

***Universal Water Meter Installations
Project Loan Authorization
Bylaw No. 718, 2018***

Information Package

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General Information on Universal Water Meter Installations Project Loan Authorization Bylaw No. 718, 2018

The Sunshine Coast Regional District (SCRD) is proceeding with an Alternative Approval Process (AAP) for *Universal Water Meter Installations Project Loan Authorization Bylaw No. 718, 2018*. The bylaw proposes to borrow up to \$5,956,111 to be repaid over a 20 year term to fund Phase Three of the Universal Water Meter Installations project. Approval of the electors is required since the borrowing proposed is for a period longer than five years.

Project Background

Adopted in 2013, the Comprehensive Regional Water Plan outlines the actions needed to increase water supply in combination with universal water metering to manage demand.

Water metering will help the SCRD and water users improve their leak detection abilities and better understand water consumption. Many cities and regional districts across Canada have already made the move towards metering as it is widely recognized as an industry best practice. It is common for communities to realize a reduction in water consumption by 20% to 30% after universal metering.

Phase 3 is the final phase of meter installations and involves installing water meters in the Sechelt area. Meters were already installed for SCRD water customers in Egmont/Pender Harbour, Halfmoon Bay, Roberts Creek, Elphinstone and West Howe Sound between 2014 and 2017.

The AAP

The question posed by this AAP is whether the SCRD can proceed with long term borrowing (20 years) to fund this project.

The SCRD has recognized the critical importance of completing this third and final phase of water meter installations. If the AAP fails, other options such as proceeding to referendum or funding the project through the use of short term borrowing or reserve funds may be considered.

What do I do?

If you are **opposed** to the SCRD using long term borrowing to fund Phase Three of the Universal Water Meter Installations Project, you may wish to submit an Elector Response Form.

If you support the SCRD using long term borrowing to fund Phase Three of the water meter installations 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 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 Phase Three of the water meter installations project may be obtained from the Infrastructure Services Department at 604-885-6806.

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 718

A bylaw to authorize the borrowing of up to Five Million Nine Hundred and Fifty Six Thousand One Hundred and Eleven Dollars for Phase Three of the Universal Water Meter Installations Project

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 complete the Universal Water Meter Installations Project to support conservation and leak detection;

AND WHEREAS the Board of the Sunshine Coast Regional District wishes to borrow for debt incurred by Phase Three of the Universal Water Meter Installations Project (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 up to Five Million Nine Hundred and Fifty Six Thousand One Hundred and Eleven Dollars (\$5,956,111) 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 twenty 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 *Universal Water Meter Installations Project Loan Authorization Bylaw No. 718, 2018*.
2. The Board is hereby empowered and authorized:

SUNSHINE COAST REGIONAL DISTRICT
NOTICE OF ALTERNATIVE APPROVAL PROCESS

Universal Water Meter Installations Project Loan Authorization
Bylaw No. 718, 2018

NOTICE IS HEREBY GIVEN THAT, the Sunshine Coast Regional District (SCRD) proposes to adopt *Universal Water Meter Installations Project Loan Authorization Bylaw No. 718, 2018* to authorize borrowing of up to \$5,956,111 over a twenty year term to complete Phase Three of the Universal Water Meter Installations Project. The costs of the debt will be recovered through a parcel tax on those properties that have access to SCRD 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).

Phase Three of the Universal Water Meter Installations Project is the final phase of meter installations and involves installing water meters on SCRD water connections in the Sechelt area. Meters were installed for other SCRD water customers between 2014 and 2017. Water metering will help the SCRD and water users improve their leak detection abilities and better understand water consumption.

Approval of the electors is required since the borrowing proposed is for a period longer than five years. No increase to the parcel tax rate is anticipated as debt funding for this project was built in to the rate structure. An average of \$37.70 per parcel will be allocated from the existing parcel tax to service the twenty year borrowing. The overall rate structure may vary from year to year depending on changes to capital plans and the availability of other sources of funding such as provincial and federal grants.

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 SCRD Board may adopt Bylaw No. 718 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 (Electoral Areas A – Egmont / Pender Harbour, B – Halfmoon Bay, D – Roberts Creek, E - Elphinstone, F – West Howe Sound and the District of Sechelt). 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 **1,957** electors), the Board may not proceed with the borrowing under Bylaw No. 718 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 SCRD. Forms are available at the SCRD office located at 1975 Field Road, Sechelt. Forms are also available on the SCRD website at 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 24, 2018.** 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: Only one non-resident property elector may sign an elector response form per property, regardless of how many people own the property. Property owned in whole or in part by a corporation does not qualify under the non-resident property elector provisions.

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 Phase Three of the water meter installations 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 **19,577**.

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 April 24, 2018 **(19,272)**

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 **(305)**

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 **(1,957)**.

Financial Information / Budget Implications

Universal Water Meter Installations Project – Phase Three

If the AAP for the Loan Authorization is successful, it is proposed that the debt recovery will occur via a parcel tax on lots with access to Regional District water.

Current parcel tax rates which are used for capital funding and debt servicing have been set based on the assumptions made in the financial model developed with the Comprehensive Regional Water Plan. Debt financing this project over a 20 year term was included in the financial model, and as such; this borrowing is not expected to increase the parcel tax rate.

An average of \$37.70 per parcel will be allocated from the **existing** parcel tax to service the 20 year borrowing.

Note: The overall rate structure may vary from year to year depending on changes to capital plans and the availability of other sources of funding such as provincial and federal grants.

The table below summarizes the estimated annual debt servicing costs, total interest and the average cost per parcel in year one for a 20-year vs. a five-year term.

Estimated Costs	20 Year	5 Year
Annual Debt Servicing Costs*	\$410,470	\$1,319,279
Total Interest Over Term	\$3,776,174	\$384,450
Average Cost Per Parcel in Year One	\$37.70	\$121.17

*based on current interest rates of 3.17% on 20-year and 2.15 on 5-year borrowing.