

***Chapman Lake Water Supply Expansion***

***Loan Authorization Bylaw No. 704, 2016***

# **Information Package**



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## **General Information on Chapman Lake Water Supply Expansion Loan Authorization Bylaw No. 704, 2016**

The Sunshine Coast Regional District (SCRD) is proceeding with an Alternative Approval Process (AAP) for Chapman Lake Water Supply Expansion Loan Authorization Bylaw No. 704, 2016. The bylaw proposes to borrow up to \$5,000,000 to be repaid over a 30 year term to fund the Expansion Project which will provide access to additional water from Chapman Lake. Approval of the electors is required since the borrowing proposed is for a period longer than five years.

### **Project Background**

The SCRD's Chapman Water System supplies potable water to approximately 10,000 properties. This water supply is carefully managed to ensure that the environmental needs of the watershed are maintained, providing flow for fish in Chapman Creek and water for fire protection, while serving as the primary source of potable water for 90% of the residents within the Regional Water Supply and Distribution Service Area (Electoral Areas A – Egmont / Pender Harbour, B – Halfmoon Bay, D – Roberts Creek, E - Elphinstone, F – West Howe Sound and the District of Sechelt). The Chapman Creek watershed, located in shíshálh Nation territory, includes two alpine lakes that supplement flows into Chapman Creek:

- Chapman Lake (primary reservoir with 900,000 cubic metres (m<sup>3</sup>) of current storage), and
- Edwards Lake (secondary reservoir with 800,000 m<sup>3</sup> of current storage).

Chapman Lake, located in Tetrahedron Provincial Park, is approximately 32 metres deep, with only the top 3 metres currently available for water supply storage.

In 2013, the SCRD Board adopted a Comprehensive Regional Water Plan. The Plan examined several different options for the long-term supply of potable water to Sunshine Coast communities.

After the 2015 drought and imposition of Stage 4 water restrictions, the SCRD Board approved a plan to increase the available draw-down from Chapman Lake by 5.0 metres from the current 3.0 metres to 8.0 metres to be used during periods of drought and until long-term source development options specified in the Comprehensive Regional Water Plan are constructed.

The Project to make additional storage accessible proposes to deepen the channel from Chapman Lake to Chapman Creek by 5 metres, replacing or upgrading the existing dam, and installing a large diameter gravity-fed pipe and release valves at both the existing 3 metre depth and at the 8 metre depth. The Project requires an environmental assessment and is subject to BC Parks and other regulatory approvals.

### **The AAP**

The question posed by this AAP is whether the SCRD can proceed with long term borrowing (30 years) to fund this project. The SCRD Board has recognized the critical importance of ensuring adequate water supply and has resolved that if the AAP fails, other funding options such as short

term borrowing (five years) will be pursued. Other potential funding sources may include reserve funds, development cost charges, grants, etc.

### **What do I do?**

If you are **opposed** to the SCR D using long term borrowing to fund the Water Supply Expansion Project, you may submit an Elector Response Form.

If you support the SCR D using long term borrowing to fund the Water Supply Expansion Project, you do not need to take any further action.

### **Who can I contact for more information?**

More information on the AAP may be obtained by contacting Angie Legault, Senior Manager of Administration & Legislative Services/Corporate Officer at the SCR D office at 1975 Field Road or by telephone at 604-885-6825 or Sherry Reid, Deputy Corporate Officer at 604-885-6813.

Information on the supply expansion project may be obtained from the Infrastructure Services Department at 604-885-6806.

## Sunshine Coast Regional District

### Bylaw No. 704

A bylaw to authorize the borrowing of up to Five Million Dollars for the design and construction of the Chapman Lake Water Supply Expansion Project

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WHEREAS the Board of the Sunshine Coast Regional District has established by Bylaw No. 1002, a service for the purpose of providing potable water to the Water Supply and Distribution Service Area;

AND WHEREAS the Board of the Sunshine Coast Regional District wishes to construct improvements to expand access to the Chapman Lake water supply;

AND WHEREAS the Board of the Sunshine Coast Regional District wishes to borrow for debt incurred by the design and construction of said expansion (the "Works");

AND WHEREAS the estimated cost of the Works, including expenses incidental thereto, that is not covered by other sources of revenue, is the sum of Five Million Dollars (\$5,000,000) which is the amount of debt created by this bylaw;

AND WHEREAS the maximum term for which a debenture may be issued to secure the debt created by this bylaw is for a term not to exceed thirty years;

AND WHEREAS the authority to borrow under this bylaw expires five years from the date on which this bylaw is adopted;

AND WHEREAS the Board of the Sunshine Coast Regional District has obtained the approval of electors in the entire Water Supply and Distribution service area by alternative approval process in accordance with section 345(1) of the *Local Government Act* and Section 86 of the *Community Charter*;

NOW THEREFORE, the Board of the Sunshine Coast Regional District in open meeting assembled, enacts as follows:

1. This bylaw may be cited as *Chapman Lake Water Supply Expansion Loan Authorization Bylaw No. 704, 2016*.
2. The Board is hereby empowered and authorized:
  - a) To borrow upon the credit of the Regional District a sum not exceeding Five Million Dollars (\$5,000,000);



**SUNSHINE COAST REGIONAL DISTRICT**  
**NOTICE OF ALTERNATIVE APPROVAL PROCESS**

***Chapman Lake Water Supply Expansion Loan Authorization Bylaw No. 704, 2016***

**NOTICE IS HEREBY GIVEN THAT**, the Sunshine Coast Regional District (SCRD) proposes to adopt *Chapman Lake Water Supply Expansion Loan Authorization Bylaw No. 704, 2016* to authorize borrowing of up to \$5,000,000 over a thirty year term for the design and construction of the Chapman Lake Water Supply Expansion Project. The costs of the debt will be recovered through a parcel tax on those properties that have access to Regional District water in the Water Supply and Distribution Service Area (Electoral Areas A – Egmont / Pender Harbour, B – Halfmoon Bay, D – Roberts Creek, E - Elphinstone, F – West Howe Sound and the District of Sechelt).

