

DATE: October 1, 2019**FILE:** 0400-60/UBID**TO:** Chair and Directors
Committee of the Whole**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer*R. Dyson***RE: UBID Request to Undertake Governance Study****Purpose**

To inform the Comox Valley Regional District (CVRD) Board of Directors about a request from the Union Bay Improvement District (UBID) to undertake a governance study, identify the CVRD's role in such a study and recommend a broad scope of services for such a study.

Recommendation from the Chief Administrative Officer:

THAT the Comox Valley Regional District, in partnership with the Union Bay Improvement District, support an application to the Ministry of Municipal Affairs and Housing for a restructure planning grant and infrastructure planning grant that would:

- conduct a condition assessment of Union Bay Improvement District assets and liabilities
- analyze the governance options to remain as an improvement district or convert the street lighting, water supply and distribution and fire protection services to regional district services; and
- develop and execute a communication plan that:
 - o assesses public perspective on the topic of Union Bay governance and service delivery; and
 - o informs the public on potential outcomes from the assessment and governance models.

Executive Summary

The CVRD has received correspondence from the Union Bay Improvement District dated August 9 and September 20, 2019 (Appendix A) and Ministry of Municipal Affairs and Housing dated August 30, 2019 (Appendix B) providing information about a potential governance study and conversion process for the Union Bay community. The CVRD's role in such a study would be to jointly coordinate the funding and contract services that would compile information and describe potential outcomes for a range of options. A fulsome description of improvement district conversions is available at https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/governance-powers/improvement_district_conversion_guide.pdf

CVRD staff are recommending that the Board agree to apply for grant funding with UBID and the Ministry of Municipal Affairs and Housing in a collaborative fashion. The assessment will highlight the condition of infrastructure for the water and fire protection services, including the notation of older and/or dangerous components. The existing arrangement of Langley Lake as the water source and the Langley Lake dam condition will also be identified, as best as possible.

A robust communications strategy must be developed alongside the condition assessment, such that information about local government service delivery is provided and also public interests are

identified. Follow-up public engagement would then provide the study findings and illustrate the expected outcomes to continue as an improvement district or follow a conversion process to regional district services. A conversion study, if approved by the CVRD Board and supported by UBID and the Ministry, could begin later this year with the bulk of condition assessment and community engagement occurring in 2020. Should the Union Bay community move towards converting the improvement district services to regional district services, a clear decision by either the UBID Board of Trustees or the electors through UBID’s voting process would be necessary by September 2020. If a conversion is supported, an effective date of January 1, 2021 would be sought.

Prepared by:

J. Warren

James Warren
General Manager of Corporate
Services

Stakeholder Distribution (Upon Agenda Publication)

Gord Mason, UBID CAO	✓
Marijke Edmondson	✓

Attachments: Appendix A – “UBID correspondence dated August 9 and September 20, 2019”
Appendix B – “Ministry of Municipal Affairs and Housing dated August 30, 2019”

Union Bay Improvement District

Post Office Box 70
5579B. South Island Highway
Union Bay, BC V0R 3B0

Phone: 250-335-2511
Fax: 250-335-1178
Website: www.union-bay.ca
E-mail: admin@union-bay.ca

Providing Water, Fire Protection and Street Lighting to Union Bay

August 9, 2019

Marijke Edmondson,
Director of Governance Structures
Ministry of Municipal Affairs and Housing

Dear Marijke Edmondson

Re: Union Bay Improvement District Governance Study

The Union Bay Improvement District Board (UBID) has unanimously supported making a request to the Ministry of Municipal Affairs and Housing for a study to examine alternate governance options for UBID.

The UBID Board of Trustees would like to look at three following governance options for the landowners of Union Bay as follows:

1. Remain as an Improvement District
2. Conversion to a Comox Valley Regional District (CVRD) Service
3. Become a Stand-Alone Municipality

As Trustees we would like to see the Ministry support this study from a financial perspective that would include the following steps:

Governance study by a third-party non partial consultant looking at the three options above by taking the following steps:

1. Governance Study (Including a Cost Benefit Analysis)
2. Public Education Program and meetings
3. Public Referendum Vote

Additionally, UBID has completed or started all the governance compliance issues stated in the letter from you to Gordon Mason CAO on March 19, 2018 as follows:

1. The UBID Water Treatment plant is well underway, we are 88 days (Aug 7, 19) into a 290-day contract, with estimated completion in the second quarter of 2020.
2. Implementation of the new billing system is complete.
3. All local general elections have been completed from both a UBID and CVRD perspective.

