

# BCID REPORT:

## OPTIONS FOR GOVERNANCE - FOLLOW UP TO OCTOBER 5 PUBLIC MEETING

October, 2009



Beaver Creek Improvement District  
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## Letter from the Board

An informal public information meeting was held on October 5, 2009 at the Italian Centre to discuss governance options for the BCID. A total of 168 signed in at the meeting, to consider "Options for Governance." This report is by way of sharing that information with all BCID residents as we consider our future choices for water provision.

Tom Reid from Sussex Consultants Ltd was hired by the Board of Trustees to lead the meeting. An independent specialist in local government and finance issues, Mr. Reid's task was to explain the options and to moderate the meeting.

He stressed that no decisions were being taken that evening - which was for information only. The focus was on our current situation and what other options are available. Questions and comments from attendees followed.

A 22-page print-out of the Power Point presentation was handed out at the meeting. It forms the basis of

## The current situation

Tom Reid began the presentation with a look at where we are now. The Beaver Creek Improvement District (BCID) serves about 2,300 people with about a thousand water connections.

The BCID is a local government, legislated by the Province and governed by elected trustees. As an improvement district, it has very limited power: water and two small parklands. Our trustees set policies but must register bylaws with the provincial government. Beaver Creek is already a part of the Alberni-Clayoquot Regional District for all other local government services, such as fire protection and recycling.

The basic water issue (that has prompted residents to

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this report. You will also find some attendees' questions and comments, along with responses from Mr. Reid, in the meeting summary section.

We trust you will find this report informative. Please don't hesitate to call any of your trustees if you have any questions or comments.

Wayne Hasler, Board Chairman

look at other governance options) flows from the changes in the Vancouver Island Health Authority (VIHA) water standard regulations. All providers of drinking water must meet these new standards by May 2011.

An upgrade plan is required by the end of December, 2009. This update could cost around \$6 million, which Beaver Creek doesn't have and would have to borrow. Because improvement districts aren't eligible for grants available to other types of local governments, some residents wished to explore the possible options.

After laying out the six possible ways Beaver Creek

Please see *Current Situation* on page 2

*Current Situation* from page 1

could proceed, Mr. Reid reminded everyone that the Regional Water Study currently underway could change the year end plan for the BCID. Pointing out that a regional approach could have some positive outcomes

*“The Regional Water Study currently underway could change the year end plan for the BCID”*

for Beaver Creek he strongly advised waiting for the results before committing to a plan that could well change in the very near future.

Those positive outcomes could be shared water supplies and treatment costs; access to grants and reduced BCID borrowing; a reduced need to change governance and as Mr. Reid put it, “no need to panic over the water plan.”

## So, what are the options?

Whether Beaver Creekers decide to change the way we’re governed or not, there are several options to choose from. Tom Reid presented six options and explained their pros and cons in detail. Of these, three were identified as less promising: contracting our water provision out to the City of Port Alberni; joining a larger improvement district consisting of Beaver Creek and Cherry Creek, or becoming a separate municipality.

In each case, these three options would not be cost saving changes. Contracting out would not make Beaver Creek eligible for grant monies, nor would forming a larger district with Cherry Creek. Becoming a separate municipality would be the most difficult to implement, and would likely see a tax rise as services such as policing would have to be taken on.

It may be surprising to some residents, but the fourth option - to remain as we are - was seen as one of the three more promising options. Very little discussion was given this option, although some attendees’ questions touched on ownership of assets which currently sits with landowners. There are also matters around representation: a directly elected board as opposed to one Regional Director (under the service area option joining

with the ACRD) and a possibly appointed board in future.

In all cases, the province and VIHA set water quality rules, and the province must approve borrowing.

A closer look at the two remaining options follows in the next section of this report.



*It's hard to choose a direction unless you know the destination.*

## The ACRD service area option

The fifth option, and one that's had some public discussion in the past few months, is to dissolve the BCID and become a service area under the Alberni-Clayoquot Regional District. At present, Beaver Creek receives multiple services from the ACRD and forms most of Electoral Area D.

Service areas within the ACRD pay their own way BCID assets (currently owned by Beaver Creek landowners) would be turned over to the ACRD to be used only for the benefit of Beaver Creekers.

As a service area, Beaver Creek would be eligible for lower borrowing and insurance rates, as well as provincial grants if available.

The disadvantages of becoming a service area are no longer enjoying local autonomy and electing local decision-makers. Further, the province will add a 5.25% burden to the parcel tax.

## The option of joining the City of Port Alberni

The sixth option Tom Reid discussed is to dissolve the BCID and join the City of Port Alberni. This system of governance affords the lowest provincial oversight, good economies of scale and good emergency coverage. The assets of the BCID would be protected and we would become eligible for grant monies and a low borrowing rate. As well, there could be a local committee to advise the Regional District.

Boundary extensions in BC aren't rare, but only the province can change boundaries. Before this option could become viable, both city and improvement district residents would need to know the impacts. As well, this option requires up to four approvals; from city council, the voters of Beaver Creek, the province and (possibly) the city voters.

The disadvantages of joining the city are the loss of local autonomy and locally elected decision makers. Beaver Creekers would be required to participate in a full array of city services (except sewers) and would likely see a rise in taxes to pay for them.

*"At this point . . . no formal discussions have been started with any of the other local governments in the area."*

## Questions & Answers about the options

Those who attended the October 5 meeting were guided through the six options and most questions had been anticipated. The 22-page report from Sussex Consultants Ltd mainly takes the form of answering those questions.