The Supply Expansion Project will provide access to additional stored water from Chapman Lake to be used during periods of drought and until long-term source development options specified in the Comprehensive Regional Water Plan are constructed.

Approval of the electors is required since the borrowing proposed is for a period longer than five years. The cost of repaying the debt over a thirty year period would be approximately \$246,857 per year for the term of the debt. The parcel tax would amount to approximately \$23 per parcel on an annual basis until the debt is retired.

More information on this matter can be viewed at the Sunshine Coast Regional District office, 8:30 a.m. to 4:30 p.m. Monday to Friday, except Statutory Holidays, at 1975 Field Road, Sechelt, BC. Information packages are also available at the Sechelt Aquatic Centre (5500 Shorncliffe Avenue, Sechelt), Gibsons and Area Community Centre (700 Park Road, Gibsons, BC) and the Pender Harbour Satellite/Water Office (12828 Lagoon Road, Madeira Park, BC) during their regular hours.

The SCR D Board may adopt Bylaw No. 704 and proceed with the borrowing as noted above if, after the deadline, elector response forms are certified by the Corporate Officer as having been signed by less than 10% of the eligible electors in the Water Supply and Distribution Service Area. If after the deadline elector response forms are certified by the Corporate Officer as having been signed by at least 10% of the eligible electors in the Service Area (calculated at **1,888** electors), the Board may not proceed with the borrowing under Bylaw No. 704 without obtaining assent of the electors in a voting proceeding.

**Elector Response Forms**

The response of the electors must be in the form established by the SCR D. Forms are available at the SCR D office located at 1975 Field Road, Sechelt. Forms are also available on the SCR D website at [www.scrd.ca](http://www.scrd.ca) and where Information Packages are located as listed above. An accurate copy of the elector response form is also acceptable. For an elector response to be accepted it must meet the following conditions:

- only eligible electors within the Water Supply and Distribution Service Area are entitled to sign an elector response form;
- the full name of the elector must be stated;
- the residential address of the elector must be stated;

- the elector must sign the elector response form;
- if applicable, the address of the property in relation to which the person is entitled to vote as a non-resident property elector must be stated; and,
- the elector response form must be submitted to the Corporate Officer before the deadline.

Forms may be submitted in person or by mail to be received by the Corporate Officer at the Sunshine Coast Regional District office located at 1975 Field Road, Sechelt, B.C. V0N 3A1 **NO LATER THAN 4:30 P.M. ON Tuesday, July 26, 2016.** Elector response forms must be in the possession of the Corporate Officer by this time as postmarks **WILL NOT** be accepted as date of submission. **ELECTOR RESPONSE FORMS MAY NOT BE RETURNED BY FAX OR EMAIL.**

### **Eligible Elector**

An eligible elector for the purpose of this Alternative Approval Process is a resident who meets the following criteria:

- is age eighteen or older;
- is a Canadian citizen;
- has been a resident of British Columbia for at least six months;
- has been a resident of the Service Area for at least thirty days; and,
- is not disqualified from voting by any enactment.

A non-resident property elector who meets the following criteria is also an eligible elector:

- is not entitled to register as a resident elector for the Service Area;
- is age eighteen or older;
- is a Canadian citizen;
- has been a resident of British Columbia for at least six months;
- has been a registered owner of the real property within the Service Area for at least thirty days; and,
- is not disqualified from voting by any enactment.

Note: Corporations are not entitled to vote nor is land held in a corporate name eligible to vote. In the case of multiple owners of a parcel, only one person may vote as a non-resident property elector.

More information on the AAP may be obtained by contacting Angie Legault, Senior Manager of Administration & Legislative Services/Corporate Officer at the SCRD office at 1975 Field Road or by telephone at 604-885-6825 or Sherry Reid, Deputy Corporate Officer at 604-885-6813. Information on the supply expansion project may be obtained from the Infrastructure Services Department at 604-885-6806.

Angie Legault, Corporate Officer

## Calculation of Eligible Electors

The total number of electors of the area to which the approval process applies (the Water Supply and Distribution Service Area –Electoral Areas A – Egmont/Pender Harbour, B – Halfmoon Bay, D – Roberts Creek, E – Elphinstone, F – West Howe Sound and the District of Sechelt) has been calculated at **18,887**.

The number of electors was calculated as follows:

The number of resident electors on the Provincial voters list in the Service Area, as received from Elections BC on March 30, 2016 **(18,366)**

*plus*

The number of non-resident property electors currently registered for properties within the Service Area, excluding those who also reside within the Service Area **(521)**

Approval of the electors by alternative approval process is obtained if the number of elector responses received by the established deadline is less than 10% of this total **(1,888)**.



## Financial Information / Budget Implications

### Chapman Lake Water Supply Expansion

If the AAP for the Loan Authorization is successful, it is proposed that the debt recovery will occur via a parcel tax of approximately \$23 per parcel (for parcels with access to Regional District water).

The table below summarizes the estimated annual debt servicing costs, total interest, average cost per parcel in year one and the total cost per parcel in today's dollars for a 30-year vs. a five-year term.

	<b>30 Year</b>	<b>5 Year</b>
Annual Debt Servicing Costs	\$246,857	\$1,082,407
Total Interest Over Term	\$4,500,000	\$750,000
Average Cost Per Parcel in Year One	\$22.92	\$100.49
Total Cost Per Parcel in Today's Dollars	\$410.69	\$465.00