of the *Community Charter*, the Town of Gibsons is proposing to seek the assent of the electors by alternative approval process in accordance with Section 86 of the *Community Charter*.

The question before the electors is whether they are **opposed** to the adoption of “Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw” which, if adopted, will authorize the Town of Gibsons to proceed with the 2019 Zone 3 Water Infrastructure Project in the Town of Gibsons; and finance the project up to \$3,329,000.

INSTRUCTIONS

1. If you are **opposed** to the adoption of Bylaw No. 1265, 2019, you can sign an elector response form **if you qualify as an elector in the Town of Gibsons.**
2. If you are **NOT** opposed to the adoption of the bylaw, no action is required.
3. Forms are available at the Town of Gibsons, 474 South Fletcher Road, BC V0N 1V0 between 8:00 am – 4:30 pm beginning August 16th, 2019.
4. To sign an elector response form you **MUST** meet the qualifications as either a Resident Elector or a Non-Resident (Property) Elector of the Town of Gibsons. If you are unsure if you qualify, please contact the Town of Gibsons at 604.886.2274.
5. A person who obtains an elector response form may make accurate copies of the form.
6. One elector of the Town of Gibsons may sign each elector response form.

1.

All elector response forms must be received by the Town of Gibsons on or before 4:00 p.m. on **September 25, 2019** to be considered.

No faxed or emailed elector response forms will be accepted; must be original signatures.

2.

The number of electors in the Town of Gibsons is estimated to be 3717. If ten (10%) percent [372 electors] of the estimated number of electors in the Town of Gibsons sign an elector response form in opposition to the adoption of the said bylaw, the Town of Gibsons cannot adopt the bylaw without receiving the assent of the electors by referendum.

3.

For further information, contact:

Lindsey Grist
Corporate Officer
Town of Gibsons
474 South Fletcher Rd.
Gibsons, BC V0N 1V1
604.886.2274



TOWN OF GIBSONS

Alternate Approval Process Timeframe

Loan Authorization Bylaw 1265, 2019 Water Infrastructure

April 30, 2019	Council Resolution: 1 st , 2 nd and 3 rd Reading Loan Authorization Bylaw No. 1265, 2019 Capital Improvement Financing Bylaw
May 9, 2019	Loan Authorization Bylaw to the Inspector of Municipalities for approval
July 17, 2019	Receipt of approval from Inspector of Municipalities
July 30, 2019	Council Resolution: Approve AAP Process: <ol style="list-style-type: none"> 1. the determination of the number of eligible electors; 2. the determination of the ten percent threshold; and 3. the elector response form.
August 16, 2019	Publish 1 st Notice <ul style="list-style-type: none"> • Elector response forms and information package must be available
August 23, 2019	Publish 2 nd Notice
August 26 , 2019	30 Day Response Period Begins
September 4, 2019	1 st Public Information Session
September 18, 2019	2 nd Public Information Session
September 25, 2019	4:00 pm deadline – Corporate Officer Determines Results <ul style="list-style-type: none"> • Deadline cannot be sooner than 30 days from 2nd notice
October 1, 2019	Council Resolution: Accept results and adopt Loan Authorization Bylaw if less than 10% response
November 1, 2019	Quashing Period Ends – Apply for Certificate of Approval (complete CO's certificate and submit to Ministry)