



***Water Main and Road Restoration
Project
Loan Authorization
Bylaw No. 1314, 2024***

Information Package

May 21, 2024

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Water Main and Road Restoration Project Loan Authorization Bylaw No. 1314, 2024

The Town of Gibsons (the Town) is proceeding with an Alternative Approval Process (AAP) for *Water Main and Road Restoration Project Loan Authorization Bylaw No. 1314, 2024*. The bylaw proposes to borrow up to \$2,735,000 to be repaid over a 20-year term to fund the upgrades to the water distribution system infrastructure and associated road restoration. Approval of the electors is required since the borrowing proposed is for a period longer than five years.

Project Background

The water mains on Skyline Drive, Avalon Drive, Allison Way, and Shoal Lookout are in poor condition and several leaks have been repaired over the past two years. Due to the age and material of the water mains, their current condition poses significant risk of a major water main break which could result in water loss, property damage, and compromised fire protection. In addition to the waterworks, the road surface on Skyline Drive and the adjacent streets is also in poor condition. The replacement of the water mains provides an opportunity to efficiently rebuild the road structure.

A complete replacement of the water mains will be required to provide reliable water supply and fire protection in the area. As such, the Town is proposing to pursue borrowing of up to \$2,735,000 over a 20-year term to fund the replacement of the water mains and road surface at Skyline Drive, Avalon Drive, Allison Way, and Shoal Lookout.

The AAP

The question posed by this AAP is whether the Town can proceed with long-term borrowing (20 years) to fund this project. The Town recognizes the critical need for upgrades to the water distribution system and road rehabilitation. If the AAP fails, other options such as proceeding to an assent vote (referendum) may be considered.

What do I do?

If you are opposed to the Town using long-term borrowing to fund the Water Main and Road Restoration Project, you may **submit an Elector Response Form to indicate your opposition**.

If you support the Town using long-term borrowing to fund the Water Main and Road Restoration Project, you do not need to take any further action.

Who can I contact for more information?

More information on the AAP may be obtained by contacting Tracey Hincks, Deputy Corporate Officer at Town Hall office at 474 South Fletcher Road or by telephone at 604-886-2274. Additional information may be obtained by visiting <https://gibsons.ca/government/elections/alternative-approval-process/>.

LOAN AUTHORIZATION BYLAW

TOWN OF GIBSONS

Bylaw No. 1314, 2024

A bylaw to authorize the borrowing of the estimated cost of constructing capital upgrades to the Town's water distribution infrastructure and restoring road network infrastructure.

WHEREAS it is deemed desirable and expedient to construct capital upgrades to the Town's water distribution infrastructure and restore the road network infrastructure;

AND WHEREAS the estimated cost of capital improvements including expenses incidental thereto in the sum of up to Two Million Seven Hundred and Thirty-Five Thousand Dollars (\$2,735,000) is the amount of debt intended to be borrowed by this bylaw; of which Two Million One Hundred and Eighty-Five Thousand Dollars (\$2,185,000) is for water distribution infrastructure and Five Hundred and Fifty Thousand Dollars (\$550,000) is for restoration of road network infrastructure.

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 capital upgrades to the Town's water distribution infrastructure and restoration of the road network infrastructure generally 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 Two Million Seven Hundred and Thirty-Five Thousand Dollars (\$2,735,000) of which:
 - Two Million One Hundred and Eighty-Five Thousand Dollars (\$2,185,000) is for water distribution infrastructure and
 - Five Hundred and Fifty Thousand Dollars (\$550,000) is for restoration of road network infrastructure.
 - 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 Twenty (20) years.
3. This bylaw may be cited as *Water Main and Road Restoration Project Loan Authorization Bylaw No. 1314, 2024*.

