

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 17, 2020

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SUBJECT: **ELECTORAL APPROVAL PROCESS FOR LONG-TERM BORROWING TO FUND WATER METER INSTALLATION - PHASE 3**

RECOMMENDATION(S)

THAT the report titled Electoral Approval Process for Long-term Borrowing to Fund Water Meter Installation - Phase 3 be received;

AND THAT an electoral approval process by Alternative Approval Process (AAP) to authorize long-term borrowing to fund Phase 3 of the water meter installation project be confirmed;

AND THAT staff bring forward a report to the November 5/6 Special Corporate and Administrative Service Committee (2021 Pre-budget) meeting with an updated project budget and financial details regarding long-term borrowing for the water meter installation project.

BACKGROUND

At its May 23, 2019 meeting the Board adopted the following resolution:

158/19 **Recommendation No. 10** *Universal Water Metering Program Update*

THAT the report titled Universal Water Metering Program be received;

AND THAT Option 1 – hold another AAP when additional water supply sources are confirmed to authorize long term borrowing to support the financing of both the development of the Church Road well field and the Phase 3 water meter installation project be approved.

As part of the 2020 budget process, the SCRD Board re-committed to moving forward with securing a long-term loan to fund Phase 3 installation of water meters. Plans to proceed with an Alternative Approval Process (AAP) to seek elector approval to authorize borrowing for the Phase 3 water meter installation project were placed on hold in mid-March due to the uncertainty around the implications of the COVID-19 pandemic and subsequent declaration of a provincial state of emergency. The Province recommended that local governments pause elector approval processes to consider whether projects were necessary in the short-term and how they would be received by the public. Delaying projects that were considered controversial or requiring greater community engagement due to a high level of interest was also recommended until the Provincial Health Officer determined the COVID-19 pandemic no longer

posed a threat to public health. Further, all assent votes (referenda) were to be postponed until public participation could be safely resumed.

The purpose of this report is to confirm the Board directive to move forward with an AAP to seek elector approval for long term borrowing to fund Phase 3 water meter installations and to bring forward information with respect to new COVID health and safety measures that may impact the cost and timeline to conduct elector approval processes.

DISCUSSION

Long term borrowing by local governments cannot be undertaken unless certain legislative requirements are met, including approval of the electors in the service area as well as approval by the Inspector of Municipalities.

The two primary ways local governments obtain approval of the electors is either through assent voting (formerly known as referendum) or by first “testing the waters” through an alternative approval process (AAP). The decision whether to first seek approval of the electors through an AAP or to proceed directly to an assent vote may be influenced by factors such as cost, timelines, or public perception of an issue. In *Assent Voting: Processes and Considerations for Local Governments in British Columbia*, published by the Ministry of Municipal Affairs and Housing, the following is offered as a guideline:

“If an issue is controversial, requires a significant contribution of taxpayers’ dollars, or is significant in scale or impact on the community, local governments may decide to proceed straight to assent voting. However, if the public has been actively engaged and there are reasonable indications that citizens are in favour, the proposal may lend itself better to an AAP. In this case, an AAP can be an effective time and cost saving tool to obtain approval of the electors.”

New advice and guidance from the Province to support adherence to COVID-19 health and safety measures while holding assent votes will impact the timing and financial costs of conducting these processes during the COVID-19 pandemic. Options and analysis for two proposed elector approval processes are provided below for the Committee’s consideration.

Option 1: Conduct an AAP with option to move to Assent Vote (recommended option)

An AAP would be the most time and cost-effective manner to obtain elector approval required to authorize long-term borrowing. The AAP process is a form of approval that allows electors to indicate whether they are against moving forward with the adoption of the bylaw to authorize the long-term borrowing needed to install water meters. Eligible electors may register their opposition to the borrowing by signing and submitting response forms during the AAP. In order for elector approval to be obtained, response forms would need to be received by less than 10% of eligible electors in the entire water supply and distribution area. If 10% or more of eligible electors sign and submit response forms, the loan authorization bylaw may not proceed without first holding an assent vote (referendum).

