



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 12, 2024
MEETING TYPE & DATE Electoral Area Services Committee of February 21, 2024
FROM: Utilities Division
Operations Department
SUBJECT: Proposed Shawnigan Village Water System Service Area
FILE: 3720-55

PURPOSE/INTRODUCTION

The purpose of this report is to seek approval to establish a new water system service area within a portion of Electoral Area B – Shawnigan Lake and borrow \$3.2M to purchase the Shawnigan Village Waterworks System to create the service.

RECOMMENDED RESOLUTION

That it be recommended to the Board that:

1. A new water system service area be established within a portion of Electoral Area B – Shawnigan Lake.
2. Long Term borrowing in the amount of \$3.2M to purchase the Shawnigan Village Waterworks System to create a new service be approved.
3. That elector approval for adoption of the Service Establishment Bylaw and Loan Authorization Bylaw be obtained through an Alternative Approval Process, (AAP).

BACKGROUND

The CVRD recently entered into an agreement to purchase Shawnigan Village Waterworks for a mutually agreed price of \$3.2M. Public consultation to advise the community of the proposed purchase has started and, to date, has included the following: a news release, an information letter to the customers of the system, a Plan Your Cowichan webpage and social media postings.

ANALYSIS

Public approval is required to finalize the purchase. Public consultation will continue with a public meeting scheduled with the community on March 11, 2024. Pending a positive public consultation process, an Alternative Approval Process (AAP) will be recommended for the public approval process required to finalize the purchase.

As per provincial legislation and the CVRD Policy on conducting AAP's (Attachment A), the bylaws must receive third reading by the Board prior to the start of an AAP. Loan authorization and service establishment bylaws also require approval from the Inspector of Municipalities. To meet the agreed CVRD takeover date of December 1, 2024 in the purchase agreement, a timeline has been prepared with milestone dates. As per this timeline, an AAP is proposed to be conducted in June and July 2024. Preparation of the bylaws is the next step in the process to allow adequate time for approval from the Inspector of Municipalities prior to the start of the proposed AAP.

FINANCIAL CONSIDERATIONS

A purchase price of \$3.2M will result in user fees of approximately \$1,300 per year for customers of the system based on long-term borrowing of \$3.2M.

COMMUNICATION CONSIDERATIONS

Public consultation will continue throughout the public approval process.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The Corporate Strategic Plan includes an objective to demonstrate strong fiscal leadership. The recommended resolution provides a reliable essential service.

Referred to (upon completion):


- Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:

Reviewed by:



Lisa Dagenet
Senior Engineering Technologist
Utilities Division



Vanessa Thomson
Manager, Utilities Division



Clayton Postings
A/General Manager, Operations
Department

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Financial Considerations:

Corporate Officer

Chief Financial Officer

ATTACHMENTS:

Attachment A: Alternative Approval Process (AAP) Policy