

DATE: May 4, 2021

FILE: 0400-60/Union Bay

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Union Bay Improvement District Conversion Update

Purpose

To provide an update on the Union Bay Improvement District (UBID) conversion to the Comox Valley Regional District (CVRD) and to seek confirmation on certain related matters.

Recommendations from the Chief Administrative Officer:

1. THAT staff be directed to bring forward the service establishing bylaws for the Union Bay Water Service, Union Bay Fire Protection Service and Union Bay Street Lighting Service for first, second and third readings;

AND FURTHER THAT the Board authorize participating area approval for Electoral Area A to be given by the Electoral Area Director consenting in writing to adoption of such service establishing bylaws in accordance with Section 347 of the *Local Government Act*.

2. THAT the board support the continuation of the advisory body known as the Union Bay Improvement District Working Group to provide advice and input respecting all matters relating to the Union Bay Water Service, Union Bay Fire Protection Service and Union Bay Street Lighting Service;

AND FURTHER THAT the working group meet as required until September 30, 2021.

Executive Summary

- The formal conversion of the UBID to the CVRD is a key project being advanced cooperatively with the support of the Ministry of Municipal Affairs. The conversion of UBID's fire, water and street lighting services to the CVRD has been set for July 1, 2021.
- This report is being provided to assist with the conversion process by addressing a number of matters that require board confirmation or are of value to share for information purposes, including:
 - introduction of the required service establishment bylaws; and
 - confirmation of the continuation of the information advisory body.

Prepared by:

J. Warren

James Warren
Deputy Chief Administrative Officer

Concurrence:

J. Martens

Jake Martens
General Manager of Corporate Services

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Union Bay Improvement District (Chair, Trustees and Chief Administrative Officer)	✓
Ministry of Municipal Affairs, Governance and Structure Branch (Catherine Lee)	✓

Background/Current Situation

UBID and the CVRD are working together to plan the transition of water, fire protection and street lighting services to the CVRD this summer. The work follows the results of the November 2020 referendum, where residents in Union Bay voted 72 per cent in favour of converting services to the regional district.

Since December, the CVRD has worked closely with an advisory group that consists of UBID and CVRD representatives as well as a Ministry of Municipal Affairs. Regular dialogue is held on aspects of the conversion including communications and service delivery. Within the CVRD, seven sub-teams are identified to address the range of activities that must be acted upon for a conversion of this scale.

The sub-teams and a few of their higher profile tasks are provided in Appendix A. Amongst the various items noted, this report recommends a few specific actions to advance the conversion process.

Policy Analysis

Section 45 of the *Local Government Act* (LGA) provides the authority for the Lieutenant Governor in Council to continue the service(s) of an improvement district as a service(s) of a regional district. Order in Council (OIC) No. 221 provides that services of the UBID are continued as regional district services. As such, the CVRD is charged with adopting a bylaw for each service that describes the key purpose and features of the continued service. This bylaw may be adopted using the rules for amending existing service establishment bylaws and is then deemed to be a service establishment bylaw.

Options

While timing is critical concerning a number of the matters considered by this report, the committee may defer consideration of any of the noted recommendations or request further information to help inform alternative direction(s) or other potential action. The close proximity of the July 1st conversion date is noted so it is recommended that the committee seek to advance the necessary decisions to support an orderly transition.

Financial Factors

Converting UBID services to the CVRD requires a substantial undertaking for the financial services department. Specific tasks include importing the water, fire and street lighting budgets, building new accounts for billing purposes, establishing required reserve funds specific to the Union Bay services, updating all financial arrangements associated with debt and borrowing and incorporating the UBID practices to the CVRD. A strong connection between the CVRD financial services staff and UBID administrative staff will be central to the transfer of accounts and building knowledge.

The financial services department will work closely with current UBID staff and the engineering services team to investigate the process for shifting the bi-monthly billing cycle for water supply to a quarterly billing cycle. A subsequent report will present the required bylaw changes.

