

Bralorne Sewer Project

Community Information Meeting

January 15th, 2019



SQUAMISH - LILLOOET
REGIONAL DISTRICT



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Agenda

1. Overview of project
 - What has been completed in Phase 1
 - What is outstanding for Phase 2
2. Options to move forward
3. Questions

Work completed in Phase 1

- Procurement process for design of new wastewater treatment system;
- Development of detailed engineering design;
- Negotiation and registration of statutory rights-of-way (ROWS);
- Preparation of an Environmental Impact Assessment and approval thereof by Ministry of Environment (MOE);
- Securing construction permits from the Ministry of Transportation and Infrastructure (MOTI);
- Acquisition of site for the wastewater treatment plant and associated rezoning;
- Procurement process for construction of new wastewater treatment system and entering into agreement with contractor;
- Completion of construction of:
 - 2 kilometres of collection mains;
 - 44 sanitary service connections (tied-in);
 - 30 sanitary service connections (capped at the property line for future tie-in, which will occur as part of phase 2);
 - 18 sanitary service connections to undeveloped lots (capped at property line for future tie-in, which will occur when development occurs); and
 - 35 sanitary sewer manholes;

Cost of Phase 1 and Funding Source

Funding Source	Amount
Gas Tax Funds (i.e. 85% of total funding of \$1,999,530)	\$1,699,601
Area A Gas Tax Community Works Funds	\$91,000
Bralorne Gold Mine contribution	\$10,000
Bralorne sewer reserve	\$60,000
PHASE 1 TOTAL COST:	\$1,860,601



Work Remaining in Phase 2

- Tie-in of 30 sanitary service connections;
- Construction of 4 sanitary sewer manholes;
- Construction of 400 meters of collection mains;
- Construction of new wastewater treatment plant including septic tanks, biofilters and outfall;
- Decommissioning of the old sewer system, manholes and septic tanks;
- Approval of subdivision by MOTI;
- Obtaining new discharge permit from MOE for the new wastewater treatment system.



Cost of Phase 2 and Funding Source

Funding Source	Amount
Gas Tax Funds (i.e. final 15% of total funding of \$1,999,530), subject to completion by December 31, 2019 deadline	\$299,929
PILT funds (one-time payment in 2019)	\$60,000
Long term loan (repaid via parcel tax requisition)	\$640,000 (up to)
PHASE 2 TOTAL COST:	\$999,929



Phase 2 Timing

- Subject to receiving elector approval (via assent vote on January 26, 2019), Phase 2 will start in spring 2019 and is expected to be completed by August 2019.
- Phase 2 work will be completed by the same contractor that completed the Phase 1 work and at pricing agreed to by the parties in 2018.



Total Cost of Phase 1 and Phase 2

PHASE 1 - Funding Source	Amount
Gas Tax Funds (i.e. 85% of total funding of \$1,999,530)	\$1,699,601
Area A Gas Tax Community Works Funds	\$91,000
Bralorne Gold Mine contribution	\$10,000
Bralorne sewer reserve	\$60,000
PHASE 1 - TOTAL COST:	\$1,860,601
PHASE 2 - Funding Source	Amount
Gas Tax Funds (i.e. 15% of total funding of \$1,999,530), subject to completion by December 31, 2019 deadline	\$299,929
PILT funds (one-time payment in 2019)	\$60,000
Maximum long-term loan (repaid via parcel tax requisition)	\$640,000 (up to)
PHASE 2 – TOTAL COST:	\$999,929
Total Project Funding (Phase 1 & 2)	\$2,860,530

The budget for the construction phase of the project includes a conservative contingency, some of which may not be required which means the overall cost of the project (as well as the amount of the loan) would be reduced accordingly.

Why has project taken so long?

Various factors contributed to the time required before construction could be started, including:

- Securing a site for the wastewater treatment plant and then rezoning the site for that use;
- Securing various rights of way with private property owners for the collection system;
- Obtaining MOTI construction permits for works to be constructed in the road rights of way;
- Obtaining a discharge permit from MOE; and
- The limited construction window.



Why are project costs higher than the grant funding?

- The budget for this project was developed in 2015, and Gas Tax funding (of \$1,999,530) was applied for and received on that basis.
- Since 2015, civil construction costs have increased by approximately 30% regionally. Like many other jurisdictions, given the current market conditions, the SLRD is facing challenges in delivering critical infrastructure projects like this.



Maximum amount the loan could cost per year

Loan Amount	Term of Loan	Interest Rate (estimated) ¹	Total Debt Servicing Costs for the Service Area (per year)	Total Per Parcel (per year)
\$700,000	30 years	3.29%	\$38,750	\$429.31

¹ Estimated debt servicing costs have been calculated using an interest rate of 3.29% (which is based on the interest rates charged by the Municipal Finance Authority); the per parcel amount includes the mandatory 5.25% fee charged by the provincial government.

The SLRD will borrow only the amount that is required to complete the project, and if the project comes in under-budget, the SLRD will borrow less than the upper limit of \$700,000.

The upper limit of \$700,000 is an amount that assumes:

- the full amount of the contingency will be required to complete the construction phase of the project; and
- there will be no PILT funding applied towards the project.



Will I be paying this maximum requisition amount each year?

