

Date: Tuesday, December 10, 2024

To: Elizabeth Tracy, Chief Administrative Officer

From: Gwendolyn Kennedy, Manager, Corporate & Legislative Services

Subject: Water Treatment Facility Loan Authorization: Change to Alternate Approval Process Dates

PURPOSE

The purpose of this report is to seek Council's support for changing the schedule of the alternative approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022.

BACKGROUND

Beginning in 2020, the Village underwent preliminary investigations into water treatment options that would provide Village residents with potable water that meets current Canadian Drinking Water Quality guidelines. Results of the Water Treatment Investigation Report prepared by Kerr Wood Leidal indicated that water sourced from Wells 2 and 3 would need treatment for elevated levels of manganese and iron in the future. Proposed water treatment facilities would cost in the range of \$8.2 million.

In 2021, the Village identified a major funding opportunity, the Investing in Canada Infrastructure Program – Green Infrastructure Environmental Quality Stream program grant and applied for the funding. The Village was successful in its application and has been granted \$5,982,995. This grant funding significantly reduces the borrowing requirements and overall project costs for the water treatment facility, presenting an opportunity to undertake a critical infrastructure upgrade with limited local municipal tax impact.

To complement the grant funding, the Village will access \$500,000 in reserve funds and intends to seek borrowing approval of up to \$1,690,000 through the Municipal Finance Authority of BC to cover the remainder of the Village's share of the costs. The borrowing will be repaid over 25 years at preferred rates, ensuring manageable costs. Importantly, only users who benefit from this project will experience impacts to their taxes, as repayment will be structured through a combination of frontage tax and user rates. Notably, as the Industrial Park is supplied with water purchased through a contractual agreement with Lílwat Nation, Industrial Park users will not directly benefit from access to the water treatment facility and will therefore not be subject to increased water and frontage rates put in place to recover the long-term borrowing costs.

To borrow funds over a period longer than five years, a municipality must obtain approval of the electors through an assent vote or by an alternative approval process (AAP). Because of the cost of an assent vote, Council authorized staff to proceed with an AAP. Under the AAP, if more than 10% of the electorate submits a response indicating opposition to the loan authorization

bylaw, Council may decide not to pursue the proposed long-term borrowing or may proceed with an assent vote.

At Regular Council Meeting No. 1610, held Tuesday, November 5, 2024, Council considered a staff report seeking Council support to proceed with an alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022 and passed the following resolutions:

Resolution No. 1610-10

THAT Council directs the corporate officer to undertake an alternative approval process to determine the opinion of the electors with respect to long-term borrowing as set out in Water Treatment Facility Loan Authorization Bylaw No. 922, 2022.

Resolution No. 1610-11

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022, Council establishes the deadline for receipt of elector responses to be 4:00pm on Monday, January 6, 2025.

Resolution No. 1610-12

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022, Council approves the elector response form as presented.

Resolution No. 1610-13

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022 Council estimates the number of eligible electors to be 2940.

DISCUSSION & COMMENTS

Since the November 5th meeting, the corporate officer has determined that it would be best to delay the AAP to ensure that staff can provide residents and property owners with an updated assessment of the estimated costs of the long-term borrowing.

Public notice of an AAP must include information regarding the costs of the borrowing. This is often presented as an estimate of the average cost to a typical Village residential property.

Estimated average water frontage rate will increase by \$76.33 per year, from \$71.19 to \$147.52.

The updated schedule proposed to Council will allow time to meet AAP advertising requirements by publishing notices in the Pique Newsmagazine and providing opportunities for public input, without impacting project delivery, schedule or cost. This ensures the borrowing process aligns with legislative compliance and gives residents and property owners a transparent and informed opportunity to support the project.

Eligible Electors

Recovering borrowing costs through frontage and water rates rather than through general taxation alters the pool of eligible electors for the AAP. Because the Industrial Park is supplied with water purchased from Lílwat Nation, property owners will not benefit from the water treatment facility and will not be subject to increased water and frontage rates put in place to recover the long-term borrowing costs.

To estimate the number of eligible electors, staff subtracted the number of individual property owners at the Industrial Park from the previous total of 2940 eligible electors, resulting in an estimate of 2832 eligible electors. Staff recommend that Council accepts 2832 as a reasonable estimate of the number of eligible electors for the AAP.

Rescinding Resolutions

Staff are asking Council to rescind the following resolutions:

- Resolution No. 1610-11, that sets the deadline for submission of elector response forms as January 6, 2025;
- Resolution No. 1610-12, through which Council approved the elector response form that included the January 6th deadline; and
- Resolution No. 1610-13, that established the number of eligible electors,

and to pass new resolutions setting the new deadline for the AAP as January 31, 2025, establishing the number of eligible electors as 2832, and approving the revised elector response form that reflects the new dates (**Appendix A**).

By proceeding with the alternative approval process (AAP), the Village seeks to engage the community and secure public support for the project. This step will ensure that taxpayers benefit from the substantial ICIP grant funding that has been made available, enabling the Village to complete this essential project at a fraction of the total cost.

The delay in starting the AAP will not have a material impact on the loan authorization process because the objective is to complete the process in time for the fall 2025 debenture. As shown in Table 1, the process is expected to run until the end of April. The deadline for submission for the fall debenture is usually in August, still leaving room for unanticipated delays under the revised schedule.