Should the AAP fail to receive elector approval (more than 10% oppose), the Board may decide to immediately proceed to an assent vote as long as it is held within 80 days of the AAP deadline. This decision may need to be made prior to commencing the AAP since the required

preparation for a region-wide assent vote is significant and will therefore need to be started in advance of knowing the AAP outcome.

COVID-19 Considerations

An AAP provides a high level of confidence with respect to ensuring adherence to COVID-19 health and safety protocols since there are no in-person requirements to participate. AAP response forms may be accessed online and sent in by mail or may be dropped off at the Field Road Administration office either through the afterhours mail slot or in-person, for those who choose to attend, during office hours.

Due to the anticipated high level of public interest for this project, staff recommend considering extending the timeline for the AAP by increasing the elector response period from the required 30-day minimum up to 60 days.

Timeline

Overall, the estimated timeline to conduct the AAP will be five to six months. The following steps are required:

- Communications (Q4 2020)
 - Begin early and continue throughout the process
- Draft bylaw (Q1 2021)
 - Bylaw must receive 3 readings and be approved by the Inspector of Municipalities prior to commencing AAP (allow 8-10 weeks for Inspector approval)
- Prepare for and initiate AAP (Q1/Q2 2021)
 - Order and prepare voters lists, calculate eligible electors
 - Develop response forms and AAP information package
 - Report to Board to authorize AAP process
 - Draft statutory advertising (run for two consecutive weeks)
 - Manage communications - website updates, respond to public inquiries
- Public response period (Q2 2021 – mid-May to mid-July)
 - A 60-day response period is recommended
- Receive and register elector responses, determine final results
- If elector approval obtained - bylaw adoption and submission to Province (early Q3)
- If elector approval not obtained – bylaw cannot be adopted without proceeding to an assent vote within 80 days.
 - Recommended earliest date to hold an assent vote would be mid to late September 2021

Option 2: Conduct an Assent Vote

An assent vote for elector approval must be held according to the legislative requirements for Assent Voting in the *Local Government Act*. The requirements and preparation for conducting an assent vote is strictly regulated and essentially the same as holding a general election. Given the regional scope of the water service, votes will be held in all SCRD rural areas (A, B, D, E,

and F) as well as in the District of Sechelt. The time and cost of holding an assent vote will be significant given its regional scale.

COVID-19 Considerations

Assent votes, like elections, require in-person attendance and create many 'high touch point' interactions that can increase the risk of COVID transmission. The Ministry of Municipal Affairs and Housing has published a guidance document for conducting assent votes during COVID-19 to provide information on establishing voting-related processes and procedures that incorporate the recommended Provincial Health Officer (PHO) safety measures as well as those set out by WorkSafe BC. If a decision is made to proceed with an assent vote, staff will incorporate the following steps into the voting process to mitigate the risk of COVID transmission:

- Amend the election bylaw to accommodate the full extent of mail ballot voting
- Draft elections procedures incorporating PHO and WorkSafe BC safety protocols
- Develop COVID-19 safety plans using the six-step process outlined by WorkSafe BC and post them at all voting locations (for staff and public guidance)
- Develop and deliver COVID safety training for election officials
- Check in with the local Medical Health Officer to confirm plans to proceed with an assent vote

Timeline

The estimated timeline to conduct the assent vote will be eight to nine months. The following steps are required (dates may vary subject to the Board's decision to proceed directly to an assent vote or to follow an AAP):