At its July 25, 2018 meeting, the SLRD Board committed an additional \$60,000 in funding from the Area A Northern Area BC Hydro Payment in Lieu of Taxes Funds Reserves (“PILT Funding”) for each of the years 2019, 2020, 2021 and 2022.

In respect of the \$60,000 allocated for 2019, this would mean the \$700,000 loan would be reduced to a \$640,000 loan.

Loan Amount	Term of Loan	Interest Rate (estimated) ¹	Total Debt Servicing Costs for the Service Area (per year)	Total Per Parcel (per year)
\$640,000	30 years	3.29%	\$34,853	\$386.13

When added to the current maximum annual requisition amount, a property owner could be paying the following:

Current Maximum Annual Requisition	\$346.22
Proposed Additional Requisition Amount	\$386.13
Total Maximum Annual Requisition Amount (per parcel per year)	\$732.35



PILT Funding

- While the \$60,000 PILT Funding commitment for 2019 has been applied to reduce the amount borrowed, the SLRD Board may determine that the remaining 3 years of funding (i.e. \$60,000 per year in 2020, 2021 and 2022 as per the July 25, 2018 SLRD Board resolution) continue to be applied against the loan, resulting in reduced tax requisitions in 2020, 2021 and 2022.
- As this is a future commitment of the SLRD Board, this amount (\$60,000) has not been automatically applied at this time as the Board has the opportunity to re-visit in 2020, 2021, and 2022 as part of each year's budget discussions.



What happened with the Alternative Approval Process?

The Alternative Approval Process is a streamlined way to seek elector approval of the proposed bylaws, with elector approval being deemed to have been obtained if less than 10% of the eligible electors register their opposition to the proposed bylaws.

However, more than 10% of the eligible electors registered their opposition to the proposed bylaws so the SLRD cannot move forward with adoption of the proposed bylaws unless and until elector approval is obtained via an assent vote.



What happens next?

The SLRD must obtain elector approval via assent vote (referendum) before the SLRD Board is able to consider adopting the proposed bylaws to authorize the long-term loan and to raise the maximum annual requisition. Phase 2 of the project cannot occur unless the proposed bylaws are adopted.

Elector approval will be obtained if a majority of the votes cast are in favour of the proposed bylaws being adopted by the SLRD Board.

There will be an assent vote on Saturday January 26, 2019 in respect of the following question:



Are you in favour of the Squamish-Lillooet Regional District adopting the following proposed bylaws:

- 1. Squamish-Lillooet Regional District Bralorne Wastewater Treatment System Loan Authorization Bylaw No. 1595-2018, which will permit the borrowing of up to \$700,000 for the purpose of completing the construction of the new wastewater treatment system in the Bralorne Sewer Service Area (the associated estimated annual debt servicing costs will be \$38,750 and recovered via tax requisition as set out below); and*
- 2. Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1594-2018, which will permit an increase of \$38,750 to the maximum annual tax requisition amount, which is estimated to be \$429.31 per parcel (and is in addition to the existing maximum annual tax requisition of \$346.22 per parcel resulting in a total annual estimated tax requisition of \$775.53 per parcel.)*

Yes

No



What happens if elector approval is not obtained?

- If elector approval is not obtained, the SLRD Board will not be able to pass the proposed bylaws. This means Phase 2 of the project will not proceed and the existing, outdated sewage collection and treatment systems will remain in use pursuant to the terms of the existing discharge permit.
- Also, according to the terms of the Gas Tax Funding Agreement, it is possible that there could be a claw back of 15% of the total gas tax funding (being \$299,929 of \$1,999,530) if the entire project is not completed as contemplated by the deadline date of December 31, 2019.



Could MOE require upgrades/changes to the Bralorne wastewater system and if it did, how would such upgrades be funded?

The Bralorne wastewater system is currently operating under a discharge permit issued by MOE in the 1970s that requires septic-only treatment. To date, the Bralorne wastewater system has been exempt from having to meet current community wastewater standards, such as the requirement of secondary treatment.

It is expected that at some point in the future, MOE will impose permit amendments that will require the Bralorne wastewater system to meet current community wastewater standards. The SLRD would then have to secure loan funding in order to complete the Phase 2 items to ensure the Bralorne system remained in compliance with the discharge permit. If construction costs continue to escalate, the SLRD expects that the cost to complete the work will be higher than what the SLRD can have it constructed for in early 2019.



Why can't the SLRD just apply for more grant funding if and when MOE requires upgrades to the Bralorne wastewater system?

Given the large amount of the Gas Tax funding received in respect of Phase 1 of this project, the SLRD does not expect that it would be the recipient of more grant funding to complete Phase 2 of the project. As well, as the Gas Tax funding received incorporates both federal and provincial grants, both sources of grant funding have been utilized by this grant.

It took over 10 years to finally secure the 2015 Gas Tax funding, so any grant-writing efforts are a long-term project that would likely not meet the deadline that MOE could impose in respect of coming into compliance with a new discharge permit.



What about pursuing private septic systems as an alternative to completing the Phase 2 work?

- The Ministry of the Environment has advised the SLRD that “it is unlikely that the Ministry will approve any amendment of the Permit that incorporates a septic discharge to a waterbody” due to new environmental regulations and permits. Additionally, the use of private septic systems was explored as an alternative completing the Phase 2 work, however due to the lot sizes and geography of the area, private septic systems are not viable options



Questions?



- For additional information regarding this project, visit:
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