



District of Clearwater Report to Council

To: Mayor and Council

Date: May 5, 2020

From: Leslie Groulx, Chief Administrative Officer

Subject: **Alternative Approval Process – Loan for Wastewater Treatment Cell#1**

Request for: **Direction** **Decision** **Information Only**

Recommendation:

WHEREAS the District of Clearwater Council has given three readings to Loan Authorization Bylaw No. 235, 2020 which proposes to construct improvements to the wastewater system (Cell#1), and a debenture not to exceed \$560,000 (\$585,000 minus initial contribution of \$25,000 Septic Receiving Reserve Fund, and Sewer User fees of \$30,000 and \$12,686 Septic Receiving operating annually) be obtained to finance the construction of improvements to the wastewater system Cell#1 which will be repaid over a period not to exceed fifteen (15) years, and

WHEREAS the District of Clearwater Council cannot adopt Bylaw No. 235, 2020 until the approval of the electors has been obtained;

THEREFORE BE IT RESOLVED that the Corporate Officer undertake an alternative approval process to determine the opinion of the electors with regard to the matter, and

THAT IT BE FURTHER RESOLVED that a thirty (30) day notice for submitting receiving elector response forms is established and that the deadline for submission of wastewater upgrade Loan Authorization Alternative Approval Process Elector Response Forms be 4:00 PM on Monday, July 20, 2020.

Executive Summary:

In order to proceed with the adoption of Loan Authorization Bylaw No. 235, 2020 to complete wastewater upgrades to Cell#1, a public assent process must be conducted. The assent will be conducted by way of the Alternative Approval Process. This process is intended to provide

Council the authority to establish a debenture in the amount of \$585,000 in order to construct improvements to the District's Wastewater system to service the sewer users of the District of Clearwater.

Background:

On January 21st, 2020, Council passed a resolution to approve funding a portion of the upgrades to the Wastewater System upgrades (Cell#1) project using \$73,749 of the development cost charges (DCC's) collected within the sewer fund and to work on a loan authorization bylaw in order to fund the rest of the District's portion of the project not covered by the *Investing in Canada Infrastructure Program - Environmental Quality - Wastewater Treatment Upgrading* grant. At the February 4th, 2020 Regular meeting, Council gave three readings to Loan Authorization Bylaw No. 235, 2020 for wastewater upgrades and the Inspector of Municipalities has authorized adoption of the bylaw subject to public assent by way of the Alternative Approval Process (AAP) as requested.

An AAP enables local governments to directly engage citizens about a proposed bylaw intended to undertake **long-term borrowing**, boundary extension, establish a new regional district service or other matters regarding elector approval. In an AAP, instead of attending a voting place and casting a ballot, eligible electors (the same requirements for participation as in an election or referendum) **register their opposition to the initiative** by completing an Elector Response Form and submitting it to the Corporate Officer before the deadline. Approval is received if less than 10% of the eligible electors within the proposed service area sign and submit an Elector Response Form by the AAP deadline.

Section 86 Alternative approval process (Community Charter)

Approval of the electors by alternative approval process under this section is obtained if (1)(c) at the end of the time for receiving elector responses, as established under subsection (3), the number of elector responses received is less than 10% of the number of electors of the area to which the approval process applies.

Discussion:

Section 86 of the *Community Charter* sets out the very specific requirements for conduct of an AAP.

The Council must:

- (a) Establish the deadline for receipt of elector responses. The deadline can be no sooner than 30 days after the second publication in the local newspaper.
- (b) Establish elector response forms. The forms must include: (i) a general description of the proposed bylaw, (ii) a description of the area to which the approval process applies, (iii) the deadline for elector responses, (iv) a statement that the Council may proceed with the borrowing unless at least 10% of the electors of the area submit elector response forms by the deadline, (v) a statement that the responses must be in the form approved by the Council, where the forms are available (including the District office) and that only eligible electors are entitled to sign; (vi) the number of elector responses required to prevent the Council from proceeding with adoption without conducting an assent voting opportunity (referendum).
- (c) make a fair determination of the total number of electors of the area to which the approval process applies.