Reading through the questions and answers from the report is a good way to understand the different options. They're on the next page. Questions asked from the floor are included in the Summary.

**Would the BCID still exist?**

- The BCID would cease to exist if we formed a new municipality; joined Cherry Creek in a new, larger improvement district; joined the City of Port Alberni, or became an ACRD service area.
- If we remain as we are or contract water supply to the city, the BCID would remain intact.

**Who would have water bylaw authority?**

- The Board of trustees would retain water bylaw authority if we remain as we are, join Cherry Creek, or, in the case of contracting to Port Alberni, share authority with the city.
- If we became an ACRD service area, the Regional District board of directors would hold water bylaw authority; if part of the city, the city would hold the authority and as a new municipality, the new Beaver Creek municipal council would then be responsible for water bylaws.

**Would the water licence be transferred?**

- If we remain as we are, the license stays with the BCID; if we contract out to the city it possibly could be transferred to them. In all other cases, the water license would transfer to the body we join.

**Who would set the water budget?**

- Currently, the Board of trustees sets the budget but the province must approve. If we joined with Cherry Creek, the trustees of the new improvement district would set it and the province would still need to approve.
- If we join the city, they would set the budget (with local input.) If we choose to contract out to the city, they would be mostly responsible for setting it.
- As a new municipality, the municipal council would set the budget and as an ACRD service area, the budget would be set by the Regional District board of directors (with local input.)

**Would we have access to infrastructure grants and lower borrowing rates?**

- Only in three cases: become an ACRD service area, join the city of Port Alberni, or, become a new municipality.

**Who would be responsible for water debts?**

- Responsibility for water debts always begins with taxpayers. Currently, Beaver Creek taxpayers have sole responsibility for water debts, and only those incurred by Beaver Creek. This would remain so in the case of contracting to the city.
- In all other cases, water debt responsibility is shared. Under a new improvement district arrangement with Cherry Creek, taxpayers in both areas would be jointly responsible.
- As part of the city, Beaver Creek taxpayers, the whole city and the whole Regional District are responsible. As an ACRD service area Beaver Creek and the entire Regional District share the responsibility.

**Would elector assent be required for borrowing?**

- Only in three cases: as an ACRD service area; as part of the city; or as a new municipality. In all other cases, the province can direct improvement districts to seek elector assent.

**Would an alternate approval process be allowed for borrowing?**

- Yes, in every case.

**Who would be responsible for land use planning and zoning?**

- Currently the Regional District board of directors is responsible for land use planning and zoning. This would remain the case in every option except joining the City of Port Alberni or forming a new Beaver Creek municipality.

**Who would be responsible for roads and policing?**

- In all governance options except joining the

city or forming a new municipality, responsibility for roads would remain with the province. Municipalities are responsible for their own roads.

- Except in the option of joining the city, policing would remain a provincial responsibility via the RCMP. Also, in the case of forming a new Beaver Creek municipality there is a grace period where provincial policing would continue but after that time the municipality would have to provide its own police body.

**What approvals would be needed to implement a change in governance?**

- To become a service area, the Regional

District and province must approve, and under some circumstances, so must the improvement district board.

- For contracting to the city, approvals would be required from the BCID, city and province.
- To join the city, both the Port Alberni city council and the Beaver Creek voters must approve - and possibly, the voters in Port Alberni. As in all cases, so must the province.
- Joining Cherry Creek in a new improvement district would need approval of both boards and the province.
- Only the Beaver Creek voters and the province must approve forming a new municipality.

## Summary of October 5 meeting

In summary, Beaver Creek must improve its water quality. We must either fund this on our own, or look to sharing water improvement costs - depending on the outcome of the regional water study currently in progress. It's hoped the study will be ready by December.

It could have a major impact on the need for Beaver Creek to consider different governance models. One attendee summed it up as having been provided with good information, but "we're in a holding pattern until the study is completed."

Tom Reid recommended the Board first look at the study results before taking any decision. The trustees should know if the regional model has merit and offers Beaver Creek some opportunities.

Another resident asked if the regional water plan

doesn't work out will the BCID be ready with an alternative plan. Mr. Reid responded that the board could refine a plan once it sees the regional study. Participating in a regional water supply could be available under all the governance options.

Of the six options reviewed at the meeting, the three most promising were identified as: joining the City of Port Alberni; becoming a Regional District service area; or, staying as we are.

A concern was raised over transferring assets to the Regional District and having the deal go sour. Could we get our assets transferred back? Mr. Reid replied that a change in governance model "should be viewed as a long term solution and the notion of 'reverting back' may not apply."

Two other concerns about the use of assets and protecting our investment were also voiced by attendees. Currently, the assets of the BCID are owned by Beaver Creek landowners. Under

transfer, these would pass to another body to be used for the benefit of Beaver Creek, but would no longer belong to the landowners.

There was a question about the city's ability to expand to take in some of, but not the entire improvement district. Mr. Reid said it would be legally possible but that it would require provincial approval and the province seems to prefer not to split a service delivery agency, such as the BCID.

In general, attendees seemed prepared to wait for the regional study before making any firm choice about changing governance styles in Beaver Creek.

### What's next?

- Listen to your feedback & questions. Please write your Board of trustees with questions and comments.
- Wait for the regional water study completion.
- Reconsider timing of the water treatment plan.
- Look again at governance when the regional study is done.