Legal Factors

On April 6, 2021 OIC No. 221 was approved and ordered by the Lieutenant Governor in Council authorizing, effective July 1, 2021, that:

- Letters Patent incorporating UBID are revoked and the UBID is dissolved; and
- Assets, obligations, and references of/to the UBID are transferred to and assumed by the CVRD.

This order, made under the authority of the LGA is the legal instrument to confirm the above-noted changes. As the CVRD does not yet have establishing bylaws for the three UBID services, the OIC deems the services to be established but still requires the CVRD to adopt a bylaw for each service on or shortly after the effective date of the OIC.

The bylaws and resolutions of the UBID continue in force as bylaws or resolutions, as the case may be, of the CVRD until those bylaws or resolutions are amended or repealed by the CVRD.

Regional Growth Strategy Implications

The dissolution of the UBID and conversion of its fire, water and street lighting services to the CVRD means these services will continue to be provided to the residents and businesses in Union Bay. In this regard, service provision by the CVRD allows for enhanced consideration of the relevant impacts and outcomes in relation to the Comox Valley Regional Growth Strategy (RGS) goals and objectives. Given the nature of UBID's services, two primary policy areas are noted for their relevancy:

- Infrastructure: Provide affordable, effective and efficient infrastructure that conserves land, water and energy resourced;
- Public health and safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being.

In addition, the UBID services are specifically integrated to the growth and development of Union Bay. As the local community is identified as a Settlement Node within the RGS, planning policy has been developed that is aligned with the significant planned capacity to accommodate new growth. This anticipated growth requires prudent management of each of the services to ensure provision and sustainability.

Intergovernmental Factors

The general transition of services and the specific matters addressed in this report have been considered through regular meeting of the UBID working group. This informal advisory body consists of representatives from each of the concerned parties, including UBID Chair Ian Munro, Trustee Susanna Kaljur, Union Bay resident Carol Molstad, UBID Administrator Gary Nason, CVRD Director Daniel Arbour, CVRD Deputy Chief Administrative Officer James Warren, CVRD General Manager of Corporate Services Jake Martens and Ministry of Municipal Affairs staff member Catherine Lee. Given the considerable detail and complexity in undertaking a conversion of this size, the advisory body has provided valuable insights and guidance to assist in ensuring an orderly transition. This report recommends the continuation of the advisory body through the conversion until September 30, 2021 in order to support post conversion decision-making on service-related matters.

As a result of the UBID conversion, the CVRD is awarded \$25,000 from the Province of BC to assist with conversion activities. The funds are primarily identified to support records transfer, administrative integration and legal expenses associated with conversion. Additional funds are being sought to support some of the outstanding activities such as a water master plan, infrastructure assessments and long range planning for fire service apparatus and potentially a new hall.

Subsequent financial plans will present options related to the longer term planning and asset management.

Interdepartmental Involvement

The conversion of the UBID to the CVRD has necessitated considerable interdepartmental collaboration between a number of internal functions, including: Communications, Legislative Services, Fire Services, Water Services, Financial Services, Facilities and the Office of the Deputy Chief Administrative Officer.

Citizen/Public Relations

In the context of the COVID 19 pandemic and Public Health Orders requiring physical distancing and limiting public gatherings, staff has developed a communication plan working in partnership with UBID educating residents regarding the transition. Elements include a virtual open house and newsletter directly mailed to residents this spring. The current UBID website will be redirected towards www.comoxvalleyrd.ca/ubid on July 1. The CVRD website will be the primary source of information and relevant past information will be brought over to the CVRD website prior to conversion.

In addition, communications through the UBID website, utility billing, Chair Munro updates and inclusion in CVRD newsletters is also ongoing.

