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BY REGULAR MAIL

April 9, 2019

Dear Bralorne Sewer Service Area Property Owner:

RE: Alternative Approval Process – New Bralorne Sewer System Project

You are receiving this letter because you are a property owner in the Bralorne Sewer Service Area. For your information, the following documents are attached to this letter:

- Notice of Alternative Approval Process; and
- Elector Eligibility Requirements - Alternative Approval Process (with map of the Bralorne Sewer Service Area).

Background:

In 2016, the Squamish-Lillooet Regional District (“**SLRD**”) was awarded a Gas Tax grant of \$1,999,530.00 (the “**Grant**”) for the new Bralorne sewer system project (the “**Project**”). The Project is considered critical to the long-term health and sustainability of the Bralorne community.

In order to receive the full amount of the Grant, the Project must be completed by December 31, 2019. Otherwise, a claw back of \$299,929 is expected to be applied (15% of the Grant = \$299,929). To address the shortfall between the Grant funding and the actual cost of the Project, the SLRD has been working to secure additional loan financing.

Current Situation

- The scope of the Project has been reduced. (Please see the SLRD website for further details www.slrd.bc.ca/BralorneSewer.)
- On February 27, 2019, the SLRD Board authorized a short-term loan (i.e. 5 years) of \$300,000 (“the “**Loan**”) for the purpose of completing the Project. The estimated annual debt servicing costs are \$69,000 for a total of 5 years. Please see below for financial impacts.

- In order to cover the debt servicing associated with the \$300,000 loan, the SLRD is in the process of seeking elector approval via Alternative Approval Process (“**AAP**”) to increase the maximum annual requisition under Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1614-2019 (the “**Proposed Bylaw**”).
- This AAP is the third attempt to obtain elector approval of the funding required to complete the Project. If elector approval is not obtained, then the following will occur:
 - the Project will not be completed at this time;
 - it is expected that the 15% claw back of the Grant will be applied (i.e. which means forfeiting funding of \$299,929); and
 - the existing, outdated sewage treatment system will continue to be used pursuant to the terms of the existing discharge permit which requires septic treatment only. *(But please see the following two paragraphs: the provincial government may not allow the use of this outdated system to continue.)*

Although the Bralorne sewer system is currently exempt from having to meet current community wastewater standards (such as the requirement to have a secondary treatment component), the exemption is not ensured to remain in place indefinitely - the provincial government has previously advised the SLRD that it could potentially require the secondary treatment via imposing a permit amendment to the existing discharge permit.

If the Project is not completed and the provincial government requires a secondary treatment component to be implemented in Bralorne, the SLRD would then explore how loan financing could be secured and the associated tax requisition increase for the debt servicing costs. At a minimum, what would be required is the total of \$300,000 (current identified funding shortfall) + \$299,929 (portion of Grant expected to be forfeited) + undetermined construction cost escalation.

Additional Funding Support (only if electoral approval is obtained)

Conditional upon adoption of the Proposed Bylaw, Electoral Area A Director John Courchesne and the SLRD Board have agreed to provide Area A Northern Area BC Hydro Payment in Lieu of Taxes Funds Reserve (“**PILT Funds**”) to be applied towards reducing the debt servicing costs.

PILT Funds of \$20,000 per year for 5 years (i.e. total of \$100,000 over 5 years) applied against the annual debt servicing costs will reduce the amount to be paid by the 95 taxable parcels in the Bralorne Sewer Service Area as follows:

Estimated annual debt servicing on \$300,000	\$69,000
(minus annual PILT Funds)	(\$20,000)
Reduced annual debt servicing costs	\$49,000

The reduced debt servicing costs come to an estimated \$543 per parcel (inclusive of the mandatory 5.25% provincial fee), which is on top of the \$346 that is the existing maximum requisition amount per parcel per year. The table below shows the total payable per parcel based on the existing maximum requisition amount of \$31,250 plus the amount required to service the Loan after applying the PILT Funds of \$20,000 for 5 years (i.e. \$49,000).

	With \$20,000 Annual PILT Funds applied to debt servicing costs
New annual maximum requisition amount	\$80,250 (\$31,250 + \$49,000)
New annual maximum requisition amount - inclusive of provincial fee of 5.25%	\$84,463
New annual maximum requisition amount per parcel - inclusive of provincial fee of 5.25%	\$889 (\$346 current requisition amount + \$543 new requisition amount for loan) For 5 Years

After 5 years, as the Loan will be paid off (i.e. no further debt servicing costs), the amount per parcel should revert back close to the previous amount of \$346/per year, plus amounts to account for inflation.