READ a First Time this	19th	day of	March, 2024
READ a Second Time this	19th	day of	March, 2024
READ a Third Time this	19th	day of	March, 2024
RESCINDED Third Reading this	23rd	day of	April, 2024
READ a Third Time as amended this	23rd	day of	April, 2024
RECEIVED the approval of the Inspector of Municipalities this	10th	day of	May, 2024
RECEIVED the approval of the electors		day of	2024
ADOPTED this		day of	2024

Mayor

Corporate Officer



NOTICE OF ALTERNATIVE APPROVAL PROCESS

An **Alternative Approval Process (AAP)** is a cost-effective method to engage with the community to determine whether there is support for certain initiatives, such as long-term borrowing, or other service-related projects. If 10% or more of the eligible electors oppose the initiative, the Town of Gibsons (the Town) cannot proceed and must consider other options including going to an assent vote (referendum).


A unified AAP combines various initiatives and runs them concurrently with a goal of saving taxpayer dollars as well as supporting increased engagement efforts to ensure the community is aware of ways to have their say or get involved.

The Town is proposing to utilize long-term borrowing to fund the Sanitary Sewer and Outfall Project and the Water Main and Road Restoration Project described below. Eligible electors for each proposed initiative may submit an Elector Response Form to indicate their **opposition** to the Town utilizing long-term borrowing to fund these initiatives. The response must be in the form established by the Town or be an accurate copy of the elector response form. Forms are available at the Town Hall or online at gibsons.ca/alternative-approval-process.

Three Ways to Submit an Elector Response Form to Oppose the Proposed Loan Authorization Bylaw(s):

- **Email** clerk@gibsons.ca (Emailed copies of elector response forms must be a legible hand-signed scanned copy).
- **Drop off at Town Hall in Person** at 474 South Fletcher Road, Gibsons, BC from Monday to Friday, 8:30 am to 4:00 pm, excluding statutory holidays, or drop off after hours in the mail drop slot located at the front door of the building.
- **Mail** to Town of Gibsons, Box 340, Gibsons, BC V0N 1V0.

DEADLINE for receipt of Elector Response Forms at the Town is Wednesday, July 3, 2024, at 4:00 pm.
Forms **MUST** be received by the deadline in order to be counted.

Bylaw No. 1313 **3,930** eligible electors with 10% threshold being **393** 
Sanitary Sewer and Outfall Project

Description: The ocean outfall, which conveys treated effluent from the Wastewater Treatment Plant to the ocean, is approaching both its capacity and the end of its expected service life. It was identified in the 2024 Sanitary Sewer Strategic Plan as a Priority 1 replacement for future condition and capacity. Due to the length of time required for design and permitting, it is essential that work begin now so that the outfall can be replaced before it approaches failure.

The 2024 Sanitary Strategic Plan also identified several high-priority capital replacements of various components of the sanitary sewer collection system due to current and future condition and capacity risks. Taking a proactive approach to replacement, rather than a reactive approach, will minimize the need for costly emergency repairs and ensure reliable, responsible service is provided.

As such, the Town is proposing to pursue borrowing of up to \$825,000 over a 10-year term to fund the upgrade to the sanitary sewer collection system infrastructure and engineering for capital improvements to the Town's sanitary sewer outfall.

Taxpayer Impact: If the AAP for the Loan Authorization is successful, it is proposed that the portion of parcel taxes and user fees allocated to debt recovery will amount to approximately \$36.81 per property on an annual basis until the debt is retired. The costs of the debt will be recovered through sanitary sewer parcel taxes and user fees that are applied to all properties within the Town that are connected or deemed to be connected to the system.

Note: The overall rate structure may vary from year to year depending on changes to capital plans and the availability of other sources of funding such as provincial and federal grants.

Estimated Costs	10 Year
Total Annual Principal and Interest Payments*	\$106,952
Net cost of borrowing*	\$364,650
Parcel tax and user fees (per property)	\$36.81

*Based on the current indicative long-term lending rate of 4.42%, net of interest earned on MFA sinking fund balance. Rates are subject to change.

The Town of Gibsons may proceed with the long-term borrowing to fund the Sanitary Sewer and Outfall Project unless, by the deadline, at least 10% (393) of the eligible electors in the Town of Gibsons indicate their opposition.

Only eligible electors with the Town of Gibsons are entitled to sign an elector response form.