Attachments: Appendix A – UBID Conversion Activities and Priorities (dated May 2021)

Appendix A - UBID Conversion Activities and Priorities (May 2021)

Water Treatment and Supply

Transition Item	Status
Water services transition to CVRD	<ul style="list-style-type: none"> • Existing UBID water operations staff to continue providing supports after July 1; longer term consideration for integrating Union Bay water service with CVRD services, including immediate support for on-call and standby activities • Reviewing options for connecting Mcleod Road treatment facility site to CVRD information technology network
Asset management and water master plan	Ongoing study work with UBID and consulting engineers; scope of work expected for May 2021
Water treatment plant facility upgrades for washrooms and office	Awaiting UBID decision on procuring facilities, recent direction appears to be constructing a stand-alone custom building;
Statement to property owners and developers regarding water supply capacity	Legal review of existing agreements and commitments for water supply including a public statement on capacity

Fire Services

Transition Item	Status
Fire service transition	Collaboration between CVRD and UBID fire operations staff ongoing; includes discussions with local fire services association
Future apparatus and fire hall needs	To be considered as part of service operations and subsequent budget processes
Staffing	Fire Chief and Deputy Fire Chief services – transition to CVRD <ul style="list-style-type: none"> • UBID provides fire protection services currently led by Fire Chief and Deputy • Ongoing discussions to determine required operational staffing model • No disruption in fire protection service through completion of conversion
Finance/accounting	Operational grant funding to be administered through service agreement with Union Bay Firefighters Association (similar to other CVRD fire protection services) – expected implementation late 2021

Appendix A - UBID Conversion Activities and Priorities (May 2021)

Street Lighting

Transition Item	Status
Asset inventory	Completed
Transition to CVRD	Proceeding with amending existing agreements with BC Hydro to transfer from UBID to CVRD

Finance

Transition Item	Status
General transition	<ul style="list-style-type: none"> • UBID effective year-end audit and close-out (June 30, 2021) • Financial plan transition to CVRD to be supported through data migration and staff collaboration <ul style="list-style-type: none"> - Revenue collection - Expenditures - Reserves
Utility billing	Intent to shift billing cycle from bi-monthly to quarterly; requires bylaw amendments, setting up bill payments – will be subject to subsequent staff report

Administration

Transition Item	Status
Records Management	Collection and transfer of UBID records – hardcopy and electronic retrieved and sorted for inclusion with CVRD records management system.
UBID Office	<ul style="list-style-type: none"> • UBID administration office to close June 30, 2021 • Mailing address changes, drop box for cheques and payments
Website	Website transition to specific service pages on CVRD website and project page at www.comoxvalleyrd.ca/ubid
Bylaws	<ul style="list-style-type: none"> • UBID bylaws retrieved as part of above-noted records collection. Incorporating to CVRD bylaw index. • Service establishment bylaws for Union Bay Fire Protection, Union Bay Water Service and Union Bay Street Lighting Service proposed
Legal	Submission of necessary applications to Land Titles BC to occur after conversion date to transfer all property titles from UBID to CVRD
Advisory Body	Recommendation to CVRD Board for continued use of the UBID Working Group for three months post-conversion to support transition

Appendix A - UBID Conversion Activities and Priorities (May 2021)

Human Resources

Transition Item	Status
Employee transition	<ul style="list-style-type: none"> • Merger agreement to describe employment conditions for UBID staff • Offers to UBID CUPE employees to transition to CVRD employment • Adding Union Bay personnel to CVRD systems for payroll and benefits
General	Connectivity for staff (cell phones, email accounts, etc)

Communications

Transition Item	Status
Public information and engagement	<ul style="list-style-type: none"> • Newsletter as part of UBID utility bills in early May • Virtual open house scheduled for May 18, 2021 • Direct mail in June 2021 to describe impacts, changes to contact information including for emergency calls, how to submit payments including a fridge magnet on who to call at CVRD
Website	Dedicated conversion and service pages following conversion, FAQs A redirect of the current UBID page (www.union-bay.ca) to the CVRD (www.comoxvalleyrd.ca/ubid) will be effective July 1