If 8 or more electors formally oppose the tax requisition increase that is necessary to service the Loan (i.e. by completing and submitting the elector response form referenced in the attached Notice of Alternative Approval Process), then electoral approval will not be obtained, the Proposed Bylaw will not be adopted, and the Project will not be completed due to the existing funding shortfall. (Please see the Elector Eligibility Requirements (attached) for more information regarding elector eligibility.)

This AAP is the last opportunity to access the remaining 15% of the Grant (as it is expected to be forfeited if the Project is not completed by December 31, 2019) and to complete the Project at construction pricing that was secured in 2018.

Next Steps

The Notice of Alternative Approval Process (attached) will be published as follows:

- Bridge River Lillooet News on April 10 and April 17, 2019;
- Pique Newsmagazine on April 11 and April 18 2019;
- Mountain Telegraph on May 6, 2019.

Community information meetings will take place as follows:

Community Information Meeting:

Date: April 23, 2019

Time: 6:00 p.m.

Location: Bralorne Fire Hall

Community Information Meeting via Teleconference:

Date: April 29, 2019

Time: 10:00 a.m.

Call: 1-855-392-2520 (Toll Free)

Participant Access Code: 2845450

For more information about the Project, please contact:

Ed Witwicki
Senior Engineering Technologist, Squamish-Lillooet Regional District
1-800-298-7753 ext. 227
ewitwicki@slrd.bc.ca

For more information about the AAP, please contact:

Kristen Clark
Director of Legislative and Corporate Services, Squamish-Lillooet Regional District
1-800-298-7753 ext. 230
kclark@slrd.bc.ca

Please refer to the SLRD website for detailed project information and for more information about the AAP, including the elector response form and associated forms. The SLRD website is updated regularly so please check back on a regular basis:

www.slrd.bc.ca/BralorneSewer

www.slrd.bc.ca/BralorneSewerAAP

Regards,



Lynda Flynn
Chief Administrative Officer, Squamish-Lillooet Regional District

/enclosures

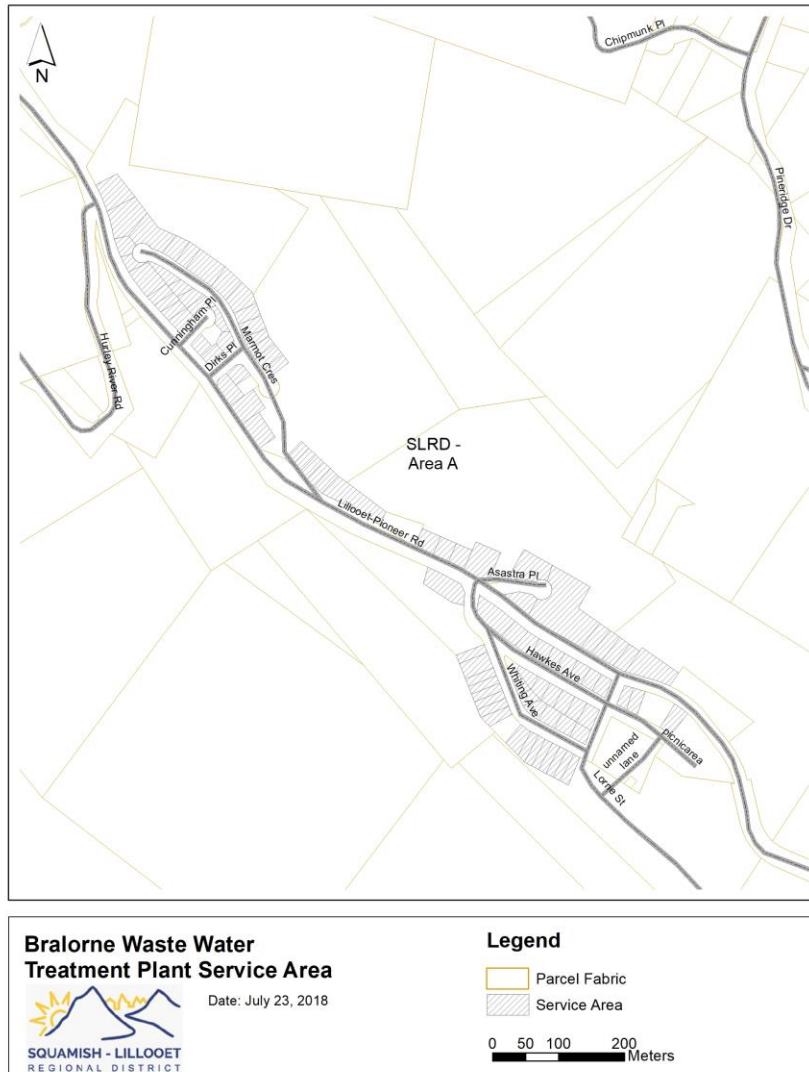
cc: Electoral Area A Director John Courchesne *(by email only)*



NOTICE OF ALTERNATIVE APPROVAL PROCESS

PUBLIC NOTICE is hereby given in accordance with the *Local Government Act* and the *Community Charter* that the Squamish-Lillooet Regional District (“SLRD”) has proposed Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1614-2019 (the “Bylaw”).