Table 1. Water Treatment Facility Loan Authorization Process with Dates Revised

Activity	Legislative Reference	Estimated Date
1. Municipal loan authorization bylaw – initial three readings	<i>Community Charter</i> section 179	February 15, 2022
2. Confirmation of grant funding		July 19, 2024
3. Approval of Bylaw 922 at third reading by Inspector of Municipalities	<i>Community Charter</i> section 179	Approval received October 16, 2024 (Appendix B)
4. Report to Council to establish AAP dates	<i>Community Charter</i> sections 84, 86	December 10, 2024
5. Place ads in paper		December 13 & 20, 2024
6. Response forms available at Village Office and on the website		December 13, 2024 – January 31, 2025
7. Process runs for at least 30 days from day after the last advertisement	<i>Community Charter</i> section 86	To be established by Council. Recommend January 31, 2025
8. Receive results from AAP process and adoption of loan authorization bylaw	<i>Community Charter</i> sections 86	February 11, 2025
9. One Month Quashing Period (<i>LGA</i> section 624) to end March 11, 2025		
10. Certificate of Approval from the Ministry of Municipal Affairs	<i>LGA</i> Section 122	Allow 4 – 6 weeks: April 21, 2025
11. Municipal Security Issuing Resolution passed (sent to the Regional District)	<i>Community Charter</i> Section 122	April 22, 2025
12. Regional District to prepare and issue Security Issuing Bylaw (all reading done in one meeting)	<i>Community Charter</i> Section 182	April 23, 2025 (SLRD 2025 meeting schedule not yet confirmed)
13. 10-day quashing period – April 31, 2025		
14. Regional District to seek Inspector of Municipalities' Certificate of Approval		
Information to MFA for fall debenture and issuance of funds		

COMMUNICATIONS

Staff will provide public notice of the AAP for the water treatment facility in accordance with section 94 of the *Community Charter*.

LEGAL CONSIDERATIONS

The AAP process is set out in part 4, division 2 of the *Community Charter*.

BUDGET & STAFFING

Management of the AAP process falls within the regular duties of the Corporate & Legislative Services and Finance departments. Costs associated with the process can be accommodated in the budget.

INTERDEPARTMENTAL IMPACT

This report was a collaboration between Thomas Sikora, manager of Finance, and Gwendolyn Kennedy, manager of Corporate & Legislative Services.

COMMUNITY CLIMATE ACTION PLAN

The loan authorization process has no impact on the Community Climate Action Plan strategies.

STRATEGIC PRIORITIES

Long-term borrowing for development of a water treatment facility aligns with the strategic priority *to plan and manage growth*.

IMPACT ON THE REGION

Borrowing from the Municipal Finance Authority must be facilitated on behalf of the Village of Pemberton by the Squamish-Lillooet Regional District. Once the Village has received the approval of the electorate, the Village will ask the Squamish-Lillooet Regional District to prepare and issue a security issuing bylaw and seek a certificate of approval from the Inspector of Municipalities. This is a routine function of all regional districts and it is expected the Squamish-Lillooet Regional District will accommodate this request.

ALTERNATIVE OPTIONS

There are no alternative options for consideration.

RECOMMENDATIONS

Recommendation 1:

THAT Council rescinds Resolution Numbers 1610-11, 1610-12, and 1610-13 passed November 5, 2024.

Recommendation 2:

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022, Council establishes the deadline for receipt of elector responses to be 4:00pm on Friday, January 31, 2025.

Recommendation 3:

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022, Council approves the elector response form as presented at the regular meeting of Council held on December 10, 2024.

Recommendation 5:

THAT, for the purposes of the alternate approval process for Water Treatment Facility Loan Authorization Bylaw No. 922, 2022, Council estimates the number of eligible electors to be 2832.

ATTACHMENTS:

Appendix A: Elector response form

Prepared by:	Thomas Sikora, Manager of Finance and Gwendolyn Kennedy, Manager of Corporate & Legislative Services
CAO approval:	Elizabeth Tracy, Chief Administrative Officer

ALTERNATIVE APPROVAL ELECTOR RESPONSE FORM

A resident elector must:

1. be a Canadian citizen;
2. be age eighteen (18) or older;
3. have been a resident of BC for a least the past six months;
4. be a Village of Pemberton resident; and
5. not be disqualified by the *Local Government Act* or any other enactment from voting in an election of otherwise disqualified by law.

A non-resident property elector must:

1. not be entitled to register as a resident elector;
2. be a Canadian citizen;
3. be age eighteen (18) or older;
4. have been a resident of BC for a least the past six months;
5. have been a registered owner of property in the Village of Pemberton for at least 30 days; and
6. not be disqualified by the *Local Government Act* or any other enactment from voting in an election or otherwise disqualified by law.

The undersigned elector of the Village of Pemberton hereby petitions the Council of the Village of Pemberton not to proceed with the adoption of *Village of Pemberton Water Treatment Facility Loan Authorization Bylaw No. 922, 2022*, being a bylaw authorizing the borrowing of a sum not exceeding \$1,690,000 towards the construction of the water treatment facility.

Elector's Full Name (print – no initials)	Residential Address	Property Address (for non-resident electors only)	Signature of Elector

I am an elector of the Village of Pemberton. By my signature, I hereby indicate that Council **should not** proceed with the adoption of the *Village of Pemberton Water Treatment Facility Loan Authorization Bylaw No. 922, 2022*, unless that bylaw is approved by approval of the electors. Loan Authorization Bylaw No. 922, 2022 will be deemed to have received the approval of the electors unless alternative approval elector response forms petitioning against the bylaw have been received from 10 percent of the eligible electors of the Village of Pemberton.

A person who presents an alternative approval elector response form to another person for signing must not knowingly make any false or misleading statements about the proposed bylaw.

Use one Alternative Approval Elector Response Form for each elector.

DEADLINE FOR RECEIPT OF SIGNED FORMS is Friday, January 31, 2025 at 4:00pm (postmarks not accepted) to:

Village of Pemberton, Attention: Corporate Officer

PO Box 100 | 7400 Prospect Street
 Pemberton, BC V0N 2L0