



Making a difference...together

ELECTORAL AREA SERVICES COMMITTEE
Notice of Meeting on **Wednesday, January 21, 2015, at 1:30 pm**
Room 107, First Floor, 625 Fisgard Street, Victoria, BC

M. Hicks (Chair) W. McIntyre (Vice Chair) D. Howe

SUPPLEMENTARY AGENDA

7. New Business:
- a) Salt Spring Island Noise Bylaw Enforcement
 - b) New Building Canada – Small Community Fund (SCF): Grant Application (Kemp Lake Waterworks District)
 - c) New Building Canada – Small Community Fund: Grant Application for the Ganges Wastewater System Renewal Project
 - d) New Building Canada – Small Community Fund: Grant Application for the Magic Lake Estates Wastewater System Capital Renewal Project

To ensure quorum, please advise Pat Perna at 250-360-3642 if you or your alternate cannot attend.

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**REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, JANUARY 21, 2015**

SUBJECT SALT SPRING ISLAND NOISE BYLAW ENFORCEMENT

ISSUE

Clarity on enforcement of the noise bylaw in relation to the Salt Spring Island (SSI) Rod and Gun Club (the Gun Club) is required to assist staff in managing this dispute.

BACKGROUND

The conflict between the Gun Club and the neighbours of the Gun Club has been ongoing for many years. It has been the subject of numerous staff reports, court cases and correspondence from neighbours of the Gun Club. A recommendation for changes to CRD Bylaw No. 3384 "Noise Suppression Bylaw (Salt Spring Island) No. 1, 2006" was put out for public input in 2014. The result of that input was 98% against the proposed changes, resulting in a CRD Board decision to maintain the current bylaw. The Noise Bylaw, as interpreted by the BC Supreme Court, does not prohibit shooting from 9am to sunset, seven days a week.

Currently, the Capital Regional District (CRD) is involved in three court cases with a neighbour of the Gun Club over this matter. This neighbour is also involved in a civil court case with the Gun Club. Although the CRD understands that the wording of the order has not yet been settled between the parties and that the Gun Club has recently decided to bring an application to appeal the ruling, the Gun Club has posted reduced hours on its website. The Gun Club website notes that the outdoor range is closed with the exception of five hours of trap shooting per week. Other details of the court case between the neighbour and the Gun Club, including any other limitations, have not been made public and staff is not aware of any further details.

Even with the drastic reduction in allowable hours, the CRD continues to receive almost daily correspondence from the neighbours on this file, much of it targeted at specific people, calling into question the integrity, competence and judgement of staff and elected officials. An example of the type of correspondence being received was a reference in an e-mail on January 10, 2015 comparing the conditions of the neighbours to the recent experience of residents in Paris during the terrorist attacks in which citizens were deliberately killed. This type of extreme commentary shows the level of correspondence that staff and directors are receiving.

On balance, the Gun Club appears to be working to eliminate misuse of the range by its members. The public website clearly states the allowable hours, and strongly encourages all members to adhere to the posted hours as legally required. Further, the Gun Club has installed cameras to monitor its range after hours. Although the potential for misuse by individuals remains, it appears the Gun Club has taken reasonable steps to adhere to the Noise Bylaw provisions.

In addition to the complaints, neighbours of the Gun Club have also asked that a request for compensation be brought forward to elected officials as they feel they have lost the ability to enjoy their properties. Following discussions with CRD legal counsel it has been determined that there is no reasonable legal basis for this claim, where the CRD is not the party actually causing the noise nuisance and where the CRD is enforcing its Noise Bylaw in light of judicial rulings. Therefore the request for compensation will not be brought forward.

In order to assist staff in dealing with ongoing repeated complaints that in some instances are of a harassing nature and to provide a limit to the ongoing, escalating costs to the Electoral Areas, a clear enforcement policy specific to this file has been implemented. This policy provides enforcement parameters and allows discretion to deal with specific circumstances where considered appropriate (Attachment 1). A letter from CRD legal counsel outlining the response to the compensation requests and outlining the new enforcement policy has been forwarded to the neighbours who have requested compensation from the CRD (Attachment 2).

IMPLICATIONS

Enforcement Implications

Following discussions with legal counsel, it has been determined that the Board has broad discretion in the enforcement of bylaws as any enforcement action costs public money and there are several interests to balance and consider. In this instance, the Gun Club has demonstrated an ongoing commitment to eliminate infractions of the noise bylaw as it relates to shooting during allowable hours. This commitment includes public notice of limited hours on its website and installation of cameras. The Gun Club also note on its website, that all outdoor shooting is prohibited with the exception of five hours of trap shooting a week. This last limitation appears to be a result of a court order obtained against the Gun Club. However, staff understands that the actual specific order has not been finalized.