Deadline for Submission

The deadline for submission of elector response forms may be no sooner than thirty (30) days after the second publication in the local newspaper. Following the June 2, 2020 Council meeting, the next editions of the Clearwater Times are published on June 11th, 2020 and June 18th, 2020. By setting the deadline for submission of elector response forms as July 20, 2020 electors will have thirty two (32) days from the last newspaper publication.

Fair Determination of the Number of Electors

A calculation using the 2016 censusⁱ profile for Clearwater and taking into consideration the suggested growth from 2016 to 2020 of 0.05% staff has calculated the number of residents 18 years plus and used the number of properties that pay taxes within the municipality to derive an estimate of eligible electors in the sewer service area. This provided a percentage to use to calculate the estimated total number of eligible electors for the sewer service area. The determination of the number of electors within the proposed service area, is a fair estimate based on the parcel tax listing for sewer connections, subtracting the number of parcels that are vacant to gain the estimate for household residents, and multiplying by 2.2 (average person household in BC). The following are the total estimated number of residents within the sewer service area and the estimated number of residents over the voting age of 18 (eligible electors).

	Total Number of Properties Sewer Service	Total Number of vacant properties in Service Area	Total Number of Residents over 18	10%
Sewer Service Area	262	52	329	33

Based on census data and calculations, if less than 31 Elector Response Forms were signed and submitted before the AAP deadline (10% of the eligible electors within Sewer Service area), the service establishment will be approved.

Sewer Service Areas:

Service Area	Description of Areas
Area 1	Blair Place, Murtle Crescent, Murtle Road, Robson Place, Robson Street, Azure Drive and Helmcken Street
Area 2	Park Drive, Evergreen Place to Raft River School
Area 3	Eden Road, Clearwater Valley Road to Clearview Estates

Elector Response Form

An Elector Response Form is attached to this Report for the Council’s approval.

Financial Implications:

The cost of conducting the Alternative Approval Process is estimated at approximately \$1,000 with most of the cost associated with publication of the required notice in two (2) consecutive issues of the local newspaper.

The District of Clearwater (DOC) share of the project costs after Federal and Provincial grants and DCC's in the amount of \$585,000 (excluding interest) which would be borrowed from Municipal Finance Authority and repaid over fifteen (15) years. There are a couple options to make up DOC share of this project as follows:

Option 1: Borrow \$585,000 (15-year term). Funded by existing sewer customers either through an Annual Parcel Tax of \$170.20 per parcel or a onetime fee up front of \$2,232.82 per parcel. The summary below outlines the project costs and funding sources, and then calculates the two options available to sewer customers.

Option 2: Borrow \$560,000 (15 year term), total cost of borrowing \$668,878.52, to be funded by an initial contribution from the Septic Receiving reserves of \$25,000, Sewer User fees \$30,000 (annually for 15 year term), and a contribution from the Septic Receiving operating budget of \$12,686 (annually for 15 year term);

Option 1:

Total Project Cost:	\$ 2,470,000
Less: Federal and Provincial Grant Funding	\$ 1,811,251
DOC Share	\$ 658,749
Funded from Development Cost Charges	\$ 73,749
*Funded by Parcel Tax	\$ 585,000
Total Number of Properties in Service Area:	262
One-time cost per property paid upfront:	\$ 2,232.82
Total Cost to borrow over 15 years:	\$ 668,878
Annual Amount per property if amortized over Fifteen years:	\$ 170.20
Total paid per property over 15 years	\$ 2,553.00

Option 2:

Total Project Cost:	\$ 2,470,000
Less: Federal and Provincial Grant Funding	\$ 1,811,251
DOC Share	\$ 658,749
Funded from Development Cost Charges	\$ 73,749
Funded from Septage Receiving Reserves	\$ 25,000
*Funded by User Fees	\$ 560,000
Total Number of Properties in Service Area:	262
Total Cost to borrow over 15 years:	\$ 640,293.97
Annual Cost to Borrow	\$ 42,686.26
Annual Contribution from Septage	\$ 12,686.26
Annual User Fees	\$ 30,000.00
Annual Average per property if amortized over 15 years:	\$ 114.50
Total paid per property over 15 years	\$ 2,137.40

* Note: The Loan Authorization Bylaw authorizes up to the maximum identified for the District's share to be borrowed to complete this project. The difference between this amount and the DOC's share is for purposes managing cash flow over the time to complete the project.

