



## **IN CAMERA REPORT TO COUNCIL**

**DATE:** June 5, 2017  
**AUTHOR:** Lori Wiedeman, Chief Administrative Officer  
**SUBJECT:** Sewer Treatment Location Property Purchase

---

### **RECOMMENDATION:**

That Council direct staff to investigate the properties (or the preferred property) to determine feasibility and initiate negotiations.

### **BACKGROUND:**

On April 3, 2017, Ben Greenough, Superintendent of Public Works, prepared a presentation for Council on Waste Water Treatment Plant Location Options. The presentation reviewed the findings of the 2010 Sewage Treatment and Disposal Feasibility Study and the 2013 Village/Skidegate Band Joint Sewage Treatment Concept Design Study both written by Dayton and Knight.

The ideal treatment plant siting criteria were identified as:

- Isolated from residential development and public use areas, ideally within industrial or agricultural zoned land
- A minimum of 0.11 ha (0.27 acres) and up to 0.86 ha (2.13 acres) for a 'small footprint' type of treatment plant for a population of up to 3,000
- A minimum of 6.0 ha (14 acres) for a long detention treatment such as aerated lagoons for a population of up to 3,000
- Near sea level to minimize pumping
- Located in an area that provides good integration of the effluent into the seawater mass
- Location of outfall must minimize impacts on fisheries resources and recreational use of water
- Location of treatment plant should consider the potential for odor and noise nuisance
- Must not impact archaeological sites

Options for location that were reviewed with Council included:

1. Smith Point Area
2. Central Area
3. Skidegate Landing West Area
4. Skidegate Landing East Area
5. Joint treatment and disposal with the Skidegate Band Council

At the meeting Council discussed the benefits of the options that would allow for coverage of the majority of the municipality. They also considered the additional costs of extending the water system and approximately 60 sewer service hook-ups of the additional users which were not factored into the original estimates in the reports. Selecting a location is seen as the next step in moving forward to meet both Federal and Provincial requirements and would allow us to focus in on design options suitable to the site.

**Village of Queen Charlotte – Sewer Treatment Location Property Purchase**

Page 2

---

This staff report will focus on the following two properties in the Skidegate West Area that the Village could consider purchasing for this purpose.



**Property #1 – 009-020-047 No-Plan 18, 4603 Martynuik Road assessed at \$417,000**

The first property is an approximately 80 acre lot owned by Sheila Karrow. The pros and cons of purchasing this property are outlined below:

Pros	Cons
<ul style="list-style-type: none"> <li>• The location would allow coverage for the entire municipality as the developments in Skidegate Landing could be gravity fed back towards the property</li> <li>• The lot is large enough that sewer treatment could be isolated from any residential developments and public use areas through subdividing it and zoning it industrial</li> <li>• The lot is large enough to accommodate either a small footprint facility (0.27 acres to 2.13 acres) or a long detention treatment option such as aerated lagoons (14 acres)</li> <li>• While the location would likely require the sewage to be pumped up the hillside, the outfall would be gravity fed and could be configured to include secondary power generation</li> <li>• The property has two ocean side locations that could be utilized for an outfall that would minimize impacts on fisheries resources and recreational use of water</li> <li>• The existing outfall would revert to an emergency overflow for Pump Station No. 5</li> <li>• Once serviced, the remainder of the property could be subdivided and sold to help offset the costs of the land purchase and to assist with opening up new fee simple property for residential purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for Chance Find Archeological features (none pre-identified)</li> <li>• Village would need to bring Eagle Hill Road up to an appropriate standard for the Village to take over operations and maintenance</li> </ul>

This property addresses all of the ideal treatment plant siting criteria, except for being near sea level, however, the added benefit of using the gravity feed for the outfall for power generation could offset the power required for pumping up the hill. In addition, this property could assist Council with addressing our housing challenges by offsetting the land purchase costs through future subdivision and sales. Council could choose to zone the parcels specifically for conservation style subdivisions only (which could include tiny homes or cooperative housing), preserving the natural features for the enjoyment of the residents.

The property includes an oceanfront section that is bisected by a Ministry of Transportation and Infrastructure right-of-way (ROW) and the municipality could apply to have this portion of ROW transferred.

One of the biggest concerns with this location would be the potential impact on the current residential neighbors. Given the size of the property, siting and zoning of the treatment plant could take that into consideration and the takeover and maintenance of Eagle Hill Road would benefit all residents who currently pay to maintain it.

The property is currently being reassessed but will likely be priced between \$550,000 and \$600,000.