The Gun Club has appeared to have changed its behavior and is working to adhere to the bylaw. In addition, even with the reduced (five hours per week) outdoor shooting, staff continues to receive significant complaints from a specific few residents. Each individual complaint creates a cost to the file, as an officer must be deployed to investigate.

The enforcement policy proposed for this file which is attached provides a process for all correspondence and complaints received. Any complaints received for allegations of shooting after hours on the Gun Club property will be logged and noted. Only if, in the opinion of the Senior Manager of Protective Services or the Chief Bylaw Enforcement Officer, there appears to be a pattern showing the Gun Club is no longer actively working to hold its members to the terms of the bylaw or if an obvious disregard for the Bylaw has occurred, will an officer be assigned to investigate the complaints and determine if a ticket should be issued. It will remain the discretion of the investigating officer to determine if a ticket is appropriate based on factors such as, but not limited to, likelihood of prosecution. All instances of investigation on this file will be forwarded to the Senior Manager for review which may include consideration of other enforcement responses.

Legal Implications

In relation to the requests for compensation, the CRD has consulted legal counsel and determined that there is no legal basis demonstrated for compensation in this matter. The CRD is not causing the noise on which the complaints are based and may make reasonable policy decisions regarding enforcement of its bylaws.

Economic Implications

This file continues to have substantial costs to the three Electoral Areas. In addition to the considerable amount of correspondence received, the CRD is involved in three court actions commenced by one of the Gun Club neighbours. The noted enforcement policy on this file will assist in limiting future ongoing costs.

CONCLUSION

The conflict between the Salt Spring Island Gun Club and its neighbours has been ongoing for a number of years. To date, the CRD has completed one court case on this matter and is currently involved in three more. Further, the issue has been considered by staff, Committee and the Board a number of times, including an opportunity for public input in 2014. This report has been brought forward at this time due to the ongoing correspondence from neighbours as well as a request from two neighbours for compensation from the CRD. The CRD has discretion in the enforcement of its bylaws and is not liable to pay compensation to the neighbours as claimed.

In order to limit staff time and costs on this ongoing file, an enforcement policy has been developed to recognize the Gun Club's efforts to manage its outdoor range and to continue to work with the Gun Club in ensuring it continues to do so.

A copy of the letter prepared by our legal counsel was sent to the neighbours to provide clarity on these issues.

RECOMMENDATION

That the Electoral Area Services Committee recommends to the Board this report be received for information.



Travis Whiting
Senior Manager, Protective Services



Kevin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence



Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

TW:tt

Attachments: Appendix A (Enforcement Policy for Salt Spring Island Rod and Gun Club Noise Complaints)
Appendix B (Letter from CRD Legal Counsel to Neighbours)

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CAPITAL REGIONAL DISTRICT

DEPARTMENT POLICY

Section	<i>PPS/PS/Bylaw Enforcement</i>	
Subsection	Policies	<i>Policy # 2015-01</i>
Title	SSI ROD AND GUN CLUB NOISE BYLAW ENFORCEMENT POLICY	

POLICY:

This policy provides direction for Bylaw Enforcement Officers (Officers) relating to complaints of shooting at the Salt Spring Island Rod and Gun Club (the Gun Club).

PURPOSE:

This policy is in place to provide clarity to Officers in relation to how complaints of shooting at the Gun Club are to be managed. This policy is intended to supersede CRD Objectionable Noise Enforcement Policy and the CRD Bylaw Enforcement Policy insofar as this particular situation is concerned.

RESPONSIBILITIES:

Bylaw Enforcement is responsible for responding to complaints issued under the CRD Bylaw No. 3384 "Noise Suppression Bylaw (Salt Spring Island) No. 1, 2006". Bylaw is a section within the Protective Services Division and the enforcement of bylaws falls under the CRD's Chief Bylaw Enforcement Officer (CBEO) and the Senior Manager of Protective Services (SMPS).

SCOPE:

This policy applies to the Salt Spring Island Rod and Gun Club only, and is not related to other areas covered by the Noise Bylaw.