Strategic Priorities: The need for upgrades to the wastewater system has been part of Council strategic priorities since 2016, key goals are to expand the system for future growth and to sustain the current septage deliveries received that are processed through the system.

Public Consultation:

Legislative Requirements to Consult: Sections 86 and 94 of the *Community Charter* state that notice of the Alternate Approval Process must be posted in the commonly used public notice posting places and published in a newspaper that is distributed at least weekly in the areas affected, the notice must be published once per week for 2 consecutive weeks.

Outline of Public Consultation Strategy: Following the June Council meeting, the required advertising will be posted in local newspaper and a press release will be issued and posted on District's Facebook page and in the newsletter. Details about the proposed service, the Alternative Approval Process and Elector Response Forms will be available at the District Administration Officer, sent to individual household on the sewer service and on the District's website.

Communication to Public

The decision of the Council regarding this item will be communicated to the public:

- in the minutes of the meeting at which this item will be considered by the Council; said minutes to be included in the next Regular Council meeting agenda on the District of Clearwater's website; and
- by notification in The What's Happening column in the local newspaper following the Regular Council meeting; and
- by publication of ads in the local newspaper relating to the AAP; and
- by including a page on the District's website dedicated to the AAP; and
- by publication of a press release following the regular Council meeting.

Options for Consideration:

Option 1 – That Council approves finalizing the borrow bylaw for funds to cover the District's portion of funds required to complete the construction of upgrades to the wastewater system (Cell#1) project through an Alternative Approval Process; and that the process be complete with

final response date of July 20, 2020 at 4:00 p.m. With the funds borrowed at \$585,000 and an annual Sewer Service Parcel tax of an annual payment at \$170.20 per parcel for a fifteen-year term within the defined sewer service area.

Option 2 – That Council approves finalizing the borrow bylaw for funds to cover the District’s portion of funds required to complete the construction of upgrades to the wastewater system (Cell#1) project through an Alternative Approval Process; and that the process be complete with final response date of July 20, 2020 at 4:00 p.m. With the funds borrowed at \$560,000 and an annual Sewer User Fee amount of an average of \$114.50 per parcel for a fifteen-year term within the defined sewer service area.

Option 3 - That Council abandon the borrowing bylaw at third reading and borrow internally from the general government surplus to cover the District’s portion of funds required to complete the construction of upgrades to the wastewater system (Cell#1) project, and that the internal borrowing be paid back on an annual basis by an increase in user fees.

Staff is recommending Option 2.

Respectfully submitted,



Leslie Groulx, CMC
Chief Administrative Officer

Attachment

- Bylaw No. 235, 2020 (third reading)
- Statutory approval – Deputy Inspector of Municipalities
- Calendar of key dates
- Alternative Approval Process (elector calculation)
- Elector Response Form
- Notice of Alternative approval process
- Defined Service Area Map

ⁱ 2016 Census Profile for District of Clearwater – Stats Canada



DISTRICT OF CLEARWATER

Loan Authorization Bylaw

BYLAW NO. 235, 2020

A Bylaw to authorize the borrowing of the estimated cost of constructing wastewater infrastructure upgrades

WHEREAS it is deemed desirable and expedient to upgrade Cell No. 1 Aeration lagoon accompanies with a headworks system, serving the wastewater users of the District of Clearwater.

AND WHEREAS the estimated cost of constructing improvements to the wastewater system, including expenses incidental thereto is the sum of \$2,470,000, of which the sum of \$585,000 is the amount of debt intended to be borrowed by this bylaw;

AND WHEREAS the District of Clearwater has received a grant from the Federal and Provincial Government in the amount of \$1,811,251.