The Bylaw relates to the Bralorne Sewer Local Service Area, which consists of a portion of the community of Bralorne in SLRD Electoral Area A as the participant (the “Service Area”) and identified in the map below:



The Bylaw increases the maximum annual tax requisition amount for the Service Area from \$31,250 to \$80,250, the purpose of which is to allow the SLRD to tax requisition the additional

funds necessary to pay the debt servicing costs associated with a short-term (5 year) loan of \$300,000 (the “Loan”).

The purpose of the Loan is to address a funding shortfall in respect of the construction of Bralorne’s new wastewater treatment system (the “System”). Construction of the System is mainly funded via a Federal Gas Tax Agreement Strategic Priorities Fund Tax Grant of \$1,999,530. Repayment of the Loan is to be borne by the taxable properties within the Service Area. After applying funding from the Area A Northern Area BC Hydro Payment in Lieu of Taxes Funds Reserve of \$20,000 per year (for 5 years), the annual debt servicing for the Loan is estimated to be \$49,000. Per parcel, this is \$543 per year (inclusive of a 5.25% mandatory provincial fee).

Current Maximum Annual Tax Requisition	Estimated Debt Servicing Cost	Proposed New Maximum Annual Tax Requisition
\$31,250	\$49,000	\$80,250

Current Maximum Annual Tax Requisition	Estimated Debt Servicing Cost	Proposed New Maximum Annual Tax Requisition
\$346 per parcel	\$543 per parcel	\$889 per parcel

The SLRD Board is seeking participating area approval of electors by way of Alternative Approval Process for the Service Area. The number of eligible electors in the Service Area has been determined to be 82 and the number of elector responses required to prevent the SLRD Board from proceeding without the further assent of electors is 8. The deadline for elector responses in relation to this Alternative Approval Process is **4:30 p.m. on May 21, 2019**. The SLRD Board may proceed with this matter unless, by the stated deadline, at least 10% (being 8) of the electors of the Service Area indicate that the SLRD Board must obtain the elector approval by assent vote.

Elector responses must be given in the form established by the SLRD Board. Elector response forms are available at www.slrd.bc.ca/BralorneSewerAAP and at the SLRD office (1350 Aster St., Pemberton, BC). The only persons entitled to sign the forms are the electors of the area to which the Alternative Approval Process applies, being the Service Area. For more information about elector qualifications, see www.slrd.bc.ca/BralorneSewerAAP.

Public inspection of copies of the Bylaws can be made at the SLRD office (1350 Aster St., Pemberton, BC) from 8:00 a.m. to 4:30 p.m. (Monday-Friday, except holidays).

For more information, please contact SLRD Corporate Officer K. Clark at (604) 894-6371 (ext. 230) or kclark@slrd.bc.ca.