PROCEDURE:

- All correspondence received in relation to the Gun Club will continue to be retained and filed.*
- Direct correspondence on this file received by Officers should be immediately forwarded to the CBEO and SMPS. Officers are not to respond directly to any correspondence received on this file without direction from the CBEO or SMPS.*
- Complaints of shooting after sunset or before 9am that are received by the CRD are to be logged. This log will be reviewed by the CBEO and/or the SMPS.*
- Complaints of shooting between 9am and sunset will not be considered, logged or investigated having regard to the fact that the Court has interpreted the Noise Bylaw as permitting such shooting noise.*
- The CBEO or SMPS will determine if an investigation is appropriate.*
- Receipt of a complaint of shooting outside the hours of the bylaw will be considered for assignment of an Officer or an investigation.*
- Discretion will be used by the CBEO and/or SMPS to determine if the complaint warrants further investigation or possible issuance of a ticket or other enforcement response.*
- The Gun Club may not be issued a ticket if, in the opinion of the CBEO and/or SMPS, the Gun Club is continuing to monitor the facility and membership to ensure adherence to the Bylaw and appears to be making sufficiently reasonable efforts to ensure no shooting occurs outside the hours not prohibited by the Noise Bylaw.*
- If determined appropriate, an Officer will be assigned to the complaint or complaints.*
- The investigating Officer in consultation with the CBEO and SMPS will determine if it is appropriate to issue a ticket or whether to recommend other enforcement response.*

Approval Date:	January 20, 2015	Approved By:	Kevin Lorette, General Manager
1. Amendment Date:		Approved By:	
2. Amendment Date:		Approved By:	
3. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:			

Related Policy, Procedure or Guideline:

Bylaw 3384 "Noise Suppression Bylaw (Salt Spring Island) No. 1, 2006



January 16, 2015

File No.: 111 1676

[personal information omitted]

RE: Salt Spring Island Rod & Gun Club – Claim for Compensation Against the CRD

We are the solicitors for the Capital Regional District and your email correspondence to the CRD of [personal identifying information omitted] have been referred to us. In that correspondence, you make a request that the CRD provide compensation to you for the noise coming from property occupied by the Salt Spring Island Rod & Gun Club and used as a gun club.

You also allege that the CRD has done nothing to deal with any noise nuisance created by the Salt Spring Island Rod & Gun Club's activities.

You may be unaware that the CRD did issue tickets against the Salt Spring Island Rod & Gun Club for a violation of its Noise Bylaw and the issue of the interpretation of the bylaw was the subject of a judicial ruling. The BC Supreme Court's interpretation of the Capital Regional District's Noise Bylaw has informed the CRD's approach to this issue. It is therefore incorrect to say that the CRD has done nothing. It has in fact spent a considerable amount of public taxpayer funds with respect to this matter.

The CRD is also aware that the activities of the Salt Spring Island Rod & Gun Club have been the subject of civil court action between one of its neighbours and the CRD, that this civil action has resulted in a court order, and that the terms of that order are in the process of being settled.

In particular response to your request for compensation, the CRD will not pay compensation. It is not the CRD that is the source of the noise that occurs. Moreover, the Board of the CRD was given an opportunity to amend the Noise Bylaw and made a policy decision, at the Board level, not to do so after hearing from affected persons. Subsequent enforcement steps have been a reasonable response to the decision of the BC Supreme Court on the application of the Noise Bylaw.

We wish to advise that, following a review of this situation, including the significant impact of repeated complaints of noise that do not violate the CRD's Noise Bylaw and in view of the cost to taxpayers of having to deal with such complaints, that the CRD has adopted an enforcement policy specific to this matter to assist staff in dealing with alleged Noise Bylaw violations by the Gun Club. A copy of this policy is enclosed. The CRD will in future approach situations involving complaints against the Gun Club in accordance with the policy recently approved by the CRD to deal with this situation.

Yours truly,

STEWART McDANNOLD STUART

Per:

Colin Stewart *

CS/dw

Encl.

c.c. Capital Regional District

*Law Corporation

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Item 7 (b)

**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, JANUARY 21, 2015**

SUBJECT NEW BUILDING CANADA – SMALL COMMUNITY FUND (SCF): GRANT APPLICATION (KEMP LAKE WATERWORKS DISTRICT)

ISSUE

Capital Regional District (CRD) Board approval for a New Building Canada – Small Community Fund (SCF) grant application for the provision of a water main extension to allow for a connection from the Juan de Fuca Water Distribution (JFWD) system to the Kemp Lake Waterworks District (KLWD) distribution system.

BACKGROUND

The KLWD currently draws water from Kemp Lake and has been notified by Island Health that its water system must be improved to meet potability standards of Island Health. KLWD considered two options that included a new water treatment plant to treat water from its existing source, and an extension of a water main to the Juan de Fuca Water Distribution (JDFWD) system.

The water main extension project (Project) would include: connection to the existing JDFWD system at the intersection of West Coast Road and Erinan Boulevard, extension of the new water main approximately 2.0 kilometres to the KLWD boundary, and terminating with a connection to the KLWD system at a water meter station (point of sale) for KLWD billing purposes. The water main extension limits are illustrated in **Attachment 1**.