NOW THEREFORE the Council of the District of Clearwater, in open meeting assembled, enacts as follows:

1. CITATION

- 1.1. This bylaw may be cited as “District of Clearwater Cell No.1 Loan Authorization Bylaw No. 235, 2020”.

2. PURPOSE

- 2.1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the upgrade of Cell No. 1 to the wastewater system 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 \$585,000.
- 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 to the water system.

2.2. The maximum term for which debentures may be issued to secure the long-term debt created by this bylaw is fifteen (15) years.

READ A FIRST TIME this 4th day of February, 2020.

READ A SECOND TIME this 4th day of February, 2020.

READ A THIRD TIME this 4th day of February, 2020.

Certified to be true and correct copy of Bylaw No. 235, 2020 at Third Reading.

Leslie Groulx, Corporate Officer

Date: February 5, 2020.

RECEIVED the approval of the Inspector of Municipalities this 23rd day of March, 2020.

RECEIVED the approval of the electors of the District of Clearwater on the _____ day of _____, 2020.

ADOPTED this _____ day of _____, 2020.

Merlin Blackwell, Mayor

Leslie Groulx, Corporate Officer



Statutory Approval

Under the provisions of section _____ 179 _____

of the _____ Community Charter _____

I hereby approve Bylaw No. _____ 235 _____

of the _____ District of Clearwater _____,

a copy of which is attached hereto.

Dated this 23 *day*

of March *, 2020*

Deputy Inspector of Municipalities

CALENDAR OF KEY DAYS – ALTERNATIVE APPROVAL PROCESS

Loan Authorization Bylaw 235, 2020 Wastewater Upgrades

JUNE						
Sunday 31	Monday 1	Tuesday 2	Wednesday 3	Thursday 4	Friday 5	Saturday 6
7	8	9	10	11 First Notice Published	12	13
14	15	16	17	18 Second Notice Published	19	20
21	22	23	24	25	26	27
28	29	30				
JULY						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20 Deadline Date @ 4:00 p.m.	21 Earliest Day to Certify Results				



LOAN AUTHORIZATION BYLAW NO. 235, 2020, WASTEWATER UPGRADE

ALTERNATIVE APPROVAL PROCESS

The purpose of this report is to show the basis for determining the total number of electors in relation Loan Authorization Bylaw 235, 2020 for to wastewater upgrades that is subject of an Alternative Approval Process.

Section 86(3)(c) of the *Community Charter* requires the Council to make a fair determination of the total number of electors of the area to which the approval process applies. In addition, the Council must make available to the public, on request, a report respecting the basis on which the determination was made.

The number of people eligible to be a resident elector or a non-resident property elector is determined based on those individuals who when signing an elector response form:

1. Are 18 years of age or older;
2. Are a Canadian Citizen;
3. Have lived in British Columbia for at least 6 months;
4. Have lived or owned property in the jurisdiction for at least 30 days;
5. Live, or own property in the area defined in the AAP; and
6. Are not disqualified under the *Local Government Act*, or any other enactment from voting in a local election, or be otherwise disqualified by law.

The estimated number of eligible electors ***within the Sewer Service area defined for the AAP*** is based on information from various sources as indicated below, is calculated as follows:

1. Estimated population	2,352
2. Estimated number of people 18 years of age or older (64%)	1,505
3. Minus the number of residents who are estimated to have moved out of the jurisdiction in the past 30 days	30
4. Add the number of residents who are estimated to have moved into the jurisdiction in the past 30 days	24
5. Total property folios in the District of Clearwater	1424
6. Add estimated number of non-resident property owners	212
7. Number of property folios on sewer parcel tax in defined sewer service area	262
8. Minus the number parcels that are vacant	52
9. Estimated total number of eligible electors in the sewer service area defined for the AAP*	329
10. Ten percent (10%) of the total number of eligible electors is estimated to be:	33

