

## FAQs

### Why do we need a new water treatment facility?

We need a new water treatment facility in order to comply with the terms of our water system permit, and to meet the filtration standards of the BC Surface Water Treatment regulation enforced by the Province. In 2013, Island Health (VIHA) amended our “Permit to Operate a Water Supply” to require a water filtration system that will meet the BC Surface Water Treatment Objectives by January 31, 2018. More information on the BC Surface Water Treatment regulation is available here:

<http://www.viha.ca/mho/water/>

<http://www2.gov.bc.ca/assets/gov/environment/air-land-water/surfacewater-treatment-objectives.pdf>

In addition to improving the quality of our drinking water, the new facility will also allow us to improve the reliability of our drinking water supply. We will be able to draw water from both sources (Holland Lake and Stocking Lake) even during high turbidity periods (generally in winter) thus enabling us to better manage our water sources year round.

In keeping with our Sustainability Vision, the new facility will be a piece of modern infrastructure that will help us meet both our current and future needs for clean, safe and reliable drinking water.

### What happens if we do not build a new water filtration plant?

If we do not build the Water Filtration Plant, we won't meet the water filtration standards of the BC Surface Water Treatment regulation, and we won't meet the terms of our Water Supply Operating Permit. This could lead to penalties imposed on the Town by Island Health of up to \$200,000 per day.

### Our water has always been fine. We don't even have boil-water advisories. Why is Island Health saying that we need to meet these water filtration standards now?

It's important to note that our water quality has not changed, but the science that measures water quality and sets safety and quality standards has advanced considerably.

Water suppliers are responsible for delivering safe drinking water that meets the requirements of the [Drinking Water Protection Act](#) and [BC Surface Water Treatment Objectives](#), as well as the conditions set out in their operating permits. Ladysmith draws our water supply from Holland and Stocking Lakes – this is considered a surface water supply. For surface water sources, the BC Ministry of Health has developed the “Drinking Water Treatment Objectives (microbiological) for Surface Water Supplies in British Columbia.” This is commonly referred to as a 4-3-2-1 system setting acceptable standards for certain parasites, viruses, types of treatment and turbidity in the water.

In our regular testing program, Ladysmith's water has been found to exceed permitted turbidity levels on certain occasions. (Turbidity is the amount of organic and inorganic matter in the water, which usually gets stirred up during a heavy rain.) In 2013, Island Health (VIHA) therefore amended our “Permit to Operate a Water Supply” to require a water filtration system by January 31, 2018.

While we are fortunate that we have not had to issue boil water advisories, most important of all is to make sure that Ladysmith's water is reliable, safe and secure at all times and that it meets the government's quality standards. Our new filtration system will ensure that.

<http://www.viha.ca/mho/water/>

Ladysmith Water Filtration Plant  
Loan Authorization Bylaw 2016, No. 1920

<http://www2.gov.bc.ca/gov/content/environment/air-land-water/water/water-quality/drinking-water-quality/how-drinking-water-is-protected-in-bc>

<http://www2.gov.bc.ca/gov/content/environment/air-land-water/water/water-quality/drinking-water-quality>

<http://www2.gov.bc.ca/assets/gov/environment/air-land-water/surfacewater-treatment-objectives.pdf>

### **How long will it take to build the new water treatment facility?**

It will take approximately 2 years to build the new water filtration plant facility. We hope to have the new plant in operation by mid 2019.

### **How much will the new water treatment facility cost?**

The total cost of building the water filtration plant is estimated to be \$13.3 million. We have a grant of \$8.8 million from the federal and provincial governments for this project and need to borrow up to \$6 million to fund the Town's share of construction costs and contingencies.

### **What is the Town's plan for borrowing and what are the tax implications for residents?**

We believe that long-term borrowing is the best option for residents. The annual cost to citizens is lower; in addition, spreading the repayment of the debt over a longer period of time better reflects the longevity of the new infrastructure and more fairly distributes the cost to all users over time.

The cost of borrowing this money will mean an increase in the annual parcel tax for residents, and was included in the adopted 2016 to 2020 Financial Plan.

Borrowing over the long term (25 years) means a lower increase in annual parcel tax than borrowing over the short term (5 years).

- Borrowing for 25 years at an estimated interest rate of 3.58% would mean residents need to pay an additional \$99 in parcel tax or a total in 2017 of \$309.

Knowing that this construction was pending, Council increased the water parcel tax in 2016 to minimize the effect of the borrowing in 2017.