To accomplish this Project, the CRD staff have explored accessing the SCF grant in order to reduce the overall costs and address the affordability concerns for the KLWD. The KLWD cannot apply for a SCF grant directly, as they are an improvement district. However, the CRD may apply for a grant to extend a CRD water main to the KLWD water distribution system, without a requirement for the CRD to take over the actual waterworks district. The preliminary Project budget is estimated to total \$1,800,000, of which \$1,600,000 is expected to be grant eligible and \$200,000 being ineligible. Should the grant application be successful, the local share to be financed from the KLWD area is estimated at \$733,333 however, at the completion of the Project, KLWD will be responsible for one-third of all grant eligible expenses and all of the ineligible Project expenses.

To that end, the KLWD has requested that the CRD, apply for a SCF grant for the water main extension, The Project is eligible for SCF grant as it meets the grant program terms listed in Table 1 below, provided that the CRD owns and operates the resulting infrastructure. The first "in-take" for the SCF grant application is February 18, 2015. The details with respect to the water main extension, connection design, and agreement defining levels of service and responsibilities, will be developed in conjunction with SCF grant application,

Table 1 – SCF Funding Criteria

SCF AGREEMENT TERMS	CRITERIA THE PROPOSED PROJECT MEETS
Eligible project category(ies)	Drinking Water
Infrastructure definition	<i>'publicly or privately owned tangible capital assets in BC primarily for public use or benefit'</i>
Project purpose	<i>'for the acquisition, construction, renewal, rehabilitation or material enhancement of infrastructure, excluding normal maintenance or operation'</i>
Community size	<i>'Less than 100,000 people'</i>
Ultimate Recipient	<i>'Local Government'</i>
To be completed by	<i>'March 31, 2023'</i> . Kemp Lake to be completed by 2018.

At its January 13, 2015 meeting, the JDFWD Commission approved a resolution in support of submitting an SCF grant application for the Project, provided that the KLWD area pays for all local share eligible and ineligible Project costs, should the grant application be approved. The SCF grant program requires a CRD Board resolution endorsing the grant application and a commitment to provide the local share of the funds.

The KLWD does not have sufficient funds within their reserves to pay for their share of this project. In order to raise the funds, the CRD will have to establish a local service for the KLWD area, and receive elector approval for a loan authorization. The Board must commit to complete an alternative approval process, or a referendum, for the required bylaws, within six months of receiving approval of the grant.

Draft bylaws have been prepared and are attached for information purposes.

SCF funding decisions are anticipated by the fall of 2015. The elector approval process must be completed within six months of the grant award. Accordingly, this report is requesting the CRD Board's endorsement of the grant application.

The KLWD would be responsible for the ownership, system hydraulics, and water quality beyond the terminus of the JDFWD system and ensuring that the water that is distributed to its customers is of adequate flow rate and pressure, and safe to drink. Details of the CRD responsibilities versus the KLWD responsibilities will be defined and documented prior to work commencing on the project.

Further, the KLWD is currently outside of the Urban Containment Boundary of the Regional Growth Strategy (RGS), and as such an application to the CRD Board is required to extend water service to the KLWD which would be prepared if a grant is awarded.

ALTERNATIVES

1. That the Electoral Area Services Committee recommends to the Capital Regional District (CRD) Board that the CRD Board endorse the New Building Canada - Small Community Fund grant application to cover up to a maximum of two-thirds of the project's grant eligible costs for the Juan de Fuca – Kemp Lake Water Main Extension Project and commit to completing an alternative approval process to seek elector consent for the service establishment and loan authorization bylaws required to finance the CRD local share of the project as defined under the grant guidelines, if the grant application for the SCF funding is approved;
2. That the Electoral Area Services Committee recommends to the CRD Board that the CRD not proceed with the proposed New Building Canada – Small Community Fund grant application.

IMPLICATIONS

Alternative 1: Connection from the JDFWD system would address a pressing public health issue and provide a stable, long-term supply of safe drinking water to the KLWD residents and address the Island Health regulatory requirements.

The KLWD cannot apply for a SCF grant on its own as it is an improvement district, however, an application can be made by a Regional District on behalf of an Improvement District provided that the CRD is the recipient of the grant and the KLWD area is willing to pay the CRD local cost. Obtaining an SCF grant for the connection would provide a more affordable solution to the community for the new water source.

The proposed Project places no financial burden on an existing CRD service. If the grant is approved, the Project will proceed only if the participants of the KLWD consent to the proposed service establishment and loan authorization bylaws. These bylaws, as well as the annual water rate, will enable the CRD's full recovery from the KLWD area.

Alternative 2: By not submitting the SCF grant application, the KLWD would need to explore alternative approaches for addressing their drinking water needs and Island Health's regulatory requirements independent of the CRD.

CONCLUSION

The JDFWD Commission has approved the concept of the water main extension in principle, subject to the KLWD area bearing all costs associated with the water main extension. CRD staff have confirmed that this water main extension project is eligible for funding under the SCF guidelines.