• 210 sewer use billing x 2.2 average person per household in BC Census Canada	462
• 52 vacant lots on sewer parcel tax	52
• Total estimated eligible electors (462+52*64%=313.6)	329

1. The total estimated population of the jurisdiction was derived from information obtained from 2016 Statistics Canada Census Profile for Clearwater BC. The rate of population growth for the jurisdiction is estimated to be 1.2% by 2020. Therefore, the estimated population is calculated as: 2352
2. The estimated number of people 18 years of age or older is 64% of the population based on information from the same source. Therefore, the population estimated to be older than 18 is calculated as: 2352*64% or 1505
3. The number of people estimated as not being Canadian citizens is estimated to be 2% based on information received from above that was prepared on 2016. Therefore, this number is being subtracted from the calculation in #2. 1505*2%=30
4. The number of people who are estimated not be residents of BC for the past 6 months due to immigration/movement is unknown.
5. The number of residents who are estimated to have moved out of the jurisdiction in the past 30 days based on immigration / movement is unknown
6. The number of residents who are estimated to have moved into the jurisdiction in the past 30 days based on immigration/movement is unknown
7. The number of non-resident property electors is estimated to be based on information received from 2016 Census profile for Clearwater BC that was prepared on 2016.

Approved by a resolution passed by the Council at an open meeting held on the -- day of ----- 2020.



**ALTERNATIVE APPROVAL PROCESS
ELECTOR RESPONSE FORM
WASTEWATER UPGRADE LOAN AUTHORIZATION BYLAW**

Pursuant to the Local Government Act and the Community Charter, I certify that:

- By completing this elector response form, I oppose the District of Clearwater Council’s intention to adopt Wastewater Upgrade Loan Authorization Bylaw No. 235, 2020 which authorizes the borrowing of up to \$585,000 to be repaid over a period not exceeding fifteen (15) years in order to finance the costs of to construct upgrades to the wastewater system (Cell#1), without obtaining the assent of the electors by voting (ie. Referendum).

FULL NAME OF ELECTOR (Print Clearly)	
ELECTOR’S RESIDENTIAL STREET ADDRESS	
ELECTOR’S SIGNATURE	

Choose One:
(see reverse for
eligibility
requirements)

I am a resident elector within the Sewer Service Area

OR

I am a non-resident property elector who lives in another community and owns property in the Electoral Area noted above located at:

(address)

Are there other owners of this property? YES NO

If Yes, attach written consent from majority of other owners

DATE	
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The deadline for submitting this elector response form to the District of Clearwater is **4:00PM, on Monday, July 20, 2020** it must be received by the District of Clearwater Corporate Officer. The District of Clearwater Council may proceed with the adoption of Bylaw No. 235, 2020 unless 39 electors sign and submit a completed copy of this elector response form by the deadline.

A person must not sign more than one elector response form in relation to this alternative approval process.

Send completed Elector Response Forms to Leslie Groulx, Corporate Officer, PO Box 157, Clearwater, B.C. V0E 1N0 or in person to 209 Dutch Lake Road, Clearwater, B.C. V0E 1N2. The mailing postmarks will not be accepted as the date of submission. Faxed or Emailed Submissions will not be accepted.



ALTERNATIVE APPROVAL PROCESS ELECTOR RESPONSE FORM WASTEWATER UPGRADE LOAN AUTHORIZATION BYLAW

INFORMATION SHEET

The District of Clearwater Council intends to adopt Loan Authorization Bylaw No. 235, 2020 to finance the cost of wastewater upgrades that will be repaid over a period not to exceed fifteen (15) years. It is estimated that the borrowing will result in a fee increase for the average residential property of \$162.92 per year. The sewer upgrades will provide a sustainable wastewater system for the community and allow for future growth.

A copy of Bylaw No. 235, 2020 and a report summarizing the project is available from the District of Clearwater's municipal office during each business day of the week between 8:30 a.m. and 4:30 p.m. **Further information about the wastewater upgrades will be available at a public information meeting to be held at 6:30 p.m. on Tuesday, June 16, 2020 at the Dutch Lake Community Centre.**

Additional Information About Elector Eligibility

In order to sign an elector response form in relation to the alternative approval process (AAP), a person must either be a resident elector or a non-resident property elector.