### **How does the Town obtain approval from residents for long-term borrowing?**

As set out in the [Community Charter](#), if a local government wants to borrow money for a term longer than 5 years, it has to be done through a bylaw, and that bylaw must be approved by the electors. Even though we are required to build a new water treatment facility by Island Health, we must still get elector approval to borrow the funds to build the plant. The legislation is very specific about how a local government is to secure this elector approval: through an Alternative Approval Process (AAP), and/or through a Referendum. Council has decided to use the Alternative Approval Process.

### **What is an AAP?**

An AAP – Alternative Approval Process -- is the process most commonly used by local governments in British Columbia for approval of borrowing bylaws. In an AAP, people who do not support the borrowing bylaw must sign and submit an 'elector response form' indicating their opposition. The AAP form submission period must be at least 30 calendar days. If 10 per cent or more of the eligible voters submit such a form, the AAP is deemed to have failed. In such a situation, the bylaw must be taken to Referendum within 80 days, and succeed, in order for it to be adopted.

### **What is a referendum?**

A referendum is essentially an election and must be conducted in a very similar manner, as laid out in the Local Government Act. As in a general election, the majority of votes (either for or against the bylaw) determine the outcome of the referendum. A referendum is generally an 80-day process that starts after the Town received approval of its borrowing bylaw from the Inspector of Municipalities.

### **What do voters need to do?**

If you support borrowing up to \$6 million to build a Water Filtration Plant, you don't need to do anything.

If you do not support the borrowing bylaw, you must complete and sign an elector Response Form, and submit it to City Hall by 4:00 p.m. on Wednesday, April 12. You can get the form at City Hall, Development Services, Public Works, the Frank Jameson Community Centre, and the Library. You can also download it from our [website](#).

### **Why are you holding an AAP? I think a referendum is a more fair and transparent way to get voter approval.**

Alternative Approval Process is the method most commonly used by local governments in BC to seek voter approval. If we were to hold a referendum (which is much the same as holding an election), it would take longer, and would cost \$20,000 to \$25,000. Time is of the essence in building the water filtration plant, as the Town's Permit to Operate a Water Supply System requires us to be using water filtration by January 2018 or risk fines for not complying with the terms of our permit.

Island Health requires the Town to have water filtration. There is no choice in the matter. The *Community Charter* requires the Town to seek voter approval to borrow funds to meet Island Health requirements. Given this specific situation, Council determined that the AAP is the most time- and cost-effective way to get voter approval so that we can begin construction of the new plant.

### **I don't believe in water filtration. Why do we have to do it at all?**

In order to supply clean, safe, reliable water to Ladysmith residents and our current partners, we need a "Permit to Operate a Water Supply System". The permit is supplied by Island Health (VIHA). Island Health has determined that Ladysmith must build a water filtration system in order to meet the provincial and national standards for a surface water supply system and the terms of our operating permit. To discuss water filtration, or learn more about provincial regulations and requirements, contact Island Health <http://www.viha.ca/mho/water/>

### **How does water filtration benefit me?**

Providing clean, reliable water to our citizens and neighbours is foundational to ensuring our Town remains economically vibrant, physically healthy, and financially sustainable. This is an important investment in the future of our community. When the project is completed in 2019, we will have reliable, quality water to serve the needs of our community for decades to come.

## **Recent public questions**

### **How can VIHA (a non-governmental body) mandate the Town of Ladysmith to provide water filtration?**

Like other health authorities in BC, VIHA is granted the authority to mandate water filtration and other drinking water protection measures by the provincial government. Health authorities' drinking water officers have a mandate to apply and enforce compliance with provincial regulations including the *BC Drinking Water Protection Act* and *Drinking Water Regulation*.

### **Why do we have to borrow an additional \$1.5 million cushion? Can't we borrow just what's needed and ensure costs are kept to this amount?**

Estimating a contingency for such a large capital project is wise financial planning. Additionally, requesting authorization from the public to borrow funds requires the Town to spend time and money, so we only want to go out to the public to request approval for this project once. We will only borrow the amount necessary. For example, if the public authorizes \$6 million, but construction only costs \$5.4 million, we will only borrow \$5.4 million.

### **Is the \$309 parcel tax just for this project?**

No. \$309 is the total water parcel tax amount for 2017 and includes the \$99 increase to help cover the cost of the new filtration plant.

### **How much will taxes increase over the next 25 years? Is there a ladder of escalation?**

There are currently no available estimates for tax increases over the next 25 years. For this project, there is an estimated cost of \$99 per parcel per year based on borrowing the full \$6 million. We do not expect any other increases to cover this debt payment.