Union Bay Improvement District

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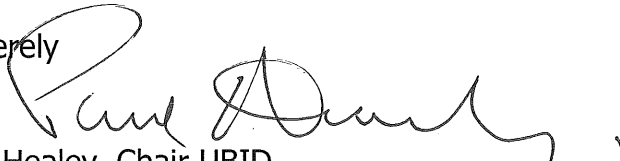
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The UBID Board met with CVRD senior staff and Daniel Arbour (Area A elected representative) on July 30, 2019 and we all realize that the CVRD will need to send a letter to the Ministry requesting grant money from your Restructure Planning Grant Program. So, while the CVRD would be the recipient of the grant, it is the Ministry's grant program and thus the Ministry would be paying for the study, not the CVRD.

The UBID board appreciates the Ministry's consideration for this request and look forward to continuing collaboration with the CVRD and taking the next steps in the governance study of UBID.

Sincerely



Paul Healey, Chair UBID

CC: Russell Dyson, CAO, CVRD
Catherine Lee, Senior Program Analyst, Governance Relations
Brent Mueller, Director, Governance Relations
Trustees UBID

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Providing Water, Fire Protection and Street Lighting to Union Bay

September 20, 2019

Comox Valley Regional District

600 Comox Rd

Courtenay BC

V9N 3P6

Dear Sirs:

Attention: Russell Dyson & Daniel Arbour

Further to our letter to the BC Government of August 9th 2019 and the reply from the BC Government - Governance Structures dated August 30, 2019. The board of trustees of the Union Bay Improvement District (UBID) is in agreement with the province proceeding with a governance review that includes a cost benefit analysis in regards to governance change. This will then allow us to proceed with a referendum vote by the landowners to decide our future.

The government is asking for concurrence that the Electoral Area Director and the Comox Valley Regional Board are prepared to take a leadership role. We ask both parties to provide their approval to this process and advise the BC Government and Union Bay Improvement District of your decision.

We are in support of this study being started as soon as possible. Our board of trustees and staff are available to assist in the process. If you have any questions or concerns, we ask that you contact the writer.

Sincerely,



Paul Healey, Chair, UBID

CC: Brent Mueller, Director, Governance Relations, Governance and Structure Branch

Catherine Lee, Senior Program Analyst | Governance Relations



Ref: 249162

August 30, 2019

Paul Healey, Chair, and Trustees
Union Bay Improvement District
Post Office Box 70
5579B South Island Highway
Union Bay, BC V0R 3B0

c/o - email: gmason@union-bay.ca

Dear Chair Healey, and Trustees:

Thank you for your letter of August 9, 2019 requesting a governance study for the Union Bay Improvement District (UBID).

I am pleased to hear that construction of the water treatment plant is underway and the Board has turned its attention to discussing governance and reaching agreement on an approach. Undertaking a governance study requires thoughtful consideration to ensure that the study addresses the most pressing governance interests of UBID and the community in a timely manner.

I can appreciate the desire to explore incorporation, particularly given the close outcome of the incorporation vote in 2006 and the remaining interest that some of the community may have in this option. An incorporation study process is, however, a major endeavor and it is not unreasonable for process establishment, preliminary analysis, public examination and engagement to take more than year, after which comes consideration of whether to proceed to a vote for incorporation.

Incorporation can be a contentious issue for a community in the best of circumstances. Over the past two years there is already evidence of significant community discord in Union Bay, given the governance challenges the Board has had and the contentious interactions that have occurred between the Board and members of the public.

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Paul Healey

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In that context a study focusing solely on service conversion seems prudent at this point in Union Bay's evolution, as consolidation of service provision under a single local government provides a solid foundation for further consideration of more significant governance change in the future.

Once the community has had some time to operate under services administered by the regional district, a study process could focus on less personal and charged issues when comparing governance structures and moving towards a restructuring decision if there remains significant community interest in revisiting municipal incorporation.

In order to proceed with planning for a study, the Ministry will need an indication that the Electoral Area Director and the Comox Valley Regional District (CVRD) Board are prepared to take a leadership role in the study.

This can be signaled in a letter outlining the CVRD's willingness and capacity to accept transfer of the services currently provided by UBID and its support for a study to look at the pros and cons of service conversion.

Once this correspondence is received and agreement has been reached on the study's scope, the Ministry will be able to consider the request for staff time and financial resources to support a governance study for UBID.

Sincerely,



Marijke Edmondson
Director, Governance Structures

Pc: Russell Dyson, Chief Administrative Officer, Comox Valley Regional District