Obtaining an SCF grant for the Project would provide a more affordable solution to the community for the new water source.

A water main extension from the JDFWD system would address a pressing public health issue and provide a stable, long-term supply of safe drinking water to the KLWD residents and address the Island Health regulatory requirements.

The KLWD area would be responsible for the full cost of the project, which includes design and construction of the 2.0 kilometre water main extension, bulk water meter vault, and any other appurtenances required for the installation of these works that would become part of the JDFWD System. In addition, the KLWD area would be required to fund all of the CRD's legal

and administrative costs associated with the connection, including items such as the establishment of a service agreement, registration of rights of ways, coordination of design and construction, management and reporting as required to obtain SCF grant funds, operations effort for connections, and modifications to service area boundary/bylaws.

KLWD area would be charged the annual JDFWD Service retail water rate for all flows metered at the water meter, which would pay for JDFWD system sunk costs.

RECOMMENDATION

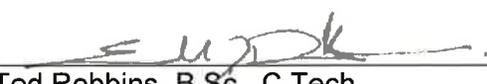
That the Electoral Area Services Committee recommends to the Capital Regional District (CRD) Board that the CRD Board endorse the New Building Canada - Small Community Fund grant application to cover up to a maximum of two-thirds of the project's grant eligible costs for the Juan de Fuca – Kemp Lake Water Main Extension Project and commit to completing, within six months, an alternative approval process to seek elector consent for the service establishment and loan authorization bylaws required to finance the CRD's local share of the project as defined under the grant guidelines, if the grant application for the SCF funding is approved.



Scott Mason, B.Sc., P.Eng.
Manager, Water Infrastructure Planning and Engineering



Peter Sparanese, P.Eng.
Senior Manager, Infrastructure Engineering and Operations
Concurrence



Ted Robbins, B.Sc., C.Tech.
General Manager, Integrated Water Services
Concurrence



Diana E. Lokken, CPA, CMA
General Manager, Finance and Technology
Concurrence



Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

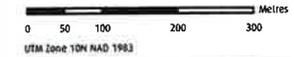
RF:SM:mm

Attachments:

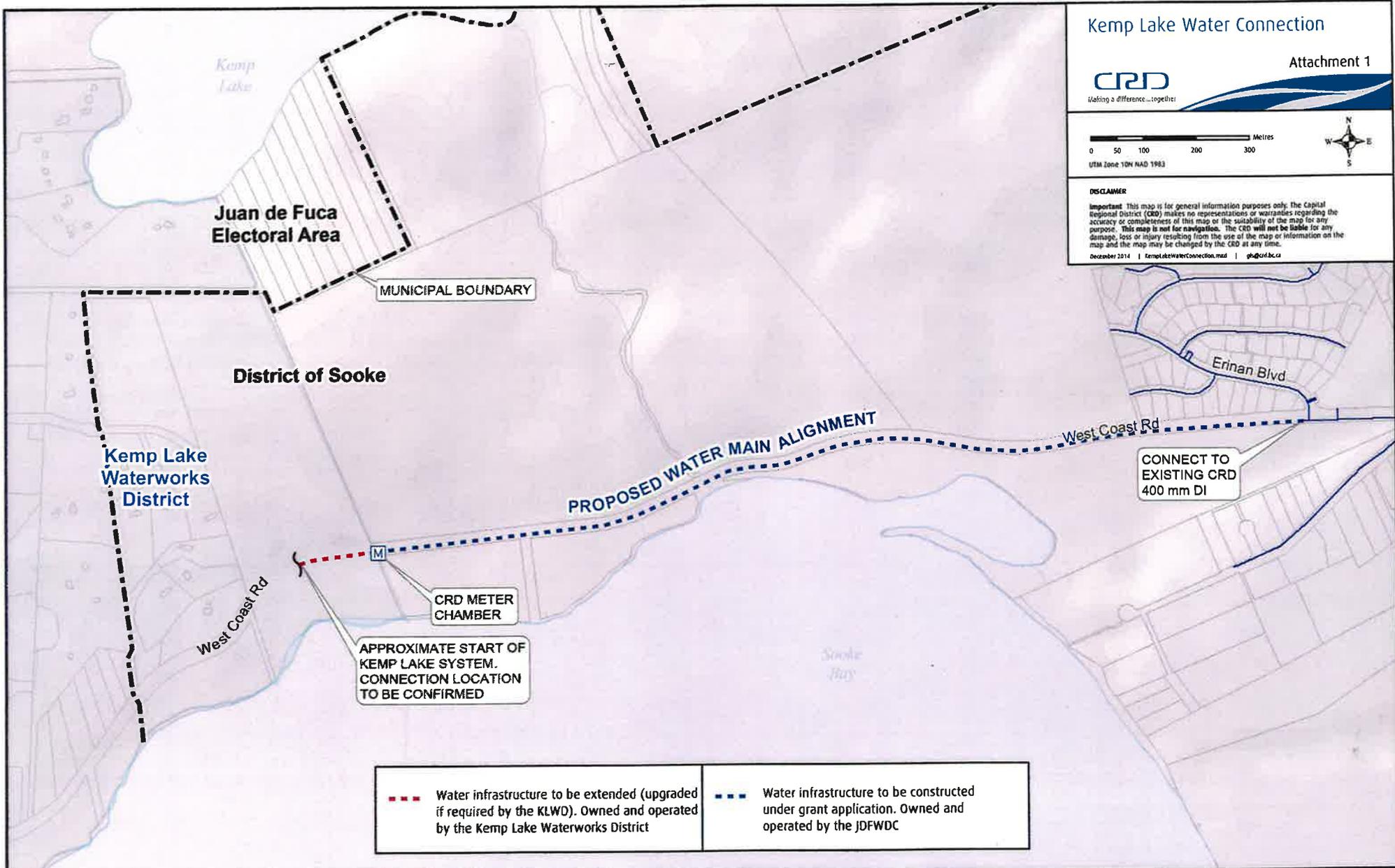
- Attachment 1 – Limits of Water Main Extension in Juan de Fuca Water Distribution Service Area