- Communications (Q4 2020)
 - Begin early and continue throughout the process
- Draft bylaw (Q1 2021)
 - Bylaw must receive 3 readings and be approved by the Inspector of Municipalities prior to commencing AAP (allow 8-10 weeks for Inspector approval)
- Prepare for and initiate Assent Vote (Q1/Q2/Q3 2021)
 - Order and prepare voters lists
 - Book voting locations
 - Prepare election forms, voter lists, voting supplies, ballot distribution forms
 - Draft statutory advertising (notice of other voting, scrutineers)
 - Recruit and train election officials
 - Order election supplies – ballots, ballot boxes
 - Prepare mail ballot packages
 - Manage communications - website updates, respond to public inquiries
- Required and second advance voting (late Q3 – mid September)
- General voting day – count ballots/determine final results (late Q3 – September 25 potential date)
- If elector approval obtained - bylaw adoption and submission to Province (early Q4)
- If elector approval not obtained – bylaw cannot be adopted

Communications Strategy

Well in advance of initiating an elector approval process staff recommend developing and undertaking a comprehensive communication plan to ensure the community is informed about upcoming water supply projects and particularly about all components of the water metering program, including the value of having water meters installed at all service connections.

Communication of interest may include:

- The community values supported by the water metering program:
 - Avoiding loss of water due to leaks in distribution system and private connections
 - Fostering a reliable water system
 - Sharing information to inform water use decisions by residents, businesses and the SCRD
 - Reforming utility billing for equitable rates
 - Spending money wisely on long term projects that support SCRD regional water goals
- Information on projects within the upcoming budget process which are part of the water metering program such as plans for improved detection methods for leaks in the SCRD's main distribution system and private service connections.
- Updates on the results of the projects and 2021 budget proposals associated with the drilling and testing of new four new sites for the development of production wells and the raw water reservoir.
- Progress updates on the construction for the Church Road well field project as the majority of this work is anticipated to occur in Q1 and Q2 2021.
- Efforts to balance water conservation initiatives with water supply expansion efforts.
- Expectations of the provincial and federal government that when applying for grants for water supply expansion projects, water meters are already installed as part of local governments ongoing water conservation efforts.

Financial Implications - AAP

The amount of staff time required for an AAP will depend on the level of elector response. Given past experience with matters related to water meters, it would be reasonable to expect a high level of community interest.

The estimated costs for an AAP are as follows:

Legal (contingency)	\$ 500
Statutory Advertising	1,500
Meetings & Supplies	500
Staff Time*	<u>9,500</u>
Total	\$12,000

* Staff time will be dependent on the amount of public interest generated.

Financial Implications – Assent Vote

The time and cost required to holding an assent vote will be significant given its regional scale. The estimated costs for a region-wide assent vote are as follows:

Legal (contingency)	\$ 500
Statutory Advertising	5,000
Materials, Supplies & PPE	3,500
Election Officials (approximately 65)	32,000
Voting Station Rentals (8-10 venues)	2,500
Staff Time	<u>50,000</u>
Total	\$93,500

Next steps and timeline

A communications plan focusing on the water metering program will be developed in Q4 2020 with implementation to start late Q4 2020 / early Q1 2021 and will be ongoing throughout the process. The Loan Authorization bylaw along with a proposed schedule for the formal elector approval process will be presented to the Board in Q1 2021 to allow adequate lead time for communications to be underway.

The current project budget was estimates over 18 months ago, therefore, as part of the 2021 pre-budget meetings staff will bring forward a report with an updated cost estimate for the metering installation project and financial details related to the long-term loan. The costs and funding options associated with the decided upon electoral approval process will be included in this report.

STRATEGIC PLAN AND RELATED POLICIES

The completion of the development and implementation of the water metering program is one of the tactics listed in the 2019-2023 Strategic Plan in support of the strategy to plan for and ensure year-round water availability now and in the future. The Meter Installation-Phase 3 project is a critical and essential component necessary for the completion of the water metering program.

CONCLUSION

New guidance from the Province to support adherence to COVID-19 health and safety measures while holding assent votes will impact the timing and financial costs of conducting these elector approval processes during COVID-19. Given this new information, staff are seeking confirmation from the Board to move forward with an AAP to seek elector approval for long term borrowing to fund Phase 3 water meter installations.

Reviewed by:			
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