A **resident elector** is an individual who is entitled to sign an elector response form during an AAP by virtue of living within that jurisdiction. *When signing an elector response form*, a resident elector must:

- Be 18 years of age or older;
- Be a Canadian citizen;
- Have lived in British Columbia for at least six months;
- Have lived in the jurisdiction (e.g. municipality) for at least 30 days;
- Live in the area defined for the AAP; and,
- Not be disqualified under the *Local Government Act*, or any other enactment from voting in a local election, or be otherwise disqualified by law.

A **non-resident property elector** is an individual that does not live in a jurisdiction and who is entitled to sign an elector response form during an AAP by virtue of owning property in that jurisdiction. *When signing an elector response form*, a non-resident property elector must:

- Be 18 years of age or older;
- Be a Canadian citizen;
- Have lived in British Columbia for at least six months;
- Have owned property in the jurisdiction (e.g. municipality) for at least 30 days;
- Own property in the area defined for the AAP; and,
- Not be disqualified under the *Local Government Act*, or any other enactment from voting in a local election, or be otherwise disqualified by law.

Note: Only one non-resident property elector may sign an elector response form per property, regardless of how many people own the property; and, that owner must have the written consent of a majority of the other property owner(s) to sign the response form on their behalf. **Property owned in whole or in part by a corporation does not qualify under the non-resident property elector provisions.**



LOAN AUTHORIZATION BYLAW APPROVAL PROCESS

NOTICE OF ALTERNATIVE APPROVAL PROCESS

This notice is the first of two notices to advise electors in the District of Clearwater of the intention to adopt Loan Authorization Bylaw No. 235, 2020 for wastewater upgrades. The purpose of the bylaw is to borrow an amount not to exceed \$560,000 to finance the cost to construct upgrades to the wastewater system (Cell#1) that will be repaid over a period not to exceed fifteen (15) years. It is estimated that the borrowing will result in an increase to User Fees to property owners within the defined sewer service area in the amount of \$114.50 per year for the 15-year period. The sewer upgrades will provide a sustainable wastewater system for the community and allow for future growth. A copy of Bylaw 235, 2020 and a summary of the proposal area available from the District's office during each business day of the week between 8:30 am and 4:30 pm.

The Council proposes to borrow the money and undertake the construction of upgrades to the wastewater system (Cell#1) unless, by 4:00 pm on July 20, 2020, at least 10 percent (%) of the electors in the defined sewer service area described in the attached map, sign an elector response form opposing the implementation of the proposal unless the Council holds a vote (ie: referendum).

The number of elector responses required to prevent the District from proceeding unless a vote is held is estimated to be 39. A report respecting the basis on which this determination is made is available upon request from the District.

Elector Response Forms are required to be submitted to the District of Clearwater on forms that can be obtained during regular business hours from the District office located at 209 Dutch Lake Road, Monday to Friday between 8:30 a.m. and 4:30 p.m. The form can also be downloaded from the District's website at: www.districtofclearwater.ca. The only elector response forms that will be accepted by the District are the ones provided by the District of Clearwater, or an accurate copy of the form.

Who May Sign the Elector Response Form: Only those electors of the defined sewer service area for the District are eligible to sign the elector response form. There are two types of electors – resident electors and non-resident property electors.

Deadline: Elector Response Forms must be received by the District's Corporate Officer before **4:00 p.m. on Monday, July 20, 2020**. Faxed or emailed submissions will not be accepted and only elector response forms provided by the District or an accurate copy of the form.

For additional information on elector eligibility or the AAP process, visit the District's website at www.districtofclearwater.ca, email admin@docbc.ca or phone (250) 674-2257.

Dated at Clearwater BC this 3rd, day of June, 2020.

LESLIE GROULX, Corporate Officer