Kemp Lake Water Connection

Attachment 1



DISCLAIMER
Important: This map is for general information purposes only. The Capital Regional District (CRD) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. This map is not for navigation. The CRD will not be liable for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.
December 2014 | KempLakeWaterConnection.mxd | gfo@crd.bc.ca



Water infrastructure to be extended (upgraded if required by the KLWD). Owned and operated by the Kemp Lake Waterworks District	Water infrastructure to be constructed under grant application. Owned and operated by the JDFWDC
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**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, JANUARY 21, 2015**

SUBJECT NEW BUILDING CANADA – SMALL COMMUNITY FUND: GRANT APPLICATION FOR THE GANGES WASTEWATER SYSTEM RENEWAL PROJECT

ISSUE

A Capital Regional District (CRD) Board resolution is required to endorse the Small Community Fund (SCF) grant application for upgrading the Ganges wastewater system capital renewal program.

BACKGROUND

The Ganges wastewater system was constructed in the early 1980's and has only received minor upgrades and repairs since that time. A capital renewal project is required to avoid steadily increasing operations, maintenance and emergency repair costs, as well as, the risk of non-compliance.

In December 2014, the Ganges Sewer Local Service Commission (the commission) and CRD staff conducted a public engagement process to consult with service area residents regarding the proposed options for the wastewater system capital renewal project. Based on the results of that process, at its January 8, 2015 meeting, the commission approved Option 1 and that work proceed toward seeking elector approval to undertake the wastewater system renewal project scope identified under this option. Additionally, the commission recommended that the CRD proceed with preparation a grant application to the SCF to help fund the project.

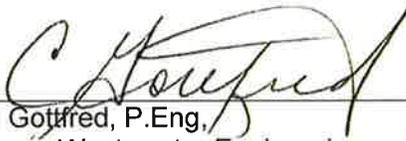
The budget for the proposed capital renewal project has been set at \$3.9 million. The project qualifies for an SCF grant to cover up to a maximum of two-thirds of the project's grant-eligible costs based on the following criteria:

SCF AGREEMENT TERMS	CRITERIA THE PROPOSED PROJECT MEETS
Eligible Project Category	Wastewater
Infrastructure definition	The sewerage system upgrade meets the program definition: <i>'publicly or privately owned tangible capital assets in BC primarily for public use or benefit'</i>
Project purpose	The sewerage system meets the program purpose: <i>'for the acquisition, construction, renewal, rehabilitation or material enhancement of infrastructure, excluding normal maintenance or operation'</i>
Community size	The project will serve a community of <i>'less than 100,000 people'</i>
Ultimate Recipient	The CRD which is a <i>'Local Government'</i>
To be Completed By	The project will be complete by December 31, 2020 which is within the program deadline of March 31, 2023

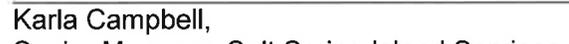
RECOMMENDATION

The Electoral Area Services Committee recommends to the Capital Regional District Board:

- a) That the Capital Regional District (CRD) Board endorse the New Building Canada - Small Community Fund grant application to cover up to a maximum of two-thirds of the project's grant eligible costs for the Ganges Wastewater System Renewal Project and commit to completing a referendum process to seek elector consent for the loan authorization bylaw required to finance the CRD's share of the project as defined under the grant guidelines;
- b) That Bylaw No. 4007, "Ganges Sewerage System Loan Authorization Bylaw No. 1, 2015" be introduced and read a first and second time, and read a third time; and
- c) That Capital Regional District staff implement referendum process under Section 801.2 of the *Local Government Act* if and when the grant application to the New Building Canada - Small Community Fund is approved.