**Property #2 – Lot 1, Plan 9735 assessed at \$208,000**

The second property is a 47.78 acre lot owned by Richard McDonald. The pros and cons of purchasing this property are outlined below:

Pros	Cons
<ul style="list-style-type: none"> <li>• The location would allow coverage for the entire municipality as the developments in Skidegate Landing could be directed towards the property</li> <li>• The lot is large enough that sewer treatment could be isolated from any residential developments and public use areas through subdividing it and zoning it industrial</li> <li>• The lot is large enough to accommodate either a small footprint facility (0.27 acres to 2.13 acres) or a long detention treatment option such as aerated lagoons (14 acres)</li> <li>• While the location would likely require the sewage to be pumped up the hillside, the outfall would be gravity fed and could be configured to include secondary power generation</li> <li>• The existing outfall would revert to an emergency overflow for Pump Station No. 5</li> <li>• Once serviced, the remainder of the property <u>may</u> be able to be subdivided and sold to help offset the costs of the land purchase and to assist with opening up new fee simple property for residential purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for Chance Find Archeological features (none pre-identified)</li> <li>• Village would need to build a road to access the property and maintain it into the future</li> <li>• The Village would still need to secure an ocean side location for a new outfall</li> <li>• The property may not be able to be developed for residential purposes</li> </ul>

This property addresses most of the ideal treatment plant siting criteria, except for being near sea level and having an outfall location. While the property does have the potential to be subdivided and sold, a feasibility study would likely be required as there may be some features of the property that might make it difficult to develop for residential purposes.

There are currently no existing residential buildings on or adjacent to this property, however there is also no road access. To utilize this property for a treatment site the Village would need to build a new road which would need to be maintained into the future. This option does not include any ocean side property which could be used for an outfall so the Village would still need to secure an outfall location.

The property is currently for sale and will be publicly listed next month for between \$600,000 and \$650,000.

**ASSENT OF THE ELECTORS:**

In order to borrow the capital to make this purchase, electoral approval is required according to *Community Charter* Section 179 – loan authorization bylaws for long term borrowing, and Section 180 – elector approval required for some loan authorization bylaws.

All voters within the area of the municipality that would receive the service are eligible to vote if:

- They are a Canadian citizen,
- They are 18 years old by the date of the vote;
- They have lived in the province for the last 6 months AND in the Village of Queen Charlotte for the last 30 days\*; and
- They are not disqualified to vote

*\*Note: Non-resident property electors can vote, but only one registered owner votes based on owning one parcel of real property for 30 days before the day of registration (i.e. you can't vote more than once if you have more than one property, or more than one person on title)*

Community Charter Sections 84 – approval of the electors, 85 – assent of the electors (aka Referendum), and 86 – alternative approval process, outline the requirements that need to be met for each process. In developing this report, staff have consulted with the Ministry of Community, Sport and Cultural Development (MCSCD) to ensure that we have a good understanding of the process, and to identify the correct contact person if Council decides to move forward.

In both approaches the electors are asked to respond with a Yes or No to a specific question. The wording of the question for either process would be discussed with MCSCD, and would only have to reference that the Village is planning to borrow up to X for the purpose of purchasing property for a sewer treatment facility. The actual property selected would not be disclosed for legal reasons.

**Referendum:**

Community Charter Section 85 – assent of the electors, applies the *Local Government Act* Part 4 – Assent Voting to the municipality. Part 4 allows for voting to be conducted at the same time as a general by-election or election.

This allows for a referendum on this topic to be added to the November 2017 by-election, savings costs, however it is a process intensive approach and the MCSCD will provide additional resources/assistance as needed. If a majority votes in favor, the referendum is passed.

**Alternative Approval Process:**

Community Charter Section 86, allows for assent of the electors through an Alternative Approval Process (AAP) whereby electors are provided with an opportunity to indicate that Council may not proceed with the bylaw unless it is approved by a subsequent referendum.

Through this process assent of the electors is obtained if less than 10% of the electors respond. (i.e. less than 10% turn out to indicate that Council may not proceed without a referendum.)

**If more than 10% respond, than the AAP Fails:**

If an AAP process fails (i.e. more than 10% of the electors want Council to go to a referendum) *Local Government Act* Section 174 (2)(b) provides for the municipality to proceed to a referendum within 80 days of the failed AAP process.

To do this, the municipality should plan ahead to ensure the deadlines for both processes are met as it takes at least 60 days to meet them all. If the referendum also fails, then the municipality will need to wait 6 months before we could pose the same question again as per *Local Government Act* Section 171(2).

Therefore, if Council decides to use an AAP process, staff will have to prepare for and administer both processes.

**RECOMMENDATIONS:**

The purchase of either of these properties will allow the Village to move forward with developing and costing a design for sewage treatment and extending our water services to cover the entire municipality. It would be a significant step forward and both properties have additional potential to open up new fee simple property for residential and other development.

In some cases the AAP process can be cheaper and faster, however, as we are already planning a by-election this fall a referendum could be the quickest and most cost effective way for Council to act.

The first step in the process would be to develop a Loan Authorization Bylaw and have it approved by the Inspector of Municipalities. This must be completed prior to going forward with either a Referendum or an AAP. The application must clearly outline the elector approval process that will be undertaken and outline a clear financial plan that includes funding sources, the capital budget, cost recovery, and a tax assessment breakdown.

There are also additional requirements for municipal loan authorizations and we will need to allow between 4 and 6 weeks for processing time at the Ministry end, in addition to the time for staff to pull together the required information.

**BUDGETARY IMPACT (if applicable):**

The cost of borrowing \$600,000 at 3% interest through the Municipal Finance Authority (MFA) over 25 years would be approximately \$450,000 in interest with total payments (principal and interest) of approximately \$25,456.72 annually. No down payment is required.

**Budgeted Amount:**      N/A

**Unbudgeted Amount:**      up to \$600,000

**SIGNATURES:**



---

Lori Wiedeman, Chief Administrative Officer