



**REPORT TO ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, JULY 10, 2019**

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**SUBJECT**     **MAGIC LAKE ESTATES WASTEWATER SYSTEM ASSENT VOTING FOR  
LOAN AUTHORIZATION BYLAW NO. 4320**

**ISSUE**

To appoint the Chief Election Officer, establish the ballot question, establish the general and advance voting opportunities, and approve the bylaw synopsis for the Magic Lake Estates Wastewater Assent Voting.

**BACKGROUND**

A referendum, or approval by assent of the electors (Section 344 of the *Local Government Act*), is required to ascertain the wishes of the electors of the Magic Lake Estates wastewater service area on Pender Island in the Southern Gulf Islands Electoral Area regarding the borrowing of funds for the Phase 1 renewal and upgrade of the Magic Lake Estates wastewater system. This process to obtain approval of the electors was selected over the alternative approval process due to the scope and value of the project and meet the expectation of the ratepayers to “have a say” in the decision.

The wastewater system infrastructure was built in the 1970's and is now in need of renewal in order to replace infrastructure that is at or near end of life, as well as to address non-compliance violations that have been received from the Ministry of Environment. The total estimated cost to complete all the recommended upgrades is approximately \$12.15 million (M). However, at the request of the Magic Lake Estates Committee, the community was presented with 3 options for completing the work in one, two or three phases. Option 1, at an estimated cost of \$6M, would address most of the non-compliance issues; Option 2, at an estimated cost of \$9M, addresses all of the non-compliance issues; and Option 3, at an estimated cost of \$12.15M, addresses all of the non-compliance issues and upgrades other end of life insurance. See Appendix A for the June 11, 2019 staff report that was presented to the Magic Lake Estates Committee summarizing the feedback received from the April 27, 2019 public open house. At that meeting, the Committee passed the following motion:

*That the Magic Lake Estates Water and Sewer Local Services Committee:*

- 1. Approve proceeding with Option 1, for \$6 million and amortization period of 30 years for the loan authorization for the Magic Lake Estates Infrastructure Renewal Project,*
- 2. Present the decision on the Project to the community at the Annual General Meeting in August,*
- 3. Direct staff to proceed with preparing the loan authorization bylaw, ballot question, election officer and voting day for the committee's review prior to forwarding to the Electoral Area Services Committee and CRD Board for approval, and*
- 4. Direct staff to seek grant funding in the amount of \$3 million to address the requirements presented in Option 2.*

To proceed with the assent voting for Bylaw No. 4320, it is necessary to appoint the Chief Election Officer, establish the ballot question, establish the general and advance voting opportunities, and to approve the bylaw synopsis. General Voting Day for the assent voting will be held on Saturday, November 23, 2019.

## **ALTERNATIVES**

### **Alternative 1**

That the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4320, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 3, 2019", be introduced and read a first and second time;
2. That Bylaw No. 4320 be read a third time;
3. To direct staff to implement a referendum process under Section 344 of the *Local Government Act*;
4. To direct staff to seek all possible grant funds eligible for wastewater infrastructure to assist with completing other required upgrades to the Magic Lake Estates Wastewater System;
5. To appoint Kristen Morley, General Manager, Corporate Services & Corporate Officer, as Chief Election Officer and Emilie Gorman, Deputy Corporate Officer, as Deputy Chief Election Officer with the power to appoint election officials as required;
6. Approve the wording of the bylaw question for the purposes of the ballot as follows:  
*Are you in favour of the Capital Regional District (CRD) Board adopting Bylaw No. 4320, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 3, 2019", authorizing the Capital Regional District to borrow an amount up to but not to exceed SIX MILLION DOLLARS (\$6,000,000) for the purpose of administering, planning, designing, acquiring and constructing the capital renewal and upgrade of the Magic Lake Estates Wastewater System.*  
*YES or NO?";*
7. Approve that the General Voting Day be held on Saturday, November 23, 2019 with the Advance Voting opportunities held on Wednesday, November 13, 2019 and Wednesday, November 20, 2019 at voting places to be determined by the Chief Election Officer; and
8. Approve the synopsis of Bylaw No. 4320, attached as Appendix A, for advertising purposes.

### **Alternative 2**

That the report be referred back to staff for further review.

## **IMPLICATIONS**

The loan authorization for Phase 1 of the project is \$6,000,000. This will enable Phase 1 to proceed, pending elector assent, regardless of whether or not a grant is found and/or awarded. If a grant is found and awarded, then that could enable the other phases of the proposed upgrades to be completed as well.

The costs of a referendum are covered by the service itself. Generally a referendum of this scope would cost approximately \$18,000. A large majority of the costs come from mandatory statutory

advertising. There are approximately 716 folios (or properties) in the service area, which means an estimated eligible voter count of 2000 resident and non-resident property electors. Mail ballots are used in CRD elections to assist the large number of non-resident property electors who do not reside on-island. The referendum costs will be funded by the service's Capital Projects.

### **CONCLUSION**

The Magic Lake Estates wastewater system is in need of renewal to prevent infrastructure failure, minimize increasing operational and emergency response costs, and to address non-compliance violations. The total cost of the renewal project is estimated at \$12,150,000. However, it is anticipated that referendum requesting support for that amount would not succeed, so the Magic Lake Estates Committee passed a motion to proceed with Phase 1 at \$6,000,000 and to seek grant funds in order to complete Phase 2 upgrades as well. Staff are ready to proceed with referendum pending CRD Board approval of the recommendation.

### **RECOMMENDATIONS**

That the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4320, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 3, 2019", be introduced and read a first and second time;
2. That Bylaw No. 4320 be read a third time;
3. To direct staff to implement a referendum process under Section 344 of the *Local Government Act*;
4. To direct staff to seek all possible grant funds eligible for wastewater infrastructure to assist with completing other required upgrades to the Magic Lake Estates Wastewater System;
5. To appoint Kristen Morley, General Manager, Corporate Services & Corporate Officer, as Chief Election Officer and Emilie Gorman, Deputy Corporate Officer, as Deputy Chief Election Officer with the power to appoint election officials as required;
6. Approve the wording of the bylaw question for the purposes of the ballot as follows:  
*Are you in favour of the Capital Regional District (CRD) Board adopting Bylaw No. 4320, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 3, 2019", authorizing the Capital Regional District to borrow an amount up to but not to exceed SIX MILLION DOLLARS (\$6,000,000) for the purpose of administering, planning, designing, acquiring and constructing the capital renewal and upgrade of the Magic Lake Estates Wastewater System. YES or NO?"*;
7. Approve that the General Voting Day be held on Saturday, November 23, 2019 with the Advance Voting opportunities held on Wednesday, November 13, 2019 and Wednesday, November 20, 2019 at voting places to be determined by the Chief Election Officer; and
8. Approve the synopsis of Bylaw No. 4320, attached as Appendix A, for advertising purposes.

Submitted by:	Malcolm Cowley, P.Eng., Manager Wastewater Engineering and Planning
Concurrence:	Ian Jesney, P.Eng., Senior Manager Infrastructure Engineering
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B.Sc., C.Tech., General Manager, Integrated Water Service
Concurrence:	Robert Lapham, M.C.I.P., R.P.P., Chief Administrative Officer

MJC:TD:so:dd

Attachments: Appendix A – June 11, 2019 staff report to Magic Lake Estates Committee  
Appendix B – Synopsis of Bylaw No. 4320  
Appendix C – Bylaw No. 4320