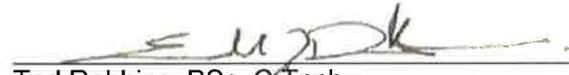
Craig Gottfred, P.Eng.,
Manager, Wastewater Engineering
and Planning



Karla Campbell,
Senior Manager, Salt Spring Island Services
Concurrence



Peter Sparanese, P.Eng.
Senior Manager, Infrastructure
Engineering and Operations
Concurrence



Ted Robbins, BSc, C.Tech.
General Manager, Integrated Water Services
Concurrence



Diana E. Lokken, CPA, CMA
General Manager, Finance and Technology
Concurrence



Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

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Attachments: Bylaw 4007

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CAPITAL REGIONAL DISTRICT

BYLAW NO. 4007

**A BYLAW TO AUTHORIZE THE BORROWING OF
THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000)
FOR THE GANGES WASTEWATER SYSTEM RENEWAL AND UPGRADE**

WHEREAS:

- A. Under Bylaw No. 1923, "Salt Spring Island Ganges Sewerage System Local Service Establishment Bylaw, 1991", the Capital Regional District established a local service for the operation of a service for the collection, conveyance, treatment and disposal of sewage;
- B. It is deemed desirable to provide sewerage system facilities described hereunder; The works shall include the capital renewal and upgrade of the Ganges wastewater system, which will involve the planning, study, project administration, project communications, staff time required for design and construction of facilities, design and construction of facilities for the collection, conveyance, treatment and disposal of wastewater, as well as other related works, facilities and equipment purchases;
- C. The estimated cost of the works, facilities and equipment, including expenses incidental thereto to be funded from debt servicing, is the sum of Three Million Nine Hundred Thousand Dollars (\$3,900,000) which is the amount of debt intended to be authorized by this bylaw, subject to receiving funding from other sources;
- D. It is proposed that the financing of the said sewerage system facilities is to be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between that Authority and the Capital Regional District;
- E. Pursuant to Section 823.1 of the Local Government Act, participating area approval is required and shall be obtained by referendum under Section 801.2 of the Local Government Act; and
- F. The approval of the Inspector of Municipalities is required under Section 819 of the Local Government Act.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

- 1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the capital renewal and upgrade of the Ganges wastewater system, which will involve the planning, study, project administration, project communications, staff time required for design and construction of facilities, design and construction of facilities for the collection, conveyance, treatment and disposal of wastewater, as well as other related works, facilities and equipment purchases:



**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, JANUARY 21, 2015**

SUBJECT NEW BUILDING CANADA – SMALL COMMUNITY FUND: GRANT APPLICATION FOR THE MAGIC LAKE ESTATES WASTEWATER SYSTEM CAPITAL RENEWAL PROJECT

ISSUE

A Capital Regional District (CRD) Board resolution is required to endorse the Small Community Fund (SCF) grant application for the Magic Lake Estates (MLE) wastewater system capital renewal project.

BACKGROUND

The MLE wastewater system infrastructure was built in the 1970s and is now in need of renewal in order to avoid steadily increasing operation, maintenance, and emergency repair costs, as well as the risk of non-compliance violations.

The grant application is based on the comprehensive issue analysis that Integrated Water Services (IWS) presented at the MLE Water and Sewer Local Services Committee (the committee) meeting of August 12, 2014. A Public Open House was held on November 22, 2014, where the public feedback strongly supported Option 1. At the committee meeting of December 16, 2014, Option 1 was approved and as well, approval was given for CRD proceed with preparation of the SCF grant application to help fund the project.

The budget for the proposed capital renewal program (Option1) has been set at \$6,050,000. This project qualifies for an SCF grant to cover up to a maximum of two-thirds of the project's grant-eligible costs based on the following criteria:

SCF AGREEMENT TERMS	CRITERIA THE PROPOSED PROJECT MEETS
Eligible project category	Wastewater
Infrastructure Definition	The sewerage system upgrade meets the program definition: <i>'publicly or privately owned tangible capital assets in BC primarily for public use or benefit'</i>
Project Purpose	The sewerage system meets the program purpose: <i>'for the acquisition, construction, renewal, rehabilitation or material enhancement of infrastructure, excluding normal maintenance or operation'</i>
Community Size	The project will serve a community of <i>'less than 100,000 people'</i>
Ultimate Recipient	The CRD which is a <i>'Local Government'</i>
To be completed By	The project will be complete by December 31, 2020 which is within the program deadline of March 31, 2023

The SCF grant program requires a CRD Board resolution endorsing the grant application and committing the CRD to seeking elector approval of the loan authorization bylaw required for implementing the project.