Elector Eligibility Requirements - Alternative Approval Process

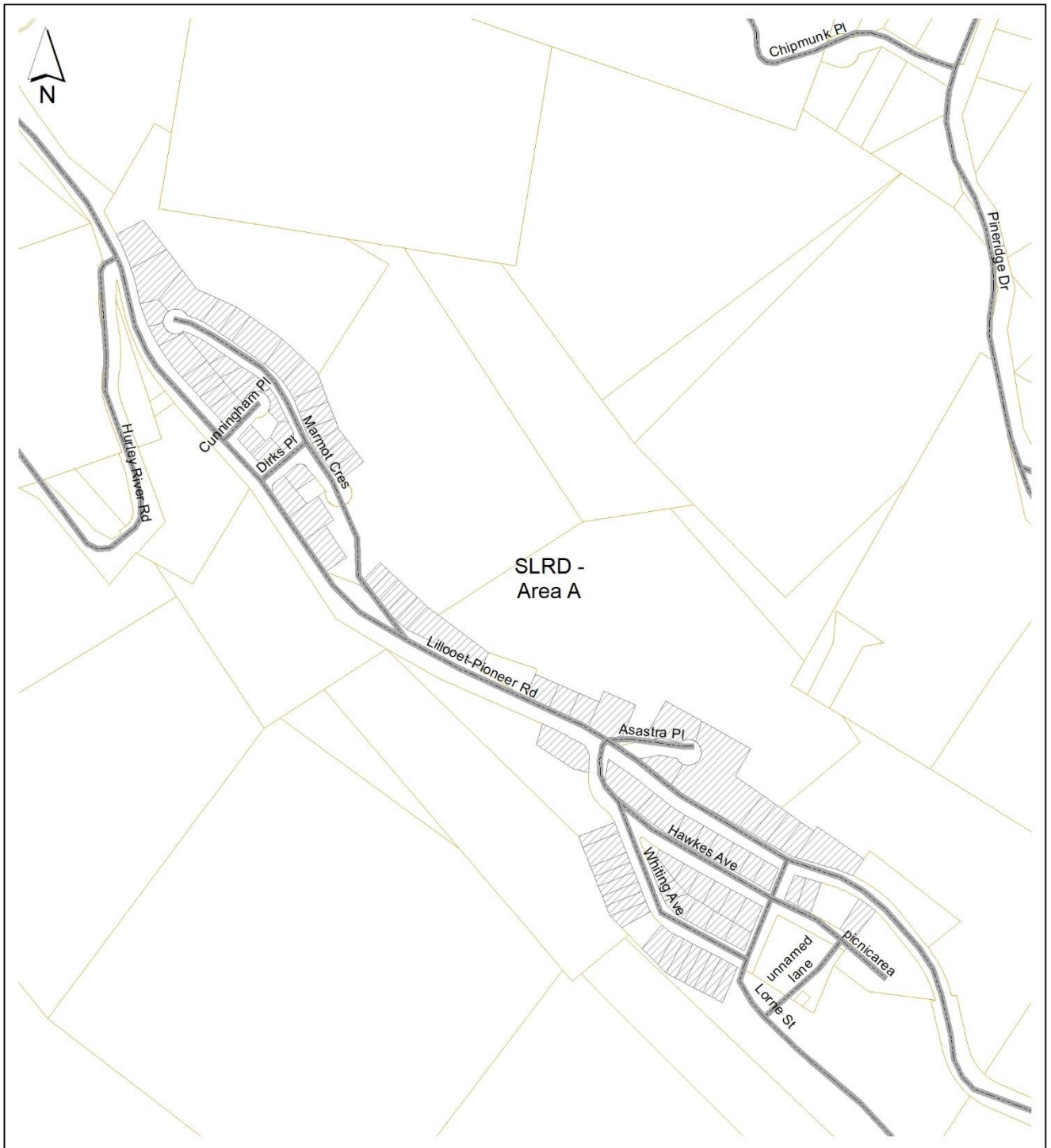
Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1614-2019

Resident Electors (section 65 of the *Local Government Act*)

1. 18 years of age or older;
2. Canadian citizen;
3. Have lived in British Columbia for at least 6 months immediately before signing the elector response form;
4. Have lived in the Bralorne Sewer Service Area (**see map on next page**) for at least 30 days before signing the elector response form;
5. Not disqualified from voting under the *Local Government Act* or any other enactment or otherwise disqualified by law from voting.

Non-Resident Property Electors (section 66 of the *Local Government Act*)

1. 18 years of age or older;
2. Canadian citizen;
3. Have lived in British Columbia for at least 6 months immediately before signing the elector response form;
4. Not entitled to vote as a resident elector in the Bralorne Sewer Service Area (**see map on next page**) for purposes of this matter;
5. Have been a registered owner of real property in the Bralorne Sewer Service Area for at least 30 days before signing the elector response form;
6. Can only sign one elector response form, regardless of the number of properties that the non-resident property elector owns in the Bralorne Sewer Service Area;
7. If there is more than one individual who is the registered owner of the property, only one of the individual owners may sign the elector response form in relation to the property, provided the non-resident property elector has the written consent of the number of individuals who, together with the person signing this elector response form, constitute a majority of the registered owners of the property (**written consent must be provided if applicable**);
8. The only persons who are registered owners of the real property are individuals who do not hold the property in trust for a corporation or another trust;
9. Not disqualified from voting under the *Local Government Act* or any other enactment or otherwise disqualified by law from voting.
 - *Please note that a no one can submit an elector response form in respect of a property that is owned (in whole or in part) by a corporation.*



Bralorne Waste Water Treatment Plant Service Area



Date: July 23, 2018

Legend

-  Parcel Fabric
-  Service Area