Bylaw No. 1314 **3,930** eligible electors with 10% threshold being **393** 
Water Main and Road Restoration Project

Description: The water mains on Skyline Drive, Avalon Drive, Allison Way, and Shoal Lookout are in poor condition and several leaks have been repaired over the past two years. Due to the age and material of the water mains, their current condition poses significant risk of a major water main break which could result in water loss, property damage, and compromised fire protection. In addition to the waterworks, the road surface on Skyline Drive and the adjacent streets is also in poor condition. The replacement of the water mains provides an opportunity to efficiently rebuild the road structure.

A complete replacement of the water mains will be required to provide reliable water supply and fire protection in the area. As such, the Town is proposing to pursue borrowing of up to \$2,735,000 over a 20-year term to fund the replacement of the water mains and road surface at Skyline Drive, Avalon Drive, Allison Way, and Shoal Lookout.

Taxpayer Impact: If the AAP for the Loan Authorization is successful, it is proposed that the portion of parcel taxes and user fees allocated to debt recovery will amount to approximately \$92.57 per property on an annual basis until the debt is retired. The costs of the debt will be recovered through water parcel taxes and user fees that are applied to all properties within the Town that are connected or deemed to be connected to the system.

Note: The overall rate structure may vary from year to year depending on changes to capital plans and the availability of other sources of funding such as provincial and federal grants.

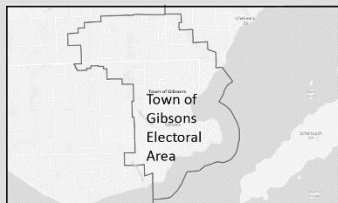
Estimated Costs	20 Year
Total Annual Principal and Interest Payments*	\$215,628
Net cost of borrowing*	\$2,417,740
Parcel tax and user fees (per property)	\$92.57

*Based on the current indicative long-term lending rate of 4.42%, net of interest earned on MFA sinking fund balance. Rates are subject to change.

If the AAP for the Loan Authorization is not successful, future failures in the system would require emergency repairs. Using a reactive approach instead of a planned proactive replacement would result in higher costs for emergency repairs and would fail to address the need to fully replace the watermain. This would also divert funding from planned repairs and infrastructure renewal for other parts of the system.

The Town of Gibsons may proceed with the long-term borrowing to fund the Water Main and Road Restoration Project unless, by the deadline, at least 10% (393) of the eligible electors in the Town of Gibsons indicate their opposition.

Only eligible electors with the Town of Gibsons are entitled to sign an elector response form.



Copies of the loan authorization bylaws, the calculation of eligible electors, and other documents or reports related to these initiatives may be obtained from the Town's website at gibsons.ca/alternative-approval-process, or from Town Hall between 8:30 am and 4:00 pm Monday to Friday, excluding statutory holidays.

More information on the AAP may be obtained by contacting Tracey Hincks, Deputy Corporate Officer at Town Hall at 474 South Fletcher Road, Gibsons, or by telephone at 604-886-2274.

Tracey Hincks, Deputy Corporate Officer

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 **3,930**.

The number of electors was calculated by using the total registered electors on the Provincial voters list within the Service Area as received from Elections BC on March 26, 2024 and the number of non-resident property electors registered for properties within the Service Area.

The number of electors was calculated as follows:

- The number of resident electors on the Provincial voters list in the Service Area, as received from Elections BC on March 26, 2024 **(3,908)**

Plus

- The number of non-resident property electors currently registered for properties within the Service Area **(22)**

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 **(393)**.

Financial Information / Budget Implications

Water Main and Road Restoration Project

If the AAP for the Loan Authorization is successful, it is proposed that the portion of parcel taxes and user fees allocated to debt recovery will amount to approximately \$92.57 per property on an annual basis until the debt is retired. The costs of the debt will be recovered through water parcel taxes and user fees that are applied to all properties within the Town that are connected or deemed to be connected to the system.

Note:

- The overall rate structure may vary from year to year depending on changes to capital plans and the availability of other sources of funding such as provincial and federal grants.

Estimated Costs	20 Year
Total Annual Principal and Interest Payments*	\$215,628
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