SCF funding decisions are anticipated in the fall of 2015. The elector approval process must be completed within six months of the grant award. Accordingly, this report is requesting the Board's endorsement of the grant application, as well as first, second and third reading of the loan authorization bylaw that will be subject to elector consent.

ALTERNATIVES

1. That the Electoral Area Services Committee recommends to the Capital Regional District Board:
 - a) That the Capital Regional District Board endorse the New Building Canada - Small Community Fund grant application to cover up to a maximum of two-thirds of the project's grant-eligible costs for the Magic Lake Estates Wastewater System Renewal Project and commit to completing a referendum process to seek elector consent of the loan authorization bylaw required to implement the project; and
 - b) That Bylaw No. 4008, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 1, 2015" be introduced and read a first and second time, and read a third time; and
 - c) That Capital Regional District staff implement a referendum process under Section 801.2 of the *Local Government Act*.
2. That the Electoral Area Services Committee recommends that the Capital Regional District not proceed with the proposed New Building Canada – Small Community Fund grant application.

IMPLICATIONS

The loan authorization for the project is set at an amount to cover the total cost of the project; this will enable the project to proceed, pending elector assent, regardless of whether or not the grant is awarded. If the grant is awarded, the loan amount will decrease accordingly. To remain grant-eligible, a proposed project cannot proceed to the tender award phase before the grant is awarded. In other words, a proposed project must be held in abeyance at the tender award stage pending notification of the application outcome.

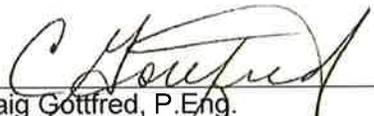
CONCLUSION

The proposed grant application to the SCF program is to help fund the MLE wastewater treatment system capital renewal project. This project is eligible for SCF funding to a maximum of two-thirds of its total grant-eligible costs. The Magic Lake Estates Water and Sewer Local Services Committee support the proposed grant application and the related loan authorization bylaw.

RECOMMENDATION

That the Electoral Area Services Committee recommends to the Capital Regional District Board:

- a) That the Capital Regional District Board endorse the New Building Canada - Small Community Fund grant application to cover up to a maximum of two-thirds of the project's grant-eligible costs for the Magic Lake Estates Wastewater System Renewal Project and commit to completing a referendum process to seek elector consent of the loan authorization bylaw required to implement the project; and
- b) That Bylaw No. 4008, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 1, 2015" be introduced and read a first and second time, and read a third time; and
- c) That Capital Regional District staff implement a referendum process under Section 801.2 of the *Local Government Act*.



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CG:ls
Attachments: Bylaw No. 4008

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CAPITAL REGIONAL DISTRICT

BYLAW NO. 4008

**A BYLAW TO AUTHORIZE THE BORROWING OF
SIX MILLION FIFTY THOUSAND DOLLARS (\$6,050,000)
FOR THE MAGIC LAKE ESTATES WASTEWATER SYSTEM RENEWAL AND UPGRADE**

WHEREAS:

- A. Under Bylaw No. 1873, "Outer Gulf Islands Magic Lake Estates Sewage System Local Service Establishment Bylaw, 1990", the Capital Regional District established a local service for the operation of a service for the collection, conveyance, treatment and disposal of sewage;
- B. It is deemed desirable to provide sewerage system facilities described hereunder;
- C. The works shall include the capital renewal and upgrade of the Magic Lake Estates wastewater system which will involve the planning, study, project administration, project communications, and staff time required for design and construction of facilities, design and construction of facilities for the collection, conveyance, treatment and disposal of wastewater, as well as other related works, facilities and equipment purchases;
- D. The estimated cost of the works, facilities and equipment, including expenses incidental thereto to be funded from debt servicing, is the sum of Six Million Fifty Thousand Dollars (\$6,050,000) which is the amount of debt intended to be authorized by this bylaw, subject to receiving funding from other sources;
- E. It is proposed that the financing of the said sewerage system facilities is to be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between that Authority and the Capital Regional District;
- F. Pursuant to Section 823.1 of the Local Government Act, participating area approval is required and shall be obtained by referendum under Section 801.2 of the Local Government Act; and
- G. The approval of the Inspector of Municipalities is required under Section 819 of the Local Government Act.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the capital renewal and upgrade of the Magic Lake Estates sewerage wastewater system, which will involve the planning, study, project administration, project communications, staff time required for design and construction of facilities, design and construction of facilities for the collection, conveyance, treatment and disposal of wastewater, as well as other related works, facilities and equipment purchases:

